

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



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 31-Dec-13 RM'000	Corresponding Quarter Ended 31-Dec-12 RM'000	Current Year-to-date Ended 31-Dec-13 RM'000	Corresponding Year-to-date Ended 31-Dec-12 RM'000
Revenue	78,056	64,195	274,665	259,540
Cost of Sales	(47,626)	(42,749)	(182,516)	(197,913)
Gross Profit	30,430	21,446	92,149	61,627
Other income	10,489	4,963	27,144	15,245
Operating expenses	(11,696)	(38,890)	(35,206)	(65,636)
Finance costs	(8,018)	(3,239)	(18,620)	(17,890)
Share of results in an associate	-	-	-	4,373
Profit/(Loss) before taxation	21,205	(15,720)	65,467	(2,281)
Income tax expense	87	(4)	(3,489)	(1,154)
Profit/(Loss) for the period/year	21,292	(15,724)	61,978	(3,435)
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	(1,282)	269	15,251	(8,894)
<i>Cash Flow Hedge</i>	207	182	481	1,111
Total Comprehensive Income/(Expenses) for the period/year	20,217	(15,273)	77,710	(11,218)
Profit/(Loss) for the period/year				
Attributable to:				
Equity holders of the Company	21,886	(15,816)	61,660	(3,669)
Non-controlling interest	(594)	92	318	234
	21,292	(15,724)	61,978	(3,435)
Total Comprehensive Income/(Expenses) for the period/year				
Attributable to:				
Equity holders of the Company	21,298	(15,099)	77,721	(11,199)
Non-controlling interest	(1,081)	(174)	(11)	(19)
	20,217	(15,273)	77,710	(11,218)
Earnings/(Loss) per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	3.01	(3.19)	8.65	(0.74)
b) Fully diluted	2.89	N/A	8.24	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 2012)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31-Dec-13 RM'000	(Audited) 31-Dec-12 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	961,556	474,305
Intangible assets	27,507	27,507
Refundable deposits	52,697	108,194
Deferred tax assets	46	46
Other investment	150	250
Derivative asset	421	-
	<u>1,042,377</u>	<u>610,302</u>
CURRENT ASSETS		
Inventories	1,312	3,825
Trade receivables	31,769	63,510
Other receivables, deposits and prepayments	18,053	25,750
Amount owing by related party	19,953	-
Tax recoverable	3,231	3,110
Fixed deposits with licensed banks	26,098	21,631
Cash and bank balances	34,928	19,187
	<u>135,344</u>	<u>137,013</u>
Non-current asset classified as held for sale	4,576	10,566
	<u>139,920</u>	<u>147,579</u>
TOTAL ASSETS	<u>1,182,297</u>	<u>757,881</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	363,611	247,566
Reserves	198,569	211,646
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>562,180</u>	<u>459,212</u>
NON-CONTROLLING INTEREST	<u>(248)</u>	<u>(237)</u>
TOTAL EQUITY	<u>561,932</u>	<u>458,975</u>
NON-CURRENT LIABILITIES		
Deferred taxation	4,559	2,508
Long-term borrowings	459,783	165,943
Derivative liability	-	2,508
Other payables	260	260
	<u>464,602</u>	<u>171,219</u>
CURRENT LIABILITIES		
Trade payables	14,889	23,261
Other payables	26,352	19,177
Short-term borrowings	114,140	84,750
Provision for taxation	382	499
	<u>155,763</u>	<u>127,687</u>
TOTAL LIABILITIES	<u>620,365</u>	<u>298,906</u>
TOTAL EQUITY AND LIABILITIES	<u>1,182,297</u>	<u>757,881</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	0.77	0.93

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012)

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

	31-Dec-13	31-Dec-12
	RM'000	RM'000
Cash flow from operating activities		
Profi/(Loss) before taxation	65,467	(2,281)
Adjustments for:		
Accretion of refundable deposits	(10,059)	(4,976)
Depreciation of property, plant and equipment	30,885	25,278
(Gain)/Loss on disposal of property, plant and equipment	(248)	2,302
Gain on disposal of non-current asset classified as held for sale	-	(200)
Gain on disposal of an associate	-	(379)
Impairment loss on non-current asset classified as held for sale	-	27,716
Interest expense	15,023	16,694
Interest income	(1,043)	(936)
Loss on disposal of other investment	100	-
Property, plant and equipment written off	101	29
Remeasurement of refundable deposits	-	981
Share of results in an associate	-	(4,373)
Surplus of liquidation of subsidiaries	-	(242)
Unrealised (gain)/loss on foreign exchange	(5,963)	2,692
Operating profit before working capital changes	<u>94,263</u>	<u>62,305</u>
Decrease in inventories	2,643	104
Decrease/(Increase) in trade and other receivables	48,373	(7,450)
Decrease in trade and other payables	(14,548)	(18,493)
Increase in related party	(19,953)	-
Net cash from operations	<u>110,778</u>	<u>36,466</u>
Tax paid	(1,697)	(1,182)
Net cash from operating activities	<u>109,081</u>	<u>35,284</u>
Cash flow (for)/from investing activities		
Charterer deposits refunded	70,153	-
Interest received	1,043	936
Net cash outflow for acquisition of a subsidiary	(975)	-
Proceeds from disposal of an associate	-	94,559
Proceeds from disposal of property, plant and equipment	7,674	621
Proceeds from disposal of non-current asset classified as held for sale	6,707	5,314
Proceeds from liquidation of investment in a subsidiary	-	319
Purchase of property, plant and equipment	(487,864)	(115,132)
Withdrawal of fixed deposits	2,983	23,177
Net cash (for)/from investing activities	<u>(400,279)</u>	<u>9,794</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Dec-13	31-Dec-12
	RM'000	RM'000
Cash flow from/(for) financing activities		
Drawdown of bank borrowings	389,578	111,430
Interest paid	(15,023)	(16,694)
Proceeds from issuance of share by a subsidiary to minority shareholders	180	-
Proceeds from conversion of warrants to share capital	24,101	-
Proceeds from share application monies	1,146	-
Repayment of bank borrowings	(83,445)	(130,917)
Repayment of hire purchase obligations	(287)	(81)
Security deposits paid	-	(11,856)
Net cash from/(for) financing activities	<u>316,250</u>	<u>(48,118)</u>
Net change in cash and cash equivalents	25,052	(3,040)
Effect of foreign exchange translation	(1,861)	23
Cash and cash equivalents at beginning of the financial year	<u>37,254</u>	<u>40,271</u>
Cash and cash equivalents at end of the financial year	<u>60,445</u>	<u>37,254</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	26,098	21,631
Cash and bank balances	<u>34,928</u>	<u>19,187</u>
	61,026	40,818
Less: Fixed deposits pledged as security	<u>(581)</u>	<u>(3,564)</u>
	<u>60,445</u>	<u>37,254</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 2012)**

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

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
Financial year ended 31 December 2013											
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
Balance as at 31 December 2013	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932
Financial year 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 year	-	-	-	-	1,111	-	(8,641)	(3,669)	(11,199)	(19)	(11,218)
Balance as at 31 December 2012	247,566	-	92,130	11,048	(802)	2,127	(65,079)	172,222	459,212	(237)	458,975

(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 2012)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH 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 2012. 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 2012.

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

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 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 year to-date.

6. Material Changes in Estimates

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

7. Issuance and Repayment of Debts and Equity Securities

During the current quarter and financial year to-date, the following number of ordinary shares of RM0.50 each was issued pursuant to the exercise of Warrants 2010/2015 at the respective exercise prices below:-

	Exercise price per share	
	RM1.00 No. of shares	RM0.71 No. of shares
Current quarter	2,856,398	2,450
Financial year to date	24,312,950	2,450

As at 31 December 2013, 51,893,183 Warrants remained unexercised.

On 6 December 2013, 207,775,515 Bonus shares and 14,828,798 additional Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad and the exercise price for the Warrants was adjusted from RM1.00 to RM0.71.

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.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. Dividends Paid

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

9. Segmental Information

Business Segment - Quarter

<i>Current Quarter Ended 31 December 2013</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	78,056	-	-	78,056
Inter-segment revenue	-	7,847	(7,847)	-
	78,056	7,847	(7,847)	78,056
Results				
Segment results	37,253	4,780	(12,810)	29,223
Finance costs	(7,575)	(656)	213	(8,018)
Profit before taxation	29,678	4,124	(12,597)	21,205
<i>Corresponding Quarter Ended 31 December 2012</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	64,195	-	-	64,195
Inter-segment revenue	-	89	(89)	-
	64,195	89	(89)	64,195
Results				
Segment results	(19,735)	(35,877)	43,131	(12,481)
Finance costs	(2,360)	(879)	-	(3,239)
Loss before taxation	(22,095)	(36,756)	43,131	(15,720)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information (Cont'd)

Business Segment – Year-to-date

<i>Current Year-to-date Ended 31 December 2013</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	274,665	-	-	274,665
Inter-segment revenue	-	8,114	(8,114)	-
	274,665	8,114	(8,114)	274,665
Results				
Segment results	105,677	(5,402)	(16,188)	84,087
Finance costs	(15,862)	(2,971)	213	(18,620)
Profit before taxation	89,815	(8,373)	(15,975)	65,467

<i>Corresponding Year-to-date Ended 31 December 2012</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	259,540	-	-	259,540
Inter-segment revenue	-	675	(675)	-
	259,540	675	(675)	259,540
Results				
Segment results	10,865	33,696	(33,325)	11,236
Finance costs	(10,145)	(7,745)	-	(17,890)
	720	25,951	(33,325)	(6,654)
Share of results in an associate				4,373
Loss before taxation				(2,281)

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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 31 December 2013.

12. Changes in Contingent Liabilities

	As at 31-Dec-13	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	12,778	12,778

13. Capital Commitment

As at 31 December 2013, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	155,217

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Operating Lease Arrangements

As at 31 December 2013, 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	40,123
Later than 1 year and not later than 5 years	136,806
Later than 5 years	12,249
	<u>189,178</u>

15. Significant Related Party Transactions

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

	Quarter ended 31-Dec-13 RM'000	Quarter ended 31-Dec-12 RM'000
i. Subsidiaries:		
- rental income	89	89
- management income	7,758	-
ii. Related party:		
- charter income	25,777	-

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 31-Dec-13 RM'000	Quarter ended 31-Dec-12 RM'000
Short-term employee benefits	2,247	1,634

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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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

- A. For the current quarter ended 31 December 2013, the Group recorded a turnover of RM78.1 million, an increase of 21.7% from RM64.2 million in the fourth quarter of year 2012. The increase is mainly due to the commencement of a few long term contracts coupled with the charter income generated from the new deliveries.

The Group registered a profit before taxation of RM21.2 million in the current quarter, as compared to a loss before taxation of RM15.7 million recorded in the fourth quarter of year 2012. The significant increase in profit before taxation in the current quarter is mainly due to the following:

- a) Increase in revenue and operating profit in the current quarter as highlighted above.
- b) Inclusion of an impairment loss of RM27.7 million in the fourth quarter of year 2012.
- c) Cost savings from maintaining the old vessels in the current quarter.

- B. For the financial year ended 31 December 2013, the Group registered a turnover of RM274.7 million and profit before taxation of RM65.5 million as compared to previous year ended 31 December 2012's turnover of RM259.5 million and loss before taxation of RM2.3 million.

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

- a) The increase in the number of vessels in use, improvement in the vessel utilization and charter rates in the current year. The average vessel utilisation has improved from 77% in the previous year to 80% in the current year.
- b) Inclusion of an impairment loss of RM27.7 million in the fourth quarter of year 2012.
- c) Cost savings from maintaining the old vessels in the current year.

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

17. Comparison with Immediate Preceding Quarter

The Group recorded a turnover of RM78.1 million in the current quarter, an increase of 14.5% as compared to the previous quarter of RM68.2 million. The increase in turnover is mainly due to the commencement of a few long term contracts coupled with the charter income generated from the new deliveries.

The Group reported a profit before taxation of RM21.2 million in the current quarter, as compared to a profit before taxation of RM15.8 million in the previous quarter. The improvement in profit before taxation is mainly due to the increase in the number of vessels in use and vessel utilization, set off by the higher administrative expenses and finance cost in the current quarter.

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.

With the improving marine charter outlook, our focus is to strive for longer-term charters for our new built assets. In the first quarter of the year, we have secured four AHTS vessels under long term contracts with 5+1 years charter period with Petronas Carigali Sdn Bhd. This has resulted in significant improvement in the utilisation rate for the mid-size AHTS. In line with our long term strategy to have a well-balanced fleet of AHTS and work barges/workboats, we have aggressively carried out an expansion programme on the latter. We managed to secure six work barges/workboats contracts with DESB (Dayang Enterprise Holdings Berhad) 5+1 years charter period in the second quarter of the year. Our collaboration with DESB, our new major shareholder who is an established service provider in the hook-up and commissioning and topside maintenance businesses, have put us in a strong position to further expand in the marine business. With the deployment of these new-built fleet in the market, we have firmly established within the region as major player. We will continue to leverage on our strong track record with major customers in the region.

Our fleet, with an average age of approximately 4 years old, will continue to provide the longer-term charter opportunities and stability that we need. As at to date, the group has fourteen vessels under long term contracts, which represents 82% of our fleet. The group will take delivery of one more work barge in October 2014 and will continue to increase the fleet size in the near term. We believe these will provide a stability of future earnings, ability to leverage on lower operating costs and more efficient operating performance of the Group 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.

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

19. Profit/(Loss) for the Quarter/Year

	Current Quarter Ended 31-Dec-13 RM'000	Corresponding Quarter Ended 31-Dec-12 RM'000	Current Year-to-date Ended 31-Dec-13 RM'000	Corresponding Year-to-date Ended 31-Dec-12 RM'000
Profit/(Loss) for the quarter/year is arrived at after charging/(crediting):				
Interest expense	4,912	2,893	15,023	16,694
Depreciation of property, plant and equipment	10,949	6,317	30,885	25,278
(Gain)/Loss on disposal of property, plant and equipment	(201)	56	(248)	2,302
(Gain)/Loss on foreign exchange:				
- realised	(841)	(134)	(6,013)	(77)
- unrealised	(3,667)	1,476	(5,963)	2,692
Impairment loss on refundable deposits	-	-	-	981
Impairment loss on vessels	-	27,716	-	27,716
Loss on disposal of other investment	-	-	100	-
Property, plant and equipment written off	100	29	101	29
Accretion of refundable deposits	(4,206)	(1,267)	(10,059)	(4,976)
Dividend income from an associate	-	-	-	(288)
Gain on disposal of an associate	-	-	-	(379)
Gain on disposal of non- current asset classified as held for sale	-	-	-	(200)
Interest income	(223)	(331)	(1,043)	(936)
Surplus on liquidation of subsidiaries	-	(242)	-	(242)

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 year ended 31 December 2013.

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****20. Taxation**

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

	Current Quarter Ended 31-Dec-13 RM'000	Corresponding Quarter Ended 31-Dec-12 RM'000	Current Year-to-date Ended 31-Dec-13 RM'000	Corresponding Year-to-date Ended 31-Dec-12 RM'000
Current tax:				
Malaysian income tax	43	17	596	244
Foreign tax	(102)	(27)	812	363
Withholding tax	29	14	32	547
	(30)	4	1,440	1,154
Deferred tax:				
Malaysian income tax	(57)	-	2,049	-
Total	(87)	4	3,489	1,154

The effective tax rate for current quarter and financial year 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 18 February 2014.

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22. Borrowings

Total Group's borrowings as at 31 December 2013 were as follows:

	As at 31-Dec-13 RM'000	As at 31-Dec-12 RM'000
Short term borrowings		
Secured	94,140	74,750
Unsecured	20,000	10,000
	<u>114,140</u>	<u>84,750</u>
Long term borrowings		
Secured	459,783	165,943
Total borrowings	<u>573,923</u>	<u>250,693</u>

The above includes borrowings in US Dollars equivalent to RM521 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 31 December 2013.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 18 February 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.

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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. The matter is currently pending decision by the High Court.

25. Dividends

There was no dividend proposed in respect of the current quarter ended 31 December 2013.

26. Earnings/(Loss) Per Share**a.) Basic**

	Current Quarter Ended 31-Dec-13	Corresponding Quarter Ended 31-Dec-12	Current Year-to-date Ended 31-Dec-13	Corresponding Year-to-date Ended 31-Dec-12
Net profit/(loss) attributable to shareholders (RM'000)	21,886	(15,816)	61,660	(3,669)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	516,588,552	495,132,000	495,132,000	495,132,000
Effect of the issuance pursuant to Bonus issue	207,775,515	-	207,775,515	-
Effects of warrants exercised	2,393,029	-	10,219,741	-
Weighted average number of ordinary shares in issue	726,757,096	495,132,000	713,127,256	495,132,000
Basic earnings/(loss) per ordinary share of RM0.50 each (Sen)	3.01	(3.19)	8.65	(0.74)

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26. Earnings/(Loss) Per Share (Cont'd)

b.) Diluted

	Current Quarter Ended 31-Dec-13	Corresponding Quarter Ended 31-Dec-12	Current Year-to-date Ended 31-Dec-13	Corresponding Year-to-date Ended 31-Dec-12
Net profit/(loss) attributable to shareholders (RM'000)	21,886	(15,816)	61,660	(3,669)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/year	516,588,552	495,132,000	495,132,000	495,132,000
Effect of the issuance pursuant to Bonus issue	207,775,515	-	207,775,515	-
Effects of warrants exercised	2,393,029	-	10,219,741	-
Effects of outstanding warrants	31,594,988	61,379,785	35,075,431	61,379,785
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	758,352,084	556,511,785	748,202,687	556,511,785
Diluted earnings/(loss) per ordinary share of RM0.50 each (Sen)	2.89	*N/A	8.24	*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:

	<u>As at 31 Dec 2013 RM'000</u>	<u>As at 31 Dec 2012 RM'000</u>
Total retained profits of the Group:		
- Realised	157,162	94,073
- Unrealised	1,961	(12,902)
	<u>159,123</u>	<u>81,171</u>
Add: Consolidation adjustments	74,759	91,051
Total retained profits as per statement of financial position	<u>233,882</u>	<u>172,222</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.