

EMBARGO

The information contained herein may only be released after 5.30pm on 28 November 2014



PETRONAS

PETRONAS Group Financial Results Announcement

Quarter Ended 30 September 2014

© 2014 PETROLIAM NASIONAL BERHAD (PETRONAS)

All rights reserved. No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the permission of the copyright owner

Cautionary Statement

Forward-looking statements in this Financial Results Announcement presentation or in subsequent discussions with regards to this presentation involve inherent risks and uncertainties. Should one or more of these or other uncertainties or risks materialise, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realised. Although PETRONAS believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they are made. PETRONAS undertakes no obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

All rights reserved. No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the permission of the copyright owner. PETRONAS makes no representation or warranty, whether express or implied, as to the accuracy or completeness of the facts presented. PETRONAS disclaims responsibility from any liability arising out of reliance on the contents of this publication.



PETRONAS

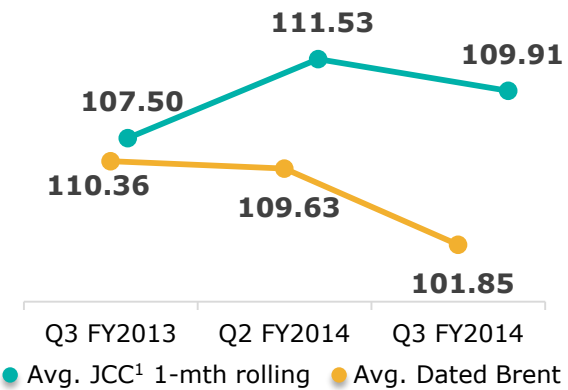
PETRONAS Group Financial Results Announcement

Financial Highlights

Datuk George Ratilal

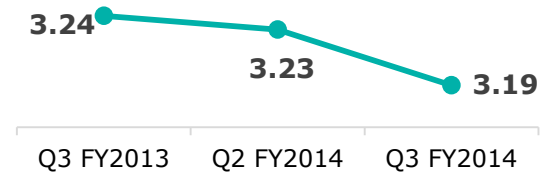
Executive Vice President &
Group Chief Financial Officer

Key Indicators



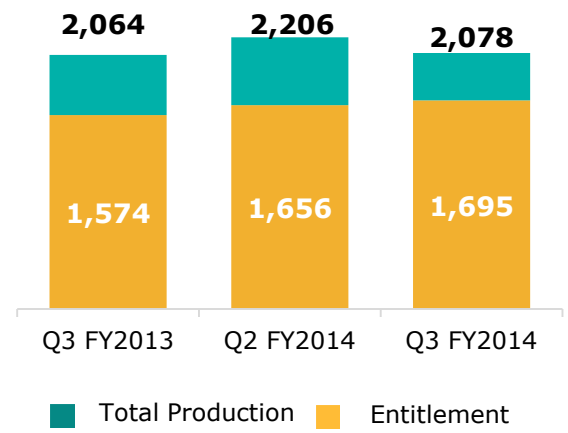
	YTD 2013	YTD 2014
JCC (USD/bbl)	111.33	111.41 ↔
Brent (USD/bbl)	108.45	106.57 ↓

avg dated brent
106.57 USD/bbl
 2% lower than 2013 and on a downward trend



	2013	2014
USD/MYR	3.13	3.24 ↑

exchange rate
3.24 USD/MYR
 4% higher than 2013



	2013	2014
Production (kboe/d)	2,098	2,181 ↑
Entitlement (kboe/d)	1,553	1,725 ↑

production
2,181 kboe/d
 4% higher than 2013 due to:

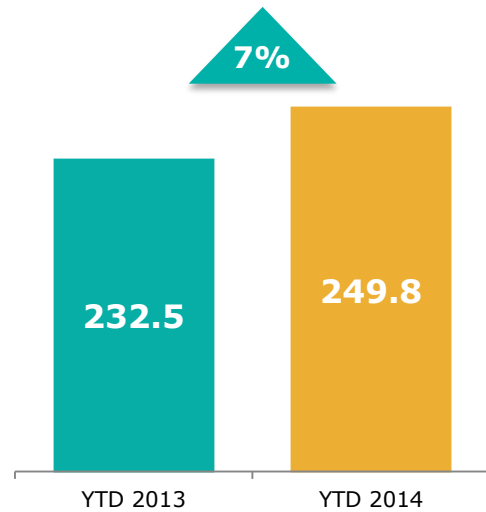
- New oil/gas production from **Iraq** and **Malaysia**
- **South Sudan** continuous operations ramp up
- **Canada** – well performance & Talisman acquisition
- Production enhancements

¹ Japanese Crude Cocktail

Group Financial Performance

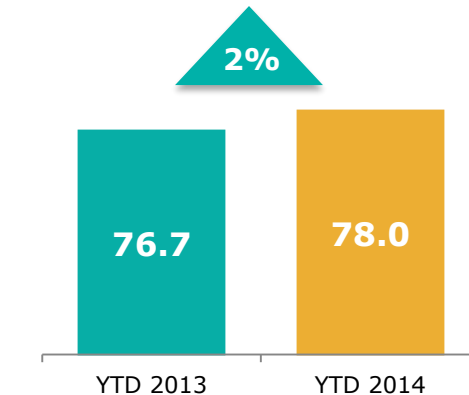
Revenue

RM Bil



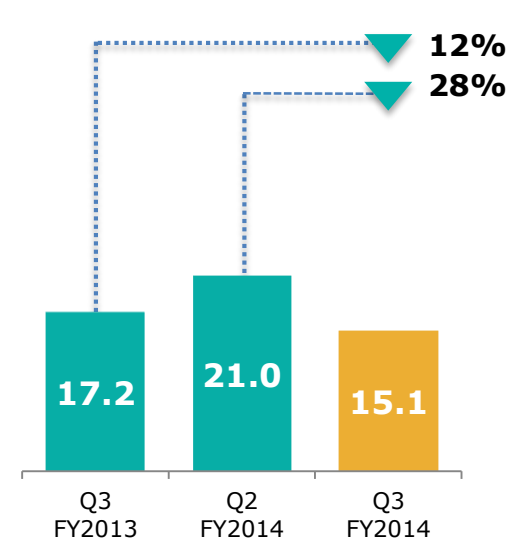
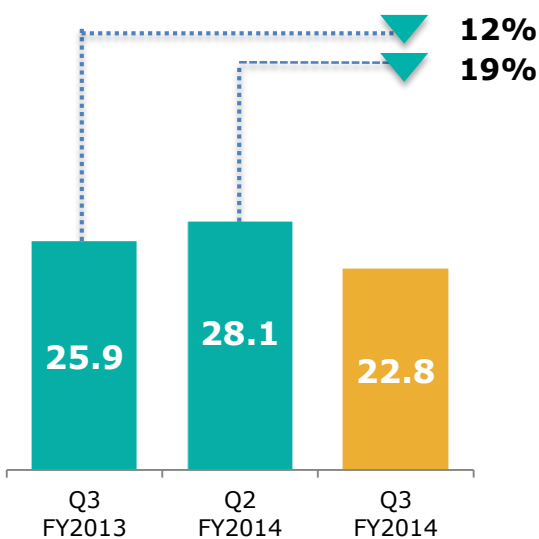
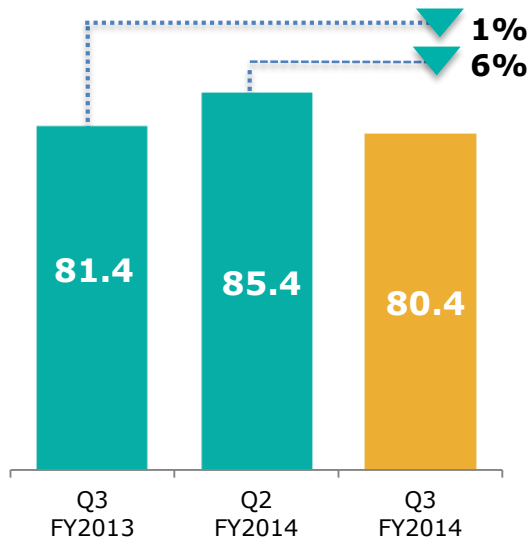
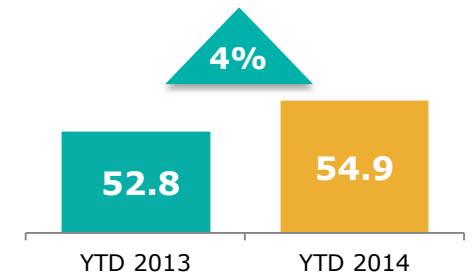
Profit before Tax

RM Bil



Profit after Tax

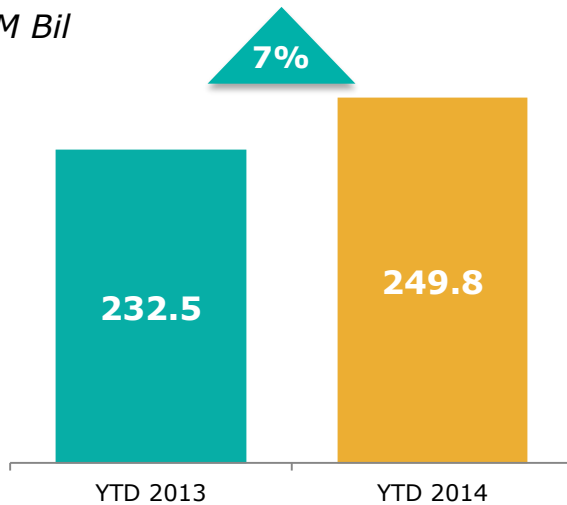
RM Bil



Group Financial Performance - YTD

Revenue

RM Bil



YTD 2013
RM76.7b

YTD 2014
RM78.0b

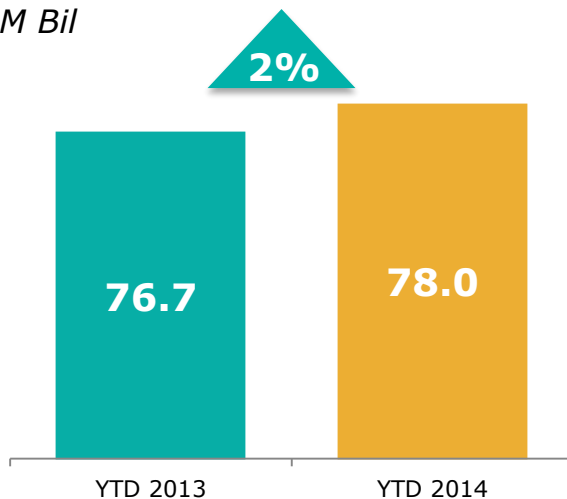
2%

Increase in PBT:

- Higher **production volume** (↑ 4%) (Iraq, South Sudan, Canada & Malaysia)
- Higher LNG sales volume
- Favourable **exchange rate**
- Negatively impacted by **lower crude prices**
- Further negated by:
 - Higher amortisation expense (Iraq)
 - Higher impairments (Egypt)
 - Sudan's pipeline tariff increase and its partial relinquishment

Profit before Tax

RM Bil

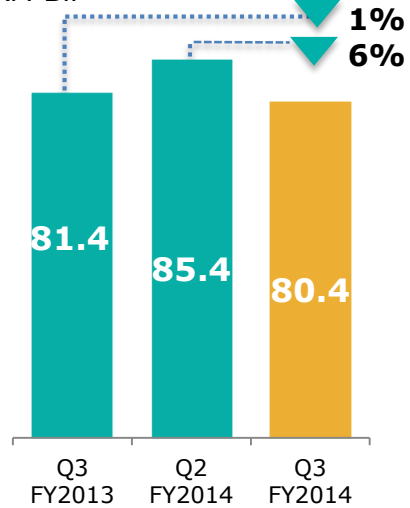


2%

Group Financial Performance - Quarter

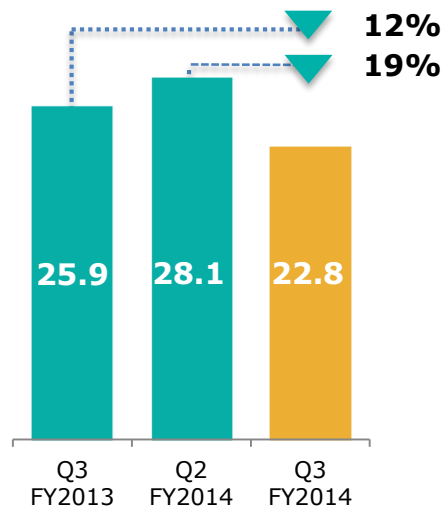
Revenue

RM Bil



Profit before Tax

RM Bil



Brent Price

110.36 8% **101.85** 7% **109.63**

USD/MYR

3.24 2% **3.19** 1% **3.23**

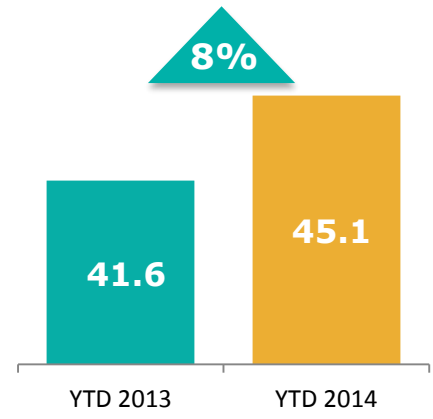
Lower Quarter 3 performance due to:

- Lower crude **price**
- Unfavourable **exchange rate**
- Lower **LNG sales** volume

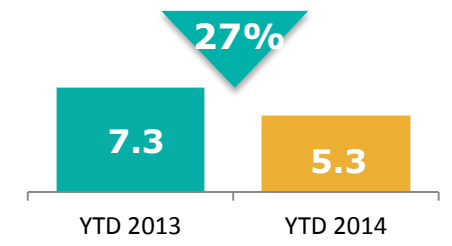
Business Segment Performance

Profit after Tax by Business Segment (Gross¹)

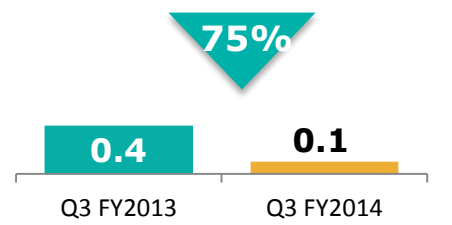
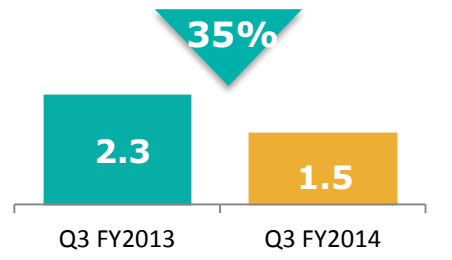
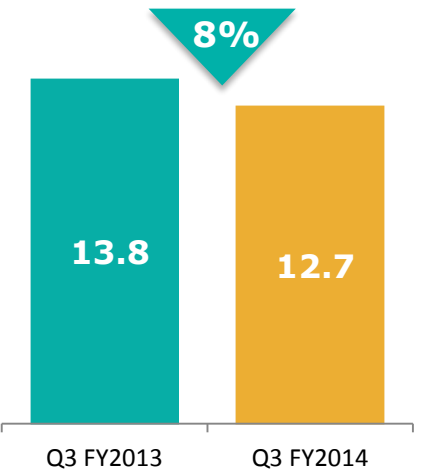
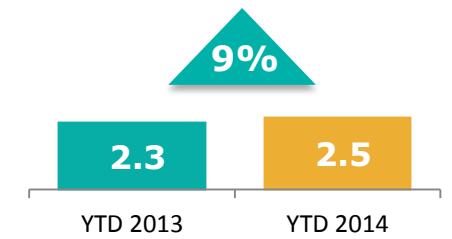
Upstream *RM Bil*



Downstream *RM Bil*



C&O *RM Bil*

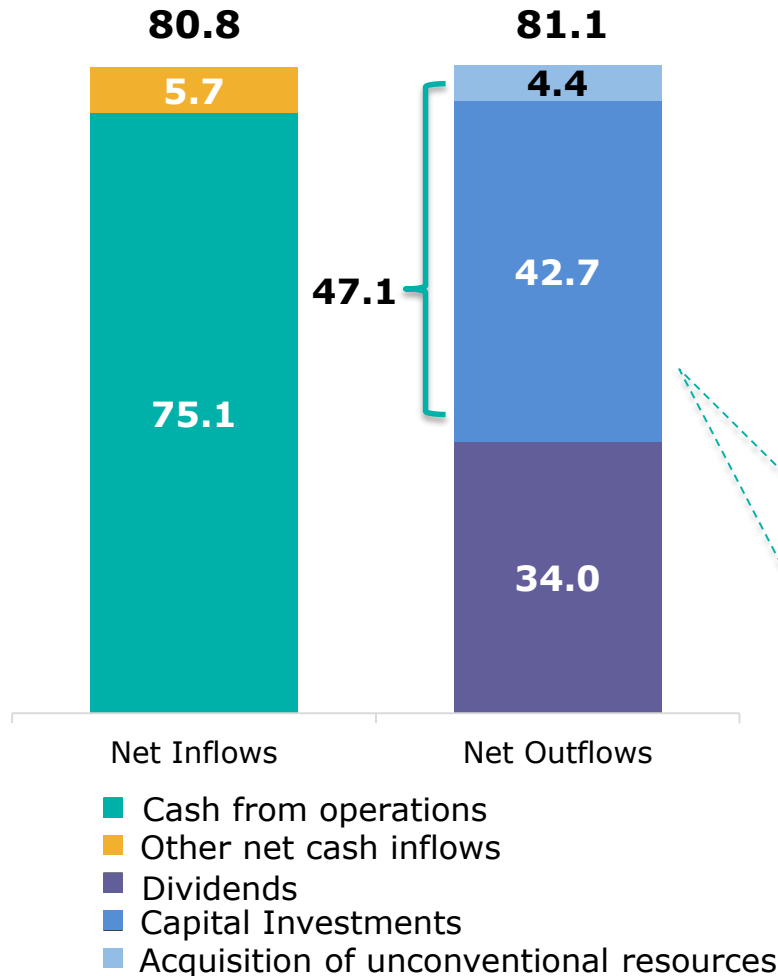


¹ Gross PAT includes both third party and inter-segment transactions

Other Financial Highlights

Cash Flows YTD 2014

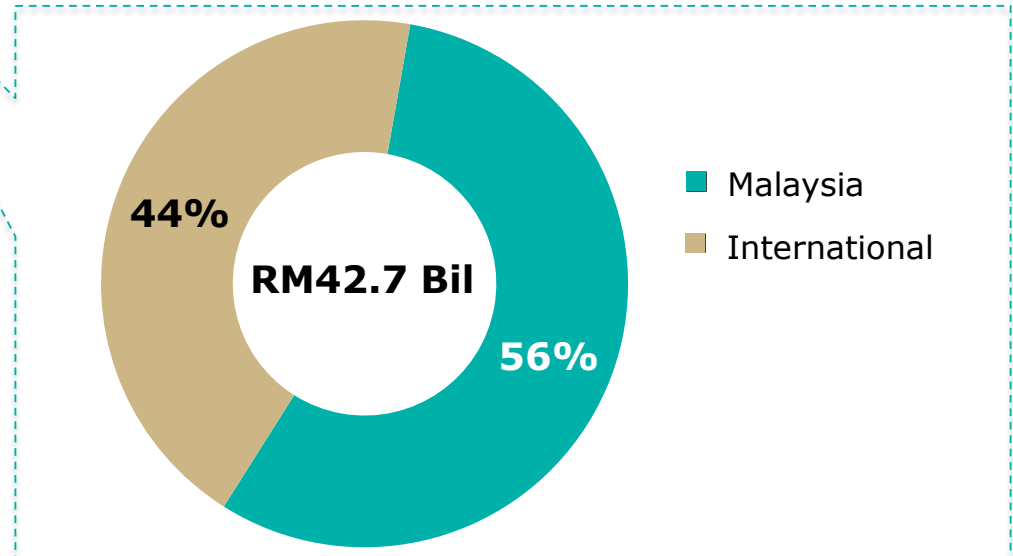
RM Bil



Financial Position

	30 Sep 2014	31 Dec 2013	Change
Total Assets (RM Bil)	545.1	528.7	+16.4
Cash balance (RM Bil)	140.6	140.9	-0.3
ROACE (%)	16.6	17.0	-0.4
Gearing (%)	9.4	11.1	-1.7

Capital Investments YTD 2014



2014 Year-to-date in summary...



Brent Price ↓ **1.7%**

Exchange Rate ↑ **3.5%**

Production ↑ **4.0%**

Entitlements ↑ **11.1%**

LNG Sales Volume ↑ **5.0%**



Profit After Tax

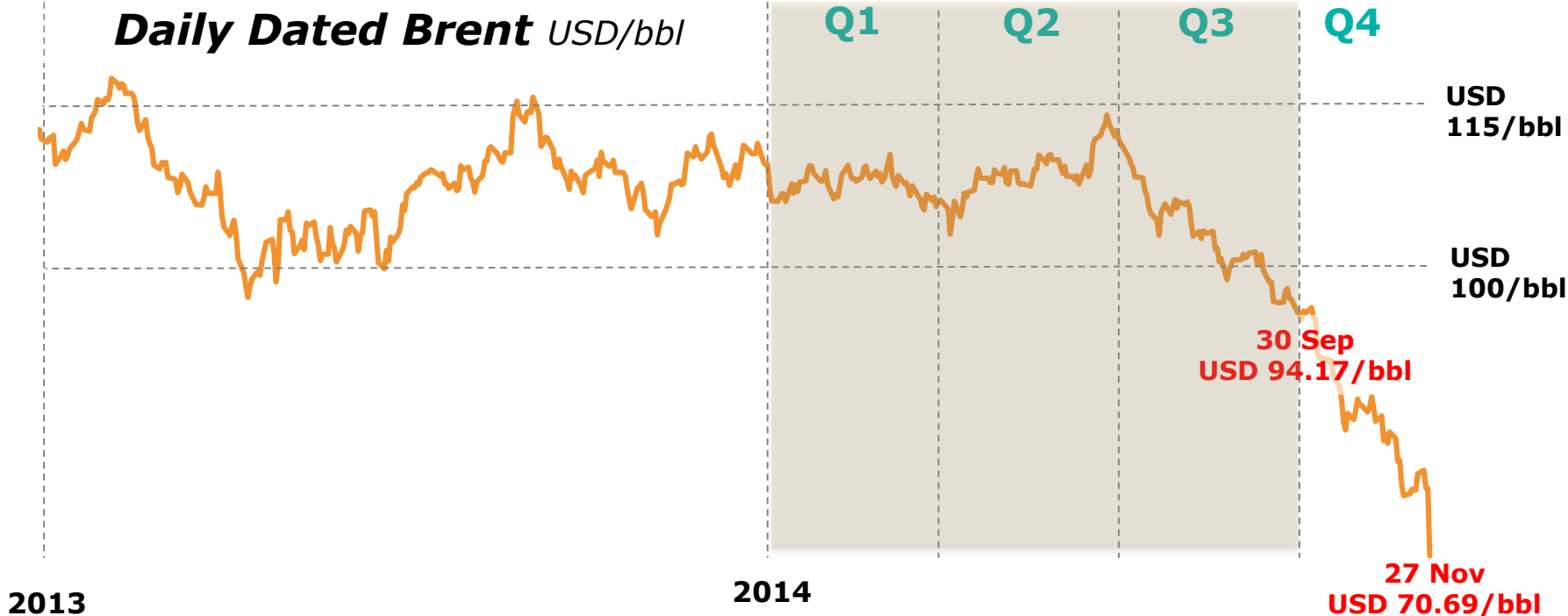
↑ **4.0%**

RM54.9 bil

Ending Cash Balance

RM140.6 bil

Current Financial Year Prospects



2013

Source: Platts

2014

27 Nov
USD 70.69/bbl



Surge in global oil supply
Slowing global energy demand

Lower oil price

Q4 earnings expected to be **considerably lower** than Q3




PETRONAS

Upstream Business


Operational Highlights

Upstream significant milestones achieved in delivering long term sustainable growth


Operational



3 Greenfields
1st HC YTD **10**



6 Exploration Discoveries YTD **21**



ORRR 3.9x 2C Resource +2.3 bboe
RRR 1.5x 2P Reserve +1.4 bboe

Ventures



3 PSC Signed YTD **5** **1** Farm-in YTD **4**



Enters China Unconventional Energy Market



Purchased stake in Shah Deniz (Azerbaijan) project

Agreement/MOU Signed



MOU signed with SOCAR (Azerbaijan)



Petrodar Operating Company Signs Oil Transportation Agreement with Sudan



Extend Growth Aspirations in The Americas with Signing of Two MOUs (PEMEX & YPF)

LNG Business



Commenced Topside Module Lifting for its 1st FLNG Facility



Commissioning Cargo Delivery to New Hibiki LNG Receiving Terminal in Japan



Aluminum Cut for 1st newbuild LNG ship Hull no 2729



MLNG DUA SPA Renewal

Operational Highlights

Upstream production for Q3 and YTD 2014 are higher than in 2013 corresponding period

Higher than 2013 corresponding period

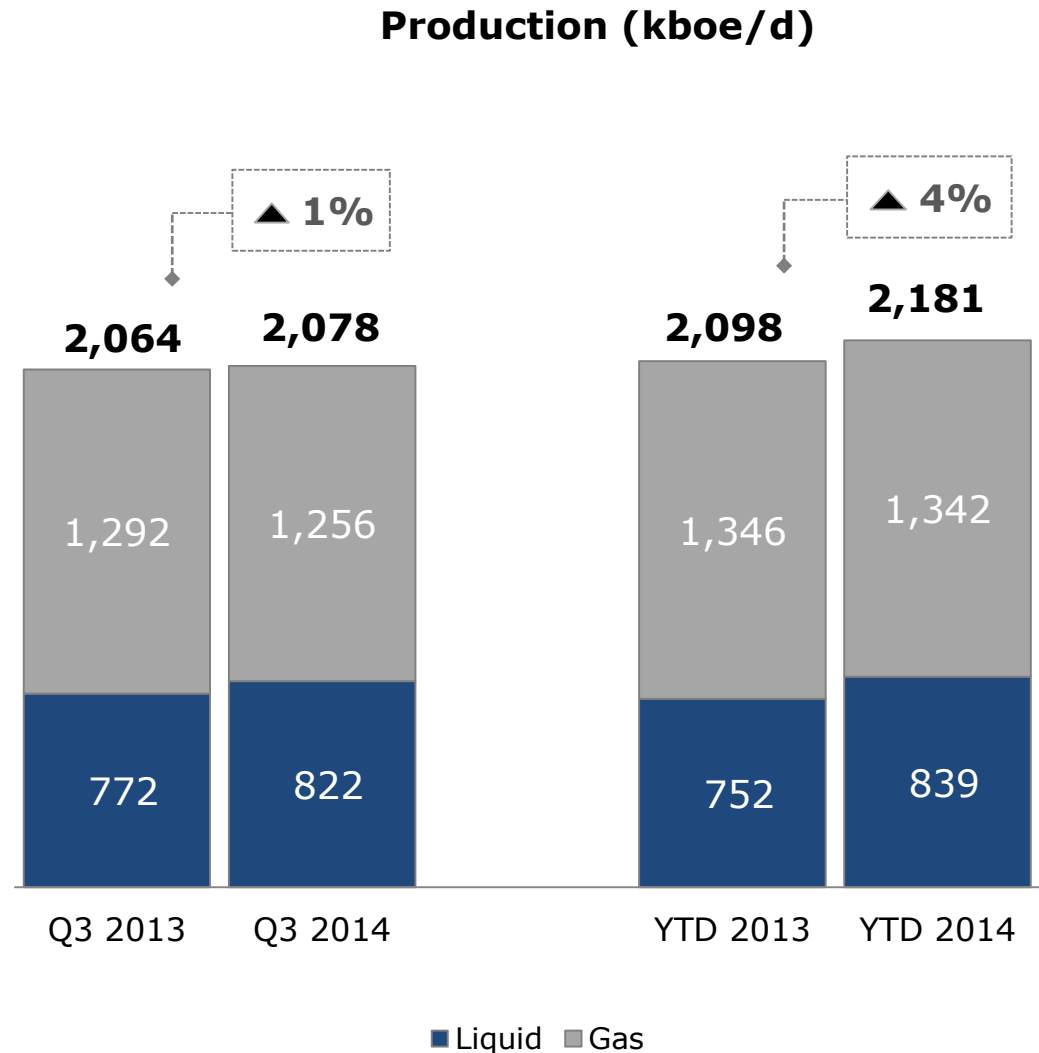
- Q3 2014 (↑ 1%)
- YTD 2014 (↑ 4%)

Better Upstream performance :

- New oil/gas prodn from Msia + Iraq and production enhancement
- Canada drilling + well performance & Talisman acquisition
- South Sudan continuous operations ramp up

Negated by:

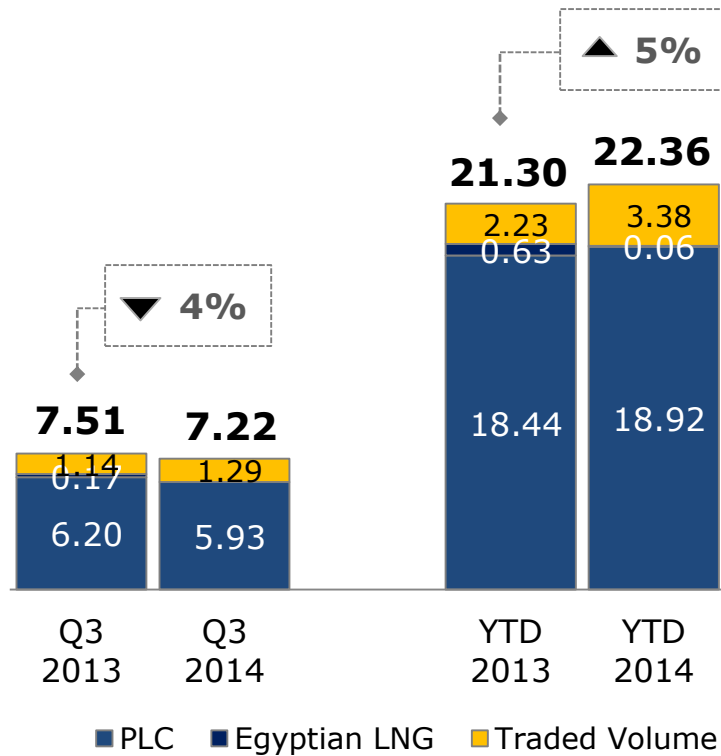
- higher natural decline rate



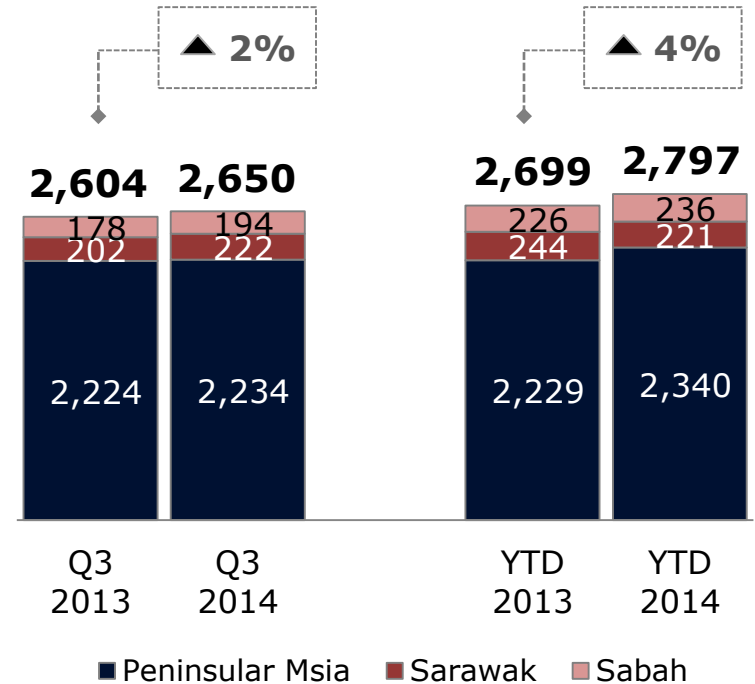
Operational Highlights

Higher YTD both LNG sales volume and average sales gas delivered

LNG Sales Volume (mil tonnes)



Sales Gas Delivery (mmscfd)



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

- Higher domestic supply from Kertih, Terengganu and RGT.

*PLC: PETRONAS LNG Complex, Bintulu, Sarawak



PETRONAS

Downstream Business

Downstream Business

Driving Superior Project Execution and Operational Excellence



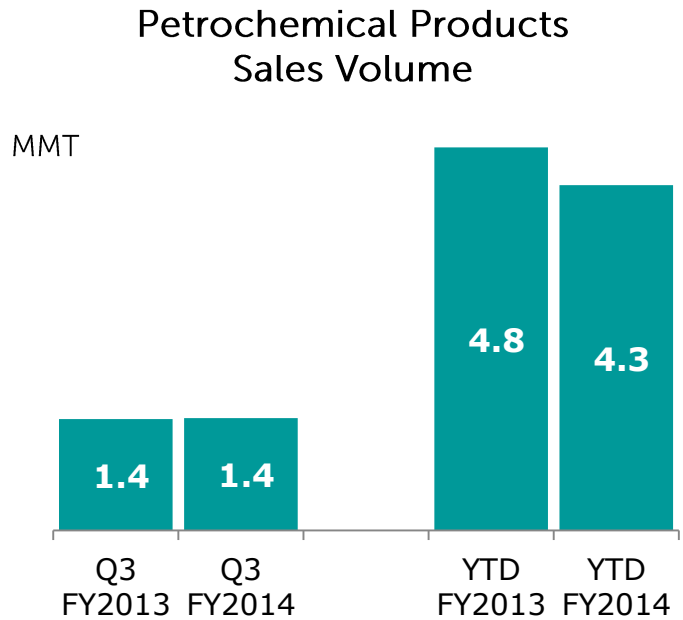
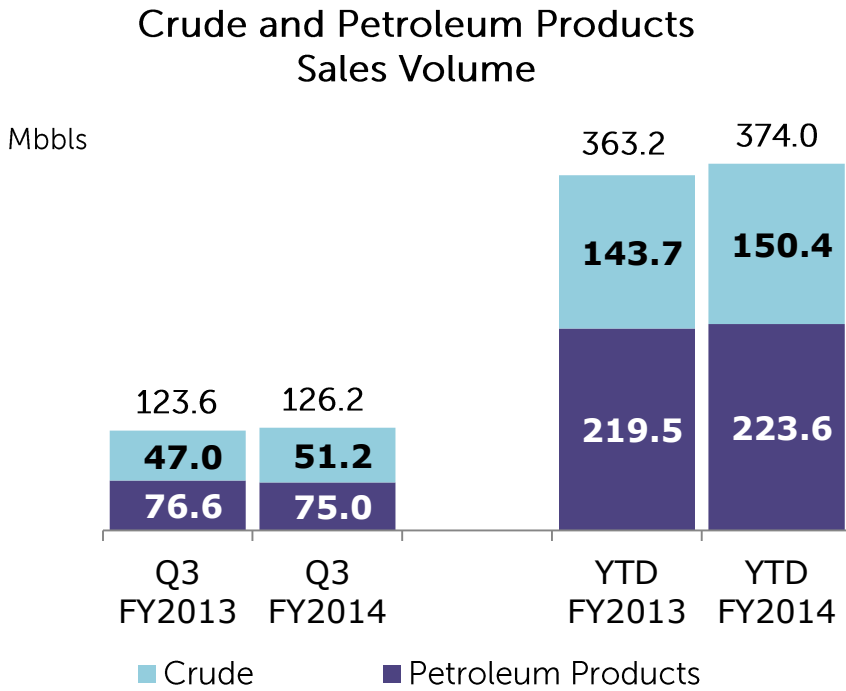
RAPID: 7 EPCC contracts, **8 Common Facilities & Infrastructures** contracts and **1 EPCM** contract for UIO (Utilities, Interconnecting & Offsite) were awarded in July and August 2014.

Kimanis Power Sdn Bhd's 2nd block achieved **Commercial Operation** on 22 July 2014.



Downstream Business

YTD Crude & Petroleum Products Sales Volume were higher but Petrochemical Products were lower



Petroleum Products (↑2 %):

- Improved term sales volume secured for Jet/Kero as well as higher naphtha demand from Petrochemical sector

Crude (↑5 %):

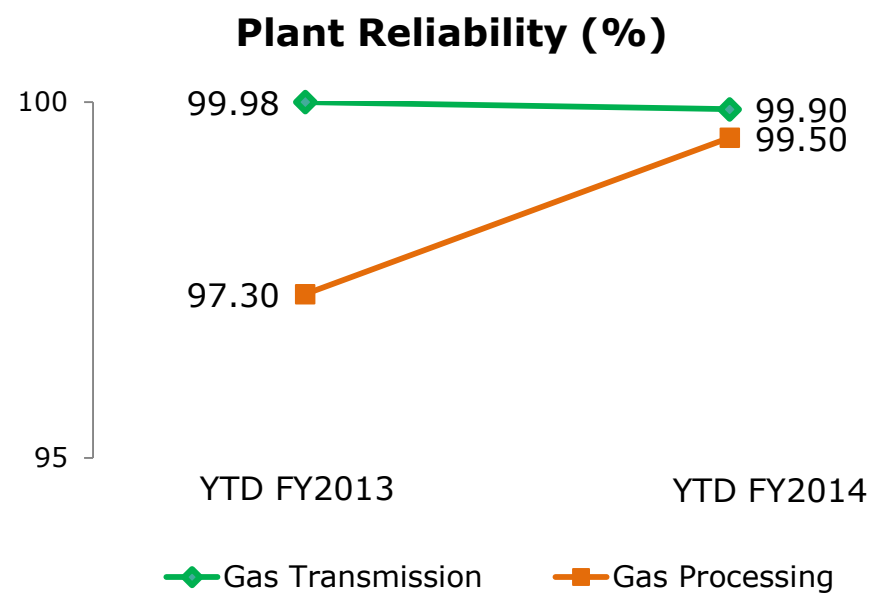
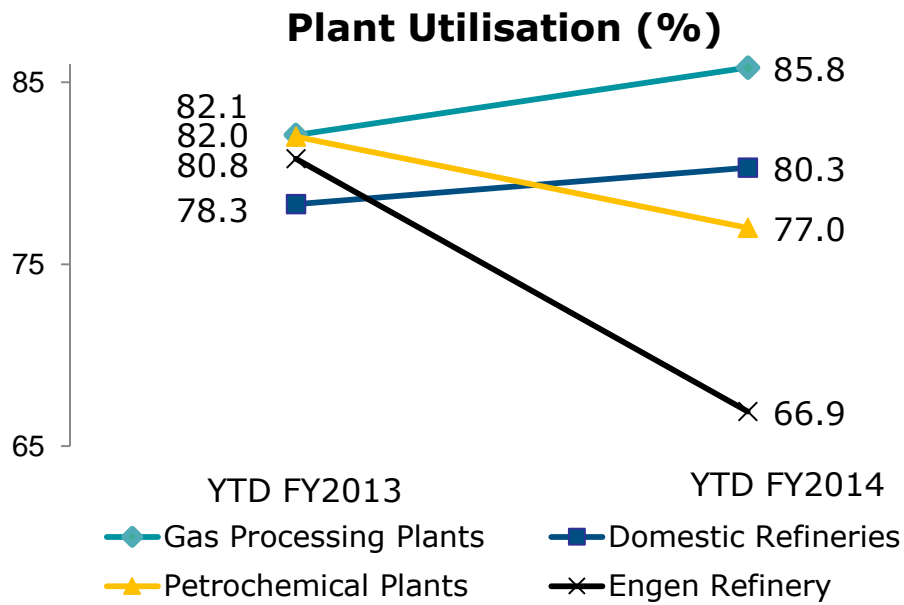
- Higher marketing activities driven by higher upstream production

Petrochemical Products (↓10%):

- Lower plant production due to higher maintenance activities & feedstock limitation

Downstream Business

Improvement in domestic refineries and gas processing plant utilisation performance



- Domestic Refineries – improved plant performance, less plant turnarounds / shutdowns
- Gas Processing Plants – deferment of maintenance activities
- Petrochemical Plants – higher maintenance activities & feedstock limitation
- Engen Refinery – plant turnaround from August to September 2014
- Gas Transmission – temporary unavailability of feedgas pipeline for maintenance
- Gas Processing – deferment of maintenance activities



PETRONAS

Thank You