CIMB RESEARCH REPORT DATED 8 FEBRUARY 2006: CLARIFICATION ON ERRONEOUS STATEMENTS

The Board of Directors of Shell Refining Company (Federation of Malaya) Berhad ("SRC") would like to clarify and correct certain statements made in the recent research paper by CIMB Securities Sdn. Bhd. ("CIMB") dated 8th February 2006 (the "Report"). The information contained herein is already in the public domain unless otherwise stated.

The Report strongly suggests that SRC is a refiner that is highly dependent on sweet crude. This is not correct and it is misleading. SRC typically processes between 25-35% Middle East heavy crudes and between 25-35% Far East heavy crudes, and only around 30-50% 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.

Furthermore, the Malaysian light crudes that SRC processes have their own unique "earnings" capability. This means that when the Tapis crude yields a negative refining margin, it does not mean all the other Malaysian crudes that SRC is able to process (such as Bintulu, Labuan and Bintulu Condensate) will follow the same.

SRC has always maintained its position to not issue any forecast profitability numbers due to the volatile nature of refining margins. However, we wish to assure our shareholders and prospective investors that as part of our efforts to maximize shareholder value, SRC undertakes constant monitoring of economic conditions in the region to ensure good market opportunities are capitalized on while negative effects are minimized.

As an example of our continued effort to enhance shareholder value, we wish to highlight to our investors that in 2005, SRC successfully processed 9 new crudes, none on which are Tapis related as far as their pricing and "earnings ability" are concerned (this information was intended to be disclosed in the 2005 Annual Report). This has further enhanced SRC's crude intake flexibility while working within the physical constraints of its refinery. This flexibility has made SRC better positioned to reap the benefits of strong refining margins and also to weather adverse market conditions.

The Board of Directors of SRC also note that comments made in the Report regarding crude feedstocks are at variance with comments made by CIMB in a report they issued in November 2004 regarding SRC.

With respect to the Gross DPS stated in the Financial Summary of the Report, the Board of Directors of SRC would also like to clarify that it is the Board's intention to pay an annual dividend (interim plus final) of fifty (50) Malaysian sen per unit of share in addition to a special dividend of twenty (20) sen each quarter until the Company's cash surplus is utilized, likely over the next 4 to 8 quarters.

<u>Erroneous statements on SRC's "dependence on Tapis and/or Tapis related crudes".</u>

- Page 2, para 3:

"…a situation that does not favour refiners that run on sweet crude oil including SRC."

- Page 2, last para:

"…SRC is at risk because 70% of its feed is sweet crude oil (Tapis)."

<u>Errors regarding Financials</u>

- Page 1, 3rd bullet point

The forecast of "Core" EPS for 2006 stated here as 90.4 is not consistent with their Financial Summary table (also on Page 1) which states it to be 85.4.

- Page 1, Market Capitalisation & Share Price Info table

Shell Overseas Holding wrongly quoted as a 52.2% shareholder - it should be 51%.

This announcement is dated 14th February 2006.