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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

- **PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Notice convening the Fiftieth Annual General Meeting of SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD to be held at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 7th May 2009 at 11.00 am to consider the abovementioned proposals is enclosed in the 2008 Annual Report of Shell Refining Company (Federation of Malaya) Berhad for the financial year ended 31st December 2008.

If you are unable to attend and vote at the Fiftieth Annual General Meeting in person, you are requested to complete, sign and return the **original** Form of Proxy enclosed in the 2008 Annual Report in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the Company's Registered Office at Bangunan Shell Malaysia, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur not later than forty eight (48) hours before the time fixed for convening the Fiftieth Annual General Meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Tuesday, 5th May 2009 at 11.00 a.m.

Date and time of the Fiftieth Annual General Meeting : Thursday, 7th May 2009 at 11.00 a.m.

This Circular is dated 10th April 2009

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

- Act - The Companies Act, 1965 including all amendments thereto.
- AGM - Annual General Meeting of the Company.
- Board of Directors - Board of Directors of the Company.
- BMSB - BURSA MALAYSIA SECURITIES BERHAD (635998-W).
- Director or Directors - A director or directors of the Company.
- Existing Shareholders' Mandate - The Shareholders' Mandate for the Company to enter into Recurrent Related Party Transactions with the Related Parties of a Revenue or Trading Nature for which approval from the shareholders was obtained during the Forty Ninth Annual General Meeting on 15th May 2008.
- Listing Requirements - The Listing Requirements of BMSB including all amendments thereto.
- Major Shareholder (s) - A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:

(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or
(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon a Major Shareholder of the Company.

For the purposes of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act.
- Management - The management of the Company.
- Proposed Renewal of Shareholders' Mandate - Proposed renewal of the Existing Shareholders' Mandate which approval from the shareholders is being sought at the forthcoming AGM.
- Proposed New Shareholders' Mandate - Proposed new shareholders' mandate for the Company to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties for which approval from the shareholders is being sought at the forthcoming AGM.

Proposed Shareholders' Mandate	- The Proposed Renewal of Shareholders' Mandate and the Proposed New Shareholders' Mandate collectively.
Recurrent Transactions or Recurrent Related Party Transactions	- Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations and are in the ordinary course of business of the Company.
Related Party (ies)	- Director, Major Shareholder or person(s) connected with such Director or Major Shareholder of the Company.
RM and Sen	- Ringgit Malaysia and Sen respectively.
Shell Group	- A company, which is for the time being directly or indirectly affiliated with Royal Dutch Shell plc.
Significant Related Party Transactions	The Recurrent Transactions which value is 3.75% of the Profit/Loss Before Tax of the Company for the financial year as agreed with Messrs. PricewaterhouseCoopers, as disclosed in the 2008 Annual Report.
SRC or the Company	- Shell Refining Company (Federation of Malaya) Berhad (3926-U).
2008 Annual Report	- Annual Report of the Company for the financial year ended 31 st December 2008.

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Enclosed in the 2008 Annual Report

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD

Company Number: 3926-U

(Incorporated in Malaysia)

Registered Office:-

Bangunan Shell Malaysia
Changkat Semantan
Damansara Heights
50490 Kuala Lumpur

Date: 10th April 2009

Directors:-

Y.Bhg. Dato' Saw Choo Boon (*Chairman, Non-Independent and Non-Executive Director*)

Y.Bhg. Tan Sri Datuk Clifford Francis Herbert PSM, PSD, JSM, KMN

(*Senior Independent and Non-Executive Director, Member of Audit Committee*)

YM Raja Ahmad Murad bin YM Raja Bahrin (*Managing and Executive Director*)

Y.Bhg. Dato' Jaffar Indot, DSNS, SMS (*Independent and Non-Executive Director, Chairman of Audit Committee*)

Y.Bhg. Dato' Seri Talaat bin Haji Husain, DDSA, SPMP, DPCM, DPMP, JSD, PJK, PJM (*Independent and Non-Executive Director, Member of Audit Committee*)

Y.Bhg. Dato' Mohzani bin Abdul Wahab, SMP, ASDK (*Non-Independent and Non-Executive Director*)

Mr. Mark Owen Stevens (*Non-Independent and Non-Executive Director*)

Mr. Thomas Michael Taylor (*Non-Independent and Non-Executive Director, Member of Audit Committee*)

Tuan Haji Rozano bin Saad (*Executive Director*)

To: The Shareholders of SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD

Dear Sir/Madam,

- **PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

At the Forty Ninth AGM of the Company held on 15th May 2008, the shareholders of the Company approved the Existing Shareholders' Mandate, the details of which were set out in the Circular dated 11th April 2008, and the Existing Shareholders' Mandate will expire at the conclusion of the forthcoming Fiftieth AGM to be held on 7th May 2009.

The Company has on 10th April 2009, announced its intention to seek approval of its shareholders for the:-

- Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The purpose of this Circular is to:-

- (a) provide you with details of the Proposed Shareholders' Mandate to be entered into by the Company and its Related Parties;
- (b) set out the views of your Board of Directors; and
- (c) seek your approval for the resolution to be tabled at the forthcoming AGM.

A notice of the Fiftieth AGM and the Form of Proxy are enclosed in the 2008 Annual Report, which you are requested to complete and return in accordance with the instructions thereon.

2. PROPOSED SHAREHOLDERS' MANDATE

2.1 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Under Paragraph 10.09 of the Listing Requirements, a listed company may seek a shareholders' mandate in respect of Recurrent Related Party Transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to the following:-

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions contemplated pursuant to the shareholders' mandate during the financial year; and
- iii) interested Directors, Major Shareholders and persons connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions.

The principal activity of the Company is refining and manufacturing petroleum products. The Company has no subsidiary company.

In view of the time-sensitive, confidential and frequent nature of such Recurrent Related Party Transactions, your Board of Directors is seeking its shareholders' approval for the Proposed Shareholders' Mandate:-

(a) Proposed Renewal of the Existing Shareholders' Mandate

The shareholders of the Company approved the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with certain related parties at the Forty Ninth AGM of the Company held on 15th May 2008, the details of which were set out in the Circular dated 11th April 2008.

The Company's Existing Shareholders' Mandate will require shareholders' approval for renewal when it expires at the conclusion of the forthcoming Fiftieth AGM to be held on 7th May 2009.

The details of the Significant Recurrent Transaction concluded during the last financial year ended 31st December 2008 had been disclosed in the 2008 Annual Report that is sent together with this Circular. Please refer to "Significant Related Party Transactions" in the 2008 Annual Report for further information.

(b) Proposed New Shareholders' Mandate

The Company has on 10th April 2009 announced the Company's intention to seek the shareholders' approval for the Company to enter into new Recurrent Related Party Transactions with Related Parties as described in paragraph 2.2 of this Circular, in the normal course of business of the Company.

The transactions within the class of Related Parties are set out in section 2.2 and such transactions are entered into on terms which are not more favourable to the Related Parties than those generally available to the public and which will not be to the detriment of the Company's minority shareholders. The Recurrent Related Party Transactions will also be subject to the review procedures set out in section 2.4.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company following the annual general meeting at which the Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

2.2 CLASS AND NATURE OF RECURRENT RELATED PARTY TRANSACTIONS

2.2.1 Class of Related Parties

The Proposed Shareholders' Mandate would apply to Recurrent Transactions with Related Parties comprising of Directors, Major Shareholder or persons connected with such Directors or Major Shareholder of the Company and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director or Major Shareholder of the Company. Such Related Parties are as described below:-

(a) Proposed Renewal of Shareholders' Mandate

Related Parties		Principal Activities	Relationship
1.	Shell Malaysia Trading Sendirian Berhad	Marketing of Petroleum Products, LPG and Car Care Products.	<p>All Related Parties are Affiliates of the Company.</p> <p>Affiliates means: Royal Dutch Shell plc. and any company which is for the time being directly or indirectly affiliated with Royal Dutch Shell plc. For the purpose of this definition, a particular company is directly affiliated with another company or companies holding shares carrying more than 50% of the votes at the general meeting of the particular company, and a particular company is indirectly affiliated with a company or companies if a series of companies can be specified, beginning with Royal Dutch Shell plc. and ending with the particular company, so related that each company of this series except Royal Dutch Shell plc. is directly affiliated with one or more of the companies earlier in the series.</p>
2.	Shell Timur Sdn Bhd	Marketing of Petroleum Products and blending of Lubricating Oil in East Malaysia.	
3.	Shell International Eastern Trading Company	Trading in Crude Oil and Petroleum Products and Marine activities.	
4.	Shell Eastern Trading Chemicals (Singapore)	Trading in Chemicals products	
5.	Sarawak Shell Berhad	Exploration and Production of Crude Oil and Natural Gas	
6.	Sabah Shell Petroleum Company Limited	Exploration and Production of Crude Oil and Natural Gas.	
7.	The Shell Company of Thailand Limited	Marketing of Petroleum Products, LPG and Car Care Products.	
8.	Shell International Petroleum Company Limited	Provision of management advisory and business support services to the Shell Group.	
9.	Shell Information Technology International Sdn Bhd	Provision of information technology services to the Shell Group.	
10.	Shell Global Solutions International B.V.	Engaging in research and development activities and the provision of related technical advice and services.	
11.	Shell Malaysia Limited	Provision of corporate services and Shell Group arrangements for Shell Malaysia companies	
12.	SA Shell European Export Centre NV	Trading in Lubricants Products and Raw Materials.	
13.	Shell Lubricants Supply Company	Trading in Lubricants Raw Materials.	
14.	Shell Eastern Trading (Pte) Ltd	Trading in Lubricants Products and Raw Materials.	
15.	Shell Shared Service Centre-Kuala Lumpur Sdn Bhd	Provides management, financial, accounting and administration services to the Shell Group in the Asia-Pacific Region.	

(b) Proposed New Shareholders' Mandate

Related Parties	Principal Activities	Relationship
1. Shell People Asia Services Asia Sdn Bhd	Provides Human Resources Professional Services, including Compensation Benchmarking, Employee Services, Learning and Recruitment to the Shell Businesses across Asia Pacific and Globally.	<p>All Related Parties are Affiliates of the Company.</p> <p>Affiliates means: Royal Dutch Shell plc. and any company which is for the time being directly or indirectly affiliated with Royal Dutch Shell plc. For the purpose of this definition, a particular company is directly affiliated with another company or companies holding shares carrying more than 50% of the votes at the general meeting of the particular company, and a particular company is indirectly affiliated with a company or companies if a series of companies can be specified, beginning with Royal Dutch Shell plc. and ending with the particular company, so related that each company of this series except Royal Dutch Shell plc. is directly affiliated with one or more of the companies earlier in the series.</p>

(c) Interested Directors

The direct and indirect interests of interested Directors and/or Major Shareholder and persons connected with interested Directors and/or Major Shareholder in SRC relating to the Proposed Shareholders' Mandate as at 10th April 2009 are as follows:-

Names of Directors:-	Director and/or officer of:-	Interests (Direct/Indirect)
Y.Bhg. Dato' Saw Choo Boon	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Sarawak Shell Berhad Sabah Shell Petroleum Company Limited Shell Malaysia Limited Shell Information Technology International Sdn. Bhd.	All these Directors are, in respect of Related Parties of which they are also Directors or officers, interested Directors solely for the purposes of passing any Board resolutions relating to transactions with such Related Party. They have no direct or indirect interests in the Company or any of the Related Parties.
Y.Bhg. Dato' Mohzani bin Abdul Wahab	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Shell Malaysia Limited	

Names of Directors:-	Director and/or officer of:-	Interests (Direct/Indirect)
Mr. Thomas Michael Taylor	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Sarawak Shell Berhad Sabah Shell Petroleum Company Limited Shell Malaysia Limited Shell Information Technology International Sdn. Bhd. Shell Shared Service Centre - Kuala Lumpur Sdn Bhd Shell People Services Asia Sdn Bhd	
Mr. Mark Owen Stevens	Shell Refining Company (Federation of Malaya) Berhad Shell Eastern Trading (Pte) Ltd	

<p>Major Shareholder:-</p> <p>Shell Overseas Holdings Limited (“SOH”)</p>	<p>SOH holds 51% of direct equity interest in the Company and is a 100% wholly owned Affiliate of the Royal Dutch Shell plc.</p> <p>Affiliates means: Royal Dutch Shell plc. and any company which is for the time being directly or indirectly affiliated with Royal Dutch Shell plc. For the purpose of this definition, a particular company is directly affiliated with another company or companies holding shares carrying more than 50% of the votes at the general meeting of the particular company, and a particular company is indirectly affiliated with a company or companies if a series of companies can be specified, beginning with Royal Dutch Shell plc. and ending with the particular company, so related that each company of this series except Royal Dutch Shell plc. is directly affiliated with one or more of the companies earlier in the series.</p>
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2.2.2 Nature of Recurrent Related Party Transactions for the Proposed Shareholders' Mandate

The nature of the Recurrent Transactions between the Company and the following Related Parties with whom the Recurrent Related Party Transactions are carried out for the Proposed Shareholders' Mandate are tabulated as follows:-

(a) Proposed Renewal of Shareholders' Mandate

Nature of Transaction		Related Party	Relationship	Estimated value under the Existing Shareholders' Mandate (from 15 th May 2008 to the date of the Fiftieth AGM) (RM)	Actual value for the financial year ended 31 st December 2008 (RM)	Estimated value* from 7 th May 2009 to the date of the Fifty First AGM (by 31 st May 2010) (RM)
1.	Sale of Petroleum Products by SRC	Shell Malaysia Trading Sendirian Berhad	Share common ultimate holding company (refer to 2.2.1)	8,660,000,000	9,641,051,000	11,000,000,000
2.	Sale of Petroleum Products by SRC	Shell Timur Sdn Bhd		1,700,000,000	1,435,546,000	1,700,000,000
3.	Sale of Petroleum Products by SRC	Shell International Eastern Trading Company		1,800,000,000	1,359,694,000	1,800,000,000
4.	Sale of Petroleum Products by SRC	The Shell Company of Thailand Limited		90,000,000	53,658,000	90,000,000
5.	Sale of Petroleum Products by SRC	Shell Eastern Chemicals (Singapore)		500,000,000	359,338,000	500,000,000
6.	Purchase of Crude Oil by SRC	Sarawak Shell Berhad		1,200,000,000	1,346,555,000	1,500,000,000
7.	Purchase of Crude Oil by SRC	Sabah Shell Petroleum Company Ltd.		400,000,000	445,063,000	500,000,000
8.	Purchase of Crude Oil by SRC	Shell International Eastern Trading Company		9,400,000,000	9,374,670,000	10,000,000,000

Nature of Transaction		Related Party	Relationship	Estimated value under the Existing Shareholders' Mandate (from 15 th May 2008 to the date of the Fiftieth AGM) (RM)	Actual value for the financial year ended 31 st December 2008 (RM)	Estimated value* from 7 th May 2009 to the date of the Fifty First AGM (by 31 st May 2010) (RM)
9.	Purchase of Petroleum Products by SRC	Shell International Eastern Trading Company	Share common ultimate holding company (refer to 2.2.1)	1,000,000,000	879,746,000	700,000,000
10.	Operation of Multi Product Pipeline Feeder Facilities by SRC	Shell Malaysia Trading Sendirian Berhad		10,000,000	9,233,000	10,000,000
11	Use of SRC's Lubricant Oil Blending Plant and Marshalling Yard	Shell Malaysia Trading Sendirian Berhad		4,000,000	2,890,000	4,000,000
12	Use of SRC's LPG Bottling Plant and LPG Cylinder Reconditioning Plant	Shell Malaysia Trading Sendirian Berhad		1,500,000	931,000	1,500,000
13.	Provision of central management and administrative services to SRC	Shell Malaysia Trading Sendirian Berhad		15,000,000	6,691,000	15,000,000
14.	Provision of central management and administrative services to SRC	Shell International Petroleum Company Limited		10,000,000	7,552,000	15,000,000
15	Provision of IT support and administrative services to SRC	Shell Information Technology International Sdn Bhd		6,000,000	1,792,000	3,000,000
16	# Provision of general business and technical support services to SRC	Shell Global Solutions International B.V.		50,000,000	16,892,000	40,000,000

Nature of Transaction		Related Party	Relationship	Estimated value under the Existing Shareholders' Mandate (from 15 th May 2008 to the date of the Fiftieth AGM) (RM)	Actual value for the financial year ended 31 st December 2008 (RM)	Estimated value* from 7 th May 2009 to the date of the Fifty First AGM (by 31 st May 2010) (RM)
17.	##Investment of Funds	Shell Malaysia Limited	Share common ultimate holding company (refer to 2.2.1)	50,000,000,000	57,932,530,000	65,000,000,000
18.	Purchase of Lubricants Products and Raw Materials by SRC	SA Shell European Export Centre NV		2,000,000	598,000	2,000,000
19.	Purchase of Lubricants Raw Materials by SRC	Shell Lubricants Supply Company		45,000,000	57,229,000	70,000,000
20.	###Purchase of Lubricants Products and Raw Materials by SRC	Shell Eastern Trading (Pte) Ltd		10,000,000	13,236,000	300,000,000
21.	Provision of Throughput Fees Services by SRC	Shell Malaysia Trading Sendirian Berhad		3,000,000	7,418,000	9,000,000
22.	Provision of management, financial, accounting and administration services to SRC	Shell Shared Service Centre - Kuala Lumpur Sdn Bhd		2,500,000	1,884,000	3,000,000
TOTAL				<u>74,909,000,000</u>	<u>82,944, 895,000</u>	<u>93,245,500,000</u>

Notes:

The provision of general business and technical support services to the Company is expected to increase following the developmental study to evaluate the production infrastructure of the plant in Port Dickson to comply with future requirements on fuel specifications and legislations.

Pursuant to Bank Negara Malaysia's approval, the cumulative deposit arrangement previously made to Shell Treasury Malaysia (L) Limited has been made to Shell Malaysia Limited commencing 19th May 2006. The amount represents the estimated cumulative deposit amount with Shell Malaysia Limited between the period 7th May 2009 until the Fifty First AGM and does not represent the total amount of deposit at a particular point in time. As the deposit will be on a short-term basis and of recurring nature, the amount of deposit for each transaction will fluctuate but will be significantly less than the estimated cumulative amount.

The proposed increase from RM13.2 million to RM300 million is mainly due to the restructuring of the baseoil business model. With effect from 1st July 2009, the supply source will move from Shell International Eastern Trading Company to Shell Eastern Trading (Pte) Ltd. The corresponding move of this volume is reflected in the drop of trading activities with Shell International Eastern Trading Company (refer item 9).

(b) **Proposed New Shareholders' Mandate**

Nature of Transaction		Related Party	Relationship	Actual value for the financial year ended 31 st December 2008 (RM)	Estimated value from 15 th May 2008 to the date of the Fiftieth AGM (by 31st May 2009)
1.	Provision of Human Resources Professional Services, including Compensation Benchmarking, Employee Services, Learning and Recruitment	Shell People Services Asia Sdn Bhd	Share common ultimate holding company (refer to 2.2.1)	1,155,000	2,500,000
2.	Provision of central management and administrative services to SRC	Shell Malaysia Limited		708,000	2,000,000
TOTAL				<u>1,863,000</u>	<u>4,500,000</u>

Notes:

1. As part of Shell group streamlining exercise, the provision of Human Resources Professional Services, including Compensation Benchmarking, Employee Services, Learning and Recruitment to the Company, would be provided by Shell People Services Asia Sdn Bhd with effect from 2009 instead of Shell Malaysia Trading Sendirian Berhad.
2. The provision of some of central management and administrative services (e.g. Legal Services, Corporate Affair, Taxation and Risk Management) to the Company would be provided by Shell Malaysia Limited effective from 2009 compared to previously, where the services were rendered by Shell Malaysia Trading Sendirian Berhad.

2.3 RATIONALE AND BENEFITS OF TRANSACTING WITH THE RELATED PARTIES

The Recurrent Related Party Transactions entered, or to be entered into by the Company are all in the ordinary course of business of the Company. They are recurring transactions of a revenue or trading nature that are likely to occur with some degree of frequency and arise at any time, as well as from time to time. The benefits of these Recurrent Related Party Transactions to the Company can be categorised generally as follows:

(i) Trading Transactions for Crude Oil and Petroleum Products

The principal activity of the Company is refining and manufacturing petroleum products. The Related Parties under this category are involved in activities of a complimentary nature, which consist primarily of the supply and distribution of crude oil and petroleum products on a large scale for the Shell Group of companies in the region. It is therefore in the interests of the Company to transact with these Related Parties in order to enjoy synergistic benefits.

(ii) Operating Services

The Recurrent Related Party Transactions under this category comprise transactions, which if not with a Related Party would not have been entered into by the Company due to industry sensitivities regarding confidentiality and trade secrets. These industry constraints prevent the Company from contracting with parties other than Related Parties in respect of the activities covered by this category of Recurrent Related Party Transactions. Hence this category of Recurrent Related Party Transactions represents business opportunities that the Company is in a position to profit from specifically by reason of the Company being a Related Party.

(iii) Investment of Funds

In relation to the Investment of Funds, the Recurrent Related Party Transaction is to enable the Company to participate in an approved and more efficient management of short-term surplus funds. The Company will benefit from the automated cash management system being introduced for the Shell Group of companies in the region through Shell Malaysia Limited.

These Recurrent Related Party Transactions may be constrained by the time-sensitive nature and confidentiality of such transactions and it will be impractical to seek shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such the Board is seeking approval from the shareholders for the Proposed Shareholders' Mandate, pursuant to Part E, Paragraph 10.09 of the Listing Requirements for the Recurrent Related Party Transactions described above, to allow and facilitate the Company in entering the same on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of the Company's minority shareholders.

The obtaining of the Proposed Shareholders' Mandate and the renewal of the same on an annual basis would also eliminate the need to announce and/or convene separate general meetings from time to time to seek shareholders' approval as and when potential Recurrent Related Party Transactions arise, thereby reducing substantially the expenses and administrative time in convening such meetings without compromising the Company's business objectives.

2.4 REVIEW METHODS OR PROCEDURES ON WHICH TRANSACTION PRICES WILL BE DETERMINED

To ensure that such Recurrent Related Party Transactions are undertaken on terms which are not more favourable to the Related Parties than those generally available to the public and which are not to the detriment of the Company's minority shareholders, the Management will ensure that the Recurrent Related Party Transactions with the Related Parties will only be entered into taking into account of the following procedures:-

- Ongoing awareness sessions with employees, stakeholders, and Related Parties to notify that all Recurrent Related Party Transactions entered are subject to the Listing Requirements. All heads of departments in the Company are advised to report on all transactions with Related Parties.
- A register is maintained to record all transactions with Related Parties which are entered into pursuant to the Proposed Shareholders' Mandate.
- All transactions with Related Parties are to be negotiated and benchmarked with non-Related Party pricing and subsequently presented, reviewed and approved by a sub-committee set up by the Management.
- The annual internal audit plan shall incorporate a review of all the records of all Recurrent Related Party Transactions, which will be entered to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit Committee.
- The Board and Audit Committee shall review the internal audit reports and any other reports required from time to time to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with.
- The method and procedures to determine transaction prices, terms and conditions are based on the prevailing market rates/agreed commercially competitive pricing calculation and where appropriate preferential rates and discounts (the same as are accorded to non- Related Parties in large transactions) as per industry norm.

Further, where any Director has an interest (direct or indirect) in any Recurrent Related Party Transactions, such Director (or his alternate, where applicable) shall abstain from voting on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions.

The Company will provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:-

- (a) the type of the Recurrent Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationship with the Company.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by such Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next annual general meeting following the annual general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting.

whichever is the earlier.

2.5 DIRECTORS' AND MAJOR SHAREHOLDER INTERESTS

The direct and indirect interests of interested Directors and/or Major Shareholder and persons connected with interested Directors and/or Major Shareholder in the Company relating to the Proposed Shareholders' Mandate as at 10th April 2009 are as follows:-

Names of Directors:-	Director and/or officer of:-	Interests (Direct/Indirect)
Y.Bhg. Dato' Saw Choo Boon	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Sarawak Shell Berhad Sabah Shell Petroleum Company Limited Shell Malaysia Limited Shell Information Technology International Sdn. Bhd.	All these Directors are, in respect of Related Parties of which they are also Directors or officers, interested Directors solely for the purposes of passing any Board resolutions relating to transactions with such Related Party. They have no direct or indirect interests in the Company or any of the Related Parties.
Y.Bhg. Dato' Mohzani bin Abdul Wahab	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Shell Malaysia Limited	

Names of Directors:-	Director and/or officer of:-	Interests (Direct/Indirect)
Mr. Thomas Michael Taylor	Shell Refining Company (Federation of Malaya) Berhad Shell Malaysia Trading Sendirian Berhad Shell Timur Sdn Bhd Sarawak Shell Berhad Sabah Shell Petroleum Company Limited Shell Malaysia Limited Shell Information Technology International Sdn. Bhd. Shell Shared Service Centre - Kuala Lumpur Sdn Bhd Shell People Services Asia Sdn Bhd	
Mr. Mark Owen Stevens	Shell Refining Company (Federation of Malaya) Berhad Shell Eastern Petroleum Limited	

Major Shareholder:-	
Shell Overseas Holdings Limited (“SOH”)	SOH holds 51% of direct equity interest in SRC and is a 100% wholly owned Affiliate of the Royal Dutch Shell plc. Affiliates means: Royal Dutch Shell plc. and any company which is for the time being directly or indirectly affiliated with Royal Dutch Shell plc. For the purpose of this definition, a particular company is directly affiliated with another company or companies holding shares carrying more than 50% of the votes at the general meeting of the particular company, and a particular company is indirectly affiliated with a company or companies if a series of companies can be specified, beginning with Royal Dutch Shell plc. and ending with the particular company, so related that each company of this series except Royal Dutch Shell plc. is directly affiliated with one or more of the companies earlier in the series.

Accordingly, the above-mentioned Directors have abstained and shall continue to abstain from deliberations of and voting at the Board in respect of all Recurrent Related Party Transactions in which they are deemed interested. The interested Major Shareholder and interested Directors shall abstain from voting in respect of its respective direct/indirect interests in the Company on the Ordinary Resolution to approve the Proposed Shareholders’ Mandate at the forthcoming AGM. The interested Major Shareholder and interested Directors have also undertaken that it shall ensure that persons connected with them shall abstain from voting on the said Ordinary Resolution.

2.6 STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the Company’s minority shareholders.

2.7 CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval from the shareholders of the Company at the forthcoming AGM to be convened.

3. DIRECTORS' RECOMMENDATION

Your Board of Directors excluding those interested Directors listed in Section 2.5, having considered the rationale and all relevant aspects of the Recurrent Related Party Transactions, is of the opinion that the Recurrent Related Party Transactions stated in the Proposed Shareholders' Mandate are in the best interest of the Company.

Accordingly, your Board of Directors, excluding those interested Directors listed in Section 2.5 who shall abstain from deliberation on the Proposed Shareholders' Mandate and voting, recommends that shareholders vote in favour of the resolution to be tabled at the forthcoming AGM on the Proposed Shareholders' Mandate.

4. FIFTIETH ANNUAL GENERAL MEETING

The Fiftieth AGM, the notice of which is enclosed in the 2008 Annual Report, will be held at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, on Thursday, 7^h May 2009 at 11.00 am for the purpose of considering, and if thought fit, passing the Ordinary Resolutions which include the Proposed Shareholders' Mandate, as set out under the Special Business of the Agenda of the Fiftieth AGM.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and deposit the original Form of Proxy enclosed in the 2008 Annual Report in accordance with the instructions contained therein as soon as possible and, in any event, so as to arrive at the Registered Office of the Company at Bangunan Shell Malaysia, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur not later than forty eight (48) hours before the time fixed for convening the Fiftieth AGM. The completion and lodgement of the Form of Proxy does not preclude you from attending and voting in person at the Fiftieth AGM should you subsequently wish to do so.

5. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully

For and on behalf of the Board of Directors

SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD



**Y. BHG. DATO' JAFFAR INDOT
INDEPENDENT DIRECTOR**

FURTHER INFORMATION

1. Directors' Responsibility Statement

This Circular has been reviewed and approved by the Directors of the Company who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. Material Contracts

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company during the two (2) years immediately preceding the date of this Circular:

Agreement Name	Date	Parties	Nature	Mode of payment
The USD 140 Million Facility Agreement Dated 12 th May 2005	12 th May 2005	THE BANK OF TOKYO-MITSUBISHI, LTD., LABUAN BRANCH (as Mandated lead Arranger) and the Financial Institutions Listed in Schedule 1 of the Agreement (as Lenders)	The Company's USD 140 million syndicated term loan facility agreement	Bullet repayment on the fifth year anniversary of the Disbursement Date
Global Projects Cost Sharing Agreement	8 th November 2005	Shell Global Solutions International B.V.	To participate in Shell Group's global projects comprising various process standardization and simplification, and value enhancement efforts. The projects are: Manufacturing, Supply and Distribution (MSD) Project Office, Global Supply Excellence (GSE), Supply Chain Integration in an "e" World (SCITe), Hydrocarbon Management, Global Asset Management Excellence (GAME), Global Centre of Excellence (GCOE), GROW, Vendor Management Information (VMI).	

3. Material Litigation

The Company is not engaged in any material litigation, claims or arbitration either as a plaintiff or defendant, and the Directors are not aware of any proceedings, pending or threatened, against the Company or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company.

4. Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the Registered Office of the Company at Bangunan Shell Malaysia, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur from the date of this Circular up to and including the date of the AGM:-

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the audited accounts of the Company for the financial years ended 31st December 2007 and 31st December 2008; and
- (iii) the material contract referred to in paragraph 2 above.

**SHELL REFINING COMPANY (FEDERATION OF MALAYA) BERHAD
(3926-U)**

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Shell Refining Company (Federation of Malaya) Berhad (the “Company”) will be held on Thursday, 7th May 2009 at 11.00 a.m. at Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur for the following purposes, namely:

7. As **SPECIAL BUSINESS**, to consider and, if thought fit, pass the following ordinary resolution:-
Proposed Renewal of the Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 8

“**THAT** subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad,

- (a) approval be and is hereby given for the Renewal of the Existing Shareholders’ Mandate for the Company to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature from time to time with the Related Parties, as specified in Section 2.2 of the Circular to Shareholders dated **10th April 2009**; and
- (b) a New Shareholders’ Mandate be and is hereby granted for the Company to enter into additional recurrent related party transactions of a revenue or trading nature from time to time with the Related Party, namely as specified in Section 2.2 of the Circular to Shareholders dated **10th April 2009**, provided that such transactions are:-
- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Shell Group’s day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iv) not to the detriment of minority shareholders;
- (the “Mandate”);

That such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which the Mandate was passed, at which time it will lapse, unless the authority is renewed unless by a resolution passed at the meeting;
- (ii) the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

And further that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate.”.

BY ORDER OF THE BOARD

Rodziah binti Zainudin (LS 0008034)

Kuala Lumpur
10th April 2009

Notes to the Agenda:

6. Explanatory notes to Special Business:-

On 10th April 2009, the Board announced to Bursa Malaysia Securities Berhad that the Company would like to seek approval of its shareholders for the Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. The Existing Shareholders' Mandate, obtained on 15th May 2008, will expire at the conclusion of the forthcoming Fiftieth Annual General Meeting to be held on 7th May 2009. For further information, please refer to the Circular to Shareholders dated 10th April 2009. All defined terms will have the same meaning as defined in the Circular to Shareholders dated 10th April 2009.