

MEDIA STATEMENT FOR IMMEDIATE RELEASE

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Overwhelming response for Khazanah's second exchangeable sukuk

Khazanah Nasional Berhad ("Khazanah") has received overwhelming response from investors for its US\$850 million periodic payment exchangeable Islamic trust certificates or sukuk (the "Certificates" or "Sukuk"), issued at the price of 100 per cent of the principal amount.

The Sukuk, issued via Cherating Capital Ltd (the "Issuer"), an independent Labuan incorporated special purpose company was 13 times subscribed at the price and its initial size at launch.

At US\$850 million, this issue sets a new benchmark as the largest exchangeable instrument out of Malaysia to date, surpassing Khazanah's previous US\$750 million exchangeable certificates into ordinary shares of Telekom Malaysia Berhad, that was also the world's first exchangeable sukuk, in September 2006.

It has a maturity of five years with a periodic payment of 2.0% per annum. Sukuk holders will have an option to exchange into ordinary shares of PLUS Expressways Berhad ("PEB").

The Sukuk was marketed through book building, which commenced on 24 June 2007 and closed on 27 June 2007. It was initially launched with an issue size of US\$600 million and subsequently increased to US\$850 million.

Demand was generated from quality investors, which includes financial institutions, asset managers, insurance companies, pension funds, corporates and high net worth individuals. A significant percentage of the allocation at approximately 50%, was distributed to the Middle Eastern investors.

The Certificates were priced to achieve a yield to scheduled dissolution of 4.58% and an exchange premium of 23% over RM3.2054, being the volume weighted average price of PEB shares on 27 June 2007. On the exercise of the exchange rights under the Certificates, holders will be entitled to receive an aggregate of approximately 751 million ordinary shares of PEB, which are subject to adjustments pursuant to the terms and conditions of the Certificates. This represents approximately 15% of PEB's current share capital.

Applications have been made to list the Certificates on the Labuan International Financial Exchange Inc, The Stock Exchange of Hong Kong Limited and the Dubai International Financial Exchange. Proceeds from the issue will be used as additional working capital and for general corporate purposes relating to Khazanah's principal business activities.

This landmark issue is in line with Khazanah's fund-raising strategy and its long term commitment towards divestment of its core holdings to improve market liquidity in an orderly fashion. The success of this issue further underscores Malaysia's leading position as a global Islamic financial centre.

CIMB Investment Bank Berhad, Deutsche Bank and J.P. Morgan are the Joint Bookrunners and Joint Lead Managers, whilst CIMB Islamic Shariah Committee acted as Shariah Adviser for this issuance.

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