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RECAP OF 2016





Challenging Environment in 2016

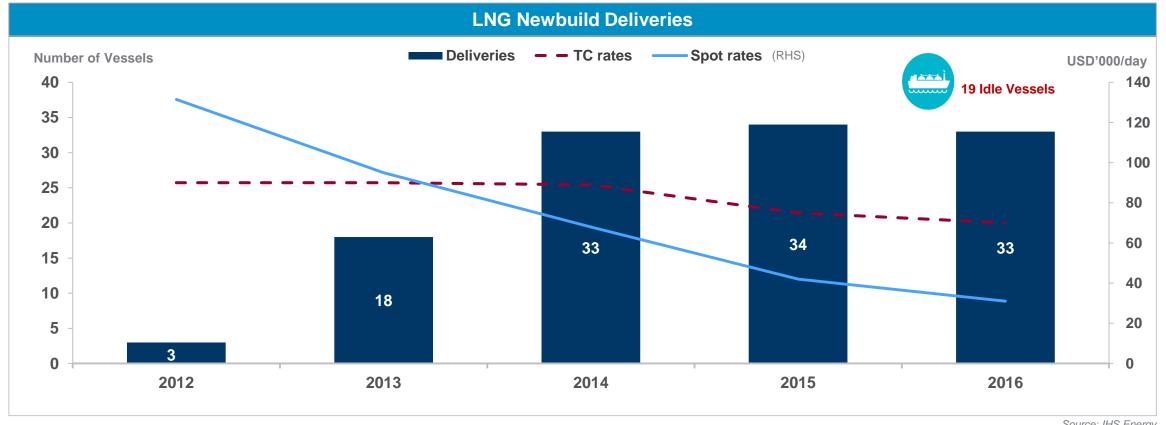
Slow Down in Global Economy Amidst Political Headwind

- Oil price retreated to its lowest level since 2003.
- Struggling European economies and moderating growth in China.
- US Federal Reserve raised interest rates for the second time in recent years.
- Investment and business confidence tested by unexpected worldwide election/political outcomes e.g. Brexit and Presidential Election in America.
- Corporate bankruptcy and consolidation in the wider shipping and shipbuilding industry.



LNG Shipping in 2016

Heavy Deliveries Continue to Dampen the LNG Shipping Market

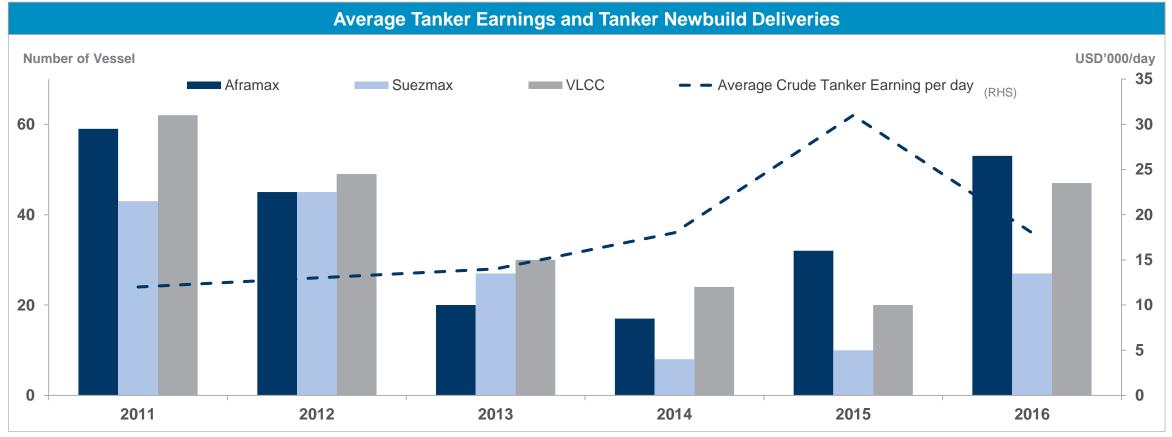


Source: IHS Energy

- Vessel oversupply continues to put pressure on LNG tanker charter rates with slower startup of new LNG exporting terminals.
- The changing industry trend towards shorter term contracts further dampened the LNG shipping market.

Petroleum Shipping in 2016

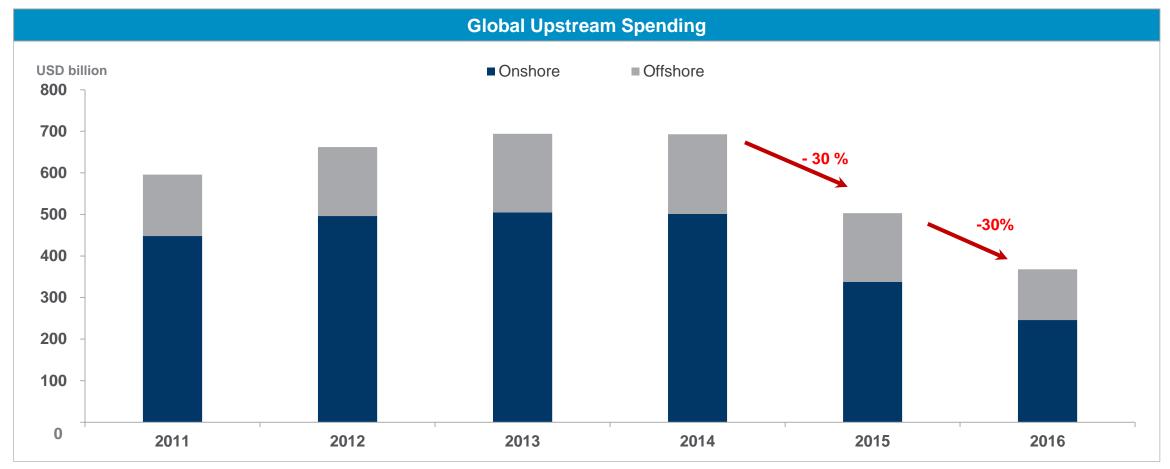
Increase in New Vessel Deliveries Moderated Tanker Rates



- Source: Ship Brokers' Report
- Low vessel deliveries in the past 3 years has led to a steady increase in average petroleum tanker rates up to 2015.
- However, petroleum tanker rates had declined in 2016 as a result of high new vessel deliveries during the year.

Offshore & Heavy Engineering in 2016

Global Upstream Spending Dropped a Further 30% in 2016



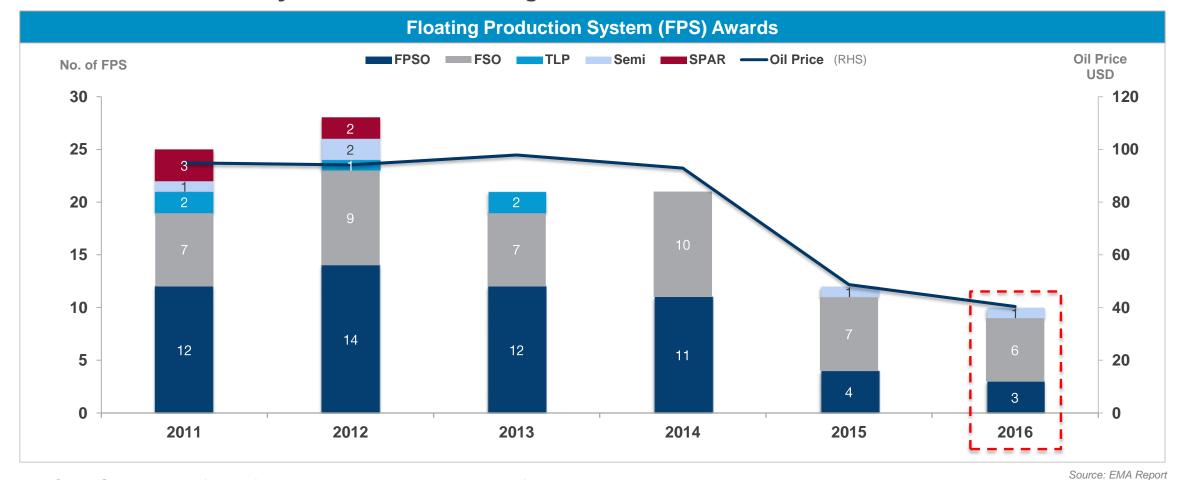
- The low oil price has led to continuous capital spending cuts in the past 2 years by global oil & gas companies.
- Further capital spending cuts in 2016 resulted in more project cancellations and deferments.



Source: IHS

Offshore & Heavy Engineering in 2016

Limited Offshore Projects Awarded During The Year



- Oil & Gas players faced financial challenges as a result of the continued low oil price environment.
- There were less investment into new projects resulting in limited opportunities for the offshore and heavy engineering segments.



KEY CORPORATE MILESTONES





Key Corporate Milestones in 2016

- Buyback of the remaining 50% equity interest in the Gumusut Kakap Semi-Floating Production System (L) Limited (GKL) from PETRONAS.
- Acquired the remaining 50% stake in the Paramount Tankers as part of the fleet rejuvenation plan.
- Disposal of MILS to SWIFT Haulage Sdn Bhd.
- Successfully secured the FSO Benchamas 2 Project a 10 year contract with Chevron Offshore Thailand Ltd and our maiden foray into Thailand.
- Commencement of MaMPU 1 in November 2016, an innovative solution for marginal field development.
- Delivery of the first 2 MOSS-Type LNG carriers Seri Camellia and Seri Cenderawasih.

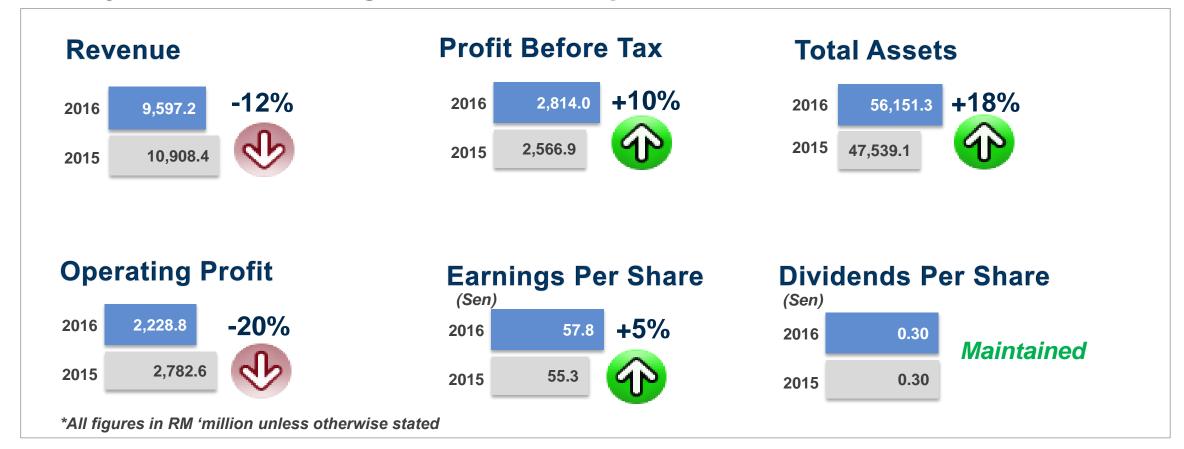
FINANCIAL HIGHLIGHTS





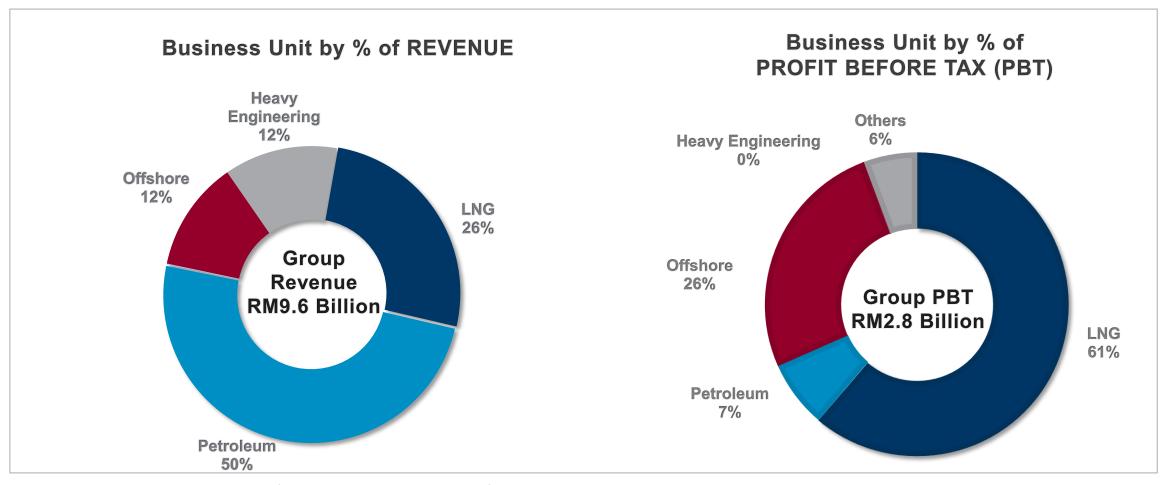
Financial Highlights FY2016

Steady Performance, Strong Balance Sheet Despite Difficult Conditions



- Lower operating profit as a result of lower revenue recognised for the year.
- Despite lower operating profit, profit before tax is higher due to various accounting adjustments/one off items.
- Dividends per share were maintained at 30 sen representing a 59% dividend payout of net operating profit.

Financial Highlights FY2016



- Lower revenue contribution from heavy engineering of 12% mainly due to the challenging market environment.
- Profit contribution continues to diversify compared to past concentration on LNG shipping.

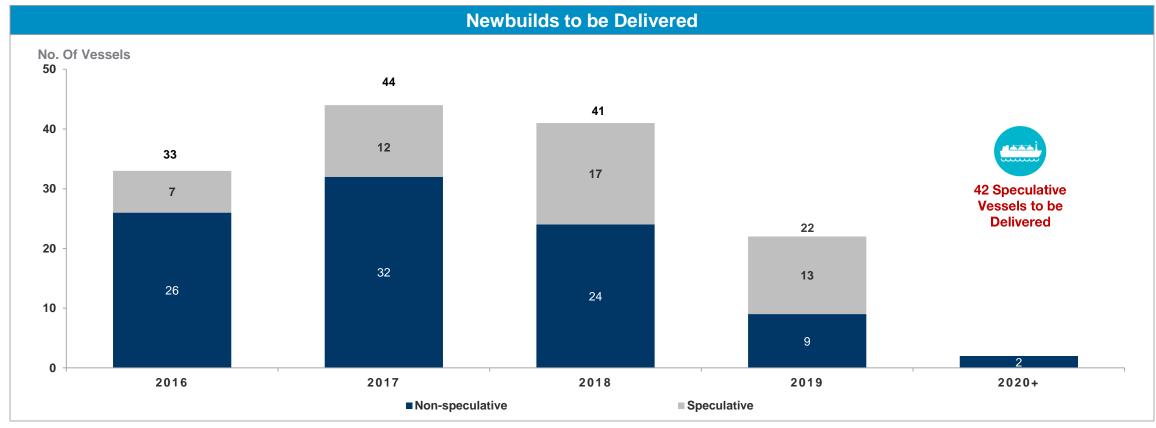
OUTLOOK FOR 2017





LNG Shipping Outlook

Vessel Oversupply to Persist, Compounded by Expiring Charters

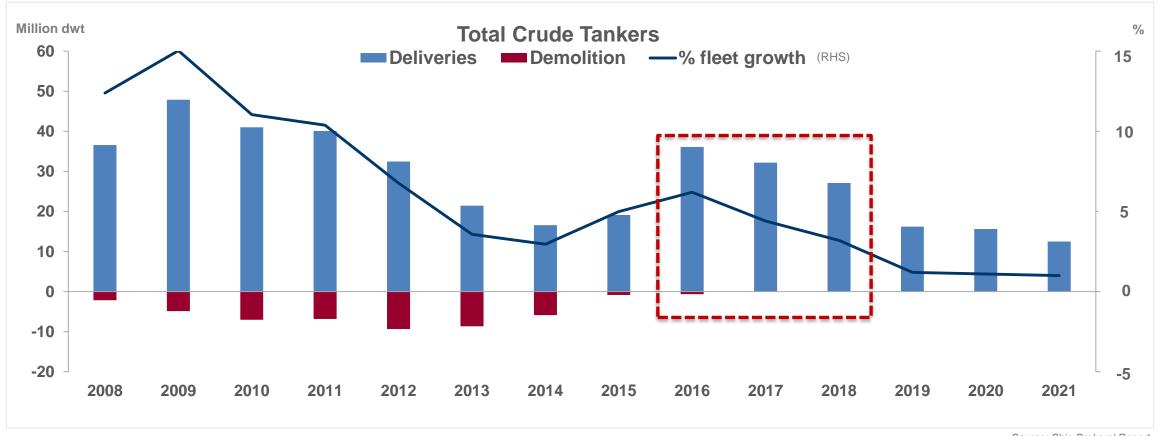


Source: IHS Energy

- Vessel oversupply is expected to persist as heavy delivery of new LNG tankers continue.
- The oversupply situation is exacerbated by a significant number of older LNG tankers coming off charters.

Petroleum Shipping Outlook

Heavy Vessel Deliveries to Put Further Pressure on Charter Rates

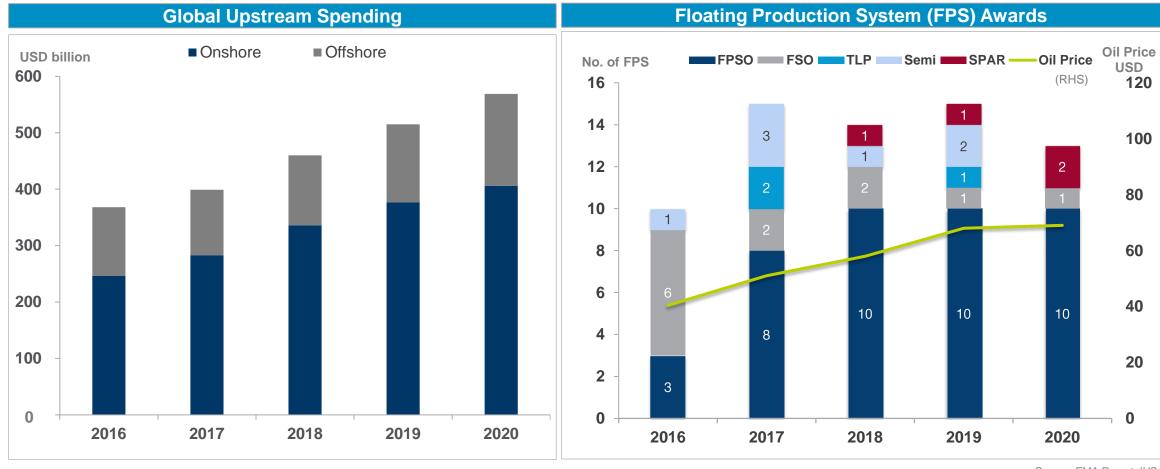


Source: Ship Brokers' Report

- Petroleum tanker charter rates are expected to remain soft as heavy vessel deliveries is expected to continue into 2017.
- However, the vessel oversupply situation is projected to moderate from 2018 onwards.

Offshore and Heavy Engineering Outlook

Global Oil Market Rebalancing is Underway

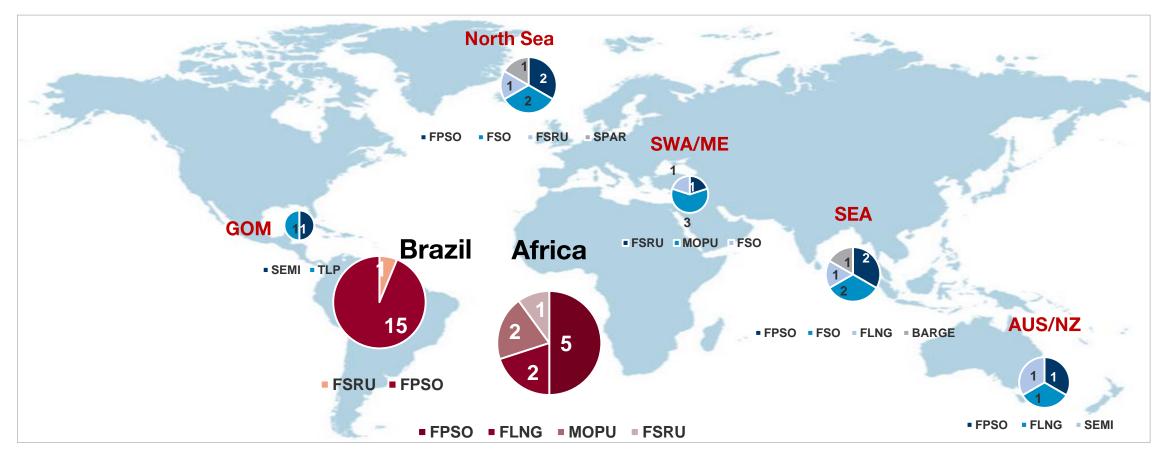


Source: EMA Report, IHS

- More stable oil price will help set the stage for a gradual recovery in global upstream investments.
- This will lead to a restart of new projects and more opportunities for the offshore and heavy engineering segments.

Offshore and Heavy Engineering Outlook

Opportunities on the Horizon Especially In the Atlantic Basin



- Larger proportion of floating production project opportunities in the Atlantic Basin (Brazil and West Africa).
- A handful of projects in South East Asia and Australasia.

Source: EMA Report

Our Competitive Advantages in 2017

- We have the financial headroom to fund these investment opportunities.
- Constrained access to financial resources limits competition.
- Our ability to honour and deliver project commitments successfully to customers is a key selling point.
- Hence, despite the challenging market outlook, we continue to see growth opportunities.





Thank You