

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to take, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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PERISAI PETROLEUM TEKNOLOGI BHD

(Company No. 632811-X)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- I. **PROPOSED BONUS ISSUE OF 368,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN PERISAI PETROLEUM TEKNOLOGI BHD ("PERISAI") ("PERISAI SHARES"), CREDITED AS FULLY PAID-UP ON THE BASIS OF FIVE (5) NEW PERISAI SHARES FOR EVERY FOUR (4) EXISTING PERISAI SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- II. **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF PERISAI FROM RM50,000,000 COMPRISING 500,000,000 PERISAI SHARES TO RM100,000,000 COMPRISING 1,000,000,000 PERISAI SHARES; AND**
- III. **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF PERISAI**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Part I and II advised by

OSK

OSK Investment Bank Berhad (14152-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of the Company to be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 7 May 2009 at 10.30 a.m. together with the Form of Proxy are set out in this Circular. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote on his behalf. Shareholders are advised to refer to the Notice of the EGM and the Form of Proxy that are enclosed.

The Form of Proxy should be lodged at the registered office of the Company at Suite 2, Penthouse, Lobby A, Wisma Leopard, No 9, Jalan Tun Sambanthan, 50470 Kuala Lumpur not less than 48 hours before the time stipulated for holding the EGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

This Circular is dated 14 April 2009

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	: The Companies Act, 1965
"Board"	: The Board of Directors of Perisai
"Bonus Share(s)"	: 368,000,000 new Perisai Shares to be issued and credited as fully paid-up pursuant to the Proposed Bonus Issue
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"EGM"	: Extraordinary General Meeting
"Entitlement Date"	: The date on which the shareholders of Perisai must be registered in the Record of Depositors with Bursa Depository in order to be entitled for the Bonus Shares which will be determined by the Board and announced at a later date after the receipt of all relevant approvals for the Proposed Bonus Issue
"EPS"	: Earnings per share
"FIC"	: Foreign Investment Committee
"FYE"	: Financial year ended/ ending
"Listing Requirements"	: The Listing Requirements of Bursa Securities
"Market Day(s)"	: Any day on which Bursa Securities is open for trading of securities
"MESDAQ Market"	: MESDAQ Market of Bursa Securities
"NA"	: Net assets
"OSK" or the "Adviser"	: OSK Investment Bank Berhad
"Perisai" or the "Company"	: Perisai Petroleum Teknologi Bhd
"Perisai Group" or the "Group"	: Perisai and its subsidiaries
"Perisai Share(s) " or "Share(s)"	: Ordinary share(s) of RM0.10 each in Perisai
"Proposals"	: The Proposed Bonus Issue, Proposed Transfer, Proposed Increase in Authorised Share Capital and Proposed Amendment, collectively
"Proposed Amendment"	: The proposed amendment to the Memorandum of Association of Perisai to increase the authorised share capital pursuant to the Proposed Increase in Authorised Share Capital

DEFINITIONS (CONT'D)

- "Proposed Bonus Issue"** : The proposed bonus issue of 368,000,000 new Perisai Shares to be credited as fully paid-up on the basis of five (5) new Perisai Shares for every four (4) existing Perisai Shares held on the Entitlement Date
- "Proposed Increase in Authorised Share Capital"** : The proposed increase in authorised share capital of Perisai from RM50,000,000 comprising 500,000,000 Perisai Shares to RM100,000,000 comprising 1,000,000,000 Perisai Shares
- "Proposed Transfer"** : The proposed transfer of the listing of and the quotation for the entire enlarged issued and paid-up share capital of Perisai of RM66,240,000 comprising 662,400,000 Perisai Shares from the MESDAQ Market to the Main Board of Bursa Securities upon completion of the Proposed Bonus Issue
- "Record of Depositors"** : A record of Depositors established by Bursa Depository under the Depository Rules
- "RM" and "sen"** : Ringgit Malaysia and sen respectively
- "SC"** : Securities Commission
- "USD"** : United States Dollar

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS OF PERISAI CONTAINING:-		PAGE
1.	INTRODUCTION	1
2.	DETAILS OF THE PROPOSALS	3
3.	RATIONALE FOR THE PROPOSALS	5
4.	INTER-CONDITIONALITY	6
5.	FINANCIAL EFFECTS OF THE PROPOSALS	6
6.	HISTORICAL SHARE PRICES	9
7.	APPROVALS REQUIRED	9
8.	CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED	10
9.	ESTIMATED TIMEFRAME FOR COMPLETION	10
10.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED	10
11.	DIRECTORS' RECOMMENDATION	10
12.	EGM	10
13.	FURTHER INFORMATION	11
APPENDIX		
1	ADDITIONAL INFORMATION	12
NOTICE OF EGM		ENCLOSED
FORM OF PROXY		ENCLOSED



PERISAI PETROLEUM TEKNOLOGI BHD

(Company No. 632811-X)

(Incorporated in Malaysia under the Companies Act, 1965)

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

14 April 2009

Board of Directors

Dato' Dr. Mohamed Ariffin Bin Hj. Aton (*Independent Non-Executive Chairman*)
Nagendran A/L C. Nadarajah (*Managing Director*)
Juhari Bin Husin (*Executive Director*)
Dato' Yogesvaran A/L T. Arianayagam (*Non-Independent Non-Executive Director*)
Chan Feoi Chun (*Independent Non-Executive Director*)

To: The Shareholders of Perisai Petroleum Teknologi Bhd

Dear Sir/ Madam,

- I. **PROPOSED BONUS ISSUE OF 368,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN PERISAI PETROLEUM TEKNOLOGI BHD ("PERISAI") ("PERISAI SHARES"), CREDITED AS FULLY PAID-UP ON THE BASIS OF FIVE (5) NEW PERISAI SHARES FOR EVERY FOUR (4) EXISTING PERISAI SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- II. **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF PERISAI FROM RM50,000,000 COMPRISING 500,000,000 PERISAI SHARES TO RM100,000,000 COMPRISING 1,000,000,000 PERISAI SHARES; AND**
- III. **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF PERISAI**

1. INTRODUCTION

On 30 May 2008, OSK had, on behalf of the Board announced that the Company proposes to undertake the following:-

- i. proposed renounceable rights issue of 220,800,000 new ordinary shares of RM0.10 each in Perisai ("Rights Shares") with 73,600,000 free detachable warrants ("Warrants") on the basis of three (3) Rights Shares for every four (4) existing Perisai Shares held together with one (1) free Warrant for every three (3) Rights Shares subscribed for, on an entitlement date to be determined later ("Proposed Rights Issue with Warrants");

- ii. proposed bonus issue of 110,400,000 Perisai Shares on the basis of one (1) new Perisai Share for every two (2) Rights Shares subscribed by the existing shareholders of Perisai and/ or their renounees pursuant to the Proposed Rights Issue with Warrants ("Proposed Bonus Issue I");
- iii. proposed transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of RM62,560,000 comprising 625,600,000 Shares from the MESDAQ Market to the Main Board of Bursa Securities, following the Proposed Rights Issue with Warrants and Proposed Bonus Issue I ("Proposed Transfer I");
- iv. proposed increase in the authorised share capital of Perisai from RM50,000,000 comprising 500,000,000 Perisai Shares to RM100,000,000 comprising 1,000,000,000 Perisai Shares; and
- v. proposed amendment to the Memorandum of Association of Perisai.

On 3 July 2008, OSK had, on behalf of the Board announced that Bank Negara Malaysia had, vide its letter dated 27 June 2008, approved the issuance by Perisai of up to 73,600,000 free detachable Warrants to non-residents pursuant to the Proposed Rights Issue with Warrants.

Subsequently, on 6 November 2008, OSK had, on behalf of the Board announced that the SC had, vide its letter dated 4 November 2008, approved the Proposed Rights Issue with Warrants and the Proposed Transfer I. The details of the conditions imposed by the SC are set out in Section 7 of this Circular. The SC, on behalf of FIC had also approved the Proposed Rights Issue with Warrants and the Proposed Transfer I pursuant to the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests.

Further, on 14 November 2008, OSK had, on behalf of the Board announced that the Board had, after due deliberations, decided to abort the Proposed Rights Issue with Warrants and subsequently revised the terms of the Proposed Bonus Issue I and Proposed Transfer I as follows:-

- i. proposed bonus issue of 368,000,000 Perisai Shares on the basis of five (5) new Perisai Share for every four (4) existing Perisai Share held on an entitlement date to be determined later; and
- ii. proposed transfer of the listing of and quotation for the entire enlarged issue and paid-up share capital of the Company of RM66,240,000 comprising 662,400,000 Perisai Shares from the MESDAQ Market to the Main Board of Bursa Securities, following the Proposed Bonus Issue.

The revision in the Proposed Bonus Issue I was undertaken to facilitate the Proposed Transfer.

The purpose of this Circular is to provide the shareholders of Perisai with the relevant information on the Proposals as well as to seek the approval from the shareholders of Perisai for the ordinary resolutions pertaining to the Proposed Bonus Issue and Proposed Increase in Authorised Share Capital and the special resolution pertaining to the Proposed Amendment to be tabled at the forthcoming EGM of the Company. The notice of the forthcoming EGM and the Form of Proxy are enclosed together with this Circular.

As the Proposed Transfer is not subject to the approval of shareholders of Perisai, details of the Proposed Transfer are included in this Circular for information only. An Introductory Circular setting out further details of the Proposed Transfer will be despatched to the shareholders of Perisai upon receiving all the necessary approvals.

SHAREHOLDERS OF PERISAI ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED BONUS ISSUE, PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL AND PROPOSED AMENDMENT TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue

2.1.1 Number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue

The Proposed Bonus Issue will entail an issuance of 368,000,000 new Perisai Shares credited as fully paid-up, to the existing shareholders of the Company on the basis of five (5) new Perisai Shares for every four (4) existing Perisai Shares held on the Entitlement Date.

The number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue was arrived at after taking into consideration the issued and paid-up share capital of Perisai as at 20 March 2009 of RM29,440,000 comprising 294,400,000 Perisai Shares and also to facilitate the Proposed Transfer.

Upon completion of the Proposed Bonus Issue, the issued and paid-up share capital of Perisai will increase to RM66,240,000 comprising 662,400,000 Perisai Shares.

The actual number of Shares to be issued pursuant to the Proposed Bonus Issue would depend on the issued and paid-up share capital of the Company as at the Entitlement Date.

Any fractional entitlements under the Proposed Bonus Issue will be disregarded and will be dealt with in such manner as the Board shall in their absolute discretion think expedient or to be in the best interests of the Company.

2.1.2 Capitalisation of reserves

The Proposed Bonus Issue will be effected by way of capitalisation of RM36,800,000 from the Company's share premium account.

An illustration of the proposed capitalisation for the Proposed Bonus Issue based on the Company's audited financial statement for the FYE 31 December 2008 is set out below:-

Perisai (Company level)	Share Premium RM'000
Audited as at 31 December 2008	131,477
Amount to be capitalised for the Proposed Bonus Issue	(36,800)
Estimated expenses for the Proposals	(500)
After the Proposed Bonus Issue	<u>94,177</u>

Further thereto, based on the Company's latest audited financial statements for the FYE 31 December 2008, the reserves required for the capitalisation pursuant to the Proposed Bonus Issue are unimpaired by losses on a consolidated basis. The Proposed Bonus Issue will not be implemented in stages over a period of time.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares to be issued and allotted shall, upon issuance and allotment rank *pari passu* in all respects with the existing Perisai Shares except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/ or other distributions unless the allotment and issuance of Bonus Shares were made on or prior to the Entitlement Date of such dividends, rights, allotments and/ or any other distributions.

2.1.4 Listing of Bonus Shares

The Bonus Shares shall be listed and quoted on the MESDAQ Market of Bursa Securities on the next Market Day after the Entitlement Date.

2.2 Proposed Transfer

Upon completion of the Proposed Bonus Issue, Perisai is expected to meet the requirements for a transfer to the Main Board of Bursa Securities as set out in Chapter 9 of the SC's Guidelines on the Offering of Equity and Equity-Linked Securities and the Listing Requirements.

As at 20 March 2009, the issued and paid-up share capital of Perisai amounted to RM29,440,000 comprising 294,400,000 Perisai Shares. Upon completion of the Proposed Bonus issue, the issued and paid-up share capital of Perisai would increase to RM66,240,000 comprising 662,400,000 Perisai Shares.

Perisai had achieved a consolidated PAT of approximately RM15.76 million for the FYE 31 December 2008 and an aggregate consolidated PAT of approximately RM39.81 million for the past three (3) FYE up to 31 December 2008.

Based on the Record of Depositors as at 20 March 2009, approximately 47.25% of the issued and paid up share capital of Perisai is held by 2,658 public shareholders holding not less than 100 Shares each.

Consequently, the Company proposes to transfer the listing of and quotation for its entire enlarged issued and paid-up share capital from the MESDAQ Market to the Main Board of Bursa Securities.

2.3 Proposed Increase in Authorised Share Capital

The authorised share capital of Perisai is RM50,000,000 comprising 500,000,000 Perisai Shares, of which 294,400,000 Perisai Shares have been issued and fully paid-up as at 20 March 2009.

The Proposed Increase in Authorised Share Capital will increase the Company's present authorised share capital from RM50,000,000 comprising 500,000,000 Perisai Shares to RM100,000,000 comprising 1,000,000,000 Perisai Shares by creation of an additional 500,000,000 new Perisai Shares.

2.4 Proposed Amendment

Clause 7 of the Memorandum of Association of Perisai is proposed to be amended to reflect the Proposed Increase in Authorised Share Capital as follows:-

Existing Clause 7

The authorised capital of the Company is RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

New Clause 7

The authorised capital of the Company is RM100,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Bonus Issue

The Proposed Bonus Issue will facilitate the Proposed Transfer, as it will enable Perisai to meet the requirements of Paragraph 3.04 of the Listing Requirements which states that an applicant seeking listing on the Main Board must have a minimum issued and paid-up share capital of RM60,000,000.

The Proposed Bonus Issue will also increase the Company's share capital base to better reflect the Company's current scale of operations and also to reward the existing shareholders of Perisai for their continuous support and loyalty to the Company.

In addition, the Proposed Bonus Issue will also enable the shareholders to have a greater equity participation in the Company's equity in terms of number of Shares held. Such increase in the number of Perisai Shares in issue is also expected to improve the liquidity of the Perisai Shares in the market.

3.2 Proposed Transfer

The Proposed Transfer will better reflect the current stature of the operations of the Perisai Group. The Proposed Transfer will also accord the Company with greater recognition and acceptance amongst investors particularly institutional investors.

Further, the Proposed Transfer is expected to enhance Perisai's prestige and reputation, and also the confidence of the Perisai Group's customers, suppliers and bankers as well as the shareholders of Perisai as companies listed on the Main Board of Bursa Securities are perceived to have better corporate reputation and image.

3.3 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is to accommodate the increase in the issued and paid-up share capital of the Company pursuant to the Proposed Bonus Issue and any new Shares to be issued by Perisai arising from any other future corporate exercise.

3.4 Proposed Amendment

The Proposed Amendment is to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

4. INTER-CONDITIONALITY

The Proposed Bonus Issue and the Proposed Increase in Authorised Share Capital are conditional upon the Proposed Amendment. The Proposed Bonus Issue is conditional upon the Proposed Increase in Authorised Share Capital. The Proposed Transfer is conditional upon the Proposed Bonus Issue.

Save as disclosed above, the Proposed Bonus Issue is not conditional upon any other corporate proposals currently and/ or to be taken by the Company.

5. FINANCIAL EFFECTS OF THE PROPOSALS

The Proposed Transfer, the Proposed Increase in Authorised Share Capital and the Proposed Amendment will not have any effect on the issued and paid-up share capital, EPS, substantial shareholders' shareholdings, dividends and NA per share and gearing of the Perisai Group.

The financial effects of the Proposed Bonus Issue are as follows:-

5.1 Issued and Paid-Up Share Capital

The proforma effects of the Proposed Bonus Issue on the issued and paid-up share capital of Perisai Group are set out below:-

	No. of Shares	Par Value RM	Total RM
Issued and paid-up share capital as at 20 March 2009	294,400,000	0.10	29,440,000
Shares to be issued pursuant to the Proposed Bonus Issue	368,000,000	0.10	36,800,000
Enlarged issued and paid-up share capital	<u>662,400,000</u>	<u>0.10</u>	<u>66,240,000</u>

5.2 Earnings and EPS

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Perisai Group for the FYE 31 December 2009. However, the Proposed Bonus Issue will result in a corresponding reduction in the Group's EPS due to the increase in the issued and paid-up share capital of the Company.

5.3 Dividends

As at 20 March 2009, Perisai has not proposed or declared any dividends for the FYE 31 December 2008. The Proposed Bonus Issue is not expected to have any material effect on the dividend policy of the Company.

Barring any unforeseen circumstances, any dividends to be declared by Perisai for the FYE 31 December 2009 will depend on, amongst others, the profitability and cash flow position of the Perisai Group.

5.4 NA per Share and Gearing

Based on the latest audited consolidated financial statements of Perisai Group as at 31 December 2008, the proforma effects of the Proposed Bonus Issue on the NA per share and gearing of the Perisai Group are set out below:-

	Audited as at 31 December 2008 RM'000	After the Proposed Bonus Issue RM'000
Share capital	29,440	66,240
Share premium	131,477	94,177 ^{*1}
Other reserves	869	869
Retained earnings	50,224	50,224
Shareholders' fund / NA	<u>212,010</u>	<u>211,510</u>
No. of shares in issue ('000)	294,400	662,400
Net assets per share (RM)	0.72	0.32
Borrowings (interest-bearing)	288,941	288,941
Gearing (times)	1.36	1.37

Note:-

^{*1} After netting off estimated expenses of RM0.5 million in relation to the Proposals.

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5.5 Substantial Shareholders' Shareholdings

The Proposed Bonus Issue will not have any effect on the substantial shareholders' percentage of shareholdings in the Company as the Bonus Shares to be issued will be allotted to all shareholders of the Company, in proportion with their shareholdings as at the Entitlement Date. Accordingly, the number of Perisai Shares held by each shareholder will be increased proportionately pursuant to the Proposed Bonus Issue.

The proforma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings of Perisai as at 20 March 2009 are set out below:-

Substantial Shareholders	As at 20 March 2009			After the Proposed Bonus Issue		
	Direct	Indirect	%	Direct	Indirect	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Maya Terang Sdn Bhd	29,366,998	-	9.98	66,075,745	-	9.98
Nagendran AVL C. Nadarajah	21,306,300	33,366,998	7.23	47,939,175	75,075,745	11.33 ¹
Mercury Pacific Marine Pte Ltd	86,385,000	-	29.34	194,366,250	-	29.34

Note:-

¹ Deemed interested under Section 6A of the Act by virtue of his substantial shareholdings in Maya Terang Sdn Bhd and his spouse's shareholdings in Perisai.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Perisai Shares as traded on Bursa Securities for the past 12 months from April 2008 to March 2009 are as follows:-

	High RM	Low RM
2008		
April	1.37	1.09
May	1.37	1.19
June	1.36	1.18
July	1.21	1.06
August	1.10	0.99
September	1.01	0.83
October	0.91	0.61
November	0.74	0.61
December	0.70	0.59
2009		
January	0.70	0.56
February	0.60	0.50
March	0.70	0.48

Last transacted market price of Perisai Shares on 29 May 2008, being the day prior to the date of announcement of the Proposed Bonus Issue I. RM1.24

Last transacted market price of Perisai Shares on 10 April 2009, being the latest practicable date prior to the printing of this Circular. RM0.72

(Source: Bloomberg)

7. APPROVALS REQUIRED

The Proposals are subject to the approvals being obtained from the following:-

- i. The SC for the Proposed Transfer, which was obtained vide their approval letter dated 4 November 2008, subject to the following conditions:-
 - (a) Perisai is to implement its Proposed Transfer to the Main Board of Bursa Securities only after 31 December 2008; and
 - (b) Perisai/ OSK to inform SC upon completion of the proposals.
- ii. The SC, on behalf of FIC, for the Proposed Transfer, which was obtained vide their approval letter dated 4 November 2008;
- iii. Bursa Securities for:-
 - (a) the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the MESDAQ Market of Bursa Securities; and
 - (b) the Proposed Transfer.
- iv. The shareholders of Perisai for the Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Amendment at an EGM to be convened; and
- v. Any other relevant authorities, if required.

8. CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposals, the Board is not aware of any other corporate proposals which have been announced but not yet completed as at the date of this Circular.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed within three (3) months after the receipt of all the relevant approvals as set out in Section 7 above.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED

None of the Directors and/ or major shareholders of Perisai and/ or persons connected to them have any interest, whether direct or indirect, in the Proposals beyond their respective entitlements as shareholders of Perisai under the Proposed Bonus Issue, for which all the existing shareholders of Perisai are also entitled to as at the Entitlement Date.

11. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and accordingly recommends that the shareholders of Perisai vote in favour of the ordinary resolutions pertaining to the Proposed Bonus Issue and Proposed Increase in Authorised Share Capital and the special resolution pertaining to the Proposed Amendment to be tabled at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 7 May 2009 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolutions to give effect to the Proposed Bonus Issue and the Proposed Increase in Authorised Share Capital and the special resolution to give effect to the Proposed Amendment.

A Form of Proxy for the forthcoming EGM is enclosed in this Circular. If you are unable to attend and vote in person at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registered Office at Suite 2, Penthouse Lobby A, Wisma Leopad, No 9, Jalan Tun Sambanthan, 50470 Kuala Lumpur not less than 48 hours before the time fixed for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the enclosed appendix for additional information.

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

Dato' Dr. Mohamed Ariffin Bin Hj. Aton
Independent Non-Executive Chairman

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ADDITIONAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENTS

The written consent of OSK for the inclusion in this Circular of their names, letters, reports and references in the form and context in which they appear in this Circular, have been given and have not subsequently been withdrawn prior to the issuance of this Circular.

3. CONFLICT OF INTEREST

OSK confirms that as at the date of this Circular, after making enquiries as were reasonable in the circumstances, there is no equity and/ or financial relationship with the Company which exists or is likely to exist that may result in a situation of conflict of interest in their role as adviser to the Company for the Proposals.

4. MATERIAL CONTRACTS

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

- i. By a sale and purchase agreement dated 10 April 2007 between Corro-Shield (M) Sdn Bhd ("Corro-Shield") and Harian Klasik Sdn Bhd for the sale by Corro-Shield of two (2) pieces of properties known as Lot No. 1 Jalan 9/3 and Lot No. 8 Jalan 9/1, both of Taman IKS Seksyen 9 43650 Bandar Baru Bangi held under leasehold land HS(D) 87688 PT 56921 and HS(D) 87684 PT56917 both Seksyen 9 Bandar Baru Bangi, Daerah Ulu Langat Selangor for a total consideration of RM3,100,456.10. The sale was completed on 6 December 2007.
- ii. By a memorandum of agreement dated 27 April 2007 between Ocean Sparkle Limited and Corro-Pro (L) Inc ("Corro-Pro") for the purchase of the work boat with four (4) point mooring system and deck crane mounted known as Ocean Melody (now known as Pro Shield) for a purchase price of USD3.6 million, which was satisfied entirely by way of cash. The sale has been completed in May 2007 and the vessel is provisionally registered under Malaysian flag at Port Klang.
- iii. By a share sale agreement dated 23 July 2007, between Perisai and Worldclass Inspiration Sdn Bhd ("WC") for the sale by Perisai of 4,785,000 ordinary shares of RM1.00 each in Allied Marine & Equipment Sdn Bhd ("AME"), representing 55% of its equity interest therein for a total cash consideration of RM39,500,000. The sale was completed on 21 November 2007.

- iv. By a deed of termination dated 23 July 2007, between Perisai, AME Asset Holdings Sdn Bhd ("AMEAH") and Mohd Naim Bin Hassan, Poon Sing Kwong and Nor Hidayah Binti Abdul Aziz, the parties have mutually agreed to release each other from all obligations, observance and performance of all the stipulations covenants and terms of the Profit Guarantee in the Share Sale Agreement dated 18 October 2004 and the Shareholders Agreement dated 18 October 2004, upon the terms and conditions thereafter contained. Hence, upon completion of the sale of the AME shares to WCI on 21 November 2007, the parties have released each other from the relevant obligations, observance and performance of the relevant stipulations covenants and terms of the Profit Guarantee in the Share Sale Agreement dated 18 October 2004 and the Shareholders Agreement dated 18 October 2004 in accordance with the terms and conditions of the Deed of Termination.
- v. By a settlement agreement dated 23 July 2007, between Perisai and AMEAH, the parties have agreed to settle the disputes that have arisen between the parties in relation to AME and its subsidiaries resulting in the legal proceedings vide Kuala Lumpur High Court (Commercial) Suit No. D3-22-436-2007. The legal suit between the parties and all matters related thereto shall be compromised and settled with AMEAH withdrawing and discontinuing without the liberty to file afresh the legal suit on the completion of the sale of the AME shares to WCI on 21 November 2007.
- vi. By a share sale agreement dated 30 January 2008 made between Perisai and Mercury Pacific Marine Pte Ltd for the purchase by Perisai of 4,000,000 ordinary shares of USD1.00 each in SJR Marine (L) Ltd, representing 100% of the issued and paid up capital of SJR Marine (L) Ltd for a total consideration of USD42,000,000 satisfied by way of cash and the issuance of new Perisai Shares. The acquisition was completed on 22 September 2008.
- vii. By a memorandum of agreement dated 13 March 2008, between Britoil Offshore Services Pte Ltd and Corro-Pro, for the acquisition by Corro-Pro of an anchor handling tug vessel, namely MT Britoil 62 for a total purchase consideration of USD11,500,000 in cash. The memorandum of agreement was terminated on 10 December 2008 due to Corro-Pro's inability to procure the finance to complete the purchase of the anchor handling tug vessel.
- viii. By a memorandum of agreement dated 24 March 2008, between Hallin Diving Services Ltd and Perisai (L) Inc ("Perisai Inc"), for the acquisition by Perisai Inc of a nine (9) man portable saturation diving system known as HM Sat-04 ("Diving System") comprising the major components and ancillary equipment as defined in Appendix 2 of the Memorandum of Agreement for a total purchase consideration of USD4,250,000 in cash. The acquisition was completed on 14 April 2008 following the delivery of the Diving System.
- ix. By a share sale agreement dated 31 March 2008, between Perisai and Y.M. Tengku Daud Shaifuddin bin Tengku Zainudin ("Purchaser") for the sale by Perisai of 360,000 ordinary shares of RM1.00 each in Corro-Shield (M) Sdn Bhd ("Corro-Shield") and 500,000 ordinary shares of RM1.00 each in Orinippon Trading Sdn Bhd ("Orinippon"), representing 60% and 100% of the issued and paid-up share capital Corro-Shield and Orinippon respectively for a total cash consideration of RM40,000,000. The share sale agreement was terminated on 26 November 2008 due to the breach of the Purchaser of its obligations under the share sale agreement, particularly but not limited to the breach of Clauses 5.2(j) and (k) and Clause 5.4 of the share sale agreement.

- x. By an Option Agreement dated 12 June 2008 between Perisai and FPSO Shiraz Pty Ltd, Perisai was given an option for the acquisition of a 33,595 tones summer deadweight, single hull replenishment oil tanker, namely M.V. Shiraz ("Vessel") for a total cash consideration of USD6,000,000. The purchase consideration was inclusive of the Front End Engineering Design for conversion to a Floating Storage and Offloading Vessel. The Option Agreement was terminated by Perisai on the 6 October 2008 in accordance with the agreement.
- xi. By a share sale agreement dated 16 December 2008, between Perisai and Wan Mazila binti Wan Abas and Mohd. Jeffrey De Jong Bin Abdullah for the sale by Perisai of 250,000 ordinary shares of RM1.00 each in Merit Composites Sdn Bhd ("MCSB"), representing 100% of the issued and paid-up share capital MCSB, for a total cash consideration of RM2,500,000. The sale was completed on 30 December 2008.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, neither Perisai nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and do not have any knowledge of any proceedings pending or threatened against the Company and/ or its subsidiaries or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of Perisai and/ or its subsidiaries:-

- i. Corro Shield (SEA) Sdn Bhd ("the Claimants"), a wholly-owned subsidiary of Perisai, had on 6 January 2009 commenced arbitration proceedings at the Kuala Lumpur Regional Centre for Arbitration against New Wing Energy Sdn Bhd ("the Respondents") in respect of a debt for the sum of USD433,673.23. The debt arose as a result of default by the Respondents in hire payments in connection with the charter of the vessel "Pro Shield". At the preliminary meeting held on 4 March 2009, the arbitrator had directed both the Claimant and Respondents to file the Points of Claim, Defence and Reply by April 2009. The arbitrator had further fixed 14 May 2009 to take directions and set the matter down for hearing.

The Respondents had paid to the Claimants a sum of USD110,000 on 11 March 2009 towards the outstanding amounts due and the balance of USD343,785.98 remains outstanding to date. The Claimants' lawyers are of the view that the Claimants have a strong case against the Respondents for the claim of the balance monies.

6. DOCUMENTS 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 (except public holidays) for a period from the date of this Circular up to and including the date of the EGM:-

- i. Memorandum and Articles of Association of Perisai;
- ii. The audited consolidated financial statements of Perisai for the past two (2) FYE 31 December 2007 and 31 December 2008;
- iii. The letters of consent referred to in Section 2 above;
- iv. The material contracts referred in Section 4 above; and
- v. The relevant cause papers in respect of the material litigations, claims and arbitration referred in Section 5 above.



PERISAI PETROLEUM TEKNOLOGI BHD

(Company No. 632811-X)

(Incorporated in Malaysia under the Companies Act, 1965)

No. of shares held

FORM OF PROXY

I/We _____ NRIC No./Co. No./CDS. No.: _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

being a member/members of **Perisai Petroleum Teknologi Bhd**, hereby appoint *the Chairman of the meeting or failing him, _____

(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

or failing him, _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Cempaka Room, Mezzanine Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 7 May 2009 at 10.30 a.m.

My/Our proxy is to vote as indicated below:-

ORDINARY RESOLUTION 1	FOR	AGAINST
PROPOSED BONUS ISSUE OF 368,000,000 NEW ORDINARY SHARES OF RM0.10 EACH ("BONUS SHARES") IN PERISAI PETROLEUM TEKNOLOGI BHD ("PERISAI"), CREDITED AS FULLY PAID-UP ON THE BASIS OF FIVE (5) NEW ORDINARY SHARES FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF RM0.10 EACH ("PERISAI SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")		
ORDINARY RESOLUTION 2		
PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF PERISAI FROM RM50,000,000 COMPRISING 500,000,000 PERISAI SHARES TO RM100,000,000 COMPRISING 1,000,000,000 PERISAI SHARES		



SPECIAL RESOLUTION 1	FOR	AGAINST
PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF PERISAI		

Please indicate with an " x " in the space provided above whether you wish your vote to be cast for or against the ordinary resolution. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/ her discretion.

Subject to the above stated voting instructions, my/ our proxy may vote or abstain from voting on any resolution as *he/*she/*they may think fit.

<p><i>If appointment of proxy is under hand</i></p> <p>.....</p> <p>Signed by *individual number/ *officer or attorney of member/ *authorised nominee of</p>	<p>No. of shares held:.....</p> <p>Date:</p>	<p>The proportions of my/ our holding to be represented by/ our proxies are as follows:</p> <p>First Proxy No. of Shares:..... Percentage: %</p>
<p><i>If appointment of proxy is under seal</i></p> <p>The Common Seal of Was hereto affixed in accordance with its Articles of Association in the presence of:-</p> <p>..... Director Director/ Secretary</p> <p>in its capacity as *member/ *attorney of member/ *authorised nominee of(beneficial owner)</p>	<p style="text-align: center;">Seal</p> <p>No. of shares held:.....</p> <p>Date:</p>	<p>Second Proxy No. of Shares:..... Percentage: %</p>

Notes:-

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf.
2. A proxy or attorney or corporate representative need not be a member of the Company and if not a Member he/she need not be a qualified legal practitioner, an approved Company Auditor or a person approved by the Registrar.
3. A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two or more proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.
5. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The instrument of proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Registered Office of the Company at Suite 2, Penthouse, Lobby A, Wisma Leopad, No.9, Jalan Tun Sambanthan, 50470 Kuala Lumpur, not less than forty eight (48) hours before the time of meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
Perisai Petroleum Teknologi Bhd
Suite 2, Penthouse, Lobby A,
Wisma Leopad,
No 9, Jalan Tun Sambanthan,
50470 Kuala Lumpur

1st fold here

