

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2011

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Financial statements on consolidated results for the third quarter and nine months ended 31 March 2011. Certain items reported for the nine months ended 31 March 2010 have been reclassified to conform to this report for the nine months ended 31 March 2011.

	Note	Group			Group		
		Third Quarter			Nine Months		
		Jan-Mar 2011	Jan-Mar 2010	Inc/ (Dec)	Jul 2010 - Mar 2011	Jul 2009- Mar 2010	Inc/ (Dec)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations							
Revenue		13,703	29,175	(53.0)	43,642	60,647	(28.0)
Cost of sales		(11,533)	(26,066)	(55.8)	(36,008)	(52,717)	(31.7)
Gross profit		2,170	3,109	(30.2)	7,634	7,930	(3.7)
Other operating income		595	(390)	nm	4,614	1,834	151.6
Distribution and selling expenses		(49)	(72)	(31.9)	(154)	(285)	(46.0)
Administrative expenses		(2,832)	(2,725)	3.9	(7,664)	(8,468)	(9.5)
Other operating expenses		58	114	(49.1)	-	(829)	(100)
Finance income		58	67	(13.4)	196	267	(26.6)
Finance expenses		(56)	(246)	(77.2)	(229)	(441)	(48.1)
Share of results of associated companies		-	14	(100)	-	14	(100)
Profit before tax	1	(56)	(129)	(56.6)	4,397	22	19,886
Income tax expense		(28)	158	nm	(504)	68	nm
Profit for the period from continuing operations		(84)	29	nm	3,893	90	4,226
Discontinued operations							
Loss for the period from discontinued operations	15	-	(234)	(100)	(122)	(355)	(65.6)
(Loss)/Profit for The Period		(84)	(205)	(59.0)	3,771	(265)	nm
Attributable to:							
Equity holders of the Company		(250)	(233)	7.3	2,066	(482)	Nm
Non-controlling Interests		166	28	492.9	1,705	217	685.7
		(84)	(205)	(59.0)	3,771	(265)	nm

Notes:

1) Profit before tax is arrived at after (charging)/crediting the following:-

	Group			Group		
	Third Quarter			Nine Months		
	Jan-Mar 2011	Jan-Mar 2010	Inc/ (Dec)	Jul 2010 - Mar 2011	Jul 2009- Mar 2010	Inc/ (Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Bad non-trade receivables recovered	-	-	-	3	-	nm
Bad non-trade receivables recovered/(written off)	129	(30)	nm	129	(42)	nm
Depreciation of property, plant and equipment	(307)	(300)	2.3	(864)	(913)	(5.4)
Realised exchange (loss)/gain (net)	(41)	585	nm	38	1,518	(97.5)
Unrealised exchange gain/(loss) (net)	533	(832)	nm	484	(584)	nm
Interest on borrowings	(36)	(71)	(49.3)	(125)	(237)	(47.3)
Interest income	58	67	(13.4)	196	267	(26.6)
Gain on disposal of property, plant and equipment	30	13	130.8	76	78	(2.6)
Gain on disposal of a subsidiary	-	-	-	2,382	-	nm

1(a)(ii) Other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Third Quarter			Nine Months		
	Jan-Mar 2011	Jan-Mar 2010	Inc/ (Dec)	Jul 2010 - Mar 2011	Jul 2009- Mar 2010	Inc/ (Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/Profit for the period	(84)	(205)	(59.0)	3,771	(265)	nm
<i>Other comprehensive income:</i>						
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	(735)	(18)	3,983	(1,575)	270	nm
Increase/(decrease) in available-for-sale reserve	3,805	(384)	nm	15,684	4,240	269.9
Total comprehensive income	2,986	(607)	nm	17,880	4,245	321.2
Attributable to:						
Equity holders of the Company	2,772	(292)	nm	15,740	4,253	270.1
Non-controlling Interests	214	(315)	nm	2,140	(8)	nm
	2,986	(607)	nm	17,880	4,245	321.2

1(b)(i) A consolidated statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		31-Mar-11	30-Jun-10	31-Mar-11	30-Jun-10
		S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets					
Property, plant and equipment	1	7,700	8,501	116	149
Investments in subsidiaries		-	-	26,287	26,287
Investments in associated companies	2	2	71	-	-
Goodwill	2	1,570	1,570	-	-
Intangible assets	3	32,136	29,717	-	-
Available-for-sale financial assets	4	32,558	12,674	18,483	7,411
Deferred tax assets	5	230	243	-	-
Total Non-Current Assets		74,196	52,776	44,886	33,847
Current Assets					
Inventories	6	13,629	16,916	-	-
Trade and other receivables	7	9,003	10,592	419	380
Related parties balances	10	773	696	2,226	742
Cash and cash equivalents		13,393	15,183	29	12
		36,798	43,387	2,674	1,134
Assets classified as held for sale	15	-	1,810	-	-
Total Current Assets		36,798	45,197	2,674	1,134
Total Assets		110,994	97,973	47,560	34,981
Current Liabilities					
Trade and other payables	8	6,912	9,636	816	1,228
Bank overdrafts	9	50	262	-	206
Related parties balances	10	956	2,729	4,829	3,310
Short-term borrowings	11	2,909	4,438	56	368
Finance lease obligations	12	36	55	22	21
Income tax liabilities	13	638	675	135	135
		11,501	17,795	5,858	5,268
Liabilities directly associated with assets classified as held for sale	15	-	2,420	-	-
Total Current Liabilities		11,501	20,215	5,858	5,268
Non-Current Liabilities					
Long-term borrowings	11	1,240	1,241	-	-
Finance lease obligations	12	43	78	41	58
Deferred tax liabilities	14	8,650	7,920	-	-
Total Non-Current Liabilities		9,933	9,239	41	58
Total Liabilities		21,434	29,454	5,899	5,326
Equity					
Share capital		120,127	116,502	120,127	116,502
Reserves		(58,736)	(74,470)	(78,466)	(86,847)
		61,391	42,032	41,661	29,655
Non-controlling Interests		28,169	26,487	-	-
Total Equity		89,560	68,519	41,661	29,655
Total Liabilities and Equity		110,994	97,973	47,560	34,981

Notes

1) Property, plant and equipment

Property, plant and equipment decreased from net book value of S\$8.5 million as at 30 June 2010 to S\$7.7 million as at 31 March 2011, mainly due to depreciation of S\$0.9 million.

2) Goodwill

Goodwill remains unchanged over the financial year.

	Mar-11	Jun-10
	S\$'000	S\$'000
Mid-Continent Equipment Group Pte Ltd	1,570	1,570

3) Intangible assets

	Mar-11	Jun-10
	S\$'000	S\$'000
40% participating interest for the exploration of an area covered by the Petroleum Exploration Licence 101 granted under the Petroleum Act 2000 of South Australia	4,337	4,335

Coal concession rights granted by the Government of Indonesia for a period of 30 years, commencing from the date that mining operations commences, to explore, mine and extract coal from the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia*

Adjustment on the value of the coal concession rights

Impairment loss of the coal concession rights

Exploration and evaluation expenditure incurred for the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia

Oil concession rights granted by China National Petroleum Company Limited for the drilling of oil for Section 20, 35 and 46 oilfields for the remaining life of the concession of 8 years (2010:9 years) and explore Section 214 oilfield located west of Songyuan City of Jilin Province

Adjustment on the value of the oil concession rights

Amortisation of the oil concession rights

Impairment loss of the oil concession rights

Translation Differences

26,420	26,420
-	-
-	-
30,757	30,755
1,187	1,180
31,944	31,935
-	10,772
-	(1,938)
-	(482)
-	(8,352)
-	-
192	(2,218)
32,136	29,717

*Due to the impending legal proceedings in relation to the Group's ownership interest in PT Batubara Selaras Sapta, the directors have been unable to determine the recoverable amount of the Group's investment in the Coal Concession Rights. Any adjustment to the figures will largely be dependent on the outcome of the legal proceedings and may significantly affect the Group's results.

4) Available-for-sale financial assets

Available-for-sale financial assets increased from S\$12.7 million as at 30 June 2010 to S\$32.6 million as at 31 March 2011, mainly due to a net fair value gain of S\$15.6 million and a net addition of S\$4.2 million during the current period.

	Mar-11	Jun-10
	S\$'000	S\$'000
Quoted equity shares at FV as at 1 Jul 2010/1 Jul 2009	12,674	6,634
Additions	6,162	6,158
Disposals	(1,985)	(3,578)
Reversal of fair value gains/(losses) on disposal	816	(607)
Fair value gain, transferred to equity	14,758	3,933
Currency realignment	133	134
	<u>32,558</u>	<u>12,674</u>

5) Deferred tax assets

Deferred tax assets recognised mainly for tax credit on losses and employee benefits in our Indonesian subsidiaries was S\$0.2 million at 30 June 2010 and remain relatively unchanged at 31 March 2011.

6) Inventories

	Mar-11	Jun-10
	S\$'000	S\$'000
<u>Mid-Continent Equipment Group</u>		
Finished goods (at cost)	11,727	14,982
Goods-in-transit (at cost)	890	1,047
<u>Mid-Continent Environmental Project</u>		
Finished goods (at net realisable value)	1,000	754
Work-in-progress (at net realisable value)	12	133
	<u>13,629</u>	<u>16,916</u>

Inventories decreased about 19.4% as the Group's oilfield equipment supply segment continued to draw down on its inventories.

7) Trade and other receivables

The decrease in trade and other receivables from S\$10.6 million as at 30 June 2010 to S\$9.0 million as at 31 March 2011 was mainly due to a slow down in our equipment supply segment, inline with decrease in revenue.

The trade receivable as at 31 March 2011 was S\$7.3 million (30 Jun 2010: S\$8.3 million). Other debtors, deposits and prepayments as at 31 March 2011 were S\$1.7 million (30 Jun 2010: S\$2.3 million).

8) Trade and other payables

Inline with item 6, and lower cost of sales, trade and other payables decreased from S\$9.6 million as at 30 June 2010 to S\$6.9 million as at 31 March 2010.

The trade payables as at 31 March 2011 were S\$6.0 million (30 Jun 2010: S\$7.4 million). Other payables as at 31 March 2011 were S\$0.9 million (30 Jun 2010: S\$2.2 million).

9) Bank overdrafts

Bank overdrafts decreased from S\$0.3 million as at 30 June 2010 to S\$0.05 million as at 31 March 2011 due to repayments of these overdrafts facilities.

10) Related parties balances (net)

Net amount due to related parties decreased from S\$2.0 million as at 30 June 2010 to S\$0.2 million as at 31 March 2011. The related party balances relate to trade balances between our equipment supply subsidiary and its joint venture partner and, associated and affiliated companies.

11) Short/Long-term borrowings

Short-term borrowings decreased from S\$4.4 million as at 30 June 2010 to S\$2.9 million as at 31 March 2011. Long-term borrowings remain largely unchanged at S\$1.2 million respectively. These relate to a loan taken by our equipment supply subsidiary to acquire the leasehold property and the decrease is due to scheduled repayment of the loan.

12) Finance lease obligations

Decrease in finance lease obligations from S\$0.13 million as at 30 June 2010 to S\$0.08 million as at 31 March 2011 was due to repayment of lease obligations.

13) Income tax liabilities

Income tax liabilities decreased marginally from S\$0.68 million as at 30 June 2010 to S\$0.64 million as at 31 March 2011.

14) Deferred tax liabilities

	Mar-11	Jun-10
	S\$'000	S\$'000
Property, plant and equipment	56	52
Intangible assets	9,594	9,248
Available-for-sale financial assets	(178)	(453)
Unutilised benefits	(822)	(927)
	<u>8,650</u>	<u>7,920</u>

Deferred tax liabilities have been recognised on the coal concession valuation for PT Batubara Selaras Sapta in Indonesia and investments in quoted equities in Australia.

15) Assets/Liabilities held for sale

The Group had on 21 May 2010 signed a conditional sale and purchase agreement ("Agreement") to dispose off our crude oil production subsidiary Songyuan Yongda Oilfields Exploration & Technology Co., Ltd ("YD"). The details on this disposal can be obtained from our announcement made on 25 May 2010.

In accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*, the results of YD has been disclosed separately as discontinued operations and assets or liabilities held for sale in the statement of comprehensive income and statement of financial position respectively.

The assets held for sale was S\$1.8 million and liabilities directly associated with the assets held for sale was S\$2.4 million, resulting in an approximate net liability of S\$0.6 million. Losses from discontinued operations during the financial year ended 30 June 2009 was S\$28.7 million, mainly due to an S\$19.0 million write off of oilfield assets and S\$8.4 million impairment loss on the oil concession rights during the financial year.

Losses from discontinued operations during the nine months ended 31 December 2010 was S\$0.02 million.

The disposal of YD was completed on 30 November 2010.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31-Mar-2011	
Secured	Unsecured
S\$'000	S\$'000
2,945	50

As at 30-Jun-2010	
Secured	Unsecured
S\$'000	S\$'000
4,493	262

Amount repayable after one year

As at 31-Mar-2011	
Secured	Unsecured
S\$'000	S\$'000
1,283	-

As at 30-Jun-2010	
Secured	Unsecured
S\$'000	S\$'000
1,319	-

Details of any collateral

The Group's short-term bank loans are secured by:

- a letter of guarantee from a corporate shareholder of a subsidiary and a first fixed charge on its receivables and first floating charge on all its undertaking, property, assets and rights of the joint venture entity;
- a Standby Letter of Credit from a bank in Singapore;
- a personal guarantee from the directors, guarantee from a corporate shareholder and a hypothecation of machinery of a joint venture company in India;
- a first floating charge on all its undertaking, other property, assets and rights of a joint venture entity in Singapore;
- the pledging of a subsidiary's fixed deposits of S\$5,141,173 to certain banks.

The Group's long-term finance lease obligations and borrowings relates to hire purchase of vehicles and the term loan for acquisition of leasehold property as disclosed in note 1 and note 11.

1(c) A consolidated statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	Nine months ended	
	Mar-11	Mar-10
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax		
Continuing operations	4,397	22
Discontinued operations	(122)	(355)
	4,275	(333)
Adjustments of non-cash items	(1,962)	3,435
Operating cash flows before working capital changes	2,313	3,102
- Working capital changes	1,055	(4,587)
Cash flows used in operations	3,368	(1,485)
Interest income received	196	267
Interest paid	(125)	(237)
Income taxes paid	(412)	(1,091)
Net cash generated from/(used in) operating activities	3,027	(2,546)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	117	132
Purchase of property, plant and equipment	(386)	(4,934)
Net proceeds from sale of available-for-sale financial assets	2,574	3,045
Acquisition of available-for-sale financial assets	(6,162)	(5,915)
Net payment of petroleum exploration expenditure	(10)	(314)
Net cash inflow on disposal of subsidiary	562	-
Net cash flows used in investing activities	(3,305)	(8,445)
Cash flows from financing activities		
Repayment of lease obligations	(52)	(37)
Proceeds from borrowings	-	2,137
Repayment of borrowings	(1,010)	(681)
Fixed deposits released from bank	470	4,560
Payment of dividends by a subsidiary company to minority interests	(458)	(459)
Proceeds from issue of ordinary shares	3,625	-
Net cash flows generated from financing activities	2,575	5,979
Net increase/(decrease) in cash and cash equivalents	2,297	(5,012)
Cash and cash equivalents at the beginning of the period	8,393	11,259
Effects of exchange rate changes on cash and cash equivalents	(2,489)	(391)
Cash and cash equivalents at the end of the period	8,201	5,856
Represented by:		
<u>Continuing operations</u>		
Cash and bank balances	6,108	6,155
Fixed deposits	2,143	643
Bank overdrafts, unsecured	(50)	(1,007)
	8,201	5,791
<u>Discontinued operations</u>		
Cash and bank balances	-	65
	8,201	5,856
<u>Cash and cash equivalents from continuing operations</u>		
Cash and bank balances	6,108	6,155
Fixed deposits	7,285	6,864
Cash and cash equivalents	13,393	13,019

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to shareholders							Non-controlling Interests	Total Equity
	Share Capital	Share-based Payment Reserve	Fair Value Reserve	Translation Reserve	Statutory Reserve	Retained Earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 Jul 2010	116,502	171	4,983	(5,059)	14	(74,579)	42,032	26,487	68,519
Total comprehensive income/(loss) for the period	-	-	15,262	(1,588)	-	2,066	15,740	2,140	17,880
Grant of equity share options	-	8	-	-	-	-	8	-	8
Transfer to subsidiary share capital	-	-	-	-	(14)	-	(14)	-	(14)
Issue of new ordinary shares	3,625	-	-	-	-	-	3,625	-	3,625
Dividend paid	-	-	-	-	-	-	-	(458)	(458)
Balance as at 31 Mar 2011	120,127	179	20,245	(6,647)	-	(72,513)	61,391	28,169	89,560

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Group	Attributable to shareholders						Non-controlling Interests	Total Equity
	Share Capital	Share-based Payment Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 Jul 2009	116,502	176	(67)	(3,448)	(74,263)	38,900	28,716	67,616
Total comprehensive income/(loss) for the period	-	-	4,773	(27)	(493)	4,253	(8)	4,245
Grant of equity share options	-	7	-	-	-	7	-	7
Dividend paid	-	-	-	-	-	-	(459)	(459)
Balance as at 31 Mar 2010	116,502	183	4,706	(3,475)	(74,756)	43,160	28,249	71,409

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Company	Share Capital	Share-based Payment Reserve	Revaluation Reserve	Revenue Reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jul 2010	116,502	151	5,438	(92,436)	29,655
Expense on share options granted to directors and employees	-	8	-	-	8
New issue of shares	3,625	-	-	-	3,625
Total comprehensive income for 3Q2011	-	-	8,622	(249)	8,373
Balance at 31 Mar 2011	120,127	159	14,060	(92,685)	41,661
Balance at 1 Jul 2009	116,502	159	2,068	(88,209)	30,520
Grant of equity share options	-	7	-	-	7
Total comprehensive income for 3Q2010	-	-	3,551	(2,822)	729
Balance at 31 Mar 2010	116,502	166	5,619	(91,031)	31,256

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Date	Description	No of shares	Paid-up Capital S\$'000
1-Jul-10 and 31-Mar-11	Issue and paid-up capital	2,048,678,060	120,127
1-Jul-09 and 31-Mar-10	Issue and paid-up capital	1,758,678,060	116,502

Under the Magnus Energy Employee Share Option Plan, the options for 1,541,400 unissued ordinary shares were outstanding as at 31 Mar 2011 (31 Mar 2010: 7,150,000). 3,693,900 options expired on 4 December 2010, and 41,700 options were forfeited following the resignation of staff.

A share placement of 290 million ordinary shares at S\$0.0125 for each subscription share was completed in the previous quarter. The share placement increased the paid-up capital by S\$3,625,000.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Mar-11	30-Jun-10
No. of ordinary shares issued and fully paid	2,048,678,060	1,758,678,060

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Part 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Interpretations and amendments to published standards effective in year 2010. On 1 July 2010, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date.

The following is the new or amended FRS and INT FRS that is relevant to the Group:

- Amendments to FRS 1 Presentation of Financial Statements
- FRS 24 (Revised) Related Party Disclosures
- Amendments to FRS 27 Consolidated and Separate Financial Statements under improvements to FRS 2010
- Amendments to FRS 103 Business Combinations under the improvements to FRS 2010
- Amendments to FRS 107 Financial Instruments: Disclosures

The adoption of the above new or amended FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on these financial statements.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share for the period ended 31 Mar 2011:

	Group		Group	
	Third Quarter		Nine Months	
	Jan-Mar 2011	Jan-Mar 2010	Jul-Mar 2011	Jul-Mar 2010
Earnings per ordinary share of the Group after deducting any provision for preference dividends				
Earnings for the period (S\$'000)	(250)	(233)	2,066	(482)
- Based on weighted average number of ordinary shares in issue (cents)	(0.012)	(0.013)	0.101	(0.027)
Weighted average number of ordinary shares ('000)	2,048,678	1,758,678	2,048,678	1,758,678
- On a fully diluted basis (detailing any adjustments made to the earnings) (cents)	(0.012)	(0.013)	0.101	(0.027)
Weighted average number of ordinary shares on fully diluted basis ('000)	2,050,219	1,765,828	2,050,219	1,765,828

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.

Net assets value per ordinary share (cents)	Group		Company	
	As at 31-Mar-11	As at 30-Jun-10	As at 31-Mar-11	As at 30-Jun-10
Basic	3.00	2.39	2.03	1.69
Fully diluted basis	2.99	2.38	2.03	1.68

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue and gross profit margin for nine months ended 31 Mar 2011 ("9 months 2011") and 31 Mar 2010 ("9 months 2010")

With reference to note 15 on page 6, results for nine months ended 31 March 2010 have been adjusted and restated for the purpose of comparison with the current period.

For 9 months 2011, the Group's revenue decreased by 28.0% to S\$43.6 million, as compared to S\$60.6 million in 9 months 2010, mainly due to the decrease in revenue from the oilfield equipment supply segment. The higher revenue for 9 months 2010 was contributed by a few high value low margin special orders.

Inline with decreased revenue, cost of sales decreased by 31.7% from S\$52.7 million for 9 months 2010 to S\$36.0 million for 9 months 2011.

The Group's gross profit decreased slightly from S\$7.9 million for 9 months 2010 to S\$7.6 million for 9 months 2011. However, gross profit margin increased from 13.1% to 17.5% respectively. This is mainly due to improved margin for 9 months 2011 as compared to lower blended gross profit margin for 9 months 2010.

Quarter to quarter comparison shows a decrease in the Group's revenue from S\$29.2 million for 3Q10 to S\$13.7 million for 3Q11, recording a 53.0% decrease in the Group's revenue, mainly contributed by our oilfield equipment supply segment. However, gross profit margin improved from 10.7% for 3Q10 to 15.8% for 3Q11.

Other operating income

Other operating income for continuing operations was S\$1.8 million for 9 months 2010 and S\$4.6 million for 9 months 2011. Other operating income was mainly contributed by;

- gain on disposal of quoted equities S\$0.3 million
- fair value gain on disposal of quoted equities S\$0.8 million
- services income S\$0.3 million
- net exchange gain S\$0.1 million
- unrealised exchange gain S\$0.5 million
- gain on disposal of subsidiary S\$2.4 million
- write back of doubtful debts S\$0.1 million

The exchange gains or losses mentioned above are in relation to movements in USD and AUD.

Distribution and selling expenses

Distribution and selling expenses decreased from S\$0.3 million for 9 months 2010 to S\$0.2 million for 9 months 2011, mainly due to reduction of travelling expenses by S\$0.1 million.

Administrative expenses

Administrative expenses decreased from S\$8.5 million for 9 months 2010 to S\$7.7 million for 9 months 2011, a 9.5% reduction. This was due mainly to reductions of emoluments, remuneration and salaries by S\$0.8 million.

Other operating expenses

There is no other operating expense for 9 months 2011 (9 months 2010: S\$0.8 million). Other operating expenses for 9 month 2010 were mainly fair value loss transferred from fair value reserve upon disposal of quoted equities.

Finance/Interest income

Interest income decreased from S\$0.3 million for 9 months 2010 to S\$0.2 million for 9 months 2011 due to lower amount of fixed deposits, withdrawn for investment purposes. Finance expenses decreased from S\$0.4 million for 9 months 2010 to S\$0.2 million for 9 months 2011. Finance expenses are mainly due to hire purchase interests and bank charges and the reductions were due to reductions of lease obligations and loans.

Net profit after tax from continuing operations

Inline with decreased revenue, total expenses decreased from S\$10.0 million for 9 months 2010 to S\$8.0 million for 9 months 2011, resulting in a 20.0% decrease.

Net profit after tax recorded a substantial increase from net losses of S\$0.3 million for 9 months 2010 to S\$3.8 million for 9 months 2011. This is mainly due to one-off gain on disposal of subsidiary in other operating income. Income tax expense increased from S\$0.07 million tax gain for 9 months 2010 to S\$0.5 million tax expense for 9 months 2011, inline with increased in net profits. Quarter to quarter net losses after tax was S\$0.2 million in 3Q10 and S\$0.1 million in 3Q11.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded S\$3.0 million net cash inflow from operating activities for 9 months 2011 as compared to the net cash outflow S\$2.5 million for 9 months 2010, as our oil equipment supply subsidiary continued to draw down on inventory and record better margins. The improvement in cash flow from operations was also due to higher profit margins for 9 months 2011 as compared to previous corresponding period. Income tax paid decreased from S\$1.1 million for 9 months 2010 to S\$0.4 million for 9 months 2011.

Net cash flow used in investing activities was S\$3.3 million for 9 months 2011 was significantly lower as compared to S\$8.4 million for 9 months 2010. This was mainly due to the acquisition of a lease property in the previous corresponding period. Net cash used was mainly for acquisition of available for sale financial assets. Please refer to note 4 on page 5 for further information on available for sale financial assets.

Net cash generated from financing activities was S\$2.6 million for 9 months 2011 and S\$6.0 million for 9 months 2010. This higher cash generated in the previous period was mainly due to the release of pledged fixed deposits of S\$4.6 million. Net cash generated for current period was mainly due to proceeds from issuance of new ordinary shares of the Company for S\$3.6 million.

Comparatively, the Group cash and cash equivalents increased by S\$2.3 million, from S\$5.9 million as at 31 March 2010 to S\$8.2 million as at 31 March 2011.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not Applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group's main core businesses today comprise of oil and gas equipment distribution in the Asia Pacific region.

Oil And Gas Equipment Distribution

Mid-Continent Equipment Group Pte Ltd, our oil and gas equipment distribution subsidiary expects to maintain its growth momentum and remain profitable in the next twelve months. The Group's main businesses are currently operating in the faster growing Asia Pacific markets and these businesses are expected to continue to perform well in line with crude oil prices the up trend. Demand for oil and rising prices will lead to a resurgence of drilling activities as well as industry capital expenditure.

Barring competition from the emerging markets, the Group is cautiously optimistic that this will bring about an increase in demand for our equipment and spares as well as tubular products.

Exploration And Development Of Coal Mining Activities

Our Australian listed subsidiary APAC Coal Ltd. ("APAC"), and its subsidiaries ("APAC Group"), have been advised by our Indonesian litigation lawyer that the formal outcome of the Judicial Review has been received from The Indonesian Supreme Court. The Judicial Review verdict mentioned that the administrative court does not have any competency to examine the title of ownership of the shares of PT Batubara Selaras Sapta ("PT BSS") and that only the district civil court has such a competence.

PT Deefu Chemical Indonesia which is the shareholder of PT BSS will file a civil lawsuit with the District Court having Jurisdiction over the domiciles of the opponents. Our Indonesian lawyers are preparing the arguments of our case with the District Court. The Company will keep our shareholders update on any material development in connection with the legal case. Further announcements will be made as and when appropriate.

During the quarter, APAC has made an investment in Hudson Minerals Holdings Pte Ltd ("Hudsons") in the form of a convertible loan for A\$2,500,000 at an interest rate of 9% per annum with a maturity tenor of 4 years. Based on the current paid up capital of Hudson, APAC will hold a 20.928% equity interest in Hudson upon full conversion. In May 2010, Hudson acquired an 80% share interest in PT DAS which owns an iron ore mining concession in Aie Dingin, Padang, Indonesia.

Others

The group is exposed to movements in US Dollar and Australian Dollars and price fluctuation of quoted equities in our investment portfolio. Such movements may have a significant impact on the Group's future results.

Following the disposal of our crude oil production subsidiary, the group has exited from crude oil production, which has also resulted in one-off book gain (non-recurring) recorded for the 9 months 2011 of S\$2.4 million.

11 Dividend

- (a) Current Financial Period Reported On - Not applicable
- (b) Corresponding Period of the Immediately Preceding Financial Year - Not applicable
- (c) Date payable - Not applicable
- (d) Book closure date - Not applicable

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the nine months ended 31 March 2011.

13 Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
	-	-

There was no interested person transaction for the 9 months period ended 31 March 2011.

14 Confirmation by the Board pursuant to Rule 705(5)

We, Lim Kuan Yew and Koh Teng Kiat, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the nine months ended 31 March 2011 to be false or misleading.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17 **A breakdown of sales.**

Not applicable.

- 18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend

	Latest Full Year	Previous Full Year
	(30-Jun-2011)	(30-Jun-2010)
Ordinary	-	-
Preference	-	-
Total	-	-

BY ORDER OF THE BOARD

Luke Ho Khee Yong
Company Secretary
13 May 2011

Submitted by Luke Ho Khee Yong, Company Secretary on 13/05/2011 to the SGX

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Ms Foo Quee Yin
Telephone number: 6221 0271*