MEDIA RELEASE

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MISC GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

MISC is pleased to announce its financial results for the financial year ended 31 December 2017.

Financial Highlights:

- Group revenue for the quarter ended 31 December 2017 was lower than the corresponding quarter ended 31 December 2016.
- Group revenue for the year ended 31 December 2017 was higher than the year ended 31 December 2016.
- Group profit before tax for the quarter and the year ended 31 December 2017 were lower than the corresponding quarter and year ended 31 December 2016.

"2017 was a challenging year for the shipping and offshore sectors as growth opportunities were scarce while revenue was under constant pressure from weak freight rates and contract renegotiation risks. However, with a steady rise in oil price over the past 2 years, we are looking forward to better days and a healthier level of activities for the oil and gas markets in anticipation of a potential revival in investment spending for the global energy sector. With a clear perspective of what we intend to accomplish for our MISC2020 corporate strategy as well as leveraging on our healthy financial position, highly committed workforce and robust business strategies, we are in a strong position to sustain our momentum and create opportunities for growth," says MISC's President/Group Chief Executive Officer, Mr. Yee Yang Chien.

Mr. Yee Yang Chien added *"2018 marks our 50th year of operations and as the results of the many initiatives undertaken as well as the strong foundation we have laid for transformation, we are poised for a sustained and robust growth. As the market continue to change, our businesses will evolve in order for us to seize the opportunities and address the challenges that lie ahead. MISC will continue to push boundaries as we strive to exceed the expectations of our stakeholders. As one of the Strategic Partners of the Global Maritime Forum, MISC will also play a more prominent role in championing for the transformation agenda and shaping the future of the maritime industry,"*

Group Revenue, Operating Profit and Profit Before Tax for the Quarter Ended 31 December 2017

Group revenue for the quarter ended 31 December 2017 of RM2,434.5 million was 3.3% lower than the corresponding quarter's revenue of RM2,517.5 million. The decrease in Group revenue was mainly due to lower value and number of vessel repairs in Heavy Engineering segment.

Additionally, lower earning days for Petroleum segment has further dampened the Group revenue. This decrease however was mitigated by the lease commencement of two new LNG vessels in January 2017 and August 2017 respectively.

Group operating profit of RM627.0 million was lower than the corresponding quarter's operating profit of RM666.5 million mainly due to impairment of receivables and higher vessel operating costs in LNG segment. This decrease however is mitigated by a reversal of provision for receivables in Offshore segment.

Group profit before tax of RM42.0 million was lower than the corresponding quarter's profit before tax of RM504.4 million, mainly due to impairment loss on ships, property, plant and equipment, offshore floating asset and other investment of RM553.9 million.

Group Revenue, Operating Profit and Profit Before Tax for the Year Ended 31 December 2017

Group revenue for the year ended 31 December 2017 of RM10,037.7 million was 4.6% higher than the corresponding year ended 31 December 2016 revenue of RM9,597.2 million. The increase in revenue was mainly due to the consolidation of GKL beginning May 2016 following completion of 50% of its equity buyback and higher variation works following GKL's favourable adjudication decision. Furthermore, commencement of the construction revenue from Floating Storage and Offloading Vessel ("FSO") Benchamas 2, lease commencement of Marginal Marine Production Unit ("MaMPU") and two new LNG vessels have also contributed to the increase in revenue.

Group operating profit for the year ended 31 December 2017 of RM2,703.8 million was 10.2% higher than the corresponding year's operating profit of RM2,453.2 million driven by higher Group revenue coupled with impairment of finance lease receivables made in the corresponding year in the Offshore segment.

Group profit before tax for the year ended 31 December 2017 of RM2,003.5 million was 28.8% lower than the corresponding year's profit before tax of RM2,814.0 million mainly due to impairment loss on ships, property, plant and equipment, offshore floating asset and other investment of RM687.5 million. Additionally, the latter included net gain on acquisition of subsidiaries of RM856.2 million, gain on disposal of a subsidiary of RM73.6 million, recognition of intangibles of RM47.5 million and higher share of profit from joint ventures.

Moving Forward

The oversupply of tonnage and cut in global oil production by OPEC in 2017 will continue to weigh on the petroleum shipping segment in 2018. However, a smaller order book for tankers and robust oil demand projections amidst declining global crude inventory will help improve tanker supply-demand balance.

Similarly, the LNG shipping segment faces an ongoing tonnage oversupply situation and the difficult market will persist in 2018. Lack of short term positive indicators suggests another challenging year. The Group continues to rely on its present portfolio of long term time charters to provide it the stability of profits and cashflow during the year. On a positive note, two additional new LNG carriers will join the fleet in 2018, providing a source of income growth for the segment.

Although the low level of project approvals in 2017 will not spell a greater level of activity for the offshore market in 2018, the recovery in oil price will likely drive the global revival of upstream projects. Assuming final investment decisions (FIDs) are taken during 2018, it will shape a robust and healthier outlook for 2019.

Meanwhile, the Heavy Engineering segment continues to focus on its efforts on cost management and resource optimisation whilst staying committed to its key strategies which includes strengthening its position in existing markets as well as expansion into new markets. This segment has successfully secured several offshore fabrication projects during the period and this is expected to contribute positively to its revenue in 2018 and beyond.

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About MISC Berhad

MISC Berhad (MISC), was incorporated in 1968 and is a world leading provider of international energy shipping and maritime solutions.

The principal businesses of the Group comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, maritime education and training. Its fleet consists of over 120 owned and in-chartered LNG, Petroleum and Product vessels; as well as 14 floating facilities. The fleet has a combined capacity of approximately 16 million dwt.

Aside from its shipping business, maritime education is a priority for the Company and its Malaysian Maritime Academy (ALAM) is ranked amongst the top 10% of the world's Maritime Education and Training (MET) institutions.

Operating a modern, well-diversified fleet and backed by a knowledgeable workforce of more than 10,000 employees from all corners of the globe; MISC is committed to impart quality services to our customers, creating value for our stakeholders and contributing to the sustainability of the Industry.

Issued on behalf of MISC Berhad by the Group Corporate Communications (GCC) Department of MISC Berhad. For media inquiries, please contact :

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Additional Info: MISC Group's Notable Milestones and Achievements FY2017 & January 2018

A summary of the notable milestones and achievements recorded by MISC Group during the period under review are as follows :

18 January 2017 : MISC celebrated the commencement of FSO Benchamas 2 conversion at MMHE West Yard, Pasir Gudang

- MISC Berhad ("MISC") celebrated the commencement of FSO Benchamas 2 conversion, in a ceremony at MMHE West Yard, Pasir Gudang.
- In attendance were the vessel charterer, conversion contractors and the vessel operator which included the guest-of-honour, the President of Chevron Offshore (Thailand) Limited ("COTL"), Mr. Pairoj Kaweeyanun as well as representatives from COTL, Malaysia Marine and Heavy Engineering Holdings Berhad ("MHB") and AET Tankers ("AET").
- Once the conversion works are completed, the FSO will be a notable achievement for MISC as it marks MISC's entry into Thailand's offshore oil and gas market.
- The experience and expertise gained from this project will play a significant role in supporting and expanding MISC's global offshore portfolio to enhance its reputation as a key player in the offshore segment.

24 February 2017 : Launch of Eaglestar Group

- MISC Fleet Management Services ('FMS') and AET Shipmanagement ('AETSM') has been integrated into a new subsidiary called Eaglestar Group ('Eaglestar') which is jointly owned by MISC and AET. The integration involved phasing in of FMS into Eaglestar in May, followed by AETSM in August 2017.
- This integration is an important development for the MISC Group in terms of our ability to harness more than 50 years'worth of knowledge and expertise across both companies to further enhance efficiencies in our operations, provide our ship management colleagues and sea staff with greater growth opportunities while they continue to deliver the same excellent service to our fleet and our customers worldwide.
- Importantly, it will allow for the pooling of knowledge and expertise into the 'Centre of Excellence' for ship management to better serve key vessel segments in various markets.

3 April 2017: AET champions environmental responsibility by adopting LNG dual fuel for its new builds

- Up to four of AET's new Aframax tankers currently under construction with Samsung Heavy Industries Co. Ltd., (SHI) will be equipped with the LNG dual fuel systems, in line with the Group's continuous commitment towards improving our global environmental footprint.
- Investment in LNG-fueled ships is the sustainable solution, both in the mid and long term, and this LNG solution provides fuel efficiency to the ships.
- The 113,000 dwt vessels, due for delivery from Quarter 3, 2018 onwards, will replace existing tonnage as part of an ongoing fleet renewal programme. AET's fleet of modern tankers are relevant to the industry and meeting customer and regulatory requirements.

23 May 2017: MISC, KOCH Supply & Trading, Jovo, LNG STS & Teekay accomplished pioneering deal in LNG Ship-To-Ship transfer

- MISC's Seri Bakti has successfully completed the first of multiple ship-to-ship (STS) LNG transfers with charterers KOCH Supply & Trading and sub-charterers JOVO (a private Chinese company) and it was the first LNG STS for the three companies involved.
- Seri Bakti took LNG cargo of 147,000 cbm at GLNG, Australia before transferring them into two parcels on board a smaller vessel, Polar Spirit at Subic Bay in the Philippines.
- The operations were carefully managed by LNG STS (Teekay Marine Solutions) with shipowners MISC and Teekay providing their extensive LNG experience to administer a safe and successful transfer. The cargo was then delivered to JOVO's China terminal Donguan where it was distributed by truck to one of their many customers in Southern China.

8 June 2017: Naming Ceremony of AET's Long-range (LR2) petroleum tankers

- AET, proudly commemorates a double naming ceremony of two Long-range (LR2) petroleum tankers from Hyundai Heavy Industries (HHI) in Korea.
- The Singapore flagged 114,000dwt Eagle Lyon and French-flagged Eagle Le Havre, are owned by AET.
- This has expanded AET's portfolio of product tankers and both vessels have been taken on long-term charter by French oil major, TOTAL.

22 June 2017: Statoil and AET extend partnership in North Sea shuttle sector

- Norwegian energy company, Statoil ASA, has awarded a long-term contract to AET to own and operate two specialist DP2 Offshore Loading Shuttle Tankers (OLSTs).
- AET won the long-term contract after going through a competitive bidding process, and competing against key industry players in the region. These new vessels add to the two AET DP2 ships which are already on charter in the same area for Statoil.
- The two twin skeg 125,000dwt tankers will be built by Samsung Heavy Industries for delivery in 2019 and will be contracted to Statoil for operations both in oilfields on the Norwegian Continental Shelf of the North Sea, Norwegian Sea and the southern Barents Sea as well as on the UK Continental Shelf.

27 July 2017: Naming and Delivery Ceremony of Seri Cempaka, MISC's third MOSS-Type LNG Carrier

- MISC celebrated the naming and delivery of its new LNG Carrier, Seri Cempaka. The 150,200 CBM Liquefied Natural Gas ("LNG") carrier is the third in a series of five MOSS-Type LNG carriers ordered from Hyundai Heavy Industries Co., Ltd. ("HHI") by MISC.
- Seri Camellia has joined MISC's LNG fleet as the 27th active LNG Carrier, further strengthening MISC's position as a reliable and safe transporter of LNG.

8 September 2017: MISC became one of the Strategic Partners of the Global Maritime Forum

- This year marks the launch of the Global Maritime Forum (GMF), a platform that is dedicated to unleashing the potential of the global maritime industry and is committed to shaping the future of global seaborne trade.
- The platform of which MISC is a Strategic Partner, consists of high-level leaders from the entire maritime spectrum and aims to effect positive long-term change for the industry and for society. It recently launched the Task Force on Decarbonizing Shipping.
- The task force is an industry-led initiative which brings together leaders and experts from across the maritime industry to develop and mobilise the industry along tangible pathways aligned with ambitious, science-based emission reduction targets.
- It will focus on five areas key to effectively addressing the maritime industry's climate challenge: industry leadership, technology, transparency, finance, and carbon pricing. Outcomes of the task force will be presented at the inaugural summit in October 2018.
- More initiatives will be announced and rolled out by GMF in the near future.

26 October 2017: MISC wins Tanker Operator of the Year in the Lloyd's List Asia Pacific Awards 2017

- MISC won the Tanker Operator of the Year at the Lloyd's List Asia Pacific Awards 2017, one of the most respected awards within the international maritime industry and the first win for the Group. The Lloyd's List Award series recognises the industry's successes, setting a benchmark for excellence while rewarding innovative ideas and concepts that have pushed the boundaries of what is possible.
- In winning the award the judges noted that MISC was recognised for its impressive performance that demonstrate operational excellence above the industry's average while placing priority on high standards of Health, Safety and Environment (HSE) and environmental stewardship.

7 December 2017: MISC Achieved 2nd HSE Milestone Achievement of 1,000,000 Man Hours without Lost Time Injury

- FSO Benchamas project has successfully achieved its significant milestone of 1 million man-hours of work without Lost Time Injury (LTI) OR Major Incidents.
- This milestone was attained within a period of six (6) months, during which the team has crossed the 1 million mark on 8 September 2017. Two major contributors to the man-hours are MMHE Marine Operation (vessel RLE and conversion) and SOFEC (External Turret System)
- This achievement demonstrated MISC Group's commitment to the assurance of safety as top priority with focus on MISC Safety Rules and the "Zero Incident, Zero Accident" policy. It is also a testament to the high levels of quality, health, safety and environment (QHSE) awareness and behavior-focused culture that is embedded in the project team.

23 January 2018: MISC maintains its position in the FTSE4Good Bursa Malaysia Index

- MISC Berhad's consistent performance and improved transparency of its Environmental, Social and Governance (ESG) practices has enabled the company to maintain its position in the FTSE4Good Bursa Malaysia Index, one of the globally recognised sustainability indices. In the latest assessment, MISC's overall rating has improved further to 3.3 compared to 3.0
- MISC has been featured in the FTSE4Good Bursa Malaysia index series for the fourth year running in recognition of the company's continued strong performance against stringent ESG benchmarks, thanks to the Group's commitment to adhering to good corporate responsibility practices.
- This recognition also highlights MISC's position as a role model, and its leading the approach within the Malaysian market in managing our ESG risks.

24 & 26 January 2018: Four new vessels for AET as fleet rejuvenation continues

- AET welcomed four new build tankers into its fleet in two separate ceremonies at Samsung Heavy Industries, Geoje, South Korea on Wednesday, 24 January 2018. The two 113,400 dwt Aframax tankers were named "Eagle Barcelona" and "Eagle Brisbane".
- Two 157,512 dwt Suezmax twins, "Eagle San Francisco" and "Eagle San Jose", were named two days later on Friday, 26 January, at the Hyundai Heavy Industries shipyard in Ulsan, South Korea.
- All four vessels will join the AET fleet as part of an ongoing fleet rejuvenation programme and take up charter agreements with leading oil companies that has already seen two newbuild LR2s delivered last year, which serve the needs of our global charterers reliably and safely.
- The four new vessels will benefit from state-of-the-art environmental innovations to deliver the latest environmental energy efficiency technology solutions and modern tonnage to customers.