











Rediscover, Rebuild, Sustain











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HIGHLIGHTS OF 2015



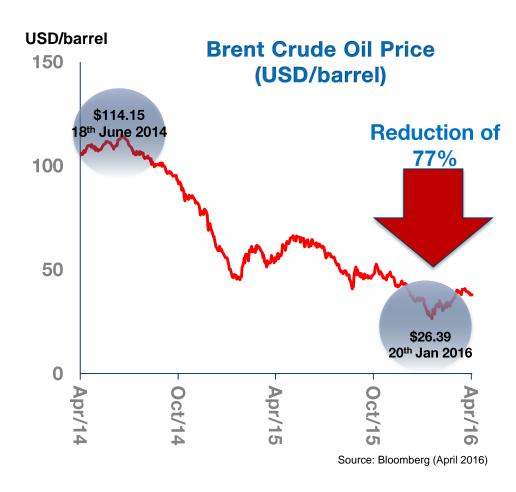


The Economic Environment and Industry We Operate In....

- Uneven global economic growth in both emerging and developing economies.
- Gradual tightening of monetary policies in the US.
- Monetary easing in Euro area and Japan to support the sluggish economy.
- Low commodity prices particularly low oil price impacting both developed and emerging market.

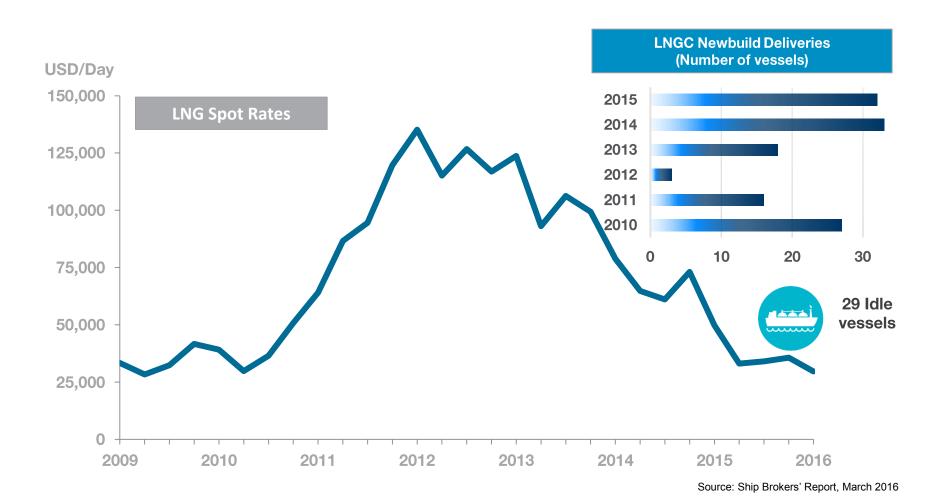


Highlights of 2015Oil Price Continued to Head South



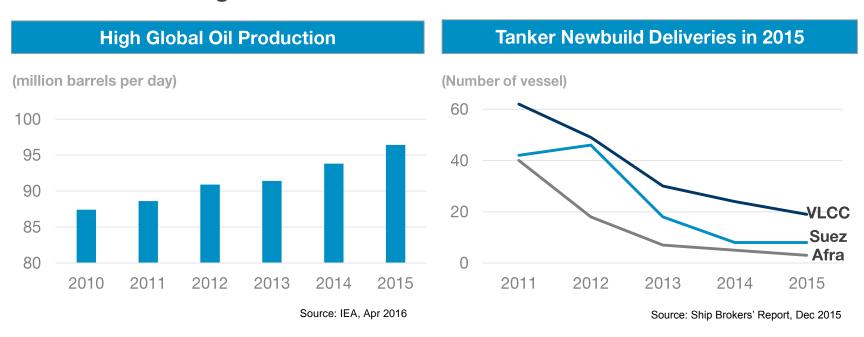
- Concerns over sluggish oil demand growth as emerging economy growth slows.
- Excess capacity led by tight oil production and high oil production by OPEC.
- Inverse movement to US Dollar strength.
- Upstream CAPEX and job cuts within the Oil & Gas industry.

LNG Shipping: New Vessel Deliveries Further Weakened LNG Spot Rates





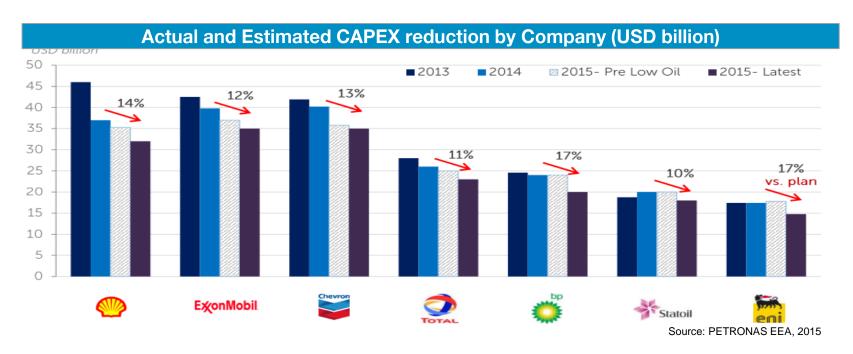
Petroleum: High Global Oil Production Along with Limited Fleet Growth Resulted in Strong Tanker Performance



- Increasing oil supply led to higher shipping requirement; with large volume of crude moved from West Africa and Americas to far east destinations.
- Limited fleet growth has further support the hike in freight rates.
- Lower demolition rates indicate that ship owners were deferring scrapping activities taking advantage of the strong tanker market.



Offshore & Heavy Engineering: CAPEX Cut Led to Project Cancellation or Deferment



- Low oil price has led to Oil majors cutting CAPEX between 11% to 17% in 2015.
- Oil and Gas companies have undertaken various drastic measures such as :
 - Project cancellation and deferment
 - Divestment of non-core assets
 - Job Cuts

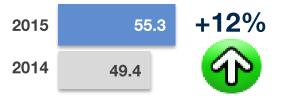


Financial Highlights - Stronger Position, Firmer Footing, Enabling Growth

Revenue



Earning Per Share



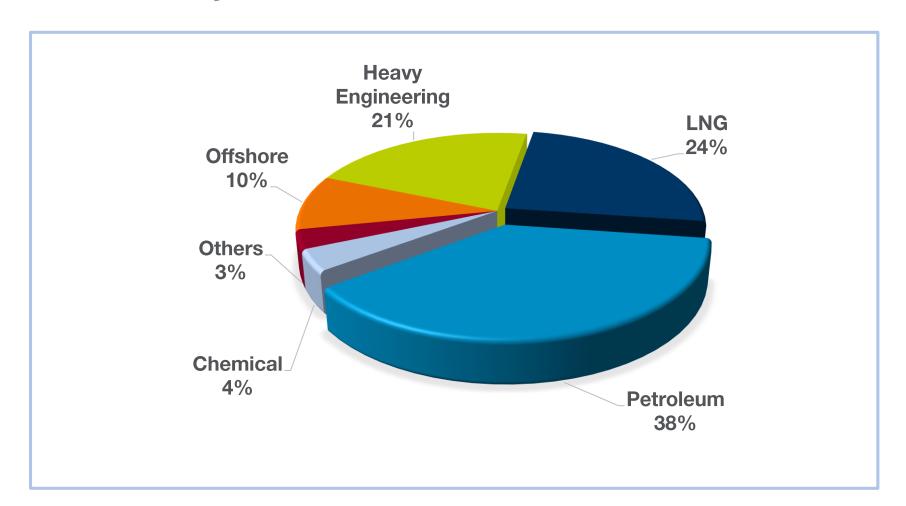
Operating Profit



Dividend

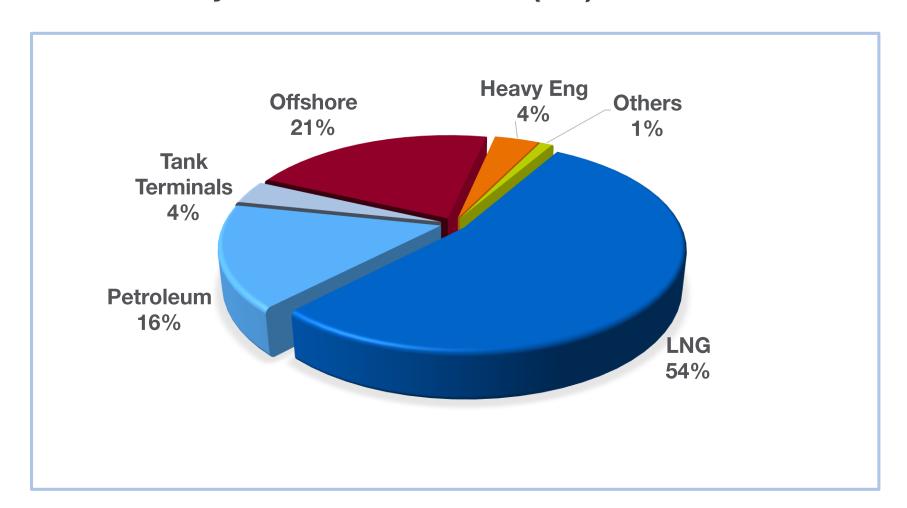


Business Unit by % of REVENUE





Business Unit by % of PROFIT BEFORE TAX (PBT)





Corporate Milestone – Navigating with Resilience



LNG Shipping

Replenishing Expiring Contracts With New TCP Contracts

- Delivered over 20million tonnes of LNG cargo, equivalent to 8.3% of world's LNG trade.
- Secured TCP contracts for five new LNG Carriers with PETRONAS.
- Secured extension of five Puteri Class TCP contracts with PFTRONAS



Petroleum Shipping

Repaired Balance Sheet Allows For Fleet Renewal / Growth

- Eight newbuilds ordered for fleet rejuvenation and expansion into CPP segment.
- Delivery of two dynamic positioning shuttle tankers, marking our successful entry into North Sea shuttle tanker market.



Corporate Milestone – Navigating with Resilience



Offshore Business

Extending Solutions Beyond Core Assets

Contribution

- Maintained excellent Asset Performance and HSSE record.
- Successfully delivered :
 - MaMPU 1 marking our entry as a solution provider for marginal oil field development.
 - Mobile SeaBase PL Tun Azizan.



Marine & Heavy Engineering

Contribution

Diversifying In Challenging Market

- RM760million of new contracts including project secured for RAPID Pengerang Project.
- Marine Repair Unit completed repair/dry-docking for 76 vessels.



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2015 ANNUAL REPORT THEME

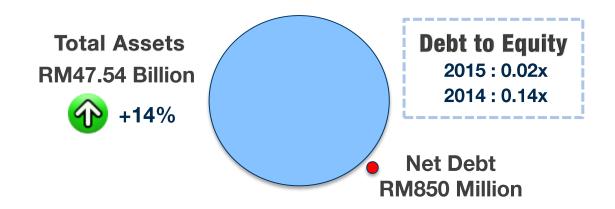




REBUILD

Capitalizing on Improved Financial Position

- MISC is almost Debt free (0.02x Debt/Equity).
- One of the best credit ratings in the shipping industry.
- Able to gain better financing rates.
- Low impact on interest rates hike.
- Big debt headroom for growth opportunities.





REBUILD

MISC Four Core Businesses

LNG SHIPPING

Delivers Liquefied Natural Gas (LNG) across the globe with over three decades of proven experience as well as a distinguished reputation for overall operational excellence, reliability, safety and on-time cargo deliveries



PETROLEUM SHIPPING

Provides safe, high quality and comprehensive ocean transportation and specialist petroleum services to the world's largest oil companies, trading houses and refiners.

OFFSHORE

Delivers complete, comprehensive and innovative solutions, catering for marginal, conventional and deepwater field developments with an excellent production and operations performance track record for all its facilities

HEAVY ENGINEERING

Specialists in offshore construction, offshore conversion and marine repair as well as owning and operating the largest marine and heavy engineering facility in the region



REDISCOVER

Our Journey - Global Brand with 50 Years of Excellence

Shipping **Corporation** was incorporated

Malaysia 1968
International

PETRONAS acquired 1997 stake

stake

PETRONAS increased 1998

MISC Berhad

Rebranded ourselves as 2005

Today

We began

REDISCOVER

We Are Fueled by Our Belief, Pride & Passion

VISION

To **consistently** provide **better** energy related maritime solutions and services.

MISSION

To be consistently better, we strive:

- to exceed the expectations of our customers
- to promote individual and team excellence of our employees
- to create a positive difference to the lives of communities
- to care for the environment and operate responsibly
- to drive sustainable value for our shareholders



REDISCOVER

MISC's Enhanced Logo with New Tagline

The dynamic waves depict the energy that drives us forward with confidence and vigour.



The continuous rise of the waves reflects our growth ambitions and our quest to consistently push ourselves to provide better solutions for our customers and stakeholders.

moving energy to build a better world

The blue sea bed at the bottom of the logo represents the solid foundations upon which MISC is built.

SUSTAIN

MISC 2020 – The 5 Year Masterplan

To Achieve a
Sustainable Level of
Secured Profit by
2020

- Absorb all fixed costs and overheads
- Absorb all losses from cyclical business segments during the worst of cycles.

Sustainable Return on Average Capital Employed (ROACE) > 10% by 2020

- Instill DISCIPLINE to spend wisely
- Make the RIGHT investment decisions



moving energy

SUSTAIN

Priorities Over The Next 5 Years - Four Core Businesses

LNG



 Pursue more third party longterm charters.

PETROLEUM



- Pursue more time charters for conventional fleet.
- Develop more niche market i.e. shuttle tankers with time charter.

OFFSHORE



- Explore
 acquisition
 opportunities
 arising from
 asset
 divestments by
 O&G players
 globally.
- Pursue organic growth when oil price recovers.

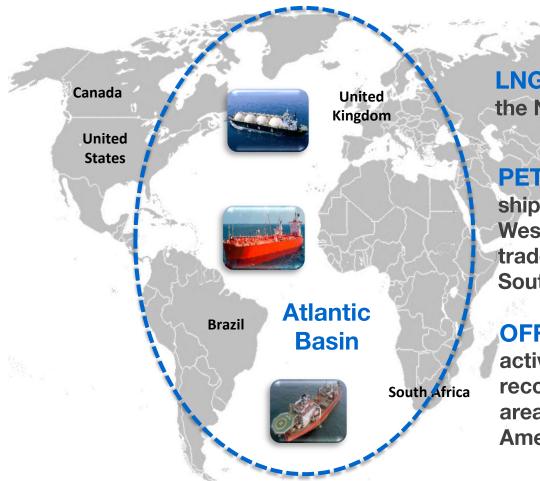
MHB



- Develop larger recurring income base e.g. marine repair business.
- Manage cost and process efficiency.

SUSTAIN

Setting MISC's Footprint in the Next 5 Years



LNG: To focus on tapping the North America market

PETROLEUM: Increasing shipping demand from the West of Suez with potential trade lanes growth in the South America

OFFSHORE: E&P related activities are expected to recover with new growth area expected in South America

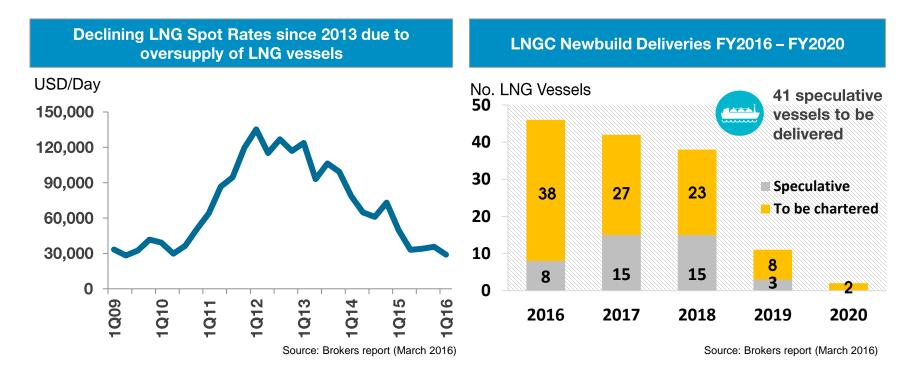
LOOKING AHEAD - 2016





LNG Shipping Outlook in 2016

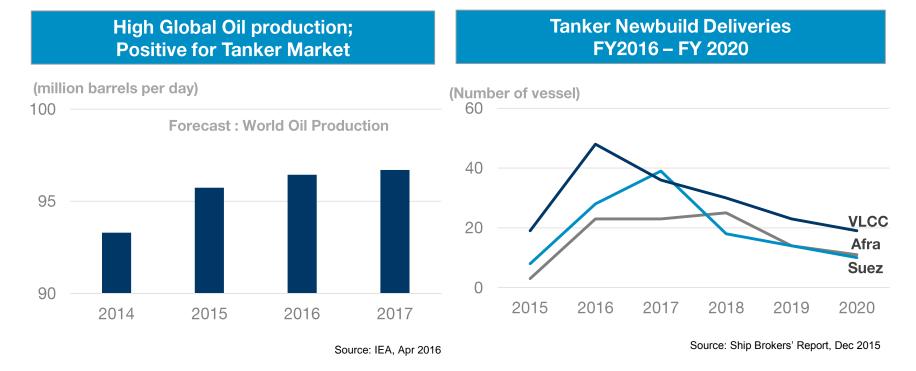
Rates continue to be under pressure due to overcapacity



 We do not build vessels on speculative basis; most of our vessels are locked-up in long term contracts with strong charterers thus eliminating the lower freight rate risk.

Petroleum Shipping Outlook in 2016

High Global Oil Production To Further Sustain The Freight Rates

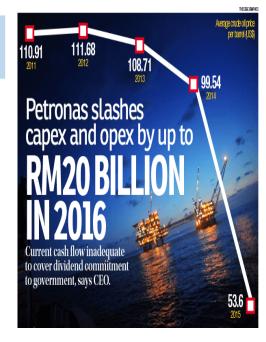


- High crude oil production will boost the demand for crude transportation.
- MISC's challenge is to maintain the right mix of vessel portfolios to leverage on the uptick in market.



Offshore and Heavy Engineering Outlook in 2016 Low oil price has led to more OPEX and CAPEX cut by oil majors

Capex Snapshot			
Company	2015	2016	Annual Decline
Exxon	\$31.1 billion	\$23.2 billion	\$7.9 billion
Chevron	34.0	26.0	8.0
ВР	18.7	17.0	1.7
Anadarko	5.6	2.8	2.8
Hess	4.0	2.4	1.6
Continental	2.7	0.9	1.8
Total	96.1	72.3	23.8



The low oil price has forced all companies, from the majors to the independents, to slash capex by billions of dollars in 2016, after already making drastic cuts last year.

- OBU Opportunities for inorganic growth.
- MHB Diversification into other areas (i.e. RAPID) and strengthen Marine Repair Business which provide steady stream of recurring income.

Opportunities Await

Low Oil Price is Not a Bad Thing After All

- Production and demand increase, brings demand for ships to move the crude.
- Bunker price reduce, lower operational costs.
- Develop more niche market assets which gives longer charter period.
- Opportunity to acquire ready made assets with secured contracts.
- Opportunity to expand footprint into new region.



In line with MISC Long Term Strategic Growth Plan.....

Proposed Share Acquisition in Gumusut-Kakap Semi Floating Production System



Why do we want to do it?

- Low risk investment.
- No construction and technical risks.
- Good investment opportunity in difficult market. (i.e. asset with long term contract)
- Increase Group's secured income base.
- Full control and consolidation of future earnings.

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Thank You