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PETRONAS

PETRONAS Group Financial Results Announcement

Q4 and Year End FY2014

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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



2013 Source: Platts, Reuters

2014 — Dated Brent — Exchange Rate

	Q4 2013	Q3 2014	Q4 2014	FY 2013	FY 2014	
Dated Brent (USD/bbl)	109.27	101.85	76.27 ↓	108.66	98.99 ↓	avg dated Brent 98.99 USD/bbl 9% lower than 2013
USD/MYR	3.21	3.19	3.36 ↑	3.15	3.27 ↑	exchange rate 3.27 USD/MYR 4% higher than 2013

Upstream Production and Entitlement

	FY2013	FY2014
Production (kboe/d)	2,127	2,226 ↑
Entitlement (kboe/d)	1,601	1,681 ↑

production 2,226 kboe/d	entitlement 1,681 kboe/d
5% higher than 2013 due to: <ul style="list-style-type: none"> ▪ Optimisation/enhancement initiatives ▪ New production from Malaysia, Iraq and Vietnam ▪ South Sudan continuous production ▪ Turkmenistan higher winter demand ▪ Higher production in Canada 	

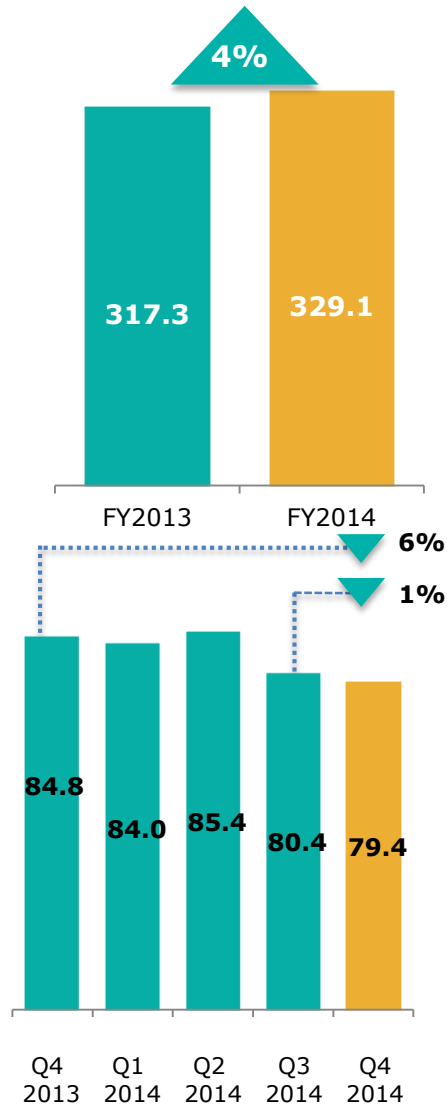
Production* (kboe/d)	FY2013	FY2014
Malaysia	1,621	1,658
Liquids	575	603 ↑
Gas	1,046	1,055 ↑
International	506	568
Liquids	193	265 ↑
Gas	313	303 ↓
Total	2,127	2,226

*Represents Malaysia's production and PETRONAS Group's international equity production Volume

Group Results

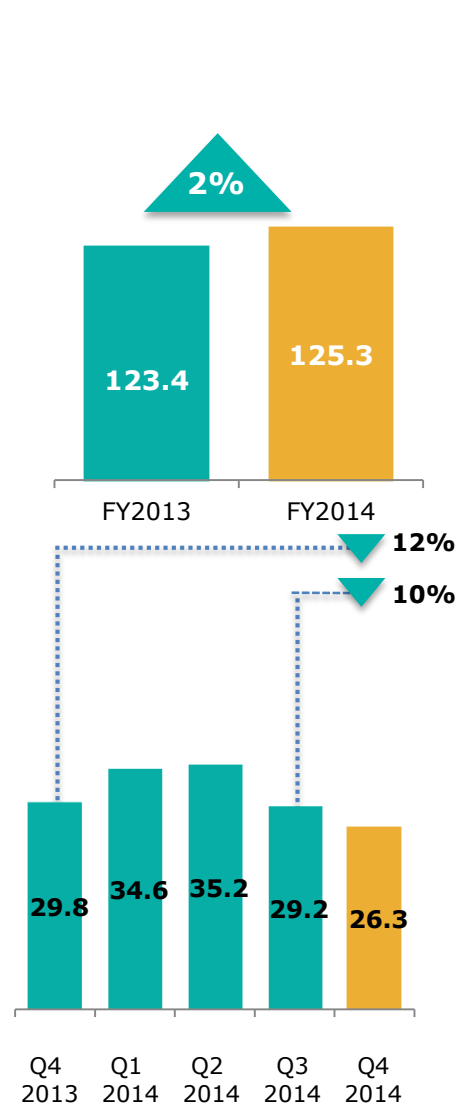
Revenue

RM Bil



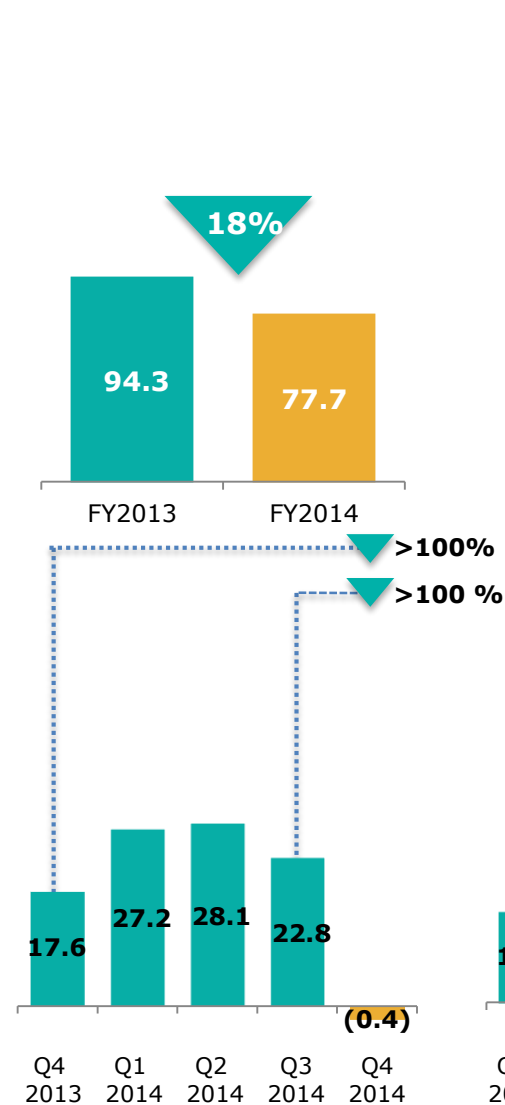
EBITDA

RM Bil



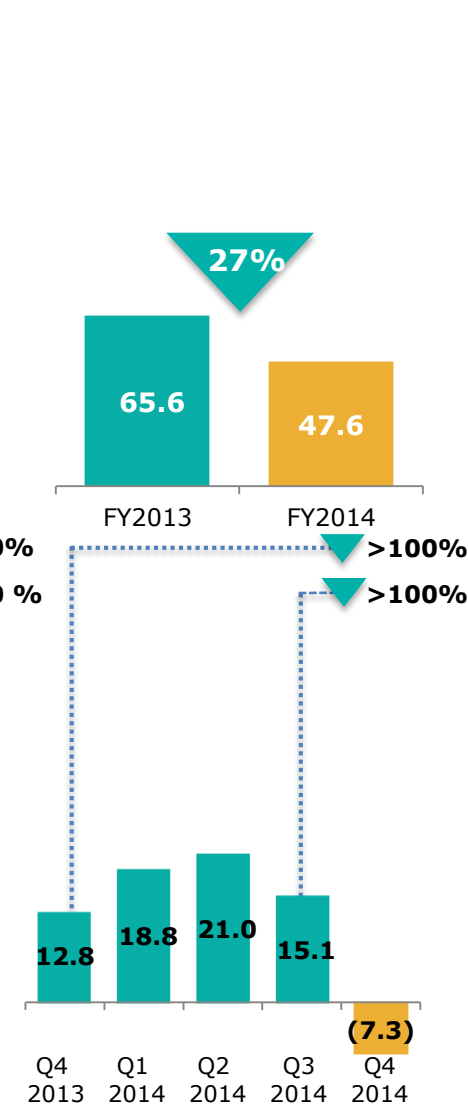
Profit before Tax

RM Bil



Profit after Tax

RM Bil

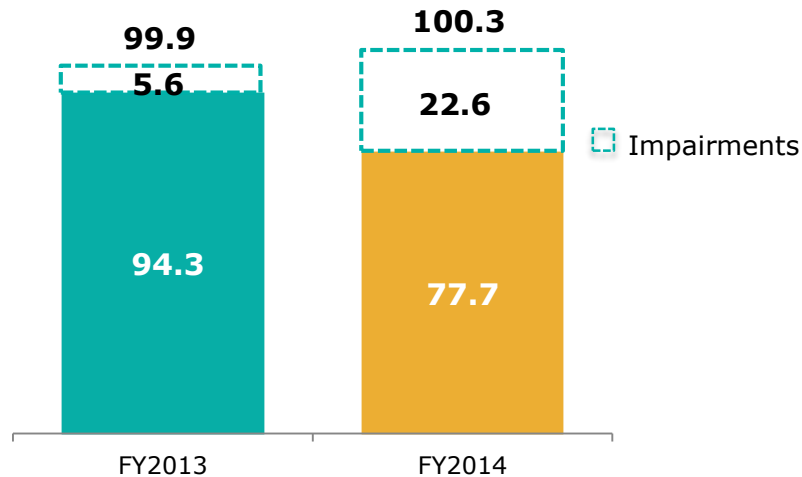


¹EBITDA consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation and impairment loss on property, plant and equipment and intangible assets and financing costs, and the exclusion of interest income.

Group Results

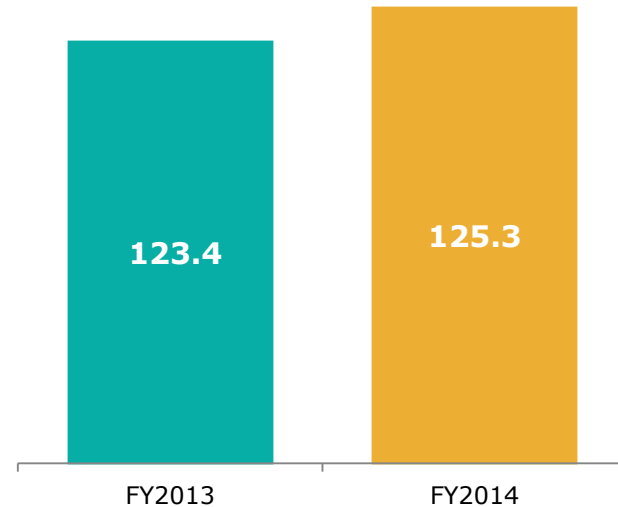
PBT - Adjusted

RM Billion



EBITDA

RM Billion



Adjusted PBT & EBITDA improved due to:



- **↑ 5% Entitlement** (1,681 kboe/d vs 1,601 kboe/d)
- **↑ 4% LNG Sales Volume** (30.12MT vs 28.85 MT)
- **Favourable USD/MYR exchange rate movement** (USD/MYR 3.27 vs 3.15)

Negated by:

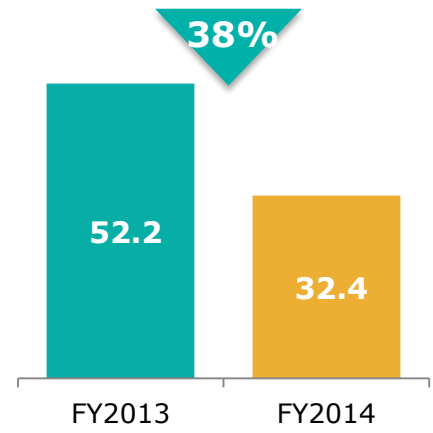


Lower oil price resulting in higher impairments

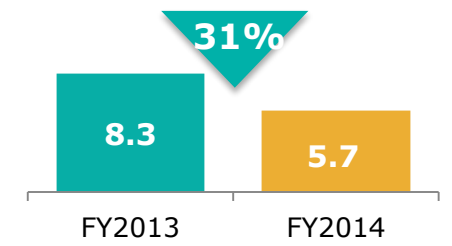
Business Segment Results

PAT by Business Segment (Gross¹)

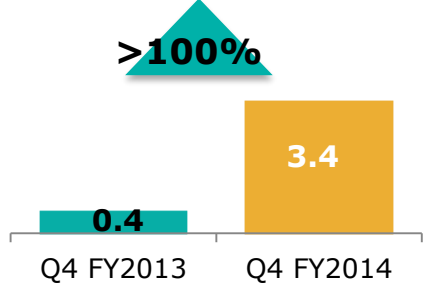
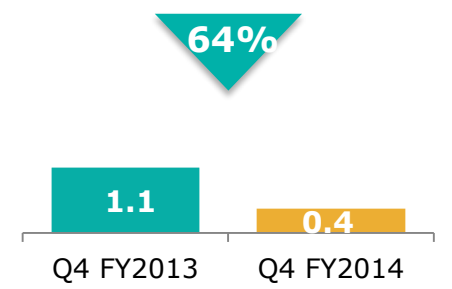
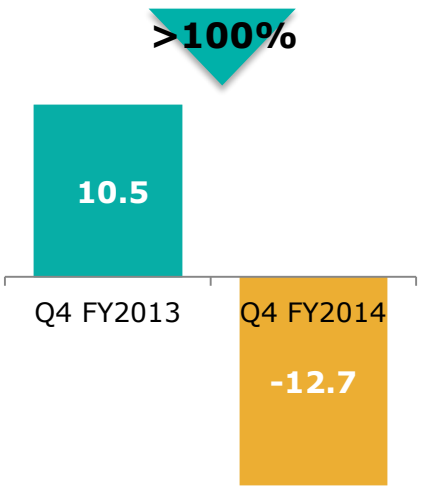
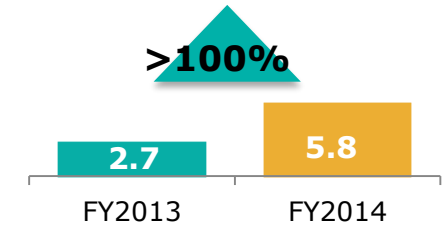
UPSTREAM *RM Bil*



DOWNSTREAM *RM Bil*



C&O *RM Bil*



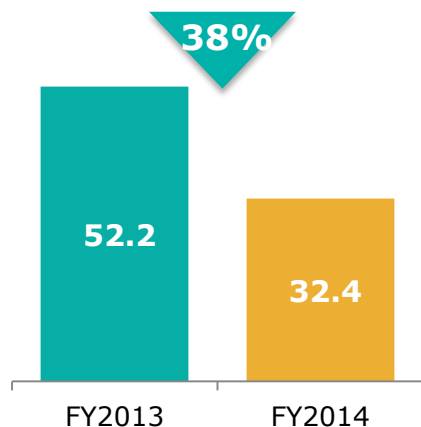
¹ Gross PAT includes both third party and inter-segment transactions

Business Segment Results

PAT by Business Segment (Gross¹)

UPSTREAM

RM Bil



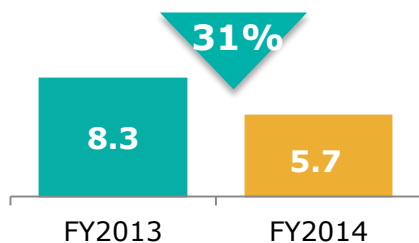
- + ↑ Entitlement – higher by 80 kboe/d
- + ↑ LNG sales volume – higher by 1.27 million tonnes

Offset by

- ↓ crude prices
- ↑ asset impairment
- ↑ amortisation

DOWNSTREAM

RM Bil



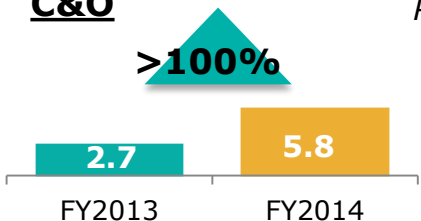
- + ↑ Crude oil sales – higher by 13.8 million barrels
- + Improved overall Downstream OEE

Offset by

- ↓ refining margins, negative inventory impact
- ↓ trading margins

C&O

RM Bil

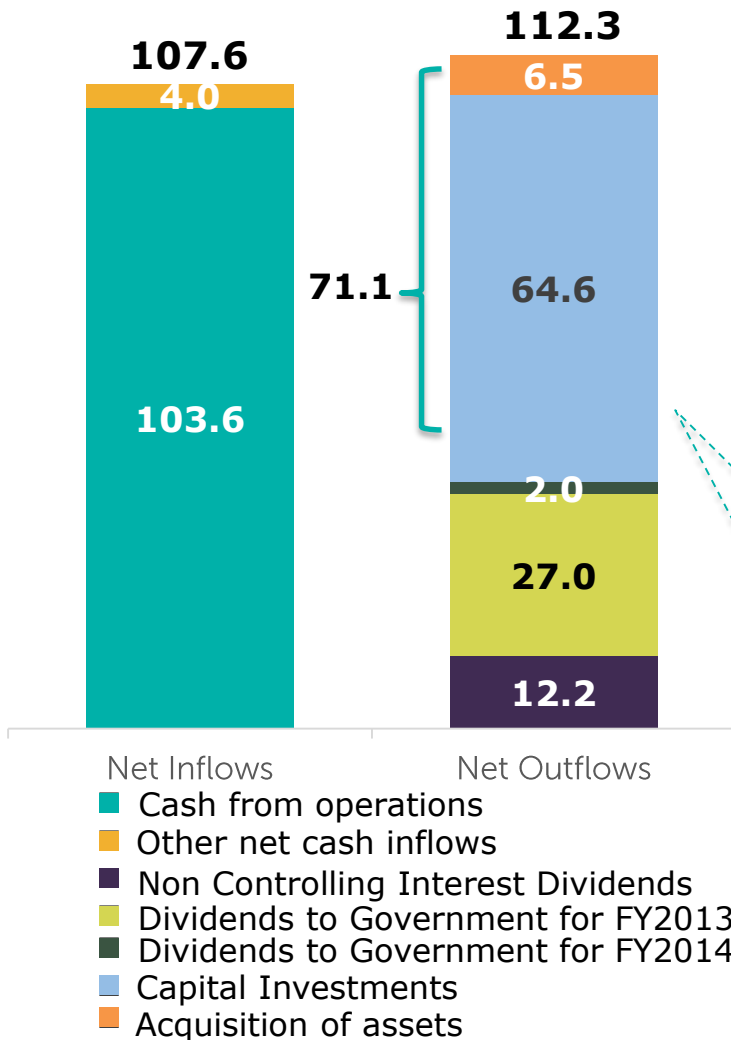


- + ↑ property business income
- + Investment Gains

Other Financial Highlights

Cash Flows YTD 2014

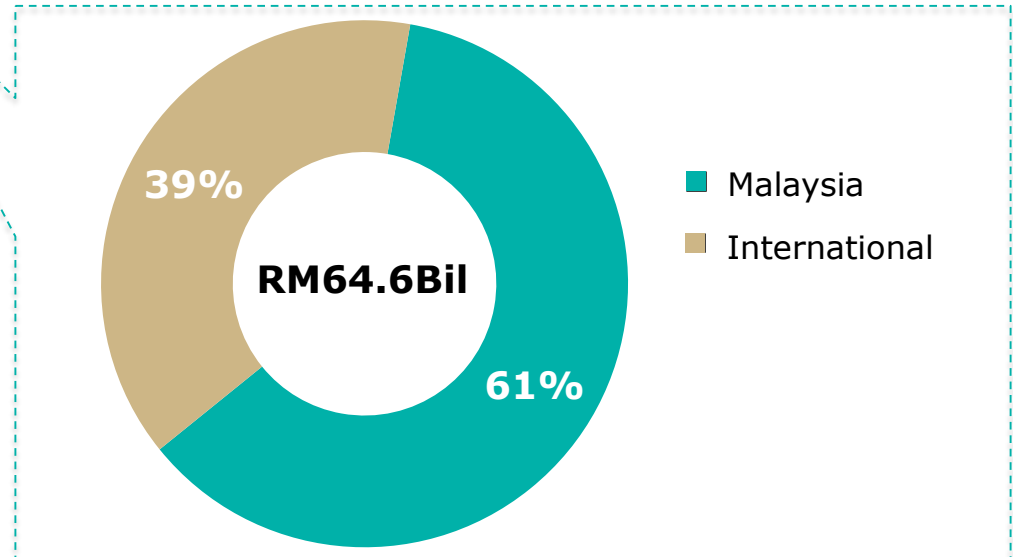
RM Bil



Financial Position

	31 Dec 2014	31 Dec 2013	Change
Total Assets (RM Bil)	537.5	528.7	+8.8
Cash balance (RM Bil)	136.2	140.9	-4.7
ROACE (%)	11.6	17.0	-5.4
Gearing (%)	9.4	11.1	-1.7

Capital Investments YTD 2014



Outlook



2015 average prices are expected to be **significantly lower** than 2014 and will **impact profitability**



Taking steps to **reduce** planned **CAPEX** and **OPEX**



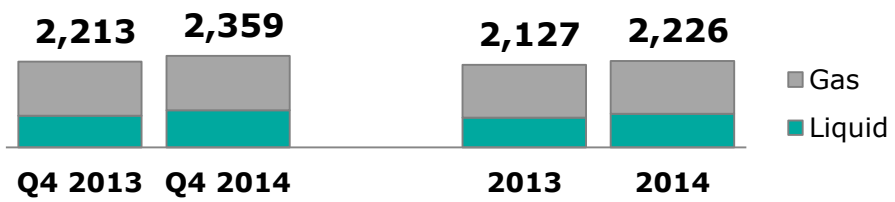
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Upstream Business

Upstream Highlights

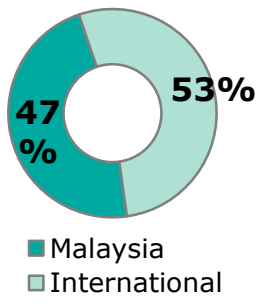
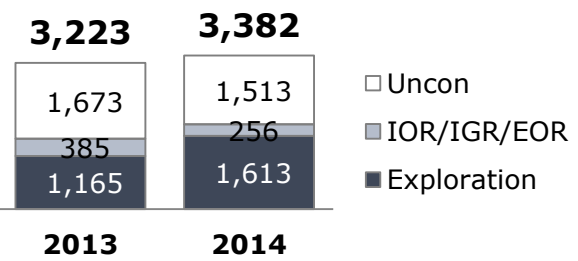
Significant milestones achieved in delivering long term sustainable growth

Production (kboe/d)



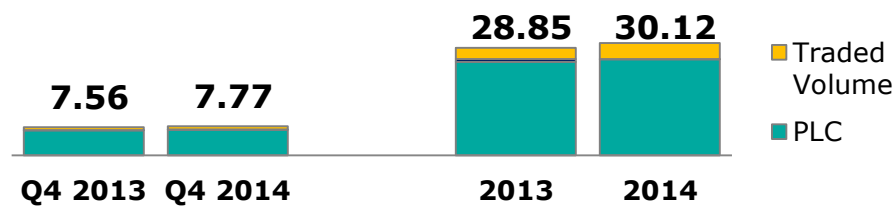
- 5% production growth
- Production Enhancement
- 19 Greenfields Production start up

Resource Addition (mmboe)



- 21 Exploration Discoveries
- 22 EOR/IOR/IGR Projects sanctioned
- ORRR 3.1x 2C Resource Add 3.4 mmboe
- RRR 1.6x 2P Reserve Add 2.1 mmboe

LNG Sales Volume (MMT)



- Higher Gas Supply & Plant Performance
- Record 423 cargoes
- 100% PLC OEE
- Higher trading volume



Other Highlights

- 101 active PSC in Malaysia
- New ventures – Argentina, Azerbaijan
- 4th partner in Integrated Canada LNG Project



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Downstream Business

Downstream Business

Driving Superior Project Execution and Operational Excellence



RAPID: SPV2 SHA, EPCC and Alliancing Agreement has been signed between PRPC UF, DIALOG and VOPAK on 19 December 2014

The **285 Megawatt (MW) combined-cycle gas-fired Kimanis Power Plant** was completed on **28 November 2014.**



Downstream Business

Driving Superior Project Execution and Operational Excellence



PETRONAS Lubricants International introduced the **industry's first 0W-20 heavy duty diesel engine oil, the PETRONAS Urania Next 0W-20**. Developed for the new Euro VI generation engines, PETRONAS Urania Next 0W-20 is a result of PLI's long-term technical collaboration with Iveco, a leading global brand in truck and diesel engine manufacturing.

PETRONAS reached an agreement with Phillips 66 Asia Ltd, a subsidiary of Phillips 66 (NYSE: PSX), to **acquire its 47% interest in Malaysian Refining Company Sdn Bhd ("MRC")**, which will result in PETRONAS wholly owning MRC.



Downstream Business

Driving Superior Project Execution and Operational Excellence



Signed licensing agreement with **Wasco Coatings Malaysia Sdn. Bhd.** during the **8th International Petroleum Technology Conference (IPTC)** in **December 2014**. Wasco will **manufacture** and **market REMCOAT, PETRONAS' proprietary three-layer pipeline coating system.**

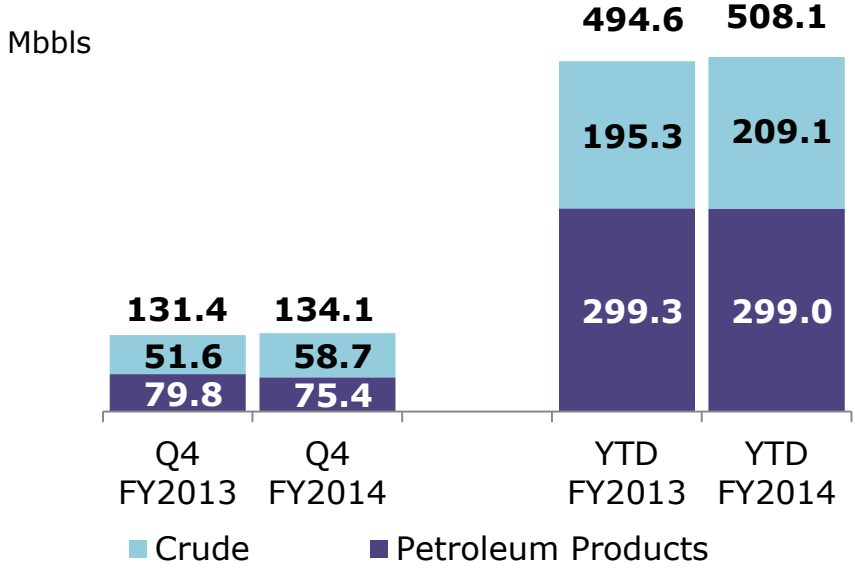
4 Capital Projects namely **SAMUR, Pengerang Cogeneration Plant (PCP), Garraf Light Oil Transportation System (GLOTS)** and **Sabah Oil-Gas Terminal (SOGT)** were assessed in **Top Quartile** as per **Independent Project Analysis ("IPA") benchmark.**



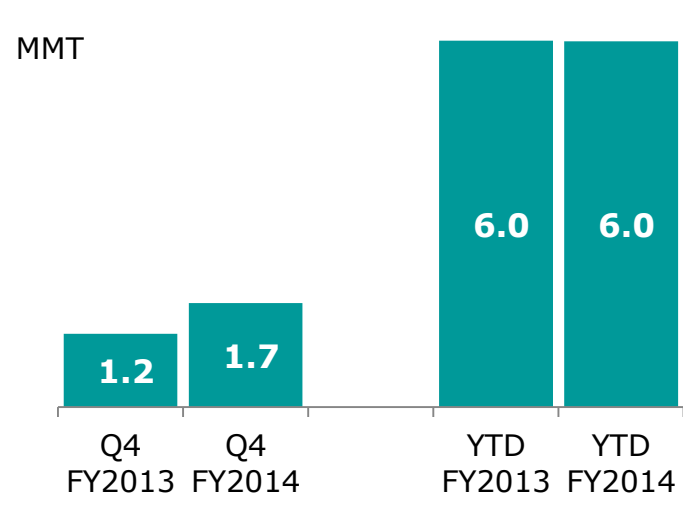
Downstream Business

YTD Crude Sales Volume was higher mainly due to higher MCO production

Crude and Petroleum Products Sales Volume



Petrochemical Products Sales Volume

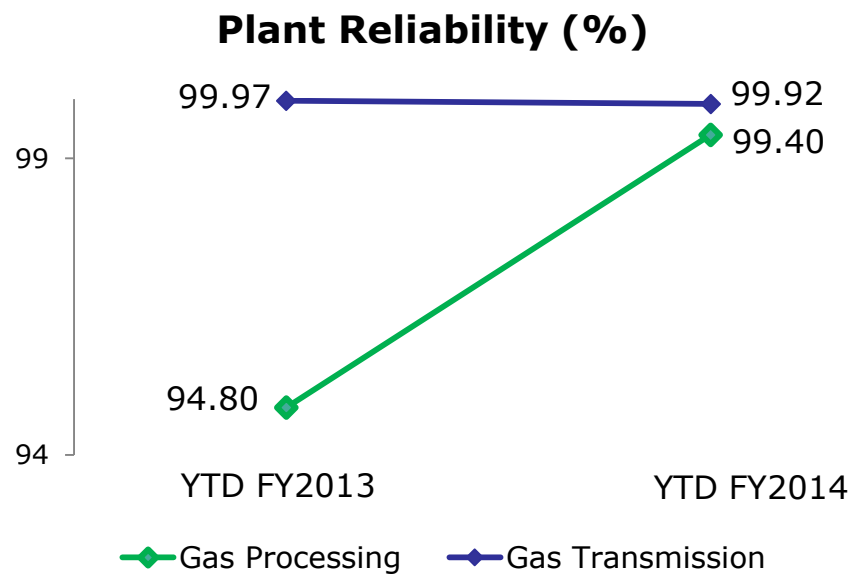
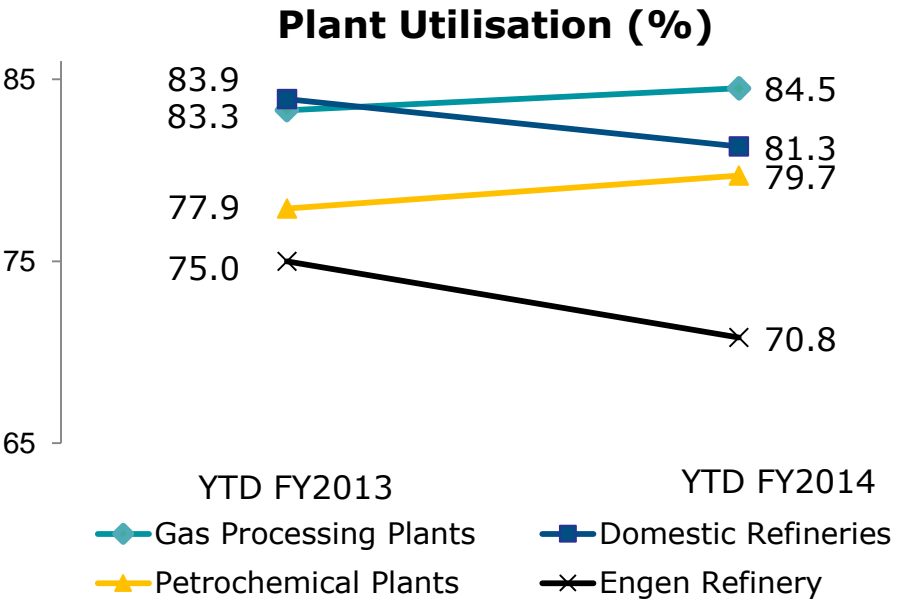


Crude (↑ 7 %):

- Higher marketing activities driven by higher production of Malaysian Crude Oil (MCO) supported by new lifting in March 2014

Downstream Business

Improved plant utilisation performance for petrochemical and gas processing due to better plant reliability



- Domestic Refineries – planned shutdown in FY2014
- Gas Processing Plants – higher feedgas processed in FY2014
- Petrochemical Plants – improved plant performance in FY2014
- Engen Refinery – reduced production rates in FY2014 due to poor refining margins
- Gas Processing – less unscheduled downtime in FY2014



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Thank You