

PETRONAS GAS BERHAD
(Incorporated in Malaysia)

THIRTY THIRD ANNUAL GENERAL MEETING

Minutes of the Thirty Third Annual General Meeting of PETRONAS Gas Berhad held at Sapphire Room, Mandarin Oriental Hotel, Kuala Lumpur City Centre, on Tuesday, 26 April 2016 at 10.30 a.m.

Present : YBhg Tan Sri Dato' Seri Shamsul bin Abbas (Chairman)
Encik Yusa' Hassan
Cik Habibah bin Abdul
Mr Lim Beng Choon
YBhg Dato' N Sadasivan N N Pillay
YBhg Datuk Rosli bin Boni
Ir. Pramod Kumar Karunakaran
YBhg Dato' Ab. Halim bin Mohyiddin

and Members and Proxies as per attendance list

In Attendance : Puan Intan Shafinas (Tuty) Hussain (Secretary)
Encik Yeap Kok Leong (Secretary)

1.0 WELCOMING ADDRESS BY THE CHAIRMAN

The Chairman welcomed all present to the Thirty Third Annual General Meeting of the Company.

2.0 NOTICE

The Notice of the Meeting dated 1 April 2016 was taken as read as it was sent and received by Members together with the Annual Report for the Year Ended 31 December 2015 and has also been published on the Company's website.

3.0 QUORUM

Upon confirming the presence of the requisite quorum by the Secretary, the Chairman called the meeting to order at 10.30 a.m.

In compliance with the recommendation of the Malaysian Code of Corporate Governance 2012 on recommendation to inform the shareholders of their right to demand poll voting, the Chairman informed the members present that the Company's Articles of Association provides the provisions for the shareholders to demand for a poll.

The Meeting was informed that the total number of shareholders and proxies present at this Annual General Meeting ("AGM") was 1,290, which represents a total of 607,593 shares. The Chairman had been appointed by the shareholders as proxy representing 1,297,572,259 shares, which represents 65.61% of the total voting rights at this AGM.

The Meeting was also informed that all resolutions except for Resolutions 5 and 6 would require a simple majority vote of not less than 51%. Resolutions 5 and 6 require to be passed by a majority of not less than $\frac{3}{4}$ of votes cast by the members or proxies entitled to attend and vote at this meeting.

4.0 PRESENTATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Before the Chairman proceeded with the business of the Meeting, the Chairman invited Encik Yusa' Hassan, the Managing Director/Chief Executive Officer ("MD/CEO") of the Company to present to the shareholders a presentation on the overview of the business of the Company.

Encik Yusa' proceeded to present the Company's performance overview for the financial year ended 31 December 2015 covering the Company's financial performance, operational performance as well as key activities and achievements for the period.

After the said presentation, the Chairman proceeded with the business of the Meeting.

5.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Audited Financial Statements and Reports of the Directors and Auditors for the period ended 31 December 2015 having been circulated to all members of the Company within the prescribed period were tabled to the Meeting.

The Chairman then informed that the Company had received a list of questionnaires from the Minority Shareholder Watchdog Group (“MSWG”) on 21 April 2016 and had responded to the MSWG on their enquiries ahead of this Annual General Meeting. The Chairman informed that the reply to the questions are displayed on the LED display screen at the foyer outside the meeting hall and had posted the same on the Company’s website.

Puan Intan Shafinas (Tuty) Hussain, the Company Secretary, proceeded to read out the MSWG’s questions and the MD/CEO responded to the questions accordingly.

5A.0 The Chairman then invited the Members present to put forth questions on the reports and financial statements.

NOTED that the following matters were raised by the shareholders/proxies at the meeting:-

Maintenance cost

On queries related to the rationale for the higher cost of revenue in FY2015, the MD/CEO explained that the reason was mainly due to higher costs for repair and maintenance for Gas Processing and Utilities as well as professional & purchase service cost related to the activities.

Although the regasification cost was higher due to higher FSU Charter Hire charges as a result of weakening RM currency, the said cost was passed through to customer via the regasification fee.

On the question as to whether the maintenance cost will normalise in FY2016, the MD/CEO highlighted that the trend of higher repair and maintenance cost is expected to be at the same level as FY2015, which is in line with the Company’s continuous effort to maintain its assets integrity and efficiency, as part of PGB 3ZERO100 PGB Transformation. The activities are expected to be completed by FY2016.

Borrowing from Mizuho Bank

NOTED the explanation by the Head of Finance Division that the Facility Agreement executed with Mizuho Bank was for a USD500 million term loan facility for a 5-year tenure with competitive floating interest rate. The facility would be used for general corporate funding purposes including funding of the Company’s growth projects, which will in the long run contribute to the revenue of the Company. The financing in USD would be the most suitable method to mitigate foreign exchange exposure for the Company.

ALSO NOTED that as the loan was only drawn down in FY2016, there was no interest paid on the loan in FY2015.

Deferred Tax Assets

On a query as to whether the Company will continue to utilise investment tax allowance in relation to plant revamp and rejuvenation in 2016, **NOTED** that the Head of Finance Division clarified that the same is expected to be fully utilised within the two years, beginning from FY2015 all the way through to FY2016.

Growth Projects

NOTED the explanation by the Chairman and the MD/CEO that the commissioning of the Regasification Terminal in Pengerang is targeted for Q1 FY2018. The Air Separation Unit is pending the final investment decision by the Board, which is targeted to be in Q2 FY2016.

ALSO NOTED that the Company does not currently have any overseas activities/operations.

Bonus Issuance/Dividends

The MD/CEO noted that the payment of dividends will always be based on affordability. The next 5-year projection for CAPEX and expenditure is estimated at RM4.5 billion, including growth projects. Further, on an annual basis, maintenance costs is approximately RM300 million. Hence, cash is very much required by the Company. **ALSO NOTED** that the Company's contribution to the shareholders for FY2015 amounted to 60 sen, which is the highest dividend pay out thus far.

After dealing with all the above, it was **RESOLVED**:

THAT the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon, be and are hereby **RECEIVED**.

6.0 ORDINARY RESOLUTION 1 - RE-ELECTION OF YUSA' BIN HASSAN PURSUANT TO ARTICLE 93 OF THE COMPANY'S ARTICLES OF ASSOCIATION

Members voted by way of show of hands and the result is as follows:

For Resolution 1 : 49
Against Resolution 1 : 0

On the proposal of Phang Ah Kaw and seconded by Yee Yuet Kheang, it was **RESOLVED:**

THAT Yusa' bin Hassan retiring in accordance with Article 93 of the Company's Articles of Association, be and is hereby re-elected as Director of the Company.

7.0 ORDINARY RESOLUTION 2 - RE-ELECTION OF TAN SRI DATO' SERI SHAMSUL BIN AZHAR ABBAS PURSUANT TO ARTICLE 96 OF THE COMPANY'S ARTICLES OF ASSOCIATION

Members voted by way of show of hands and the result is as follows:

For Resolution 2 : 59
Against Resolution 2 : 0

On the proposal of Ellyia Shamsudin and seconded by Chong Chin Loi, it was **RESOLVED:**

THAT Tan Sri Dato' Seri Shamsul Azhar bin Abbas retiring in accordance with Article 96 of the Company's Articles of Association, be and is hereby re-elected as Director of the Company.

8.0 ORDINARY RESOLUTION 3 - DIRECTORS' FEES UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

Members voted by way of show of hands and the result is as follows:

For Resolution 3 : 47
Against Resolution 3 : 2

On the proposal of Abdul Rahim Bidin and seconded by Saripah Norzian, it was **RESOLVED:-**

THAT the payment of Directors' fees of up to RM986,000.00 payable to Non-Executive Directors with effect from 1 January 2016 until the next Annual General Meeting of the Company be and is hereby approved.

9.0 ORDINARY RESOLUTION 4 - RE-APPOINTMENT OF AUDITORS

Members voted by way of show of hands and the result is as follows:

For Resolution 4 : 53
Against Resolution 4 : 0

On the proposal of Phang Ah Kaw and seconded by Tan Phek Quan, it was **RESOLVED:-**

THAT Messrs. KPMG be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to determine their remuneration.

As Special Business

10.0 ORDINARY RESOLUTIONS 5 AND 6 - RE-APPOINTMENT OF DIRECTORS OVER THE AGE OF 70

10.1 ORDINARY RESOLUTION 5 - RE-ELECTION OF DATO' N. SADASIVAN S/O N.N. PILLAY

Members voted by way of show of hands and the result is as follows:

For Resolution 5 : 33
Against Resolution 5 : 1

On the proposal of Tan Phek Quan and seconded by Quah Lai Imm, it was **RESOLVED:**

THAT Dato' N. Sadasivan s/o N.N. Pillay retiring in accordance with Section 129(6) of the Companies Act, 1965, Malaysia be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

10.2 ORDINARY RESOLUTION 6 - RE-ELECTION OF DATO' AB. HALIM BIN MOHYIDDIN

Members voted by way of show of hands and the result is as follows:

For Resolution 6 : 43
Against Resolution 6 : 1

On the proposal of Phang Ah Kaw and seconded by Saripah Norzian, it was **RESOLVED**:

THAT Dato' Ab. Halim bin Mohyiddin retiring in accordance with Section 129(6) of the Companies Act, 1965, Malaysia be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

11.0 CLOSURE OF MEETING

There being no other business, the Chairman thanked the Members for their attendance.

The meeting was adjourned at 12.30 pm.

Signed as a correct record of the proceedings

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CHAIRMAN