



PETRONAS

PETRONAS Group **Financial Results Announcement**

Q4 and Year Ended FY2018

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FY2018 Key Features



Performance

- Solid financial performance coupled with higher CFO
- Committed to uphold growth agenda and corporate strategies

22%  in net profit of RM55.3 billion

27%  in EBITDA of RM116.5 billion

Progress of projects & CAPEX Spending

- PIC¹ **97%** completion as at 31 December 2018
- Full year CAPEX spending of **RM46.8 billion**

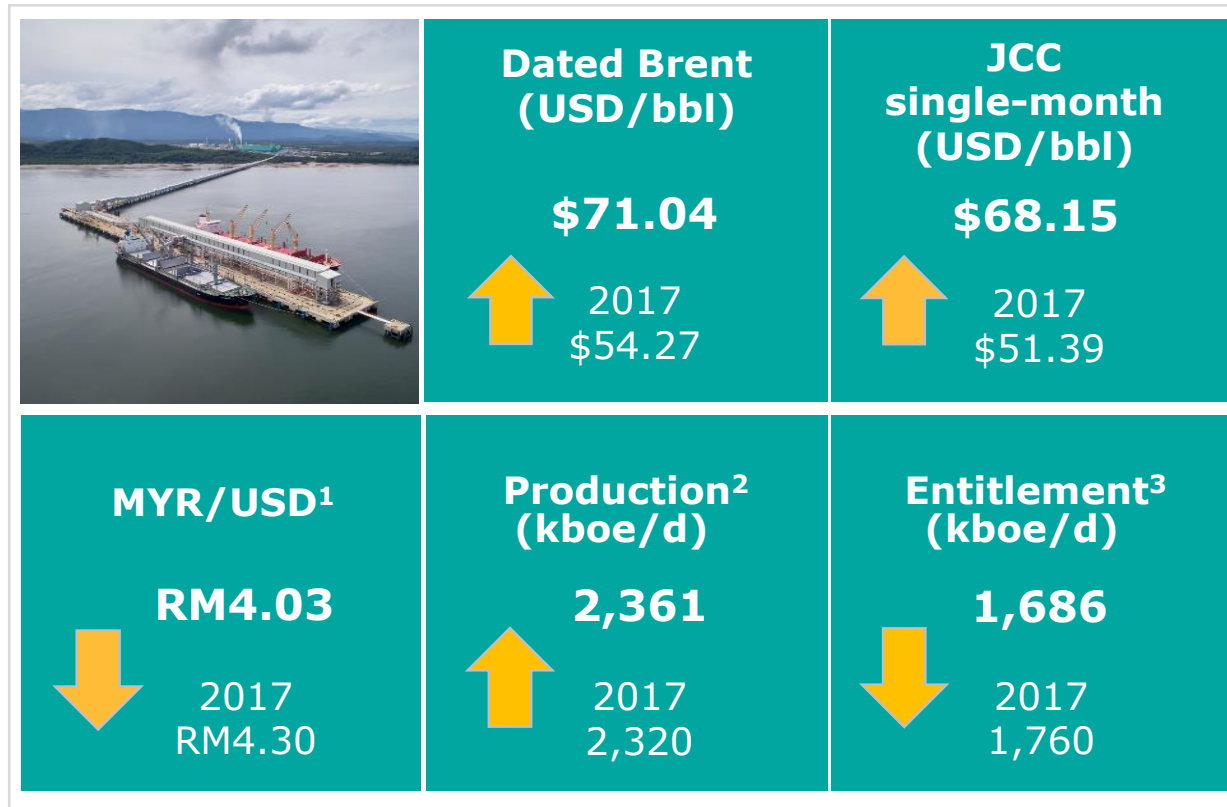
Outlook

- The oil and gas industry will continue to operate in a challenging environment
- The Group will continue to focus on its operational excellence and growth strategies
- Financial performance for 2019 will continue to be affected by the movements in prices

¹ Pengerang Integrated Complex (PIC)

FY2018 Financial Highlights

Key Financial Indicators (RM bil)	FY2017	FY2018
Revenue	223.6	251.0
Profit After Tax (PAT)	45.5	55.3
PAT excluding net impairment/(write-back) on assets	46.6	50.6
EBITDA	92.0	116.5
EBITDA Margin	41%	46%
CFFO	75.7	86.3
Capital investments	44.5	46.8



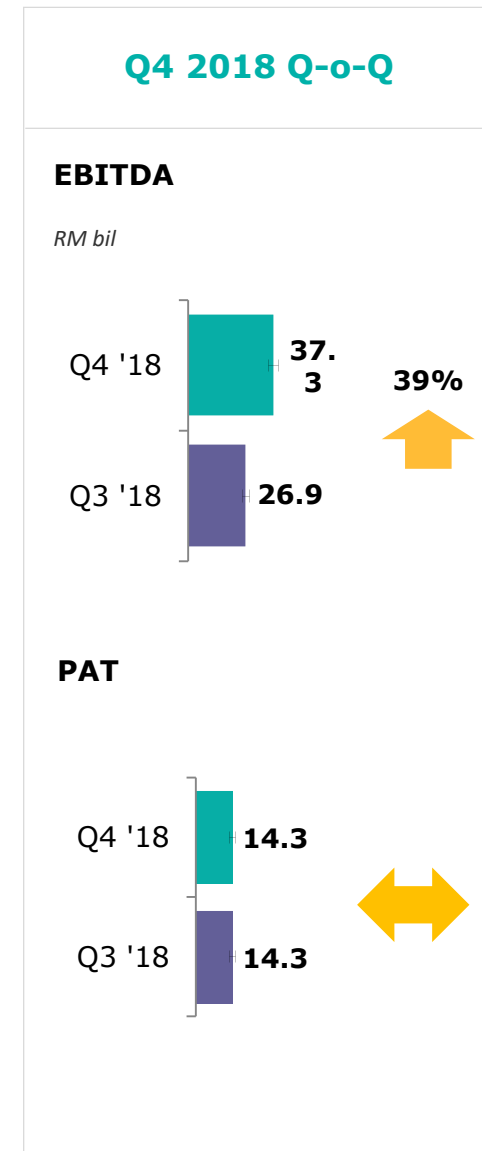
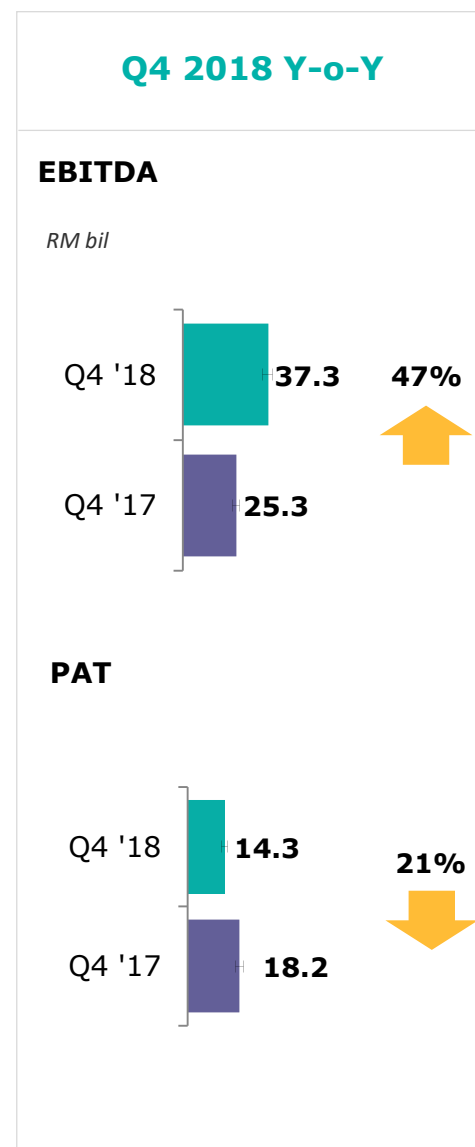
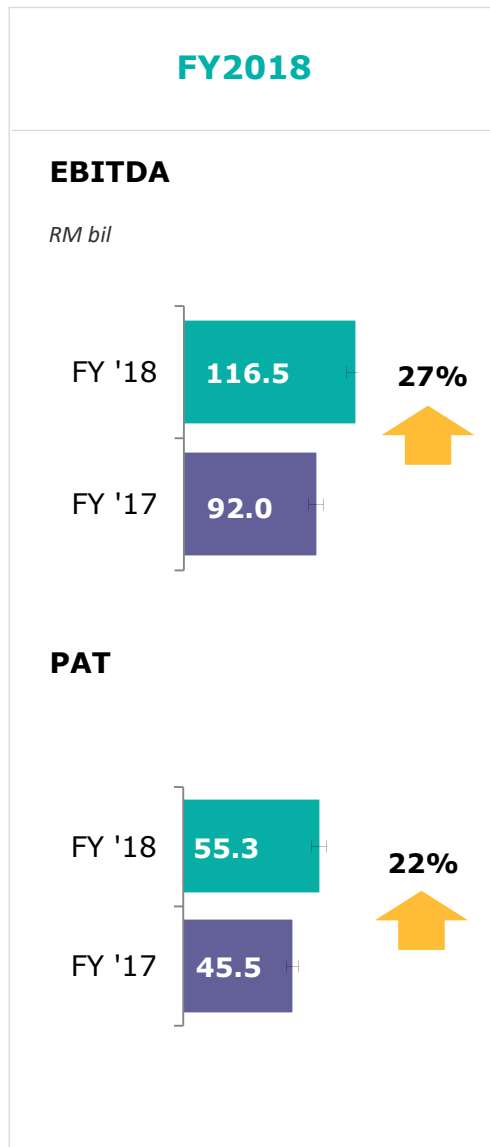
¹ Average exchange rate

² Represents Malaysia's production (PETRONAS Group and other Operators) and PETRONAS Group's international equity production volume

³ Represents PETRONAS Group's sales entitlement to Malaysia's production and PETRONAS Group's international sales entitlement volume

- FY2018 improved on the back of higher average realised prices and cost optimisation efforts across the Group
- FY2019 performance will likely be affected by the movements in prices

Group Financial Results

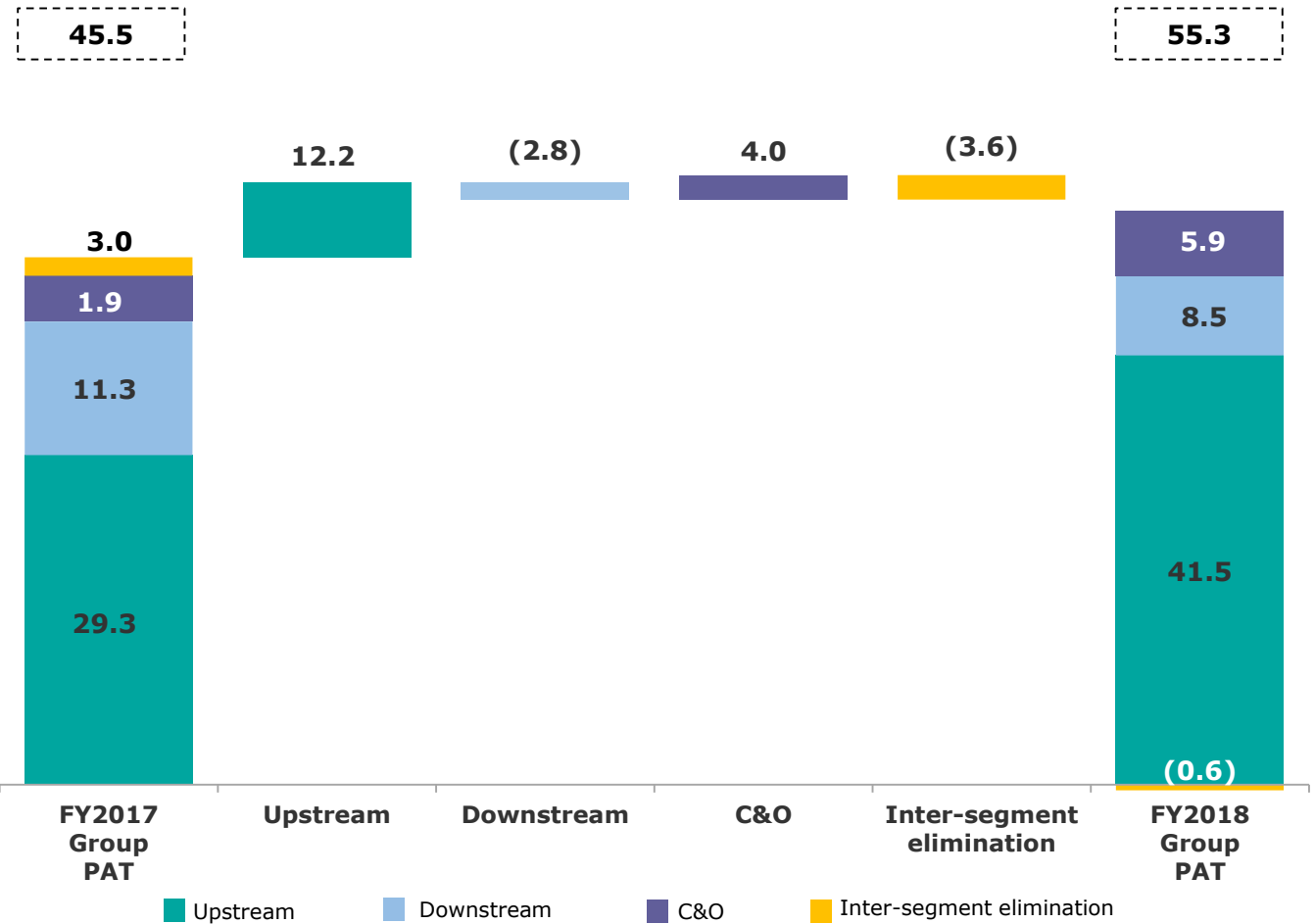


Segment Results



PAT by Business Segments

RM bil



FY2018 Upstream Performance

Focus Areas



Operational Excellence

- 27 projects achieved **1st hydrocarbon**
- **10 Exploration** discoveries
- **16** new PSCs **signed**
- **10 LNG** deals secured, contributing **5.84 mtpa**



Cost Management

- In **2018 CORAL 2.0** continue to deliver industry-wide **cost optimisation** and **cash generation**

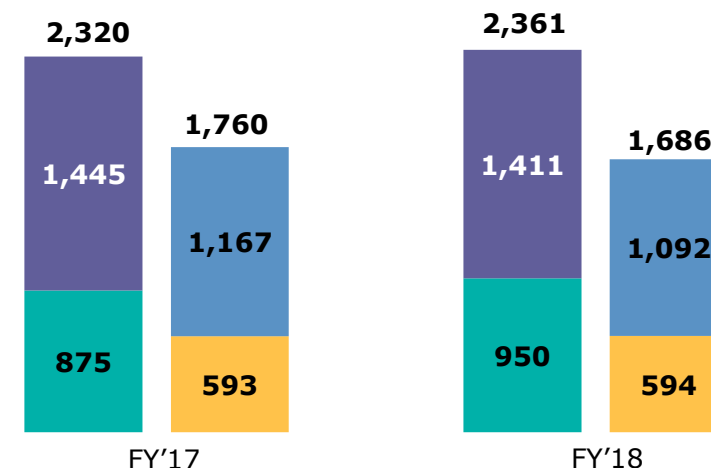


Portfolio High Grading

- Acquired **10% stake** in **Block 61 Oman**
- Approved **FID for LNG Canada** project in Kitimat, **British Columbia** and La Amarga Chica, **Argentina**
- **20 years LNG SPA** with Cheniere for **1.1 mtpa** of LNG supply

Operational Performance

Production and Entitlement (kboe/d)



■ Production Natural Gas ■ Entitlement Natural Gas
■ Production Crude and Cond. ■ Entitlement Crude and Cond.

Products	FY'17	FY'18
LNG sales volume (million tonnes)	30.72	28.94
Malaysia average sales gas volume (mmscfd)	2,691	2,777

Note: kboe x 6 = mmscfd

FY2018 Downstream Performance

Focus Areas



Operational & Commercial Excellence

94.4%

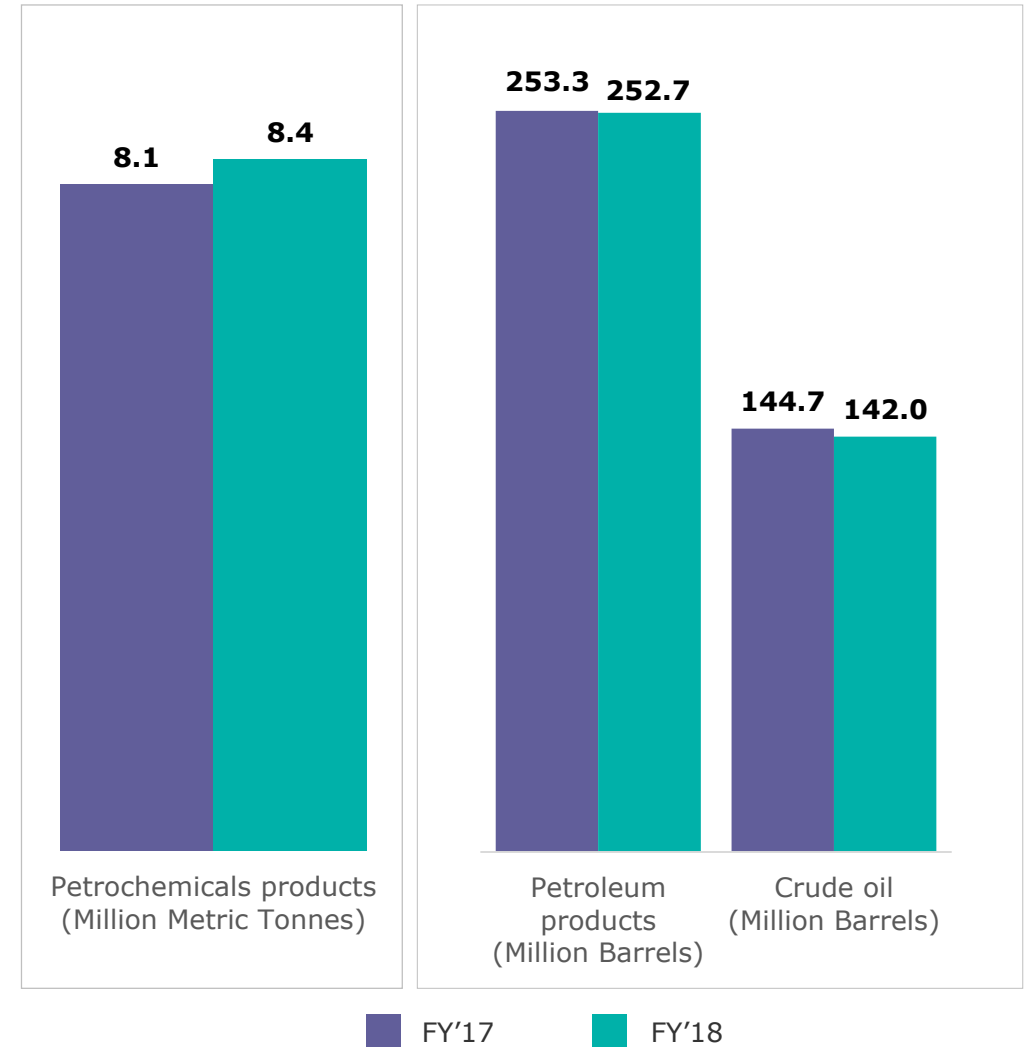
Downstream
OEE **Achieved**

91.9%

Petrochemical
Plant Utilisation
Sustained

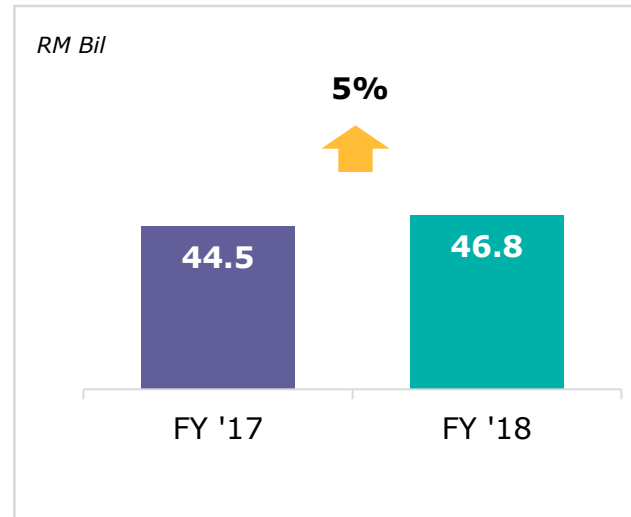
- The Pengerang Integrated Complex (PIC) reached **Ready for Start Up** for its refinery on 21 January 2019, followed by **Mechanical Completion & Steam Cracker Fire Up** on 12 February 2019

Sales Volume

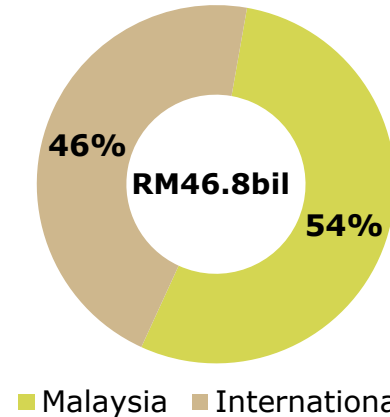


Capital Investments and Group Costs

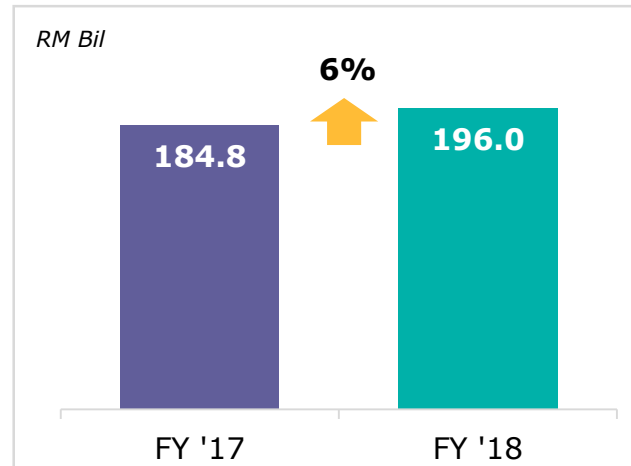
Capital Investments



FY2018 Capital investments



Group Costs¹

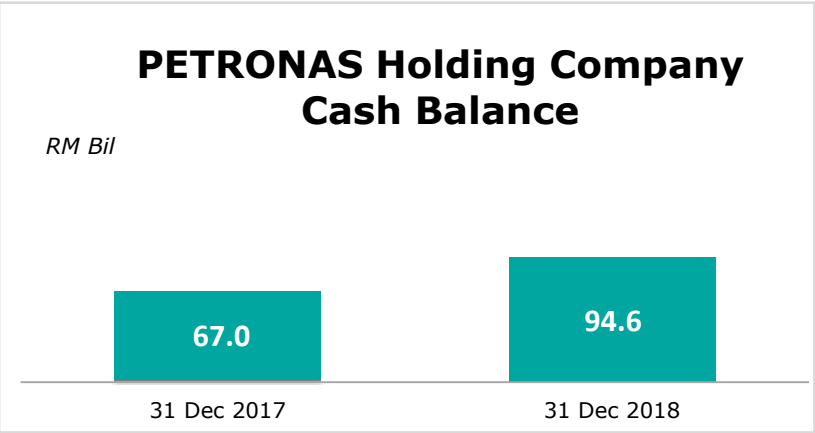
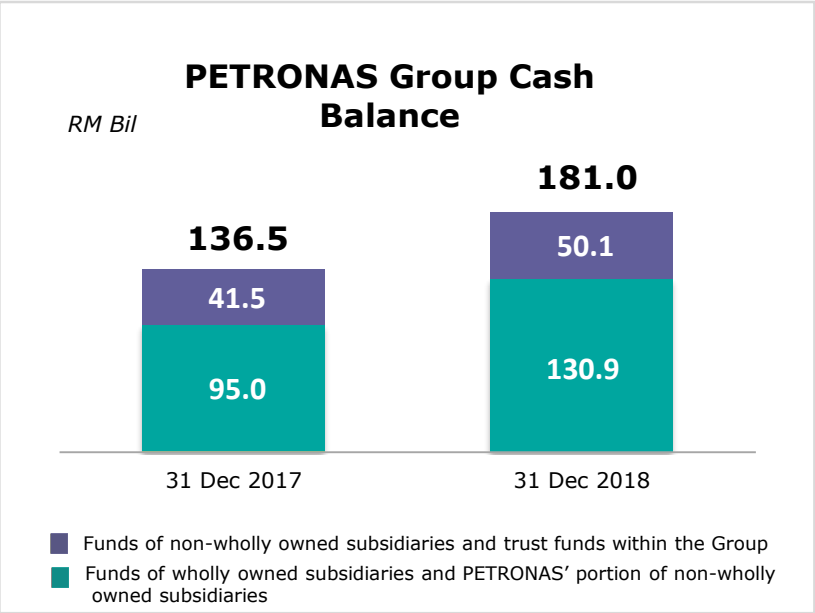
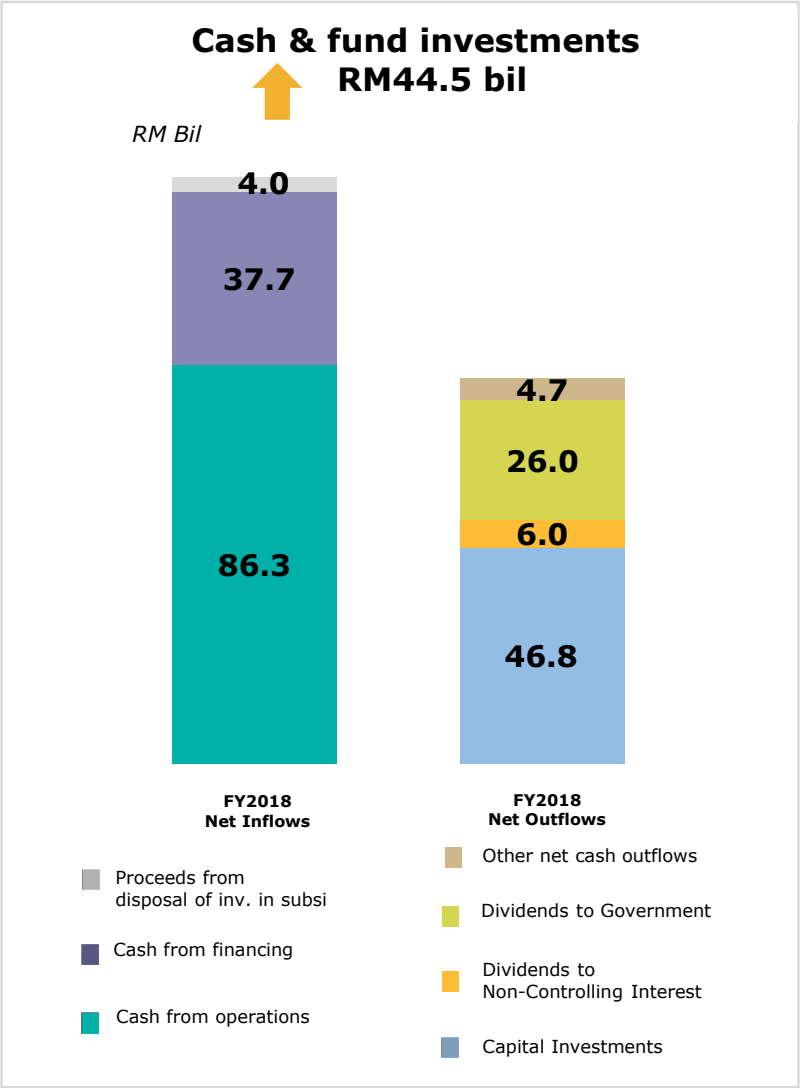


- Higher product costs observed in tandem with higher prices
- UPC² index remains lower than the industry average
- Continuing Groupwide cost management efforts in place

¹ Relate to costs charged to Income Statement only

² Unit Production Costs

Other Financial Highlights



RM181.0B

Group Cash Balance

33%
Increase Y-o-Y
in 2018

RM94.6B

Holding Company Cash Balance



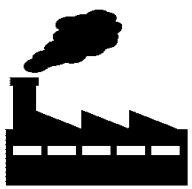
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Upstream Business

2018 Operational Highlights



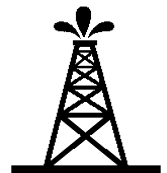
Acquired **10% stake** in **Block 61, Oman**



Approved **FID for LNG Canada** project in Kitimat, **British Columbia** and La Amarga Chica, **Argentina**



10 **Exploration** discoveries
(9 Malaysia, 1 International)



27 projects achieved **1st Hydrocarbon**
(8 Greenfield, 19 Brownfield)



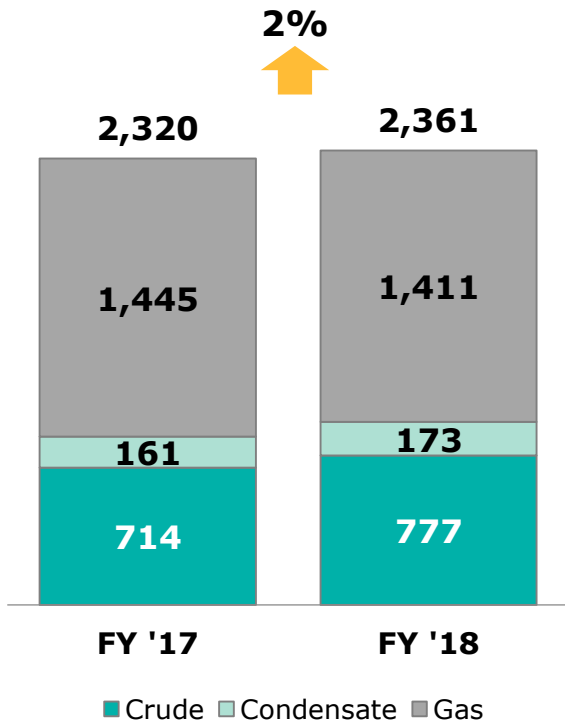
16 new PSCs **signed**
(5 Malaysia, 11 International)



10 **LNG** deals secured, contributing **5.84 mtpa** LNG sales
20 **years LNG SPA** with Cheniere for **1.1 mtpa** of LNG supply

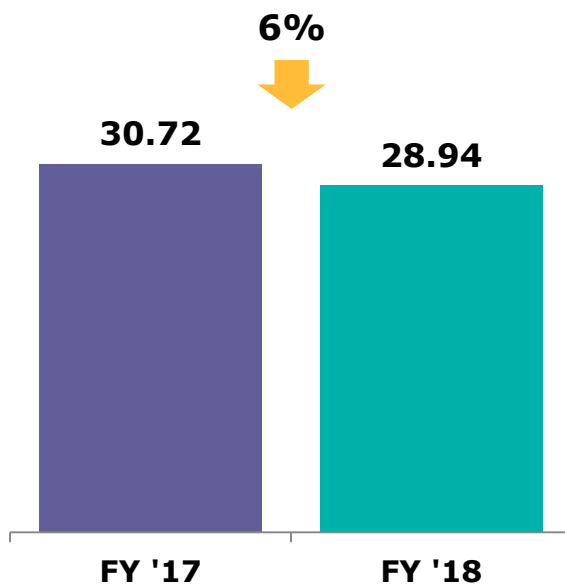
2018 Operational Highlights

Production (kboe/d)



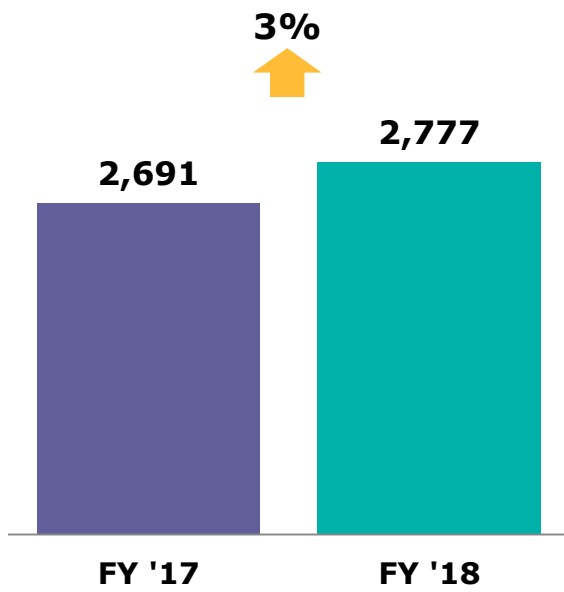
Higher production for 2018 mainly attributable to higher production from Iraq and Turkmenistan

LNG Sales Volume (mil tonnes)



Lower LNG sales volume for 2018 mainly attributable to lower volume from PETRONAS LNG Complex ("PLC") in Bintulu, Sarawak

Malaysia Average Sales Gas Volume (mmscfd)



Higher Malaysia average sales gas volume compared to prior year mainly due to higher demand

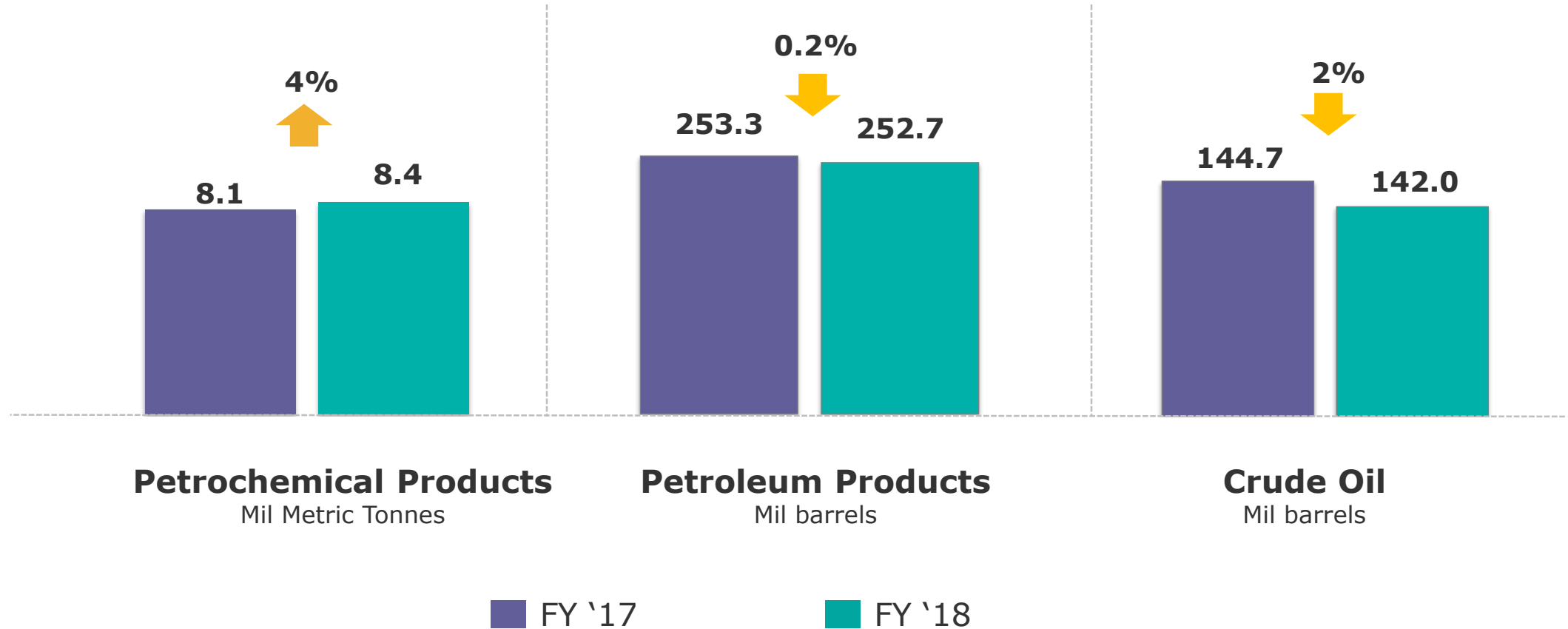


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Downstream Business

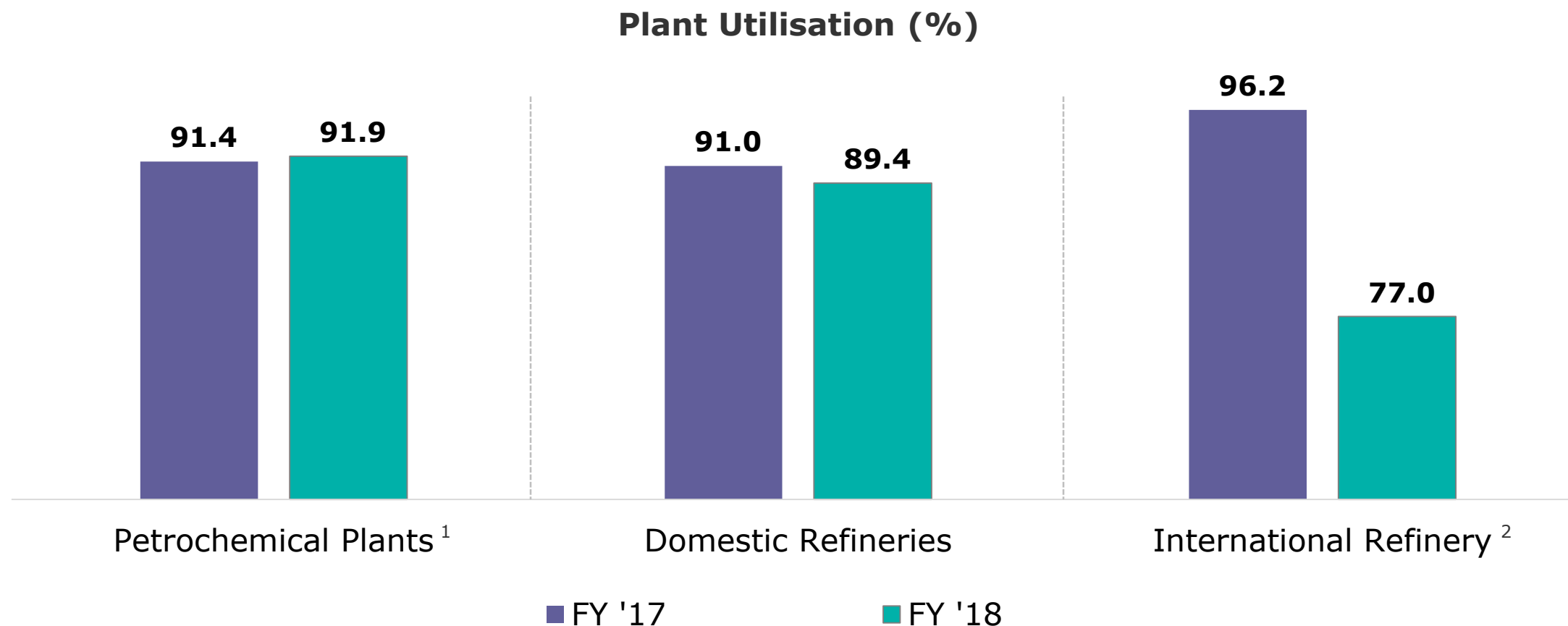
Downstream Sales Volume

Higher petrochemical sales boosted by higher production



Plant Utilisation

Improved utilisation for petrochemical plants following healthy feedstock supply whilst refineries underwent statutory turnaround in the first half of the year



¹ Plant Utilisation based on Nexant

² Lower plant utilisation due to turnaround at Engen refinery



THANK YOU

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