

PRESS STATEMENT

POSITIVE OUTCOMES FOR PETRA PERDANA – UNDP MANGROVE REGENERATION PROJECT

Terengganu, 18th November 2008 – The PETRA-UNDP Mangrove Regeneration Community-led Environment Project (“the Project”), was the first Corporate Social Responsibility (CSR) initiative, launched in April 2006, for oil and gas services provider Petra Perdana Berhad (“Petra” or “the Company”). It is a milestone achievement for the Company which included other partners such as the United Nations Development Programme (“UNDP”) together with the support from the Terengganu State Government and Universiti Malaysia Terengganu (“UMT”).

Over the past two years a series of activities was undertaken at the project site. These included, amongst others, replanting activities, nursery set-up, awareness campaigns in local schools, eco-tourism activities and formation of the Cooperative.

The outcome of these initiatives and more to come over the next few years will have a positive bearing on the various stakeholders of the Project. The local communities will benefit as the Project will enable them to participate actively in the conservation and management of the mangrove ecosystem which includes enhancement of their livelihood activities through fishing, mangrove product extraction and eco-tourism. This would also include eco-tourism opportunities where the local communities will be able to work with tour operators to create specialized tours on mangrove regeneration and preservation.

The Terengganu State Government on the other hand, will benefit through the increased awareness of the local communities on the need to sustainably manage the mangrove ecosystem. In addition, the results from the restoration and community development outcomes can be considered a ‘best practice’ that can be incorporated into the State’s planning processes, and be used as a tool for managing the mangrove forests in Terengganu. A major policy impact for the Terengganu State Government is that such projects can be used as a poverty reduction strategy.

This Project was premised on the Company's philosophy and emphasis on Health Safety Security and Environment (HSSE). HSSE is an integral part of the Group's operating culture. It is a business process that has been integrated into all operating levels to ensure the safety of personnel, equipment and property. The Project integrates the Company's core business strategy of HSSE into its components in that it will:

- Serve as a natural trapping and purification zone for water-borne pollution, thus removing *Health* hazards
- Provide a *Safety* 'net' by absorbing the onslaughts of the Northeast monsoon, thus minimizing damage to property and livelihood
- Promote biodiversity, whilst eliminating soil erosion and providing an ecologically stable and sustainable *Environment*

Today's ceremony officially marks Petra Perdana and UNDP's departure from the Project, the ceremony today also involves the handing over of the business plan to the local community.

"We have very pleased at how this Project was transformed from an environment project into a socio-economic venture that would not only help enrich the mangrove ecosystem but also bring economic value.

"We have strong confidence that the local community will continue to develop this Project and reap from its benefits, we are pleased at the outcome and believe that the Project has reached a stage where it is self-sustainable", said Tengku Dato' Ibrahim Petra, Executive Chairman and CEO, Petra Perdana Bhd.

The Project involved the planting of *rhizophora apiculata* commonly known as "bakau minyak" mangrove species at an eight (8) hectre site in *Kg Pengkalan Gelap*, Setiu Terengganu, was designed to promote the sustainability of the local resources and conserve the mangrove ecosystem through the regeneration of mangrove forests as well as help create sustainable livelihoods for the community. It involved 150 families from the three main villages of *Kg. Fikri*, *Kg. Saujana* and *Kg. Gong Batu*.

Petra Perdana's Philosophy on Corporate Responsibility

The Petra Perdana Group of Companies ("Group") has embraced and established international benchmarks on policies and practices to ensure the sustainability of its business operations. In doing so, it not only ensures compliance to regulatory requirements but also assures the interests of its stakeholders.

At the corporate level, the Group has instituted board-level committees, accounting standards and risk management practices to safe-guard the interests of its shareholders. And given the high-risk and hazardous work environment both on-shore and off-shore, the Group has in place policies on environment protection, air & oil pollution, health safety security & environment (HSSE) and quality assurance.

These policies which are designed to protect the environment and safe-guard the interests of employees, clients and communities, form the basis of the Group's initiatives in corporate responsibility (CR).

These initiatives (CR) have also been used as a yardstick in the Group's involvement in corporate social responsibility (CSR) activities, both within and outside the company.

As defined by Bursa Malaysia Securities ("Exchange"), the Group's CR initiatives are defined into four (4) dimensions: Workplace, Environment, Community and Marketplace.

About Petra Perdana Berhad

Petra Perdana Berhad, a main board listed company, is an offshore marine services provider for the upstream oil & gas industry. The Company currently has a fleet of 21 vessels comprising 12 Anchor Handling Tug Supply (AHTS) vessels, 5 accommodation and work barges, 2 fast crew boats, 1 maintenance workboat and 1 supply vessel. It holds a 60% equity interest in its subsidiary company Petra Energy Berhad

The Group serves oil majors such as SHELL, PETRONAS Carigali, Newfield, Petro Vietnam, Nippon Oil etc in the domestic, regional and international markets and serves countries such as Indonesia, Vietnam, Thailand, Myanmar, Australia, Russia and Mozambique.

In expediting its business activities the Group has consolidated its market-focus and operational efficiency within the Asia-Pacific region. Being a market-leader in medium and deep-water support-vessel operations in Malaysia and Vietnam, the Company is one of the largest foreign offshore vessel operators in Vietnam with five vessels serving oil & gas majors within their waters.

The Company is also involved in integrated brown field services of the oil & gas industry via its 60% equity stake in Petra Energy Berhad.

For more information on Petra Perdana Berhad, please visit www.petra.com.my