

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2010**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Mar-10 RM'000	Corresponding Quarter Ended 31-Mar-09 RM'000	Current Year-to-date Ended 31-Mar-10 RM'000	Corresponding Year-to-date Ended 31-Mar-09 RM'000
Revenue	50,928	163,228	50,928	163,228
Cost of Sales	(51,456)	(117,045)	(51,456)	(117,045)
Gross Profit	(528)	46,183	(528)	46,183
Other income	14,781	4,422	14,781	4,422
Operating expenses	(6,878)	(14,594)	(6,878)	(14,594)
Finance costs	(5,231)	(10,303)	(5,231)	(10,303)
Share of results in an associate	2,033	-	2,033	-
Profit before taxation	4,177	25,708	4,177	25,708
Income tax expense	(549)	(3,640)	(549)	(3,640)
Profit for the period	3,628	22,068	3,628	22,068
Attributable to:				
Equity holders of the Company	3,599	18,648	3,599	18,648
Minority interests	29	3,420	29	3,420
	3,628	22,068	3,628	22,068
Earnings per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	1.21	6.27	1.21	6.27
b) Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual
Financial Report for the financial year ended 31 December 2009)

PETRA PERDANA BERHAD (Company No. 372113 - A)
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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 31-Mar-10 RM'000	Corresponding Quarter Ended 31-Mar-09 RM'000	Current Year-to-date Ended 31-Mar-10 RM'000	Corresponding Year-to-date Ended 31-Mar-09 RM'000
Profit for the period	3,628	22,068	3,628	22,068
<i>Other comprehensive (expense)/income</i>				
Currency translation differences arising from consolidation	(26,836)	27,097	(26,836)	27,097
Total Comprehensive (Expense)/Income for the period	(23,208)	49,165	(23,208)	49,165
Attributable to:				
Equity holders of the Company	(23,225)	45,701	(23,225)	45,701
Minority interests	17	3,464	17	3,464
	(23,208)	49,165	(23,208)	49,165

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction
with the Annual Financial Report for the financial year ended 31 December 2009)**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	31-Mar-10	31-Dec-09
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	495,541	460,698
Investment in an associate	92,837	90,319
Intangible assets	27,507	27,507
Deposits	60,357	75,106
Deferred tax assets	46	46
	<u>676,288</u>	<u>653,676</u>
CURRENT ASSETS		
Inventories	7,789	5,533
Trade receivables	47,836	46,269
Other receivables	48,896	74,673
Amount owing by an associate	46,649	51,649
Amount owing by related parties	27,372	38,194
Tax recoverable	4,785	5,057
Fixed deposits with licensed banks	26,239	158,437
Cash and bank balances	17,946	21,288
	<u>227,512</u>	<u>401,100</u>
Non-current asset classified as held for sale	-	86,361
	<u>227,512</u>	<u>487,461</u>
TOTAL ASSETS	<u>903,800</u>	<u>1,141,137</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	148,800	148,800
Reserves	356,599	414,869
SHAREHOLDERS' EQUITY	<u>505,399</u>	<u>563,669</u>
MINORITY INTERESTS	597	580
TOTAL EQUITY	<u>505,996</u>	<u>564,249</u>
NON-CURRENT LIABILITIES		
Deferred taxation	2,057	2,060
Long-term borrowings	164,764	227,063
Retirement contribution obligations	255	241
	<u>167,076</u>	<u>229,364</u>
CURRENT LIABILITIES		
Retirement contribution obligations	43	39
Trade payables	26,976	30,025
Other payables	78,852	94,992
Derivative financial liabilities	155	-
Amount owing by an associate	1,081	1,975
Amount owing to related parties	29	236
Short-term borrowings	121,993	218,019
Provision for taxation	1,599	2,238
	<u>230,728</u>	<u>347,524</u>
TOTAL LIABILITIES	<u>397,804</u>	<u>576,888</u>
TOTAL EQUITY AND LIABILITIES	<u>903,800</u>	<u>1,141,137</u>
NET ASSETS PER ORDINARY SHARE (RM)	1.70	1.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction
with the Annual Financial Report for the financial year ended 31 December 2009)

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

	31-Mar-10	31-Mar-09
	RM'000	RM'000
Cash flow (for)/from operating activities		
Profit before taxation	4,177	25,708
Adjustments for:		
Allowance for doubtful debts	-	1,105
Amortisation of prepaid lease payments	-	32
Depreciation	8,443	11,416
Gain on disposal of property, plant and equipment	-	(26)
Gain on disposal of non-current asset classified as held for sale	(8,316)	(1,952)
Unrealised gain on foreign exchange	(4,157)	(337)
Share of results in an associate	(2,033)	-
Interest expense	5,174	10,303
Fair value loss on derivative financial instruments	155	-
Inventories written off	-	5
Interest income	(2,220)	(1,992)
Provision for retirement benefits	18	(43)
Operating profit before working capital changes	<u>1,241</u>	<u>44,219</u>
Increase in inventories	(2,347)	(8,952)
(Increase)/Decrease in trade and other receivables	(2,222)	2,299
Increase in amount due from contract customers (net)	-	(8,082)
Net decrease in amount owing by related parties	2,515	-
Decrease in trade and other payables	(17,815)	(27,725)
Net cash (for)/from operations	<u>(18,628)</u>	<u>1,759</u>
Tax paid	(844)	(1,540)
Net cash (for)/from operating activities	<u>(19,472)</u>	<u>219</u>
Cash flow from investing activities		
Purchase of property, plant & equipment	(60,283)	(5,786)
Proceeds from disposal of property, plant and equipment	-	36
Proceeds from disposal of non-current asset classified as held for sale	94,501	6,656
Repayment from associate	4,106	-
Repayment from related parties	8,041	-
Interest income received	1,495	1,992
Withdrawal of fixed deposits (with security)	128,881	124,997
Net cash from investing activities	<u>176,741</u>	<u>127,895</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Mar-10	31-Mar-09
	RM'000	RM'000
Cash flow for financing activities		
Proceeds from borrowings	-	151,650
Repayment of borrowings	(158,000)	(328,209)
Repayment of hire purchase loan	(5)	(56)
Interest paid	(5,122)	(10,303)
Repayment to related parties	(207)	-
Dividend paid	-	(6)
Net cash for financing activities	<u>(163,334)</u>	<u>(186,924)</u>
Net change in cash and cash equivalents	(6,065)	(58,810)
Effect of foreign exchange translation	(594)	447
Cash and cash equivalents at beginning of the financial period	35,419	223,358
Cash and cash equivalents at end of the financial period	<u>28,760</u>	<u>164,995</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	26,239	164,105
Cash and bank balances	17,946	22,415
	<u>44,185</u>	<u>186,520</u>
Less: Fixed deposits pledged as security	<u>(15,425)</u>	<u>(21,525)</u>
	<u>28,760</u>	<u>164,995</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 2009)**

PETRA PERDANA BERHAD (Company No. 372113 - A)
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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Financial year ending 31 December 2010								
As at 1 January 2010, as previously stated	148,800	60,377	2,127	56	352,309	563,669	580	564,249
Effect of adopting FRS 139	-	-	-	-	(35,045)	(35,045)	-	(35,045)
As at 1 January 2010, as restated	148,800	60,377	2,127	56	317,264	528,624	580	529,204
Total comprehensive (expense)/income for the period	-	-	-	(26,824)	3,599	(23,225)	17	(23,208)
Balance as at 31 March 2010	148,800	60,377	2,127	(26,768)	320,863	505,399	597	505,996
Financial year ended 31 December 2009								
As at 1 January 2009	148,800	60,377	2,127	6,860	327,456	545,620	118,162	663,782
Total comprehensive (expense)/income for the year	-	-	-	(9,201)	29,317	20,116	7,307	27,423
Translation loss on disposal of a vessel	-	-	-	2,397	-	2,397	-	2,397
Acquisition of interest in a subsidiary	-	-	-	-	-	-	562	562
Disposal of interest in a subsidiary	-	-	-	-	-	-	(123,880)	(123,880)
Issuance of share by a subsidiary to minority shareholders	-	-	-	-	-	-	322	322
Dividend	-	-	-	-	(4,464)	(4,464)	-	(4,464)
Dividend paid to minority interests by subsidiaries	-	-	-	-	-	-	(1,893)	(1,893)
Balance as at 31 December 2009	148,800	60,377	2,127	56	352,309	563,669	580	564,249

(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 2009)

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

1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 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 2009. 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 2009.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new/revised FRS effective 1 January 2010 as disclosed below:

FRSs/IC Interpretations	Effective date
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Annual Improvements to FRSs (2009)	1 January 2010

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2. Changes in Accounting Policies (Cont'd)

The above FRSs, IC Interpretations and amendments do not have significant impact to the Group, except as follows:

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The foreign currency gain or losses arising of foreign operations that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The statement of comprehensive income for preceding year/corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and minority interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.

FRS 139, Financial Instruments: Recognition and Measurement

In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from the change in accounting policies and remeasuring the financial instruments at the beginning of the financial period are recognised as adjustment to the opening balance of retained profits as follows, whilst adjustment to comparatives are not required:

	Note	Retained Profits RM'000
At 1 January 2010, as previously stated		352,309
Adjustment arising from adoption of FRS 139:		
Fair value of financial assets - deposits	(a)	(35,728)
Fair value of financial liabilities - borrowings	(b)	198
Share of fair value adjustment in an associate		485
Decrease in reserves		<u>(35,045)</u>
At 1 January 2010, as restated		<u>317,264</u>

In addition, these changes in accounting policies have the effect of increasing the profit for the current period by RM571,570.

- (a) Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statements when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

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2. Changes in Accounting Policies (Cont'd)

- (b) The borrowings are recorded at the amount of proceeds received net of transaction costs and subsequently measured at amortised cost using the effective interest method.
- (c) Prior to the adoption of FRS 139, unrecognised foreign exchange gain/(loss) arising from currency forward contracts are only recognised on their settlement dates. With the adoption of FRS 139, such foreign currency forward contracts will be recognised at contract dates as financial assets or financial liabilities and the measurement of such contracts would be at fair value through profit and loss.

The Group has not adopted the following FRSs and IC Interpretations that have been issued but yet to be effective for the Group:

FRSs/IC Interpretations	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 March 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010

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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

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

8. Dividends Paid

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

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9. Segmental Information

Business Segment

<i>Current Quarter/ Year-to-date Ended 31 March 2010</i>	Marine Offshore Support Services RM'000	Integrated Brownfield, Engineering and Maintenance Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	50,928	-	-	-	50,928
Inter-segment revenue	-	-	40	(40)	-
	<u>50,928</u>	<u>-</u>	<u>40</u>	<u>(40)</u>	<u>50,928</u>
Results					
Segment results	3,237	-	(473)	4,611	7,375
Finance costs	(197)	-	(5,656)	622	(5,231)
Share of results in an associate	-	2,033	-	-	2,033
Profit before taxation	<u>3,040</u>	<u>2,033</u>	<u>(6,129)</u>	<u>5,233</u>	<u>4,177</u>

<i>Current Quarter/ Year-to-date Ended 31 March 2009 (Restated)</i>	Marine Offshore Support Services RM'000	Integrated Brownfield, Engineering and Maintenance Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	69,808	93,420	-	-	163,228
Inter-segment revenue	4,269	113	1,435	(5,817)	-
	<u>74,077</u>	<u>93,533</u>	<u>1,435</u>	<u>(5,817)</u>	<u>163,228</u>
Results					
Segment results	25,482	11,144	2,809	(3,424)	36,011
Finance costs	(71)	(1,261)	(11,401)	2,430	(10,303)
Profit before taxation	<u>25,411</u>	<u>9,883</u>	<u>(8,592)</u>	<u>(994)</u>	<u>25,708</u>

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10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment during the current quarter and financial period to-date.

11. Material Events Subsequent to the End of the Interim Period

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

- (i) On 6 May 2010, the Company had proposed to change the name from “Petra Perdana Berhad” to “Perdana Petroleum Berhad” is for better reflect the Company’s activities. The said proposal is subject to shareholders’ approval in the forthcoming Annual General Meeting.
- (ii) On 3 May 2010, the Company announced that the acquisition of a workboat namely Petra Sovereign was completed upon delivery of the vessel to Intra Oil Services.

12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 March 2010 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation.

13. Changes in Contingent Liabilities

	The Group RM'000	The Company RM'000
Unsecured:-		
Bank guarantee granted to third parties for the benefit of a subsidiary	2,416	2,416
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to related parties	39,508	39,508
Performance guarantee extended by subsidiaries to third parties	5	-
	<hr/> 41,929	<hr/> 41,924

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14. Capital Commitment

As at 31 March 2010, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	450,316

15. Operating Lease Arrangements

As at 31 March 2010, the Group has entered into operating lease agreements for the use of certain vessels, office and warehouse. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	97,457
Later than 1 year and not later than 5 years	346,194
Later than 5 years	309,396
	753,047

16. Significant Related Party Transactions

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

	Quarter ended 31-Mar-10 RM'000	Quarter ended 31-Mar-09 RM'000
i. Subsidiaries:		
Rental income from subsidiaries	40	85
Interest and finance charges from a subsidiary	571	2,430
Management fee from a subsidiary	-	405
Dividend income from a subsidiary	-	1,395
Handling fee charged by a subsidiary	133	126
		-
ii. Related parties:		
Charter income from related parties	21,301	-
Interest and finance charges from an associate	924	-
iii. Legal fee paid to a Director of a subsidiary		
	-	20

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.

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16. Significant Related Party Transactions (Cont'd)

b. Compensation of key management personnel

The remuneration of Directors and other members of key management are as follows:

	Quarter ended 31-Mar-10 RM'000	Quarter ended 31-Mar-09 RM'000
Short-term employee benefits	1,026	1,729

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

17. Review of Performance

For the current quarter ended 31 March 2010, the Group recorded a turnover of RM50.9 million, a decrease of 69% from RM163.2 million in the first quarter of 2009. The profit before taxation in the current quarter is RM4.2 million, a decrease of 84% from RM25.7 million in the first quarter of 2009.

The decrease in turnover and profit before taxation is mainly attributed to:

- a. The key management were suspended in the first quarter 2010, affecting the business activities of the Group and thus were not able to operate optimally.
- b. Divestment of PEB group in Dec 2009 resulting in deconsolidation of Integrated Brownfield Services in the current quarter.
- c. Lower vessels utilization and decrease in charter rates resulted from the slow down in regional drilling activities causing reduced charter opportunities, coupled with the increase of new offshore support vessels by other offshore marine competitors, have affected the continuance of contract renewal upon vessels expiry term's fixture in the current quarter.
- d. Increase in operation cost during idle period for the new deliveries of vessels.
- e. One off items such as gain on vessel's disposal of RM8.3m in current quarter 2010 as compared to RM2.0m in first quarter of 2009.

18. Comparison with Immediate Preceding Quarter

The Group achieved a turnover of RM50.9 million in the current quarter, a decrease of 58% as compared to last quarter of RM119.4 million. Despite the decrease in turnover, the profit before taxation in the current quarter of RM4.2 million remain consistent with RM4.7 million in the last quarter of 2009.

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18. Comparison with Immediate Preceding Quarter (Cont'd)

The decrease in turnover and profit before taxation were mainly due to:

- a. Factors as stated in Note 17 (a) to (d).
- b. One off items such as gain on vessel's disposal of RM8.3m in current quarter 2010 as compared to gain on divestment of PEB RM13.3m and vessels disposal of RM2.4m in last quarter of 2009.
- c. Higher foreign exchange gain due to weakening in USD and lower finance cost resulted from the repayment of borrowings in the current quarter.

19. Prospects

The performance of the Group is somewhat impacted by the slow down in regional drilling activities and the increase of new offshore support vessels by other offshore marine competitors.

However, with the oil prices stabilized between US\$70 to US\$75 per barrel, the Company expects the drilling activities to improve and start picking up from the second half of 2010 onwards, with the expected improvement in rates and charter opportunities.

Meanwhile, the Group is continuing its fleet renewal program. As at to-date, 13 vessels have been delivered and an additional 4 vessels is scheduled to be delivered by end of year 2010. The Group has also secured a number of medium to long term new charter contracts ranging from 8 months to 5 years under established oil majors which are scheduled to commence in second quarter onwards.

Further to the above, with the reinstatement of the Management team, coupled with the new directors with diverse business experiences, our offshore business is well supported by a professional team which will steer the Group to ascend to greater heights.

Barring any unforeseen circumstances and with the combined efforts of the above, the Board of Directors is optimistic that the Group will be well poised to take advantage of the recovering upstream activities to produce favourable results in the coming years from the positive utilization and operation efficiency.

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20. Taxation

The provision of taxation for the current quarter and financial period to-date under review are as follows:

	Current Quarter Ended 31-Mar-10 RM'000	Corresponding Quarter Ended 31-Mar-09 RM'000	Current Year-to-date Ended 31-Mar-10 RM'000	Corresponding Year-to-date Ended 31-Mar-09 RM'000
Current tax:				
Malaysian income tax	327	2,601	327	2,601
Foreign tax	222	1,108	222	1,108
	549	3,709	549	3,709
Deferred tax:				
Malaysian income tax	-	(69)	-	(69)
Total	549	3,640	549	3,640

The effective tax rate for current quarter and the financial period to-date is lower than the statutory tax rate principally due to lower statutory rates and income not subject to tax for offshore subsidiary companies.

21. Unquoted Investment and Properties

There were no disposal of unquoted investment and properties for the current quarter and financial period to-date.

22. Quoted Securities

There were no purchase or disposal of quoted securities for the current quarter and financial period to-date and the Group did not hold any quoted securities as at the end of financial period to-date.

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23. Corporate Proposals

There were no corporate proposals announced but not completed as of 27 May 2010, except for the followings:

- a. Proposed Private Placement of up to 10% of the issued and paid-up share capital of the Company to Investors to be identified (“Proposed Placement”).

The placement shares will be priced at a discount of not more than 10% to the 5 day volume-weighted average market price and shall be rank pari passu.

The placement shares shall be issued under the existing mandate approved by shareholders of the Company at Annual General Meeting (“AGM”) held on 25 June 2009. The aforesaid mandate shall be valid until the conclusion of the next AGM of the Company.

It is expected that the Proposed Placement will be completed prior to the conclusion of the next AGM of the Company.

- b. Proposed Renounceable Rights Issue with free Detachable Warrants (“Proposed Rights Issue”).

The issued price is expected to be fixed at a discount of not less than 30% to the theoretical ex-rights price of the Petra Perdana Berhad (“PPB”) shares immediately before the price-fixing date, but shall in no event be lower than the par value of the PPB shares of RM0.50 (in compliance with regulatory requirements).

The warrants are attached to the Rights Shares without any cost will be issued only to shareholders who subscribe for the Rights Shares, and are exercisable into new PPB shares.

The Proposed Rights Issue is subject to and conditional upon the following approvals being obtained:

- (a) Bursa Securities, for the listing of and quotation for the Rights Shares and the Warrants to be issued pursuant to the Proposed Rights Issue and the new PPB shares to be issued upon the exercise of the Warrants;
- (b) Bank Negara Malaysia for the issue of Warrants to the entitled shareholders;
- (c) the shareholders of PPB at an extraordinary general meeting to be convened; and
- (d) any other relevant authorities and/or parties, if required.

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24. Borrowings

Total Group's borrowings as at 31 March 2010 were as follows:

	As at 31-Mar-10 RM'000	As at 31-Dec-09 RM'000
Secured borrowings		
Short term	121,993	218,019
Long term	164,764	227,063
Total	<u>286,757</u>	<u>445,082</u>

The Group has settled RM123 million of Syndicated Transferable Term Loan and RM35 million Nominal Value Secured Serial Bonds during the first quarter of 2010.

Included in the short-term borrowings are:

- i. 2 series of RM35 million each Nominal Value Secured Serial Bonds which bear an interest rate of 6.10% and 6.30% p.a. repayable on 30 September 2010 and 30 March 2011 respectively.
- iii. RM12 million and RM15 million Syndicated Transferable Term Loan which bears an interest rate of 1.75% and 2.25% p.a. above the prevailing 1-month effective cost of funds and repayable within next twelve months.
- iv. RM15 million and RM10 million Medium Term Notes which bears an interest rate of 5.75% and 5.90% p. a. and repayable on 3 May 2010 and 3 November 2010 respectively.

Included in the long-term borrowings are RM140 million Nominal Value Secured Serial Bonds and RM25 million Medium Term Notes. The borrowings bear an interest rate that ranges from 6.10% to 6.85% p.a.

25. Financial Instruments

Foreign Currency Contracts

The Group enters into forward foreign exchange contracts as a hedge for its confirmed sales and purchases in foreign currencies. The purpose of hedging is to protect the Group against unfavourable movements in exchange rate. Gains or losses from changes in the fair value of foreign currency contracts offset the corresponding losses or gains on the receivables and payables covered by the instrument and where the foreign exchange contracts are used to hedge against anticipated future transactions, gains and losses are not recognised until the transaction occurs.

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25. Financial Instruments (Cont'd)

As at 31 March 2010, the Group's outstanding foreign currency contracts were as follows:

Currency	Contract Amount '000	Notional Value RM'000	Fair Value RM'000	Gain/(Loss) arising from fair value changes RM'000
<u>Forex Option Contract</u>				
SGD - buy	2,800	6,759	7,001	(242)
USD - sell	500	1,725	1,638	87
	<u>3,300</u>	<u>8,484</u>	<u>8,639</u>	<u>(155)</u>

These contracts are short term in nature and the majority is due to mature within the next six months.

There is minimal credit risk as these contracts are entered into with licensed financial institutions. There is no cash requirement for these instruments other than a minimal fee.

26. Changes in Material Litigation

The Group is not engaged in any material litigation as at 27 May 2010 except for the followings:

- i) On 24 December 2009, the Company has announced that an Ad Interim Ex-Parte Order by the High Court of Malaya ("Ad Interim Injunction") to restrain the Company ("D5"), Y.M. Tengku Dato' Ibrahim Petra bin Tengku Indra Petra ("D1"), Datin Che Nariza Hajjar Hashim ("D2"), Wong Fook Heng ("D3"), Tiong Young Kong ("D4") and/or any agents appointed by D5 as placement agent from divesting the remaining 29.59% shares held by D5 in Petra Energy Berhad ("PEB") until Encik Shamsul bin Saad ("P") requisitions an Extraordinary General Meeting of the Company's shareholders and/or until final disposal of the suit, whichever earlier. The Ad Interim Injunction was applied by P pursuant to a High Court of Malaya Suit ("Suit") against D1, D2, D3, D4, D5 and TA Securities Holdings Berhad ("D6").

On 3 March 2010, the Ad Interim Injunction against D1, D2, D3 and D4 was dissolved. The injunction application against D1, D2, D3 and D4 was struck out with costs in the cause. The Ad Interim Injunction against D5 continues to take effect. Mention is fixed on 3 June 2010 to enable D5 and P to consider options to deal with PEB shares.

The application to strike out the Suit by D1 and D2 was filed on 14 January 2010 while the application to strike out the Suit by D3 and D4 was filed on 15 January 2010. Both applications had been dismissed on 18 February 2010 and are now pending appeal to the Court of Appeal. Hearing date for the said appeals has not been fixed. The application to strike out the Suit by D6 was filed on 19 April 2010 ("D6's application").

Further case management of the Suit and D6's application is fixed on 9 June 2010 to prepare the parties for trial.

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- ii) On 21 May 2010, Intra Oil Services Berhad (“IOS”), a wholly-owned subsidiary of the Company has filed a Statement of Claim against former directors of IOS, namely Tengku Dato’ Ibrahim Petra Bin Tengku Indra Petra, Tiong Young Kong and Wong Fook Heng for breach of fiduciary duties in their capacity as the then Directors of IOS.

27. Dividends

There were no dividend proposed in respect of the current quarter ended 31 March 2010.

28. Earnings Per Share

Weighted Average

	Current Quarter Ended 31-Mar-10 RM'000	Corresponding Quarter Ended 31-Mar-09 RM'000	Current Year-to-date Ended 31-Mar-10 RM'000	Corresponding Year-to-date Ended 31-Mar-09 RM'000
Net (loss)/profit attributable to shareholders	3,599	18,648	3,599	18,648
Number of ordinary shares of RM0.50 each	297,600,000	297,600,000	297,600,000	297,600,000
Basic earnings per ordinary share of RM0.50 each (Sen)	1.21	6.27	1.21	6.27

29. Additional Information

On 26 May 2010, the Board of Directors, together with Encik Shamsul bin Saad, as beneficial shareholders of PEB (“the Requisitionists”) announced that special notice given to PEB pursuant to Sections 153 and 128(2) of the Companies Act, 1965 as Ordinary Resolutions at an Extraordinary General Meeting of PEB, to be convened pursuant to Section 145 of the Companies Act, 1965 to remove existing PEB directors, namely Tengku Dato’ Ibrahim Petra Bin Tengku Indra Petra, Lee Mee Jiong and Suhaimi Badrul Jamil and any directors might have been appointed at any times between 26 May 2010 and before commencement of this general meeting with immediate effect and to appoint Koh Pho Wat and Surya Hidayat bin Abd Malik as the directors of Petra Energy Berhad with immediate effect.

The Requisitionists will issue a circular to shareholders of PEB setting out the Notice of Extraordinary Genral Meeting pursuant to Section 145 of the Companies Act, 1965 to consider the above motions to remove and appoint directors in due course.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2010.