

PETRONAS GAS BERHAD



GOING
BEYOND



PETRONAS

PETRONAS GAS BERHAD
34th ANNUAL GENERAL MEETING
17 April 2017



FY2016

KEY HIGHLIGHTS

FY2016 Key Highlights

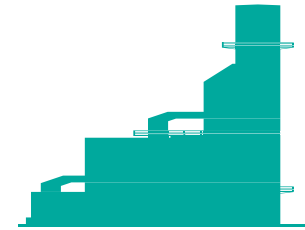


PGB TRANSFORMATION **3ZERO100** Transformation



EXCELLENT LIQUID PLANT EXTRACTION PERFORMANCE

Achieved **12 months PBS income**
of **RM69 million**



LNG REGASIFICATION TERMINAL PENGERANG PROJECT

75% Advancing well at
completion and on track



AIR SEPARATION UNIT PROJECT AT PENGERANG (ASU)

Achieved Final Investment Decision of
USD172 million



FY2016 Key Financial Highlights

HIGHEST EVER
REVENUE



RM **4.6**
billion

STABLE
PROFIT
AFTER TAX



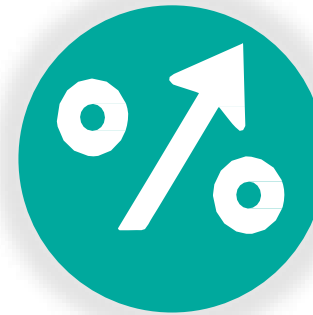
RM **1.7**
billion

STURDY
TOTAL ASSET



RM **16.6**
billion

FINANCING
GROWTH
PROJECTS



USD **500**
million

HIGHEST EVER
DIVIDEND



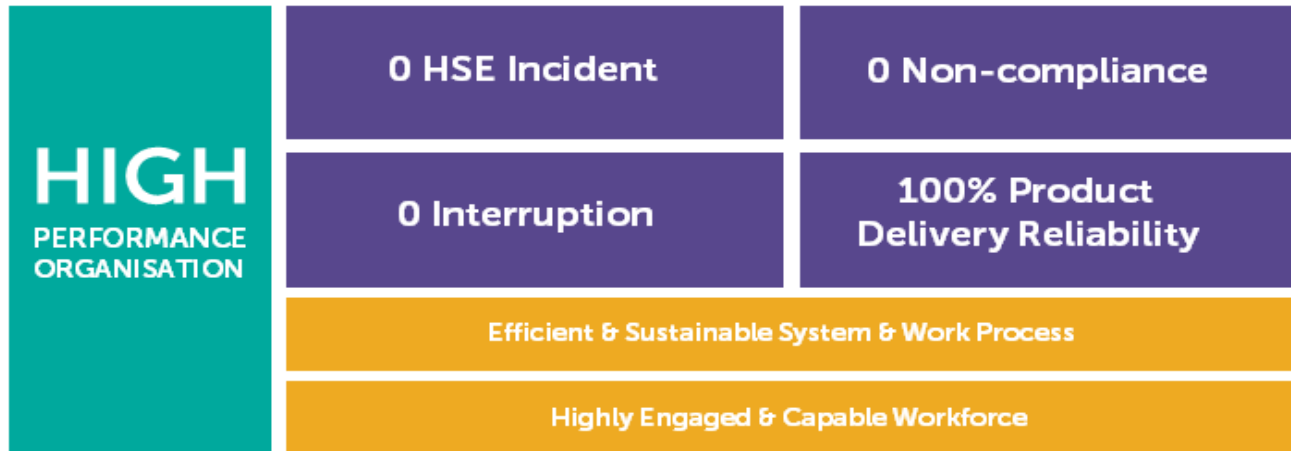
RM **1.2**
billion
62 sen per share

PGB Transformation

Driving towards HSSE and operational excellence
in strengthening our core competencies

3ZERO100

PGB TRANSFORMATION



KEY STRATEGIC THRUSTS



ASSET



SYSTEM &
PROCESS



PEOPLE &
CULTURE

PGB Transformation

Significant improvement in Operational performance

ASSETS

Gas Processing

ETHANE OEE **97.7%** **PBS**
12 MONTHS
138 Mt/h
HIGHEST DELIVERY

Utilities

100% Sustained Product
Delivery Reliability
Power, Steam & Industrial Gases

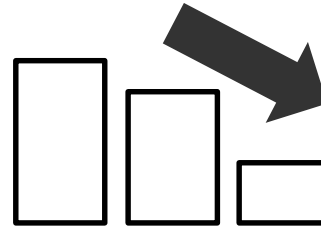
Gas Transportation

99.96% RELIABILITY

Regasification

RELIABILITY **98.4%** **100%**
7 MONTHS

HSSE



52% REDUCTION
on HSE incidents

WORK PROCESS & OEXMS



100% Implementation
All Operating Assets

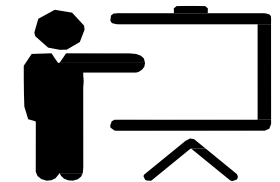
PEOPLE & CULTURE

**HEALTHY
ORGANISATION
CULTURE**

3.12/4.00
average
score

146
Leadership
Engagements 

36
MD/CEO
Engagement 



100%
Staff attended
PCB Programme



**OPERATIONAL
PERFORMANCE**

GAS PROCESSING

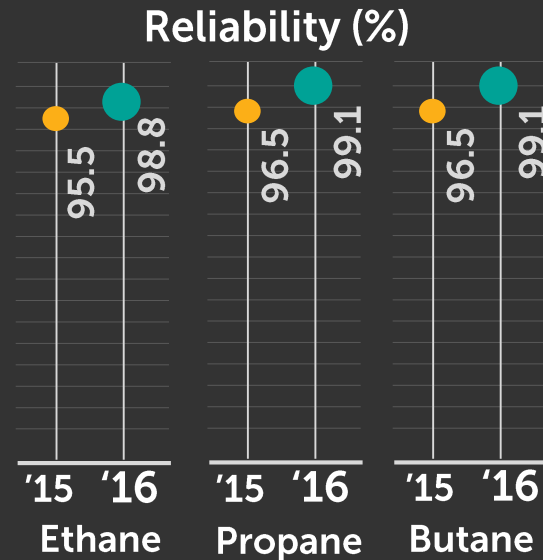
Delivering strong plant performance



**SALESGAS
RELIABILITY**

World Class

 **99.2%**



**LIQUID
PRODUCT
RELIABILITY**

98.8% C2

99.1% C3

99.1% C4

**142
MT/hr**

**Ethane
production**

Highest since 2012

Better integration and
improvement to PETRONAS'
value chain



**Ethane
delivery**

Highest since 2011

Highest demand from
petrochemical
business

**138
MT/hr**

OEE Performance

12 months > target

RM69 Mil

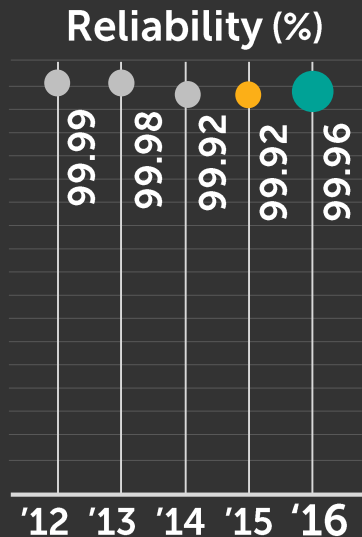
PBS

GAS TRANSPORTATION & REGASIFICATION



Continued sustaining world class performance of pipeline system

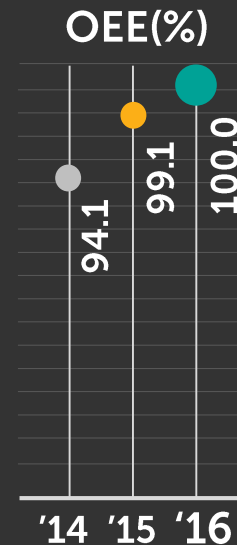
TRANSPORTATION



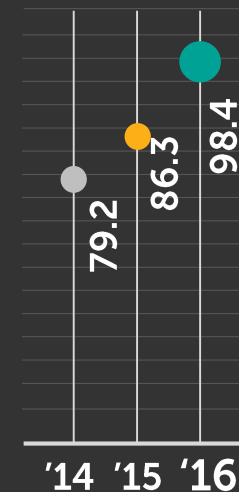
**Sustained
World Class
Performance**

Reliability **99.96%**
Availability **99.90%**

REGASIFICATION

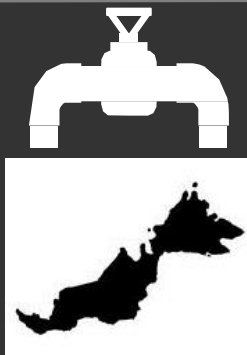


Reliability (%)



**OEE
100%**

Improvement
in **Reliability**
and
Availability



Collaboration in
re-commissioning
**Sabah-Sarawak
Gas Pipeline**
in March 2016

Increased
profit by

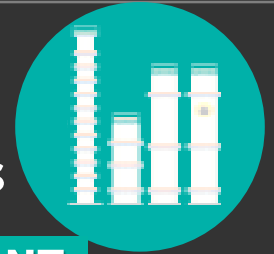
**RM24.7
million**



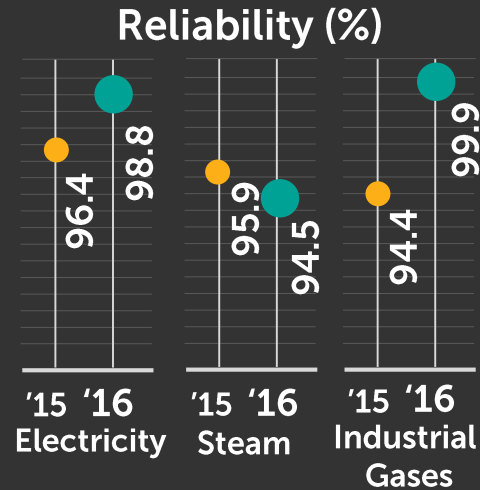
20 LNG cargoes
in **FY2016**
94 LNG cargoes
to date

UTILITIES

Commendable performance and consistently meeting customers' expectations



UTILITIES



98.8%

Electricity

94.5%

Steam

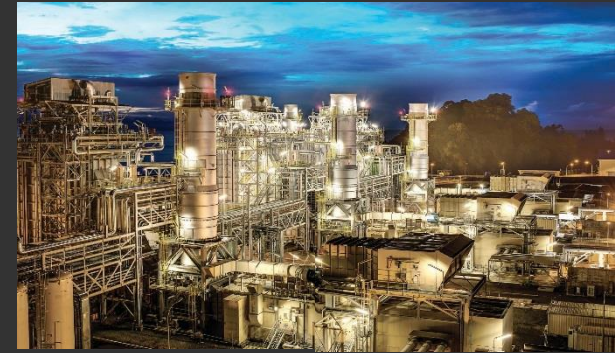
99.9%

Industrial Gases

**Exceeded
World Class
Benchmark**

electricity and
industrial gases

KIMANIS POWER PLANT



Strengthening the
Sabah electricity grid

300 MW
capacity

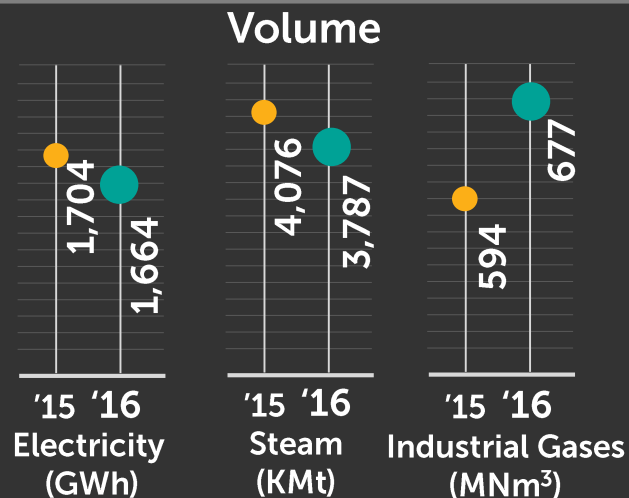
Reliability

99.3%

Availability

94.0%

Lower
electricity
export and
lower steam
customers
offtake



**PRODUCT
DELIVERY
RELIABILITY**

100%

all
products

Health, Safety, Security & Environment (HSSE)

HSSE remains at the forefront of PGB's priorities in business conducts and operations





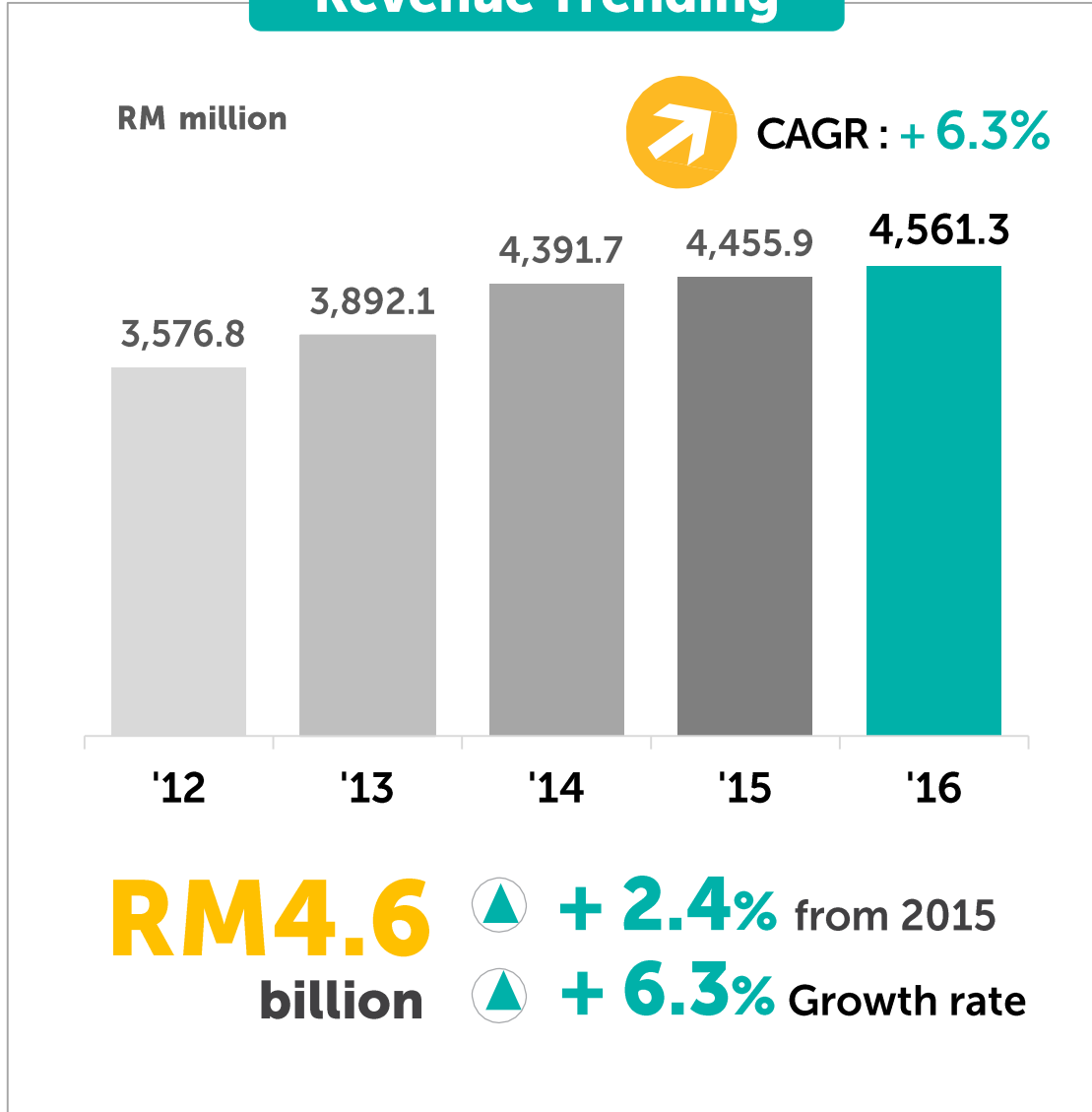
FINANCIAL PERFORMANCE

Revenue

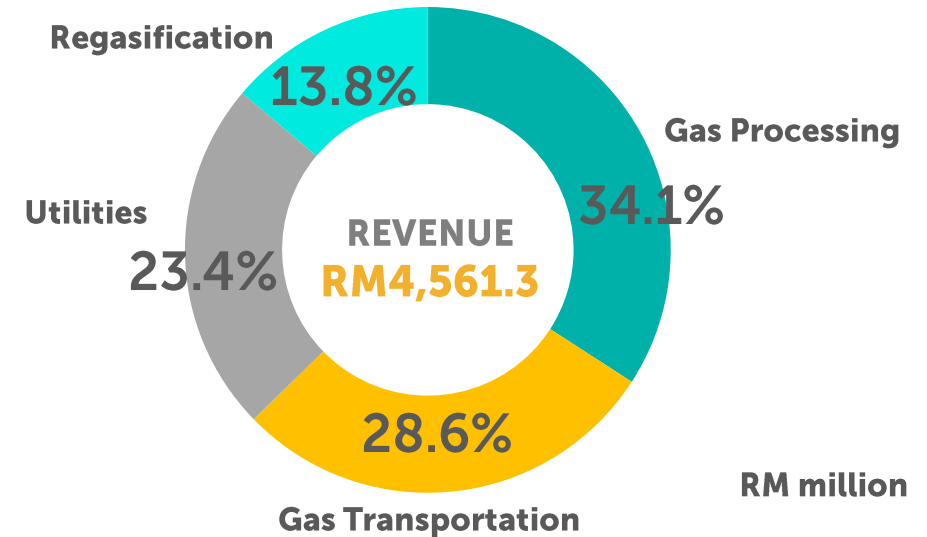


Sustained revenue strength from all segments driven by higher utilities and gas processing revenue

Revenue Trending



Segmental Revenue



Segmental Revenue Y-o-Y

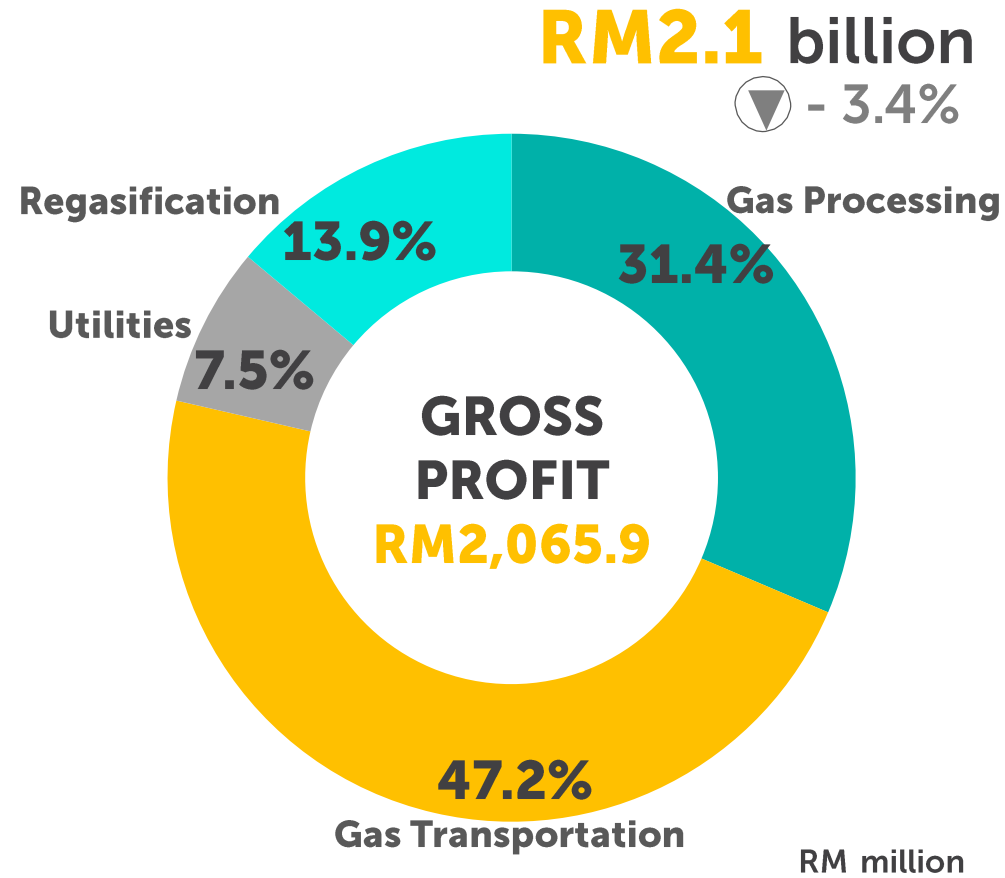
GP	▲	RM1.6 billion	+ 1.5%
GT	▼	RM1.3 billion	- 0.6%
UT	▲	RM1.1 billion	+ 9.8%
RGT	▼	RM0.6 billion	- 0.9%



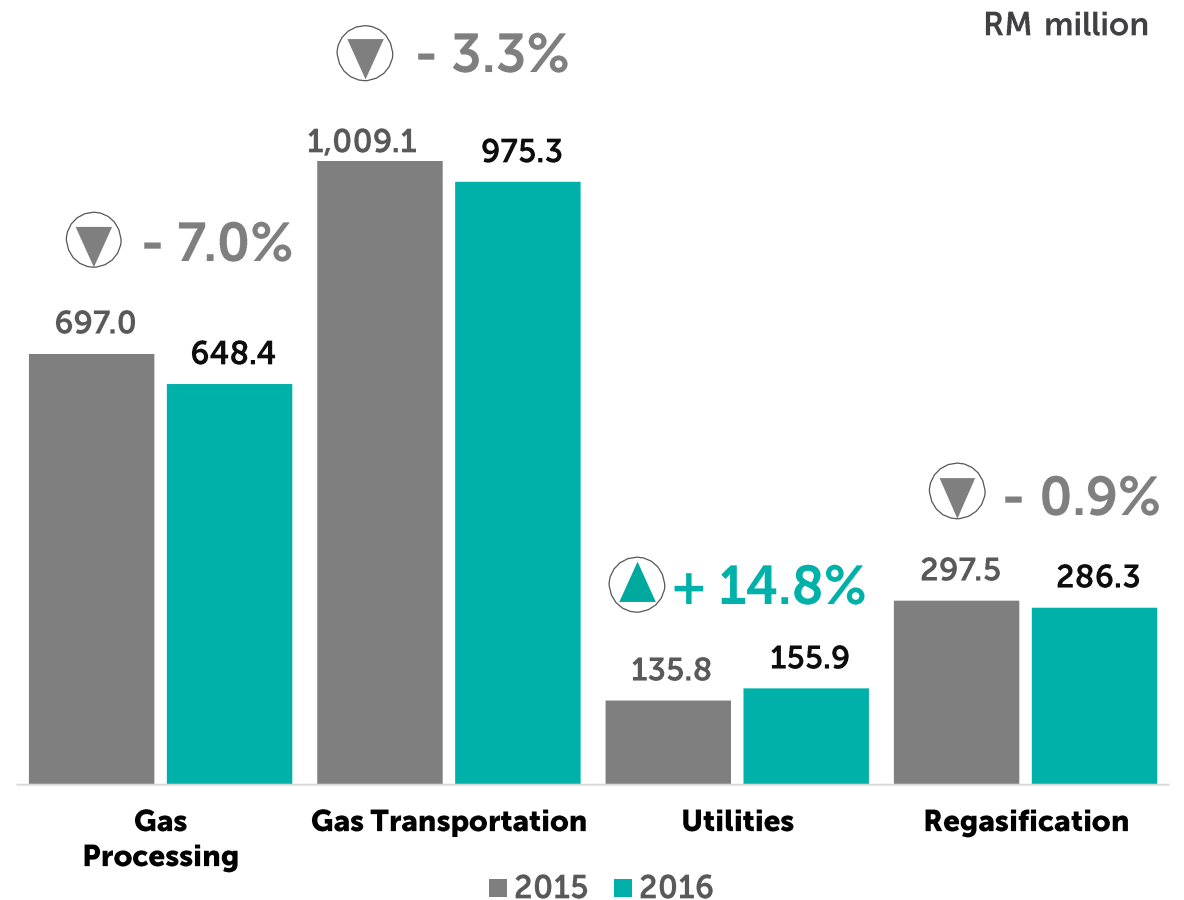
Gross Profit

Commendable gross profit contributed by Gas Transportation and Gas Processing segments

Gross Profit Contribution



Segmental Gross Profit Y-o-Y



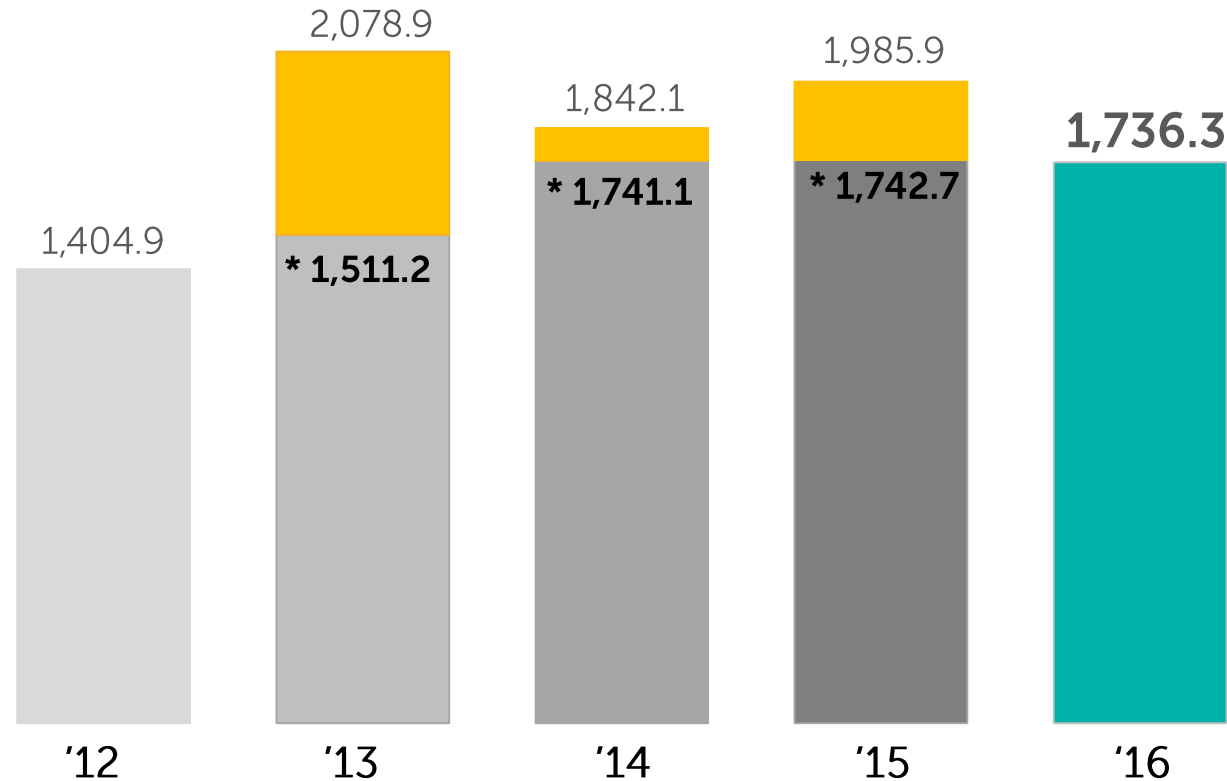


Profit After Tax


Deliver stable profits on the back of strong business fundamentals

Profit After Tax Trending

RM million



Notes:

-  Tax incentives and forex
- * PAT excluding tax incentives and forex

RM1.7 billion

▼ - 0.4%

▲ CAGR +5.4%



Earnings per share

87.9 sen

▼ - 0.4%

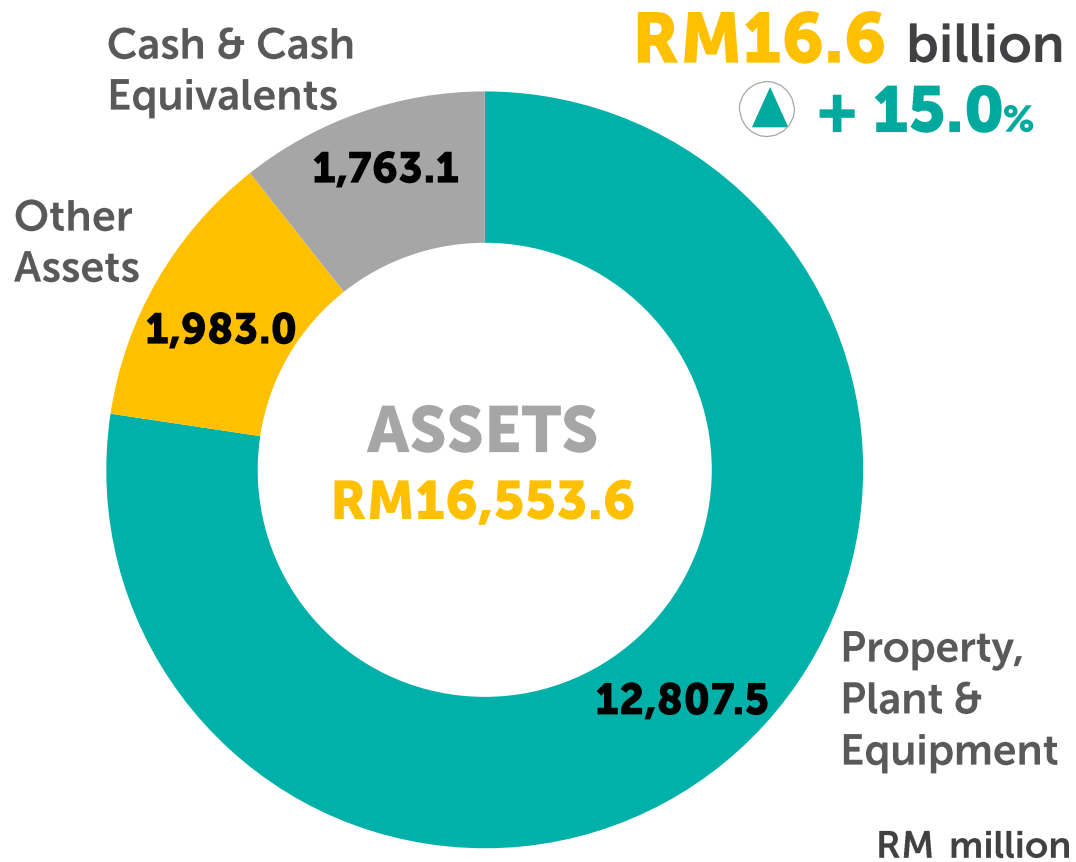




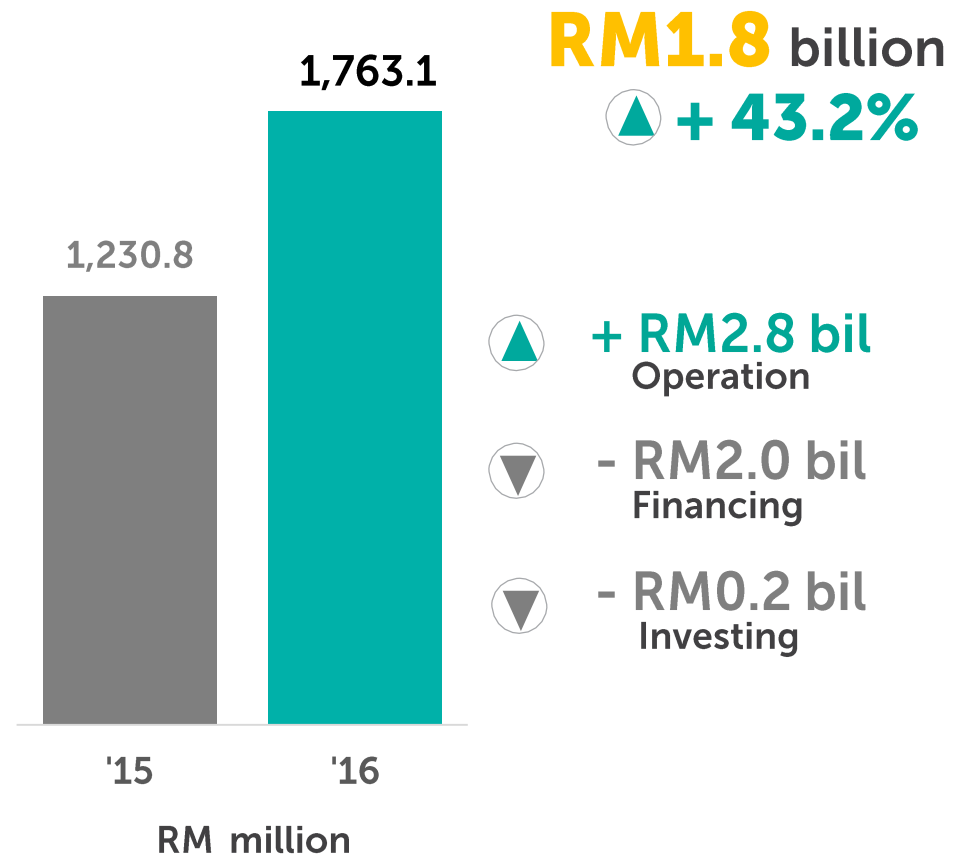
Total Assets

Sturdy total asset supported by strong Group's cash balance and property, plant and equipment.

Total Assets Breakdown



Cash Balance Y-o-Y





Dividends

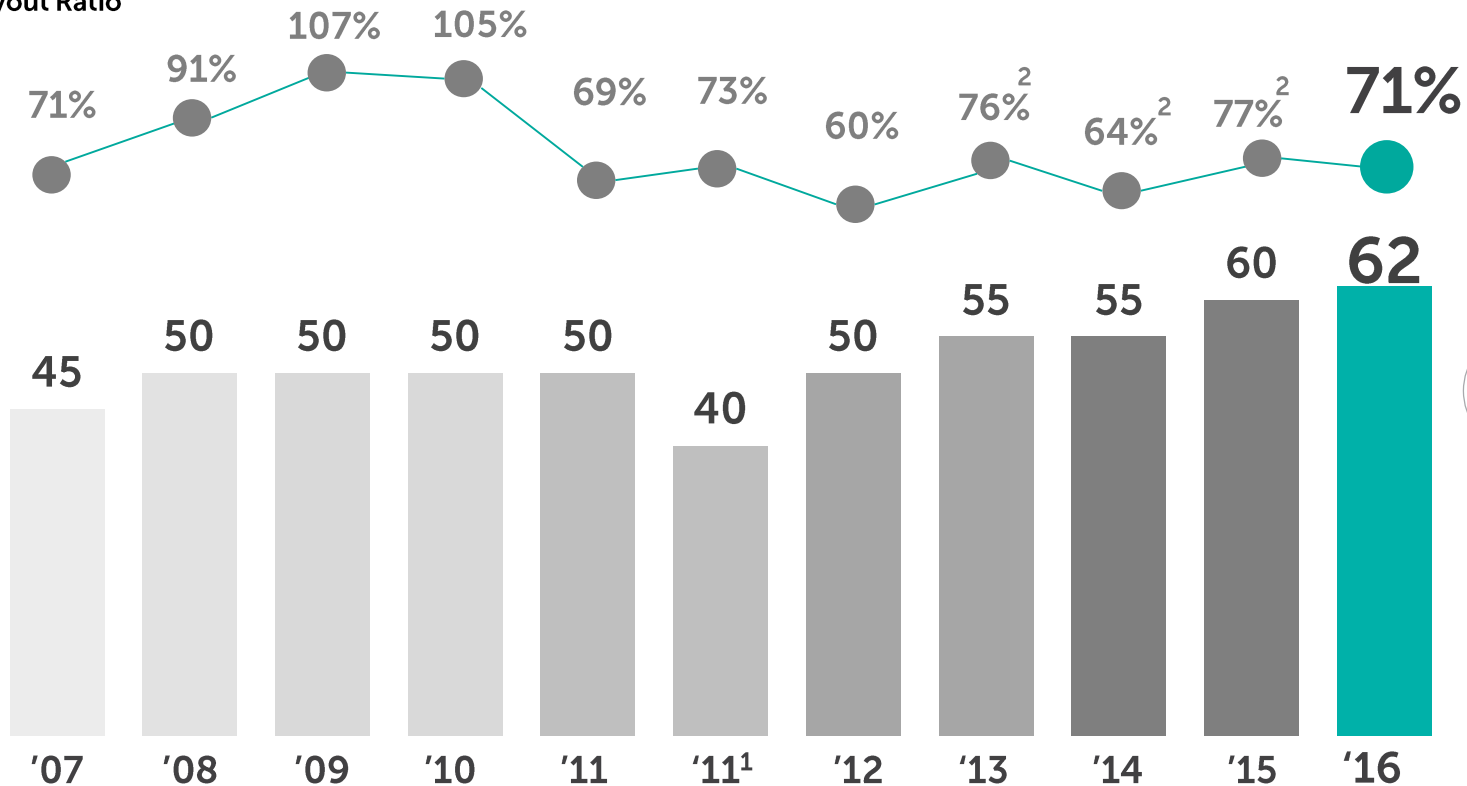
Highest ever dividend payout to shareholders

Highest Ever Dividend **62** sen

Dividend Payout Ratio **71** %

Quarterly Dividend Payment

Dividend Payout Ratio



Note:

¹ For the nine-month period ended 31 December 2011.

² Based on normalised PAT (excluding tax incentives)

Dividends Per Share (Sen)



- Q1** ● **14 sen**
8 June 2016
- Q2** ● **14 sen**
8 Sep 2016
- Q3** ● **15 sen**
2 Dec 2016
- Q4** ● **19 sen**
22 Mar 2017



Performance of Shares

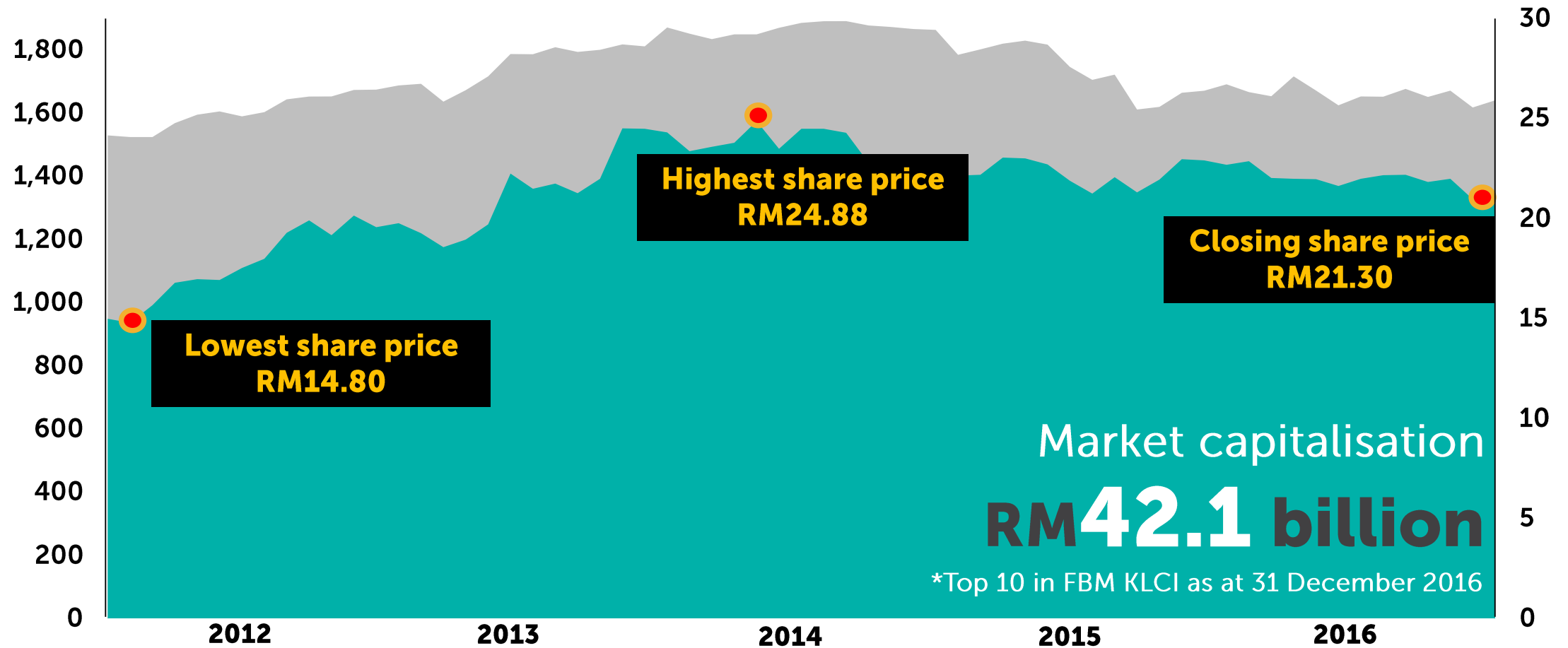
Top 10 largest corporation listed on BURSA on the back of resilient share performance

Growth over 5 years:

● FBM KLCI **+ 7.8%**
● PGB Share Price **+ 39.6%**

FBM KLCI
(‘000)

Share Price
(RM)





PROJECT PROGRESS UPDATE

Growth Projects

Our projects supporting development of Pengerang Integrated Complex are on track and progressing well

LNG Regasification Terminal Pengerang



- Overall progress **86%** to date
75% as at 31 Dec 2016
- Target Commissioning **Quarter 4 of 2017**

Pengerang Gas Pipeline



- Overall progress **96%** to date
93% as at 31 Dec 2016
- Target Commissioning **Quarter 2 of 2017**

Air Separation Unit Pengerang



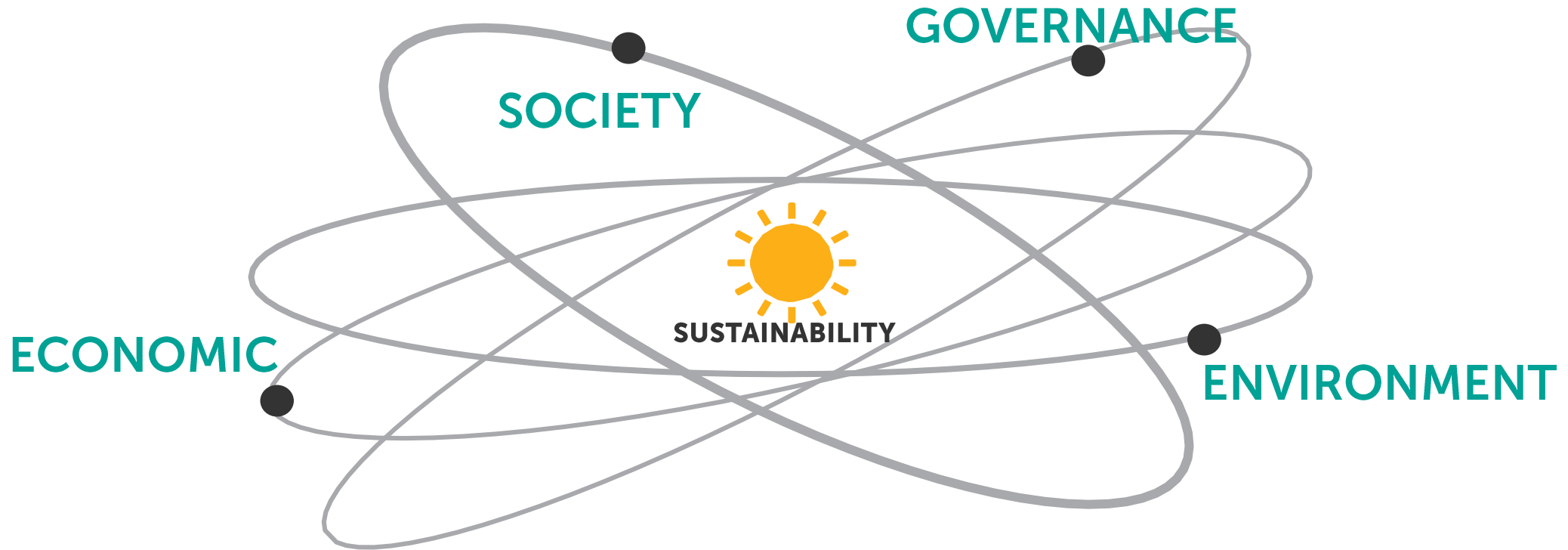
- Overall progress **27%** to date
11% as at 31 Dec 2016
- Achieved **FID** in **early August 2016**
- Target Commissioning **Quarter 4 of 2018**



SUSTAINABILITY

Sustainability

Our sustainability effort focuses on our management of Economic, Environment and Social (EES) risks and opportunities

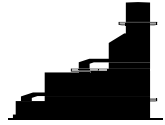


SUSTAINABILITY FRAMEWORK

Economic

We continuously seek opportunities to grow our revenue and profit

Investing in Technology



GPP Ethane Recovery
Improvement initiative

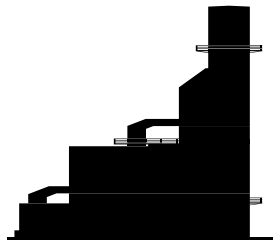


Cogeneration Plant (COGEN)



Flare Gas Recovery Unit (FGRU)

Investing in Asset Integrity



Five-year integrated maintenance plans

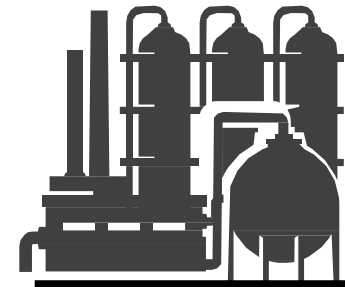


3ZERO100 Transformation Programme

Investing in Business Growth



The LNG Regasification Terminal
in Pengerang
as primary gas supply



Joint venture with Linde for Air Separation Unit (ASU)
in Pengerang

Environment

We take pride in preserving and protecting the environment



20% reduction of greenhouse gas (GHG) emissions through **FGRU** and **COGEN**

RM2 million

allocated for **waste disposal effort**

3% annual target on **reduction in waste disposal**



Sayangi Sungai Paka Programme

A continuous effort from **2015**

Ecosystem Baseline Assessment

Water recycle

38% from total water consumed



Social

We focus on the employees and communities for our social sustainability with the upmost focus is on health and safety

HSSE


**HSSE AT
HEART
PROGRAMME**



Safety Processes



Capability Development



Emergency Preparedness
and Crisis Management



Fire Safety Assessment

EMPLOYEES



**Health
Programme**
Encouraging staff to
stay fit and healthy



**Accelerating Culture
Change**
To **enhance staff's
competencies** to Drive
Direction and Lead Change

COMMUNITIES



**PGB Livelihood
Programme with
Yayasan Salam**
at Kg Bukit Raya, Hulu
Langat and Kg Paya Pulai,
Segamat



PGB 'Free Market'
at Desa Mentari,
Subang



**Program Sentuhan Ilmu
PETRONAS (PSIP)**
facilitate various fun
learning activities



AWARDS & RECOGNITIONS

ACCA
Awarding transparency
Certificate of participation
We wish to extend our appreciation to
Petronas Gas Berhad
for commensurate effort in participating in this
**ACCA Malaysia
Sustainability Reporting Awards
(MASRA) 2016**

R+SPA Health & Safety Awards
Sponsored by
nebosH
The Royal Society for the Prevention of Accidents
Gold Award
Granted to
Gas Processing Plants Kertih
2016
President
[Signature]
Lord Melrose of Gillingham

**MSOSH
OSH AWARD 2015**
In recognition of a Superior Achievement by
PETRONAS GAS BERHAD - GAS PROCESSING PLANT KERTIH

ACCA Malaysia
Sustainability Reporting Awards
(MASRA) 2016
Shortlisted Report
Performance Gas Berhad
ACCA
Think Ahead

MSWG
MINORITY SHAREHOLDER
WATCHDOG GROUP
**MALAYSIA - ASEAN CORPORATE GOVERNANCE
TRANSPARENCY INDEX, FINDINGS AND RECOGNITION 2016**
TRANSPARENCY IN RECOGNITION 2016
THE SAFETY CONCEPT CENTRE KUALA LUMPUR
**INDUSTRY EXCELLENCE
OIL & GAS**
PETRONAS GAS BERHAD

MSWG
**MINORITY SHAREHOLDER
WATCHDOG GROUP**
**MALAYSIA - ASEAN
CORPORATE GOVERNANCE
TRANSPARENCY INDEX, FINDINGS**
OIL & GAS
Petronas Gas Berhad

MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH
To present to
GRAND AWARD

MAMSI
CONGRATULATIONS
PETRONAS GAS BERHAD
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
CERTIFICATION SCHEME

R+SPA
Gold Award
Granted to
UTILITIES PLANTS

MAMSI
CONGRATULATIONS
PETRONAS GAS BERHAD
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
CERTIFICATION SCHEME

Excellence Awards
Main Board Companies
Technology
Petronas Gas Berhad

Awards and Recognitions

PGB was bestowed with numerous awards and certifications in recognition of its commendable accomplishments



RoSPA Gold Award for Health and Safety



MSOSH Award 2015



5th Most Transparent Big Stocks Award



Minority Shareholder Watchdog Group (MSWG) Malaysia-ASEAN Corporate Governance 2016 Award

in the **Industry Excellence**



NACRA Industry Excellence Award



FTSE4Good by Bursa Malaysia



Top 20 for Malaysia Sustainability Reporting Award 2016



A decorative graphic on the right side of the page. It consists of a dark grey vertical bar on the far right. To its left, a series of horizontal grey lines of varying lengths extend from the right edge towards the center, creating a sense of depth and movement. Below these lines is a solid grey horizontal bar that spans the width of the page.

FY2017
OUTLOOK

Outlook 2017

PGB strong business fundamentals are sustainable and will safeguard stable income stream



Stable
revenue base
from **GPA & GTA**



Regasification
backed by **capacity**
reservation by
PETRONAS



Utilities
driven by
demand from
customers

Growth within CORE competencies



FY2017

STRATEGIC FOCUS

Strategic Focus 2017

To strive for competitiveness, productivity and efficiency in our pursuit of becoming world class organisation by 2020

A **Leading**
Gas Infrastructure and Utilities Company

3ZERO100
BEYOND

**Market
Liberalisation
Readiness**

**Enhanced
Sustainable
Development**



PETRONAS

SAMSUNG

SAMSUNG C&T

whessoe

ST5

RGT-2 Terminal Project at Pengerang Progress as at end March 2017

Engineering, Procurement, Construction and Commissioning (EPC&C) of
LNG Regasification Facilities (RGT-2) Terminal Project at Pengerang, Johor



THANK YOU