



PETRONAS GAS BERHAD (101671-H)

27 July 2004

Sector Head
Issues & Listing, Group Regulations
Bursa Malaysia Berhad
6th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

Attn: Mr Tan Yew Eng

URGENT

Bursa Malaysia Berhad (Company Secretary) Issues & Listing, Group Regulations
27 JUL 2004

PETRONAS GAS BERHAD 2004 ANNUAL REPORT (ERRATA)

We would inform Bursa Malaysia of the following errata:

1. **Page 15**

Biodata of Encik Abd. Hamid bin Ibrahim

Encik Abd. Hamid bin Ibrahim is a Non-Independent Non-Executive Director.

2. **Page 40**

Corporate Governance Statement

The breakdown of the Independent Non-Executive Directors and Non-Independent Non-Executive Directors is as follows:

Independent Non-Executive Director	3/9	(33.3%)
Non-Independent Non-Executive Director (including the Chairman)	5/9	(55.6%)

We shall be forwarding to your office the following for your kind attention:-

- (i) 30 copies of the Amended Pages (page 15 & 40) of 2004 Annual Report.
- (ii) One diskette containing the amended pages of the 2004 Annual Report in PDF format.

Please contact me at 03 2051 3535 or Puan Hannah Suraiya Idi at 03 2051 6775 if you require any clarification.

Kind regards,

Yours faithfully

For and on behalf of

PETRONAS Gas Berhad

Mahadi

MAHADI ABDULLAH
Company Secretary



Mohammed Azhar bin Osman Khairuddin

Mohammed Azhar bin Osman Khairuddin, a Malaysian aged 48, is a Non-Independent Non-Executive Director and a member of the Board Audit Committee. He is also the Company Secretary of PETRONAS and a member of its Management Committee. He holds an LLB (Honours) degree from the University of Malaya. He is also a member of the International Bar Association (IBA) as well as the Inter-Pacific Bar Association (IPBA).

He started his career with PETRONAS in 1979 as a legal officer. Under his current position, he is in charge of three main areas of PETRONAS' group operations namely, Legal Services Unit, Corporate Affairs Unit and Facilities Management & Services Unit.

He was appointed to the Board of PGB on 9 May, 1995 and attended three (3) Board meetings in the financial year.



Abd. Hamid bin Ibrahim

Abd. Hamid bin Ibrahim, a Malaysian aged 56, is a Non-Independent Non-Executive Director. He holds a Masters degree in Petroleum Engineering from Heriot-Watt University, Edinburgh, Scotland and a degree in Mining from the Camborne School of Mines, UK. He also attended the Advanced Management Programme, Wharton School of Management, University of Pennsylvania, USA. He joined PETRONAS in 1976 as a Production Engineer in the Production Department and since then has held several managerial positions in the Upstream Sector until April 1991.

He was MD/CEO of Ethylene Malaysia Sdn. Bhd. and Polyethylene Malaysia Sdn. Bhd. from May 1991-1996, MD/CEO of Malaysia LNG Sdn. Bhd. and MLNG Dua Sdn. Bhd., and Project Director of MLNG Tiga Sdn. Bhd. from June 1996 prior to his appointment as MD/CEO of PETRONAS Gas Berhad in September 1999.

He was a member of the PETRONAS Management Committee from July 1996 until June 2003. He is also a board member of several PETRONAS subsidiaries. He is the Editor-in-chief of RESOURCE, the in-house magazine of the Malaysian Petroleum Club since its inception in 1994. Apart from that he is a Board Member of the Antarabudaya Malaysia, an associate member of the American Field Service, a voluntary organisation that deals in international student exchange programme.

He was appointed to the Board of PETRONAS Gas Berhad on 16 September, 1999 and attended four (4) Board meetings in the financial year.

Corporate Governance Statement

The Board of Directors of PETRONAS Gas Berhad (PGB) recognises that its primary responsibility is to safeguard and promote the interests of the shareholders and to enhance the long term value of the Company. The Board is fully committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders.

The Board has applied in full the Principles of Corporate Governance and the Best Practices on Corporate Governance as set out in the Malaysian Code of Corporate Governance (the Code).

THE BOARD AND BOARD COMMITTEES

The Board of Directors is entrusted with the responsibility to exercise reasonable and proper care of the Company's resources for the best interests of its shareholders and to safeguard the Company assets. Members of the Board have been selected based on their character, calibre, extensive experience and expertise in a wide range of related and unrelated industries, as well as their ability to add strength to the stewardship of the Company.

The Directors are equally accountable under the law for the Company's activities, strategy and financial performance. Particular attention is given to ensure that the strategies proposed by the Management of the Company are fully discussed and critically examined by the Directors.

BOARD COMPOSITION

As at the date of this report, the PGB Board comprises the following:

Executive Director (also the Managing Director/ Chief Executive Officer)	1/9	(11.1%)
Independent Non-Executive Directors	3/9	(33.3%)
Non-Independent Non-Executive Directors (including the Chairman)	5/9	(55.6%)

The profile of each Director is presented in this Annual Report on pages 12 to 15.

There is a clear demarcation of responsibilities within the Company to ensure a balance of power and authority. The positions of Chairman and Managing Director are separately held. The Chairman is primarily responsible for running the Board and ensuring that all directors have full and timely access to all

relevant information necessary for informed decision-making. The Managing Director oversees the day-to-day running of the business, implementation of Board policies and operational decision-making. The Managing Director who is also the Chief Executive Officer of the Company defines the limits of Management's responsibilities. The Managing Director/Chief Executive Officer is assisted in the management of the business by the Management Committee, which he consults regularly.

All Non-executive Directors have the necessary expertise and skill to ensure that the strategies proposed by the Management are fully evaluated, taking into account the long-term interests of the shareholders. In addition, they contribute to policy formulation and are actively involved in decision-making. They provide guidance and promote professionalism and competence among Management and employees.

The presence of the Independent Non-executive Directors is essential in providing unbiased and independent views, advice and judgement as well as safeguarding the interests of other parties, such as the minority shareholders of the Company. The concept of independence adopted by the Board is in accordance with the definition of an Independent Director in Paragraph 1.01 of the Listing Requirements. Each new Director is given a comprehensive understanding of the operations of the Company through regular briefings on Company history and financial control systems and plant visits are arranged to ensure firsthand understanding of the Company's operations. It is the Company's policy that all Directors undergo relevant training courses to enable them to effectively discharge their duties and responsibilities.

Dato' Sadasivan s/o N. N. Pillay has been identified and appointed as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Company may be conveyed.

The Articles of Association of the Company further provides that at least one third of all Directors, are subject to retirement by rotation at each Annual General Meeting but shall be eligible for re-election in line with the Listing Requirements.

PROVIDING INFORMATION TO THE BOARD

Board meetings are held at quarterly intervals with additional meetings held whenever necessary. The Board met four (4) times during the year under review. All directors attended more than 50% of Board meetings.