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PRESS RELEASE
FOR PUBLICATION & BROADCAST

PETRON OPENS 2021 WITH SUSTAINED FINANCIAL RECOVERY

Kuala Lumpur – Petron Malaysia Refining & Marketing Bhd (PMRMB) reported a net profit of RM103 million in the first quarter of 2021, a complete turnaround from the RM84 million net loss incurred in the same period last year. The gains were driven by favorable international oil prices, the gradual return of the domestic fuel consumption that has since been affected by the pandemic, and the Company's continued cost-saving measures.

The benchmark Dated Brent crude rose 22% in the first quarter to average US$61 per barrel versus US$50 per barrel in the same period in 2020. The price recovery was supported by supply cuts implemented by OPEC+ members and market optimism for a restoration in global demand with the rollout of the Covid-19 vaccines.

PMRMB recorded sales of 6.8 million barrels in the first quarter of 2021, slightly above the preceding quarter's volume but below the 8.1 million barrels sold in the first quarter of 2020. Compared to last year's volumes, which was impacted by the government-imposed Movement Control Order (MCO) 1.0 for two weeks, this year's demand was considerably affected by the longer MCO 2.0 and Conditional MCO imposed in key states to contain the third wave of Covid-19 infections in the country. The longer MCOs implemented early on during the quarter restricted business and travel activities, thus constraining the Company's sales volume recovery.

While prices were higher, the decline in sales volume over the period last year reduced the Company's revenue for the quarter to RM2.0 billion compared to RM2.2 billion in 2020.

The Company continued its cost rationalization measures resulting in a RM6 million reduction in operating expenses during the quarter while adhering to prudent risk management to sustain its financial recovery.

"Our efforts are still geared towards strengthening the business and recovering from the pandemic's impact. As part of our long-term growth objectives, we continue to make progress in expanding our service station network and adding more stations selling our Gasul LPG," said PMRMB Chairman Ramon S. Ang.

"Despite the pandemic, we are on track to complete our two major projects at Port Dickson Refinery in the second quarter. We implemented the start-up of our Diesel Hydrotreater Unit last April, while the construction of product tanks and onshore pipelines in our Marine Import Facilities 2 (MIF2) was completed last March. We are also expecting the new single buoy mooring and offshore marine terminal facilities for the MIF2 project to be operational by June," added Mr. Ang.

The Diesel Hydrotreater Unit will allow PMRMB to produce cleaner Euro 5 diesel fuel, while the Marine Import Facilities 2 will enhance freight efficiency. The Company continues to maintain strict health and safety standards in all its business operations to ensure the well-being of its employees and stakeholders.

(ends)

CAUTIONARY NOTE: Statements in this release relating to future plans, projections, events, or conditions are forward-looking statements. Actual results, including project plans, timing, and capacities, could differ materially due to changes in long-term oil or gas prices or other market conditions affecting the oil and gas industry; political events or disturbances; the outcome of commercial negotiations; changes in technical or operating conditions; and other factors.