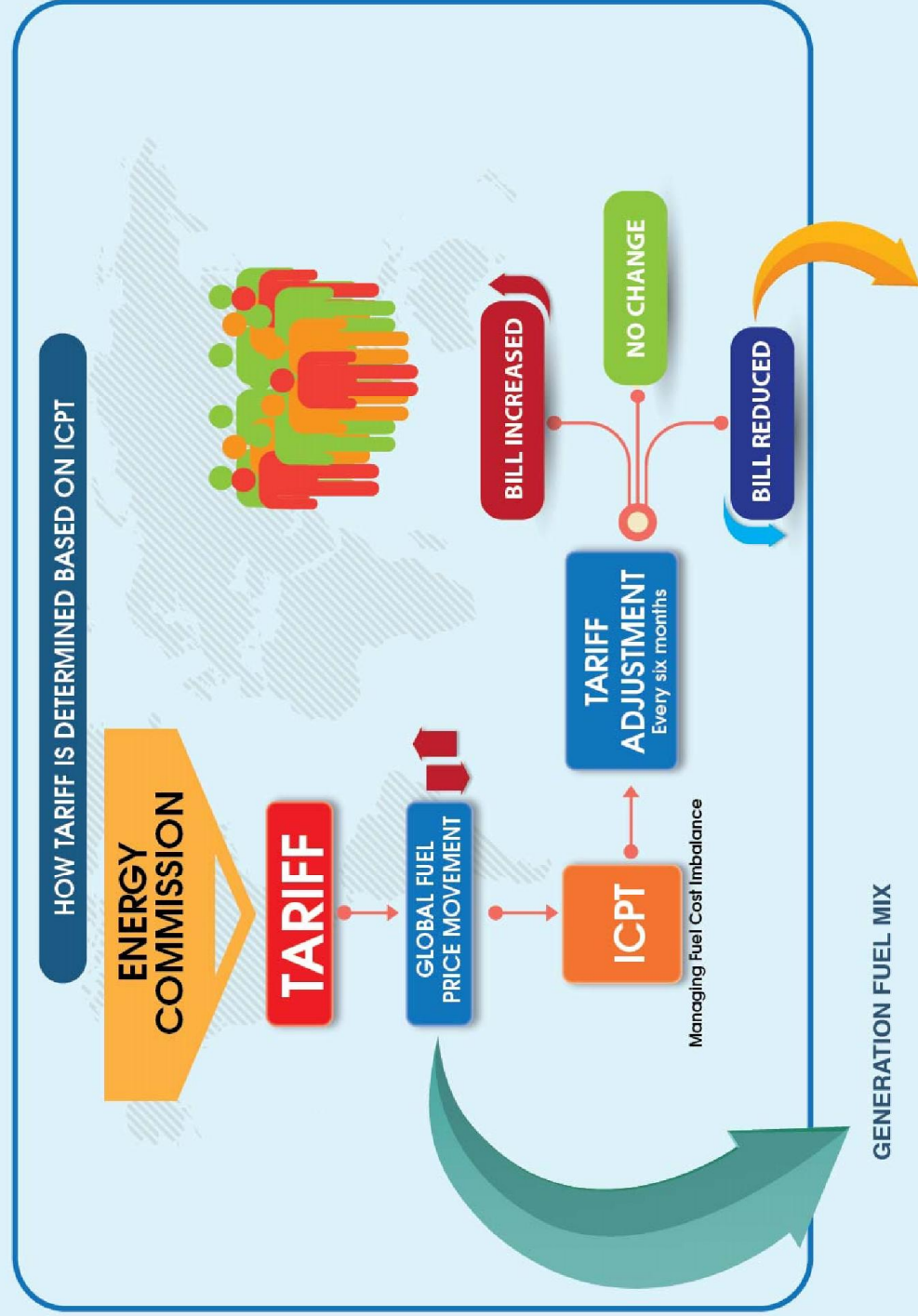


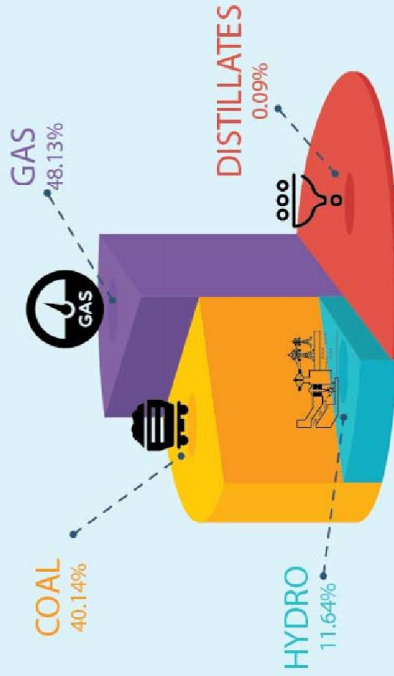
Sharing **RM762 Million** of Fuel Savings With Electricity users

The electricity supply in Malaysia is regulated by the Government through Suruhanjaya Tenaga, using a mechanism called **Incentive Based Regulation (IBR)**. This best-practice mechanism ensures the interests of electricity users are protected and not burdened by high electricity prices.

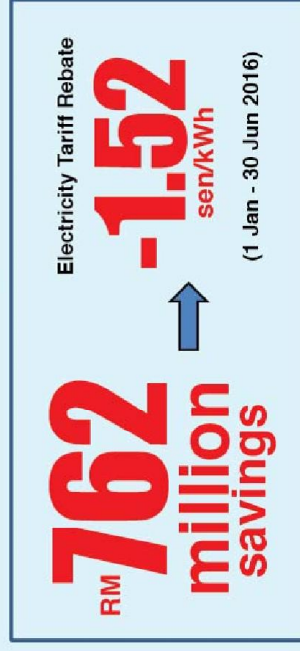
There are two components of the electricity tariff, (1) base tariff and (2) imbalance cost pass-through (ICPT). The base tariff in Peninsular Malaysia is fixed for three years until December 2017, while the ICPT is revised every six months to account for any variation in the fuel prices.



GENERATION FUEL MIX



TNB uses two main fuel to produce electricity, natural gas and coal. Both these fuel makes up nearly 90% of the electricity produced.



For the second half of 2015, TNB has managed to save RM762 million due to the lower prices of coal and liquefied natural gas, coupled with the improved efficiency of power plants. This RM762 million savings is passed-through to electricity users in the form of tariff rebate of -1.52 sen/kWh from 1 January to 30 June 2016.