

**Shell Refining Company (FOM) Berhad**  
**Quarter 2 2006**  
**Investor Briefing**

**24<sup>th</sup> Aug 2006**



# Market Trends

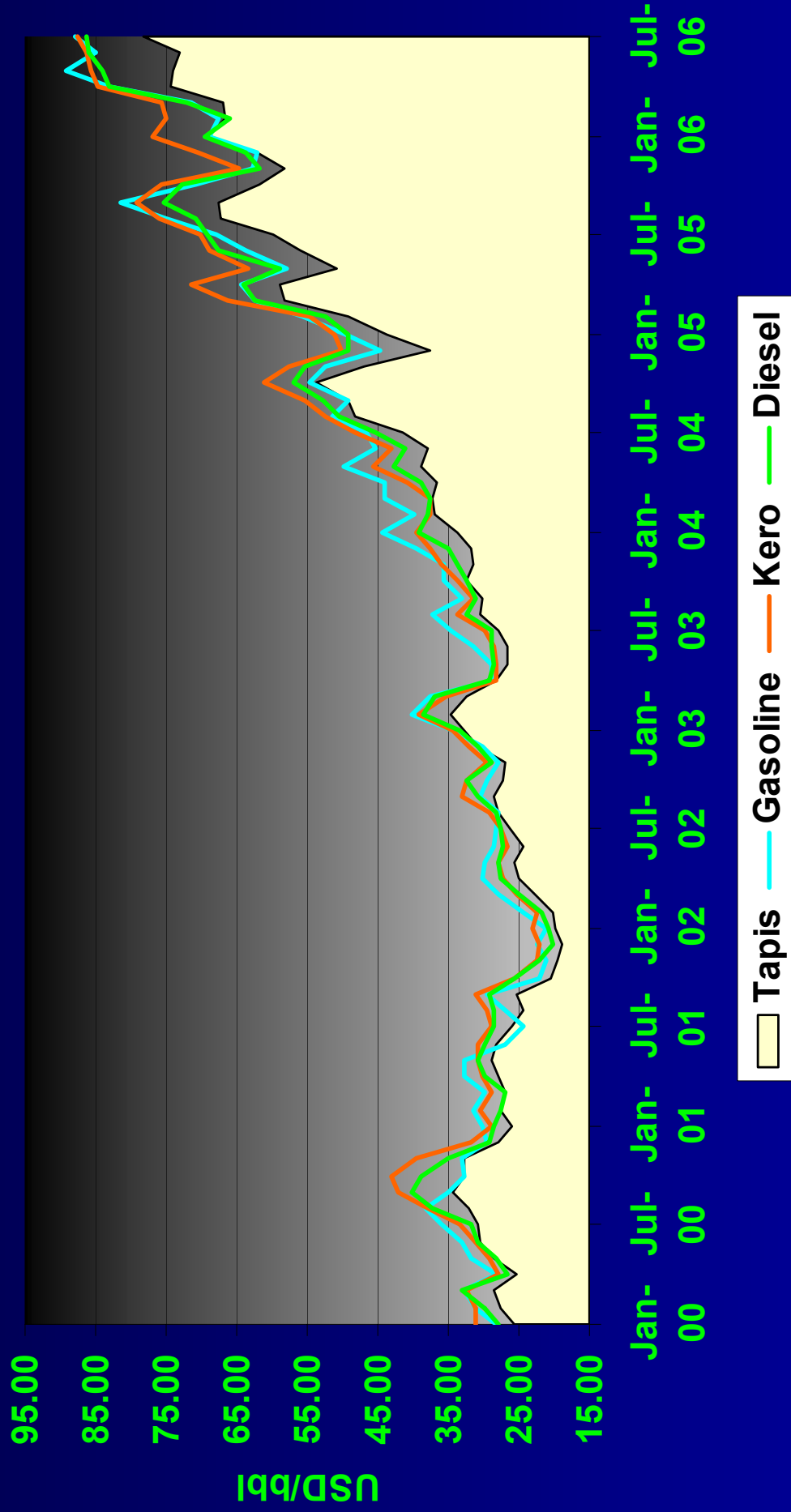


Shell Refining Company (Federation of Malaya) Berhad

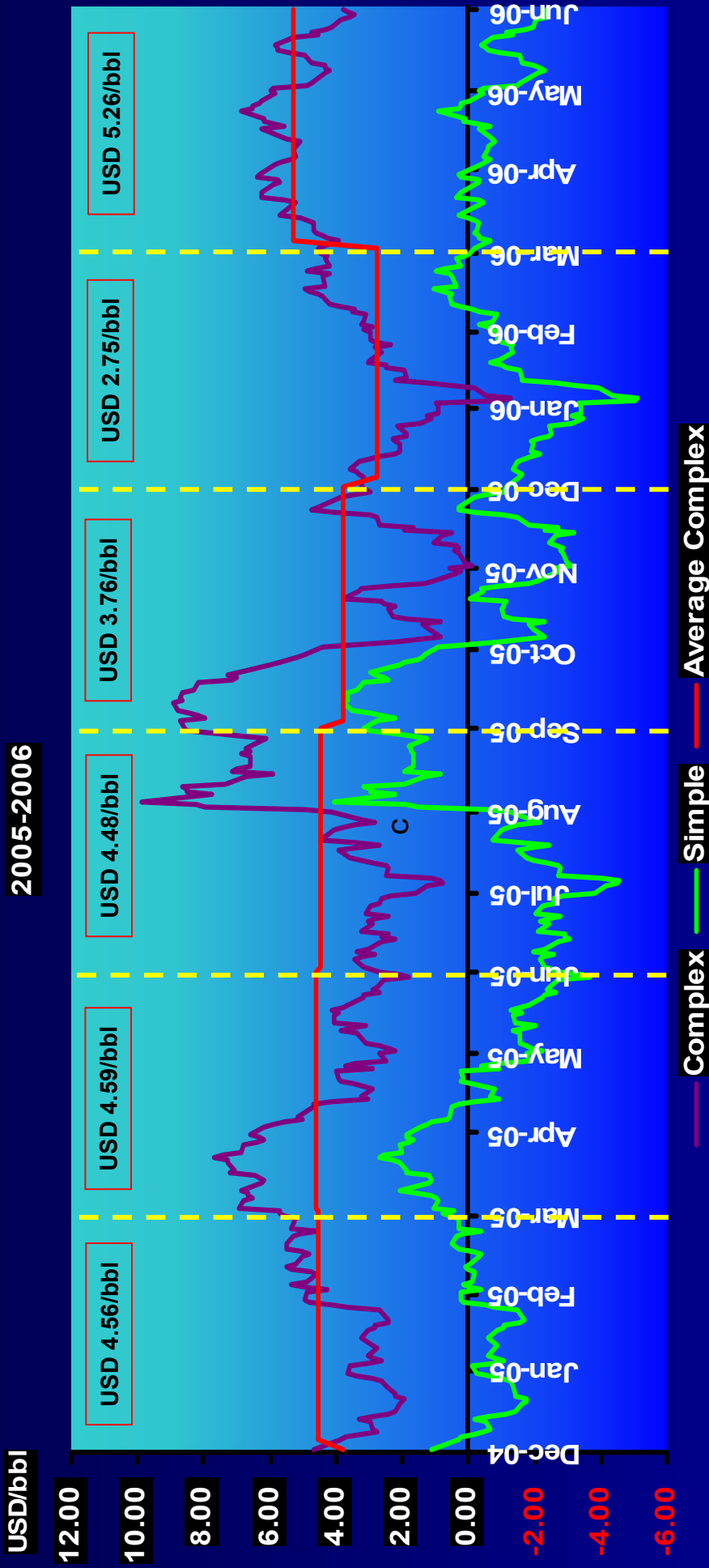
# Crude Price Trend



# Tapis - Oil Products Spread



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



Average Simple Margins:  
 2005: - USD 0.43/bbl  
 2006: - USD 1.01/bbl

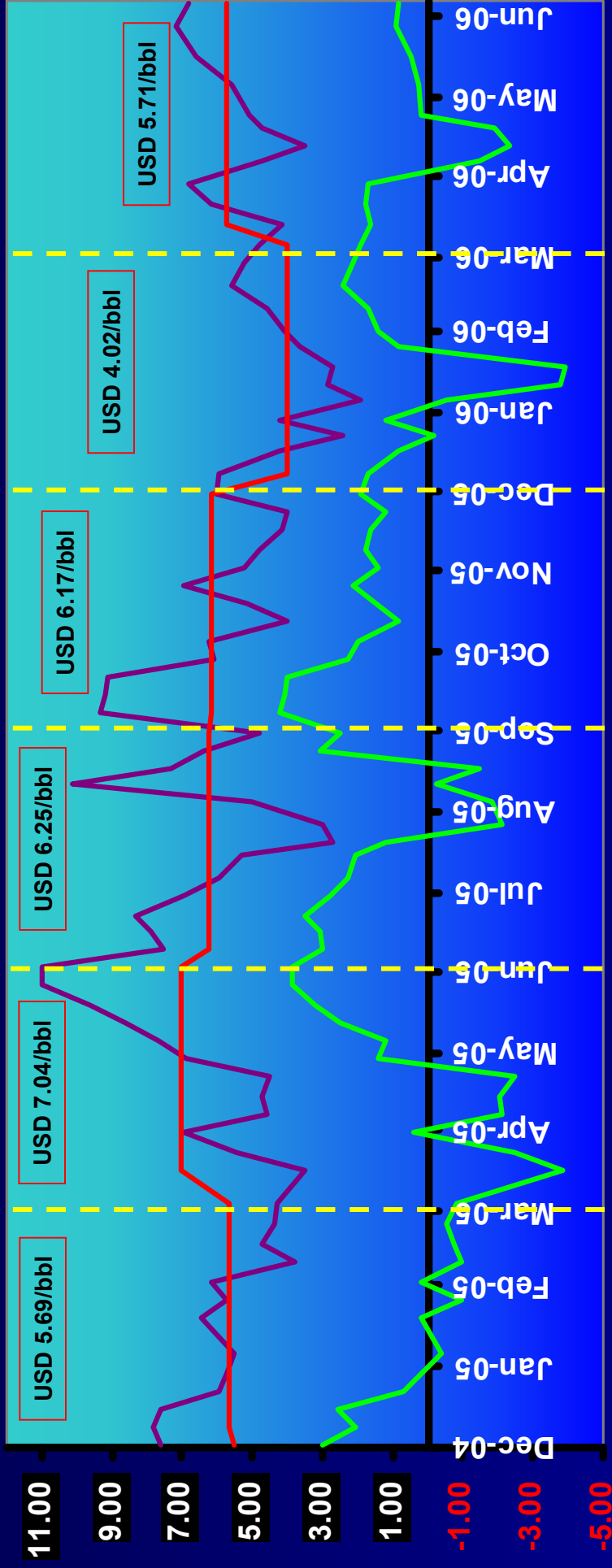
+ Gross Refining Margin basis  
 \* Daily data



# SRC Refinery Margins+ – Complex Vs. Simple\*

USD/bbl

2005- 2006



Complex — Simple — Average Complex

Average Simple Margins:  
 2005: + USD 1.03/bbl  
 2006: + USD 0.29/bbl

+ Gross Refining Margin basis  
 \* Weekly data



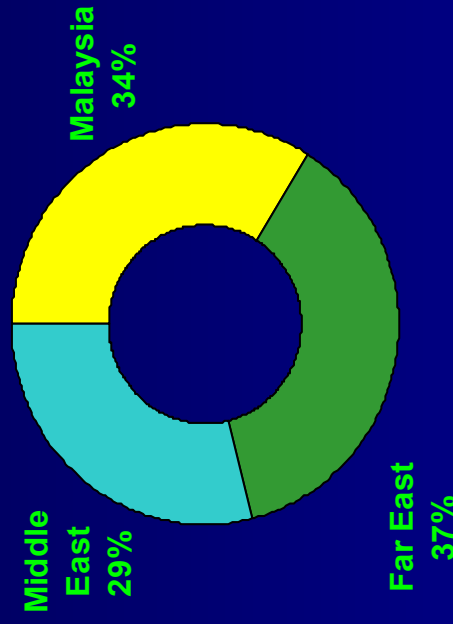
# SRC Performance



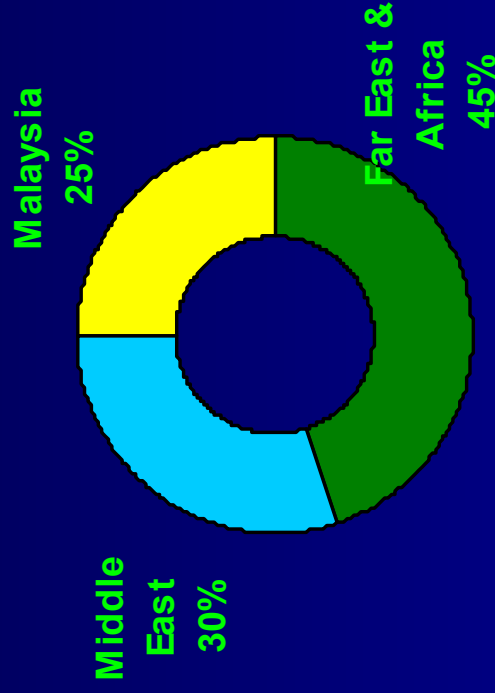
Shell Refining Company (Federation of Malaya) Berhad

# SRC Refinery Intake – Sources of Supply

2005



YTD Q2 2006

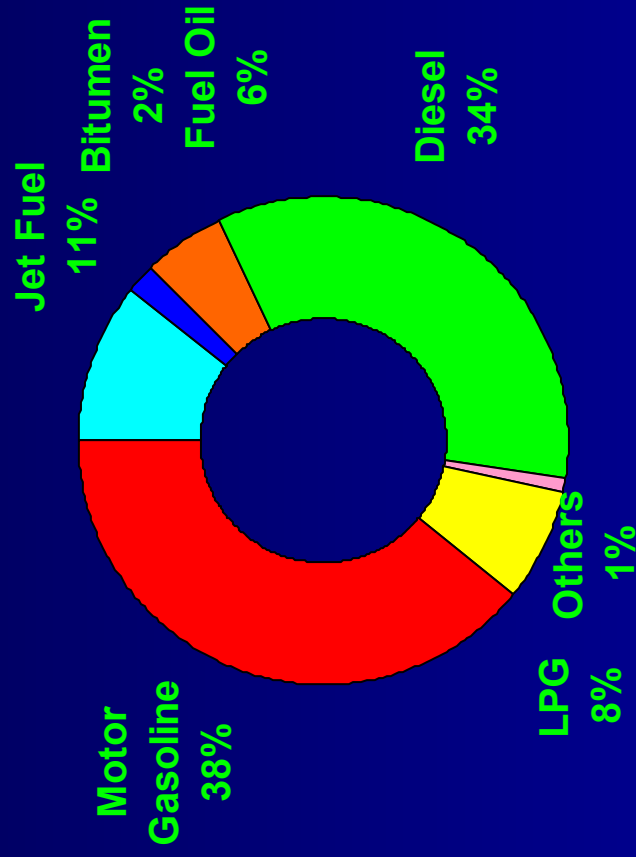


- SRC typically processes between 29-30% Middle East heavy crudes and between 37-45% Far East heavy crudes, and only around 25-34% Malaysian light crudes.
- The decision on which crude we procure depends on the relative economic attractiveness; the flexibility to vary the crude feedstock and product output is important for the Company.



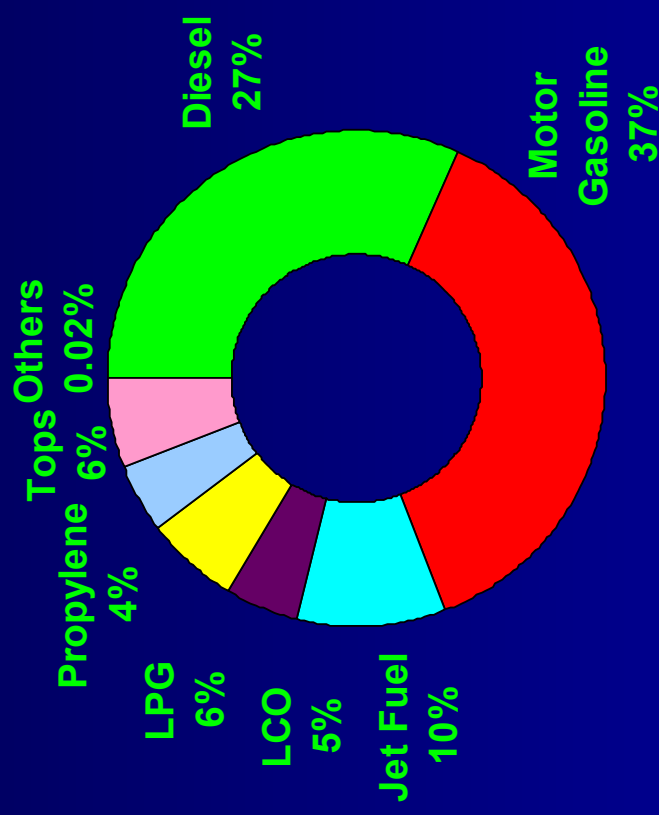
# Malaysian Oil Products Demand 2006 by product category

Malaysian Demand Mix Q1 2006

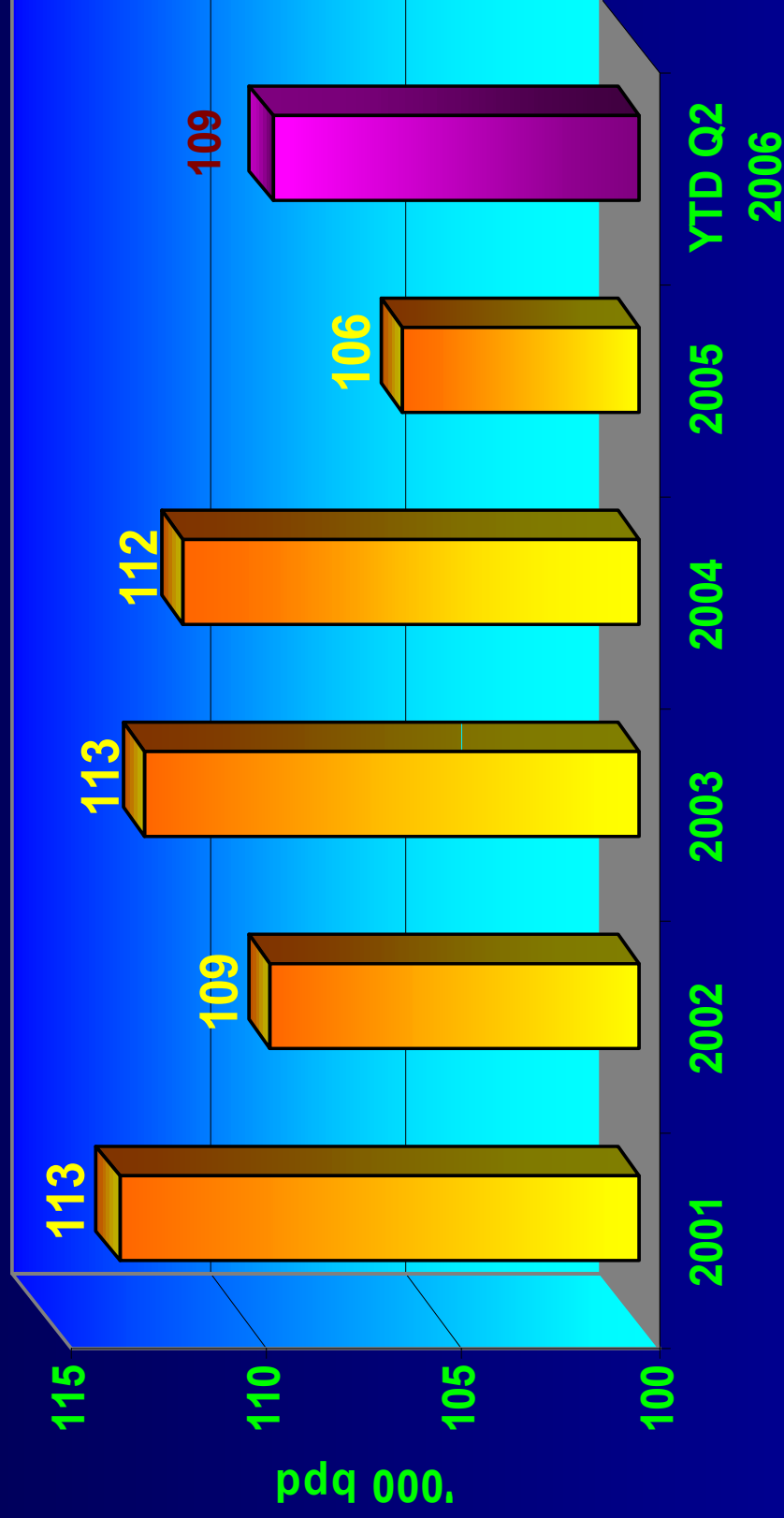


Total Malaysian Demand Q1 2006 = 445 kbbbl/day

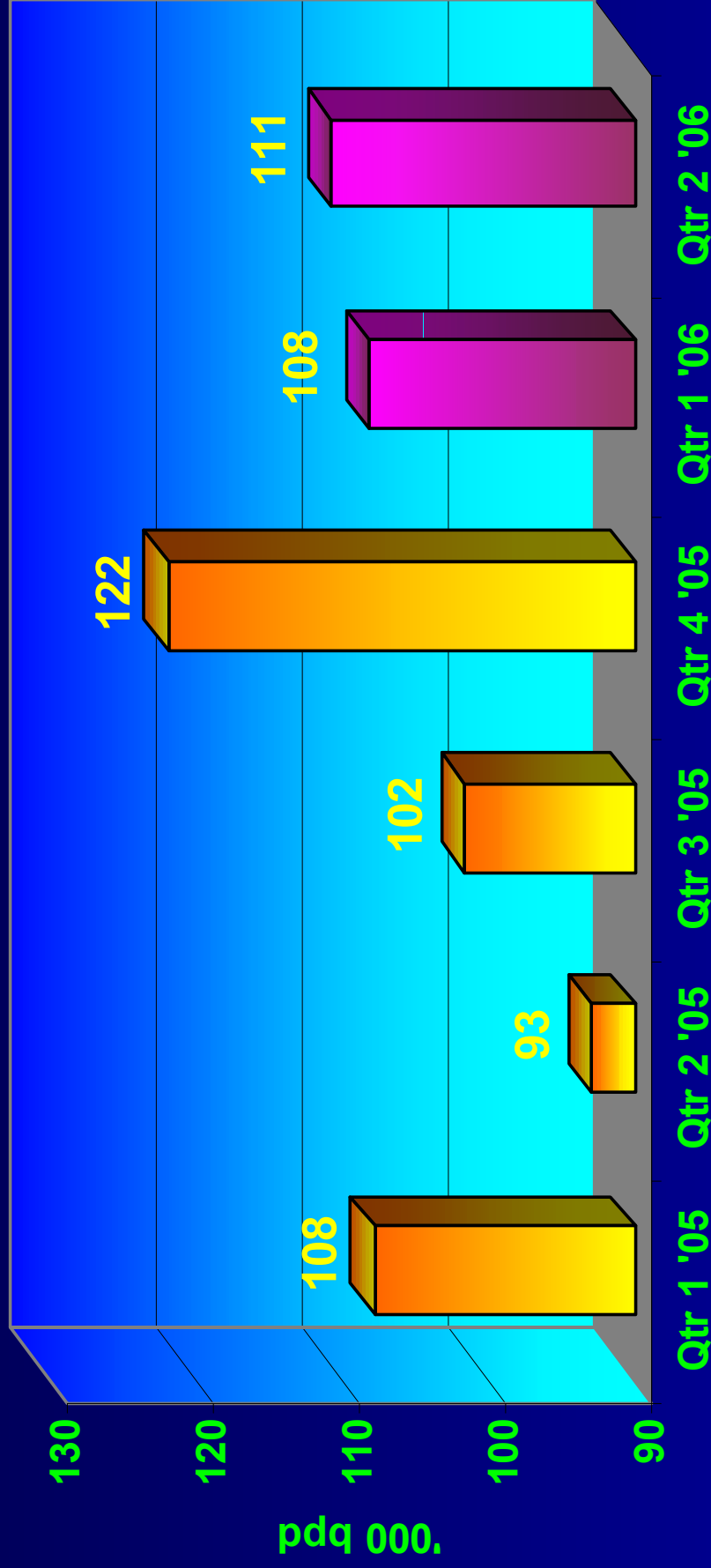
SRC Sales Mix YTD Q2 2006



# SRC Average Production Volume Per Day 2001-2006



# SRC Average Production Volume Per Day 2006 by Quarter



# SRC Sales Proceeds

**Note:**

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. Sharp oil price increase.

2005: Planned Turnaround of LRCCU and Complex 2. Oil price kept increasing.



# SRC Profit before Taxation

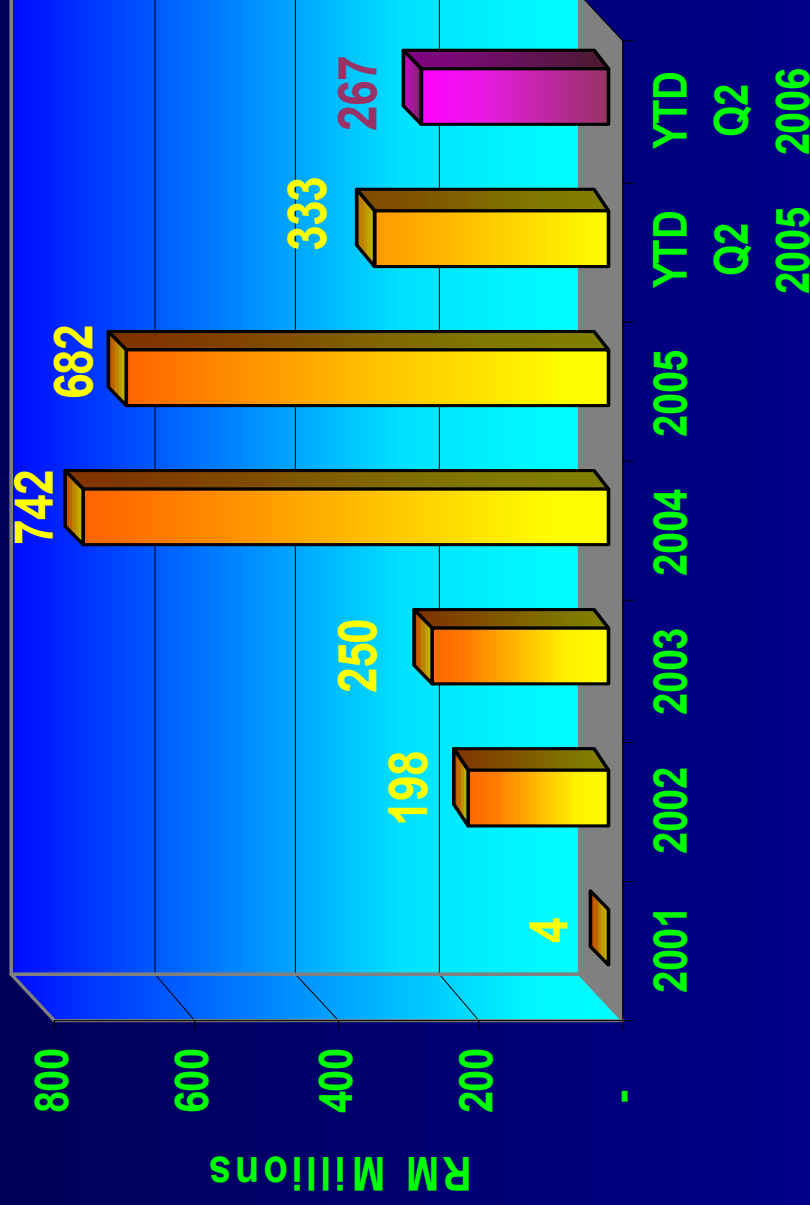
## Note:

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.

YTD Q2 2006: Lower realised refining margin and stockholding gain.

\* See chart on stockholding gain/loss



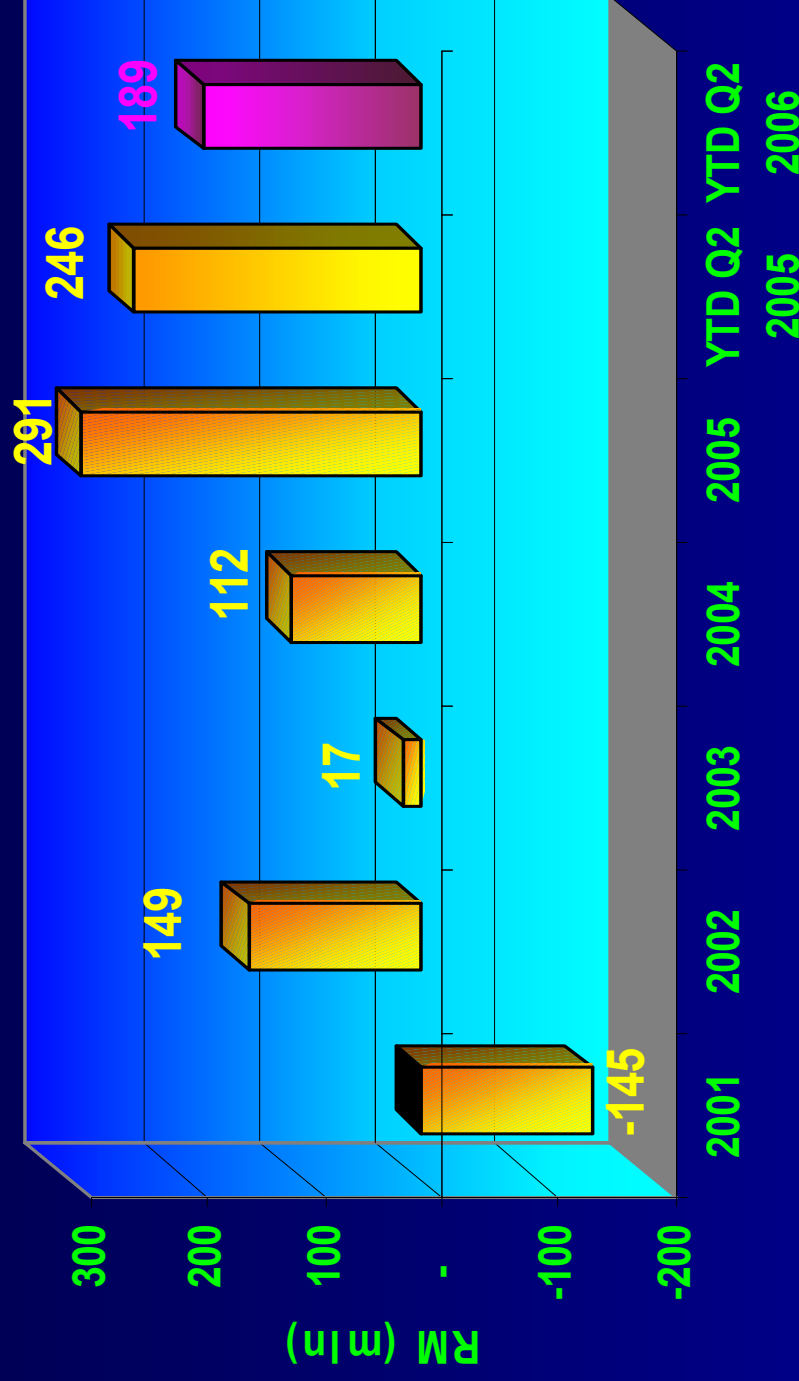
# SRC Pre-tax Stockholding Gain/ (Loss)

**Note:**

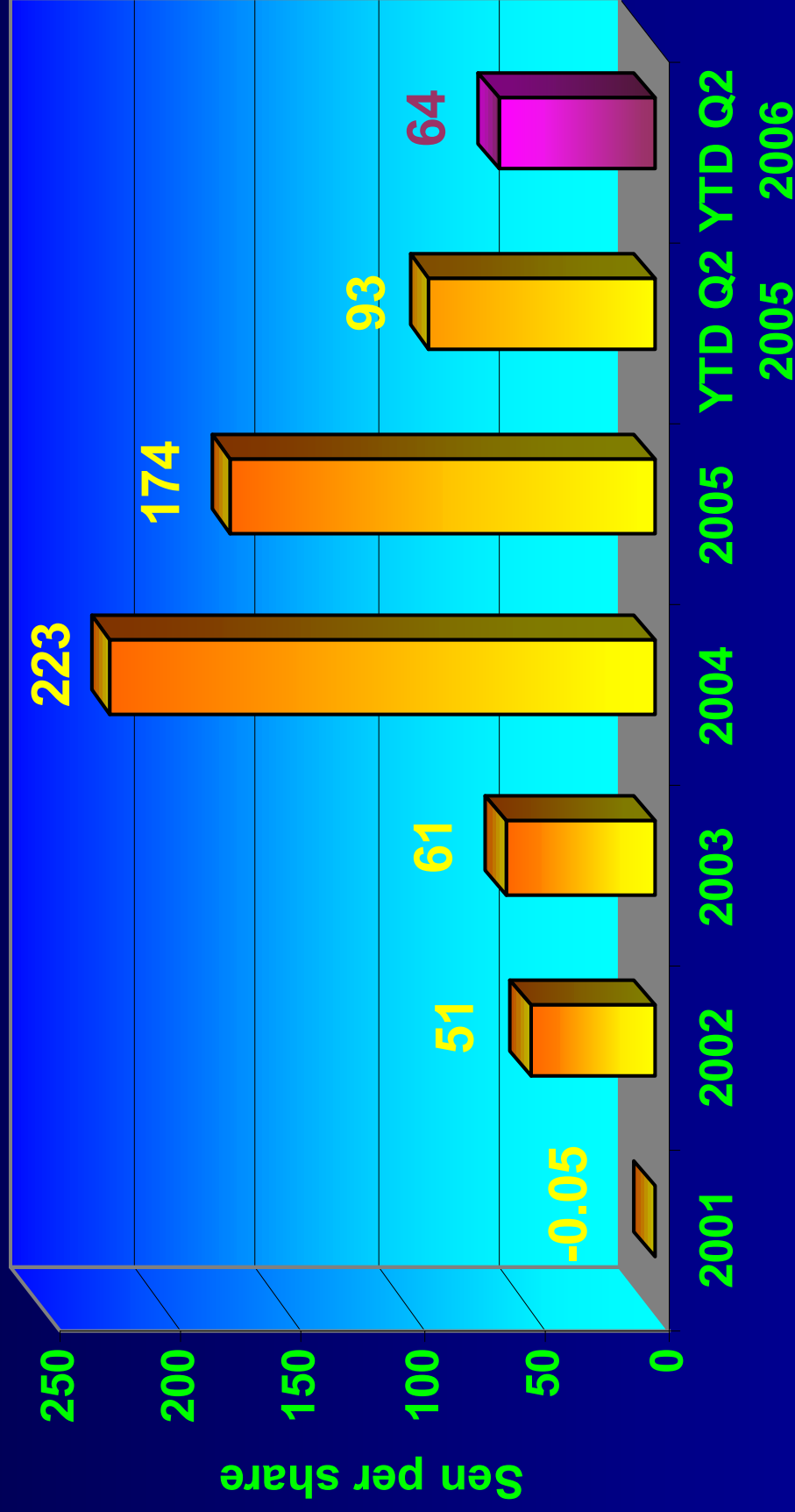
In general, we record a stockholding gain in a period of rising (as opposed to high) oil prices, and vice versa.

**YTD Q2 06**

Lower stockholding gain in 06 compared to 05 due to price was not as sharp as in 05.



# SRC Earnings Per Share



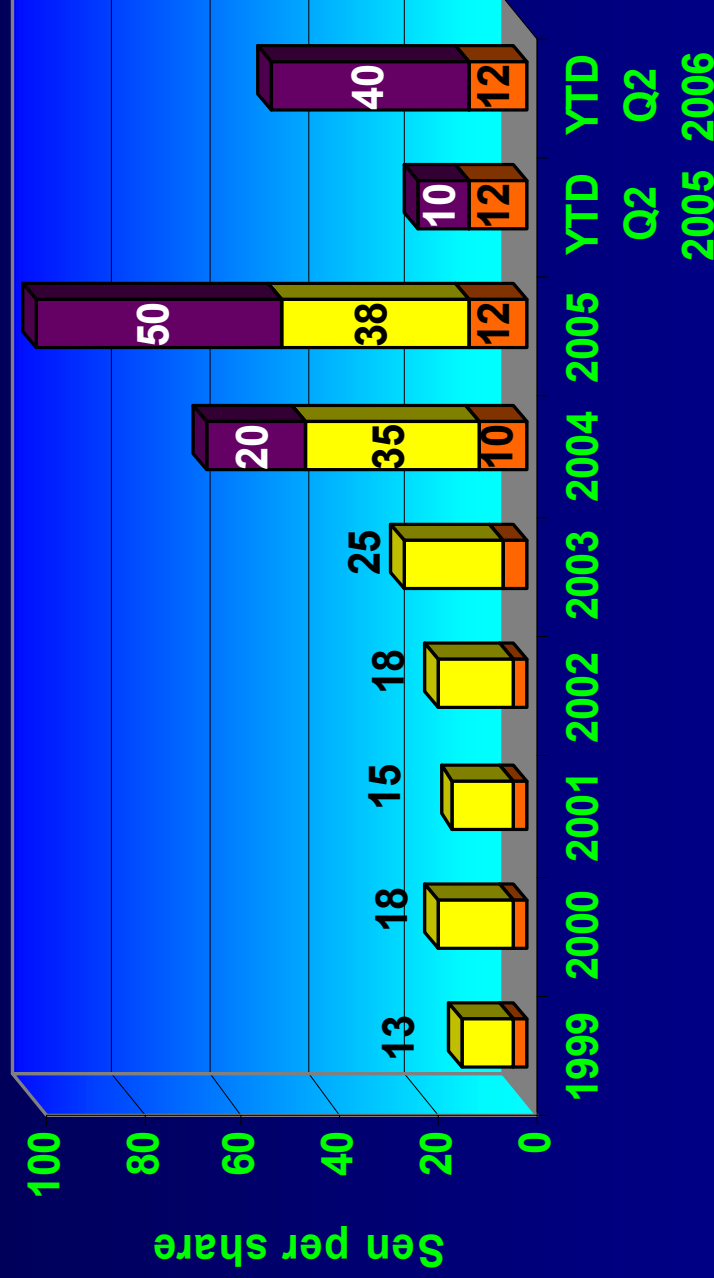
# SRC Dividends Per Share

**Note:**

2005: Includes three special interim dividends totalling 50 sen per share.

2005: Highest ever total dividend per share declared!

YTD Q2 2006: Special interim dividends of 40 sen per share declared.



■ Interim 
 ■ Final 
 ■ Special Interim



# SRC Dividend Strategy

"It is the Board's intention that this cash be paid out in the form of a 20 sen per share special interim dividend each quarter until the surplus cash has been utilised. On the basis of current planning assumptions, these special interim dividends would be paid out over the next 4 to 8 quarters..."

...The Company also announced today that for the foreseeable future it targets paying a total interim plus final dividend of 50 sen per share, subject to future financial performance."

*Press release dated 28<sup>th</sup> November 2005*

"The Company is already delivering on its enhanced dividend strategy as announced on 28<sup>th</sup> November 2005 and for this year, calendar year 2006, the Company intends to declare a total dividend in the range of RM 0.90 to RM 1.30 per share, consisting of between two and four special dividends of 20 sen paid each quarter, an interim dividend of 12 sen and a final dividend of 38 sen."

*Press release dated 23<sup>rd</sup> February 2006*



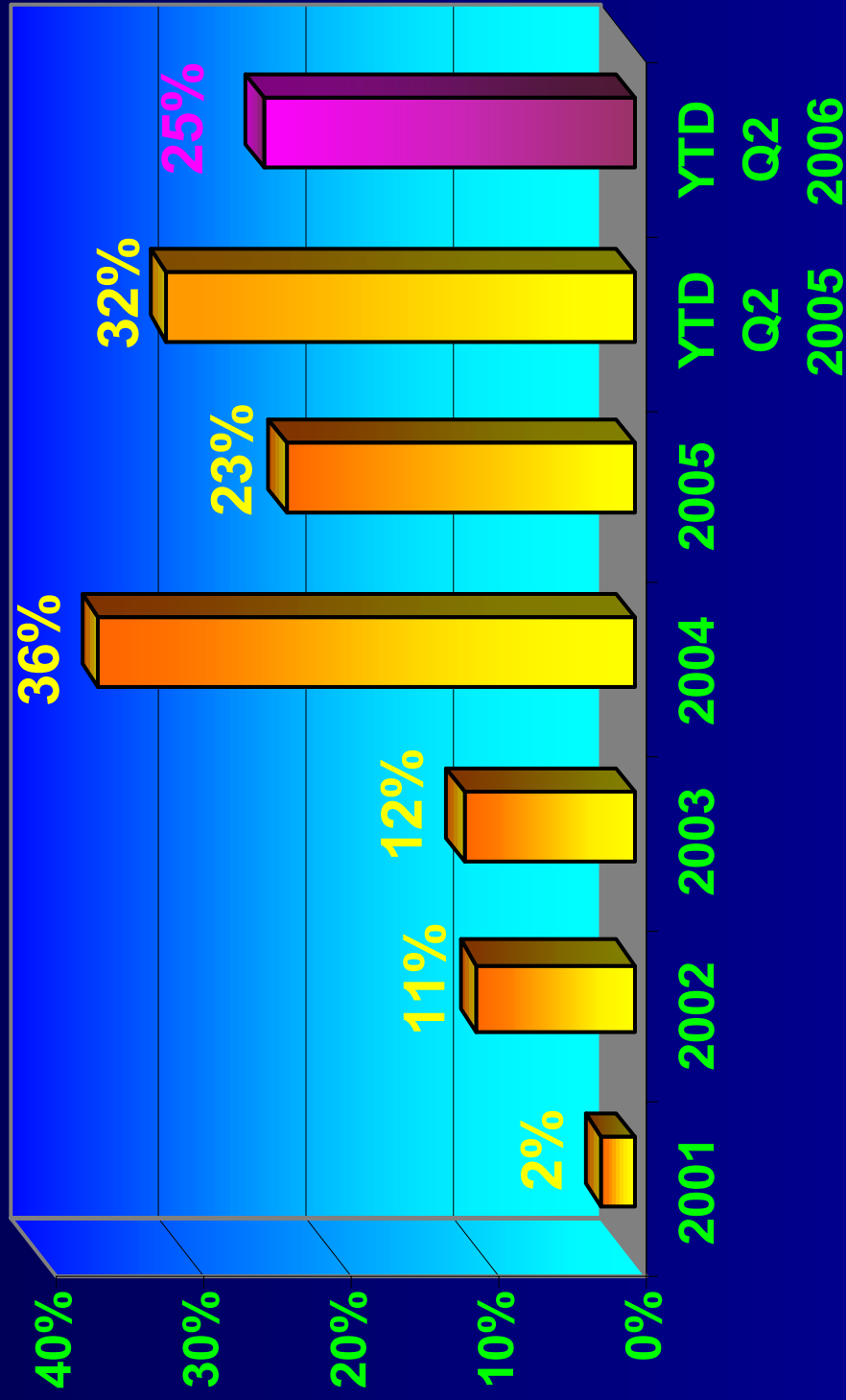
# SRC Financial Summary

Year to Date	Unit	2000	2001	2002	2003	2004	2005	Q2 2005	Q2 2006*
Revenue	RM mil	5,184	4,601	4,458	5,497	7,511	9,695	4,436	5,381
EBITDA	RM mil	355	174	336	373	869	819	396	333
Net Income After Tax	RM mil	112	0	153	182	670	522	278	192
Earning per share	Sen	37	-5	51	61	223	174	93	64
Dividends per share	Sen	18	15	18	25	65	100	22	52
P/E Ratio	Times	10	-76	7	7	4	6	11	16
Dividend Yield	%	5	4	5	6	7	10	2	5
Gearing	%	58	53	47	40	27	22	23	21
Net gearing	%	69	57	47	39	19	-5	2	20
Interest Cover	Times	3	1	9	16	65	66	46	31

\* Un-audited



# SRC Return on Average Capital Employed



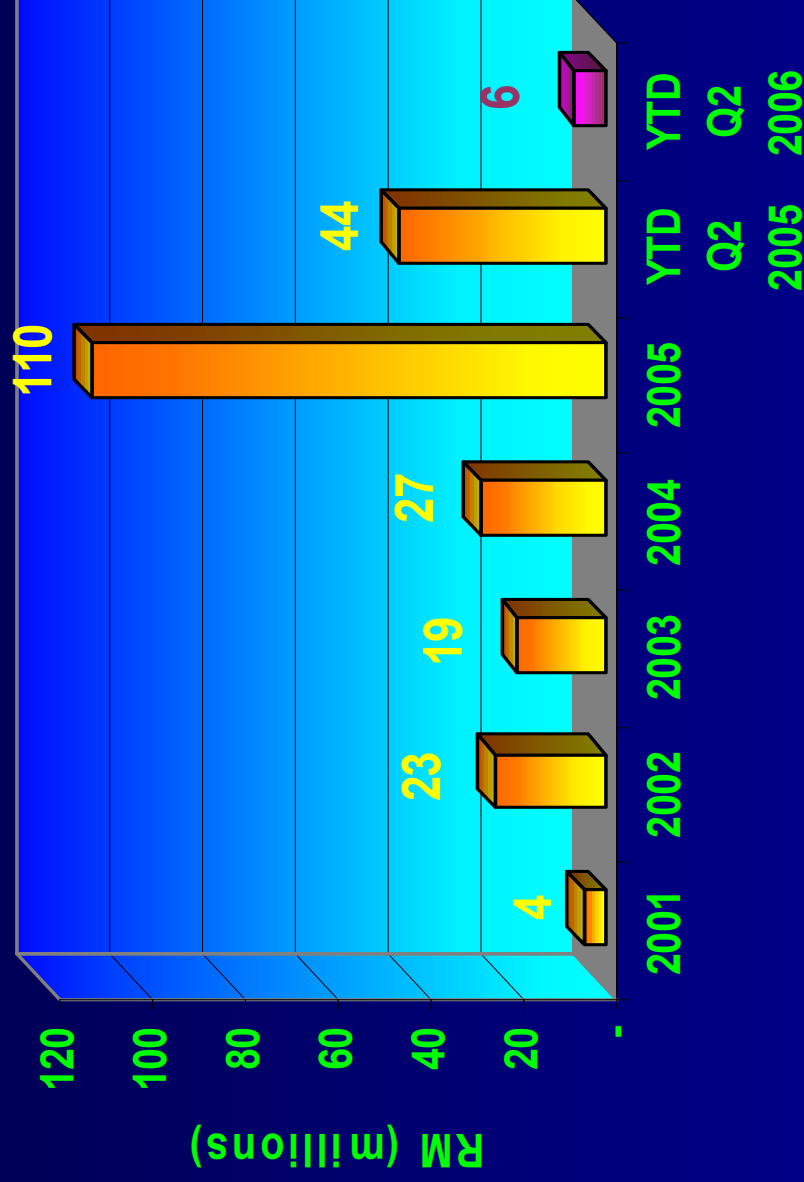
# SRC Capital Expenditure

**Note:**

1999: Final year of LRCC construction

2002: First LRRC planned shutdown

2005: Statutory planned shutdown in June and July



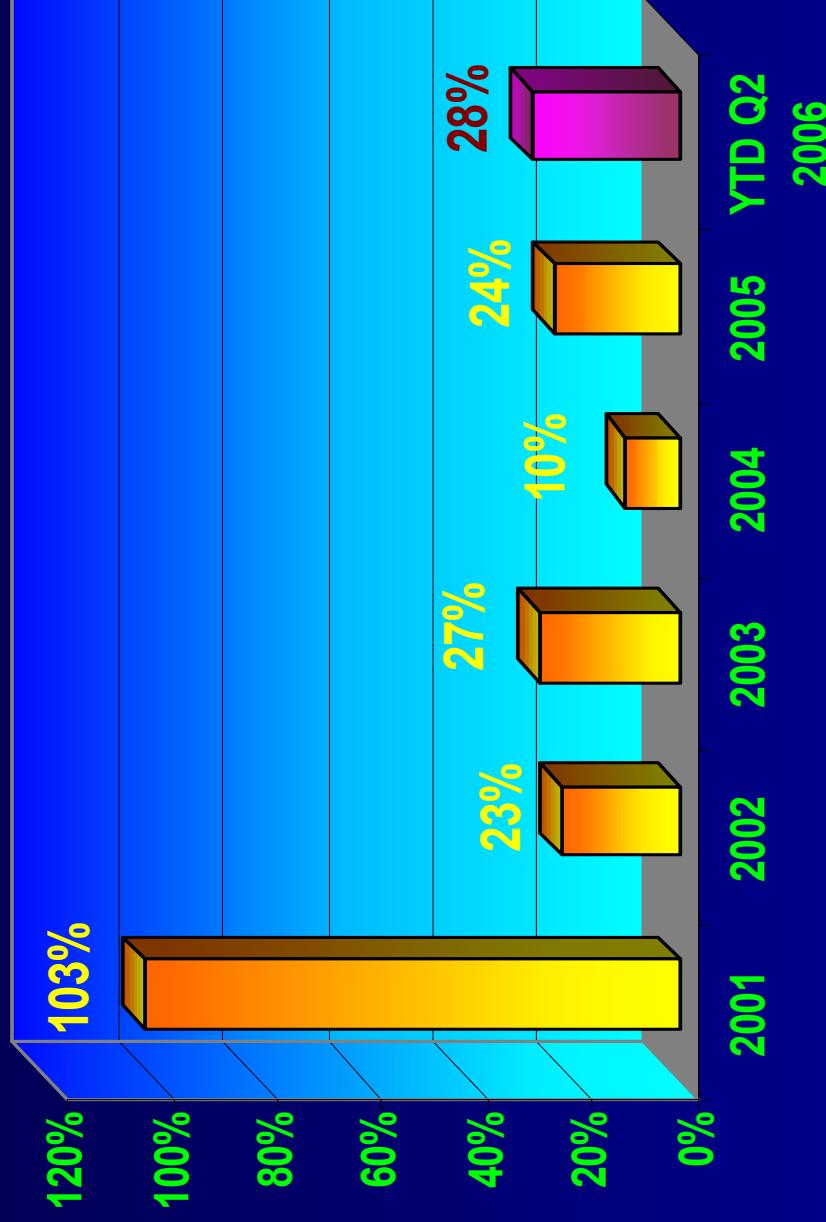
# SRC Effective Tax Rate

**Note:**

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

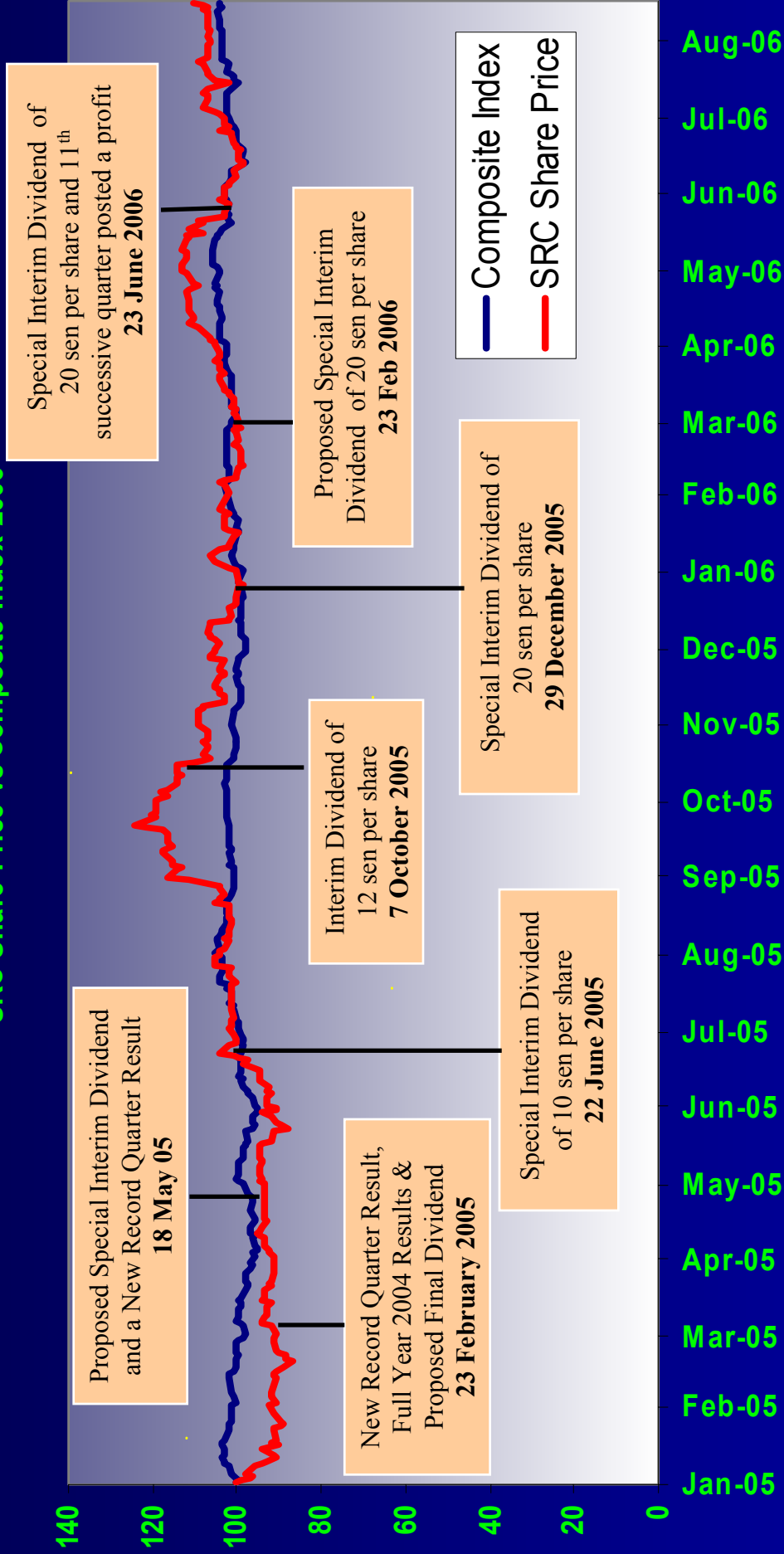
2004: Low ETR due to utilisation of Reinvestment Allowance.

2005: Utilisation of Reinvestment Allowance amounting to RM130 Million.



# SRC Share Price Performance

SRC Share Price vs Composite Index 2006



# Q & A

Contact details:

Ph. Fardzillah Abdul Manap

Head of Corporate Affairs

Tel: +606-6404119

Fax: +606-6479658

Email: [fardzillah.abd-manap@shell.com](mailto:fardzillah.abd-manap@shell.com)



Shell Refining Company (Federation of Malaya) Berhad