



SIARAN AKHBAR

PRESS STATEMENT

S.A. 2015/10/110 (HQ)

TENAGA NASIONAL BERHAD (TNB) SUBMITS CONDITIONAL OFFER TO ACQUIRE EDRA'S POWER GENERATION ASSETS FROM 1MDB

- *Conditional offer is subject to TNB finalising the confirmatory due diligence process as well as finalising and executing the Share Purchase Agreement*
- *1MDB must provide further information on operations; key conditions must be met*
- *No assurance transaction will be concluded; final offer subject to independent and third-party evaluation*
- *Non-interested shareholders will vote on any potential transaction at a general meeting*

Tenaga Nasional Berhad ("TNB") has submitted a conditional offer to acquire the power generation assets of Edra Global Energy Berhad ("Edra") from 1Malaysia Development Berhad ("1MDB"). The conditional offer is subject to TNB finalising the confirmatory due diligence process as well as finalising and executing the Share Purchase Agreement.

Following its in-depth due diligence, TNB believes that as Malaysia's leading national power company, Edra's power generation assets would be a strong fit for its growth strategy domestically and internationally. A combination would ensure the long-term continuity of steady and competitively priced power to domestic customers and consumers. The combination would also enable TNB to pursue its strategy of establishing a footprint in international markets where growth in power demand is increasing.

TNB's President and Chief Executive Officer, Datuk Seri Ir. Azman Mohd, stated: "As the sole off-taker of all power generated in Malaysia, TNB is the best and most logical buyer for these assets. The acquisition of these power facilities, which will add a significant contribution to our power generation capacity in Malaysia, will be an important addition to our business as it will further enhance TNB's earnings and cash flow. Broadening our domestic and overseas power generation base gives us more opportunities for revenue growth and for adding significant shareholder value."

"As the country's largest power producer, no other bidder knows these assets better than TNB. Given our world-class track record in power generation and excellence in facilities management, the addition of these assets will unlock new value in TNB and will enhance future growth."

As a Malaysian company with a 65-year track record, TNB ownership of these assets will not only ensure the continuing Malaysian control of strategic power assets, but will allow the company to responsibly plan for the future growth of its business and Malaysia's power needs.

TNB would like to emphasise that any conditional offer will be dependent upon the conditions being met by 1MDB. Therefore, there can be no assurance that any transaction will be concluded.

As TNB has previously stated, any potential transaction would need to make strong commercial and financial sense, be value accretive to TNB's shareholders, and be assessed based on the highest standards of corporate governance. Should TNB decide to pursue any transaction, other independent and third-party criteria and requirements would also need to be addressed, including:

- An opinion from an independent adviser stating that the transaction is fair and reasonable insofar as TNB's shareholders are concerned, and not to the detriment of TNB's minority shareholders (as contemplated under the applicable Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"));
- Approval from non-interested shareholders of TNB for the transaction at a general meeting (as contemplated by the MMLR and applicable company law); and
- Receipt of all relevant approvals, consents, waivers and clearances from governmental, regulatory authorities and third parties for the transaction

TNB shall make further announcements to Bursa Malaysia as and when there is further development on this matter.

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About Tenaga Nasional Berhad

TNB's core activities are in the generation, transmission, and distribution of electricity. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah and Federal Territory of Labuan. As at 31 August 2014, TNB supplies electricity to approximately 8.6 million customers.

TNB, through its subsidiaries, is also involved in the manufacturing of transformers, high voltage switchgears and cables; the provision of professional consultancy services, construction and operating and maintenance of district cooling facilities, generation equipment, repair and maintenance, fuel supply services; services related to renewable energy, energy efficiency and power quality; higher education and skill training and undertakes research and development.

As an integrated electricity provider, TNB has and will continue to meet its crucial role in powering the nation's progress. For further information, please visit www.tnb.com.my