

SUSTAINABILITY STATEMENT

PETRA is pleased to share our sustainability initiatives for the second year with guidance from Bursa Malaysia Securities Berhad ("Bursa Malaysia") Sustainability Reporting Guide.

Our core values – Integrity, Professionalism, Teamwork and Commitment – steer our direction and vision towards becoming a sustainable energy company.

In 2017, we identified and prioritised several sustainability themes such as the health and well-being of our employees, gender equality and climate change. In 2018, we have expanded this to include life on land. These themes also represent our commitment areas and the basis of our disclosures for this year.

Our 2018 Sustainability Statement incorporates elements beyond philanthropy to address key sustainability themes that are important to our stakeholders and business. Moving forward, we would embark on a stakeholder-inclusive materiality survey to ensure material topics are appropriately prioritized.

The period under review was a challenging for PETRA with the low activity and suppressed profit margins. In the coming years, we aspire to increase our efforts to be more systematic in embedding sustainability within the organisation. In 2019, we will focus on embedding the behaviours of accountability & ownership, diversity & inclusiveness, care and innovation that are in tandem with the Groups Transformation journey.

A formal sustainability steering committee, under the Group's Health Safety Security and Environment (HSE) leadership council, shall be formed in 2019 to drive and spearhead the Group's Sustainability agenda and strategy.

SCOPE

This statement has been prepared with reference to Bursa Malaysia's Main Market Listing Requirements Note 9 and Bursa Malaysia's Sustainability Reporting Guide. These guidelines provide the foundation for disclosures on matters related to Economic, Environment and Social. We endeavour to integrate important sustainability considerations within our business operations and community projects.

Information within this statement relates to the selected subsidiaries under PETRA's Group of Companies unless otherwise stated:

- Petra Resources Sdn. Bhd.
- Petra Marine Sdn. Bhd.

These subsidiaries are within the largest segment of Petra Energy Group, i.e. the Services Segment. We intend to expand the scope of coverage of our sustainability statement to include other entities within the Group in the future.

SUSTAINABILITY GOVERNANCE

We believe it is important to operationalise sustainability by establishing proper governance structures. In 2017, we established a working level sustainability workgroup. Moving forward sustainability will sit within the Group's HSE Leadership Council, aimed to be set up in 2019. This will comprise of key leadership from different streams within the Group. In addition, we will also formalise a comprehensive group-wide Sustainability Policy and Procedure guideline.

OUR APPROACH IN SUSTAINABILITY

We believe that corporations that act in the best interest of stakeholders will deliver long-term value and future growth for the business. Our approach is guided by these commitment areas which have the most impact and significance to our business operations.

- Maintaining the health and well-being of our employees
- Improving gender equality in the workforce
- Supporting initiatives to reduce the impacts of climate change
- Supporting initiatives that enhance life on land

These commitment areas will form the foundation of our group-wide sustainability strategy, which we aspire to establish in the near future.

THE 17 SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) introduced at the United Nations Conference on Sustainable Development in September 2015 provides a global action-plan for the governments across the world. The SDGs address critical areas of importance for sustainable development. There is now an increasing trend of companies integrating SDGs into corporate strategies and business plans. We believe that integrating SDGs into our business will provide the foundation to unlock new business opportunities, manage key environmental and social impacts as well as driving innovation within the organisation.



We support the SDGs and aspire to align our sustainability initiatives towards these goals. We have identified these 4 goals as priority areas for PETRA:

- **Goal 3 (Good Health and Well-Being)**
- **Goal 4 (Quality Education)**
- **Goal 5 (Gender Equality)**
- **Goal 15 (Life on Land)**

We will continue to prioritise these four (4) area as we aspire to develop group-wide benchmarks that allow us to share how we are contributing to the SDGs through our business operations and various sustainability initiatives in the near future.

STAKEHOLDER ENGAGEMENT

As a responsible corporate citizen, we believe continuous engagement with our stakeholders will provide valuable inputs to thrive in this ever-evolving business environment. In 2018, the Group engaged the following stakeholders through various activities and communication channels. PETRA’s stakeholders comprise the following:

Stakeholder	Engagement Activity/method
Employees	<ul style="list-style-type: none"> • Employee induction programme • Townhall sessions • Leadership briefing sessions • Health and Safety briefings and coaching • Learning and development programmes • Performance appraisals

SUSTAINABILITY STATEMENT (cont'd)

Stakeholder	Engagement Activity/method
Customers	<ul style="list-style-type: none"> • Industry events • Industry exhibitions • Face-to-face engagements • Formal and informal meetings and updates
Investors and shareholders	<ul style="list-style-type: none"> • Engagement with Analysts • Annual General Meetings • Annual Report • PETRA Energy website • Quarterly announcements of financial results to Bursa Malaysia
Government and regulatory authorities	<ul style="list-style-type: none"> • Meetings and Engagements
Communities and the public	<ul style="list-style-type: none"> • Corporate Social Responsibility events • Fast Track Engineer Program • Exhibitions and career fairs • PETRA Energy website

MATERIALITY

Sustainability reporting covers a wide range of topics that can be reported. In this regard, materiality provides the threshold to determine important economic, environment and social impacts to the organisation. We have maintained our key sustainability topics from 2017 that shape our 2018 Sustainability Statement.

We have identified a total of 10 material sustainability matters, mapped against Economic, Environment and Social topics.

 <p>ECONOMIC</p> <ul style="list-style-type: none"> • Procurement Practices • Commitment towards Good Business Practices 	 <p>ENVIRONMENT</p> <ul style="list-style-type: none"> • Waste Management • Water Consumption • Energy Consumption • Carbon Emission 	 <p>SOCIAL</p> <ul style="list-style-type: none"> • Occupational Health and Safety • Workforce Diversity • Employee Training • Corporate Social Responsibility
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We aim to reach out to our stakeholders to provide a more inclusive materiality assessment in the coming years. As we continue to expand our stakeholder universe, the materiality matrix and reporting content may change accordingly. We will review these topics to assess their impacts on our business over the near, medium and long-term future. We also strive to disclose more granular processes and practices of our subsidiaries progressively to provide a more holistic picture of the Group's sustainability opportunities, risks and performance.



ECONOMIC

We believe that being a good corporate citizen heightens our business success through our contributions towards a sustainable marketplace. We also believe in spurring the economy and business ecosystem in communities where we operate. This is also in line with our client PETRONAS' Vendor Development Programme (VDP) which PETRA has been a part of since 2010. We have identified our procurement practices and our commitment towards anti-corruption as key emphasis areas for our operations.

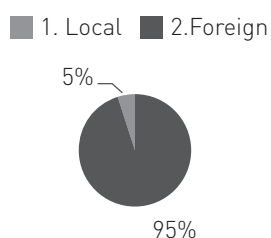
PROCUREMENT PRACTICES

Petra Energy is committed to build and drive a sustainable value chain. As our activities and operations have a heavy focus in Sarawak and Sabah, we are passionate to add value to the communities in Sabah and Sarawak. Our procurement activities are focused towards engaging with competent local suppliers and vendors to serve our operations. Since 2013, we have awarded about RM350 million worth of projects to Sarawakian vendors in supporting the business activities of the Group in Sarawak. These project awards help strengthen long-term strategic partnership between Petra Energy and Sarawakian oil and gas vendors. In 2018, we engaged 95% of local suppliers.

Breakdown of suppliers by type	FY 2018	FY2017
Number of suppliers		
Local	874	442
Foreign	87	3
Total	961	445

Percentage of spending on suppliers by type	FY 2018	FY2017
Local	95%	99%
Foreign	5%	1%
Total	100%	100%

Supplier Category



An increase in foreign suppliers during the period was due to increase in activities under the Group's Trading unit. PETRA is an agent for seven foreign principals.

PETRONAS VDPx – our commitment to local vendors and clients objectives

On 31 July 2018, PETRONAS Carigali Sdn. Bhd. launched a new Vendor Development scheme (VDPx) under PETRONAS' current vendor development programme. The scheme is aimed to reach out to more local vendors and further intensify its benefits to the industry as well as the nation.

PETRA has been a member of PETRONAS' Vendor Development Programme since 2010 and continues as a member within the newly launched VDPx scheme.

During the period under review and in tandem with the drive to develop local vendors by our key client, PETRA formalised service agreements via long term master supply agreements with key vendors. This we hope will further develop local vendor capabilities and create a multiplier effect that benefits the industry and economy.

COMMITMENT TOWARDS GOOD BUSINESS PRACTICES

We have in place the following policies that support our commitment towards good business practices:

- Code of Conduct
- Whistle blower Policy
- Corporate Integrity Pledge with the Malaysian Anti-Corruption Commission Group-wide

Petra Energy's Code of Conduct outlines the standard of professional conduct for all employees serving the Group. The Code stipulates that all employees are prohibited from giving or receiving bribes under no circumstances. Petra Energy established a Whistleblower Policy on November 2011 to provide a mechanism for all employees to report instances of unethical behaviour, actual or suspected fraud, dishonesty or violation of the Company's Code of Conduct. The Whistleblower Policy is available on the Group's website. In 2017, leaders and employees across the Group signed the Malaysian Anti-Corruption Commission Corporate Integrity Pledge as a commitment to a corruption-free organisation.

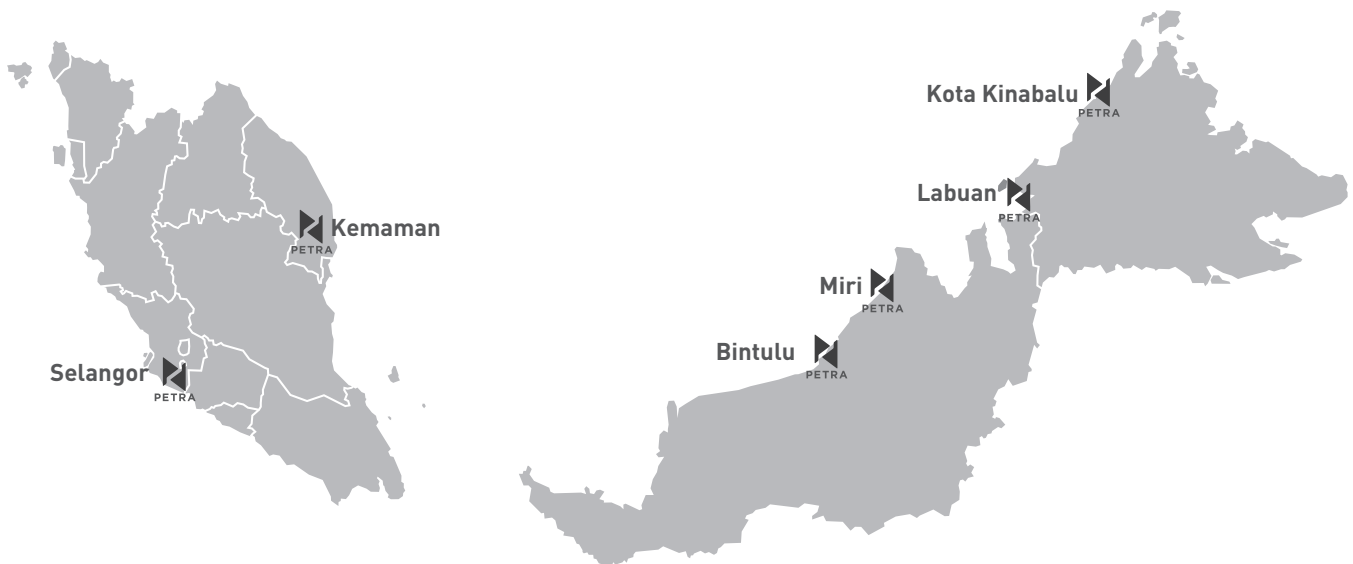
The Company has an integrity officer who leads initiatives and programmes towards continuous good business practices in Petra Energy.

SUSTAINABILITY STATEMENT (cont'd)



ENVIRONMENT

Climate change poses a fundamental threat to the planet and is rapidly changing the business landscape. As an oil and gas service provider, we are aware of the potential climate and environmental impacts that could arise from our business activities. Further, we also aim to systematically study the risk and impact of biodiversity in our project sites.



Our operations reside in eight offices in Selangor, Miri, Bintulu, Labuan, and Kota Kinabalu. We have identified electricity consumption, carbon emissions, water consumption and waste management as key environmental issues for the Group.

ELECTRICITY CONSUMPTION

Total energy consumption for our project offices in Kuala Lumpur, Miri, and Kota Kinabalu in 2018 is 400,660 kWh. Meanwhile, total energy consumption at our project sites at Petra Fabrication Yard in Labuan and Petra Bintulu Site Office is 344,076 kWh. We strive to minimise our electricity consumption throughout all areas of our operations by improving energy efficiency at our offices and project sites. We strive to expand our scope of monitoring and reporting of electricity consumption at other offices and project sites in the coming year.

Our project office in Kuala Lumpur resides in Menara OBYU, a green building recognised and certified by Green Building Index (GBI). Green buildings are specifically designed to reduce overall impact on the environment and human health by incorporating measures to reduce waste generation and increase efficiency of energy and water consumption levels.

Electricity consumption

Electricity consumption (kWh)	FY 2018
Office	400,660
Site	344,076
Total	744,736

CARBON EMISSIONS

Our emissions accounting is based on the GHG Protocol classification of direct and indirect emissions, and we have calculated our emissions from indirect emission from purchased electricity (Scope 2). The carbon emissions from the use of electricity were derived using the emission factor published by Green Technology Malaysia for the Peninsular energy grid. Our total Scope 2 emission in 2018 from our headquarters in Kuala Lumpur is 130.08 metric tonnes of carbon dioxide emissions. We strive to improve our monitoring and tracking systems, especially since the boundary of carbon emissions data is incomplete.

WATER CONSUMPTION

At our offices, water source is from our municipal water utilities supplier. The monitoring of water consumption is currently limited to certain offices and project sites. A total of 2,089 million cubic metres of water were consumed at project offices in Miri and Bintulu in 2018. Meanwhile, total 326,580 million cubic metres were consumed at our project sites at Petra Fabrication Yard in Labuan in 2018.

We aim to expand our scope of monitoring and reporting of water consumption of other offices and project sites in the coming year.

Water consumed

Water consumption (million cubic metres)	FY 2018
Office	2,089
Site	326,580
Total	328,669

WASTE MANAGEMENT

As an organisation, we generate two types of waste: general waste and scheduled waste. A total of 34.0160 metric tonnes of scheduled waste were disposed from our project site at Petra Fabrication Yard in Labuan in 2018. This significant proportion of scheduled waste is due to the nature of our services in topside major maintenance, hook-up, construction and commissioning for offshore and onshore oil and gas installations.

We ensure government-approved waste disposal contractors are appointed for removal and disposal of scheduled waste at our project sites. Data on scheduled waste is obtained from our waste disposal contractors.

The Group does not have a mechanism in place to measure office based general waste output.

Waste disposed

Scheduled Waste (metric tonnes)	FY 2018
Office	-
Site	34.0160
Total	34.0160

SUSTAINABILITY STATEMENT (cont'd)



SOCIAL

We aim to be a responsible employer by creating a high quality and inclusive work environment for all employees. Our aspiration is guided by our commitment areas to improve gender equality in the workforce and maintain the health and well-being of our employees. Our vision and core values range from integrity, professionalism, teamwork and commitment. These shared values influence the way we work and our approach when conducting business. At PETRA, we also strive to contribute towards the wider society via our various community service programmes. In 2019 the Company will embark on a plan to embed the behaviours of; Accountability and Ownership; Diversity and Inclusiveness; Innovation and Care within the Group as part of its culture change exercise in line with the Group's 5 year Transformation Plan.

The safety and health of our employees at the workplace is highly critical to the success of our business operations. Given its relative importance, greater emphasis has been placed on this topic in our 2018 sustainability disclosures. Other critical topics identified include employee training, workforce diversity and corporate social responsibility.

OCCUPATIONAL HEALTH AND SAFETY

As a service provider within the upstream oil and gas industry, the well-being of our employees is prioritised at all levels of the Group's business operations. We have introduced various measures to provide a safe and quality work environment for employees to carry out their daily activities.

At Petra Energy, the following policy measures provide the foundation for our health and safety framework:

- Health, Safety and Environment Policy;
- Quality Policy;
- Drug & Alcohol Policy; and
- Stop Work Policy

We introduced a requirement for all employees to be accountable of the safety and health of their colleagues, contractors and the public. We also ensure all employees comply with the applicable laws, regulations, industry codes and practices. We firmly believe promoting a collective responsibility within the organisation will only enhance the safety of our workforce and stakeholders.

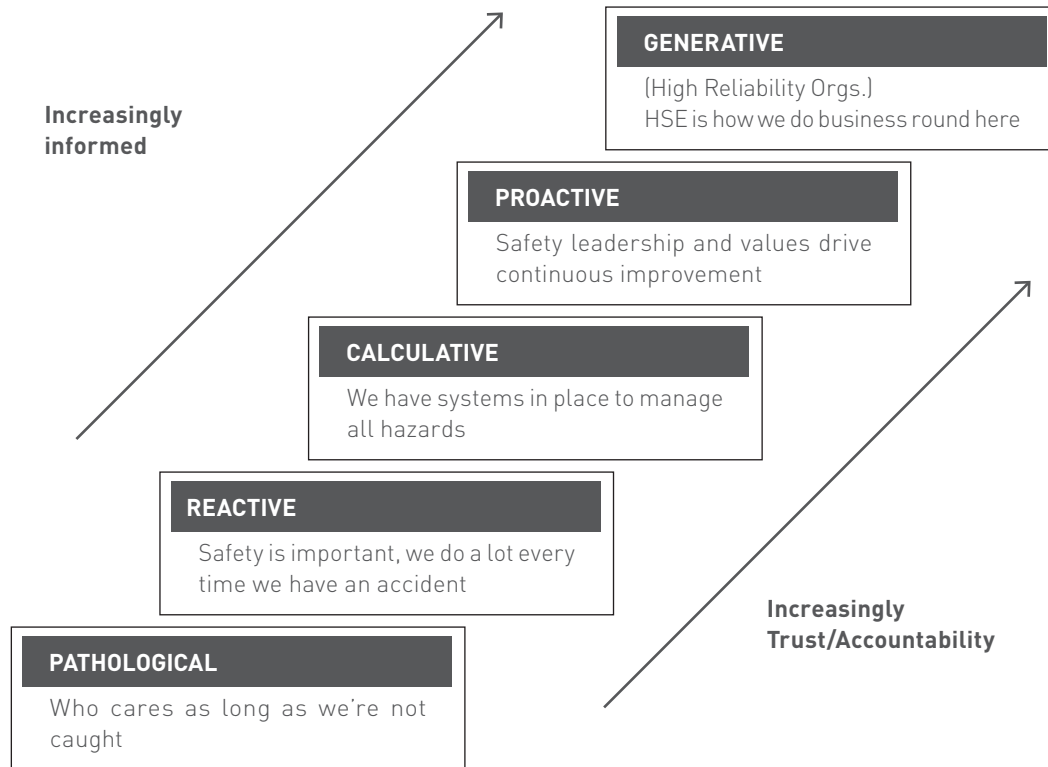
On a journey towards a GENERATIVE safety culture

The safety culture ladder level for PETRA's currently lies in the CALCULATIVE state which translates to having all necessary systems in place to manage all hazards. We aim to reach the GENERATIVE and highest level where safety is weaved into every facet of the organisation.

OUR GROUP WIDE SAFETY OBJECTIVES

- A strong safety culture is where everyone:
 - Values safety
 - Expects the unexpected
 - Knows what to do
 - Are open to suggestions
 - Wants to make a difference
 - Believes their behaviour makes a difference for others
- And Managers (Management) in particular:
 - Lead by example
 - See the behaviour of others as reflecting their leadership

THE SAFETY CULTURE LADDER



The initiatives to achieve the PROACTIVE state

- Developing a comprehensive yearly Occupational Health Safety Security and Environment (OHSSE) Plan that addressed the current gaps in the current cultural ladder

Key areas are:

- Visibility of Leadership in OHSSE Management via Management Health Safety Visit (MHSEV)
- International body certification for the HSE-MS (ISO 45001) and EMS (ISO 14001)
- Strengthened the frontline leaders in managing HSSE
- Improvement in methodology of engaging contractors (HSE as the essential criteria)
 - Developing pools of future leaders that will have HSE experience
 - Exposure of HSE personnel in various types of HSE activities (Planning/projects/data/audit).

SUSTAINABILITY STATEMENT (cont'd)

PETRA'S SAFETY THEME - #PETRAcares

The #PETRAcares campaign was launched Group-wide at the Group's Safety Day 2018. A hashtag created for social media connections and for employees to share HSE related best practices captured with a hashtag to create an identity representing CARE for people, planet and profits.

By #PETRAcares, we mean showing care in all aspects:

- We care for the well-being and safety of ourselves, each other and all that we partner with
- We care and respect the environment in areas where we operate and are mindful of the footprint we create and leave behind
- We care for the sustainability of the Company and its assets
- We emphasise and appreciate
- We strive to create an environment where our employees have continuous support from the leaders

In conjunction with Safety Day, a poster and photography competition was held for employees with a total of 150 entries submitted. A full day programme inculcating the safety culture and sharing sessions were held simultaneously at all locations presided by the respective leaders.



Winning Safety posters



Safety day celebration

HSE LEADERSHIP VISIBILITY

Management HSE Visit

- The Management of Petra Resources advocates the highest safety standards and practices for its operations. Management HSE Visits were conducted to project locations to observe and study the implementation of HSE processes during project implementation. These site visits provide a platform for employees and senior management to conduct gap analysis on strengths and potential improvement opportunities as well as a feedback mechanism to communicate important aspects of HSE.

In 2018, the management has conducted three Management HSE Visits to our project sites at

- **D12 Oil Development project platform and Petra Endeavour Workbarge on 16-18 Oct 2018**
- **Petra Fabrication Yard and Secondary Yard Management visit - 21 & 22 October 2018.**
- **HUC Modification at D18MP-A FOR the D28 Phase 1 Project operations - 5 December 2018**

The site visit consists of project progress briefings, HSE performance reviews and a management tour of the site facilities. In addition, awards were also presented to outstanding employees during the visit.



HSE ENGAGEMENT & SEAFARERS FORUM 2018

As part of its sustainability initiatives within the workplace dimension, the marine unit organised a HSE ENGAGEMENT & SEAFARERS' FORUM focusing on Malaysia Shipping Master Plan during the period. With the support from the Ministry of Transport Malaysia, Marine Department of Malaysia, and Malaysia Shipowners' Association, the Maritime Institute of Malaysia (MIMA) organised a national shipping conference themed "Revitalizing Malaysian Shipping for a Stronger Economy" on 26 March 2015. Recognising the criticality of the shipping industry to the economy and security of Malaysia, the conference addressed the policies and strategies needed to enable it to overcome its vulnerabilities and to thrive in a competitive environment. The conference concluded that a shipping master plan was urgently needed to improve the state of Malaysian shipping. Following the conference, eight industry workshops were held to formulate strategies and action plans to address the decline in Malaysian shipping and Malaysia's increasing dependence on foreign ships, seafarers, and services.

PETRA Marine as an owner and operator of OSVs in Malaysia, felt the need to bring together key stakeholders within our reach and community in the best way to support and contribute to Malaysia's Shipping Master Plan, especially in providing a skillful, capable and productive workforce in the industry. A seminar themed revolutionising partnerships was organised. As productivity goes hand-in-hand with safety, where we believe a safety 'cultured' workforce tend to produce better productivity through loss prevention.



HSE COMMITTEE

Our Safety and Health Committee (HSE Committee) comprises 25 members: 16 management representatives and 9 employee representatives. The committee composition conforms to the requirements of OSHA 1994, which requires at least four employer and employee representatives for an organisation with more than 100 people. The HSE Committee is responsible for the following:

Reviewing the measures taken to ensure the safety and health of employees at the workplace;

- Investigating any matters at the workplace which has been brought to the attention of the employer on findings of unsafe incidents or threats to safety and health
- Attempting to resolve any matters identified

Emergency Drill & Business Continuity Management

Emergency preparedness and response are important elements of business continuity and risk management. To ensure business continuity, we have in place a Business Continuity team comprising leaders and key personnel within the organisation.

The Group has in place an alternate space for operations to continue in the event of an emergency.

During the period under review, PETRA's HQ operations had a simulation exercise on 20 December 2018 to test preparedness and effectiveness of Emergency Drill and a business continuity simulation on 20 December 2018. This simulation acts as a real life simulation in the event of a crisis.



SUSTAINABILITY STATEMENT (cont'd)

Accident Control Technique (ACT)

All employees are required to undergo a training to understand the hazard and effect management process employed by PETRA. ACT is used to identify and correct Unsafe Conditions and Unsafe Acts (UCUA) found in the workplace which helps the organisation to identify the cause and minimises the recurrence of the occupational hazards. The objectives of the ACT are to:

- Remove UCUA hazards identified at the workplace
- Reaffirm and improve HSE standards employed by the organisation
- Improve communication, understanding and rapport among employees
- Provide better and more positive HSE performance
- Bring about change in behaviour and attitude of employees towards the empowerment of HSE practices in Petra Energy

We encourage our staff to report unsafe act and unsafe work conditions through the ACT by establishing Key Performance Indicators (KPIs) for our employees at offices and project sites. In 2018, we received a total of 29,503 ACT (UCUA) reports from our employees at project sites located onshore and offshore.

We recognise contributions by employees via the ACT (UCUA) Award to encourage frequent reporting by employees of any unsafe act and unsafe conditions through the ACT.

HSE PERFORMANCE INDICATORS

In 2018, we recorded 5,338,108 total man-hours worked by our employees, with no lost workdays. We encourage all employees to report to the management of all unsafe conditions and acts that may result in injuries and accidents, no matter how small. Continuous feedback allows us to improve our work environment and integrate appropriate corrective action within our health and safety management system.

We also encourage employees to practice an active and healthy lifestyle which are organised throughout the Group's operations.

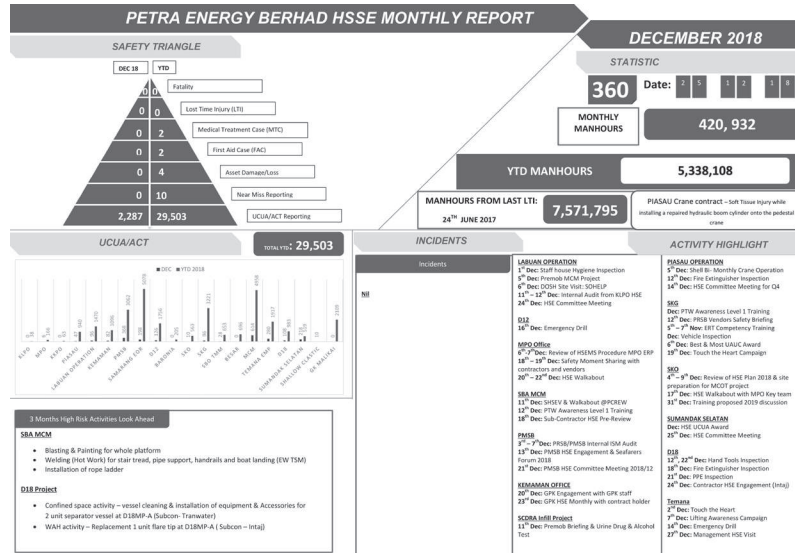
Health and Safety Indicators	FY 2018	FY2017
Number of cases resulting in lost workdays	0	1
Number of cases resulting in medical treatment	2	1
Number of cases resulting in first aid treatment	2	4
Total work-related injuries	4	6
Total man-hours worked	5,338,108	4,821,119
Total number of lost days	0	5
Rate of work related injuries per total man hours worked	0.000000749	0.00000124
Severity rate (Total number of lost days per total number of recordable incidents)	0	5

Our 2018 HSE performance showed improvements in total work related injuries and no lost workdays. Furthermore, the rate of work related injuries per total man hours worked and severity rate reflected improvement. We will continue to instill good HSE practices at all locations Group-wide as we strive towards our AIM ZERO Goals.

HSE COMMUNICATION

HSE Dashboard

We share HSE information and performance via a monthly HSE dashboard. This helps to demonstrate and provide visibility on the Group's HSE performance group-wide.



HSE Newsletter

HSE newsletter – sharing news from the ground. The Group's yard operations and initiatives are shared with all employees via the monthly newsletter. This newsletter covers all activities that includes stories and updates from the Group's HSSE and Quality Assurance and Quality Control Departments.



HSE Alerts

Sharing experience, lessons learnt from near misses, incidents and accidents and best practices are key HSSE tools in PETRA. These ongoing initiatives are done via HSE Alerts/Lessons Learnt. These alerts are disseminated and communicated Group-wide via the Group's email alert and intranet. These are also reflected at all of the group's operations via sharing on notice and bulletin boards.

SUSTAINABILITY STATEMENT (cont'd)

HSE

MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (MSOSH)

During the period under review, the Group became a member of the Malaysian Society for Occupational Safety and Health (MSOSH), a leading association for occupational safety and health professionals. This will provide PETRA a shared platform for learning and development and sharing of HSE best practices.



MARINE COMPLIANCE

The Group's marine operations strictly comply with MARPOL (Marine Pollution) Conventions under ANNEX VI "Regulations for the prevention of air pollution from Ships".

Under MARPOL, the SEEMP (Ship Energy Efficiency Management Plan) is an operational measure that establishes a mechanism to improve the energy efficiency of a ship in a most cost-effective manner. The SEEMP also provides an approach for shipping companies to manage ship and fleet efficiency performance over time using, for example the Energy Efficiency Operational Indicator (EEOI) as a monitoring tool.

The EEOI enables operators to measure the fuel efficiency of a ship in operation and to gauge the effect of any changes of operations e.g improved voyage planning or more frequent propeller cleaning, or introduction of technical measures such as waste heat recovery system or new propeller.

AWARDS AND COMMENDATIONS

Safety has always been the cornerstone of the Group's operations. In keeping with industry standards and to grow into a recognized sustainable energy company, PETRA encourages a strong safety culture within all of the Group's operations. In 2018, the Group received commendations and focused recognitions for good safety practices and achievements in occupational safety and health, as appended below.

FOCUSED RECOGNITION	
I want to recognise SUMANDAK INFILLS Team for demonstrating	
<input type="checkbox"/> Results Matter	<input checked="" type="checkbox"/> Own It!
<input type="checkbox"/> Nurture Trust	<input type="checkbox"/> Tell Me
	<input checked="" type="checkbox"/> Focused Execution
	<input checked="" type="checkbox"/> Shared Success
In the following manner:	
Execute SUMANDAK INFILLS project, onshore and offshore campaign activities smoothly and safe manner, Collaborative and Supportive in HSE activities towards achieving project milestone which resulted non LTI cases recorded	
By doing this, you have positively impacted the following key result(s):	
Recorded HSE Performance & Statistic with NO LTI Incident	
ZAINUDDIN KAMARUDIN	27 DEC 2018
Given by	Date
PETRONAS Cultural Beliefs	

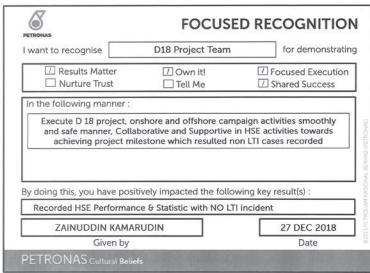
Commendation for being safe, collaborative and supportive in project execution by PETRONAS Carigali, for the Sumandak Infills Project resulting in positive HSE performance with no LTI's recorded.

FOCUSED RECOGNITION	
I want to recognise TEMANA EMP Team for demonstrating	
<input type="checkbox"/> Results Matter	<input checked="" type="checkbox"/> Own It!
<input type="checkbox"/> Nurture Trust	<input type="checkbox"/> Tell Me
	<input checked="" type="checkbox"/> Focused Execution
	<input checked="" type="checkbox"/> Shared Success
In the following manner:	
Execute TEMANA EMP project, onshore and offshore campaign activities smoothly and safe manner, Collaborative and Supportive in HSE activities towards achieving project milestone which resulted non LTI cases recorded	
By doing this, you have positively impacted the following key result(s):	
Recorded HSE Performance & Statistic with NO LTI Incident	
ZAINUDDIN KAMARUDIN	27 DEC 2018
Given by	Date
PETRONAS Cultural Beliefs	

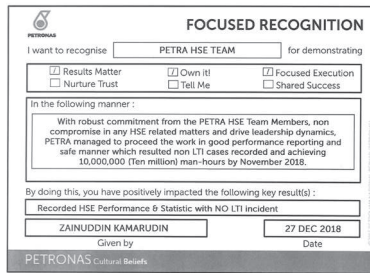
Commendation for being safe, collaborative and supportive in project execution by PETRONAS Carigali, for the Samarang EOR Project resulting in positive HSE performance with no LTI's recorded.

FOCUSED RECOGNITION	
I want to recognise SEMARANG EOR Team for demonstrating	
<input type="checkbox"/> Results Matter	<input checked="" type="checkbox"/> Own It!
<input type="checkbox"/> Nurture Trust	<input type="checkbox"/> Tell Me
	<input checked="" type="checkbox"/> Focused Execution
	<input checked="" type="checkbox"/> Shared Success
In the following manner:	
Execute SEMARANG EOR project, onshore and offshore campaign activities smoothly and safe manner, Collaborative and Supportive in HSE activities towards achieving project milestone which resulted non LTI cases recorded	
By doing this, you have positively impacted the following key result(s):	
Recorded HSE Performance & Statistic with NO LTI Incident	
ZAINUDDIN KAMARUDIN	27 DEC 2018
Given by	Date
PETRONAS Cultural Beliefs	

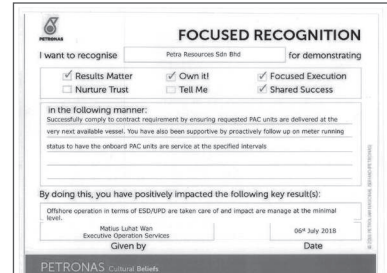
Commendation for being safe, collaborative and supportive in project execution by PETRONAS Carigali, for the Temana Early Monetization Project resulting in positive HSE performance with no LTI's recorded.



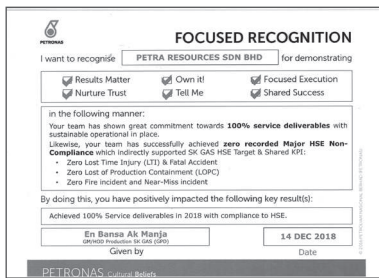
Commendation for being safe, collaborative and supportive in project execution by PETRONAS Carigali, for the D18 Project resulting in positive HSE performance with no LTI's recorded.



Commendation to PETRA's HSE Team for their robust commitment, leadership dynamics towards HSE and ensuring no compromises made in all HSE related matters.



Commendation for focused execution for the delivery of items and commitment towards service deliverables resulting in positive HSE performance and managed offshore operation schedules.

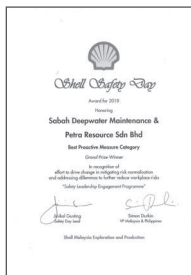


Commendation by PETRONAS Carigali for commitment towards 100% service deliverables achieving zero recorded HSE non-compliance contributing towards SK GAS HSE Target and Shared KPI. In recognition to PETRA Resources Sdn Bhd (PRSB) for showing 100% service deliverables with sustainable operational in place. PRSB has successfully achieved zero recorded Major HSE Non-Compliance which supported SK GAS HSE Target & Shared KPI such as:

- Zero Lost Time Injury (LTI) & Fatal Accident
- Zero Lost of Production Containment (LOPC)
- Zero Fire Incident and Near-Miss Incident



Sarawak Asset Outstanding Vendor Award by PETRONAS Carigali
Awarded in 2018 in recognition of improved performance in 2017 for the provision of supply and rental of portable air compressor for PETRONAS Carigali Sdn Bhd



Best Proactive Measure Award by SHELL Malaysia, Sabah Deepwater Maintenance
SHELL award in recognition of Petra Resources Sdn Bhd's effort to drive change in mitigating risk normalization and addressing dilemmas to further reduce workplace risk.



Certified **ISO 9001:2015 Management Systems** compliant by Lloyds Registrar Quality Assurance Limited, for the Group's major subsidiary Petra Resources Sdn Bhd

SUSTAINABILITY STATEMENT (cont'd)

WORKFORCE DIVERSITY

Diversity and inclusiveness are behaviours we promote within PETRA. We believe that a diverse workforce and inclusive culture are key to PETRA's evolution and are driving forces of our growth. While we operate in an industry traditionally dominated by men, we strive to promote equal opportunity and to be more inclusive in our hiring process. Inclusion is the foundation of high performance and innovative teams where every employee is empowered and capable of doing their best work.

The Group's major operations are centred mainly in Sabah and Sarawak, we focus on ensuring that we uphold local content and ensure we hire personnel from within the communities where we operate.

In managing harassment, discrimination or violence at the workplace, PETRA has in place a separate grievance mechanism for employees to address any complaints of these nature.

As at 31 December 2018, 1478 people are employed in Petra Energy Group of Companies

By gender	FY2018 including offshore crew	FY 2017
Male	1270	416
Female	208	169
Total	1478	585

By Designation	FY2018 (onshore)			FY2018 (offshore)		
	Male	Female	Total	Male	Female	Total
Non-Executive	143	47	190	915	0	915
Executive	194	116	310	0	0	0
Management	18	45	63	0	0	0
TOTAL	355	208	563	915	0	915

Employee breakdown by age

By Age	FY2018 (onshore)		
	Male	Female	Total
20-30 years old	92	78	170
31-40 years old	140	79	219
41-50 years old	81	37	118
51-60 years old	40	14	54
61-66 years old	2	0	2
TOTAL	355	208	563

Employee breakdown by region/major operational location

By Region	FY2018	
	Onshore	Offshore
Peninsular Malaysia	236	100
Sabah	68	217
Sarawak	253	585
Labuan	6	0
Other nationalities	0	13
TOTAL	563	915

Commitment to local employment

Guided by our brand promise “Synergising Partnerships”, we strive to improve the participation of our local communities in Sarawak and Sabah. We aim to hire locally and provide equal opportunities to the local communities near our business operations. Approximately 75% of our employees are from East Malaysia.

Petra Recruitment Drive 2018

In supporting local content and our commitment to the communities we operate in, our subsidiary Petra Resources Sdn. Bhd. organised multiple recruitment drives for job applicants from Sabah and Sarawak held at various locations in Malaysia throughout the year. Approximately 350 job applicants turned up during these events.

No	Recruitment Drive	Date	Venue
1	Job Expo Tawau Sabah	24 February 18	Estern Plaza Tawau
2	Job Expo Kota Kinabalu	3 March 18	UTC, Kota Kinabalu Sabah
3	Job Expo Tawau Sabah	11 March 18	Padang Perbadanan Tawau
4	Walk In Interview	7 April 18	KKPO
5	Youth Carnival	8 April 18	ITCC, Penampang
6	Walk In Interview	28 & 29 April 2018	Aifa Hotel, Labuan
7	Program Kerjaya	17 November 18	IKBN, Miri
8	Sabah Job and Entrepreneur	24 & 25 November 2018	Dewan Serbaguna, Kompleks Sukan, Kota Kinabalu, Likas



SUSTAINABILITY STATEMENT (cont'd)

EMPLOYEE TRAINING

Capacity building within the Group is critical to ensure that all employees have the necessary technical skills, knowledge and qualifications to complete their work. We are committed to equip our employees with the necessary skills to deliver our services safely and efficiently. In 2018, we provided about 7,101 hours of training to our employees.

Employee training

Onshore based employees

Total Training Hours by gender	FY2018	FY2017
Male	5,333	7,512
Female	1,768	2,937
Total	7,101	10,449

Average Training Hours Per Employee	FY2018	FY2017
Male	15.02	18.06
Female	8.5	17.38
Total Average	12.61	17.86

Offshore Crew

Total Training Hours by gender	FY2018	FY2017
Male	10,104	8,312
Female	N/A	N/A
Total	10,104	8,312

Average Training Hours Per Employee	FY2018	FY2017
Male	11.04	N/A
Female	N/A	N/A
Total Average	10.85	N/A

CORPORATE SOCIAL RESPONSIBILITY

Empowering youth – the fast track engineer programme

PETRA Energy has the reputation of being supportive towards the communities that we operate in which includes through education & development. During the period under review, the Group continued with the FTE Programme for its 6th cycle with emphasis on the recruitment of Sarawakian and Sabahan youth. The programme received 250 applications, of which 10 were hired to undertake a management programme for a year to be exposed to various functions within the Group's project management and support units.

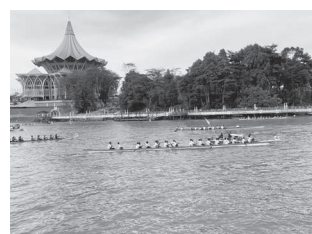
Welder Training Programme

For the period under review, the Welder Training Programme with PETRA Energy was not executed.

Sarawak Regatta – Petra Energy's commitment to upholding and age old culture and tradition and developing communities

The Sarawak Regatta is a traditional long boat race held on the Sarawak River in Kuching, Malaysia. This annual event dates back to the era of James Brooke with the intention resolve tribal conflicts through sportsmanship by having boat races to prove their strength and power.

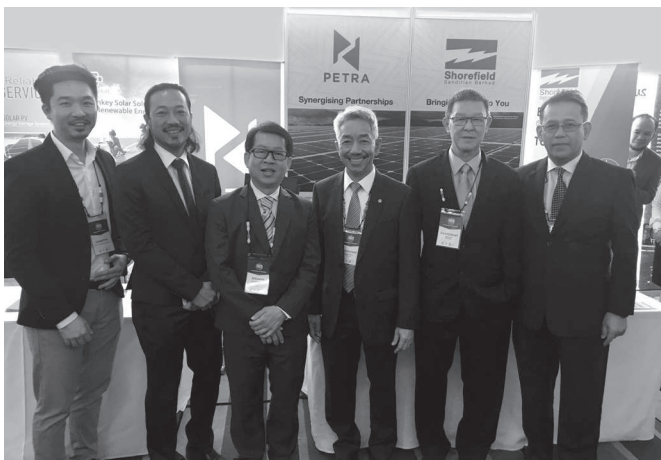
Petra Energy has supported the Sarawak Regatta through sponsorship since 2012 and has been a gold sponsor since 2013. The sponsorship represents our commitment to preserve an age-old tradition and the culture of dragon boat races. In 2018, the Regatta witnessed the participation of 30 teams from 12 countries including Malaysia, all vying for the coveted "Rajah Sungai" title.



Participation in Industry events

We seek to share our knowledge, keep up with industry trends and develop strategic partnerships with industry players through various engagement methods. Attending industry conferences and exhibitions provide an opportunity to highlight the role that we play in the oil and gas industry.

- In April 2018, Petra Energy participated in the International Sustainable Energy Summit in Kuching Sarawak attended by State dignitaries and local and international delegates. As an exhibitor during this event, the platform was used to share and discuss ideas with other industry players and academics about the services that we provide in the oil and gas industry and our aim to be a long term solutions provider to the renewables segment of the energy industry.
- In October 2018, PETRA participated in PETRONAS' Project Delivery & Technology HSE Contractor Conference aimed at enhancing the relationship with contractors and for HSE improvement sharing. PETRA was also a co-sponsor for the conference.
- PETRA is also a member of the Malaysian Oil and Gas Services Council and the Malaysian Gas Association – associations within the oil and gas fraternity that act as a platform to spur collaboration, HSE experience and knowledge sharing sessions with other member companies within the oil and gas industry.



Community Building

In the spirit of supporting the local community and philanthropy, the Company undertook the following initiatives during the period:

- Donation to Lembaga Kebajikan Anak-anak Yatim Sarawak via contributions for the underprivileged children and orphans during the holy month of Ramadhan.
- Berbuka Puasa event - In 2018, representatives from PETRA HQ broke fast with children from Rumah Amal Limpahan Kasih at Masjid Tengku Kelana Jaya and employees from Miri joined the Iftar dinners at Rumah anak-anak Yatim Komplek Kebajikan Hamidah Yaakup, Miri. Petra Energy also made donations to the homes during the respective events



- Management and staff also participated in the Persatuan Rakan Institut Jantung Negara Run, about 30 PETRA personnel participated in the run aimed at raising funds for charity.



- The Group's Temana project team supported PETRONAS Carigali's CSR initiative during the period - "PARTICIPATING IN PCSB's TEMANA OPERATION ACTIVITIES - AN OSH AWARENESS CAMPAIGN IN A HIGH SCHOOL IN BINTULU". Nine crew members of PETRA's Temana Project joined representatives from PETRONAS and BOMBA for the event aimed at raising HSE awareness for school going children.

