

**IPIC to pay US\$103m as interest for two 1MDB bonds**  
**MalaysiaKini.com**  
**Oct 9<sup>th</sup>, 2015**

International Petroleum Investment Co (IPIC) will pay the interest payments due in October and November 2015, amounting to US\$102.7 million (RM424.96 million) in respect of the two US\$1.75 billion (RM7.24 billion) bonds issued by 1MDB Energy Ltd and 1MDB Energy (Langat) Ltd and co-guaranteed by IPIC.

This is pursuant to the Binding Term Sheet and as previously disclosed to the London Stock Exchange, IPIC said in an update on the agreement between the firm and Aabar Investments PJS (Aabar) and 1Malaysia Development Bhd (1MDB) and Ministry of Finance Malaysia (MOF Malaysia) on May 28, 2015.

To recap, on June 4, 2015, IPIC provided US\$1 billion to 1MDB for 1MDB to utilise immediately to settle certain of its liabilities (the Cash Payment) and from June 5, 2015, IPIC has assumed 1MDB's obligations to pay (on an interim basis) all interest due under the Notes amounting to US\$3.5 billion in aggregate principal amount.

Upon the completion of the transfer of assets as described below, IPIC will directly assume liability for all payment obligations under the Notes (the Assumption of Debt) and forgive certain financial obligations of the 1MDB Group to the IPIC Group (the Debt Forgiveness).

Accordingly, by June 30, 2016, IPIC is to have received a transfer of assets with an aggregate value of an amount which represents the sum of the Cash Payment, the Assumption of Debt and the Debt Forgiveness.

1MDB and MOF Malaysia have agreed to perform the obligations contemplated in the Binding Term Sheet and to indemnify IPIC and Aabar for any non-performance, and vice-versa, and the Binding Term Sheet supersedes all previous commercial transactions between the parties.

IPIC said it remains committed to working with 1MDB and MOF Malaysia, and would continue to provide updates when relevant.

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