

AUGUST 26, 2020
MEDIA RELEASE
FOR PUBLICATION & BROADCAST



PETRON POSTS NET LOSS IN SECOND QUARTER AMID COVID-19 PANDEMIC

KUALA LUMPUR – Petron Malaysia Refining & Marketing Bhd (PMRMB) reported sales volume of 6 million barrels in the second quarter of 2020, lower compared to the 9.2 million barrels in the same period last year due to low fuel demand as economic activity and movement remained minimal due to lockdown measures. The government implemented a Movement Control Order (MCO) in March, which eased into a Conditional MCO in May and in a Recovery MCO in June, in response to COVID-19.

Oversupply and low demand caused Dated Brent crude to hit an all-time low of \$19/bbl in April, before slightly recovering in May and June to average \$29 per barrel in the second quarter as OPEC and other major oil-producing countries agreed to cut back production.

PMRMB ended the second quarter with revenues of RM1 billion, down from the RM3 billion posted in the same period in 2019, as the coronavirus pandemic continued to negatively impact crude prices and domestic demand. Due to inventory losses, the company posted a gross loss of RM68 million during the period, a reversal of its RM134 million gross profit last year. This was partially mitigated by its continued cost rationalization measures, which reduced operating expenses by 21 percent or RM14 million. These savings, together with the recovery in sales volume and prices in June helped lower the company's net loss in the second quarter to RM 69 million from its first quarter loss of RM84 million.

Beginning June, PMRMB said it noted some improvement in its performance due to the more relaxed lockdown restrictions. “We’ve managed to bring our company back to profitability in the month of June after a challenging first half of 2020. We continue to

focus our efforts on helping our company recover from the economic impacts of COVID-19 and realigning our strategies to strengthen our position in the market. Despite these setbacks, we continue to serve our customers while protecting the safety of our people and our communities. We are committed to find opportunities to contribute to our nation by assisting frontliners and underprivileged individuals during these difficult times,” said PMRMB Chairman Ramon S. Ang.

In its recently launched ‘*Jom Bantu*’ campaign, Petron will be giving away cash prizes and P-Miles points to help customers during the pandemic.

(ends)

CAUTIONARY NOTE: Statements in this release relating to 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.

About Petron in Malaysia:

Petron Malaysia is a leading company in Malaysia’s downstream oil market. Its 88,000 barrel-per-day Port Dickson Refinery produces a wide variety of world-class fuels which is distributed through 8 terminals strategically located across the country. Through about 700 stations nationwide, it retails premium fuels namely Blaze 100 Euro 4M, Blaze 97 Euro 4M, Blaze 95 Euro 4M, Turbo Diesel Euro 5 and Diesel Max. Petron is committed to its vision to be the leading provider of total customer solutions in the oil sector and allied businesses. Please visit petron.com.my.

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