

# Shell Refining Company (FOM) Berhad Quarter 2 2005

## Investor Briefing 28<sup>th</sup> September 2005



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The following presentation/press release/speech may contain forward-looking statements, that are subject to risk factors associated with the oil and gas business. It is believed that the expectations reflected in these statements are reasonable, but may be affected by a variety of variables which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, risks associated with the identification of suitable potential acquisition properties and targets and the successful negotiation and consummation of transactions, legislative, fiscal and regulatory developments, economic and financial market conditions, political risks, project delay or advancement, approvals and cost estimates.

Please refer to Note 2 of the Notes to the Financial Statements in the Annual Report for the year ended December 31 2004 for a description of certain financial risks that may affect the Company's business. Shell Refining Company (Federation of Malaya) Berhad does not undertake any obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise.

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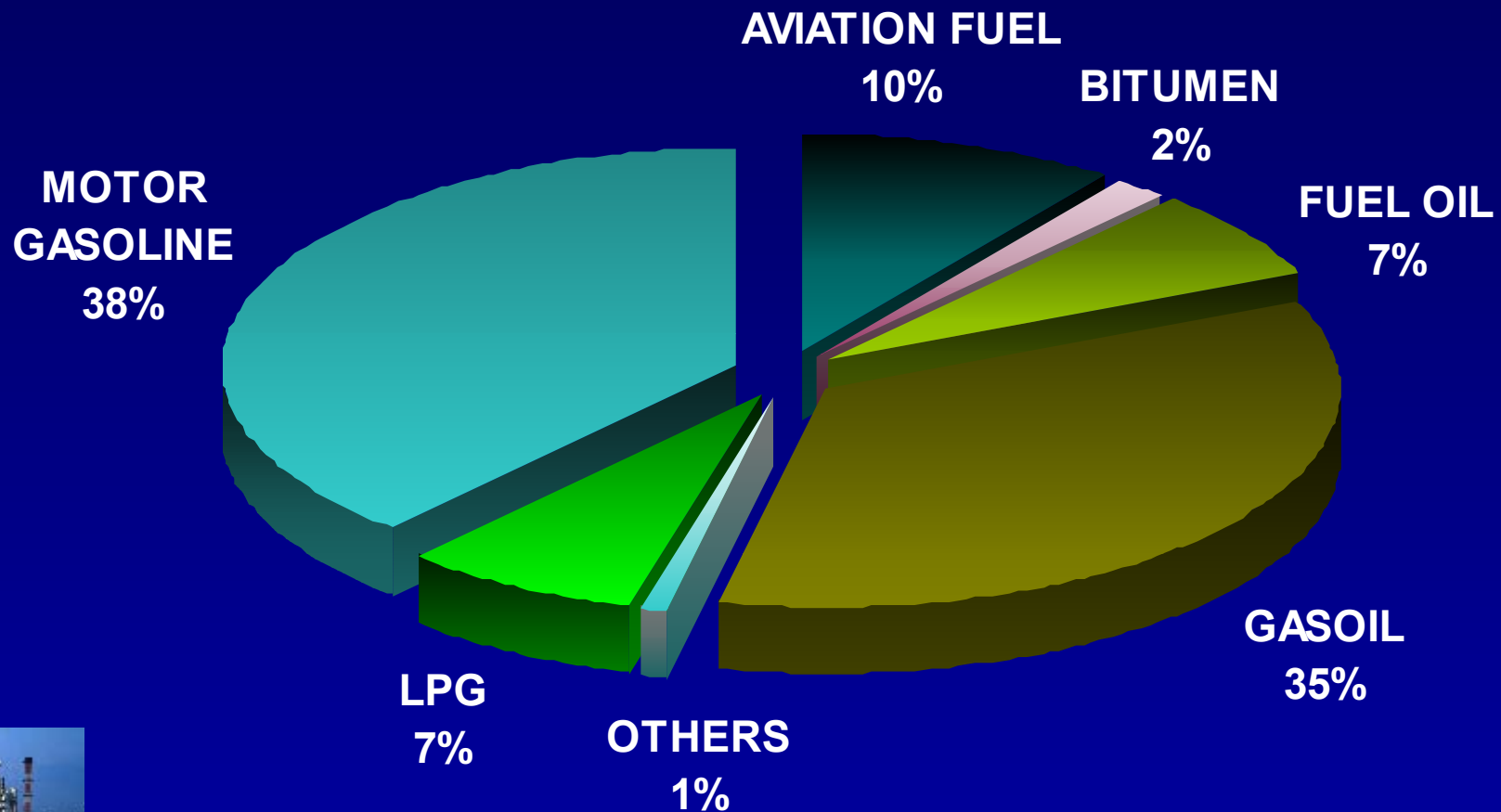


# The Oil Refining Industry



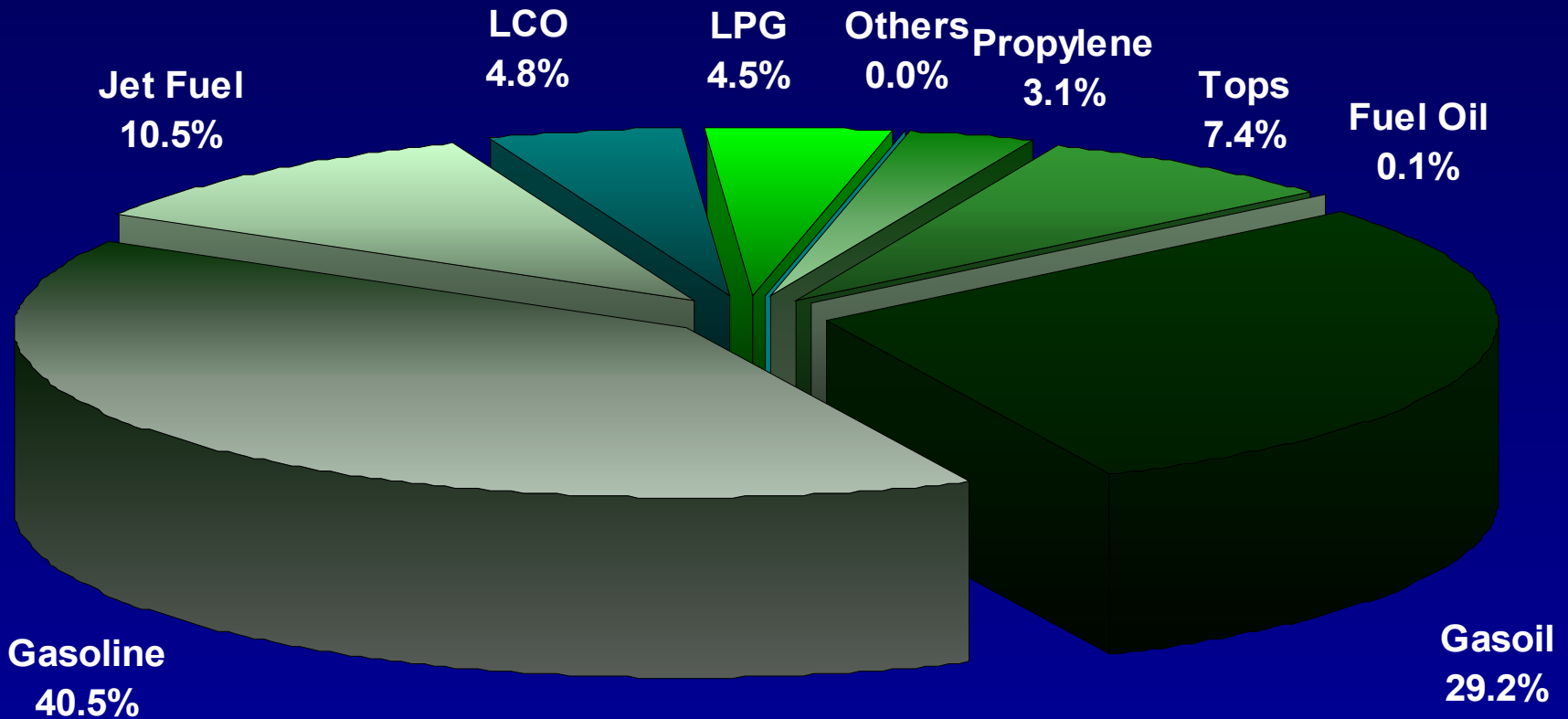
# Malaysian Oil Products Demand Q2 2005 by product category

**Total Demand Q2 2005 = 461,800 bbls/day**

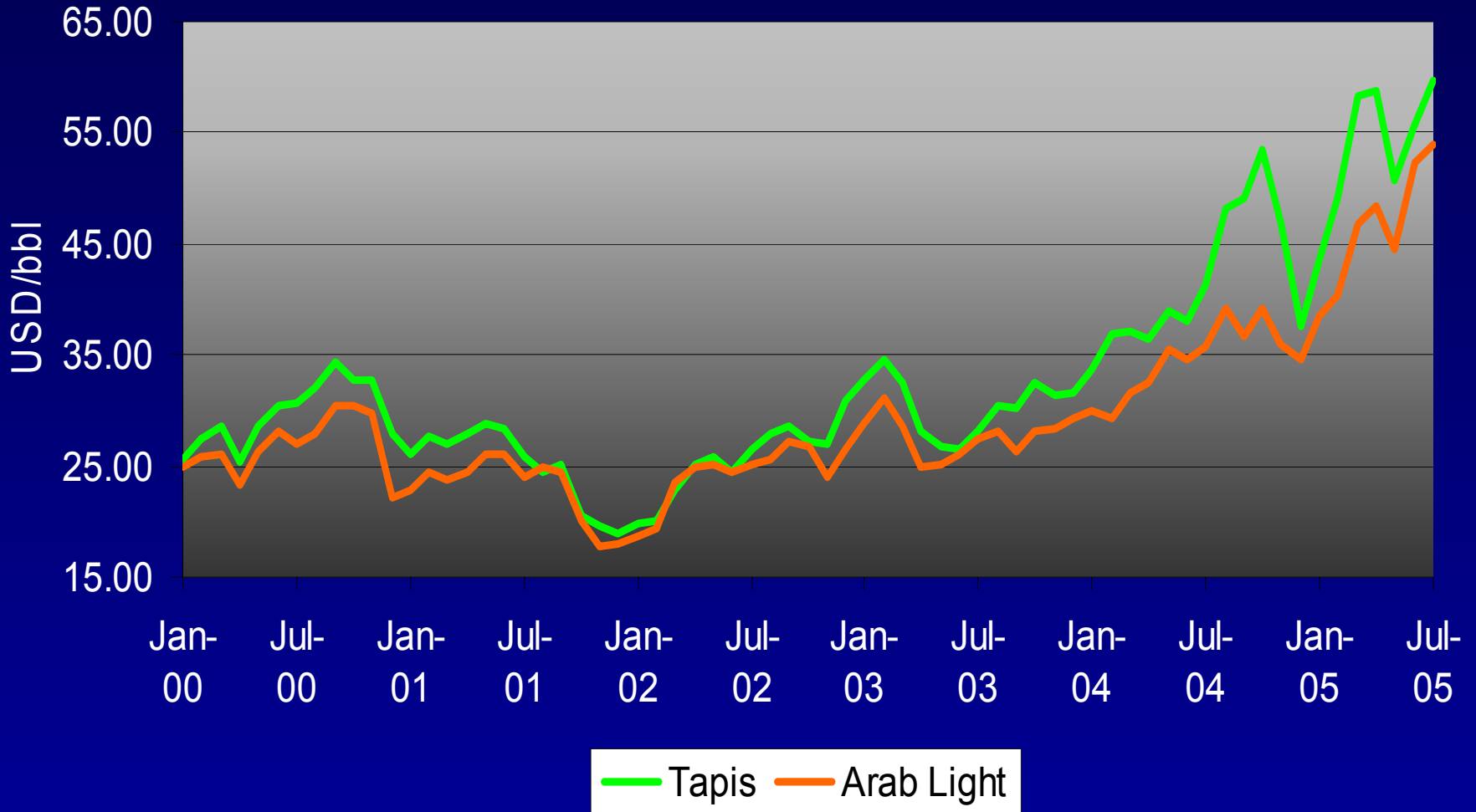


# SRC Sales Mix (by revenue) Q2 2005

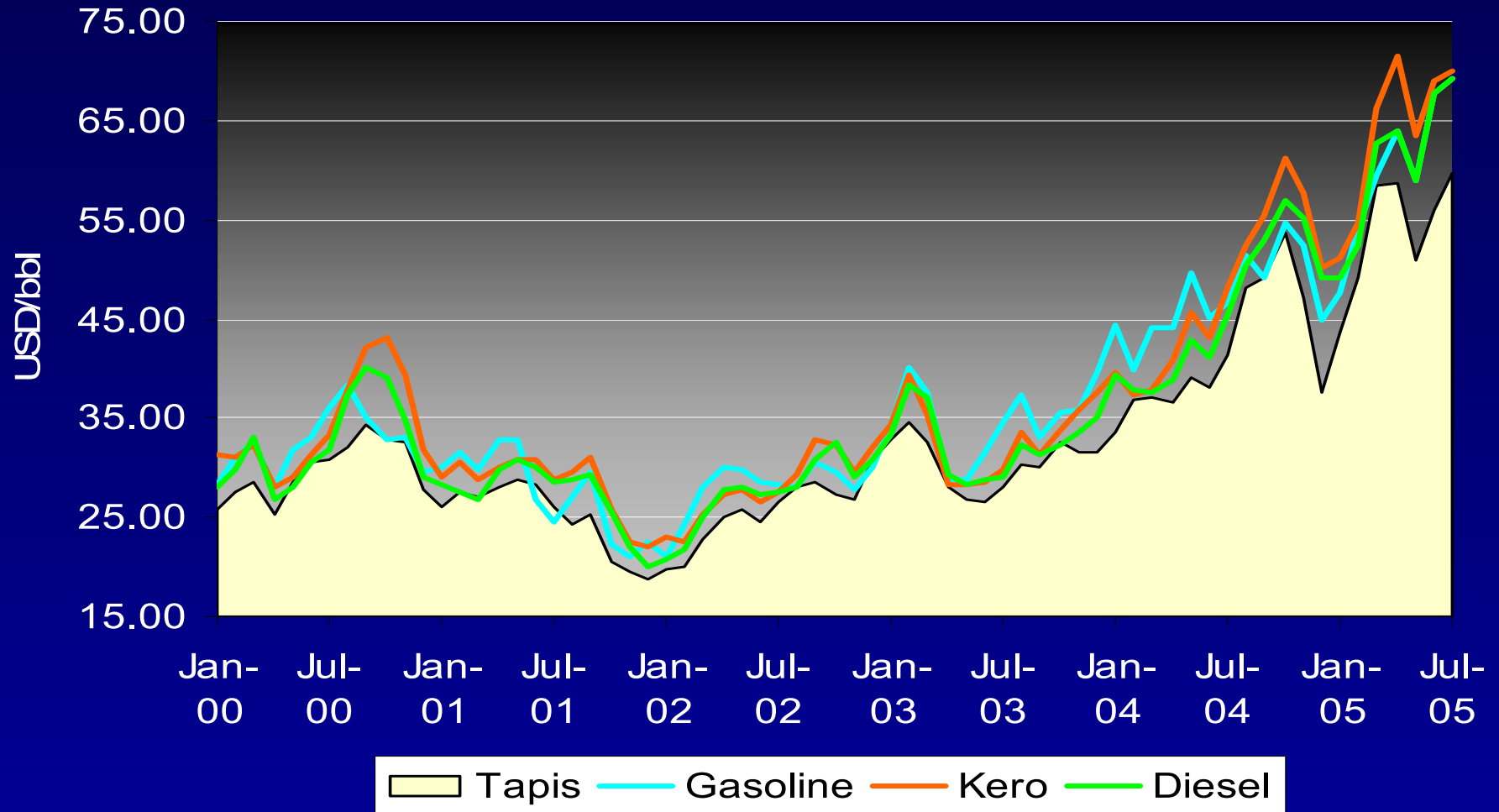
Total Sales Revenue Q2 2005 = RM 2.15 billion



# Crude Price Trend



# Product Price Trend



# SRC Performance



# SRC Financial Summary

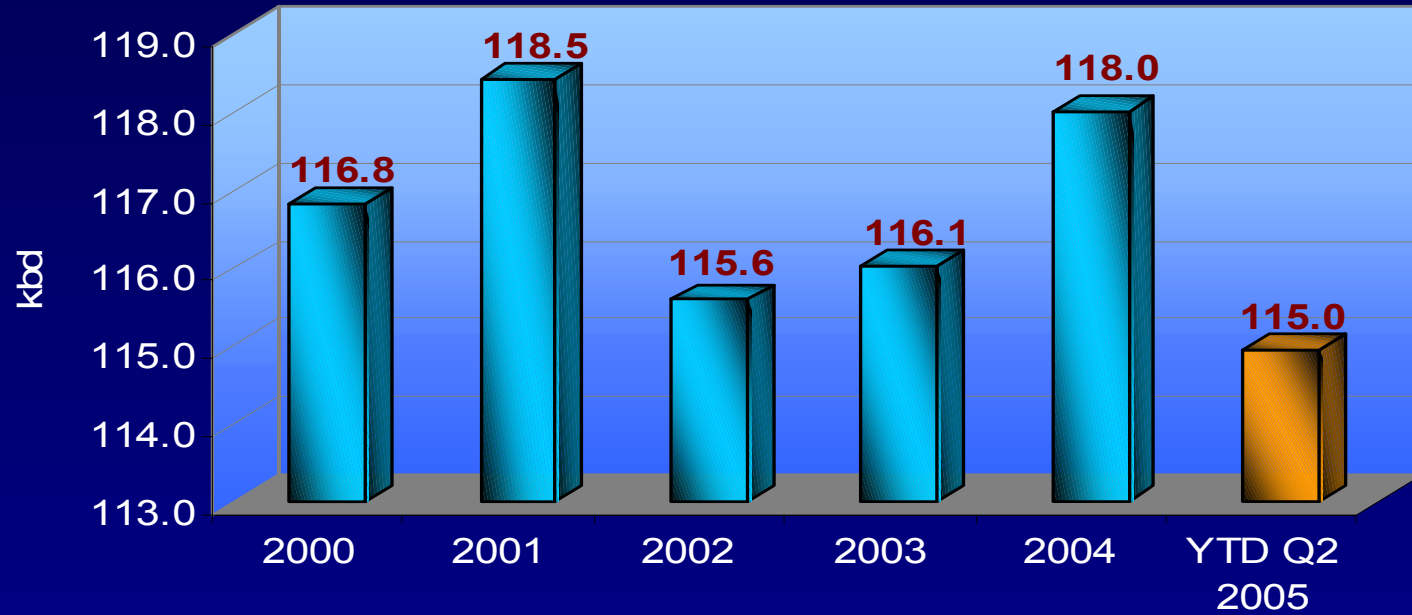
Year to Date	2000	2001	2002	2003	2004 Q1	2005* Q2	2005*
Revenue (RM mln)	5184	4601	4458	5497	7511	2255	2181
EBITDA (RM mln)	355	174	336	373	869	247	147
EBITDA margins (%)	6.8	3.8	7.5	6.8	11.6	11.0	6.7
Net Profit/ (Loss) (RM mln)	112	-0.1	153	182	670	195	82
EPS (sen)	37	-5	51	61	223	65	27
P/E Ratio (x)	10.3	-76.0	7.5	7.3	4.3	3.6**	4.5**
Dividends per share (cents)	18	15	18	25	65	10	12
Dividend Yield (%)	4.7	3.9	4.7	5.6	6.7	N/A	N/A
Net Gearing (%)	69	57	47	39	19	11	3
Gearing (%)	58	53	47	40	27	24	23
Interest Cover (x)	2.8	1.1	8.9	15.6	64.8	98.0	35.1

\* Un-audited

\*\* On a rolling 4-quarter basis



# SRC Average Throughput\* Volume Per Day

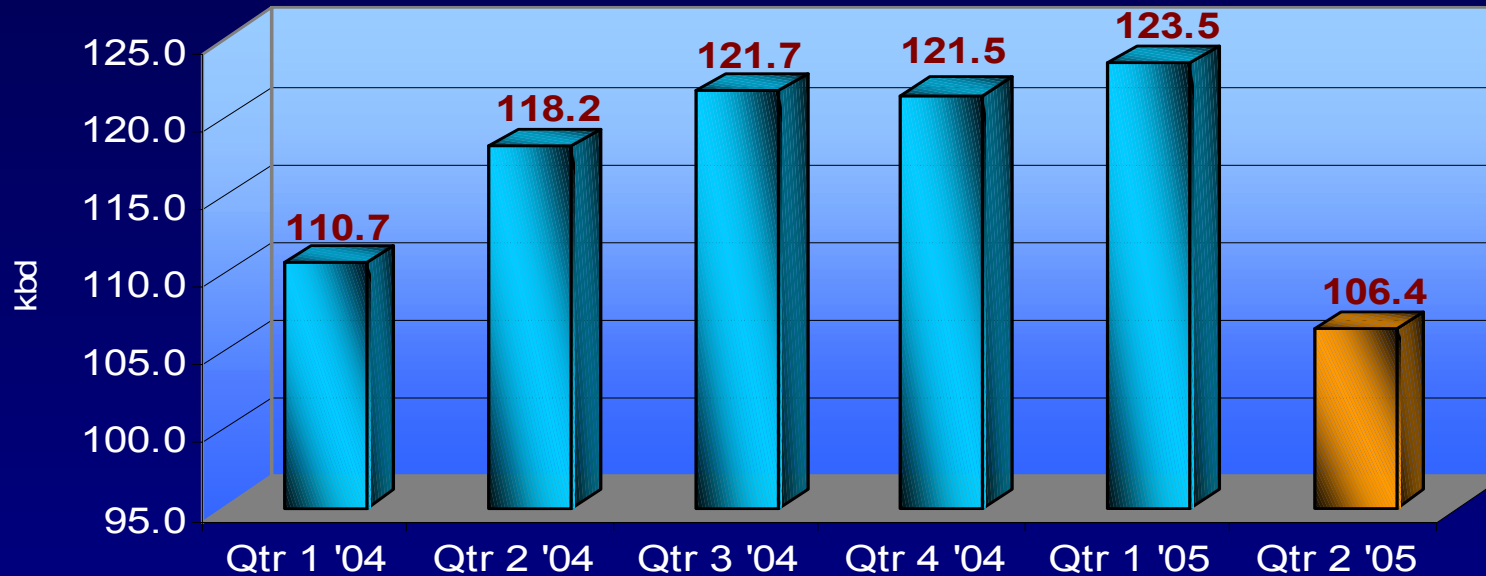


Year-on-Year Trend

Note:  
Throughput = Production + Imports



# SRC Average Throughput Volume Per Day



## 2004 & 2005 Quarter Comparison

### Note:

- Q1 2005: 15.7 kbd imported
- Q2 2005: 15.9 kbd imported



# SRC Sales Proceeds

## Note:

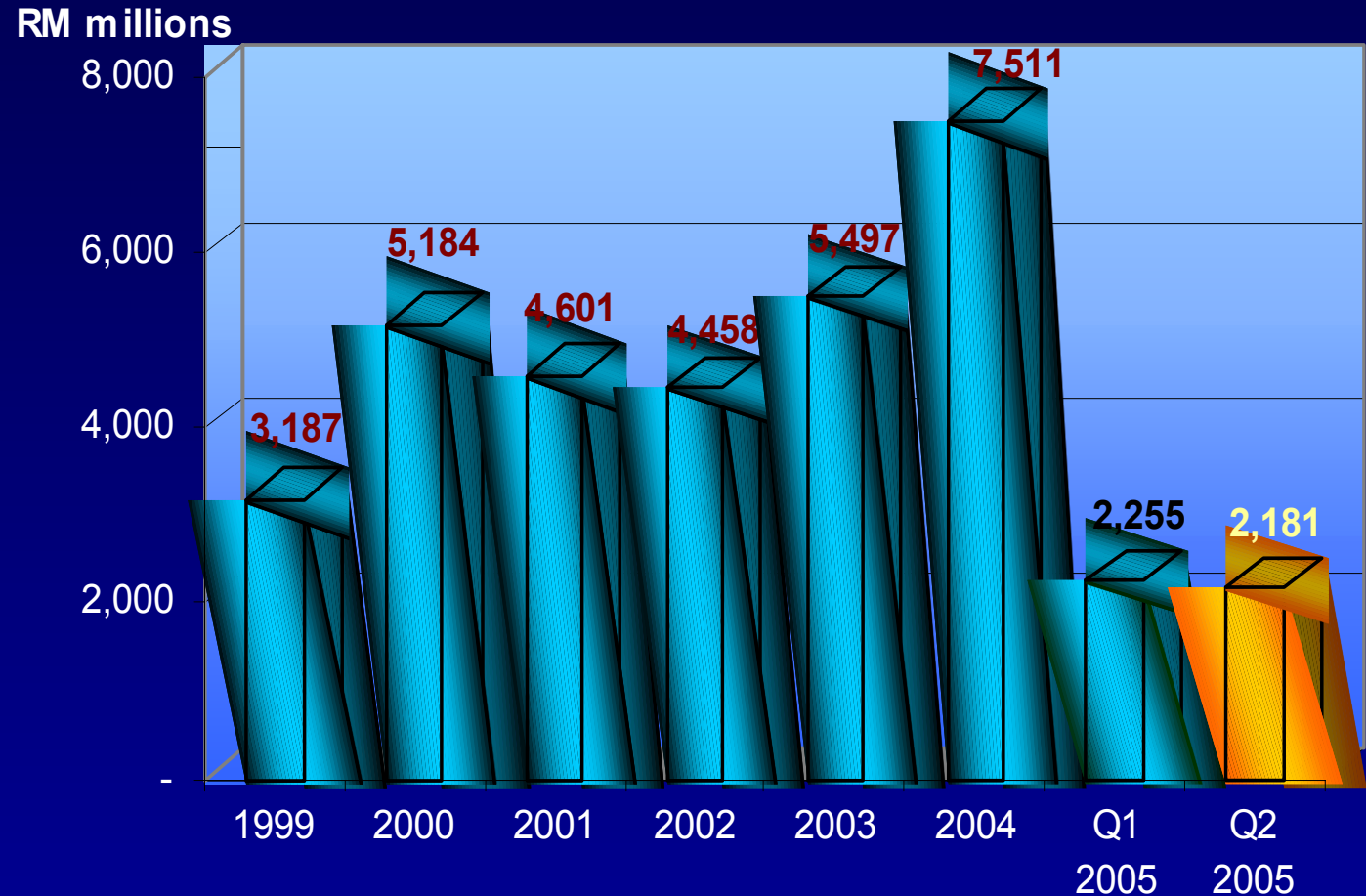
1999: LRCC operational in June

2001: Drop in crude and product prices

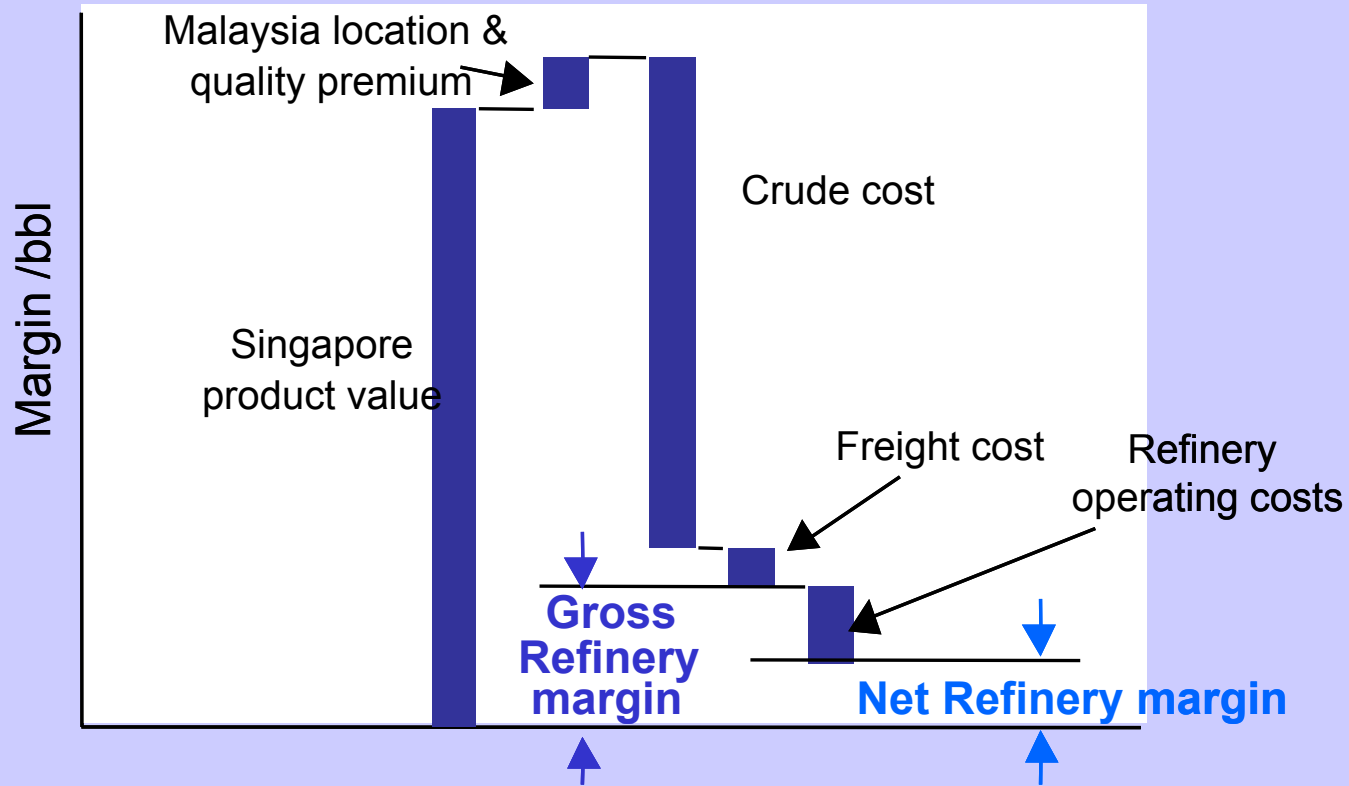
2002: First planned Turnaround of LRCC

2004: Planned Turnaround of Complex 1 in Q1, and Platformer 2 in Q3.

2005: Oil prices still rising

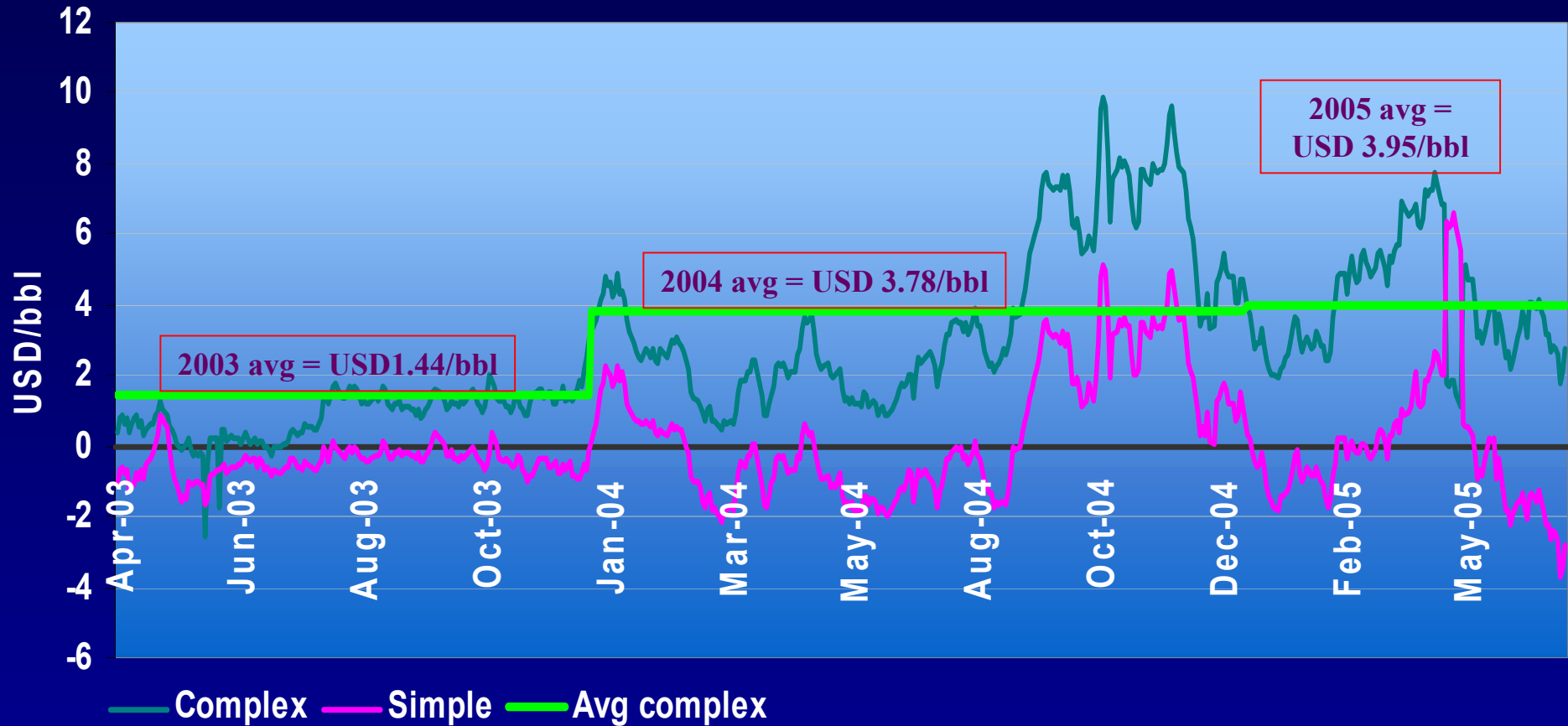


# Refining Margin Composition



# Singapore Refinery Margins<sup>+</sup> – Complex Vs. Simple\*

## 2003 - Q2 2005



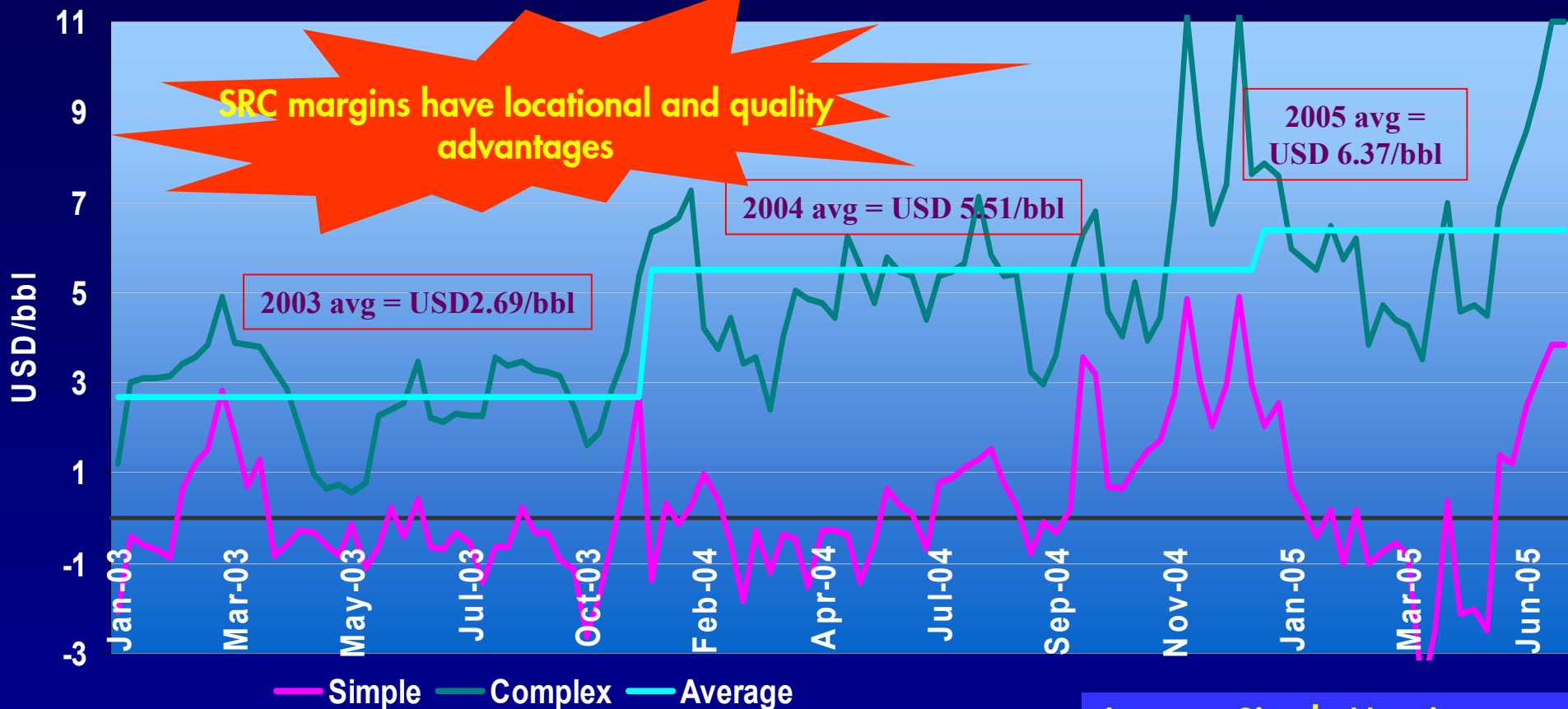
+ Gross Refining Margin basis  
\* Daily data

**Average Simple Margins:**  
**2003: - USD 0.08/bbl**  
**2004: + USD 0.48/bbl**  
**YTD Q2 2005: - USD 0.09/bbl**



# SRC Refinery Margins<sup>+</sup> – Complex Vs. Simple\*

2003 - YTD Q2 2005



+ Gross Refining Margin basis

\* Weekly data

**Average Simple Margins:**  
 2003: - USD 0.20/bbl  
 2004: +USD 0.71/bbl  
 YTD Q2 2005: + USD 0.20/bbl



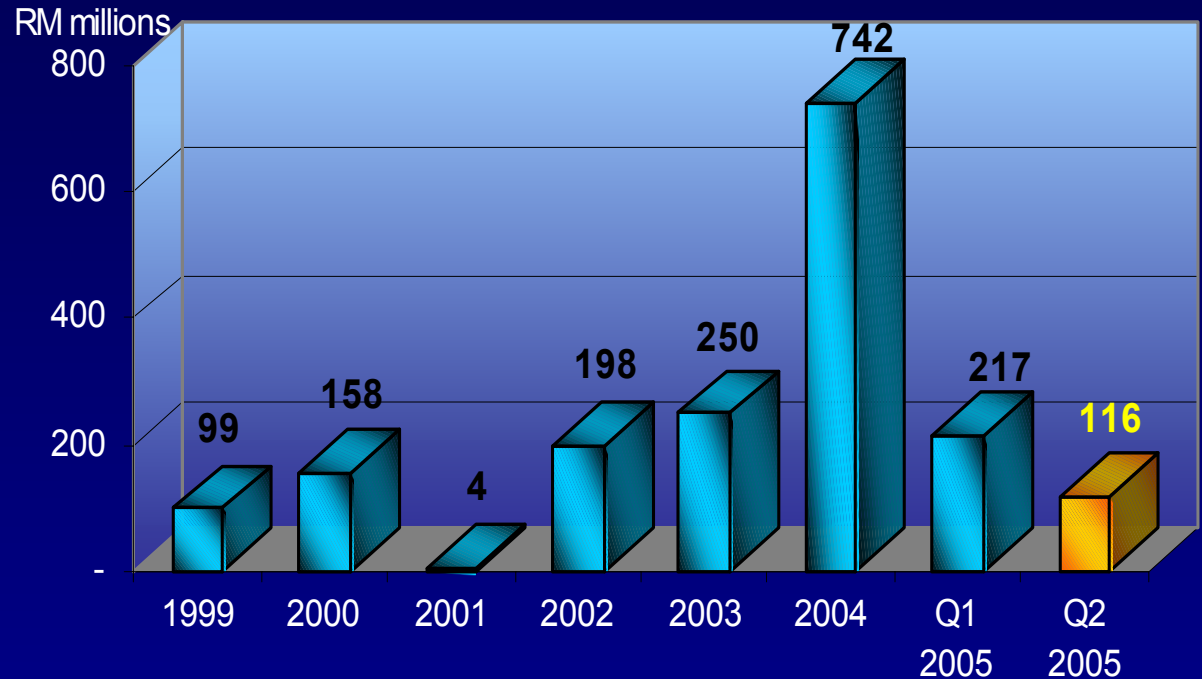
# SRC Profit before Taxation

## Note:

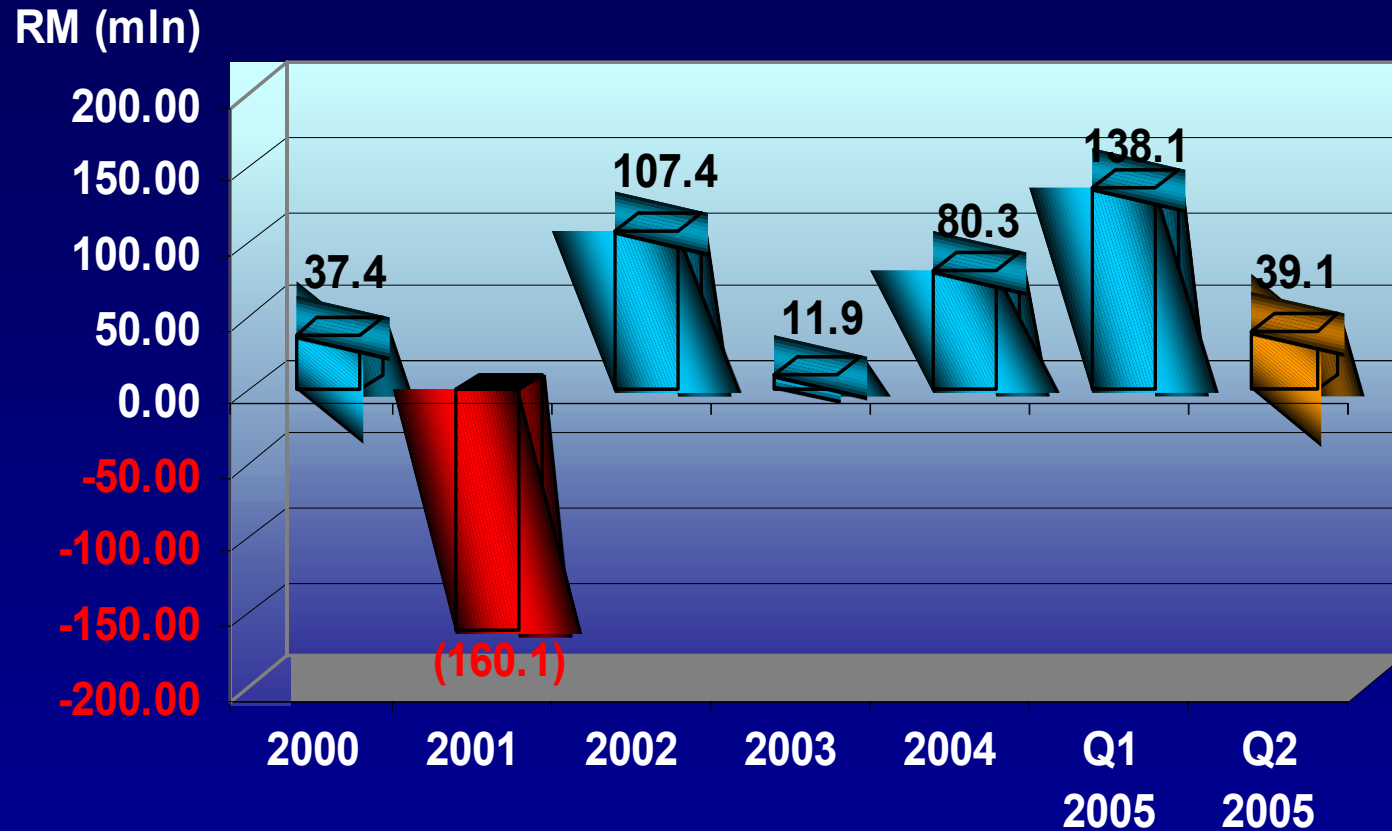
2001: Drop in crude and product prices resulted in stockholding losses for the Company.

2002-2005: Increase in profits due to strengthening of refining margins, rising crude and product prices\* and improvement in operating performance

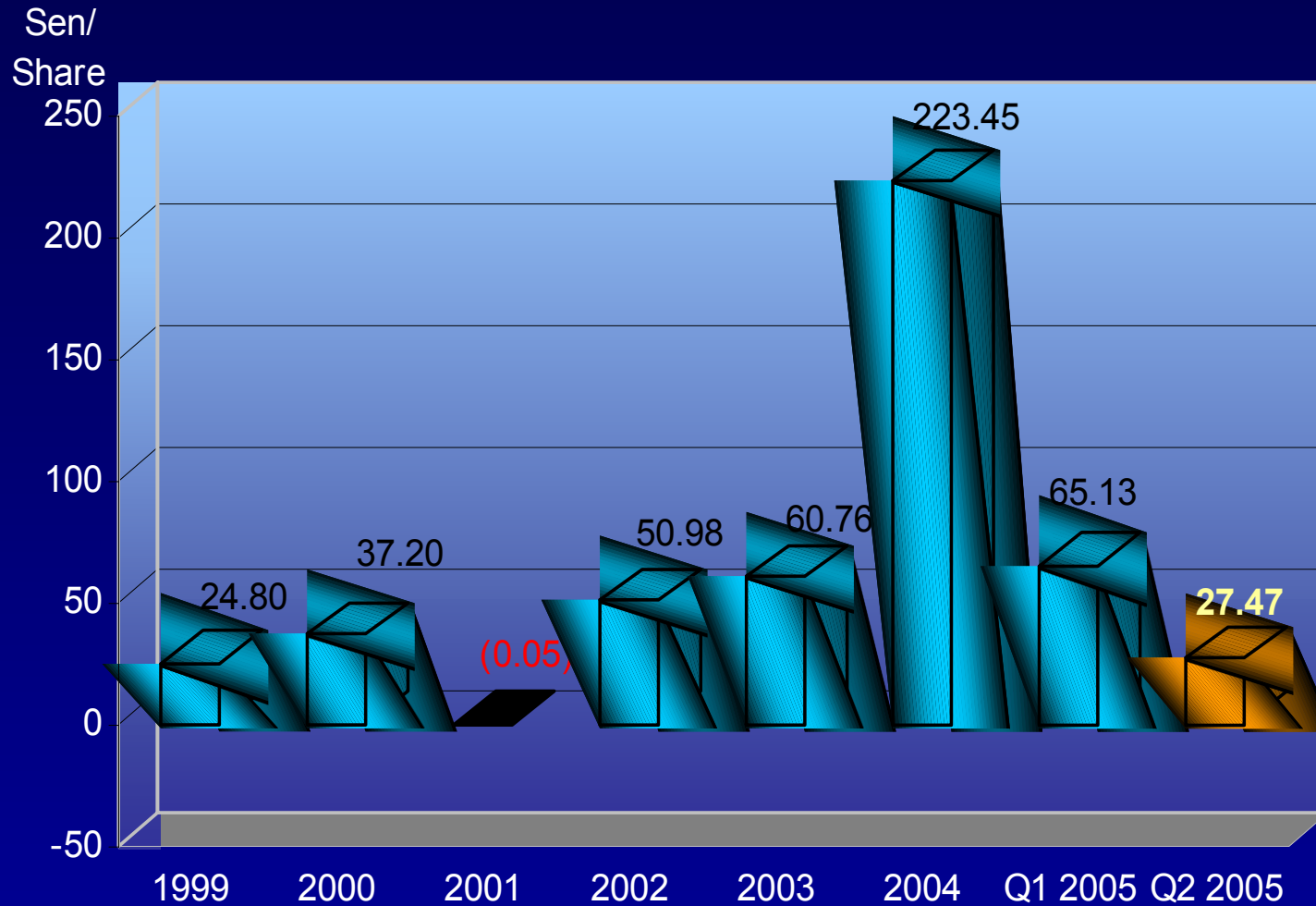
\* See chart on stockholding gain/loss



# SRC after-tax Stockholding Gain/ (Loss)



# SRC Earnings Per Share



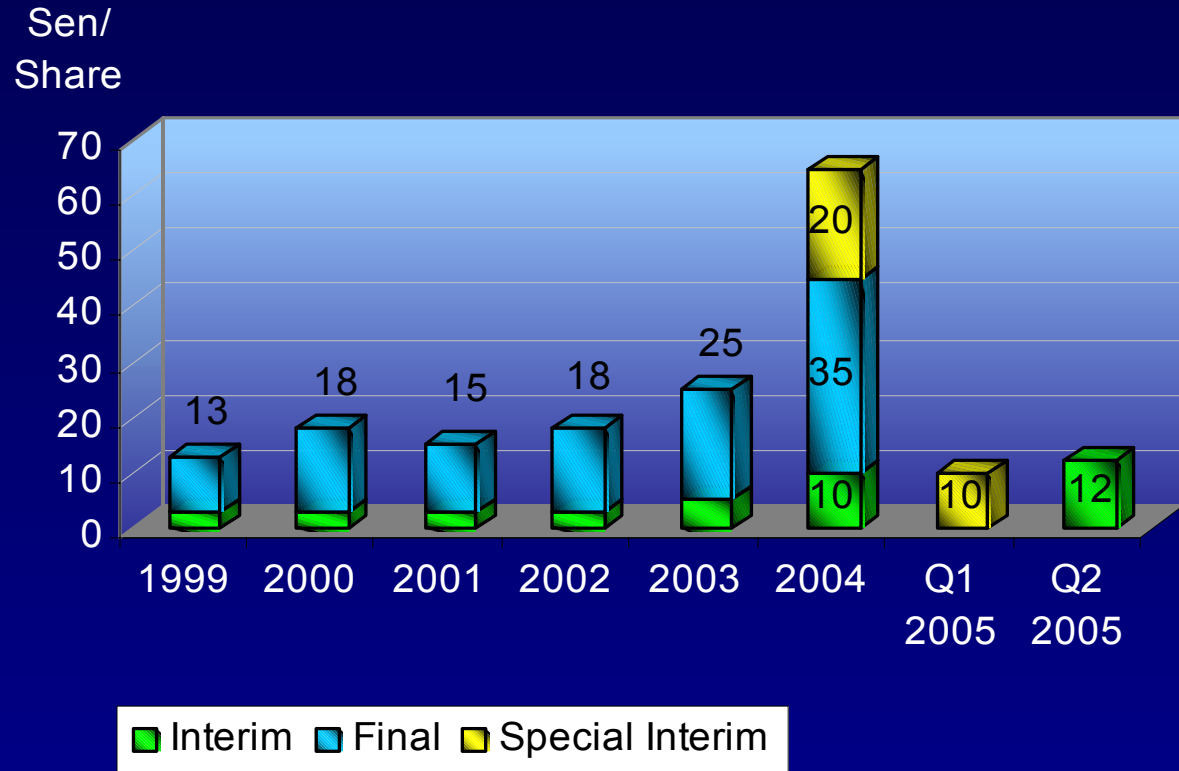
# SRC Dividends Per Share

## Note:

2004: Includes two special interim dividends of 10 sen per share each.

2004: Highest ever total dividend per share declared!

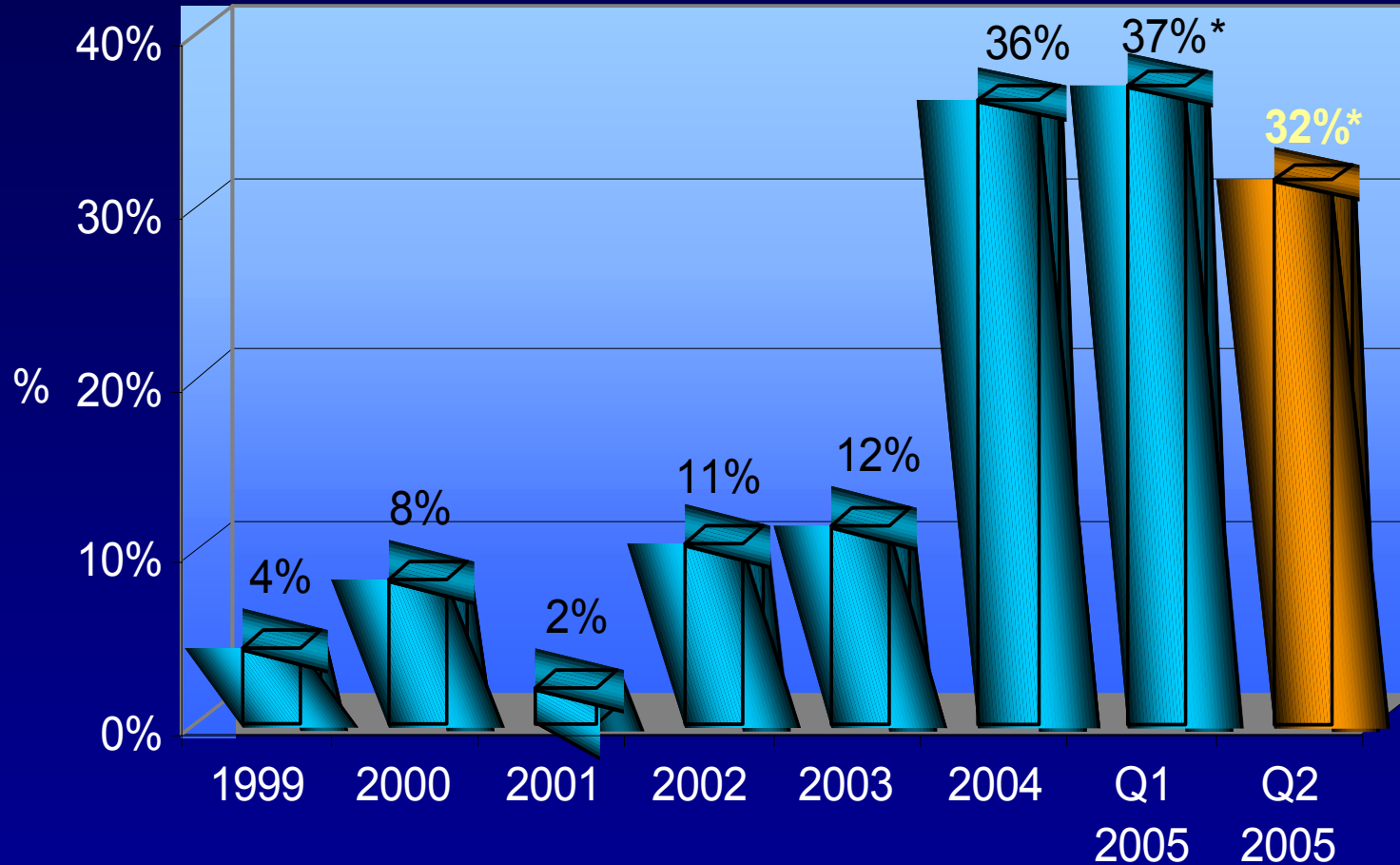
2005: Record interim dividend of 12 sen per share in Q2 2005.



**“...it is the (SRC) Board’s intention to sustain for the foreseeable future an annual dividend level of at least 45 sen per share...”** *press release dated 23<sup>rd</sup> February 2005*



# SRC Return on Average Capital Employed



\* Rolling 4-quarter basis



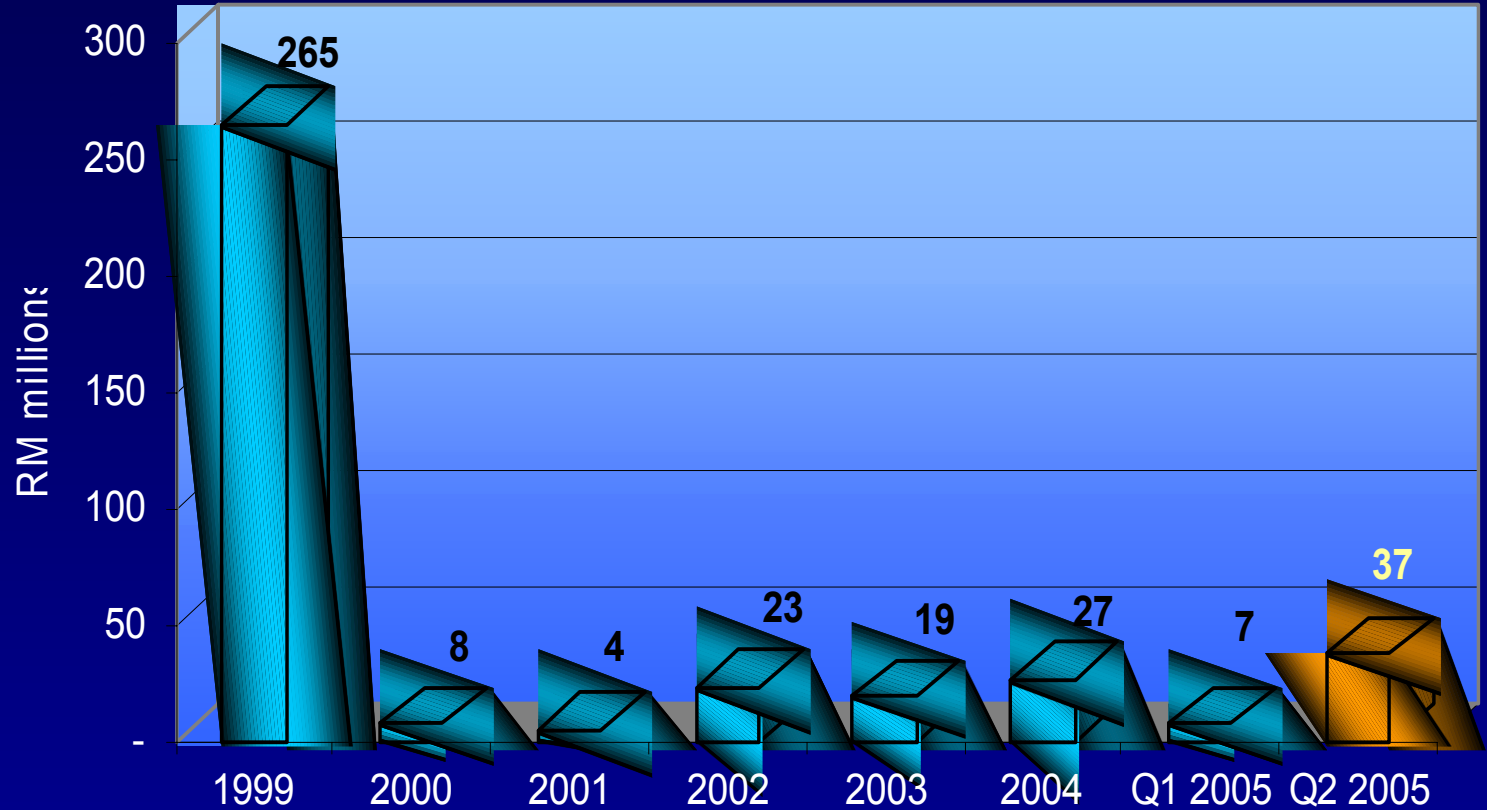
# SRC Capital Expenditure

## Note:

1999: Final year of LRCC construction

2002: First LRRC planned shutdown

2005: RM 28 mln of capex in Q2'05 relates to the planned shutdown of the LRCC/ Complex 2



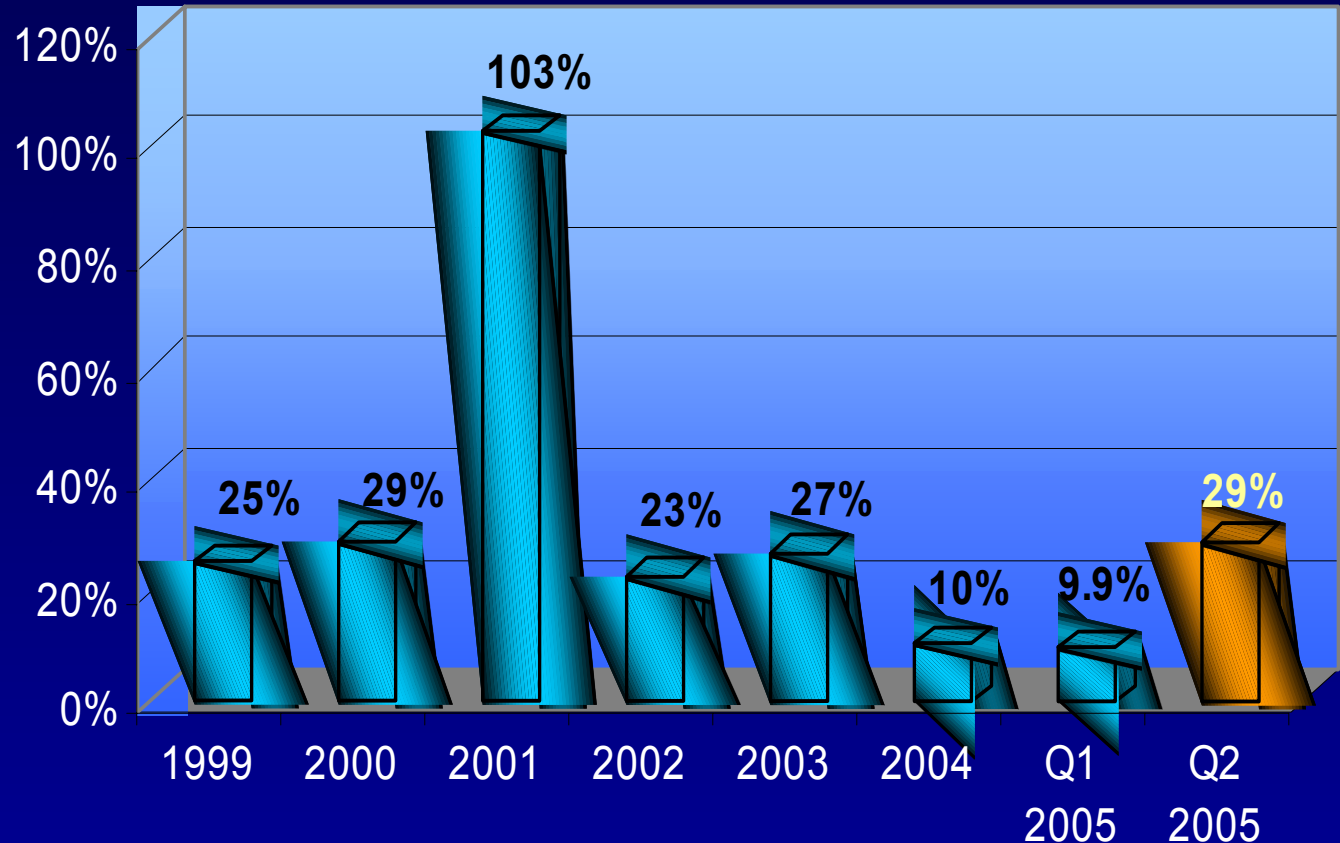
# SRC Effective Tax Rate

## Note:

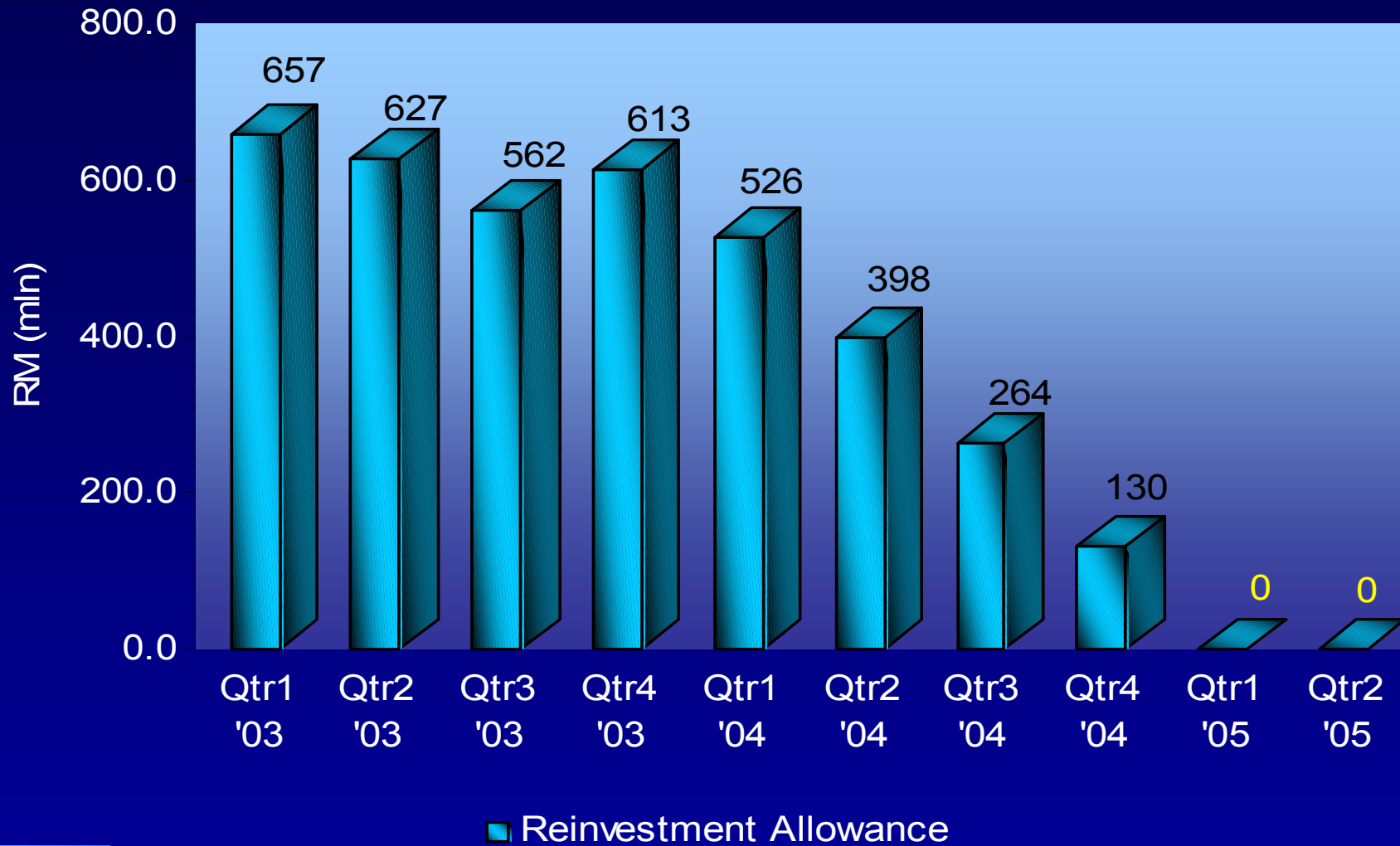
2001: Very low Profit Before Tax, therefore a small permanent difference in tax computation has big impact on ETR.

2004 to Q1 2005: Low ETR due to utilization of Reinvestment Allowance.

Q2 2005: Higher ETR as the Reinvestment Allowance was fully utilized in Q1 2005

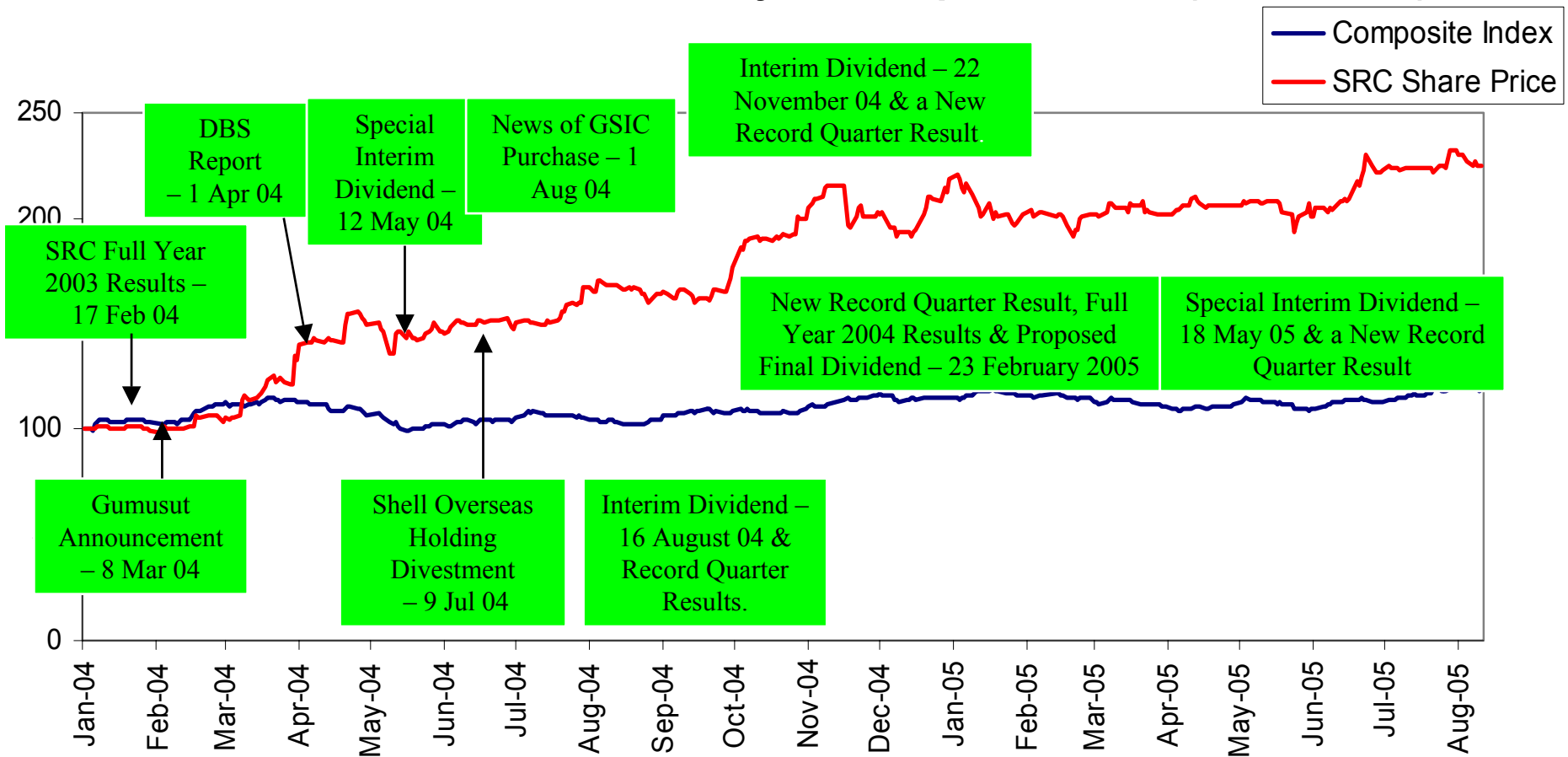


# SRC Reinvestment Allowance



# SRC Share Price Performance

## SRC Share Price vs Bursa Malaysia Composite Index (normalised)



New SRC website:

[www.shell.com.my/shellrefining](http://www.shell.com.my/shellrefining)



# Q & A

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