



PERISAI PETROLEUM TEKNOLOGI BHD

(Company No. 632811-X)

(Incorporated in Malaysia under the Companies Act, 1965)

ADDITIONAL INFORMATION

TO THE CIRCULAR TO SHAREHOLDERS OF PERISAI PETROLEUM TEKNOLOGI BHD DATED 5 OCTOBER 2007

IN RELATION TO THE

PROPOSED DISPOSAL BY PERISAI PETROLEUM TEKNOLOGI BHD OF 4,785,000 ORDINARY SHARES OF RM1.00 EACH IN ALLIED MARINE & EQUIPMENT SDN BHD, REPRESENTING 55% OF ITS EQUITY INTEREST THEREIN TO WORLDCLASS INSPIRATION SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM39,500,000

Shareholders' attention is hereby drawn to the following additional information in relation to the Circular to shareholders dated 5 October 2007:-

Section 9, Page 10 of the Circular states the following:-

"9. APPROVALS REQUIRED

The Proposed Disposal is subject to the approvals being obtained from the following:-

- (i) the SC, whose approval is still pending as at the date of this Circular;*
- (ii) the shareholders of Perisai at an EGM to be convened for the Proposed Disposal; and*
- (iii) any other relevant authorities, if required."*

OSK, had on 8 October 2007, on behalf of the Board, announced that the SC has, vide its letter dated 5 October 2007 approved the Proposed Disposal, subject to the following conditions:-

- i. Disclosure in the Circular to shareholders of the following:-
 - (a) Effect of the Deed of Termination and Settlement Agreement to the Profit Guarantee; and
 - (b) Future plan of the Company to mitigate the decline in revenue and profits in future financial years arising from disposal of AME.
- ii. OSK/ Perisai to fully comply with all relevant requirements as stipulated in the Listing Requirements of Bursa Securities for the MESDAQ Market; and
- iii. OSK/ Perisai to inform the SC upon completion of the proposal.

As such, in compliance with the SC's conditions as set out in paragraphs i(a) and (b) above, the Company wishes to inform the shareholders of Perisai of the following additional information:-

- i. With regards to item i(a) above and in addition to the details of the material litigation set out in Section 5(ii) of Appendix III of the Circular, the Company wishes to inform its shareholders that, AMEAH and the Individual Vendors had, in the 2004 SSA guaranteed that the audited consolidated profit after tax and minority interest of AME Group for the years 2005, 2006 and 2007 shall be at least RM8.0 million for each of the years ("Guaranteed Amount"), representing a total cumulative amount of RM24.0 million calculated as at the end of the year 2007 ("Profit Guarantee"). As AME Group recorded a LAT of RM16,110 in FYE 2006, Perisai had then filed the claim of RM8.0 million pursuant to the Profit Guarantee contained in the 2004 SSA, hence leading to the protracted litigation between AMEAH and Perisai as set out in Section 5(ii) of Appendix III of the Circular ("Legal Suit").

However, in view of the Proposed Disposal and in order to ensure that the SSA is concluded and completed, WISB had requested that the Legal Suit and all matters pertaining to AME be compromised between Perisai and AMEAH, which in turn led to the execution of the Deed of Termination between AMEAH, AME, Perisai and the Individual Vendors and the Settlement Agreement between AMEAH and Perisai.

The Company wishes to inform its shareholders that, based on the terms of the Deed of Termination and Settlement Agreement, upon the Completion of the Proposed Disposal, Perisai will not be entitled to any other forms of settlement/ compensation for the shortfall in the Guaranteed Amount, pursuant to the Profit Guarantee.

- ii. With regards to item i(b) above, the Company wishes to inform that, despite the fact that AME Group had recorded a PAT of RM10.55 million in FYE 2005, the Group could only recognise 55% of the profits generated by AME Group. For the FYE 2006, AME Group recorded a LAT of RM16,110, which in turn affected the Group's profit for the year.

In view of the fluctuating and volatile financial performance of AME Group, Perisai had decided to undertake the Proposed Disposal to address the Group's future profits.

Nonetheless, in order to mitigate the decline in the revenue and profits of Perisai arising from the disposal of AME, the Group has now, via its wholly owned subsidiary CORRO-PRO (L) Inc, acquired one (1) multi support vessel and one (1) workboat. The said vessel and workboat are currently able to command higher bareboat charter rates and is expected to contribute positively to the future revenue and profits of the Group.

The terms used herein shall, unless the context otherwise stated, bear the same meaning as those defined in the Circular to the shareholders of Perisai dated 5 October 2007 in relation to the Proposed Disposal.

This additional information is dated 11 October 2007.

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