

MEDIA STATEMENT

Kuala Lumpur, 3 March 2006

Khazanah's Successful Closing of RM3.2 Billion Islamic Medium Term Notes And Commercial Papers (Sukuk Musyarakah)

Khazanah Nasional Berhad (“Khazanah”), via its wholly owned subsidiary Rantau Abang Capital Berhad (“the Issuer”), successfully launched and priced the issue of its RM2.2 billion nominal value 5-year Islamic medium term notes (“MTN”) and RM1 billion nominal value 6-month Islamic Commercial Papers (“CP”) .

The issues are structured under the approved Syariah principle of Musyarakah, and have been accorded preliminary short-term and long-term ratings of P1 and AAA respectively from Rating Agency Malaysia Berhad. Proceeds raised from the issuance will be used for general investments, refinancing of borrowings and working capital requirements.

The RM1 billion Islamic CP and RM2.2 billion Islamic MTN were marketed through book-building, which commenced on 28 February 2006 and was completed on 3 March 2006. Investors' response was overwhelming with the Islamic CP being over subscribed by 6.0x and the Islamic MTN seeing an oversubscription of 2.2x. Bids received from domestic and foreign financial institutions, asset managers, insurance companies, pension funds and corporates. The 5-year Islamic MTN will carry a 4.39% profit rate and 6 months Islamic CP was priced at 3.48%.

CIMB and AmMerchant Bank Berhad are the Joint Bookrunner for this issuance.

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