

SHARIAH PRONOUNCEMENT

*In the name of Allah, the Most Gracious, the Most Merciful
All praise is due to Allah, the Cherisher of the world, and peace and blessing upon
The Prophet of Allah, on his family and all his companions*

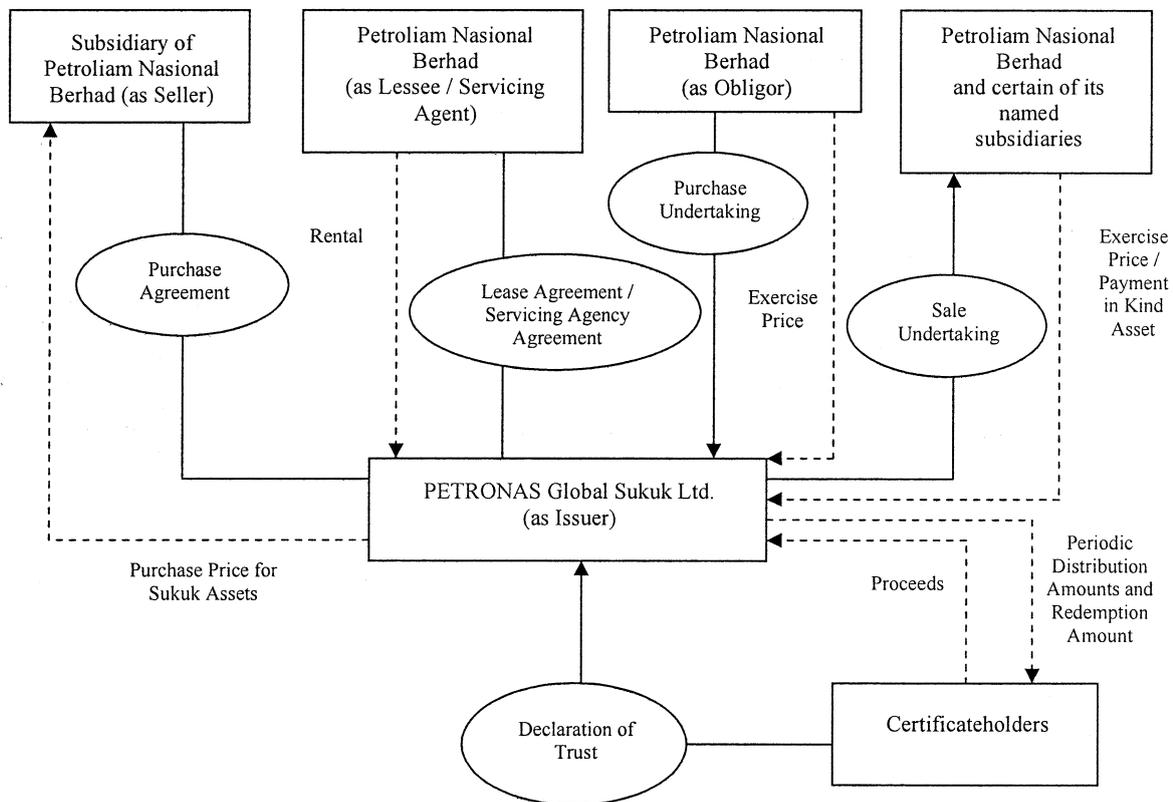
PETRONAS GLOBAL SUKUK LTD.

US\$1,500 million Trust Certificates due 12 August 2014

CIMB Islamic Shariah Committee (the "Shariah Committee") has reviewed the proposed structure and mechanism to be entered into in respect of the US\$1,500 million Trust Certificates due 12 August 2014 ("Sukuk" or "Certificates") by PETRONAS Global Sukuk Ltd. ("Issuer") to ensure compliance with Shariah principle of Ijarah.

Except where defined herein, defined terms used in this Shariah Pronouncement have the meanings given in the terms and conditions in connection with the Certificates or the Transaction Documents.

1. STRUCTURE AND MECHANISM



The structure and mechanism of the Sukuk are based on Shariah principle of Ijarah, the principal features of which are as follows:-

- 1.1 The Issuer issues the Sukuk to the Certificateholders. Each Certificate represents an undivided beneficial interest in the Trust Assets. The proceeds of the issue of the Certificates are used by the Issuer to pay the purchase price of the Sukuk Assets to the relevant subsidiaries of Petroliam Nasional Berhad ("PETRONAS").



- 1.2 The Sukuk Assets comprise the Seller's beneficial ownership of the Group Properties as are described in the relevant Purchase Agreement or any substitute assets that the Lessor and the Lessee may agree which shall be endorsed by the Shariah Advisors.
- 1.3 The Issuer will act as trustee for and on behalf of Certificateholders pursuant to the Declaration of Trust. The Issuer will declare a trust in favour of the Certificateholders over :-
- (a) the Sukuk Assets;
 - (b) all of its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents;
 - (c) all monies which may now be, or hereafter from time to time are, standing to the credit of the Transaction Documents; and
 - (d) all proceeds of the foregoing (together the "Trust Assets").

1.4 The Sukuk Assets are leased to PETRONAS (in its capacity as Lessee) by the Issuer as Lessor under the Lease Agreement. The Rental payments paid by the Lessee to the Lessor will be used to distribute the Periodic Distribution Amounts to the Certificateholders when due and payable.

- 1.5 PETRONAS will enter into the Servicing Agency Agreement with the Issuer (in its capacity as principal, the "Principal") pursuant to which PETRONAS is appointed as "Servicing Agent" for the purposes of:-
- (i) performing major maintenance and structural repair;
 - (ii) paying proprietorship taxes; and
 - (iii) ensuring adequate insurance/ takaful is in place for the Sukuk Assets.

The Principal shall reimburse the servicing agency expenses payable to PETRONAS by setting off such amount against the Rental payable by PETRONAS to the Lessor under the Lease Agreement.

- 1.6 PETRONAS will provide a Purchase Undertaking in favour of the Trustee pursuant to which the Trustee may require PETRONAS to purchase the Sukuk Assets either:-
- (i) on the Scheduled Redemption Date; or
 - (ii) upon the occurrence of a Dissolution Event.

The price payable pursuant to such exercise by the Trustee will be used to pay the principal amount of the Sukuk together with any accrued but unpaid Periodic Distribution Amounts payable to the Certificateholders.

- 1.7 The Trustee will provide a Sale Undertaking to PETRONAS and certain other of its named subsidiaries pursuant to which the Trustee agrees to sell the Sukuk Assets to PETRONAS or to those subsidiaries. The Sale Undertaking permits PETRONAS to either:-
- (i) substitute Sukuk Assets for assets of at least an equivalent value during the tenor of the Sukuk with execution of proper agreements between the Trustee and PETRONAS or one of its subsidiaries at the time of substitution; or
 - (ii) redeem the Sukuk upon the occurrence of a Tax Event.



2. IMPORTANT HIGHLIGHTS

The Shariah Committee would like to highlight the followings:

- 2.1 Both Purchase Undertaking and Sale Undertaking are independent and of different conditions and events. This will circumvent both undertakings from being ascribed as bilateral promise as some scholars may deem as a contract and not acceptable to Shariah.
- 2.2 Under the Sale Undertaking to be dated the Closing Date and issued by the Trustee in favour of PETRONAS and certain of its named subsidiaries, the Trustee irrevocably undertakes to PETRONAS and to those subsidiaries that upon PETRONAS or one of those subsidiaries exercising its option to oblige the Trustee to sell to it that part of the Sukuk Assets as specified by it in the substitution exercise notice (the "Original Sukuk Asset"), the Trustee will sell the same on an "as is" basis (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the full extent permitted by law) to PETRONAS or the relevant subsidiary for the beneficial title, right and interest in and to a specified asset (the "Payment in Kind Asset"), provided always that:
 - (a) no Dissolution Event has occurred and is continuing;
 - (b) PETRONAS or one of the named subsidiaries delivers a substitution exercise notice to the Trustee no later than 10 days prior to the date on which the substitution sale agreement to be executed by the Trustee and PETRONAS or the relevant subsidiary substantially in the form set out in the Sale Undertaking is to be executed;
 - (c) The value (taking into account realisable profit from the Original Sukuk Asset) of the Original Sukuk Asset must be certified by PETRONAS or the relevant subsidiary (in US dollars) in the substitution exercise notice substantially in the form set out in the Sale Undertaking, and that certified value will be the US dollar purchase consideration (the "Sale Price") for the Payment in Kind Asset;
 - (d) the Sale Price must be paid in kind by PETRONAS or the relevant subsidiary transferring the Payment in Kind Asset subject to the value (taking into account realisable profit from the Payment in Kind Asset) of the Payment in Kind Asset being not less than the Sale Price and certified as such in the substitution exercise notice; and
 - (e) any costs and expenses for such transfer must be paid in full by PETRONAS.
- 2.3 Under the Service Agency Agreement, the insuring the Sukuk Assets against all risks against loss, destruction or damage, including, without limitation, Total Loss, upon the terms and subject to the conditions set out below:
 - (a) ensure that any such insurance/ Takaful:
 - (i) shall be for an insured/covered amount, at all times, at least equal to the full reinstatement value of the Sukuk Assets. The Servicing Agent, having regard to its covenant to maintain the full value of the Sukuk Assets, shall ensure that the full reinstatement value of the Sukuk Assets is not less than the Sukuk Issue Amount at any time; and
 - (ii) is provided by a reputable insurer and or Takaful provider and one which is at all times in good financial standing (having full regard to paragraph (a)(i) above);



- (b) make such enquiries and obtain such assurances as it deems fit to ensure that paragraph (a)(ii) above is, and shall at all times be, fully complied with;
- (c) ensure that such insurance/ Takaful is otherwise satisfactory to ensure compliance with the Servicing Agent's obligations under the Servicing Agency Agreement;
- (d) diligently make and pursue any claim under such insurance/ Takaful;
- (e) ensure that nothing is done or omitted to be done which is contrary to the terms of any such insurance/ Takaful, or which might result in such insurance/ Takaful being restrained, repudiated, vitiated, cancelled, made void or voidable, or otherwise become prejudiced or impaired; and
- (f) ensure that in the event of a Total Loss occurring all such insurance/ Takaful proceeds are paid in US dollars directly into the Transaction Account by no later than the 30th day after Total Loss occurring and the insurer/ Takaful provider will be directed accordingly. If any such insurance amounts/ Takaful proceeds are not paid into the Transaction Account by the 30th day after Total Loss occurring due to any default on the part of the Servicing Agent, the Servicing Agent shall be responsible for such insurance amounts/ Takaful proceeds.

The Servicing Agency Agreement provides that the Servicing Agent will be, and shall at all times remain, fully responsible, if the insurer/ Takaful provider's failure to pay arises as a result of any failure by it to strictly comply with its insurance/ Takaful obligations under the Servicing Agency Agreement. If, following a Total Loss, the Servicing Agency Agreement is not complied with and as a result the amount credited to the Transaction Account pursuant to paragraph (d) above (if any) is less than the Sukuk Issue Amount (the difference between the Sukuk Issue Amount and the amount credited to the Transaction Account being the "Total Loss Shortfall Amount"), the Servicing Agent irrevocably and unconditionally undertakes to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business in [New York / London] on the 31st day after Total Loss has occurred. Thereafter and subject to the Servicing Agent's strict compliance with the relevant provisions of the Servicing Agency Agreement, any insurance/ Takaful proceeds received from such insurer/ Takaful provider shall be for the Servicing Agent's sole account.

- 2.4 Following the occurrence of a Total Loss, the Certificates may be redeemed by the Issuer on the date falling thirty (30) days after the occurrence of the Total Loss, and the Trust will be dissolved following such payment. The Certificates will be redeemed using the proceeds of Insurances/ Takaful or the Total Loss Shortfall Amount are required to be paid into the Transaction Account by no later than the 31 day after the occurrence of the Total Loss pursuant to the Service Agency Agreement as described above.
- 2.5 If payment of any amount that is due and payable in accordance with the Lease Agreement (the "Outstanding Sum") is not made to the Lessor in full on its due date for payment, the Lessee irrevocably undertakes to pay the Lessor a late payment in respect of the period from, and including, the due date for settlement to, but excluding, the date of full settlement. Any late payment charges received by the Lessor shall, after deducting any administrative and other costs incurred by the Lessor, be paid (on behalf of the Lessee) to the Red Crescent Society, being the charity of the Lessee's choice. Administrative and other costs in this instance shall not exceed one per centum per annum.



- 2.6 Pursuant to the Purchase Undertaking, if payment of all or part of the Exercise Price (the "Outstanding Exercise Price") is not paid by PETRONAS on its due date for payment, PETRONAS shall irrevocably and unconditionally (without the necessity for any notice or any other action) continue to take on lease the Sukuk Assets from the Trustee, and act as servicing agent in respect of the Sukuk Assets on the terms and conditions of the Lease Agreement and Servicing Agency Agreement, with effect from (and including) the due date for payment of the Outstanding Exercise Price to the date of settlement. Rental shall continue to accrue on a daily basis on the Outstanding Exercise Price.

Promptly following PETRONAS' payment of the Exercise Price in accordance with the Purchase Undertaking, the sale of all of the Sukuk Assets shall occur by PETRONAS and the Trustee executing a Sale Agreement in exchange for the Exercise Price duly paid pursuant to the Purchase Undertaking.

- 2.7 The Issuer will use the gross proceeds from the issuance of the Certificates to purchase the Sukuk Assets. The ultimate utilization by the Asset Owner of the Sukuk Assets or PETRONAS shall also be limited to Shariah-compliant purposes, which shall be endorsed by the Shariah Advisors, prior to the issuance of the Certificate.

3. DOCUMENTATION

- 3.1. The Shariah Committee has reviewed the Shariah aspects of the following documentation in respect of the Certificates:

- (i) the Offering Circular;
- (ii) the Purchase Agreement;
- (iii) the Lease Agreement;
- (iv) the Servicing Agency Agreement;
- (v) the Purchase Undertaking;
- (vi) the Sale Undertaking;
- (vii) the Declaration of Trust;
- (viii) the Agency Agreement; and
- (ix) the Costs Undertaking.

4. APPROVAL

- 4.1. The Shariah Committee is of the view that, given the prevailing circumstances, the structure and mechanism as set out above is acceptable within the principles of Shariah, the jurisdiction under which the arrangers of the Certificates and the Issuer operate and that the documents referred to in clause 3.1 above (the "Documents") reflects the above structure and mechanism and the Shariah Committee hereby approves the Documents reflected above for the Certificates, subject to proper execution of the same.



4.2. In arriving at the decision, the Shariah Committee also took into consideration the following issues:

- a) The legal constraints under which the Certificates is being developed;
- b) The need to develop the Islamic finance industry, particularly in respect of the Islamic financing;
- c) The need to facilitate the increasing need of corporates and financiers to mobilise funds according to Shariah principles; and
- d) The prevailing conditions and affairs of the Ummah and the need to remove them from the shackles of *riba*.

And He knows best.

For and on behalf of **CIMB ISLAMIC SHARIAH COMMITTEE**

ABDUL GHANI ENDUT
Head, Shariah Advisory
Islamic Banking Division

Dated : 05 August 2009