

MEDIA STATEMENT
Kuala Lumpur, 3 August 2010

**Khazanah Issues Inaugural Singapore Dollar Sukuk of SGD1.5 billion
(RM3.6 billion)**

- ***Largest Sukuk issuance in Singapore***
 - ***Largest SGD issuance by a foreign issuer in Singapore***
 - ***First SGD Sukuk issuance out of MIFC initiative***
 - ***Longest-tenured SGD Sukuk***
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Khazanah Nasional Berhad (“Khazanah”) is pleased to announce that it has today issued a 5-year and a 10-year sukuk (“Khazanah SGD Sukuk”) for SGD1.5 billion (RM3.6 billion).

The Khazanah SGD Sukuk recorded several milestones, being the largest and longest termed sukuk issuance in Singapore, the largest SGD issuance by a foreign issuer in Singapore and the first SGD sukuk issuance out of the Malaysia International Islamic Financial Centre (“MIFC”) initiative. The sukuk, at USD1.1 billion equivalent, is also Khazanah’s single largest sukuk issuance to-date.

The Khazanah SGD Sukuk, issued at nominal value, was successfully priced through an accelerated book building process on 3 August 2010 and at the tightest end of the price guidance at 2.615% and 3.725% for the 5-year and 10-year sukuk, respectively.

The transaction drew a demand of 4.3 times book size enabling Khazanah to upsize the transaction from the initial offer size of SGD1 billion to SGD1.5 billion. The deal attracted a diverse group of 78 local and international investors comprising financial institutions, asset management firms, statutory bodies and insurance companies from Singapore, Malaysia, Hong Kong, Brunei and Europe.

This issue via a Malaysian-incorporated special purpose vehicle, Danga Capital Berhad, encompass a SGD600 million 5-year sukuk and a SGD900 million 10-year sukuk which was launched on an initial offer size of SGD1 billion with a “green shoe option” (an option to upsize).

Tan Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia and Chairman of MIFC Executive Committee commented: “This is a further step forward for our MIFC initiative to evolve Malaysia into a multi-currency issuance platform for sukuk.”

The MIFC initiative promotes Malaysia as an Islamic finance global hub.

Mr Ong Chong Tee, Deputy Managing Director of the Monetary Authority of Singapore said: “This latest sukuk adds to the growing range of Shariah-compliant financing in Singapore. We welcome regional participants to tap into our growing capital markets and to continue to add to the depth and diversity of markets in the region.”

Khazanah's Managing Director, Tan Sri Dato' Azman Hj. Mokhtar said: "We are very pleased that this transaction broadens further our active participation in international Islamic capital markets. The transaction was executed with speed, at a competitive price while the substantial over-subscription was particularly encouraging."

CIMB, DBS and OCBC are the Joint Bookrunners for this offering. The three are also the Joint Lead Managers together with CIMB Islamic, the Islamic Bank of Asia and OCBC Al-Amin. The co-managers are the Australia and New Zealand Banking Group Limited, BNP Paribas, Malayan Banking Berhad and United Overseas Bank Limited.

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