ESSO MALAYSIA BERHAD
(Company Number 3927 V)

The Directors of Esso Malaysia Berhad are pleased to announce the financial results of the Company for the quarter ended December 31, 2011.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011

		Quarter ended		12 months ended	
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
	Note	RM'000	RM'000	RM'000	RM'000
Revenues		2,750,213	2,359,536	11,266,494	8,427,445
Cost of sales		(2,629,560)	(2,093,841)	(10,685,180)	(7,650,829)
Gross profit		120,653	265,695	581,314	776,616
Other income		29,206	6,105	46,459	22,229
Expenses		(104,799)	(107,757)	(401,145)	(409,956)
Finance cost		(6,654)	158	(23,255)	(20,432)
Profit / (Loss) before tax		38,406	164,201	203,373	368,457
Tax (expense) / credit	17	(3,826)	(42,686)	(50,017)	(99,878)
Net profit / (loss) for the period attributable to shareholders		34,580	121,515	153,356	268,579
Other comprehensive income		-	-	-	-
Total comprehensive income attributable to shareholders		**34,580**	**121,515**	**153,356**	**268,579**
Earnings / (Loss) per ordinary stock unit (sen)	22	12.8	45.0	56.8	99.5

(The condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended December 31, 2010)

ESSO MALAYSIA BERHAD
(Company Number 3927 V)

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011 (UNAUDITED)

	Note	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		809,012	830,244
Long-term assets		301,590	308,714
Intangible assets - software		-	148
TOTAL NON-CURRENT ASSETS		1,110,602	1,139,106
CURRENT ASSETS			
Inventories		659,213	468,109
Receivables		568,595	243,830
Amounts due from related corporations		156,095	140,417
Deposit, cash and bank balances		30,910	102,261
Taxation		6,710	-
TOTAL CURRENT ASSETS		1,421,523	954,617
CURRENT LIABILITIES			
Payables		139,383	142,327
Retirement benefits obligations		3,987	1,006
Amounts due to related corporations		569,264	396,907
Borrowings (unsecured)	19	821,553	616,307
Taxation		-	54,257
TOTAL CURRENT LIABILITIES		1,534,187	1,210,804
NET CURRENT LIABILITIES		(112,664)	(256,187)
LESS: NON-CURRENT LIABILITIES			
Retirement benefits obligations		46,698	50,383
Deferred taxation		68,712	75,014
		115,410	125,397
TOTAL NET ASSETS EMPLOYED		**882,528**	**757,522**
		=======	=======
FINANCED BY:			
SHARE CAPITAL		135,000	135,000
RESERVES		8,000	8,000
RETAINED PROFITS		739,528	614,522
SHAREHOLDERS' EQUITY		**882,528**	**757,522**
		=======	=======

(The condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended December 31, 2010)

ESSO MALAYSIA BERHAD
(Company Number 3927 V)

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011

	Note	Issued and fully paid ordinary stock of RM0.50 each		Non-distributable		
		Number of ordinary stock unit	Nominal value	capital redemption reserves	Distributable retained profits	Total
		'000	RM'000	RM'000	RM'000	RM'000
At January 1, 2010		270,000	135,000	8,000	370,243	513,243
Net profit and total comprehensive income attributable to shareholders		-	-	-	268,579	268,579
Transactions with owners:						
Dividends for the year ended December 31, 2009 (final)	6	-	-	-	(24,300)	(24,300)
At December 31, 2010		**270,000**	**135,000**	**8,000**	**614,522**	**757,522**
At January 1, 2011		270,000	135,000	8,000	614,522	757,522
Net profit and total comprehensive income attributable to shareholders		-	-	-	153,356	153,356
Transactions with owners:						
Dividends for the year ended December 31, 2010 (final)	6	-	-	-	(28,350)	(28,350)
At December 31, 2011		**270,000**	**135,000**	**8,000**	**739,528**	**882,528**

(The condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended December 31, 2010)

ESSO MALAYSIA BERHAD
(Company Number 3927 V)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011

	12 months ended	
	2011	2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (loss) attributable to shareholders	153,356	268,579
Adjustments for:		
Depreciation on property, plant and equipment	58,389	58,767
Amortisation of intangible assets	146	523
Amortisation of long-term assets	15,391	15,737
Impairment loss on long-term asset	1,757	-
Tax expense	50,017	99,878
Interest income	(728)	(2,691)
Interest expense / commercial papers profit elements incurred	23,255	20,432
Retirement / separation benefits cost	4,400	3,995
(Gain) / Loss on disposal of property, plant and equipment	(23,577)	109
(Gain) / Loss on disposal of long-term asset	1,707	(659)
Write-off of property, plant and equipment	6,316	3,976
Write-off of intangible asset	2	-
Inventory written-down to net realisable value	5,496	-
Unrealised foreign exchange (gain) / loss	7,999	(7,813)
Changes in:		
(Increase) / Decrease in long-term assets	1,050	6,712
(Increase) / Decrease in inventories	(196,600)	(11,729)
(Increase) / Decrease in receivables	(325,078)	(99,843)
(Increase) / Decrease in amounts due from related corporations	(15,678)	41,282
Increase / (Decrease) in amounts due to related corporations	162,985	(38,430)
Increase / (Decrease) in payables and provisions	(3,189)	6,682
Cash generated from / (used in) operations	(72,584)	365,507
Interest / commercial papers profit elements paid	(22,934)	(20,495)
Interest received	728	2,691
Income taxes paid	(117,286)	(37,580)
Income taxes refunded	-	35,235
Retirement / separation benefits paid	(3,731)	(3,666)
Net cash generated from / (used in) operating activities	**(215,807)**	**341,692**

(The condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended December 31, 2010)

ESSO MALAYSIA BERHAD
(Company Number 3927 V)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011 (Continued)

	12 months ended	
	2011	2010
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46,809)	(87,853)
Payment for long-term assets	(13,445)	(15,853)
Proceeds from disposal of property, plant and equipment	26,913	960
Proceeds from disposal of assets held for sale	-	3,211
Proceeds from disposal of long-term asset	664	-
Net cash used in investing activities	**(32,677)**	**(99,535)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings – net	205,246	(191,643)
Dividends paid to shareholders	(28,350)	(24,300)
Net cash generated from / (used in) in financing activities	**176,896**	**(215,943)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(71,588)**	**26,214**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**94,572**	**68,358**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**22,984**	**94,572**

(The condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended December 31, 2010)

ESSO MALAYSIA BERHAD
(Company Number 3927 V)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (BMSB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2010. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and the performance of the Company since the financial year ended December 31, 2010.

The same accounting policies and methods of computation are followed in the interim financial statements as for the financial statements for the year ended December 31, 2010 except as disclosed below.

a) Standards, amendments to published standards and interpretations that are applicable to the Company and are effective

The new accounting standards, amendments to published standards and interpretations to existing standards effective for the financial period beginning January 1, 2011 and applicable to the Company are as follows:

- Amendment to FRS 2 Share-based Payment. It clarifies that contributions of a business on formation of a joint venture and common control transactions are outside the scope of FRS 2.

- Amendments to FRS 2 (Group Cash-Settled Share-based Payment Transactions) clarifies that an entity must account for goods or services received in a share-based payment arrangement regardless of which entity in the group settles the transaction and whether the settlement is in shares or cash.

- Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations. It clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

- Amendments to FRS 7 (Improving Disclosures about Financial Instruments) reinforce existing principles for disclosures about liquidity risk and require enhanced disclosures about fair value measurements.

- Amendment to FRS 132 Financial Instruments: Presentation (paragraphs 11, 16 and 97E of FRS 132) relating to Classification of Rights Issues. The amendments require that rights issues be classified as equity regardless of the currency in which the exercise price is denominated, provided certain conditions are met.

Part A - Explanatory Notes Pursuant to FRS 134 (Continued)

1. Basis of Preparation (Continued)

a) Standards, amendments to published standards and interpretations that are applicable to the Company and are effective (Continued)

- Amendment to FRS 138 Intangible Assets. It clarifies that a group of complementary intangible assets acquired in a business combination is recognised as a single asset if the individual asset has similar useful lives.

- Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)." The improvements contain amendments to FRSs which involves changes to presentation, recognition, or measurement and some are changes to terminology with little effect on accounting.

- IC Interpretation 17: Distributions of Non-cash Assets to Owners. It provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends.

- Amendment to IC Interpretation 4: Determining whether an Arrangement contains a Lease clarifies that although an arrangement does not take the legal form of a lease, it is a lease when the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement to convey a right to use the asset.

- Amendment to IC 9: Reassessment of Embedded Derivatives. The amendments clarify that the Interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

- Amendments to IC Interpretation 13: Customer Loyalty Programmes clarifies the accounting on awards supplied by the entity.

- Amendment to IC Interpretation 18: Transfers of Assets from Customers clarifies that if an entity receives property, plant and equipment (PPE) and such PPE meet the definition of an asset, it shall recognise it in accordance with FRS 116 Property, Plant and Equipment.

The adoption of all the standards, amendments to published standards and interpretations to existing standards above do not have any material impact on the financial position of the Company. All changes in accounting policies have been made in accordance with the adoption of all the standards which do not result in significant changes in accounting policies and disclosures.

1. Basis of Preparation (Continued)

b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective

The new standards, amendments to published standards and interpretations to existing standards applicable to the Company that will be effective but have not been early adopted by the Company, are as follows:

i) Standards effective from July 1, 2011

- Amendments to IC Interpretation 14 MFRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction. The amendment applies when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover those requirements.

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments. It clarifies and addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability.

- Amendment to MFRS 7 Financial instruments: Disclosures on transfers of financial assets. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

In the financial year ended 31 December 2012, the Company will be adopting the new IFRS-compliant framework, Malaysia Financial Reporting Standards ("MFRS"). MFRS 1 " First-time adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

ii) Standard effective from January 1, 2012

- MFRS 124 Related Party Disclosures. The revised standard includes partial exemptions from disclosures for government-related entities. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

iii) Standard effective from July 1, 2012

- Amendment to MFRS 101 Financial statement presentation. It requires entities to separate items presented in 'other comprehensive income' (OCI) in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI.

ESSO MALAYSIA BERHAD
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Part A - Explanatory Notes Pursuant to FRS 134 (Continued)

1. Basis of Preparation (Continued)

b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective (Continued)

iv) Standards effective from January 1, 2013

- MFRS 9 Financial instruments - classification and measurement of financial assets and financial liabilities. The revised standard replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value.

- MFRS 11 Joint arrangements. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form.

- MFRS 13 Fair value measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

- Amendment to MFRS 119 Employee benefits. The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment.

The Company will apply the above standards, amendments and interpretations from financial period beginning January 1, 2012 and January 1, 2013 respectively. The adoptions of these standards are not expected to have a material impact on the financial position of the Company.

The remaining standards and interpretations that are issued but not yet effective are not applicable to the Company's operations.

2. Comments about Seasonal or Cyclical Factors

The operations of the business are not seasonal or cyclical in nature.

3. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Company during the current quarter.

4. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter.

5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.

6. Dividend Paid

The amounts of dividends paid are as follows:

	RM'000
In respect of the year ended December 31, 2010:	
Final dividend per stock unit, paid on June 22, 2011:	
Ordinary stock unit- 14 sen gross less Malaysian income tax at 25%	28,350
	=====
In respect of the year ended December 31, 2009:	
Final dividend per stock unit, paid on June 21, 2010:	
Ordinary stock unit- 12 sen gross less Malaysian income tax at 25%	24,300
	=====

7. Segmental Information

The Company is organised as one integrated business segment which operates to manufacture and sell petroleum products. These integrated activities are known across the petroleum industry as the Downstream segment. As such, the assets and liabilities are disclosed within the financial statements as one segment.

7. Segmental Information (Continued)

Revenues are mainly derived from the sale of petroleum products to domestic customers including its affiliates and competitors, and sales to ExxonMobil Asia Pacific Pte. Ltd. (EMAPPL), Singapore. A breakdown of the revenues by geographical location is as follows:

	Quarter ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Singapore	285,400	438,753	1,625,745	1,344,114
Domestic	2,464,813	1,920,783	9,640,749	7,083,331
Total Revenues	2,750,213	2,359,536	11,266,494	8,427,445
	=======	=======	=======	=======

For the twelve months ended December 31, 2011 approximately RM3, 997,553,000 (2010: RM3, 095,359,000) of the revenues are derived from two major customers whom are related parties to the Company.

All non-current assets of the Company are located in Malaysia.

8. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended December 31, 2010.

9. Subsequent Events

There were no material events subsequent to the end of the current quarter.

10. Changes in Composition of the Company

There were no changes in the composition of the Company during the current quarter.

11. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities or contingent assets since the last annual statement of financial position as at December 31, 2010.

12. Capital Commitments

Capital commitments not provided for in the Interim Financial Report as at December 31, 2011 are as follows:

Property, plant & equipment	**RM'000**
Approved and contracted for	15,567
Approved but not contracted for	7,774
	23,341

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

13. Review of Performance - Current Financial Period ended December 31, 2011

The Company recorded an after tax profit of RM35 million for the fourth quarter of 2011, compared with the after tax profit of RM122 million recorded for the same quarter last year. For the full year, the Company recorded a profit of RM153 million compared to a profit of RM269 million recorded in 2010.

The lower profit for the fourth quarter and for the full year of 2011 compared to the same periods in 2010 was a result of lower operating margins as higher crude prices were not fully offset by the increase in product prices. The increased crude and product prices, however, generated inventory holding gains totaling RM108 million for the full year 2011.

Revenues for the fourth quarter of 2011 were RM2.7 billion, compared with RM2.4 billion recorded in the same quarter of 2010. Revenues for 2011 were RM11.3 billion, up by 34% over the RM8.4 billion recorded in 2010. The increased revenue trends were reflective of higher petroleum product prices in 2011.

Despite the challenging industry margins in 2011, the company continued to pursue initiatives to improve efficiency and profitability. The Port Dickson Refinery optimized operations by increasing the processing of opportunistic crudes above the typical light low sulphur crude feedstock and modified existing facilities to enable the refinery to run efficiently at lower throughput. The refinery and product terminals continued their strong commitment to safety and environment with the refinery receiving the Prime Minister’s Hibiscus Notable Award and the ExxonMobil Asia Pacific Environmental Award. During the year, the Company continued to grow its local market sales with the opening of three new service stations, carrying out promotional activities like the Myvi and Proton Saga contests under the Smiles loyalty programme and giving additional rebates to cardholders under the Company’s co-branded credit and debit card programme with a local bank.

14. Commentary on Prospects

The prospects for the Malaysian economy in 2012 remain challenging amidst the gloomy predictions of the global economy. In this period of uncertain global economic growth and demand and the volatile crude price environment, the Company's focus shall remain on sustaining flawless operations, cost control and product and services quality, as well as strengthening its business position through continued emphasis on strategic investment.

15. Profit Forecast or Profit Guarantee

As a matter of policy, the Company does not make profit forecasts or profit guarantees.

16. Commentary on Profit / (Loss) before Tax

Profit before tax of RM38 million for the current quarter compared to loss before tax of RM53 million in the preceding quarter mainly due to foreign exchange gain from crude purchases and a gain on the disposal of property.

The profit / (loss) before tax is arrived at after charging / (crediting) the following items:

	Quarter ended		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Depreciation of property, plant and equipment	14,507	15,426	58,389	58,767
Amortisation of intangible assets	20	105	146	523
Interest income	(123)	(937)	(728)	(2,691)
Provision for and write-off of receivables	-	12	6	234
Inventory written-down to net realisable value	5,496	-	5,496	-
(Gain) / Loss on disposal of property, plant and equipment	(24,030)	(88)	(23,577)	109
(Reversal) / Impairment of asset	(1,699)	-	1,757	-
Foreign exchange (other than on borrowings)				
Realised (gain) / loss	24,582	1,856	7,020	(34,668)
Unrealised (gain) / loss	(27,308)	(2,751)	7,999	(7,813)

The Company does not have derivative transactions and therefore, has no gains or losses to be reported. In line with Note 3, there are also no exceptional items.

17. Taxation

	Quarter ended		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Income tax expense / (credit)	(1,438)	42,788	56,928	91,837
Prior year	(609)	-	(609)	(1)
Deferred taxation	5,873	(102)	(6,302)	8,042
	3,826	42,686	50,017	99,878

The quarter effective tax rate is lower compared to statutory tax rate due to gain on disposal of property which is not subject to income tax. The year-end effective tax rate is the same as the statutory tax rate.

ESSO MALAYSIA BERHAD
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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

18. Corporate Proposals

There were no corporate proposals.

19. Borrowings

The Company's borrowings as at December 31, 2011 are as follows:

	RM'000
Short-term, unsecured	821,553
	=======

	USD'000	RM'000
Borrowings include a floating rate term loan at fixed foreign exchange rate from a related party	100,457	366,307

20. Changes in Material Litigation

There were no significant changes to material litigation since December 31, 2010.

21. Dividend Payable

The Directors propose that a final dividend of 14 sen gross less Malaysian income tax at 25% per ordinary stock unit, amounting to RM28,350,000 be paid for the year ended December 31, 2011, subject to the shareholder's approval at the forthcoming Annual General Meeting of the Company.

22. Earnings / (Loss) Per Ordinary Stock Unit

	Quarter ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net profit / (loss) for the period (RM'000)	34,580	121,515	153,356	268,579
Number of ordinary stock units in issue ('000)	270,000	270,000	270,000	270,000
Earnings / (Loss) per stock unit (sen)	12.8	45.0	56.8	99.5
	=====	=====	=====	=====

ESSO MALAYSIA BERHAD
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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

23. Reserves

	12 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
Capital redemption reserve (non-distributable)	8,000	8,000
Retained profits (distributable)	739,528	614,522
	747,528	622,522
	======	======

24. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's financial statements for the year ended December 31, 2010 was not qualified.

25. Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits:		
- realised	816,239	681,723
- unrealised	(76,711)	(67,201)
Total retained profits	739,528	614,522
	======	======

The disclosure of realised and unrealised profits / (losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.