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PERISAI PETROLEUM TEKNOLOGI BHD

(Company No. 632811 - X)

(Incorporated in Malaysia under the Companies Act, 1965)

INFORMATION CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED JOINT VENTURE BETWEEN PERISAI AND ALPHA THAMES SUBSEA LTD ("ATS") INVOLVING THE FOLLOWING:

- I) A SHAREHOLDERS' AGREEMENT BETWEEN PERISAI AND ATS, GOVERNING THEIR COMMITMENT AND REGULATING THEIR RIGHTS IN RELATION TO ALPHA PERISAI SDN BHD ("ALPHA PERISAI"), THE JOINT VENTURE COMPANY BETWEEN PERISAI AND ATS;**
- II) A LICENCE AGREEMENT BETWEEN PERISAI, ALPHA PERISAI AND ATS IN RELATION TO THE SOLE AND EXCLUSIVE RIGHT TO THE AlphaPRIME™ (AND ALL OTHER COMPONENTS RELATING THERETO) FOR A CASH CONSIDERATION OF £100,000 OR EQUIVALENT TO RM710,700; AND**
- III) A RESEARCH AND DEVELOPMENT AGREEMENT BETWEEN PERISAI, ALPHA PERISAI AND ATS IN RELATION TO THE CONTINUED RESEARCH AND DEVELOPMENT WORK FOR THE AlphaPRIME™ FOR A CASH CONSIDERATION OF £900,000 OR EQUIVALENT TO RM6,075,500.**

Manager



RHB SAKURA MERCHANT BANKERS BERHAD

(Company No. 19663-P)

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout and for the purpose of this Information Circular:

Act	: Companies Act, 1965
Alpha Perisai	: Alpha Perisai Sdn Bhd (Company No. 700769), presently a wholly-owned subsidiary of Perisai
AlphaPRIME™	: A modularised, integrated seabed processing and pumping system for use in the exploitation of hydrocarbons for single or multiple-field developments whether located in shallow or deep water and includes all other components thereto (including, without limitation, AlphaCPU™ and KeyMAN™)
Asia Pacific Region	: Malaysia, India, Indonesia, Thailand, Vietnam, Philippines and Brunei Darussalam
ATS	: Alpha Thames Subsea Ltd (Company No. 05421703)
Board	: Board of Directors of Perisai
Bursa Securities	: Bursa Malaysia Securities Berhad
FYE	: Financial year(s) ended 31 December
Licence Agreement	: A licence agreement entered into on 24 June 2005 between Perisai, Alpha Perisai and ATS in relation to the sole and exclusive right to the AlphaPRIME™ for a cash consideration of £100,000 or equivalent to RM710,700
MESDAQ Market	: MESDAQ Market of Bursa Securities
NTA	: Net tangible assets
Perisai or Company	: Perisai Petroleum Teknologi Bhd (Company No. 632811-X)
Perisai Group or Group	: Perisai, its subsidiaries and associated companies collectively
Perisai Share(s)	: Ordinary share(s) of RM0.10 each in Perisai
PETRONAS	: Petroliam Nasional Berhad (Company No. 20076-K)
Proposed Joint Venture	: Proposed joint venture between Perisai and ATS involving the following: i) Shareholders' Agreement; ii) Licence Agreement; and iii) R&D Agreement.
R&D Agreement	: A research and development agreement entered into on 24 June 2005 between Perisai, Alpha Perisai and ATS in relation to the continued research and development work for the AlphaPRIME™ for a cash consideration of £900,000 or equivalent to RM6,075,500
RHB Sakura	: RHB Sakura Merchant Bankers Berhad (Company No. 19663-P)
RM and sen	: Ringgit Malaysia and sen, respectively
Shareholders' Agreement	: A shareholders' agreement entered into on 24 June 2005 between Perisai and ATS, governing their commitment and regulating their rights in relation to Alpha Perisai, the joint venture company between Perisai and ATS
USD	: United States dollars
£ or GBP	: Great Britain pounds

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Perisai Petroleum Teknologi Bhd

(Company No. 63281i - X)
(Incorporated in Malaysia under the Act)

Registered Office:

Suite 2, Penthouse,
Lobby A, Wisma Leopad,
No. 9, Jalan Tun Sambanthan
50470 Kuala Lumpur

8 September 2005

Board of Directors:

Dato' Dr. Mohamed Ariffin bin Hj. Aton (*Independent Non-Executive Chairman*)
Abdul Hamid bin Mohamed Ghows (*Chief Executive Officer*)
Tengku Daud Shaifuddin bin Tengku Zainudin (*Executive Director*)
Nagendran a/l C. Nadarajah (*Executive Director*)
Mohd Jeffrey De Jong Bin Abdullah (*Executive Director*)
Aloysius Albert Michael (*Executive Director*)
Yogesvaran a/l T. Arianayagam (*Non-Independent Non-Executive Director*)
Chan Feoi Chun (*Independent Non-Executive Director*)
Juhari bin Husin (*Alternate Director for Tengku Daud Shaifuddin bin Tengku Zainudin*)

To : Shareholders of Perisai Petroleum Teknologi Bhd

Dear Sir/Madam,

Proposed joint venture between Perisai and ATS involving the following:

- i) a shareholders' agreement between Perisai and ATS, governing their commitment and regulating their rights in relation to Alpha Perisai, the joint venture company between Perisai and ATS;
- ii) a licence agreement between Perisai, Alpha Perisai and ATS in relation to the sole and exclusive right to the AlphaPRIME™ for a cash consideration of £100,000 or equivalent to RM710,700; and
- iii) a research and development agreement between Perisai, Alpha Perisai and ATS in relation to the continued research and development work for the AlphaPRIME™ for a cash consideration of £900,000 or equivalent to RM6,075,500

1. INTRODUCTION

RHB Sakura on behalf of Perisai had on 24 June 2005, announced that the Company had on even date entered into the Shareholders' Agreement, Licence Agreement and R&D Agreement pursuant to the Proposed Joint Venture.

THE PURPOSE OF THIS INFORMATION CIRCULAR IS TO PROVIDE YOU WITH INFORMATION ONLY. YOU ARE NOT REQUIRED TO TAKE ANY ACTION.

2. PROPOSED JOINT VENTURE

2.1 Salient terms of the Shareholders' Agreement

The salient terms of the Shareholders' Agreement are, *inter-alia*, as follows:

- (a) ATS and Perisai are to use Alpha Perisai as their joint venture vehicle for the purpose of marketing, deploying and exploiting AlphaPRIME™ and the technology and systems comprising the patents and patent applications relating to AlphaPRIME™;
- (b) ATS and Perisai shall subscribe at par such number of new ordinary shares of RM1.00 ("Shares") in Alpha Perisai in order that the entire issued and paid-up share capital of Alpha Perisai shall be held 70% by Perisai and 30% by ATS. The intended issued and paid-up share capital of Alpha Perisai is RM720,000 comprising 720,000 Shares; and
- (c) Perisai irrevocably agrees and commits to provide on demand by Alpha Perisai, RM28,296,000 (or an equivalent amount or amounts in other currencies) ("Committed Funds") for the purpose of marketing AlphaPRIME™ and funding its business activities. For the avoidance of doubt such Committed Funds shall be in addition to RM504,000 that Perisai will provide to Alpha Perisai in order to effect the capitalisation mentioned in (b) above. Unless otherwise agreed by ATS and Perisai:
 - (i) the Committed Funds shall be made available to Alpha Perisai in the form of loans bearing interest at a rate equal to the base lending rate of HSBC Bank Malaysia Berhad from time to time plus two (2%) per cent.
 - (ii) ATS and Perisai shall procure that Alpha Perisai requests the advance by Perisai of all or part of the Committed Funds as and when opportunities for the marketing or deployment of AlphaPRIME™ or some of all of its component parts arise.

2.2 Salient terms of the Licence Agreement

The salient terms of the Licence Agreement are, *inter-alia*, as follows:

- (a) ATS shall grant to Alpha Perisai a sole and exclusive right to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease AlphaPRIME™ (including any components thereof and/or products incorporating the intellectual property rights) in the Asia Pacific Region for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production;
- (b) ATS shall grant to Alpha Perisai a non-exclusive right to use and/or design and/or fabricate and/or sell and/or install and/or monitor and/or sub-licence and/or sell and/or lease to PETRONAS and its affiliates only AlphaPRIME™ (including any components thereof) and/or products incorporating the intellectual property rights worldwide for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease in respect of hydrocarbon extraction and production;
- (c) No sub-licence or lease granted by Alpha Perisai or sale made by Alpha Perisai pursuant to the licences (as detailed in (a) and (b) above) shall permit any sub-licencee, lessee or purchaser ("Buyer") whatsoever (which term shall include, without limitation, any affiliate of Alpha Perisai (other than a wholly owned subsidiary of Alpha Perisai)) to sell, lease, licence or otherwise deal with the intellectual property rights or AlphaPRIME™ or any part or parts thereof in any way other than to utilise AlphaPRIME™ and/or the intellectual property rights for the purpose of exploiting the hydrocarbon field(s) in which such Buyer (together with its affiliates) has a direct ownership interest of at least fifteen percent (15%) and in respect of which AlphaPRIME™ or any of the intellectual property rights was specifically supplied or made available to such Buyer;

- (d) Perisai shall procure that Alpha Perisai shall pay the Consideration (as defined hereunder) to ATS;
- (e) Alpha Perisai acknowledges and agrees that it shall have no right to (and shall not) use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease all or part of AlphaPRIME™ (including without limitation, any components thereof) and/or products incorporating the intellectual property rights in any manner, or in any part of the world, save as permitted by the licences;
- (f) In consideration for the grant of the licences by ATS to Alpha Perisai, Perisai shall procure that Alpha Perisai shall forthwith upon execution of the Licence Agreement pay the amount of £100,000 to ATS (less credit in the amount of £50,000 already advanced to ATS from Perisai) (“Consideration”); and
- (g) The Consideration shall be paid in full without any set off or counterclaim in immediately available funds but subject to the deduction of 8% withholding tax required to be made pursuant to Malaysian Law. In the event that any additional withholding is required to be made by any applicable law, Perisai shall procure that Alpha Perisai shall promptly on demand by ATS pay such increased amount to ATS so as to ensure that the actual amount received by ATS, having taken into account the withholding is equal to the amount of the Consideration, less 8%.
- (h) ATS shall be entitled to terminate the Licence Agreement by written notice to Perisai and Alpha Perisai if:
 - (i) either of Perisai or Alpha Perisai commits any material breach of the provisions of the Licence Agreement; or
 - (ii) Alpha Perisai has not sold or leased an AlphaPRIME™ system or an AlphaCPU™ or KeyMAN™ to any third party within the period of 5 years from the date of the Licence Agreement for use in the Asia Pacific Region or outside the Asia Pacific Region in accordance with the licence granted save where Alpha Perisai has itself utilised, by way of a commercial deployment on a hydrocarbon field, AlphaPRIME™ or KeyMAN™; or
 - (iii) any encumbrancer takes possession or a receiver is appointed over all or a material part of the property or assets of either Perisai or Alpha Perisai; or either Perisai or Alpha Perisai makes any voluntary arrangements with its creditors or becomes subject to an administration order; or either Perisai or Alpha Perisai goes into liquidation; or anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to either Perisai or Alpha Perisai or if either of such entities ceases or threatens to cease to carry on business.

2.3 Salient terms of the R&D Agreement

The salient terms of the R&D Agreement are, *inter-alia*, as follows:

- (a) In order to facilitate, assist and support the exploitation of AlphaPRIME™, ATS has agreed to provide services and support to Alpha Perisai;
- (b) The parties shall review the services as and when requested by either party and make such changes as each may reasonably request and as may be agreed between them;
- (c) the R&D Agreement shall terminate automatically upon any termination of the Licence Agreement.

- (d) Perisai shall procure that Alpha Perisai shall irrevocably and unconditionally pay to ATS in immediately available funds the amount of £900,000 for the research and development services. In the event that any withholding is required to be made in respect of any payment hereunder by any applicable law, Perisai shall procure that Alpha Perisai shall promptly on demand by ATS pay such increased amount to ATS so as to ensure that the actual amount received by ATS, having taken into account the withholding is equal to £900,000.

2.4 Information on Alpha Perisai

Alpha Perisai was incorporated in Malaysia on 23 June 2005 under the Act to facilitate the Proposed Joint Venture. Alpha Perisai is presently a wholly-owned subsidiary company of Perisai.

Alpha Perisai is presently a dormant company, as the company has yet to commence business. Further information on Alpha Perisai is set out in Appendix I of this Information Circular.

2.5 Information on ATS

ATS was incorporated in England on 12 April 2005 with an authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. The current issued and paid-up share capital is £100 comprising 100 shares of £1.00 each. The directors, who are also shareholders of ATS are David Appleford, Brian Lane and Roy Martin. The principal activity of ATS is the design and development of systems and products for hydrocarbon fields.

2.6 Description of AlphaPRIME™

Pursuant to the Licence Agreement, Alpha Perisai has been granted the rights to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease the AlphaPRIME™ (including any components thereof and/or products incorporating the intellectual property rights) in the Asia Pacific Region for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production.

AlphaPRIME™ is a modularised, integrated seabed processing and pumping system for use in the exploitation of hydrocarbons for single or multiple-field developments whether located in shallow or deep water.

AlphaCPU™ is the central processing unit for the modular seabed hydrocarbon production system and is the heart and brain of an AlphaPRIME™.

KeyMAN™ is a simplified manifold configured to accept various system modules in an AlphaPRIME™ system. Its simplified design enables rapid manufacture and installation for early oil production.

AlphaPRIME™ is a total field development system using one or more AlphaCPU™s. The AlphaCPU™ can be regarded as the control centre for the total field and is a “plug and play” modular seabed installation, which permits an incremental field development approach. The entire field, including the wells and the seabed processing system, can be monitored and controlled in real time via communication links. This concept breaks new ground because the controls, hydraulics and instrumentation ordinarily built into a manifold are installed separately within several system modules. The module uses conventional, industry-proven manifold components that are simply configured in a way that enables them to fit within a transportable unit. When the modules are lowered onto the KeyMAN™ unit, an industry-standard, high-dependability locking mechanism connects the two. The KeyMAN™ is a simplified manifold which is configured to accept and support at least two identical operating system modules, containing all the pumping, processing and control equipment needed for handling reservoir fluids. The two components then form an integral unit that performs all of the functions of a conventional manifold. However, unlike the limited characteristics of an ordinary manifold, the AlphaPRIME™ system enables the field operator to make changes to the seabed installation at any time during the life of the field, without interrupting production.

2.7 Basis of arriving at the consideration

The cash consideration of £100,000 for the licence of AlphaPRIME™ was arrived at on a willing buyer-willing seller basis, after taking into consideration the future earnings potential of AlphaPRIME™.

£50,000 (or RM361,400, based on an exchange rate of RM7.228:£1 as at 18 April 2005) had already been advanced to ATS from Perisai upon completion of negotiations and the balance of a further £50,000 (or RM349,300, based on an exchange rate of RM6.986:£1 as at 28 June 2005) was advanced by Perisai upon execution of the Licence Agreement.

The investment for research and development work of £900,000 was arrived at based on the expected cost for the modifications, enhancement, acclimatization and adaptation of AlphaPRIME™ for use in tropical waters and for the reconfiguration of system modules to the required specifications for deployment within the Asia Pacific Region which mainly cover marginal fields and shallow waters. Upon execution of the R&D Agreement, £250,000 (or equivalent to RM1,746,500 based on the exchange rate of RM6.986:£1 as at 28 June 2005) was paid to ATS and the balance of £650,000 (or equivalent to RM4,329,000 based on the exchange rate of RM6.660:£1 as at 11 July 2005) was paid in July 2005.

2.8 Source of funding

The consideration for the Proposed Joint Venture, totalling £1,000,000 or equivalent to RM6,786,200, was funded from internally generated funds.

2.9 Additional financial commitment

Pursuant to the Shareholders' Agreement, Perisai irrevocably agrees and commits to provide on demand by Alpha Perisai, RM28,296,000 (or an equivalent amount or amounts in other currencies) for the purpose of marketing AlphaPRIME™ and funding its business activities. Unless otherwise agreed by ATS and Perisai:

- (i) the Committed Funds shall be made available to Alpha Perisai in the form of loans bearing interest at a rate equal to the base lending rate of HSBC Bank Malaysia Berhad from time to time plus two (2%) per cent.
- (ii) ATS and Perisai shall procure that Alpha Perisai requests the advance by Perisai of all or part of the Committed Funds as and when opportunities for the marketing or deployment of AlphaPRIME™ or some of all of its component parts arise.

For the avoidance of doubt, the Committed Funds does not form part of the consideration for the Proposed Joint Venture.

2.10 Estimated timeframe for completion

The Proposed Joint Venture is estimated to be completed by the third quarter of 2005.

2.11 Approvals required

The Proposed Joint Venture is subject to the approval of the Foreign Investment Committee but not subject to the approval of Perisai's shareholders.

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3. RATIONALE FOR THE PROPOSED JOINT VENTURE

The Company believes that there is much potential for subsea hydrocarbon extraction in Malaysia. The successful implementation/deployment of this new AlphaPRIME™ technology should allow the Perisai Group to enjoy a first mover advantage in subsea hydrocarbon extraction in the Malaysian oil and gas sector. As the Perisai Group has always been involved in the provision of technology related and value creating services for the oil and gas industry, the AlphaPRIME™ licence would enable the Perisai Group to further expand its scope of services provided and its reputation for being a value creating technology company in the oil and gas sector will be enhanced.

Having ATS as a joint venture partner in Alpha Perisai is strategically beneficial to the Perisai Group in the marketing and selling of AlphaPRIME™. Being the pioneers and developers of the product, their detailed and technical expertise would be a vital contribution in the deployment of the product and the provision of services to customers.

With the R&D Agreement, ATS will undertake research and development work for the modifications, enhancement, acclimatization and adaptation of AlphaPRIME™ for use in tropical waters and for the reconfiguration of system modules to the required specifications for deployment within the Asia Pacific Region which mainly cover marginal fields and shallow waters.

4. PROSPECTS OF THE PROPOSED JOINT VENTURE

The outlook for the Malaysian economy in 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that became apparent in the second half of 2004 and are expected to continue into 2005, will have a larger impact on growth next year. Global economic growth is projected to moderate to 4.4% in 2005 from 4.6% in 2004. The stronger macroeconomic fundamentals and resilience, backed by sturdy domestic demand and broad-based growth, will however, continue to support Malaysia's gross domestic product growth, forecast at 6% in 2005.

Following the recent discovery of large oil fields and better oil prices, investment in the oil and gas sector is expected to increase. Output of crude oil and gas is anticipated to continue to rise on account of firm prices and expansion of new oil and gas fields. Natural gas output is expected to increase by 12.1%, following higher production capacity to meet increasing demand. Production of crude oil is projected to increase to 776,000 barrels per day (2004: 753,000 barrels per day) in tandem with higher demand.

(Source: Economic Report 2004/2005)

In view of the above, your Board is of the opinion that the prospects of the Proposed Joint Venture will be favourable.

5. RISK FACTORS

The risk factors (which may not be exhaustive) in connection with the Proposed Joint Venture are as follows:

5.1 Political and Economic Risk

The performance of the oil and gas industry is influenced by international developments, arising from geopolitical factors in major oil and gas producing countries such as those in the Middle East and global economic growth and energy demand. These risks include war, uncertainty in oil supplies, the use of new and alternative energy sources, depletion of resources and changes in the National Energy Policy and other relevant government policies and regulations and fluctuations in interest, inflation and exchange rates.

As such, any adverse political and economic developments in Malaysia and globally could materially affect the financial and operational conditions of the Proposed Joint Venture.

Whilst Perisai practices prudent financial management and efficient operating procedures, there is no assurance that adverse political and economic developments, which are beyond Perisai's control, will not materially affect the performance of Alpha Perisai.

5.2 Industry Risk

The Proposed Joint Venture is intended to be a service provider for the oil and gas companies, making it dependent on the oil and gas industry in Malaysia and the surrounding region. As the oil and gas industry in Malaysia is primarily dictated by the demand and supply of oil, any movement in oil prices will therefore affect the industry and the proposed business activities of Alpha Perisai.

Whilst Perisai continuously monitors the oil market conditions and adopts appropriate business strategies, there is no assurance that any changes in demand and supply of oil and movement in its prices will not materially affect the performance of Alpha Perisai and its proposed business activities.

5.3 Foreign Exchange Risk

Alpha Perisai may face foreign exchange currency exposure risks through business transactions within the Asia Pacific Region. Alpha Perisai will consider using financial instruments or any other hedging techniques to hedge against large transactions denominated in any foreign currencies, if required based on the exposure period and transaction costs.

5.4 Product Risk

The AlphaPRIME™ is a modularised, integrated seabed processing and pumping system for use in the exploitation of hydrocarbons for single or multiple-field developments whether located in shallow or deep water.

Although AlphaPRIME™ has obtained adequate certification and verification to comply with the strict requirements for products to be used in the oil and gas industry, full acceptance by any oil and gas companies to employ this new technology for the extraction of hydrocarbons has yet to materialise.

Perisai has had preliminary negotiations with several PETRONAS Production Sharing Contracts contractors involved in the extraction of hydrocarbons from marginal fields and also shallow waters and has thus far obtained positive feedback regarding the AlphaPRIME™. Perisai with ATS through Alpha Perisai would continuously maintain its marketing efforts and also host technical product briefings for potential customers to foster customers' understanding of the product and eventually secure the contracts for deployment of the AlphaPRIME™.

6. EFFECTS OF THE PROPOSED JOINT VENTURE

The effects of the Proposed Joint Venture on the share capital, substantial shareholding, NTA and earnings of the Perisai Group are set out below:

6.1 Share Capital and Shareholding Structure of Substantial Shareholders

The Proposed Joint Venture will not have any effect on the issued and paid-up share capital and shareholding structure of the substantial shareholders of Perisai as it does not involve any issuance of new ordinary shares of Perisai.

6.2 NTA

The Proposed Joint Venture would not have any material effect on the NTA of the Perisai Group.

6.3 Earnings

The Proposed Joint Venture is not expected to have any material effect on the earnings of the Perisai Group for the financial year ending 31 December 2005.

However, the Proposed Joint Venture is expected to contribute positively to the future earnings of the Perisai Group.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Insofar as the Directors of Perisai are able to ascertain, and based on Perisai's Register of Directors' shareholdings and Register of Substantial Shareholders' shareholdings, none of the Directors and/or substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Joint Venture.

8. DIRECTORS' OPINION

The Directors of Perisai, having considered all aspects of the Proposed Joint Venture, are of the opinion that the Proposed Joint Venture is in the best interest of the Company.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

**Yours faithfully,
For and on behalf of the Board of Directors of
PERISAI PETROLEUM TEKNOLOGI BHD**

**DATO' DR MOHAMED ARIFFIN BIN HJ ATON
Independent Non-Executive Chairman**

INFORMATION ON ALPHA PERISAI**1. HISTORY AND BUSINESS**

Alpha Perisai was incorporated in Malaysia on 23 June 2005 under the Act to facilitate the Proposed Joint Venture.

Alpha Perisai is presently a dormant company, as the company has yet to commence business.

2. SHARE CAPITAL

As at 22 August 2005, the authorised and issued and paid-up share capital of Alpha Perisai are as follows:

	RM
Authorised	
1,000,000 ordinary shares of RM1.00 each	1,000,000
Issued and fully paid-up	
2 ordinary shares of RM1.00 each	2

Details of changes in the issued and paid-up share capital of Alpha Perisai since incorporation up to 22 August 2005 are as follows:

Date of issue/allotment	No. of Alpha Perisai shares issued	Par value	Consideration	Total issued and paid-up share capital
		RM		RM
23 June 2005	2	1.00	Subscribers' shares	2

3. DIRECTORS

As at 22 August 2005, the Directors of Alpha Perisai and their shareholdings in the company are as follows:

Director	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tengku Daud Shaifaddin bin Tengku Zainudin	Malaysian	-	-	2 ⁽¹⁾	100.00
Nagendran a/l C.Nadarajah	Malaysian	-	-	2 ⁽¹⁾	100.00

Note:

(1) Deemed interest through his substantial shareholdings in Perisai by virtue of Section 6A(4) of the Act

INFORMATION ON ALPHA PERISAI (Cont'd)
4. SUBSTANTIAL SHAREHOLDERS

As at 22 August 2005, the substantial shareholders and their shareholdings in the company are as follows:

Substantial Shareholders	Place of Incorporation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Perisai	Malaysia	2	100.00	-	-
Maya Terang Sdn Bhd	Malaysia	-	-	2 ⁽¹⁾	100.00
Tengku Daud Shaifuddin bin Tengku Zainudin	Malaysian	-	-	2 ⁽¹⁾	100.00
Nagendran a/l C. Nadarajah	Malaysian	-	-	2 ⁽¹⁾	100.00

Note:

(1) Deemed interest through its/his substantial shareholdings in Perisai by virtue of Section 6A(4) of the Act

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

Alpha Perisai does not have any subsidiaries or associated companies.

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LEGAL OPINION FROM MESSRS PAUL CHEAH AND ASSOCIATES

PAUL CHEAH & ASSOCIATES

PEGUAMBELA & PEGUAMCARA
PESURUHJAYA SUMPAAH
EJEN PATENT BERDAFTAR &
EJEN CAP DAGANGAN

PAUL CHEAH BOON HOE VENU NAIR (Senior Counsel)
FRANKIE TAN LYN SEANG N MOHANTHAS (Corporate)
SULAIMAN BIN MOHD SAID
LIM CHOON WEE

TI CHIN MING
SIM SUN SUN
SUNG FUNG YEE
IAN S.E. PETERS
SANGEETA KAUR

YOUR REF: Please advise
(RUJ TUAN)
OUR REF: PCA/KL/M/2487/05
(RUJ KAMI)

ADVOCATES & SOLICITORS
COMMISSIONER FOR OATHS
REGISTERED PATENT AGENTS
& TRADE MARK AGENTS

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PRIVATE & CONFIDENTIAL

8 September 2005

PERISAI PETROLEUM TEKNOLOGI BHD
Lot No. 9, Jalan P10/15
Kaw Perindustrian Miel
Fasa 4, Seksyen 10,
43650 Bandar Baru Bangi
Attention: The Board of Directors

BY POST & FAX
89261263

Dear Sirs,

RE: PROPOSED JOINT VENTURE BETWEEN PERISAI PETROLEUM TEKNOLOGI BHD ("PERISAI") AND ALPHA THAMES SUBSEA LIMITED ("ATS") INVOLVING THE FOLLOWING:

- I) A SHAREHOLDERS' AGREEMENT DATED 24 JUNE 2005 BETWEEN PERISAI AND ATS, GOVERNING THEIR COMMITMENT AND REGULATING THEIR RIGHTS IN RELATION TO ALPHA PERISAI SDN BHD ("ALPHA PERISAI"), THE JOINT VENTURE COMPANY BETWEEN PERISAI AND ATS;
- II) A LICENSE AGREEMENT DATED 24 JUNE 2005 BETWEEN PERISAI, ALPHA PERISAI AND ATS IN RELATION TO THE SOLE AND EXCLUSIVE RIGHT TO AlphaPRIME™ (AND ALL OTHER COMPONENTS RELATING THERETO) FOR A CASH CONSIDERATION OF £100,000 (OR RM674,000, BASED ON AN EXCHANGE RATE OF RM6.7400: £1 AS AT 12 JULY 2005); AND
- III) A RESEARCH AND DEVELOPMENT AGREEMENT DATED 24 JUNE 2005 BETWEEN PERISAI, ALPHA PERISAI AND ATS IN RELATION TO THE CONTINUED RESEARCH AND DEVELOPMENT WORK FOR AlphaPRIME™ FOR A CASH CONSIDERATION OF £900,000 (OR RM6,066,000, BASED ON AN EXCHANGE RATE OF RM6.7400:£1 AS AT 12 JULY 2005).

(COLLECTIVELY, "PROPOSED JOINT VENTURE")

LEGAL OPINION ON THE LICENCES GRANTED BY ATS TO ALPHA PERISAI

Working Hours: Monday-Friday: 8.30 am to 5.30 pm (Saturday: By Appointment)
ALSO AT: • PORT KLANG : No. 9, Jalan Hilir, Taman Gembira, Off Persiaran Raja Muda Musa, 41100 Klang, Selangor Darul Ehsan, Malaysia
Tel: 03-33771233 Fax: 03-33771232
• KLANG : No. 9, Jalan Hilir, Taman Gembira, Off Persiaran Raja Muda Musa, 41100 Klang, Selangor Darul Ehsan, Malaysia
Tel: 03-33771233 (Hunting Line) Fax: 03-33771232
• SUBANG JAYA : No. 20A, Jalan USJ 19/4A, 47620 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: 03-80247951/03-80233708/80232445 Fax: 03-80247952

LEGAL OPINION FROM MESSRS PAUL CHEAH AND ASSOCIATES (Cont'd)

PAUL CHEAH & ASSOCIATES

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1. We refer to the Licence Agreement ("Agreement") between Perisai, Alpha Perisai and ATS, wherein ATS grants all its intellectual property rights existing as at the date of the Agreement pertaining to AlphaPRIME™ and/or the Patents (as defined therein) subsisting in any country throughout the world and Alpha Perisai shall have a sole and exclusive right to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease AlphaPRIME™ in the Asia Pacific Region (as defined therein) for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production; and a non-exclusive right to use and/or design and/or fabricate and/or sell and/or install and/or monitor and/or sub-licence and/or sell and/or lease to Petronas and its affiliates only AlphaPRIME™ and/or products incorporating the IPR (as defined herein) worldwide for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease in respect of hydrocarbon extraction and production in the manner therein appearing.

2. We have been instructed by Perisai that for the purposes of the Circular to be issued to Perisai's shareholders, a legal opinion on the validity of the Licences acquired by Alpha Perisai from ATS is required from us.

Licences is defined in the Agreement as "a sole and exclusive right to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease AlphaPRIME™ (including any components thereof and/or products incorporating the IPR) in the Asia Pacific Region for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production; and a non-exclusive right to use and/or design and/or fabricate and/or sell and/or install and/or monitor and/or sub-licence and/or sell and/or lease to Petronas and its affiliates only AlphaPRIME™ (including any components thereof) and/or products incorporating the IPR) worldwide for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease in respect of hydrocarbon extraction and production".

Under the Agreement, the grant of Licences is subject to the Shell Residual Rights, the Bell Valves' Rights and to the extent of ATS's rights under the Saab Agreements.

Shell Residual Rights means the rights of Shell or any affiliate of Shell granted pursuant to the Option Agreement dated 2 November 2002 made between Shell and Saab by which Shell may required the grant of a non-exclusive licence for Shell or an affiliate of Shell to use the IPR, the relevant provision being reproduced as Schedule 2 of the Agreement.

Bell Valves' Rights means the rights in respect of certain of the IPR granted to Bell Valves pursuant to the agreements made between Bell Valves and Alpha Thames Limited dated 20 May 1999 and 19 October 2000.

Saab Agreements means the Saab Option Agreement and the Saab Licence Agreement together.

3. In rendering our legal opinion, we have reviewed the following documents made available to us for our examination on the respective dates set out below:
 - (a) the Agreement between Perisai, Alpha Perisai and ATS dated 24 June 2005;
 - (b) Know How and Patent Licence Agreement dated 22 June 2005 between Kockums Holdings AB and Alpha Thames Subsea Limited;
 - (c) Board Minutes of Alpha Thames Limited dated 21 June 2005;

LEGAL OPINION FROM MESSRS PAUL CHEAH AND ASSOCIATES (Cont'd)

PAUL CHEAH & ASSOCIATES

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- (d) Written confirmation by Mr. David Appleford of Alpha Thames Limited dated 21 June 2005; and
- (e) The side letter from Alpha Thames Ltd to ATS dated 20 June 2005.
4. Under the Agreement, clause 2.1 states that ATS shall grant to Alpha Perisai a sole and exclusive right to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease AlphaPRIME™ (including any components thereof and/or products incorporating the IPR) in the Asia Pacific Region for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production.
- AlphaPRIME™ is defined in the Agreement as “the modularized, integrated sea bed processing and pumping system for use in the exploitation of hydrocarbon fields developed by the Alpha Thames Ltd and Alpha Thames Engineering Ltd, including (without limitation) KeyMAN™, AlphaCPU™ and the patented systems and components to which the Patents relate and including any Improvements developed by ATS.
5. Under the Agreement, clause 2.2 states that ATS shall grant to Alpha Perisai a non-exclusive right to use and/or fabricate and/or sell and/or install and/or monitor and/or sub-licence and/or sell and/or lease to Petronas and its affiliates only AlphaPRIME™ (including any components thereof) and/or products incorporating the IPR) worldwide for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease in respect of hydrocarbon extraction and production.
6. Under clause 6 of the Agreement, ATS represents, warrants and undertakes as follows:
- (a) it has taken all necessary corporate and other action to enable it validly to accept and perform the obligations imposed on it under the terms of this Agreement (in particular to grant the Licences to Alpha Perisai) and that performance of the provision of this Agreement will not result in a breach of, or constitute a default, under any agreement, statute, law, regulation or other contractual restriction binding on it.
7. Furthermore, ATS warrants and represents under clause 8.1.1 of the Agreement that it is the exclusive licensee of the IPR pursuant to the terms of the Saab Licence Agreement (as defined therein), but subject to the Shell Residual Rights.
- IPR is defined in the Agreement as all intellectual property rights existing as at the date of the Agreement pertaining to AlphaPRIME™ and/or the Patents subsisting in any country throughout the world including (without limitation) trade marks, service marks, registered designs, and applications of the foregoing, confidential process information and know-how and the Patents.
8. Based on a search conducted on 5 March 2005, the AlphaPRIME™ is owned by Alpha Thames Ltd (Company No. 3506183), a copy of the search result is attached herewith for easy reference.
9. Additionally, the letter by Alpha Thames Ltd dated 20 June 2005 states that it shall grant the Licences to ATS and approve the proposed sub-licence to Alpha Perisai on the terms of the Agreement.

We now have a copy of the Board Minutes dated 21 June 2005 from Alpha Thames Limited that they have assigned the IPR to Kockums Holdings AB, a copy of which is attached herewith for easy reference.

LEGAL OPINION FROM MESSRS PAUL CHEAH AND ASSOCIATES (Cont'd)

PAUL CHEAH & ASSOCIATES

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Consequently, following the Know How and Patent Licence Agreement dated 22 June 2005, Kockums Holdings AB has granted to ATS an exclusive licence to use the Company IPR to manufacture, market, sell, design, monitor, lease or otherwise deal in Products within the Field anywhere in the Territory.

Company IPR means the Patents and any other Intellectual Property Rights and Technical Information owned by Kockums Holdings AB on the Effective Date and specifically excluding any Saab-Shell IPR or any other Intellectual Property Rights and Technical Information owned by Shell as set forth under the Shell Agreements.

Field means the development, design, manufacture, marketing, sale or other exploitation of Products.

Intellectual Property Rights is defined in the Know How and Patent Licence Agreement as all patents, registered designs, know-how, rights in trade secrets and confidential information, devices, get up and signs (and whether or not registered or applied for) with all the goodwill associated with or symbolized by any of the foregoing; all other inventions (whether or not capable of protection by patent or other form of registration); all copyright, rights in the nature of copyright, sui generic rights, design rights, semi-conductor topography rights, moral rights, database rights and all other like rights in all parts of the world and in any software, object code, database (including extraction rights), interface, text, drawing design, artwork, sound recording, film, video, photograph, mould, three dimensional artistic work or any other material; all other intellectual property rights throughout the world including: all registrations and pending registrations relating to any such rights and the benefit of any pending applications for any such registrations; all reversions, extensions and renewals of such rights; and all accrued rights of action in relation such rights, but excluding the use of the name, trade and service mark Alpha Thames in any other way than in the combination "Alpha Thames Subsea Limited" or as otherwise approved in writing by Alpha Thames Ltd.

Patents means the patents and applications short particulars whereof set out in Schedule A in the Know How and Patent Licence Agreement dated 22 June 2005.

Products means any products or systems for use tithing the field of seabed processing of subsea hydrocarbon, which in whole or in part are containing any Company IPR.

Territory means the World.

10. Based on the above mentioned documents and on the assumption that the facts stated therein and in this letter are and will continue to be true, accurate and complete in all material aspects, we advise that Alpha Perisai has acquired the Licences to use and/or design and/or fabricate and/or install and/or monitor and/or sub-licence and/or sell and/or lease AlphaPRIME™ in the Asia Pacific Region for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease only within the Asia Pacific Region and in respect of hydrocarbon extraction and production.

Additionally, we also advise that Alpha Perisai has acquired the non-exclusive right to use and/or fabricate and/or sell and/or install and/or monitor and/or sub-licence and/or sell and/or lease to Petronas and its affiliates only AlphaPRIME™ (including any components thereof) and/or products incorporating the IPR) worldwide for use, design, fabrication, installation, monitoring, sub-licensing, sale and/or lease in respect of hydrocarbon extraction and production.

11. This legal opinion is subject to the following assumptions and qualifications:

(a) the authenticity of all documents reviewed by us or submitted to us as originals;

LEGAL OPINION FROM MESSRS PAUL CHEAH AND ASSOCIATES (Cont'd)

PAUL CHEAH & ASSOCIATES

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- (b) that copies of all documents reviewed by or submitted to us are complete and confirm to the original copy thereof;
 - (c) the genuineness of all signatures, seals and of any stamp or marking and of any description of identity and office of any signatory to any document which we have examined;
 - (d) that there has been no changes to the beneficial ownership of the Licences acquired by Alpha Perisai, since the date of our review of the documents referred to in paragraph 4;
 - (e) there are no documents not examined by us of facts not disclosed in the documents referred to in paragraph 3 above which would affect or have any implication on this opinion;
 - (f) all facts stated in the documents and search results, and each certificate, statement or other document examined by us (other than matters of law specifically covered by the legal opinion) set out in paragraph 4 above are correct and all opinions expressed or stated therein are bona fide, justifiably and honestly held and were reached after due consideration and we have made no independent investigation of the facts expressed therein;
 - (g) there are no circumstances which would result in Alpha Perisai not having the legal capacity to own the Licences granted by ATS.
12. This legal opinion is addressed to you solely for your benefit in connection with the Agreement and the Proposed Joint Venture and may not be quoted to or relied upon by any other person without our prior written consent.

Yours faithfully,
FOR PAUL CHEAH & ASSOCIATES

Paul Cheah & Associates

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Information Circular has been seen and reviewed and approved by the Directors of Perisai and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable inquiries and, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. CONSENTS

RHB Sakura was not involved in the negotiation of the terms and conditions of the Proposed Joint Venture and was appointed only as manager for the Proposed Joint Venture and accordingly, RHB Sakura does not express any opinion nor make any recommendation on the Proposed Joint Venture.

The written consent of RHB Sakura for the inclusion in this Information Circular of its name and all references thereto in the form and context in which they appear, has been granted and has not subsequently been withdrawn.

The written consent of Messrs Paul Cheah & Associates for the inclusion in this Information Circular of its name, letter and all references thereto in the form and context in which they appear, has been granted and has not subsequently been withdrawn.

3. SERVICE CONTRACTS

As at 1 September 2005, there are no existing or proposed service contracts between the Directors of Perisai and the Company or any of its subsidiaries, excluding contracts expiring, or determinable by the employing company without payments or compensation (other than statutory compensation) within one year.

4. MATERIAL LITIGATION

As at 1 September 2005, save as disclosed below, neither Perisai nor its subsidiaries are engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the Board is not aware of any material proceedings pending or threatened against Perisai and/or its subsidiaries or of any other facts likely to give rise to any proceedings which may materially or adversely affect the business or financial position of the Group:

- (i) Shah Alam Sessions Court Summons No. 4-52-1504-2002 dated 31 May 2002 between Mark Brian McIntyre, being the plaintiff and Allied Marine & Equipment Sdn Bhd ("AME"), a subsidiary of Perisai, being the defendant. The plaintiff made a claim for negligence against AME for failing to provide a safe and proper work environment. The action is being taken up by the insurers, Capital Insurance Bhd. The plaintiff is seeking unqualified general and aggravated damages (unquantifiable amount). The matter was fixed for trial on 8 and 9 August 2005. The court had subsequently adjourned the trial to 11 October 2005. The Directors of AME, after consulting with its legal adviser, believe that it has a good defendable case.
- (ii) Kuala Lumpur Industrial Court matter No. 12/4-1988/04 dated 17 November 2004 between Charles Mok Ngoh Check, being the plaintiff and AME, being the defendant. The plaintiff made a claim for reinstatement or alternatively compensation (unquantifiable) for wrongful dismissal. The court has fixed trial on the 7 and 8 December 2005. The Directors of AME, after consulting with AME's legal adviser, believe that the company has a good defendable case.

FURTHER INFORMATION (Cont'd)

5. MATERIAL CONTRACTS

Save as disclosed below, neither Perisai nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business), within the two (2) years immediately preceding the date of this Information Circular:

- (i) Deed of assignment dated 16 September 2003 between Golden Land Properties Sdn. Bhd. and Maju Hydro Sdn Bhd ("Maju Hydro"), whereby Maju Hydro had acquired the parcel unit No. C5-06 Megan Phileo Promenade, 189 Jalan Tun Razak, 50400 Kuala Lumpur, bearing postal address C-7-5 Megan Phileo Promenade measuring approximately 1,539 square feet for a total cash consideration of RM356,816;
- (ii) Conditional Share Sale Agreement dated 2 January 2004 between Tengku Daud Shaifuddin Bin Tengku Zainudin, Nagendran a/l C. Nadarajah, Juhari Bin Husin and Maya Terang Sdn Bhd ("MTSB"), being the vendors and Perisai, being the purchaser for the acquisition of Corro-Shield (M) Sdn Bhd ("CSSB") for a total consideration of RM7,366,801 to be satisfied by the issuance of 73,668,010 new Perisai Shares at par;
- (iii) Conditional Share Sale Agreement dated 2 January 2004 between Spectrum Trend Sdn Bhd, Padmanaban a/l Balagurusamy, A. Ghani Bin Md Tahir and Wan Mazila Binti Wan Abas, being the vendors and Perisai, being the purchaser for the acquisition of Fibaroll (SEA) Sdn Bhd ("FSSB") for a total consideration of RM3,103,197 to be satisfied by the issuance of 31,031,970 new Perisai Shares at par;
- (iv) Conditional Share Sale Agreement dated 2 January 2004 between MTSB and Vigneswaran a/l C. Nadarajah, being the vendors and Perisai, being the purchaser for the acquisition of Orinippon Trading Sdn Bhd ("OTSB") for a total consideration of RM1,030,000 to be satisfied by the issuance of 10,300,000 new Perisai Shares at par;
- (v) Conditional Share Sale Agreement dated 2 January 2004 between Tinggi Tiasa Sdn Bhd, Spiral Match Sdn Bhd and Kho Poh Eng, being the vendors and Perisai, being the purchaser for the acquisition of Romilly (M) Sdn Bhd ("RMSB") for a total consideration of RM2,600,000 to be satisfied by the issuance of 26,000,000 new Perisai Shares at par;
- (vi) Conditional Share Sale Agreement dated 2 January 2004 between Diversified Skills Sdn Bhd and Devarajah a/l C. Navaratnam, being the vendors and Perisai, being the purchaser for the acquisition of Whizz Water Sdn Bhd for a total consideration of RM1,500,000 to be satisfied by the issuance of 15,000,000 new Perisai Shares at par;
- (vii) Bill of Sale and Acceptance of Sale dated 20 February 2004 between Subsea 7AS, being the vendor, and AME Marine Services Sdn Bhd, being the purchaser, for the purchase and transfer of the vessel known as Allied Commander (ex Seaway Commander), Type Remote operated vehicle Support Vessel for a cash consideration of USD1,175,000. The purchase and refurbishment costs amounting to approximately RM11 million were financed by the AME Group of companies via internally generated funds;
- (viii) Placement and Underwriting Agreement dated 2 June 2004 between the Company and RHB Sakura, for RHB Sakura to:
 - (a) act as Placement Agent for 29,120,000 new Perisai Shares reserved for identified placees pursuant to the Company's flotation exercise on the MESDAQ Market, for a placement fee of 0.5% of the issue price of RM0.33 per share; and
 - (b) underwrite 22,880,000 Perisai Shares to be issued to the Malaysian public and eligible Directors and employees of Perisai and its subsidiaries for the pink form allocation for an underwriting commission of 2.0% of the issue price of RM0.33 per share;

FURTHER INFORMATION (Cont'd)

- (ix) Sale and Purchase Agreement dated 15 June 2004 made between Dolomite Industrial Park Sdn Bhd, being the vendors and AME, being the purchaser for the acquisition of a vacant piece of freehold land held under H.S. (D) 21766 P.T. 28815 Mukim Batu, District of Gombak, State of Selangor measuring approximately 39,956 square feet for a total purchase consideration of RM4,392,960. The purchase consideration was financed by internally generated funds and bank borrowings;
- (x) Hire purchase agreement dated 21 July 2004 between AME and Southern Finance Berhad for a sum of RM700,000, in relation to the acquisition by AME of a Porsche 911 Turbo Coupe WLY919 for a sum of RM930,000;
- (xi) On 4 August 2004, Perisai entered into a joint venture agreement ("JV Agreement") with SIF Universal Sdn Bhd ("SIF-U") in relation to the incorporation of a joint venture company to be known as Perisai SIFU Sdn Bhd ("PSSB") (or such other name as may be mutually agreed) to undertake research and development for the application of Fiber Optic Sensors ("FOS") into Perisai's Composite Sleeve Repair System and other corrosion prone areas, to facilitate the promotion and sale of FOS and all intellectual property to be developed by PSSB or intellectual property rights belonging to PSSB, to oil and gas companies worldwide;
- (xii) On 4 August 2004 Perisai subscribed for 51,000 new ordinary shares of RM1.00 each in Nottingham AI Sdn Bhd (*formerly known as Valiantique Sdn Bhd*) ("Nottingham AI"), representing 51% of the entire enlarged issued and paid-up capital of Nottingham AI for a cash consideration of RM51,000 ("Subscription") to be satisfied from internally generated funds. Upon completion of the Subscription, Nottingham AI had on the same day, entered into a Memorandum of Understanding with University of Nottingham Malaysia Campus to engage in joint research and development to produce intelligent electronic systems for the oil and gas industry;
- (xiii) On 26 August 2004, CSSB, a 60% owned subsidiary of the Company, has entered into a conditional Sale and Purchase Agreement to purchase two (2) pieces of leasehold land from Perbadanan Kemajuan Negeri Selangor ("PKNS") in Bangi for a total purchase consideration of RM2,084,166 ("Proposed Land Acquisitions") to be satisfied by internally generated funds and/ or bank borrowings;
- (xiv) On 30 September 2004, Perisai had entered into a conditional sale and purchase agreement with Encik Hilmy bin Ahmad for the acquisition of 51,000 new ordinary shares of RM1.00 each in Bio-X Technologies Sdn Bhd (*formerly known as Bio-X Culture Sdn Bhd*) ("Bio-X"), representing 51% of the issued and paid-up capital of Bio-X for a cash consideration of RM100,000 to be satisfied from internally generated funds and/or bank borrowings;
- (xv) On 30 September 2004, Perisai had entered into a conditional sale and purchase agreement with Encik Hilmy bin Ahmad and Cik Salina binti Shariff for the acquisition of 250,000 new ordinary shares of RM1.00 each in Merit Composites Sdn Bhd (*formerly known as Merit Contracts Sdn Bhd*) ("MCSB"), representing the entire enlarged issued and paid-up capital of MCSB for a cash consideration of RM3,600,000 to be satisfied from internally generated funds and/or bank borrowings;
- (xvi) On 15 October 2004, Perisai entered into a joint venture agreement with Morstrong Industries Sdn Bhd in relation to the incorporation of a Joint Venture Company to undertake research and development in, manufacturing and marketing of specialised protective underwater and surface coating for corrosion control purposes in the oil and gas industry which are synergistic to the principal activities of the Perisai Group;
- (xvii) On 18 October 2004, Perisai had entered into a share sale agreement with AME Asset Holdings Sdn Bhd, Mohd Naim bin Hassan, Poon Sing Kwong and Nor Hidayah binti Abdul Aziz for the acquisition of a 55% equity interest in AME for a cash consideration of RM29,700,000 to be satisfied from internally generated funds and/or bank borrowings;

FURTHER INFORMATION (Cont'd)

- (xviii) Memorandum of agreement between AME and Mansal Offshore QSC Qatar dated 7 February 2005 for the acquisition of a Dynamic Positioning II vessel named Mansal 19 for a purchase consideration of USD4,250,000 to be satisfied from internally generate funds and/or borrowings;
- (xix) Facilities agreement dated 16 February 2005 between AME and Malayan Banking Berhad for a sum of RM12 million in relation to the acquisition of the Dynamic Positioning II vessel; and
- (xx) Facilities agreement dated 1 March 2005 between Perisai and RHB Bank Berhad for a sum of RM26,730,000 in relation to the acquisition of AME;
- (xxi) Shareholders' Agreement;
- (xxii) Licence Agreement; and
- (xxiii) R&D Agreement.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Suite 2, Penthouse, Lobby A, Wisma Leopad, No. 9, Jalan Tun Sambanthan, 50470 Kuala Lumpur, during normal business hours on Mondays to Fridays (excluding public holidays) for a period of up to six (6) months from the date of this Information Circular:

- (i) Memorandum and Articles of Association of Perisai;
- (ii) Audited financial statements of Perisai and its subsidiaries, namely CSSB, FSSB, RMSB, OTSB and Impact Surge Sdn Bhd for the FYE 2003, audited consolidated financial statements of Perisai for the FYE 2004 and the unaudited consolidated results of Perisai for the 6 months ended 30 June 2005;
- (iii) The letters of consent referred to in Section 2 above;
- (iv) The relevant cause papers for current material litigation referred to in Section 4 above; and
- (v) The material contracts referred to in Section 5 above.