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# **PETRONAS Group Financial Results Announcement**

Quarter 1 Ended 31 March 2015

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# **PETRONAS Group Financial Results Announcement**

Financial Highlights

**Datuk George Ratilal**

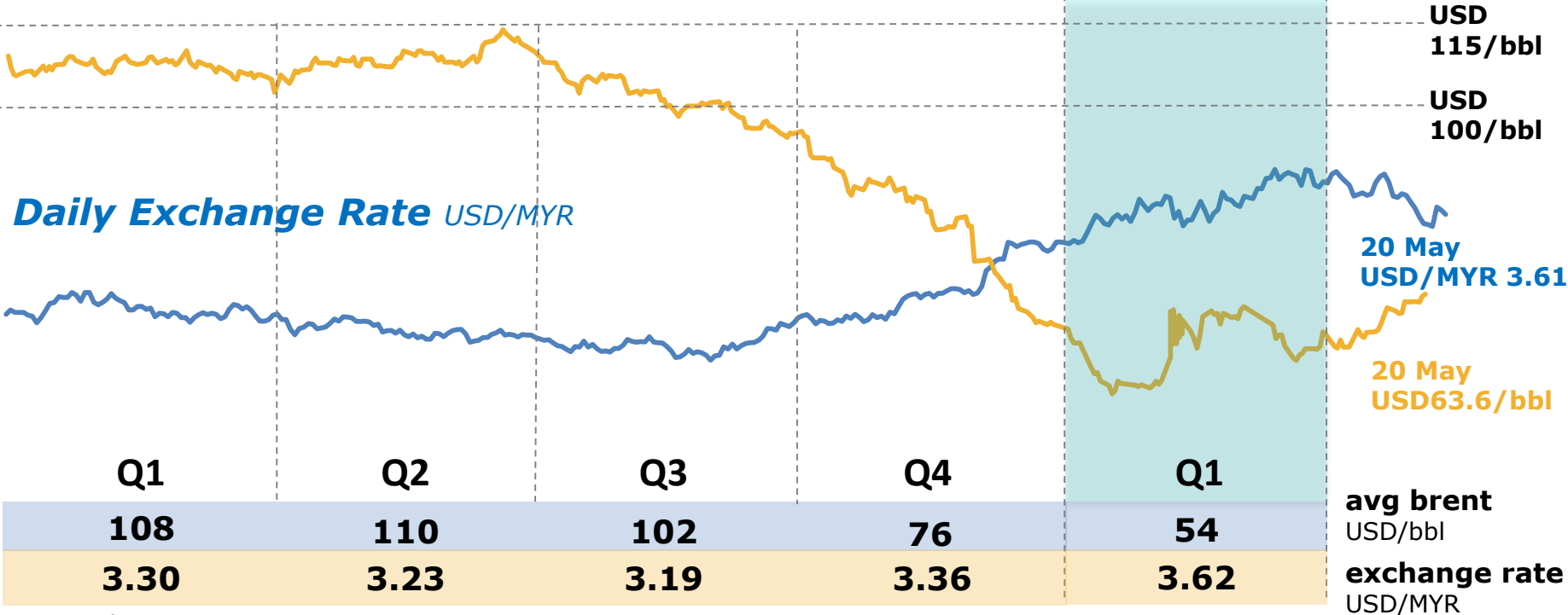
Executive Vice President &  
Group Chief Financial Officer

# Key External Indicators

## Daily Dated Brent USD/bbl

2014

2015



Source: Platts, Reuters

|                       | Q1 FY2014 | Q4 FY2014 | Q1 FY2015 |   |
|-----------------------|-----------|-----------|-----------|---|
| Dated Brent (USD/bbl) | 108.2     | 76.3      | ↓ 54.0    | avg dated Brent <b>54.0</b> USD/bbl<br>Q1 vs. Q1 : ↓50% |
| USD/MYR               | 3.30      | 3.36      | ↑ 3.62    | exchange rate <b>3.62</b> USD/MYR<br>Q1 vs. Q1 : ↑10%   |

# Q1 FY2015 Operational Indicators

| Production*<br>(kboe/d)    | Q1<br>FY2014 | Q1<br>FY2015   |
|----------------------------|--------------|----------------|
| Crude oil &<br>Condensates | 847          | 967 ↑          |
| Gas                        | 1,415        | 1,398 ↓        |
| <b>Total</b>               | <b>2,262</b> | <b>2,365 ↑</b> |
| <b>Entitlement**</b>       | <b>1,825</b> | <b>1,672 ↓</b> |

| LNG Sales<br>Volume (MMT) | Q1<br>FY2014 | Q1<br>FY2015  |
|---------------------------|--------------|---------------|
| PLC                       | 6.72         | 6.93 ↑        |
| Others                    | 0.93         | 1.14 ↑        |
| <b>Total</b>              | <b>7.65</b>  | <b>8.07 ↑</b> |

**production**  
**2,365** kboe/d

5% ↑:

- better oil production volumes from Malaysia & Vietnam
- Turkmenistan - Higher gas demand
- Canada better well performance

Negated by:

- Egypt higher natural decline rate
- Power sector lower gas demand

**entitlement**  
**1,672** kboe/d

9% ↓ due to lower price

**LNG sales volume**  
**8.07** MMT

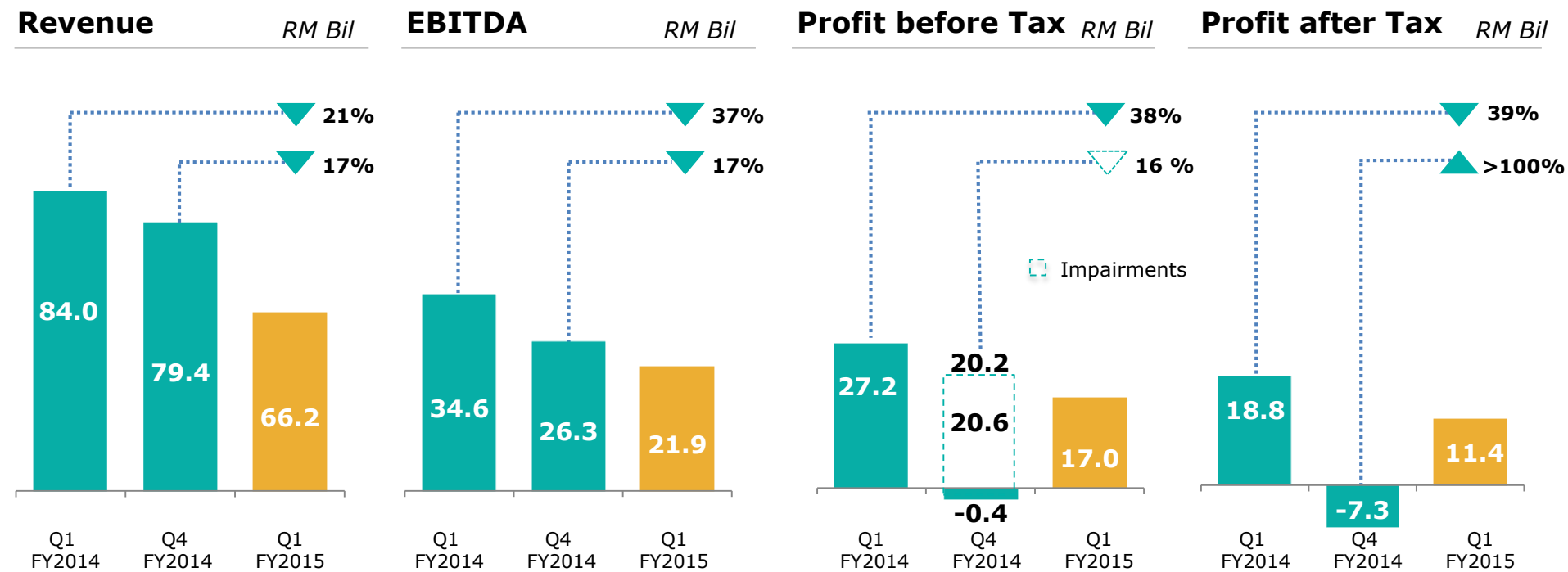
5% ↑ driven by sales from PLC

PLC: PETRONAS LNG Complex in Bintulu, Sarawak

\*Represents Total Malaysia's production and PETRONAS Group's international equity production volume.

\*\*Represents PETRONAS Group's entitlement to Malaysia's production and PETRONAS Group's international entitlement volume

# Group Results



## profit before tax

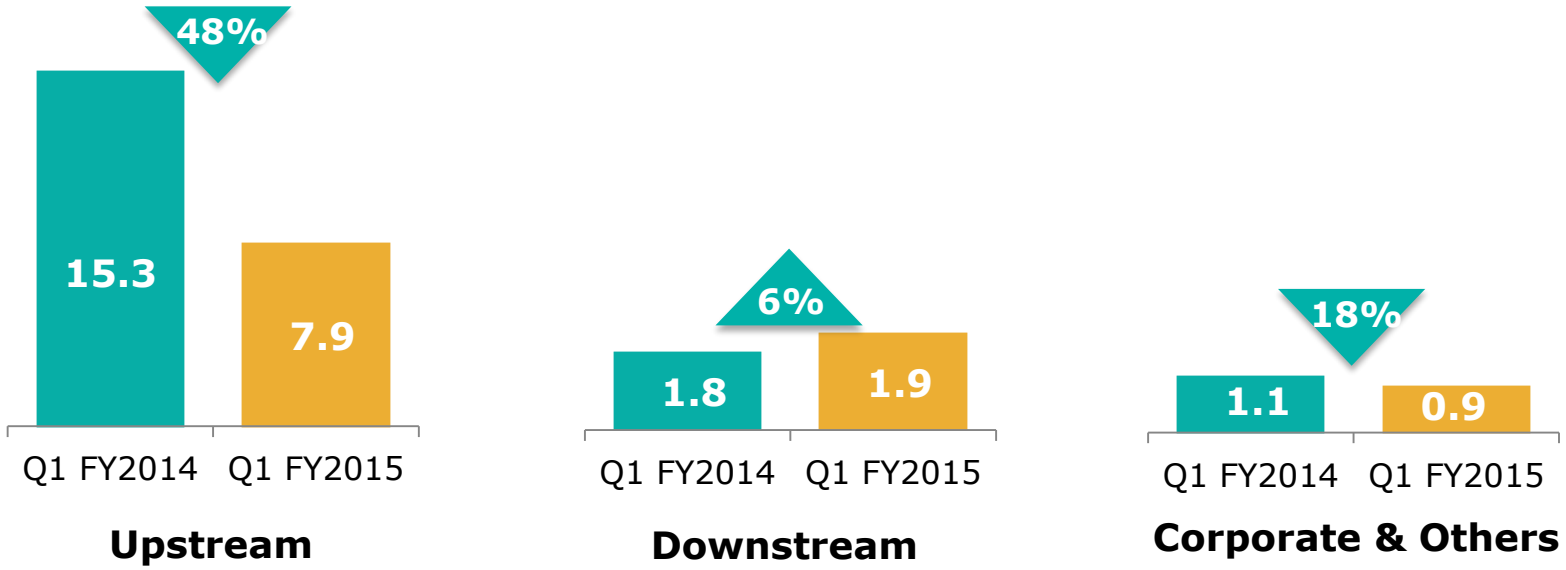
**RM17.0b** (↓ 38%)

- impacted by lower revenue due to 50% drop in benchmark crude price *partly offset by*
  - higher crude oil, processed gas trading and LNG sales volume
  - favourable movement of the USD exchange rate against the Ringgit
- pre-tax margin over revenue: 25.7% (Q1 2015) vs. 32.4% (Q1 2014)
- no significant impairments

# Business Segment Results

PAT by Business Segment (includes inter-segment adjustments)

RM Bil



### Upstream

**RM7.9b** (↓ 48%)

- Lower crude oil price *partly offset* by higher production and LNG sales volume

### Downstream

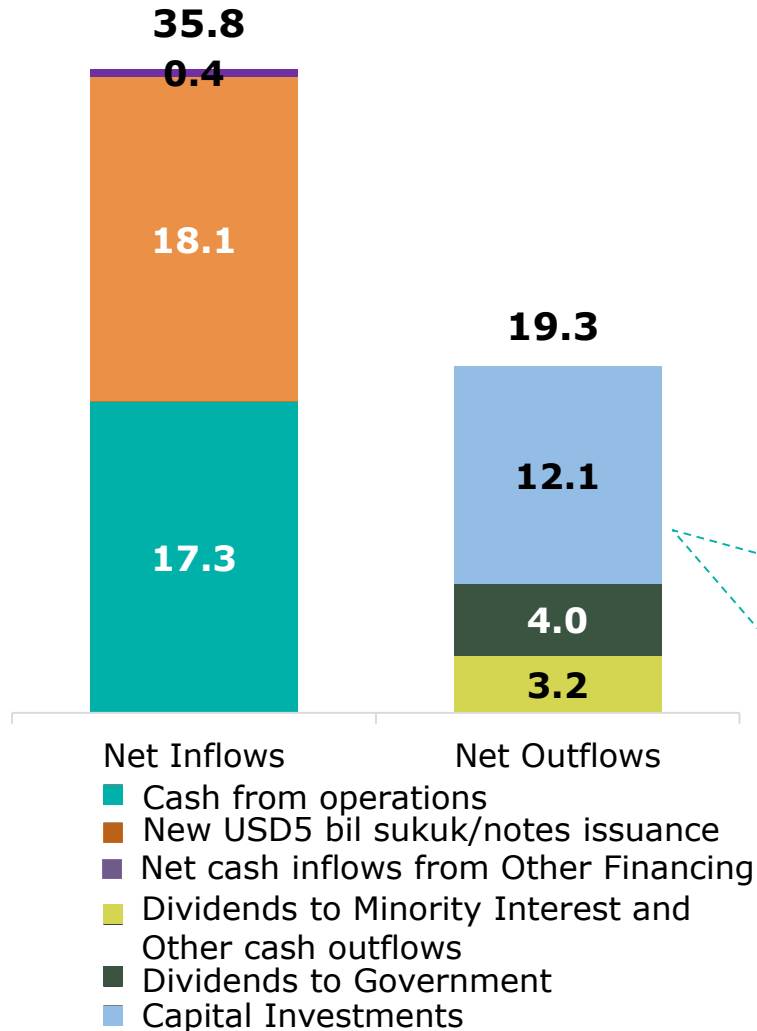
**RM1.9b** (↑ 6%)

- Improved Refining Margins from domestic and international refineries

# Other Financial Highlights

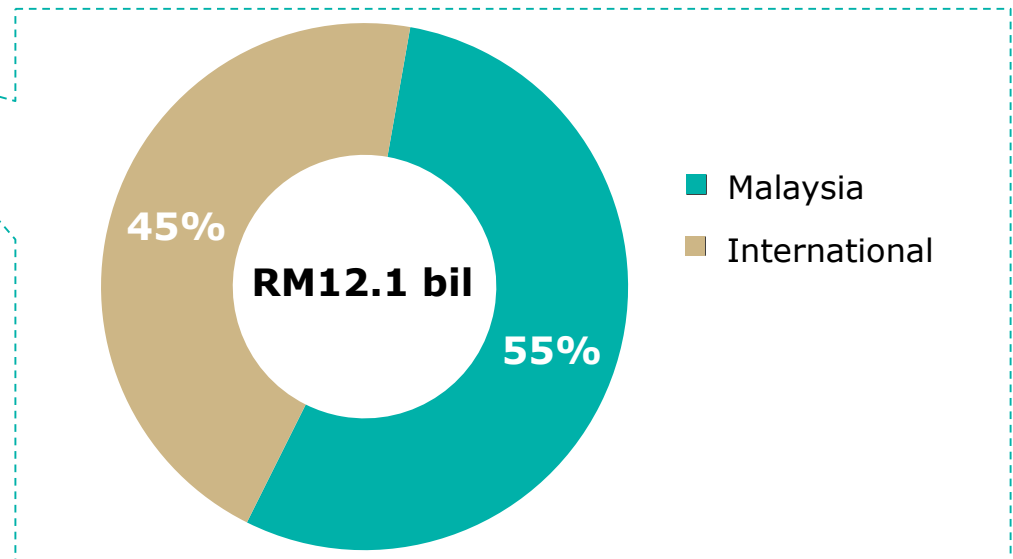
## Cash Flows YTD 2015

RM Bil



- Issued **USD1.25 bil** of Islamic trust certificates and **USD3.75 bil** of conventional bonds in March 2015
- **Total assets - RM563.1 bil** (↑ 5% from Q4 2014)
- **Gearing was 13%** (↑ from 9.4% as at Q4 2014)

## Capital Investments YTD 2015







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# **Upstream Business**

# Operational Highlights

Upstream significant milestones achieved in delivering long term sustainable growth

## Operational



**5%** Higher production  
*Q1'15 vs. Q1'14*



**2** Greenfields  
1<sup>st</sup> HC



**3** Exploration  
Discoveries



**ORRR 1.4x**  
**RRR 1.6x**

## LNG Business



**PETRONAS' First Floating LNG Project Surpasses 12 Million Hours Without Lost Time Injury**



**2** Signing of Key LNG Agreements



**GLNG delivers 1<sup>st</sup> Gas into LNG Plant**

## Ventures



**3** PSC Signed/  
Awarded      **1** Farm-in



**Bintulu Integrated Facility (BIF) Operatorship Transfer**

## Others



**CORAL 2.0 - "Reimagining Cost Competitiveness"**



**PETRONAS Advanced Computing Environment (PACE)**  
The fastest computing environment in Malaysia

# Operational Highlights

Upstream production for Q1 FY2015 is higher than Q1 & Q4 FY2014

Higher than 2014 corresponding period

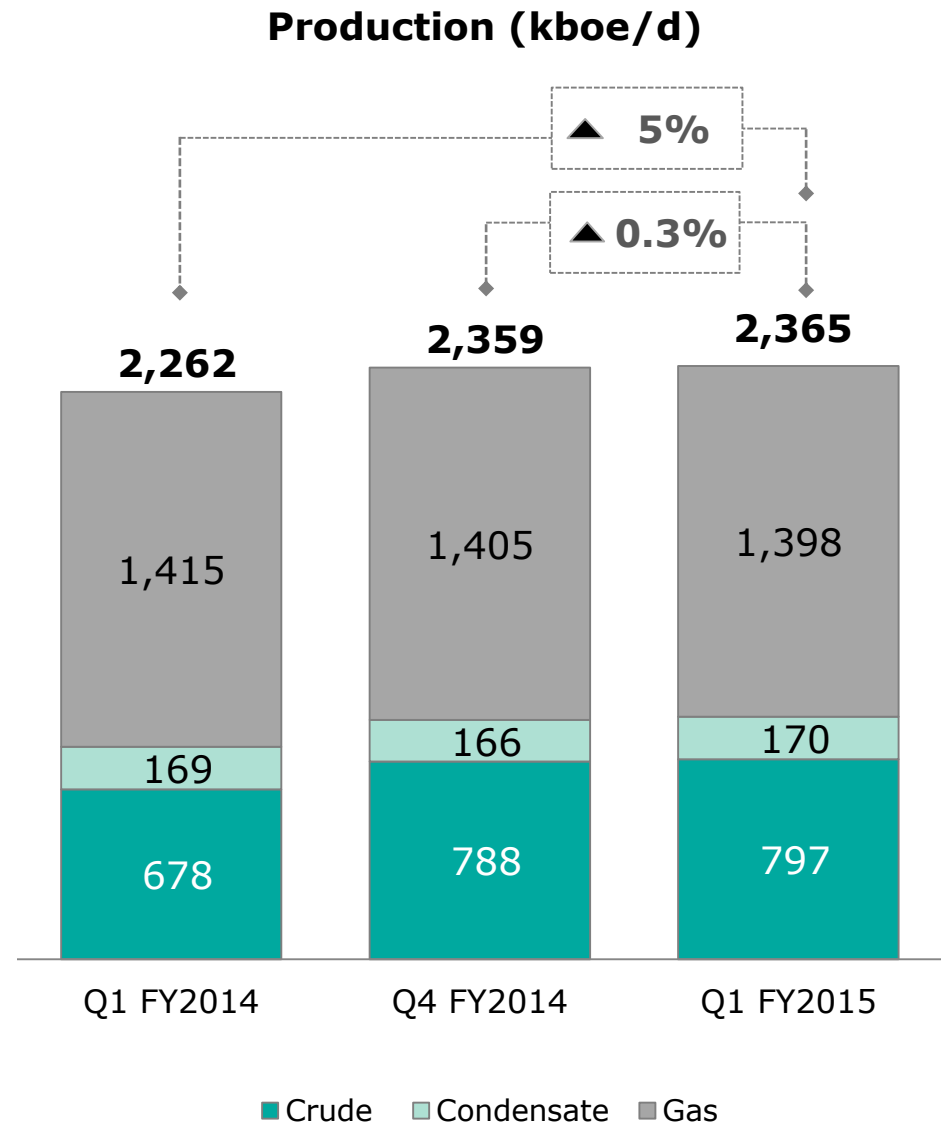
- Q1 FY2014 (↑ 5%)
- Q4 FY2014 (↑ 0.3%)

Better Upstream performance :

- Prodn. enhancement, new prodn. & ramp up from Malaysia crude + Vietnam
- Turkmenistan higher demand
- Canada better well performance

Negated by:

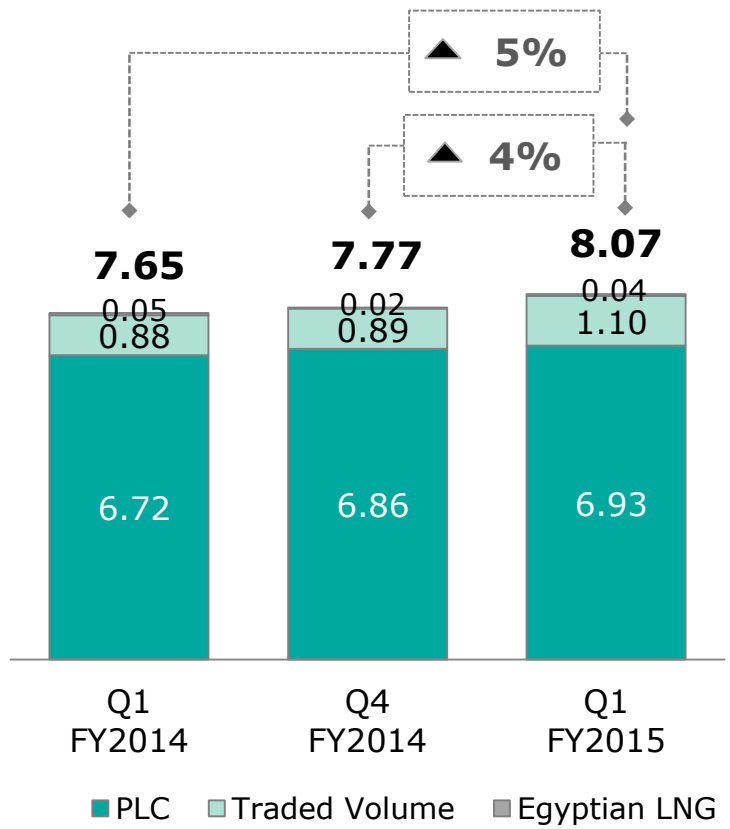
- Egypt higher natural decline rate
- Power sector lower gas demand



# Operational Highlights

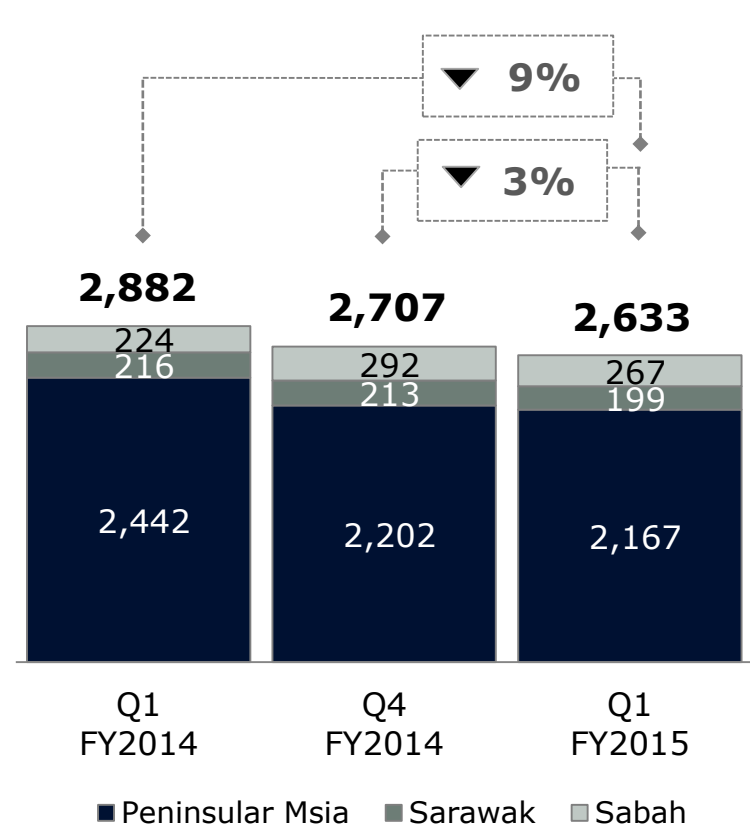
LNG sales volume were higher however lower sales gas delivered were recorded

### LNG Sales Volume (mil tonnes)



- Higher driven by increase in trading volume & higher sales from PLC\*

### Sales Gas Delivery (mmscfd)



- Lower power sector demand in Peninsular Malaysia

\*PLC: PETRONAS LNG Complex, Bintulu, Sarawak



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# **Downstream Business**

# Downstream Business

## Driving Superior Project Execution



**RAPID: 28 main contract packages** have been awarded consisting of **Site Preparation, Construction Infrastructures, Refinery & Steam Cracker Complex (SCC), Utilities, Interconnecting & Offsite (UIO)** while remaining packages are currently under tendering activities namely **PETCHEM EPCC** contracts and expect to award remaining major packages by **Q1 2016**.

The contracts awarded in Q1 2015 are to support Construction namely Operations & Management (O&M) of Temporary Common Camp Facilities, Infrastructure, Construction Waste Management and Security Services.



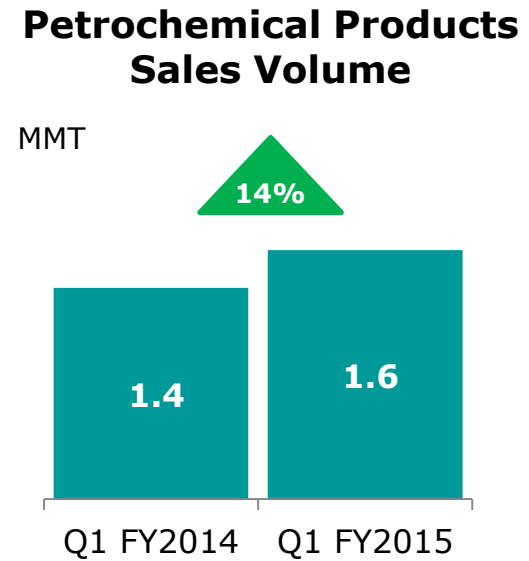
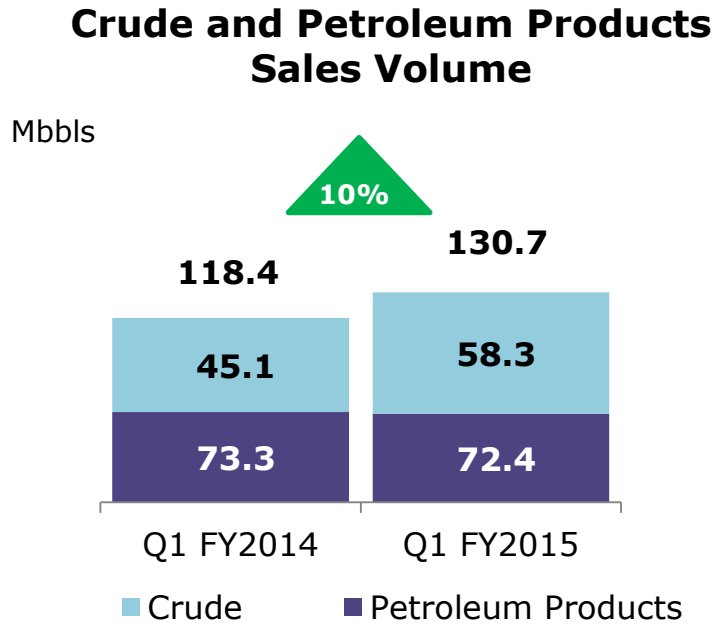
**SAMUR** has achieved **90% completion** and is expected to be fully completed in **March 2016**.



**RGT2** is progressing as per milestone with completion of **1st LNG** tank load test on **21 March 2015** and has clocked 181,942 cumulative safe man-hours to-date.

# Downstream Business

YTD Crude and Petrochemical Products Sales Volume was higher



### Crude (↑ 29 %) and Petroleum Product (↓ 1 %):

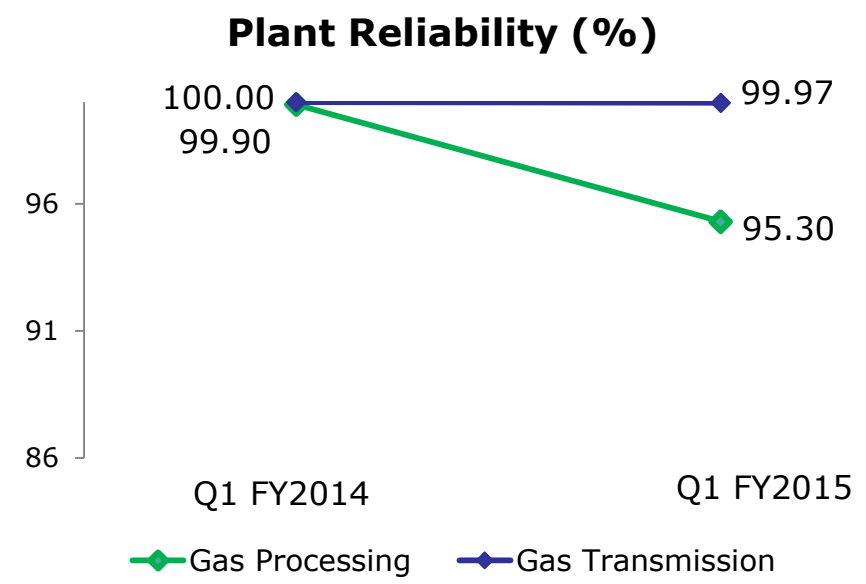
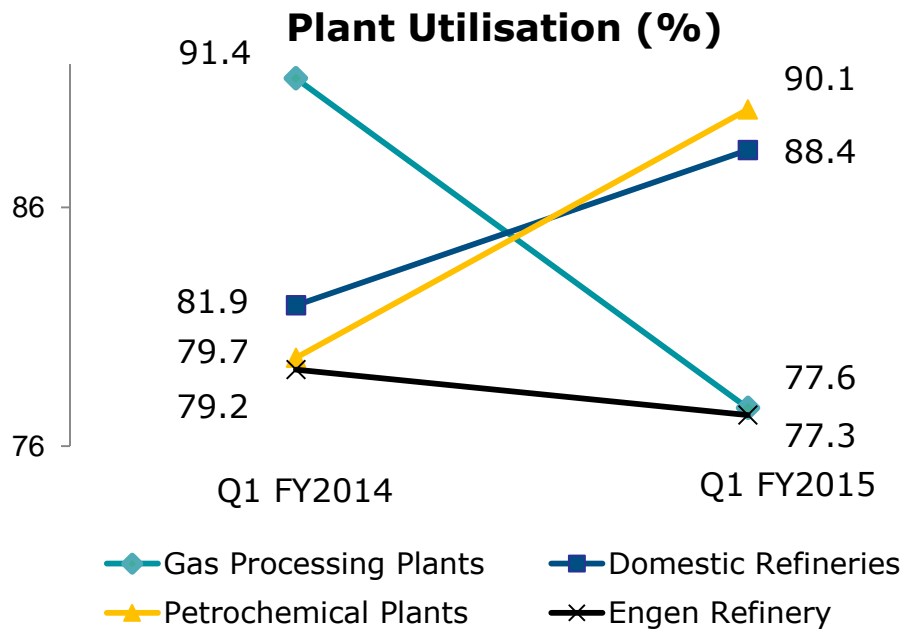
- Crude: Higher marketing and trading activities
- Petroleum Product: Lower domestic retail sales volume and lower trading volume

### Petrochemical Products (↑ 14 %):

- Higher sales for methanol, urea and ammonia in line with higher production supported by improved feedgas supply and better plant reliability. Also no statutory maintenance activities.

# Downstream Business

## Improvement in petrochemical and domestic refineries performance



- Domestic Refineries – less shutdown and slowdown
- Petrochemical Plants – better plant reliability and improved methane gas supply
- Gas Processing Plants – lower feedgas processed due to lower salesgas demand
- Engen Refinery – additional maintenance activities

- Gas Processing – higher unscheduled downtime





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**Thank You**