

**PRESS RELEASE****For immediate release****Straits Inter Logistics set to develop Asia's largest STS Energy Transhipment Hub after receiving approval from Marine Department Malaysia**

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**KUALA LUMPUR, 12 July 2021** – Straits Inter Logistics Berhad (“Straits” or “Company”), a Bursa Malaysia Listed Company, announced today that it has received approval from Marine Department Malaysia for Victoria STS (Labuan) Sdn Bhd (“Victoria STS”) to develop an integrated offshore Ship-to-Ship (STS) Energy Transhipment Hub within the port limits of Victoria Bay, Labuan. Victoria STS is a 70% owned subsidiary of Fajar Maritime and Logistics Sdn Bhd, which in turn is a 60% owned subsidiary of Straits.

The STS hub will be Straits’ energy flagship project which will be located within the port limits of Victoria Bay deep water area spanning a vast 3309 hectares supporting an initial six (6) STS berths with safe water depths of up to 30 meters. The development will advance the introduction of state-of-the-art multi- functional energy transhipment facilities that will be able to accommodate LNG carriers up to the size of a Q-Max and Very Large Crude Carriers (VLCC).

Victoria Bay is strategically located along the international shipping and energy trade routes. Straits’ plan to develop the STS Hub is set to be one of the largest offshore Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG) energy transhipment hubs in Asia. The STS hub is also strategically located within the vicinity of Labuan Liberty Port which is managed and operated by Megah Port Management Sdn Bhd (“MPM”), a 51% owned subsidiary of Straits.

The STS hub will be highly synergistic to Straits’ existing operations, leveraging on Straits’ bunkering and port services.

The first phase of the STS hub will be to develop a modern anchorage-based and Single Point Mooring system infrastructure supporting up to six (6) Deepwater Mooring Berths. This infrastructure will streamline cargo compatibility with LNG, LPG, Liquefied Ethylene Gas (LEG) and Bulk Petroleum and Oil cargoes. The STS hub is slated to commence operation by the 4<sup>th</sup> Quarter of 2021.

To ensure the success of the STS energy transhipment hub, Victoria STS has joined hands with two key partners, namely MISC Maritime Services Sdn Bhd (“MMS”) and STS Marine Solutions (Bermuda) Ltd (“STSM”) as strategic collaboration partners in the development of the hub. In the

earlier planning stage, both MMS and STSM have separately signed Memorandum Of Understanding (MOU) with Victoria STS with a view to facilitate further Definitive Agreements when the STS hub materialised.

MMS is a member of the MISC Group of Companies and it serves as the centre for maritime services in the provision of marine assurance and compliance, port and terminal management and operations, and consultancy services to a range of clients in the energy sector. Incorporated initially in 1992 as PETRONAS Maritime Services Sdn. Bhd. (PMSSB), the company was rebranded as MMS when it became part of the MISC Group in 2015. The principal businesses of the MISC Group comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, integrated marine services, port management and maritime services as well as maritime education and training. MISC is currently one of the largest single owner-operators of LNG carriers in the world and had recently ventured into the emerging sectors of LNG bunkering vessels (LBV), and very large ethane carriers (VLECs).

STSM, which is based in UK, is a world leading ship-to-ship and ship-to-shore service provider with more than 30 years' experience in crude oil, refined petroleum, LNG and LPG transfers. Their specialised mooring masters deploy their worldwide services across 26 global locations and it offers full operational and technical support for ship to ship/shore operations, terminal management, and project consultancy. Their services comprise LNG STS full-service provision, LNG terminal management, Emergency STS response and planning, STS procedural development and STS equipment procurement.

Commenting on the latest development, Straits Group Managing Director Dato Sri Ron Ho Kam Choy said: " We are certainly very excited on this new STS transhipment hub as it is a landmark milestone for Straits Group. Straits has over the years diligently established its comprehensive infrastructure and widened its customer base and this STS hub will kickstart Straits' foray into the Sustainable and Alternative Energy space. With this project as a start, Straits aims to be a major player in the Sustainable and Alternative Energy industry in addition to its current fuel bunkering and port operation business.

The STS transfer hub project will connect Labuan into the global energy grid by creating a transhipment infrastructure to access the maritime energy trade network. Our main focus is to collaborate with specialist industry partners like MMS and STSM to establish Victoria Bay Port as a major LNG and LPG energy transhipment hub. We are confident we are able to serve the needs

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of the major global shipping lines customers with our wide spectrum of energy related maritime solutions.

On top of that, this STS hub will be a new local economic driver with huge and substantial spillover effect to the local maritime services as well as employment opportunities for both skilled and semi-skilled labour. It will also be a catalyst to other related business in the Malaysia Maritime sector. The Company will be preserving the environment, with plans to establish an artificial reef designed for sustainable fishing and to conduct coral conservation and water monitoring programmes to help the reefs of Labuan recover from the past blast and cyanide fishing which has caused fish stocks to deplete rapidly.”

To have a video insight on the operations of the Victoria Labuan STS hub, please click on this link: <https://youtu.be/aRdXXYZfFu4>

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