

PERDANA PETROLEUM BERHAD

(Company No. 372113 - A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2012**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-Jun-12 RM'000	Corresponding Quarter Ended 30-Jun-11 RM'000	Current Year-to-date Ended 30-Jun-12 RM'000	Corresponding Year-to-date Ended 30-Jun-11 RM'000
Revenue	67,274	73,357	120,720	140,355
Cost of Sales	(52,325)	(62,052)	(107,503)	(131,584)
Gross Profit	14,949	11,305	13,217	8,771
Other income	1,794	6,899	4,949	10,498
Operating expenses	(9,832)	(6,740)	(16,073)	(13,043)
Finance costs	(4,203)	(3,842)	(9,161)	(8,123)
Share of results in an associate	2,449	1,292	4,373	2,700
Profit/(Loss) before taxation	5,157	8,914	(2,695)	803
Income tax expense	(116)	(598)	(339)	(934)
Profit/(Loss) for the period	5,041	8,316	(3,034)	(131)
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	14,760	450	2,673	(9,959)
<i>Cash Flow Hedge</i>	(206)	419	477	528
Total Comprehensive Expenses for the period	19,595	9,185	116	(9,562)
Profit/(Loss) for the period				
Attributable to:				
Equity holders of the Company	5,102	8,374	(3,078)	10
Non-controlling interest	(61)	(58)	44	(141)
	5,041	8,316	(3,034)	(131)
Total Comprehensive Expenses for the period				
Attributable to:				
<i>Equity holders of the Company</i>	19,668	9,080	73	(9,582)
<i>Non-controlling interest</i>	(73)	105	43	20
	19,595	9,185	116	(9,562)
Earnings/(Loss) per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	1.03	1.86	(0.62)	0.00
b) Fully diluted	0.92	1.64	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	30-Jun-12	31-Dec-11
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	466,242	428,075
Investment in an associate	94,180	90,095
Intangible assets	27,507	27,507
Refundable deposits	110,289	95,724
Deferred tax assets	46	46
	<u>698,264</u>	<u>641,447</u>
CURRENT ASSETS		
Inventories	2,931	3,937
Trade receivables	39,747	36,753
Other receivables, deposits and prepayments	18,166	18,893
Amount owing by related parties	35,474	26,573
Tax recoverable	3,367	3,361
Fixed deposits with licensed banks	23,950	44,221
Cash and bank balances	14,005	22,791
	<u>137,640</u>	<u>156,529</u>
Non-current asset classified as held for sale	39,956	12,255
	<u>177,596</u>	<u>168,784</u>
TOTAL ASSETS	<u>875,860</u>	<u>810,231</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	247,566	247,566
Reserves	222,918	222,845
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	470,484	470,411
NON-CONTROLLING INTEREST	<u>(175)</u>	<u>(218)</u>
TOTAL EQUITY	<u>470,309</u>	<u>470,193</u>
NON-CURRENT LIABILITIES		
Deferred taxation	2,507	2,507
Long-term borrowings	193,362	174,853
Derivative liability	1,686	2,449
Other payables	260	260
	<u>197,815</u>	<u>180,069</u>
CURRENT LIABILITIES		
Trade payables	60,148	34,110
Other payables	30,009	25,514
Amount owing to related parties	33	33
Short-term borrowings	117,307	99,539
Provision for taxation	239	773
	<u>207,736</u>	<u>159,969</u>
TOTAL LIABILITIES	405,551	340,038
TOTAL EQUITY AND LIABILITIES	<u>875,860</u>	<u>810,231</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	0.95	0.95

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2012****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	30-Jun-12	30-Jun-11
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before taxation	(2,695)	803
Adjustments for:		
Depreciation of property, plant and equipment	12,505	16,611
Loss/(Gain) on disposal of property, plant and equipment	112	(1,091)
Gain on disposal of non-current asset classified as held for sale	(203)	-
Unrealised loss/(gain) on foreign exchange	130	(1,376)
Share of results in an associate	(4,373)	(2,700)
Interest expense	8,351	7,659
Fair value gain on derivative financial instruments	-	(330)
Impairment loss on refundable deposits	981	-
Property, plant and equipment written off	-	1
Accretion of refundable deposits	(2,430)	(6,692)
Interest income	(464)	(419)
Operating profit before working capital changes	<u>11,914</u>	<u>12,466</u>
Decrease in inventories	941	774
(Increase)/Decrease in trade and other receivables	(1,890)	7,092
Net (increase)/decrease in amount owing by related parties	(5,918)	23
Increase in trade and other payables	28,017	20,555
Net cash from operations	<u>33,064</u>	<u>40,910</u>
Tax paid	(886)	(969)
Net cash from operating activities	<u>32,178</u>	<u>39,941</u>
Cash flow for investing activities		
Charterer deposits paid	-	13,205
Purchase of property, plant and equipment	(76,728)	(103,563)
Proceeds from disposal of property, plant and equipment	-	25,562
Proceeds from disposal of non-current asset classified as held for sale	5,700	-
Repayment to related parties	(2,711)	(1,548)
Withdrawal of fixed deposits	17,640	3,007
Net cash for investing activities	<u>(56,099)</u>	<u>(63,337)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Jun-12	30-Jun-11
	RM'000	RM'000
Cash flow from financing activities		
Drawdown of bank borrowings	76,430	74,793
Repayment of bank borrowings	(44,467)	(51,923)
Security deposits paid	(11,856)	-
Share issue expenses	-	(152)
Repayment of hire purchase obligations	(40)	(38)
Interest paid	(8,351)	(7,659)
Repayment from related parties	-	20
Net cash from financing activities	<u>11,716</u>	<u>15,041</u>
Net change in cash and cash equivalents	(12,205)	(8,355)
Effect of foreign exchange translation	324	(64)
Cash and cash equivalents at beginning of the financial period	<u>40,271</u>	<u>37,943</u>
Cash and cash equivalents at end of the financial period	<u>28,390</u>	<u>29,524</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	23,950	42,631
Cash and bank balances	<u>14,005</u>	<u>15,843</u>
	37,955	58,474
Less: Fixed deposits pledged as security	<u>(9,101)</u>	<u>(28,531)</u>
	<u>28,854</u>	<u>29,943</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 2011)**

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Financial period ended 31 December 2012										
As at 1 January 2012	247,566	92,130	11,048	(1,913)	2,127	(56,438)	175,891	470,411	(218)	470,193
Total comprehensive expenses for the period	-	-	-	477	-	2,674	(3,078)	73	43	116
Balance as at 30 June 2012	247,566	92,130	11,048	(1,436)	2,127	(53,764)	172,813	470,484	(175)	470,309
Financial year ended 31 December 2011										
As at 1 January 2011, as previously stated	225,060	82,892	11,048	(1,311)	2,127	(56,579)	240,798	504,035	217	504,252
Prior year adjustment	-	-	-	-	-	-	4,264	4,264	-	4,264
As at 1 January 2011, as restated	225,060	82,892	11,048	(1,311)	2,127	(56,579)	245,062	508,299	217	508,516
Issuance of ordinary shares under private placement	22,506	9,452	-	-	-	-	-	31,958	-	31,958
Share issue expenses	-	(214)	-	-	-	-	-	(214)	-	(214)
Total comprehensive expenses for the year	-	-	-	(602)	-	141	(69,171)	(69,632)	(435)	(70,067)
Balance as at 31 December 2011	247,566	92,130	11,048	(1,913)	2,127	(56,438)	175,891	470,411	(218)	470,193

(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 2011)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
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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 2011. 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 2011.

The Group has adopted the MFRS framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these interim financial statements. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

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 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

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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 issuance, 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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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
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9. Segmental Information

Business Segment - Quarter

<i>Current Quarter Ended 30 June 2012</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	67,274	-	-	67,274
Inter-segment revenue	-	102	(102)	-
	67,274	102	(102)	67,274
Results				
Segment results	11,303	(2,822)	(1,571)	6,910
Finance costs	(2,563)	(1,639)	-	(4,202)
	8,740	(4,461)	(1,571)	2,708
Share of results in an associate				2,449
Profit before taxation				5,157
<i>Corresponding Quarter Ended 30 June 2011</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	73,357	-	-	73,357
Inter-segment revenue	-	39	(39)	-
	73,357	39	(39)	73,357
Results				
Segment results	14,024	(2,557)	(3)	11,464
Finance costs	(895)	(2,947)	-	(3,842)
	13,129	(5,504)	(3)	7,622
Share of results in an associate				1,292
Profit before taxation				8,914

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9. Segmental Information (Cont'd)

Business Segment – Year-to-date

<i>Current Year-to-date Ended 30 June 2012</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	120,721	-	-	120,721
Inter-segment revenue	-	204	(204)	-
	<u>120,721</u>	<u>204</u>	<u>(204)</u>	<u>120,721</u>
Results				
Segment results	7,330	(5,110)	(127)	2,093
Finance costs	(5,343)	(3,818)	-	(9,161)
	<u>1,987</u>	<u>(8,928)</u>	<u>(127)</u>	<u>(7,068)</u>
Share of results in an associate				<u>4,373</u>
Loss before taxation				<u>(2,695)</u>
<i>Corresponding Year-to-date Ended 30 June 2011</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	140,355	-	-	140,355
Inter-segment revenue	-	79	(79)	-
	<u>140,355</u>	<u>79</u>	<u>(79)</u>	<u>140,355</u>
Results				
Segment results	9,275	(4,800)	1,751	6,226
Finance costs	(1,634)	(6,489)	-	(8,123)
	<u>7,641</u>	<u>(11,289)</u>	<u>1,751</u>	<u>(1,897)</u>
Share of results in an associate				<u>2,700</u>
Profit before taxation				<u>803</u>

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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 2012 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation.

12. Changes in Contingent Liabilities

	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	5,219	5,219
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to related parties	9,702	9,702
Bank guarantee extended by subsidiaries to third parties	5	-
	<u>14,926</u>	<u>14,921</u>

13. Capital Commitment

There is no capital commitment not provided for in the financial statements for the current quarter ended 30 June 2012.

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14. Operating Lease Arrangements

As at 30 June 2012, 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	74,790
Later than 1 year and not later than 5 years	249,074
Later than 5 years	74,669
	<u>398,533</u>

15. Significant Related Party Transactions

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

	Quarter ended 30-June-12 RM'000	Quarter ended 30-June-11 RM'000
i. Subsidiaries:		
Rental income from subsidiaries	102	40
Handling fee charged by a subsidiary	13	64
ii. Related parties:		
Charter income from related parties	19,846	25,534
Dividend income from an associate	288	288

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-12 RM'000	Quarter ended 30-June-11 RM'000
Short-term employee benefits	1,558	1,267

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**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 ended 30 June 2012, the Group recorded a turnover of RM67.3 million, marginally lower by 8% from RM73.4 million posted in the second quarter of 2011. The slight decrease is mainly due to reduction of fleet size from 16 to 14 vessels and vessel utilization in the current quarter.

The Group registered a profit before taxation of RM5.2 million in the current quarter, as compared to a profit of RM8.9 million in the same quarter last year. The lower profit before taxation in the current quarter is mainly due to the following:

- a) Inclusion of the accretion of refundable deposit of RM4.6 million resulted from the termination of vessels under sales and leaseback arrangement and gain on disposal of a vessel of RM1.1 million in the same quarter last year.
- b) Recognition of foreign exchange loss of RM1.7 million and impairment loss of refundable deposit of RM1.0 million in the current quarter.

Excluding the effect in note (a) and (b), the profit before taxation has shown an improvement from RM3.2 million in second quarter last year to RM7.9 million in the current quarter despite lower turnover registered in the current quarter. The increase is mainly attributed to the improved operating margin in the current quarter.

17. Comparison with Immediate Preceding Quarter

The Group recorded a turnover of RM67.3 million in the current quarter, an increase of 26% as compared to the previous quarter of 2012 of RM53.4 million. The company registered a profit before taxation of RM5.2 million in the current quarter, as compared to a loss of RM7.9 million in the previous quarter.

The increase in turnover and profit is primarily driven by the improvement in vessels utilization and charter rates which lead to higher operating profit of the vessels in the current quarter as compared to the lower vessels utilization which was affected by the prolonged monsoon season in the previous quarter.

18. Prospects

The Board is cautiously optimistic on the prospect for oil and gas support services in the domestic and regional markets in the foreseeable future, on the back of the stable oil prices range from USD90 – USD100 per barrel and various development programmes spearheaded by our national oil company, PETRONAS.

As at to-date, all of our new-built assets are already in place and our focus is to strive for longer-term charters for these fleets. With our new-built fleet targeting on long-term chartering and on the markets we have firmly established within the region, its utilisation rate is definitely trending upwards for mid-size AHTS. Our new-built work barges and work boats, we believe, will

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continue to provide the longer-term charter buffer and stability that we need. We have and will continue to leverage on our strong track record with mainly repeat major customers in the region. The Board is expecting a further improvement in year 2012, with the improvement in utilization and charter rates, the Group's offshore marine business will derive a better result in the coming years.

19. Profit for the Quarter/Period

	Current Quarter Ended 30-June-12 RM'000	Corresponding Quarter Ended 30-June-11 RM'000	Current Year-to-date Ended 30-June-12 RM'000	Corresponding Year-to-date Ended 30-June-11 RM'000
Profit for the quarter/period is arrived at after charging/(crediting):				
Interest expense	4,150	3,550	8,351	7,671
Depreciation of property, plant and equipment	6,626	8,309	12,505	16,611
Loss/(Gain) on disposal of property, plant and equipment	57	(1,147)	112	(1,092)
Gain on disposal of non- current asset classified as held for sale	-	-	(203)	-
Loss/(Gain) on foreign exchange:				
- realized	152	(55)	(26)	(480)
- unrealized	1,515	193	130	(1,376)
Fair value gain on derivative financial instruments	-	(153)	-	(330)
Accretion of refundable deposits	(1,315)	(5,587)	(2,430)	(6,692)
Impairment loss on refundable deposits	981	-	981	-
Interest income	(138)	(97)	(464)	(419)
Dividend income from associate	(288)	(288)	(288)	(288)

Other than the above, there were no allowance for impairment and write off of receivables, allowance for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the current quarter and financial period ended 30 June 2012.

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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 30-June-12 RM'000	Corresponding Quarter Ended 30-June-11 RM'000	Current Year-to-date Ended 30-June-12 RM'000	Corresponding Year-to-date Ended 30-June-11 RM'000
Current tax:				
Malaysian income tax	25	(68)	30	21
Foreign tax	91	666	309	913
Total	<u>116</u>	<u>598</u>	<u>339</u>	<u>934</u>

The effective tax rate for current quarter is lower than the statutory tax rate principally due to lower statutory tax rates, utilisation of unabsorbed capital allowances in subsidiary companies and income not subject to tax for offshore subsidiary companies. However, the effective tax rate for the financial period to-date is higher than the statutory tax rate mainly due to the losses which cannot be set-off against taxable profits made by subsidiaries.

21. Corporate Proposals

On 26 April 2012, the Company announced the proposed divestment of its entire stake in Petra Energy Berhad (“PEB”), comprising 57,700,000 PEB shares representing approximately 26.90% interest in PEB.

On 21 June 2012, the Board of Directors of PPB has evaluated the offers received from the various bidders following the close of submission for the final binding bids on 15 June 2012 and finally selected Wasco Energy Ltd, a wholly-owned subsidiary of Wah Seong Corporation Berhad, as the successful bidder for the Sale Shares.

On 3 July 2012, the Company has entered into a conditional share sale agreement with Wasco Energy Ltd in relation to the proposed divestment by the Company of the Sale Shares for a total cash consideration of RM96.936 million representing RM1.68 per Sale Share.

On 16 August 2012, the approval of the shareholders of PPB for the Proposed Divestment has been obtained.

There were no other corporate proposals announced but not completed as of 21 August 2012 save for the above.

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22. Borrowings

Total Group's borrowings as at 30 June 2012 were as follows:

	As at 30-June-12 RM'000	As at 31-Dec-11 RM'000
Short term borrowings		
Secured	107,234	89,539
Unsecured	10,000	10,000
	<hr/> 117,234	<hr/> 99,539
Long term borrowings		
Secured	193,125	174,853
Total borrowings	<hr/> 310,359	<hr/> 274,392

All borrowings are denominated in Ringgit Malaysia except for borrowings in US Dollars equivalent to RM170.8 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 30 June 2012.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 21 August 2012 except for the following:

- (a) On 22 June 2011, the Company has 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, Yap Hock Heng and TA First Credit Sdn Bhd ("Parties") 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.

The Trial initially scheduled for 26 March 2012 to 30 March 2012 has been adjourned and fixed for hearing on 4 June 2012 to 8 June 2012. The trial was heard on 4 and 5 June 2012. The next dates set down for the trial are 3 September 2012 to 7 September 2012.

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24. Changes in Material Litigation (Cont'd)

- (b) On 21 November 2011, a wholly owned subsidiary of the Company, Intra Oil Services Berhad ("IOS") has filed a statement of defence and counterclaim in the High Court in relation to Team Marine Shipyard (M) Sdn Bhd's ("TMS") writ of summons and statement of claim dated 23 September 2011. TMS's letter of demand dated 22 July 2011 and statement of claim alleges that IOS had failed to make certain payments to TMS and IOS had also failed to move its ships as directed by TMS.

IOS alleges vide its statement of defence that TMS is not the rightful party to demand for such payments described above and to demand that IOS move its ships. IOS's counterclaim is as follows:

1. Damages caused by TMS's unauthorized movement of two ships belonging to IOS amounting to RM80,000.00;
2. Cost of returning the said ships mentioned above to their original locations, amounting to RM4,800.00;
3. A claim of RM29,101,957.50 for loss of charter and maintenance of IOS's ships due to the barrier/fence erected by TMS; and
4. Recovery of all previous payments made by IOS to TMS amounting to RM721,809.00.

The counterclaim by IOS will not have a material impact on the operations and financials of the PPB Group.

On 25 November 2011, the Company informed that on a worst case scenario on the claim by TMS in their letter of demand dated 22 July 2011, IOS will have to pay RM7,617,724.00 and legal fees. However, if the Company is successful in its counterclaim of about RM30 million, this Counterclaim will have a material financial impact on the Group for the financial year ending 31 December 2012.

On 7 June 2012, the Company wishes to inform that TMS and IOS have both agreed to withdraw the claims and counterclaims respectively as per the sealed copy of the Consent Judgement dated 24 April 2012.

- (c) On 6 April 2012, the Company was served with a Writ of Summons together with the Statement of Claim both dated 5 April 2012 by Messrs T.S. Hariharan & Partners, acting for Tengku Dato' Ibrahim Petra bin Tengku Indra Petra ("Plaintiff"), claiming for injunctions against Perdana Petroleum Berhad (formerly known as Petra Perdana Berhad), Shamsul Bin Saad, Dato' Kho Poh Eng, Koh Pho Wat, Surya Hidayat Bin Abdul Malik, Ganesan A/L Sundaraj, Raja Anuar Bin Raja Abu Hassan, Idris Bin Zaidel, Hamdan Bin Rasid, Soon Fook Kian, Jeffrey Ng Chong Yau and Christopher Then Ted Loong from accessing in any way and in any manner the Plaintiff's email account, to refrain from using in any way and to return to the Plaintiff all information accessed in any manner and in any way from the Plaintiff's email account and claims for general and exemplary damages. The Suit will not have any operational impact on the Company.

25. Dividends

There was no dividend proposed in respect of the current quarter ended 30 June 2012.

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26. Earnings/(Loss) Per Share

a.) Basic

	Current Quarter Ended 30-June-12	Corresponding Quarter Ended 30-June-11	Current Period-to-date Ended 30-June-12	Corresponding Period-to-date Ended 30-June-11
Net profit/(loss) attributable to shareholders (RM'000)	5,102	8,374	(3,078)	10
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	495,132,000	450,120,000	495,132,000	450,120,000
Basic earnings/(loss) per ordinary share of RM0.50 each (Sen)	1.03	1.86	(0.62)	0.00

b.) Diluted

	Current Quarter Ended 30-June-12	Corresponding Quarter Ended 30-June-11	Current Year-to-date Ended 30-June-12	Corresponding Year-to-date Ended 30-June-11
Net profit/(loss) attributable to shareholders (RM'000)	5,102	8,374	(3,078)	10
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	495,132,000	450,120,000	495,132,000	450,120,000
Effects of outstanding warrants	61,379,785	61,379,785	61,379,785	61,379,785
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	556,511,785	511,499,785	556,511,785	511,499,785
Diluted earnings per ordinary share of RM0.50 each (Sen)	0.92	1.64	*N/A	*N/A

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

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27. Disclosure of Realised and Unrealised Profits

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

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

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

	As at 30 June 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of the Group:		
- Realised	46,855	58,742
- Unrealised	(111)	(4,718)
	<u>46,744</u>	<u>54,024</u>
Total share of retained profits from associate		
- Realised	65,042	60,835
- Unrealised	(8,311)	(8,477)
	<u>103,475</u>	<u>106,382</u>
Less: Consolidation adjustments	<u>69,338</u>	<u>69,509</u>
Total retained profits as per statement of financial position	<u>172,813</u>	<u>175,891</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.