



Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
No. 200, Nawala Road,
Naradenpita, Colombo 5 Sri Lanka.
Tel :+94 11 4 524 524
Company Reg No: PQ54

27th April, 2020

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block, World Trade Centre
Echelon Square
Colombo 01

Dear Sir,

Disclosure regarding the Impact of COVID-19 on Chevron Lubricants Lanka PLC

With reference to CSE circular No: 06.04.2020 dated 20.04.2020, we hereby disclose the following with regard to COVID-19 impact on our business / operations.

Chevron Lubricants Lanka PLC (CLLP) began preparations for an outbreak of COVID-19 in January as part of our Emergency Response Planning process. To date, there have been zero reported cases of COVID-19 within our company employees and their immediate families. Our head office, blending plant, and warehouse facilities have been virus free as of this writing. Since 16th March, all non-essential staff commenced their daily work from their homes while essential staff to support blending and distribution of lubricant oils are reporting to our plant in Sapugaskanda to support operations.

Blending and filling operations are lower than normal due to the curtailed economic activities domestically and in our export markets due to the prevailing curfew/lockdown conditions. The company is prioritizing operations to support essential services in all of our markets. The company is producing lubricant oils for essential services such as power generation, agriculture, fisheries sector, and government transportation services.

Company's response to COVID-19 Pandemic

A top priority for Chevron Lubricants Lanka Plc is the health and safety of our workforce. Chevron practices a phased process that is aligned with the WHO Pandemic Levels. Each phase is entered and exited with a set of actions and supporting communications involving Health & Safety, Business Continuity Planning (to ensure supply reliability and supporting processes), Human Resources, Facilities Management, IT, and Security, and supported by a comprehensive Company Communication Strategy. Management activated the business continuity plan (BCP) to support essential services and fulfill contractual obligations for domestic and export customers.

Management implemented safety measures at the head office and blend plant including:

- Health and travel declaration process
- Temperature screening
- Education on mask usage
- PPE for high-risk areas
- Split shift work scheduling to limit the number of persons in the manufacturing facility
- Work from home expectations for head office and non-essential team members

The Company has taken certain measures to control operational expenses and reduce capital expenditures for discretionary projects. In the area of operational expenses, Management:

- Froze the headcount and deferred all hiring plans
- Stopped all international travel and reduced the annual travel budget
- Revised the Advertising, Sales & Promotions (AS&P) budget for 2020
- Negotiated concessions with certain service providers
- Identified and discontinued certain planned activities to manage operational expenses.

Company's expectation of the future Impact of COVID 19 on the Company's future operations and the financial condition

Management will continue to monitor and control spending in anticipation of an eventual recovery of the marketplace. Considering the degree of uncertainty and the prevailing market conditions, Management is leveraging on scenario planning in preparation for varying degrees and pacing of the recovery in the market. As such, based on management's initial estimates, the Company's financial performance in the short term is expected to correlate with the prevailing negative business environment which continues to evolve. In this context, conservation of cash remains a priority and the Company has adequate cash flows (including undrawn credit facilities if required to meet contingencies) to ensure seamless operations. The Board and management remain committed to take all decisions and measures to ensure CLLP remains viable as an entity through these uncertain times.

Chevron Lubricants Lanka PLC is committed to remaining a safe and reliable supplier of lubricants to all our customers in Sri Lanka and our export markets. We value and are thankful for the work being done by the Sri Lankan Government to navigate this unprecedented situation and to the first responders and other persons on the frontline of the fight against COVID-19. Our Company will continue to be a responsible corporate citizen and adhere to the guidance provided by government authorities to protect citizens of this country and overcome the current challenges facing the Company.

Yours faithfully,



PATRICK MC CLOUD
MANAGING DIRECTOR / CEO
CHEVRON LUBRICANTS
LANKA PLC

Pat McCloud
Managing Director
Chevron Lubricants Lanka PLC