

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



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-June-15 RM'000	Corresponding Quarter Ended 30-June-14 RM'000	Current Year-to-date Ended 30-June-15 RM'000	Corresponding Year-to-date Ended 30-June-14 RM'000
Revenue	64,184	88,574	133,692	175,844
Cost of Sales	(49,922)	(48,833)	(96,730)	(95,563)
Gross Profit	14,262	39,741	36,962	80,281
Other income	308	1,593	3,192	3,870
Operating expenses	(17,681)	(9,985)	(25,617)	(21,515)
Finance costs	(7,717)	(7,206)	(15,783)	(16,130)
(Loss)/Profit before taxation	(10,828)	24,143	(1,246)	46,506
Income tax expense	(919)	(131)	(1,416)	(479)
(Loss)/Profit for the period	(11,747)	24,012	(2,662)	46,027
<i>Other comprehensive income</i>				
Foreign currency translation	22,356	(7,288)	50,114	(12,511)
Cash Flow Hedge	131	108	259	156
Total Comprehensive Income for the period	10,740	16,832	47,711	33,672
(Loss)/Profit for the period				
Attributable to:				
Equity holders of the Company	(11,746)	24,012	(3,109)	46,028
Non-controlling interest	(1)	-	447	(1)
	(11,747)	24,012	(2,662)	46,027
Total Comprehensive Income for the period				
Attributable to:				
Equity holders of the Company	10,742	16,826	47,290	33,663
Non-controlling interest	(2)	6	421	9
	10,740	16,832	47,711	33,672
(Loss)/Earnings per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	(1.57)	3.25	(0.42)	6.26
b) Fully diluted	N/A	3.17	N/A	6.10

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 30-June-15 RM'000	(Audited) 31-Dec-14 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,194,031	1,122,642
Intangible assets	10,722	10,724
Refundable deposits	60,785	54,896
Deferred tax asset	46	46
	<u>1,265,584</u>	<u>1,188,308</u>
CURRENT ASSETS		
Inventories	1,931	1,788
Trade receivables	28,927	37,824
Other receivables, deposits and prepayments	18,051	22,167
Amount owing by a related party	29,889	31,992
Tax recoverable	3,217	3,151
Fixed deposits with licensed banks	22,267	48,773
Cash and bank balances	36,292	50,431
	<u>140,574</u>	<u>196,126</u>
TOTAL ASSETS	<u>1,406,158</u>	<u>1,384,434</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	374,244	369,285
Reserves	334,428	285,066
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	708,672	654,351
NON-CONTROLLING INTEREST	144	(277)
TOTAL EQUITY	<u>708,816</u>	<u>654,074</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,582	4,578
Long-term borrowings	528,830	544,422
Derivative liability	203	462
Other payables	99	149
	<u>533,714</u>	<u>549,611</u>
CURRENT LIABILITIES		
Trade payables	11,965	13,033
Other payables	12,491	24,614
Short-term borrowings	139,099	142,953
Provision for taxation	73	149
	<u>163,628</u>	<u>180,749</u>
TOTAL LIABILITIES	<u>697,342</u>	<u>730,360</u>
TOTAL EQUITY AND LIABILITIES	<u>1,406,158</u>	<u>1,384,434</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	0.95	0.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-June-15	30-June-14
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before taxation	(1,246)	46,506
Adjustments for:		
Accretion of refundable deposits	(1,365)	(1,638)
Deficit on liquidation of subsidiaries	-	150
Depreciation of property, plant and equipment	30,960	25,604
Interest expense	15,684	15,287
Interest income	(563)	(253)
Loss on disposal of property, plant and equipment	132	103
Unrealised loss/(gain) on foreign exchange	5,630	(1,251)
Operating profit before working capital changes	<u>49,232</u>	<u>84,508</u>
Increase in inventories	(130)	(144)
Decrease/(Increase) in trade and other receivables	14,104	(13,243)
Decrease in trade and other payables	(10,134)	(758)
Decrease/(Increase) in amount owing by a related party	2,103	(16,226)
Net cash from operations	<u>55,175</u>	<u>54,137</u>
Tax paid	(1,570)	(673)
Net cash from operating activities	<u>53,605</u>	<u>53,464</u>
Cash flow for investing activities		
Interest received	563	253
Proceeds from disposal of property, plant and equipment	1	15
Refundable deposits refunded	-	3,854
Purchase of property, plant and equipment	(19,449)	(95,339)
Placement of fixed deposits	(1,339)	(2,152)
Net cash for investing activities	<u>(20,224)</u>	<u>(93,369)</u>

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	30-June-15	30-June-14
	RM'000	RM'000
Cash flow (for)/from financing activities		
Drawdown of bank borrowings	-	82,660
Interest paid	(15,684)	(15,287)
Proceeds from issuance of shares through warrant exercise	7,031	6,659
Repayment of bank borrowings	(70,478)	(48,694)
Repayment of hire purchase obligations	(43)	(65)
Share issuance expenses	-	(5)
Net cash (for)/from financing activities	<u>(79,174)</u>	<u>25,268</u>
Net change in cash and cash equivalents	(45,793)	(14,637)
Effect of foreign exchange translation	3,809	(186)
Cash and cash equivalents at beginning of the financial period	<u>82,972</u>	<u>60,445</u>
Cash and cash equivalents at end of the financial period	<u>40,988</u>	<u>45,622</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	22,267	35,359
Cash and bank balances	<u>36,292</u>	<u>12,996</u>
	58,559	48,355
Less: Fixed deposits pledged as security	<u>(17,571)</u>	<u>(2,733)</u>
	<u>40,988</u>	<u>45,622</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 2014)**

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2015											
As at 1 January 2015	369,285	10	8,404	5,213	(462)	1,635	(36,893)	307,159	654,351	(277)	654,074
Issuance of shares - Exercise of Warrants 2010/2015	4,959	(10)	3,357	(1,275)	-	-	-	-	7,031	-	7,031
Total comprehensive income for the period	-	-	-	-	259	-	50,140	(3,109)	47,290	421	47,711
Balance as at 30 June 2015	374,244	-	11,761	3,938	(203)	1,635	13,247	304,050	708,672	144	708,816
Financial year ended 31 December 2014											
As at 1 January 2014	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932
Issuance of shares - Exercise of Warrants 2010/2015	5,674	(1,136)	3,842	(1,459)	-	-	-	-	6,921	-	6,921
Dividend	-	-	-	-	-	-	-	(14,771)	(14,771)	-	(14,771)
Total comprehensive income for the period	-	-	-	-	(141)	-	12,114	88,048	100,021	(29)	99,992
Balance as at 31 December 2014	369,285	10	8,404	5,213	(462)	1,635	(36,893)	307,159	654,351	(277)	654,074

(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 2014)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

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 2014. 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 2014.

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 July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 127 (2011): Equity Method Financial Statements in Separate Financial Statements

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. Changes in Accounting Policies (Cont'd)

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

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

Annual Improvements to MFRSs 2012 – 2014 Cycle

3. Qualification of Financial Statements

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

4. Seasonal or Cyclical Factors

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

5. Unusual Items

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

6. Material Changes in Estimates

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

7. Issuance and Repayment of Debts and Equity Securities

During the current quarter and financial period to-date, 2,556,890 and 9,918,216 ordinary shares of RM0.50 were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 30 June 2015, 30,627,807 Warrants 2010/2015 remained unexercised.

There have been 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 period to-date.

9. Segmental Information

Business Segment

<i>Current Quarter Ended 30 June 2015</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	64,184	-	-	64,184
Inter-segment revenue	-	2,832	(2,832)	-
	64,184	2,832	(2,832)	64,184
Results				
Segment results	7,233	(698)	(9,646)	(3,111)
Finance costs	(7,916)	(297)	496	(7,717)
Loss before taxation	(683)	(995)	(9,150)	(10,828)
<i>Corresponding Quarter Ended 30 June 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	88,574	-	-	88,574
Inter-segment revenue	-	2,208	(2,208)	-
	88,574	2,208	(2,208)	88,574
Results				
Segment results	31,440	(2,094)	2,003	31,349
Finance costs	(7,433)	(317)	544	(7,206)
Profit before taxation	24,007	(2,411)	2,547	24,143

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information (Cont'd)

Business Segment

<i>Current Year-to-date Ended 30 June 2015</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	133,692	-	-	133,692
Inter-segment revenue	-	5,664	(5,664)	-
	133,692	5,664	(5,664)	133,692
Results				
Segment results	22,501	139	(8,103)	14,537
Finance costs	(16,206)	(590)	1,013	(15,783)
Profit before taxation	6,295	(451)	(7,090)	(1,246)
<i>Corresponding Year-to-date Ended 30 June 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	175,844	-	-	175,844
Inter-segment revenue	-	4,416	(4,416)	-
	175,844	4,416	(4,416)	175,844
Results				
Segment results	71,200	(4,647)	(3,917)	62,636
Finance costs	(16,614)	(636)	1,120	(16,130)
Profit before taxation	54,586	(5,283)	(2,797)	46,506

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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 30 June 2015 except for the following:

On 5 June 2015, the Company has re-organised its group structure by transferring the entire equity interest in Perdana Pluto Limited of 2,950,001 ordinary shares (“Sale Shares”) held by its wholly-owned subsidiary, Perdana Marine Offshore Pte Ltd to the Company. The consideration for the transfer of the Sale Shares is USD2,950,001.

On 17 June 2015, the Company has acquired a new shelf company, Perdana Uranus Limited (“PUL”) with an issued and paid up capital of USD1.00. PUL is incorporated under the Labuan Companies Act 1990 and will be used to provide offshore marine support services for the upstream oil and gas industry.

12. Changes in Contingent Liabilities

	As at 30-June-15	
	Group	Company
	RM'000	RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	20,999	20,999
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	647,610
	20,999	668,609

13. Capital Commitment

As at 30 June 2015, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	
- Purchase of property, plant and equipment	254,486

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

14. Operating Lease Arrangements

As at 30 June 2015, the Group has entered into operating lease agreements for the use of certain vessels, office, premise and office equipment. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	43,690
Later than 1 year and not later than 5 years	105,781
	<u>149,471</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-15 RM'000	Quarter ended 30-June-14 RM'000
i. Subsidiaries:		
- rental income	89	89
- management income	2,743	2,119
ii. Related party:		
- charter income	20,695	31,805

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-15 RM'000	Quarter ended 30-June-14 RM'000
Short-term employee benefits	3,546	3,932

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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 30 June 2015, the Group recorded a lower turnover of RM64.2 million and a loss before taxation of RM10.8 million, as compared to a turnover of RM88.6 million and profit before taxation of RM24.1 million in the second quarter of year 2014.

The lower turnover registered and the loss before taxation incurred in the current quarter is mainly due to lower vessel utilization at 68% in the current quarter as compared to 93% in second quarter of year 2014, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices. The loss before taxation has also accounted for an unrealized foreign exchange loss of RM8.2 million in the current quarter ended 30 June 2015.

- B. For the financial period ended 30 June 2015, the Group recorded a lower turnover of RM133.7 million and loss before taxation of RM1.2 million as compared to previous period ended 30 June 2014's turnover of RM175.8 million and profit before taxation of RM46.5 million.

The lower turnover registered and the loss before taxation incurred is mainly due to lower vessel utilization at 72% for the financial period ended 30 June 2015, as compared to 91% in previous period ended 30 June 2014, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices. Apart from the unrealized foreign exchange loss of RM8.2 million recognized, the loss before taxation is also affected by higher bunkering, repair and maintenance cost in the current period ended 30 June 2015.

17. Comparison with Immediate Preceding Quarter

The Group recorded a lower turnover of RM64.2 million and a loss before taxation of RM10.8 million in the current quarter, as compared to the previous quarter's turnover of RM69.5 million and profit before taxation of RM9.6 million.

The lower turnover registered and the loss before taxation incurred is mainly attributed to lower vessel utilization at 68% in the current quarter as compared to 76% in the previous quarter, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices. The loss before taxation has also accounted for an unrealized foreign exchange loss of RM8.2 million in the current quarter ended 30 June 2015.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

18. Prospects

The global economy and the prospects of Oil & Gas operators and service providers continue to face challenges as the fluctuation in the oil price remains uncertain. Any prolonged and continued decline in the oil price could result in oil companies making further cut backs on their exploration and operation budgets leading to a slow-down in new project awards.

Notwithstanding the above, the Group will continue to focus on enhancing operational excellence and improving financial management with its well positioned young and versatile fleet of offshore support vessels with an average age of approximately 5.2 years old. The Board believes its fleet will continue to provide the longer-term charter opportunities.

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

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

	Current Quarter Ended 30-June-15 RM'000	Corresponding Quarter Ended 30-June-14 RM'000	Current Year-to-date Ended 30-June-15 RM'000	Corresponding Year-to-date Ended 30-June-14 RM'000
(Loss)/Profit for the quarter is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	15,665	12,826	30,960	25,604
Deficit on liquidation of subsidiaries	-	-	-	150
Interest expense	7,703	7,092	15,684	15,287
Loss on disposal of property, plant and equipment	66	58	132	103
Accretion of refundable deposits	(689)	(1,013)	(1,365)	(1,638)
Interest income	(313)	(104)	(563)	(253)
Loss/(Gain) on foreign exchange:				
- realised	853	(336)	3,379	(336)
- unrealised	8,231	(140)	5,630	(1,251)

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, other income including investment income and exceptional items for for the current quarter and financial period ended 30 June 2015.

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

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

	Current Quarter Ended 30-June-15 RM'000	Corresponding Quarter Ended 30-June-14 RM'000	Current Year-to-date Ended 30-June-15 RM'000	Corresponding Year-to-date Ended 30-June-14 RM'000
Current tax:				
Malaysian income tax	379	130	876	261
Foreign tax	540	-	540	254
Withholding tax	-	1	-	1
	919	131	1,416	516
Deferred tax:				
Malaysian income tax	-	-	-	(37)
Total	919	131	1,416	479

The effective tax rate for current quarter and financial period to-date were 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 14 May 2015, the Company has received a notice from Maybank Investment Bank Berhad (“Maybank IB”) on behalf of Dayang Enterprise Holdings Berhad (“Dayang”) in relation to the proposed acquisition of 42,965,100 ordinary shares of RM0.50 each in Perdana Petroleum Berhad (“PPB”) (“PPB Shares”), representing approximately 5.74% equity interest in PPB from Affin Hwang Asset Management Berhad for a total cash consideration RM66,595,905 or RM1.55 per share (“Proposed Acquisition”) and proposed mandatory general offer (“MGO”) for all the remaining PPB Shares not already owned by Dayang after the Proposed Acquisition and such number of new PPB Shares that may be issued pursuant to the exercise of any outstanding warrants 2010/2015 issued by PPB (“PPB Warrants”) prior to the close of the proposed MGO for a cash consideration of RM1.55 per PPB Share and all the remaining PPB Warrants not already owned by Dayang for a cash consideration of RM0.84 per PPB Warrant.

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

21. Corporate Proposals (Cont'd)

On 2 July 2015, the Company has received a notice of conditional mandatory take-over offer from Maybank IB, on behalf of Dayang to acquire all the remaining PPB Shares not already owned by Dayang after the Acquisition and such number of new PPB Shares that may be issued pursuant to the exercise of any outstanding PPB Warrants prior to the close of the Offer ("Offer Shares") and all the remaining PPB Warrants not already owned by Dayang ("Offer Warrants") for a cash offer price of RM1.55 per Offer Share and RM0.84 per Offer Warrant. In relation to the Offer, the Board has deliberated on the Notice and is not seeking an alternative person to make a take-over offer for the Offer Shares and Offer Warrants.

On 24 July 2015, Dayang ("the Offeror") has received valid acceptances in respect of the Offer, resulting in Dayang and the person acting in concert with Dayang for the Offer ("PACs") holding in aggregate, together with such PPB Shares that are already acquired, held or entitled to be acquired or held by Dayang and the PACs, more than 50% of the voting shares of PPB. As such, the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional.

On the close of the Offer on 13 August 2015, the Offeror and PACs have accepted 710,783,665 ordinary shares of RM0.50 each and 28,368,926 warrants, which equivalent to 94.96% of issued and paid-up share capital of PPB as at 13 August 2015 of 748,488,501 PPB Shares and 92.63% of 30,627,597 outstanding PPB Warrants as at 13 August 2015.

As the public shareholding spread of PPB is less than 10% of the Voting Shares of PPB, on 17 August 2015, the Company has announced that the trading in all the securities of PPB will be suspended by Bursa Securities with effect from 9.00 a.m. on 30 September 2015, pursuant to Paragraph 16.02(2) of the Main Market Listing Requirements ("MMLR"). Accordingly, trading in the structured warrants relating to Perdana will also be suspended at the same date and time. The suspension will only be uplifted by Bursa Malaysia Securities Berhad upon PERDANA's full compliance with the public shareholding spread requirements under paragraph 8.02(1) of the MMLR or as may be determined by Bursa Malaysia Securities Berhad.

There were no other corporate proposals announced but not completed as of 17 August 2015 save for the above.

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22. Borrowings

Total Group's borrowings as at 30 June 2015 were as follows:

	As at 30-June-15 RM'000	As at 31-Dec-14 RM'000
Short term borrowings		
Secured	119,099	107,953
Unsecured	20,000	35,000
	139,099	142,953
Long term borrowings		
Secured	528,830	544,422
Total borrowings	667,929	687,375

The above includes borrowings in US Dollars equivalent to RM648 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 30 June 2015.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 25 August 2015 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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24. Changes in Material Litigation (Cont'd)

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

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

On 9 September 2014, the Company announced that the High Court has made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court has also ordered Tengku Dato' Ibrahim Petra bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the quarter ending 31 December 2014 would be reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 24 September 2014, the Company announced that the Court of Appeal has fixed the hearing of the Appeal on 2 December 2014. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, the Company announced that the Court of Appeal has made the following judgements:-

- (a) PPB's appeal is allowed with costs against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- (b) PPB's appeal is dismissed with costs against Lee Mee Jiong; and
- (c) Tengku Dato' Ibrahim Petra bin Tengku Indra Petra's cross appeal is dismissed with costs.

25. Dividends

There was no dividend proposed in respect of the current quarter ended 30 June 2015.

PERDANA PETROLEUM BERHAD

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26. (Loss)/Earnings Per Share

a.) Basic

	Current Quarter Ended 30-June-15	Corresponding Quarter Ended 30-June-14	Current Year-to-date Ended 30-June-15	Corresponding Year-to-date Ended 30-June-14
Net (loss)/profit attributable to shareholders (RM'000)	(11,746)	24,012	(3,109)	46,028
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	745,931,401	736,461,175	738,570,075	727,222,915
Effects of warrants exercised	2,359,228	1,339,181	6,031,117	7,894,818
Weighted average number of ordinary shares in issue	748,290,629	737,800,356	744,601,192	735,117,733
Basic (loss)/earnings per ordinary share of RM0.50 each (Sen)	(1.57)	3.25	(0.42)	6.26

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

b.) Diluted

	Current Quarter Ended 30-June-15	Corresponding Quarter Ended 30-June-14	Current Year-to-date Ended 30-June-15	Corresponding Year-to-date Ended 30-June-14
Net (loss)/profit attributable to shareholders (RM'000)	(11,746)	24,012	(3,109)	46,028
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	745,931,401	736,461,175	738,570,075	727,222,915
Effects of warrants exercised	2,359,228	1,339,181	6,031,117	7,894,818
Effects of outstanding warrants	15,578,059	18,804,308	15,632,312	19,776,214
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	763,868,688	756,604,664	760,233,504	754,893,947
Diluted earnings per ordinary share of RM0.50 each (Sen)	*N/A	3.17	*N/A	6.10

* 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 30-June-2015 RM'000</u>	<u>As at 31-Dec-2014 RM'000</u>
Total retained profits of the Group:		
- Realised	246,375	210,134
- Unrealised	(12,139)	(8,994)
	<u>234,236</u>	<u>201,140</u>
Add: Consolidation adjustments	69,814	106,019
Total retained profits as per statement of financial position	<u>304,050</u>	<u>307,159</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.