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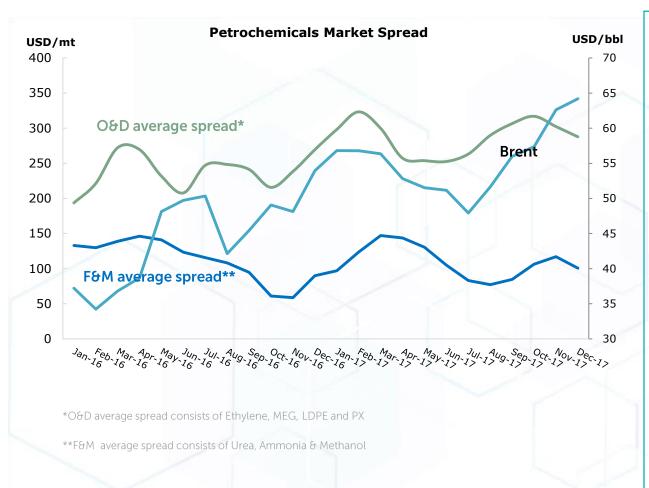






Still a challenging year for petrochemicals





- 2017 average Brent crude oil price up by
 23% (USD54/bbl vs.
 USD44/bbl in 2016)
- Higher petrochemical prices in line with market movement, coupled with improving economies
- Firmer demand for bothO&D and F&M products

Record earnings, sustaining commendable operations



Operations

- Plant utilisation strong at 91%
 - Reliable feedstock supply
 - Stable operations at SAMUR

Commercial

- Sales volume 11% higher compared to 2016
 - More volume with additional urea from SAMUR
 - Stronger prices in line with increasing crude oil price

Growth

- Increased capacity by 1.9 mil mtpa
 - SAMUR commercial operations
- Expanded product portfolio
 - HR-PIB onstream
 - Aroma complex start-up

Financials

- Record EBITDA at RM6.6 billion
- EBITDA margin steady at 38%
 - Higher volumes
 - Better product spreads
 - Favourable forex movement

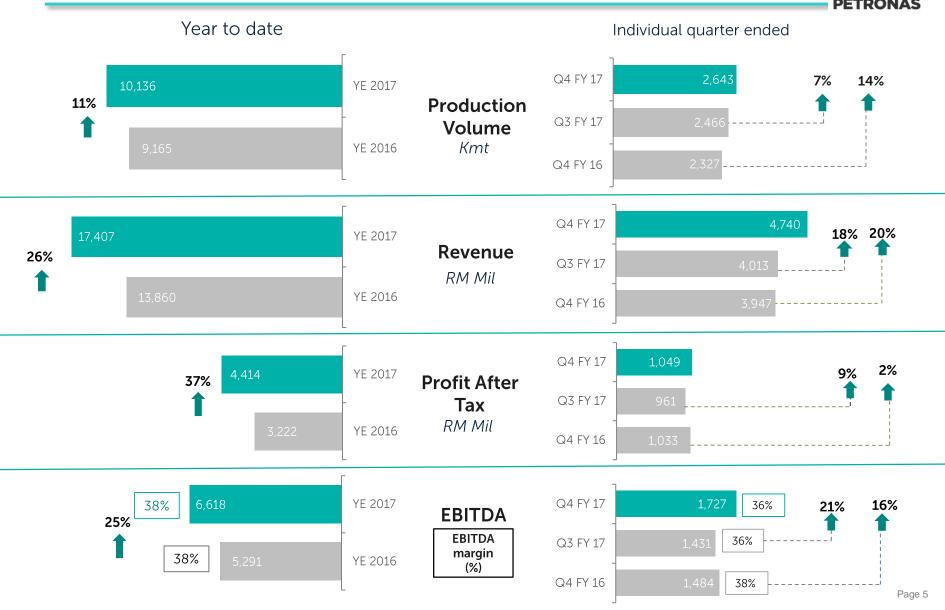






4Q 2017 Group Financial Results

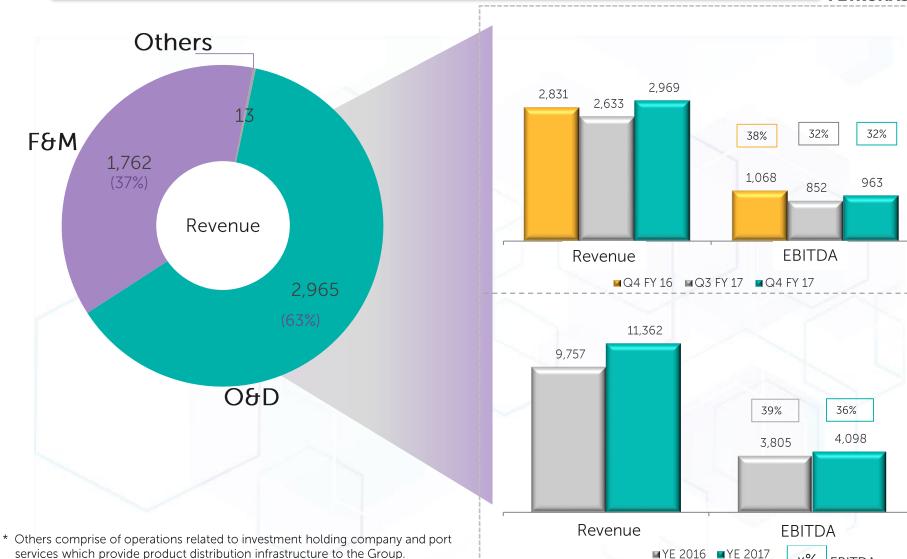




Segmental Results: Olefins & Derivatives

** Difference in revenue numbers reflects post inter-business consolidation.





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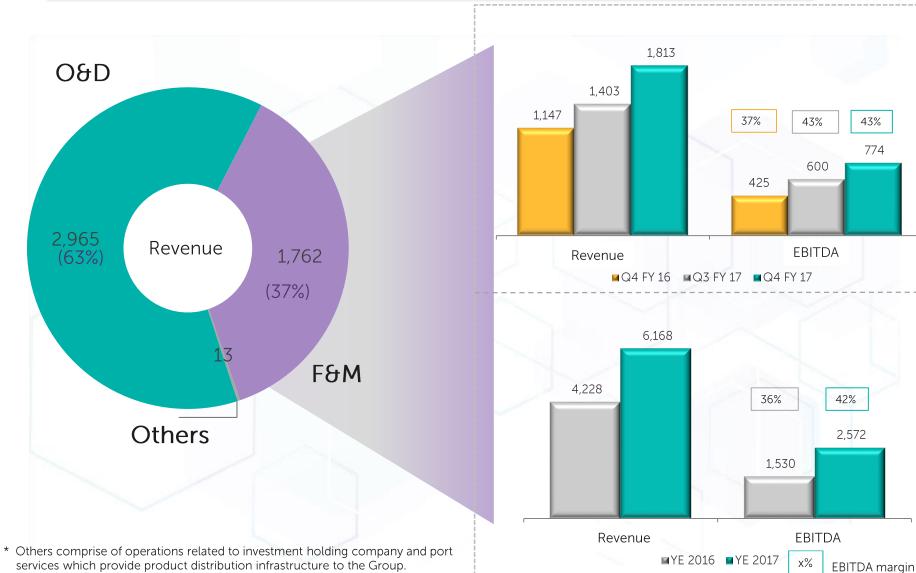
EBITDA margin

■YE 2016 ■YE 2017

Segmental Results: Fertilisers & Methanol

** Difference in revenue numbers reflects post inter-business consolidation.

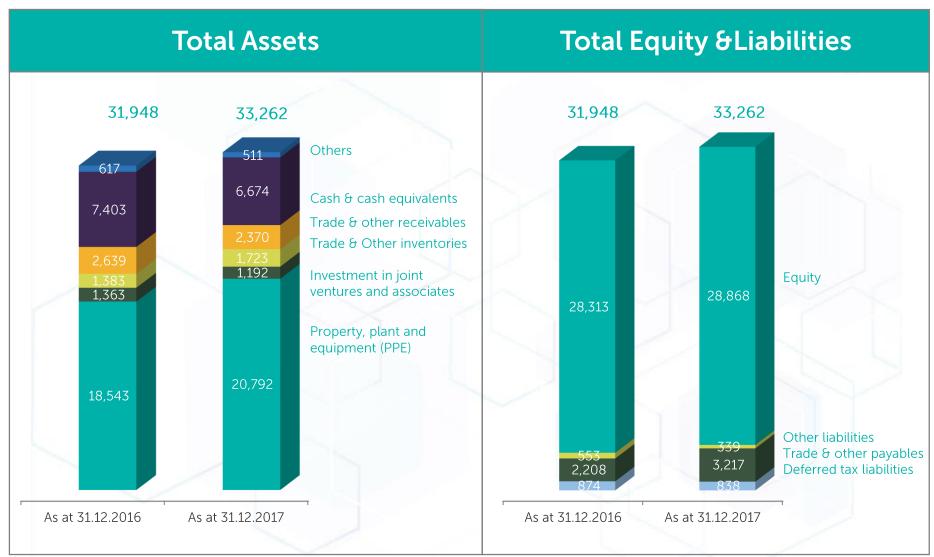




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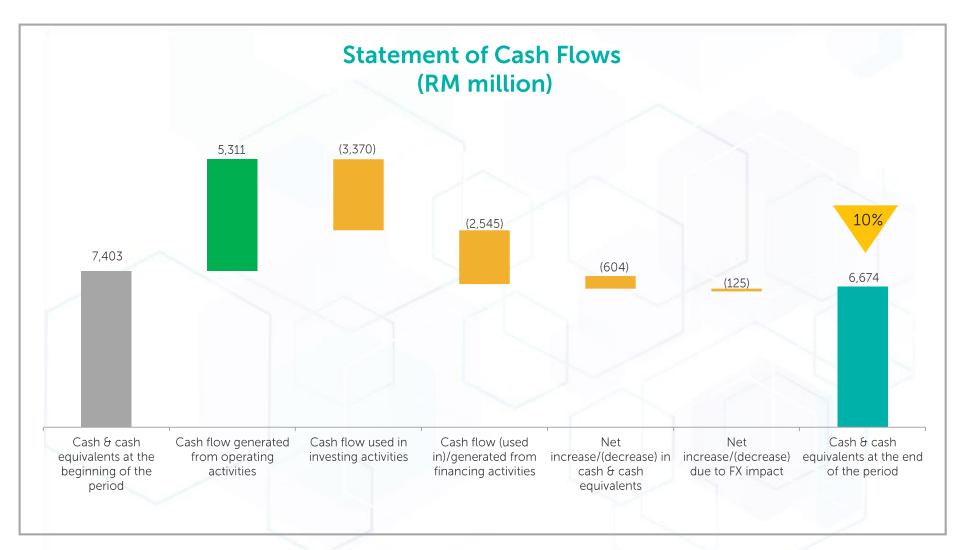
Balance Sheet as at 31 December 2017





Cash flow as at 31 December 2017











Operational highlights



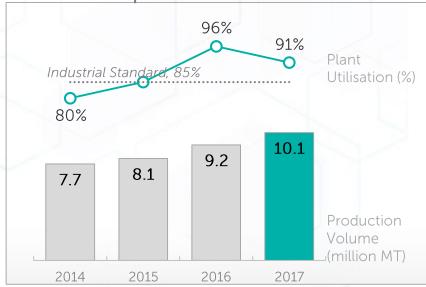
Sustaining Group Plant Utilisation above 90%

- Deliver our planned activities timely, in a safe and efficient manner
- Safeguard supply reliability to our facilities
- Operationalise growth projects timely





Annual Group Performance



4Q 2017 Segmental Operational Performance





OLEFINS AND DERIVATIVES (O&D) OPERATION

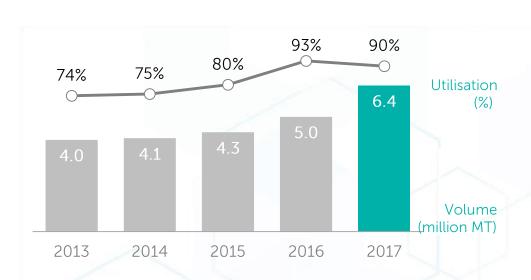


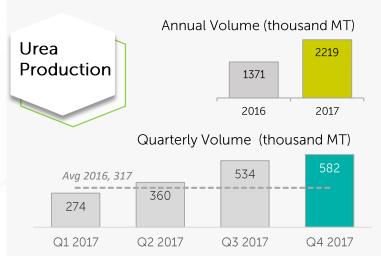
Ethylene crackers delivered production as planned during the quarter.



4Q 2017 Segmental Operational Performance





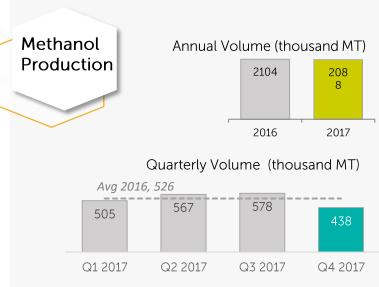


FERTILISER AND METHANOL (F&M) OPERATION

 $\bullet \bullet \bullet$

Operationalise PC Fertiliser Sabah with above 90% utilisation

Successful completion of turnaround and corrective maintenance at PC Methanol Labuan



Operational highlights - Projects Updates





Aroma Plant

citral | menthol | citronellol

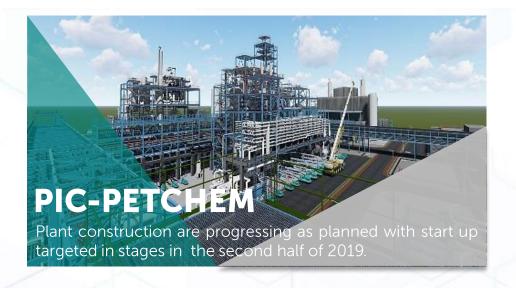
Start-up of the new integrated aroma ingredients complex has been initiated in phases.



HR-PIB

highly reactive polyisobutene

The plant has successfully commissioned in December 2017 and shipped on-specification products in January 2018.



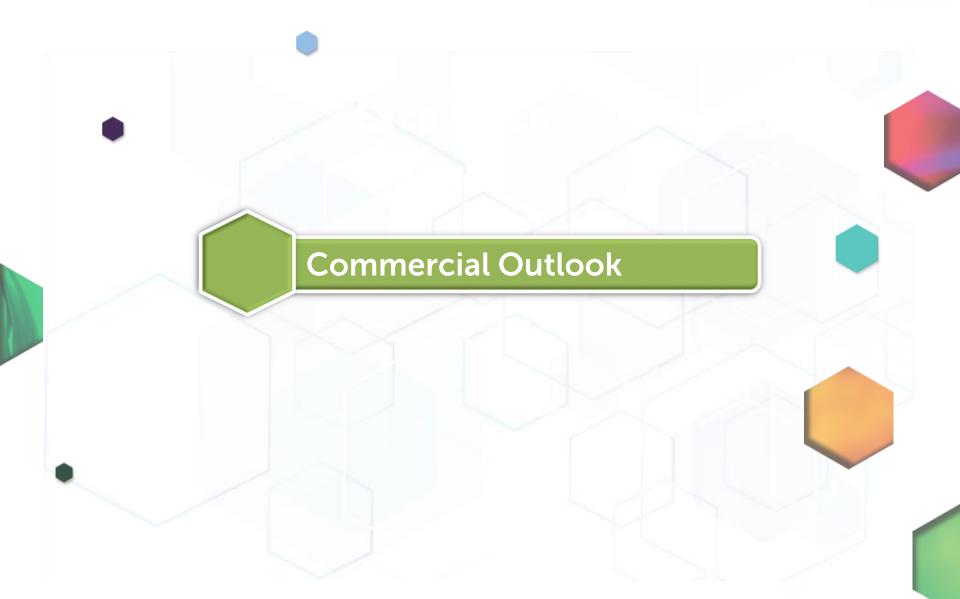
OPERATION & MAINTENANCE READINESS

>80% manpower 33% Site deployment

48% management system







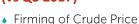
Commercial: Olefins & Derivatives



Ethylene



Q4 2017 (vs Q3 2017)



- Higher spot demand over
- Strong demand from downstream

Q1 2018



- Firming of Crude Price
- TA activities in NEA and ME
- Strong demand in Jan as buyers build up stock before CNY and pick up on Mar afterwards

Polymers



Q4 2017 (vs Q3 2017)



- Strong ethylene price.
- Supply limitation in SEA

Q1 2018 (Forecast)



- Firming of ethylene price
- Supply limitation in SEA
- Improve buying interest as buyers restock ahead of the CNY holiday

MEG



Q4 2017 (vs Q3 2017)



- Strong ethylene price
- Tight supply in NEA.
- Strong demand from downstream

Q1 2018 (Forecast)



- Firming of ethylene price
- Tight supply conditions
- Strong demand from downstream prior CNY

Aromatics



Q4 2017 (vs Q2 2017)



- Stronger demand from downstream
- Supply relief in Bz Asia Market
- Firm Naptha prices

Q1 2018



- (Forecast)
- Firming of naphtha price
- Tight supply conditions
- Strong demand from PTA sector

Commercial: Fertilisers & Methanol



Urea



Q4 2017 (vs Q3 2017)



- Strong demand from the Indian tenders
- Supply shortage in Middle East

Q1 2018



(Forecast)

- Reduced demand in Chinafeedstock directed towards heating
- Issuance of tenders from Bangladesh and Africa
- Long supply conditions

Ammonia



Q4 2017 (vs Q3 2017)



- Supply shortage in the Middle East
- Healthy demand from US and downstream sector

Q1 2018



(Forecast)

- Tight supply in Latin America and limited availability in the Middle East
- Long supply owing to additional capacity in SEA

Methanol



Q4 2017 (vs Q3 2017)



- Consecutive turnarounds in SEA
- Stable derivative demand

Q1 2018



(Forecast)

- Supply shortage in China and Middle Fast
- Steady derivative demand in Far East Asia







Focused on pursuing excellence and growth



Operational and Commercial Excellence

☐ Overall performance is expected to be similar to 2017

 Maintain world-class operational performance and strengthen HSE culture

☐ Sustain group plant utilisation of 90%

PIC and Gebeng Specialty Projects ☐ PIC readiness, operations and product route-tomarket

☐ Commercial operations of HR-PIB and Aroma

Future Growth ☐ Extend current value chain

☐ Study new specialty chemicals opportunities







Website: www.petronaschemicals.com
Email: petronaschemicals.com