

PETRONAS GAS BERHAD



GOING
BEYOND

Internal



PETRONAS

PETRONAS GAS BERHAD
QUARTERLY RESULTS BRIEFING
Quarter Ended 31 December 2017
27 February 2018

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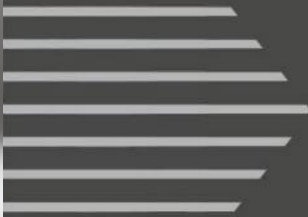
Forward Looking Statements and Associated Risks

The MATERIALS and related discussions today, including but not limited to those regarding the gas processing, gas transportation, utilities and regasification environment, plant turnaround activity and costs, operational risk, increase in turnaround activity and impact on production, future capital expenditures in general, generation of future receivables, sales to customers, cash flows, costs, cost savings, debt, demand, disposals, dividends, earnings, efficiency, gearing, growth, strategy, trends, reserves and productivity together with statements that contain words such as "believe", "plan", "expect" and "anticipate" and similar expressions thereof, may constitute forward looking statements.

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AGENDA

- **Welcoming Remarks**
- **Opening Remarks**
- **Presentation**
- **Q & A**

PGB Management



Shariza Sharis M Yusof
Chief Financial Officer



Kamal Bahrin Ahmad
Managing Director /
Chief Executive Officer



Faeiz Hasan Abrar
Head Investor Relations



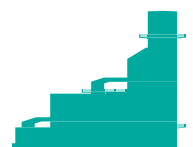
FY2017 KEY HIGHLIGHTS

Key Highlights



Progressing well
with enhancement of
execution strategy

99%
Progress of
3ZERO100 BEYOND
Key Results Area



Excellent
plant performance

PBS
12mths

C2 OEE
98.0%

PDR
100%
(Electricity)



Higher Profit
on the back of higher revenue
stream from RGT Pengerang
and higher investment income

RM1,817 Mil
2016: RM1,736 Mil



Growth Projects supporting PIC on schedule and within budget. RGTP achieved commercial operation on **1 November 17** while ASU progress is slightly ahead as schedule.

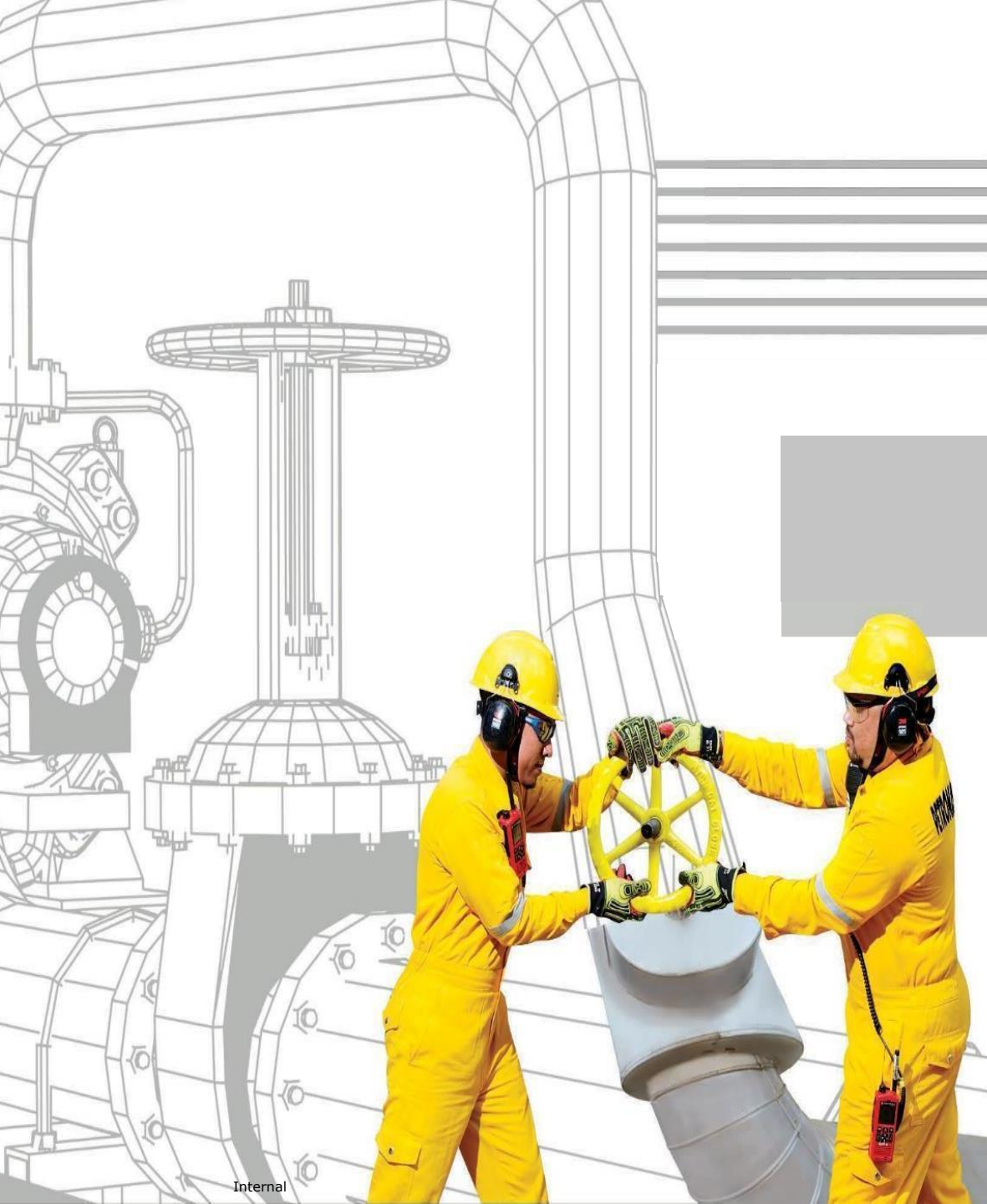


Value Preservation
Mitigating TPA impact

via ongoing engagement with



* Current tariff will be maintained until end of 2018



OPERATIONAL PERFORMANCE

GAS PROCESSING

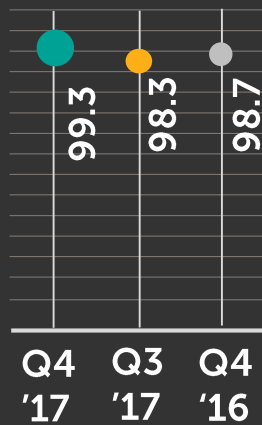
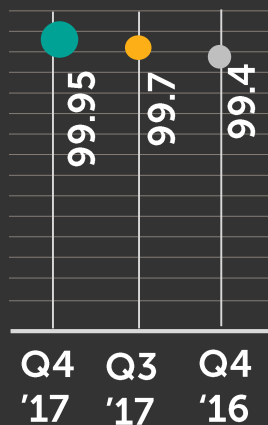
Strong OEE, demonstrating commitment in ensuring security of gas supply to the nation and sustenance of PBS



C1

OEE (%)

C2



World Class



SALESGAS
RELIABILITY

100%

Product
Delivery
Reliability

100%

PBS

12 months

RM70 Mil

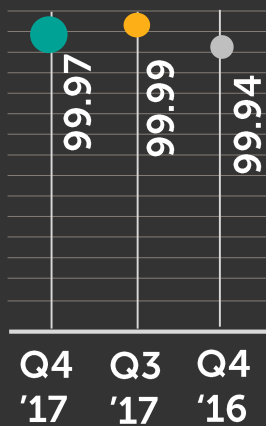
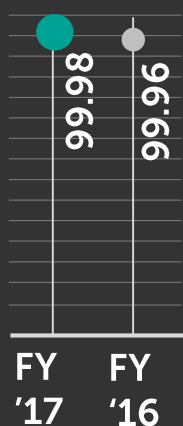
GAS TRANSPORTATION & REGASIFICATION

GT sustained world class performance in system reliability, Regasification maintained strong performance



TRANSPORTATION

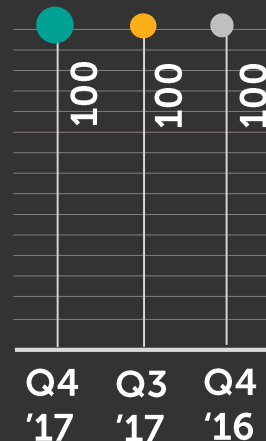
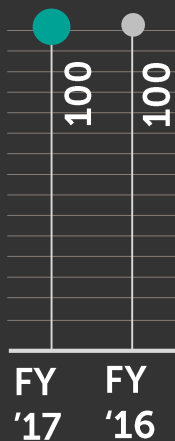
Reliability (%)



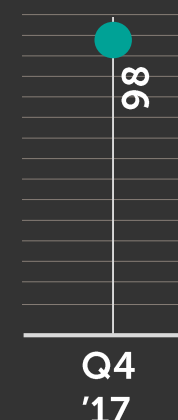
REGASIFICATION

OEE (%)

RGTSU



RGTP



SUSTAINED
World Class
Performance

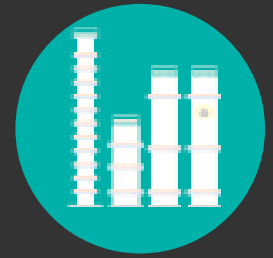
PRODUCT DELIVERY
RELIABILITY
100%

26 LNG cargoes
FY2017



UTILITIES

Higher electricity and steam volume on higher offtake by customers, supported by strong plant performance



Delivery

Electricity (GWh)



Steam (kMT)



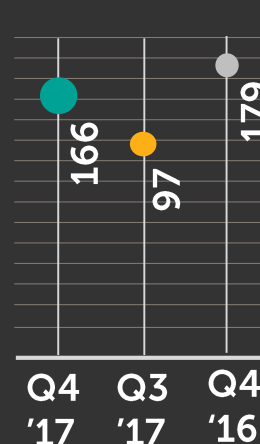
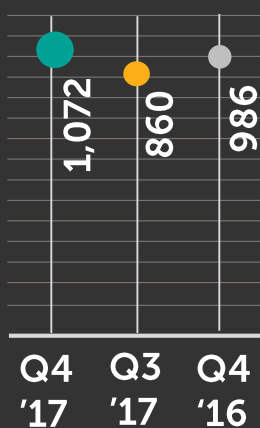
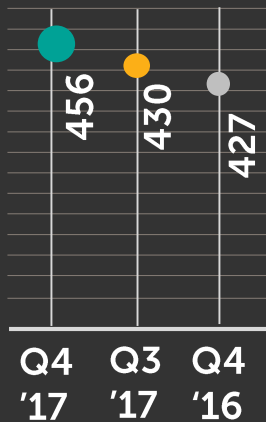
Ind. Gases (Mil Nm3)



**PRODUCT
DELIVERY
RELIABILITY**

100%

(Electricity)





FINANCIAL PERFORMANCE

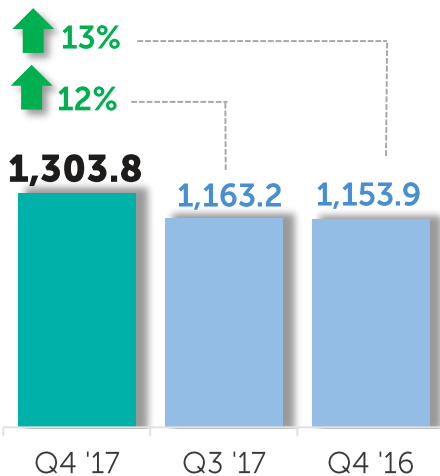
Financial Performance



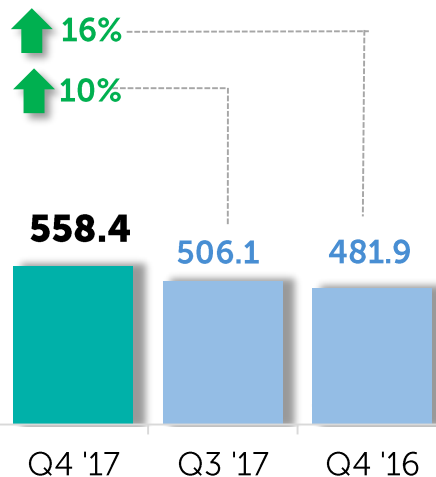
Higher profits against preceding and corresponding quarter as well as corresponding year

RM Million

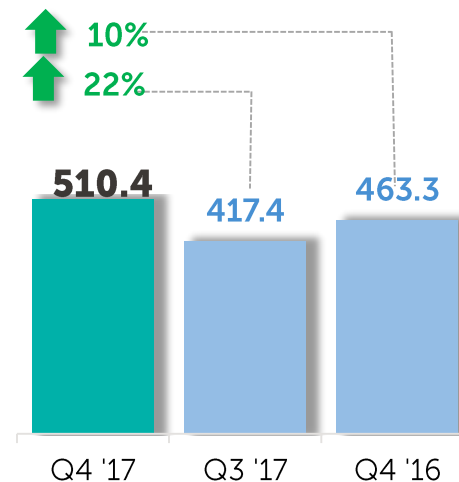
Revenue



Gross Profit

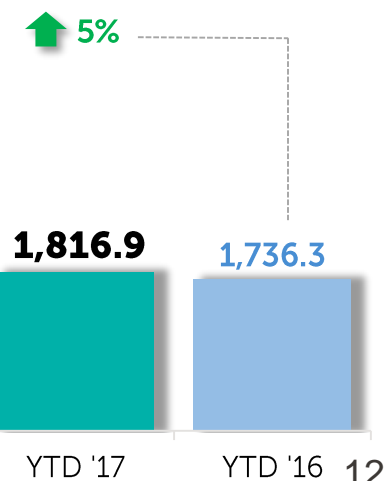
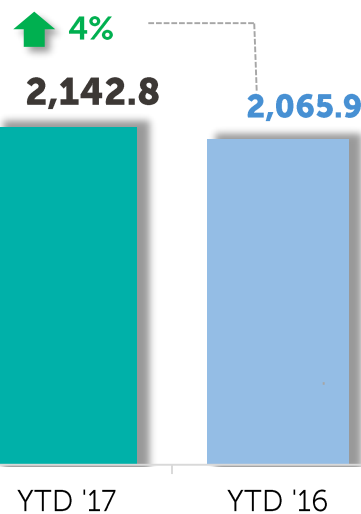
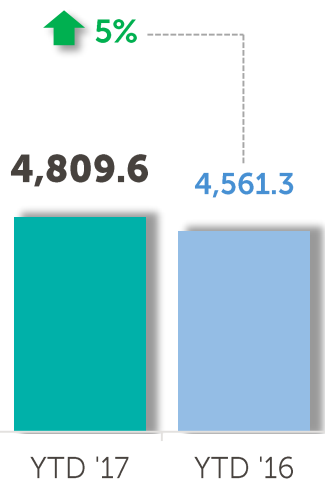


Profit After Tax



QUARTER

YTD

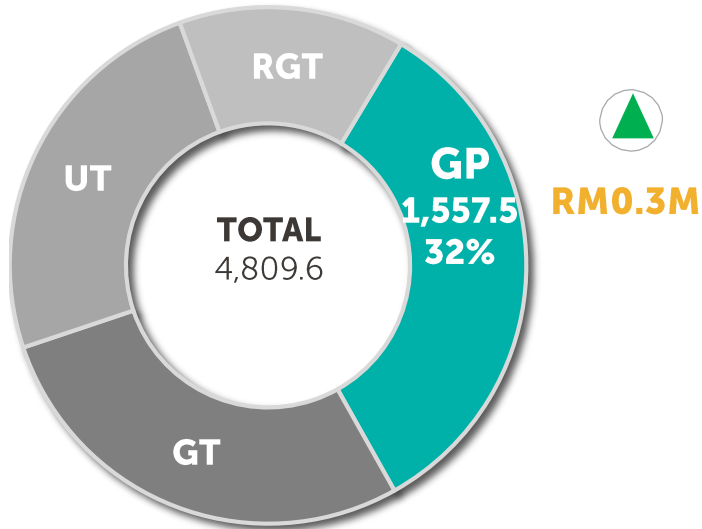




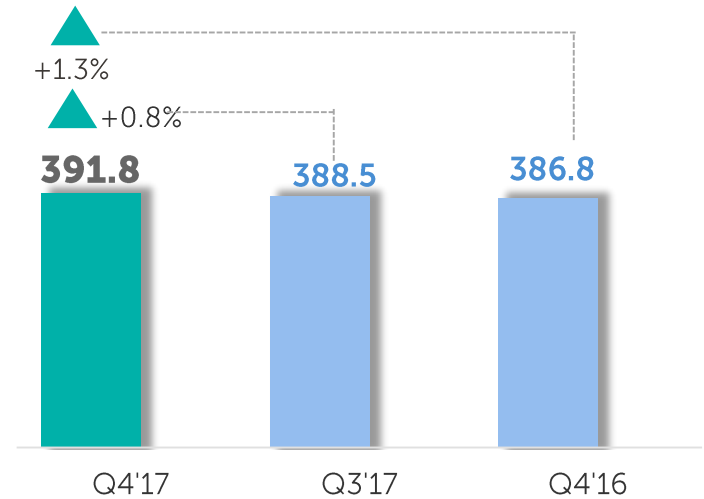
Gas Processing Segment

Lower gross profit for the year on higher depreciation following completion of scheduled turnaround activities, offset by lower repairs and maintenance

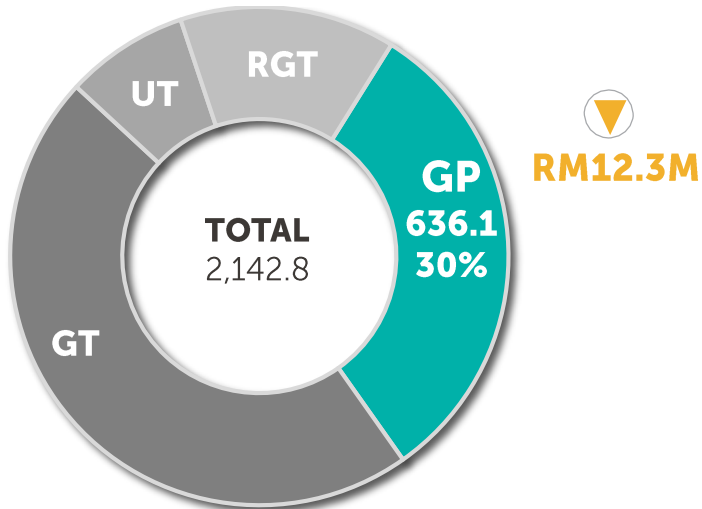
FY2017 Revenue



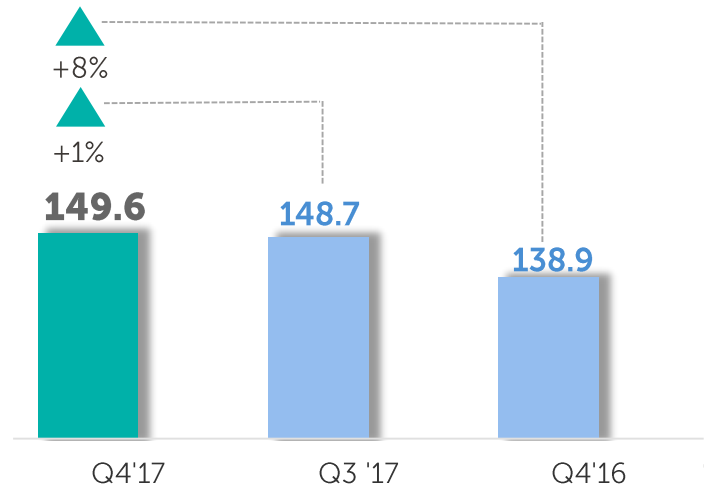
QTR Revenue



FY2017 Gross Profit



QTR Gross Profit

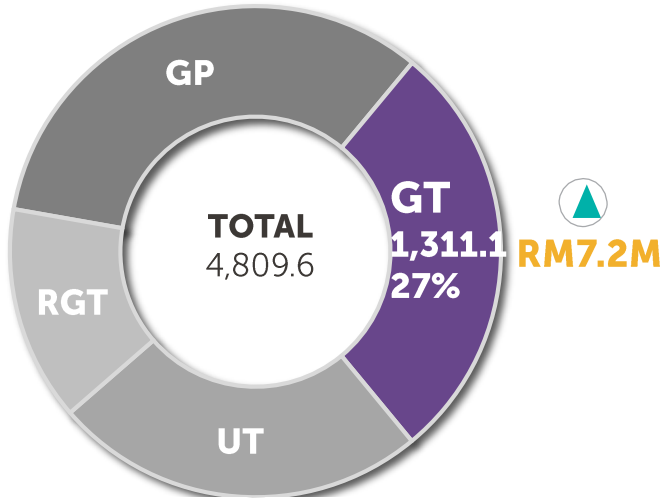




Gas Transportation Segment

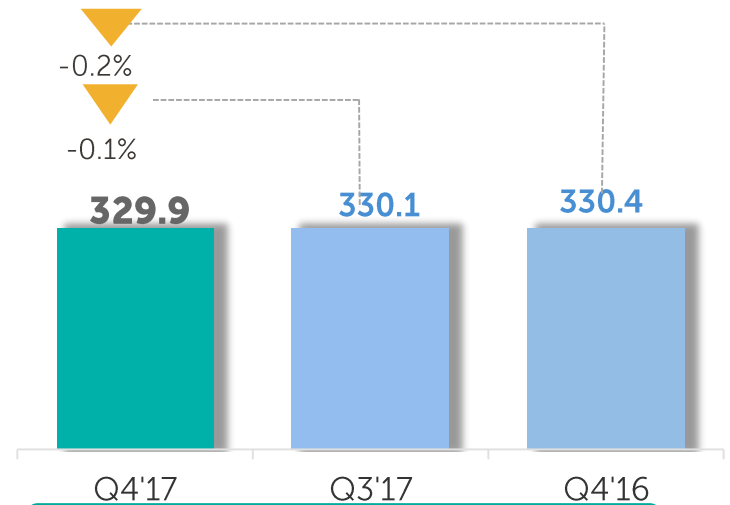
Improved gross profit for the year on higher revenue, negated by higher depreciation in line with completion of capital projects

FY2017 Revenue

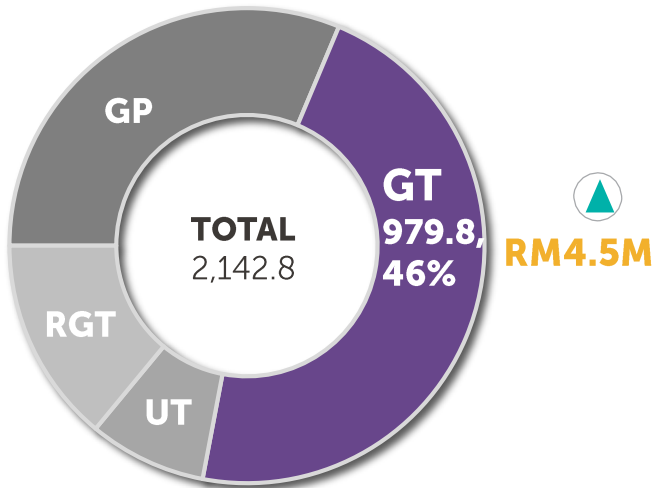


RM Million

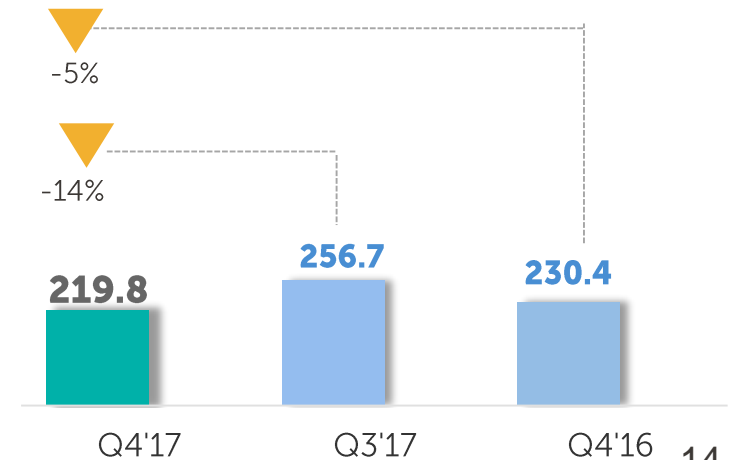
QTR Revenue



FY2017 Gross Profit



QTR Gross Profit



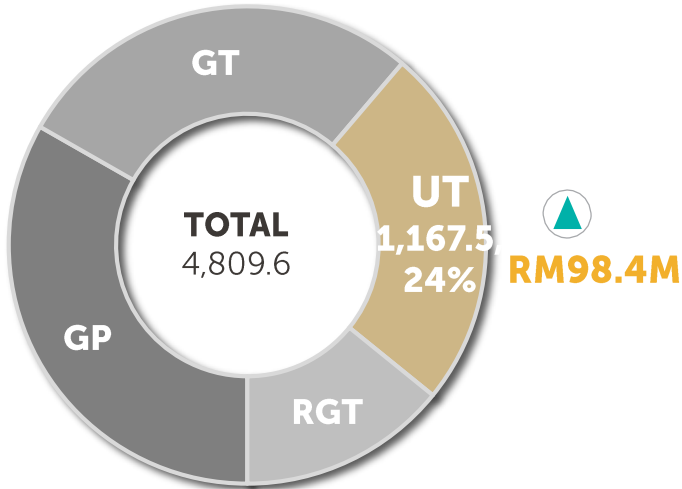


Utilities Segment

Gross profit for the year declined slightly attributable to higher fuelgas cost following scheduled price revisions

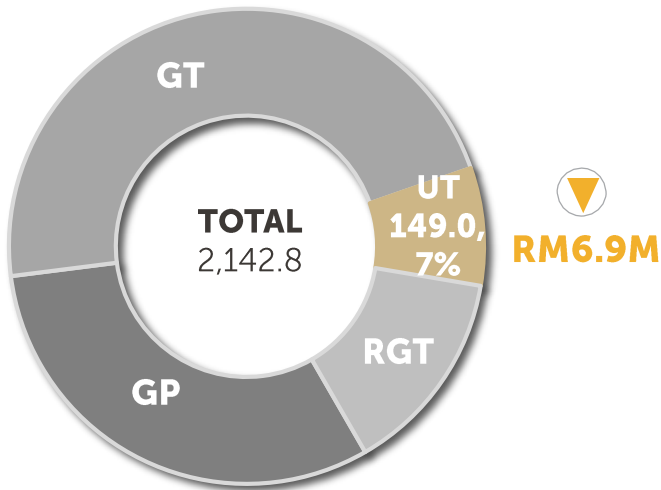
FY2017 Revenue

RM Mil



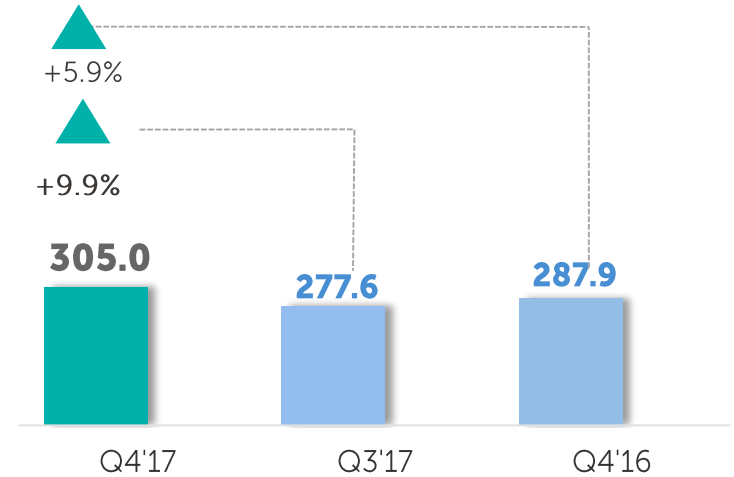
FY2017 Gross Profit

RM Mil

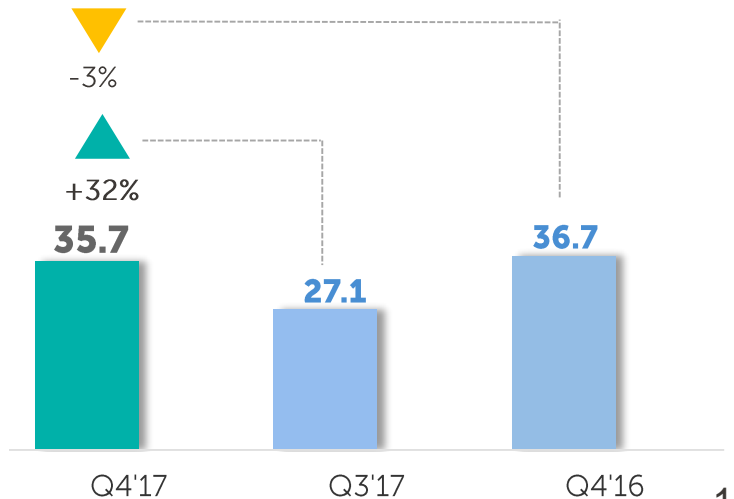


QTR Revenue

RM Million



QTR Gross Profit



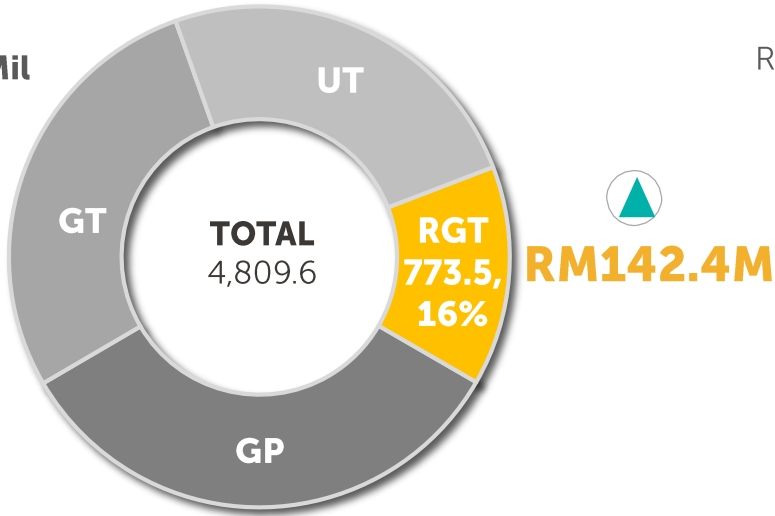


Regasification Segment

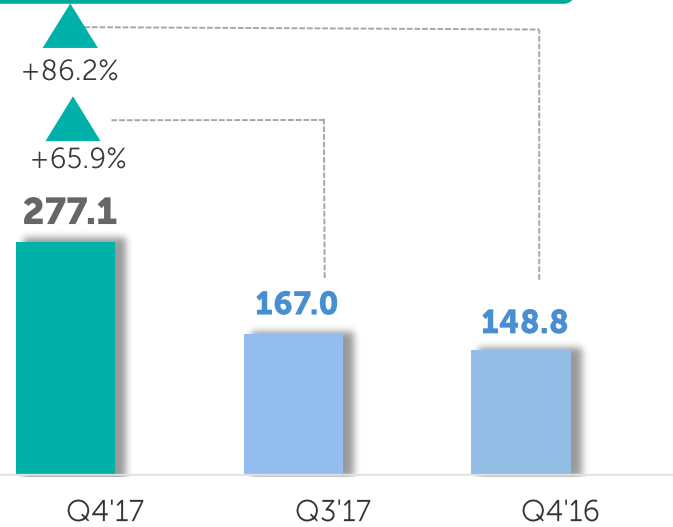
Gross profit surged for the year with contribution from the new regasification terminal at Pengerang

FY2017 Revenue

RM Mil

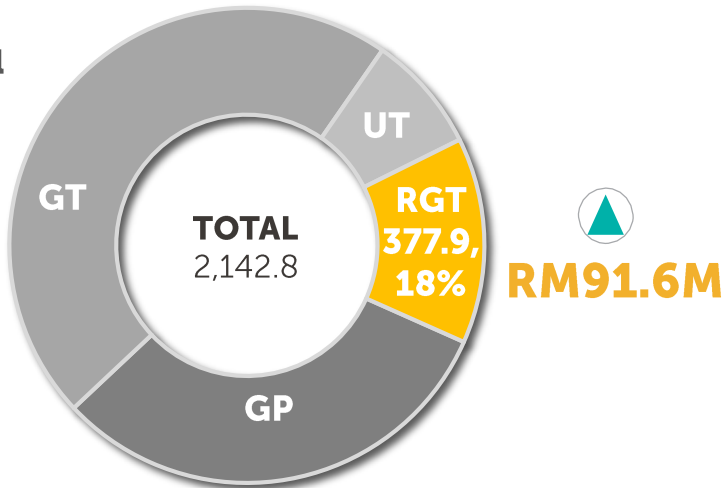


QTR Revenue

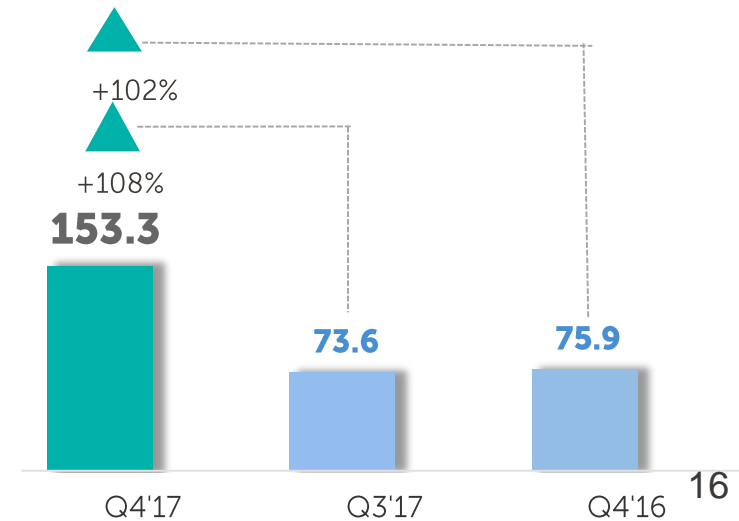


FY2017 Gross Profit

RM Mil



QTR Gross Profit



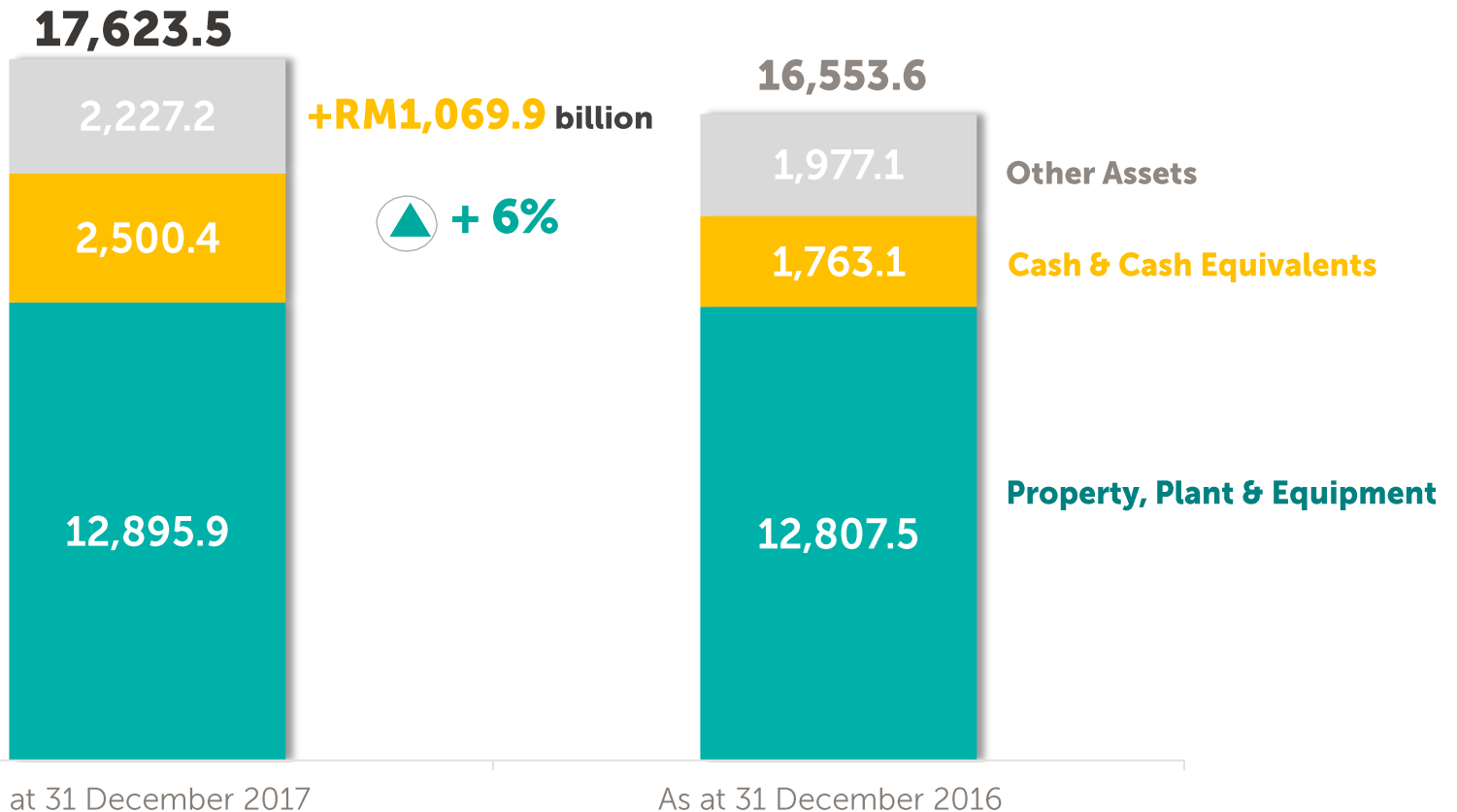
Total Assets

Robust asset base supported by healthy cash balance as well as property, plant and equipment



Total Assets

RM million



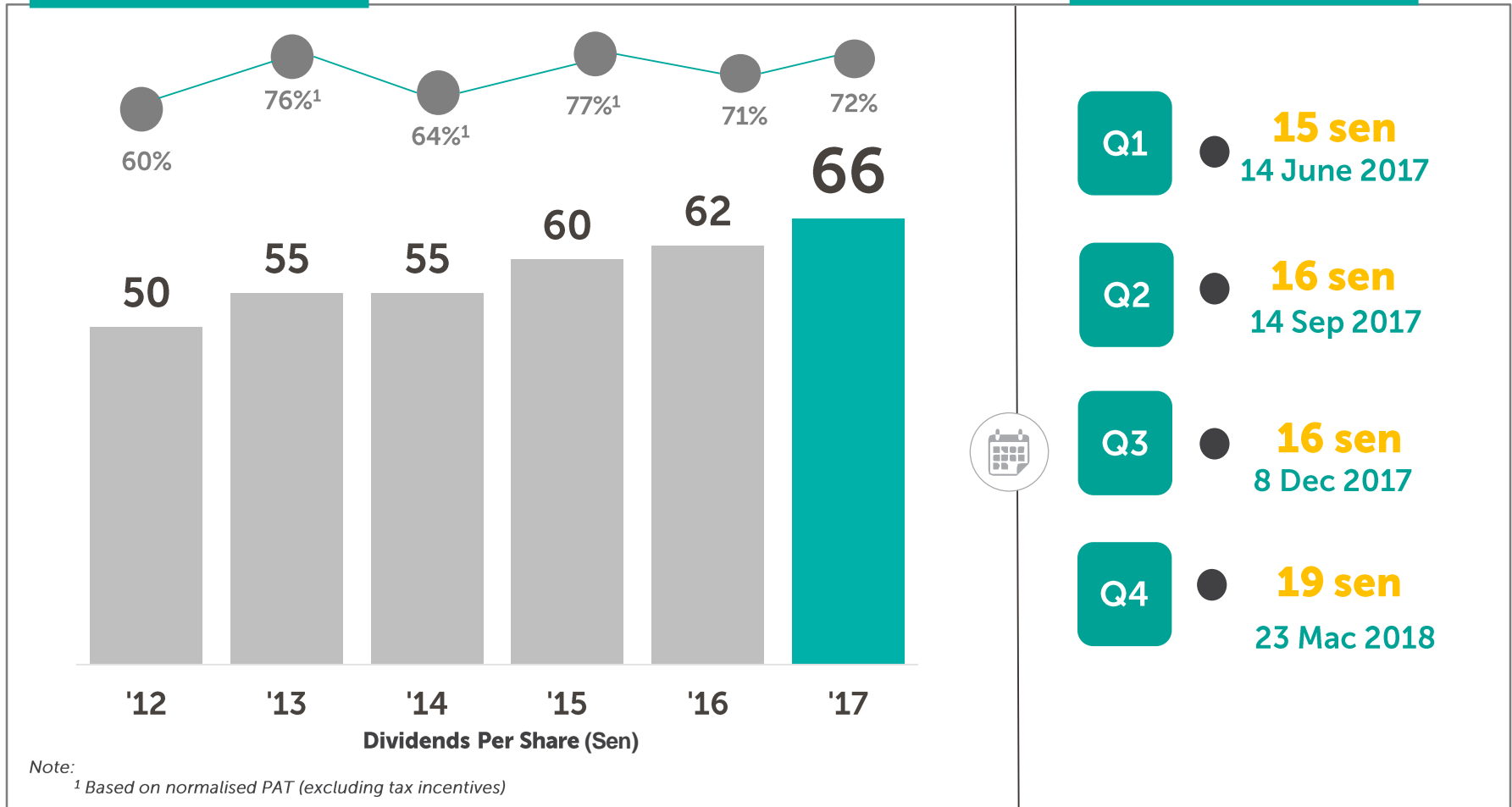
Dividends

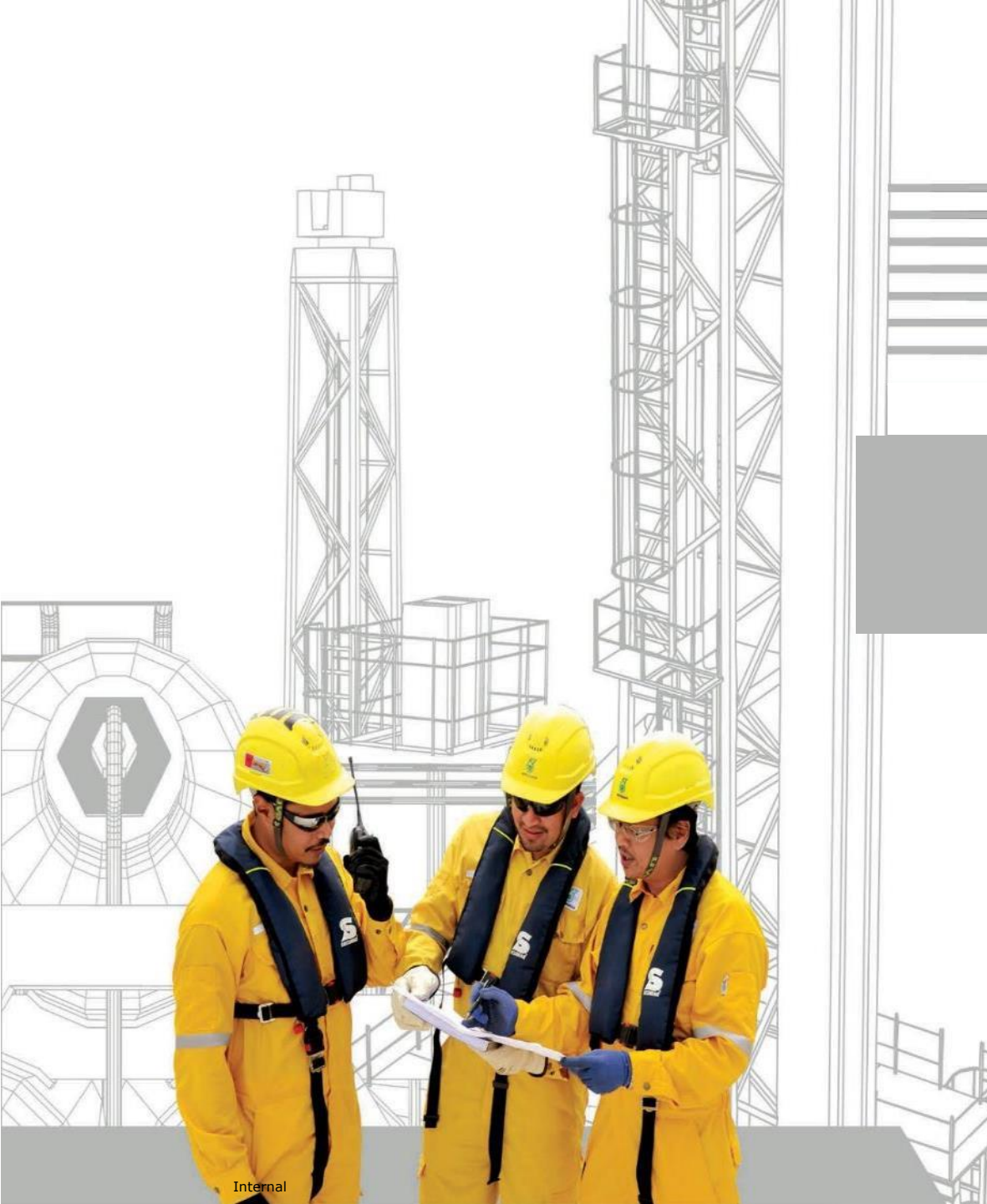
Maximising shareholders return and dividend payment at par with industry benchmark



Dividend Payout Ratio

Quarterly Dividend Payment





UPDATES

Regasification Terminal Pengerang

RGT Pengerang which was recently operationalised provides primary gas supply to Pengerang Integrated Complex (PIC) and PGU system



Jetty able to receive LNG carriers up to 260,000 m³ for unloading and reloading



Two LNG storage tank with storage capacity of 200,000 m³ each



Commercial Operation Date (COD) achieved on 1st Nov 2017



98% progress with expected full operation on April 2018



Anticipated final project cost is within the approved project cost of USD858 mil



Tariff is based on 100% Regasification capacity of 490 mmscfd/3.5 mtpa



Revenue contribution of RM108 mil in 2017 (2-months operation)



Tariff will be reviewed after 1 year of operation

Air Separation Unit

Air Separation Unit project is progressing very well and will be the sole utilities facility for the supply of industrial gases to PIC customers



Storage tanks with capacity of 1,430 TPD oxygen and 780 TPD nitrogen



Train 1 & 2 to separate atmospheric air into oxygen and nitrogen



Supply gaseous oxygen and nitrogen to customers comprising petchem plants, refinery cracker, utilities provider, and regasification terminal



Partnership with Linde



Total project cost of USD 172 million



Overall progress is at 74%, ahead by 1%



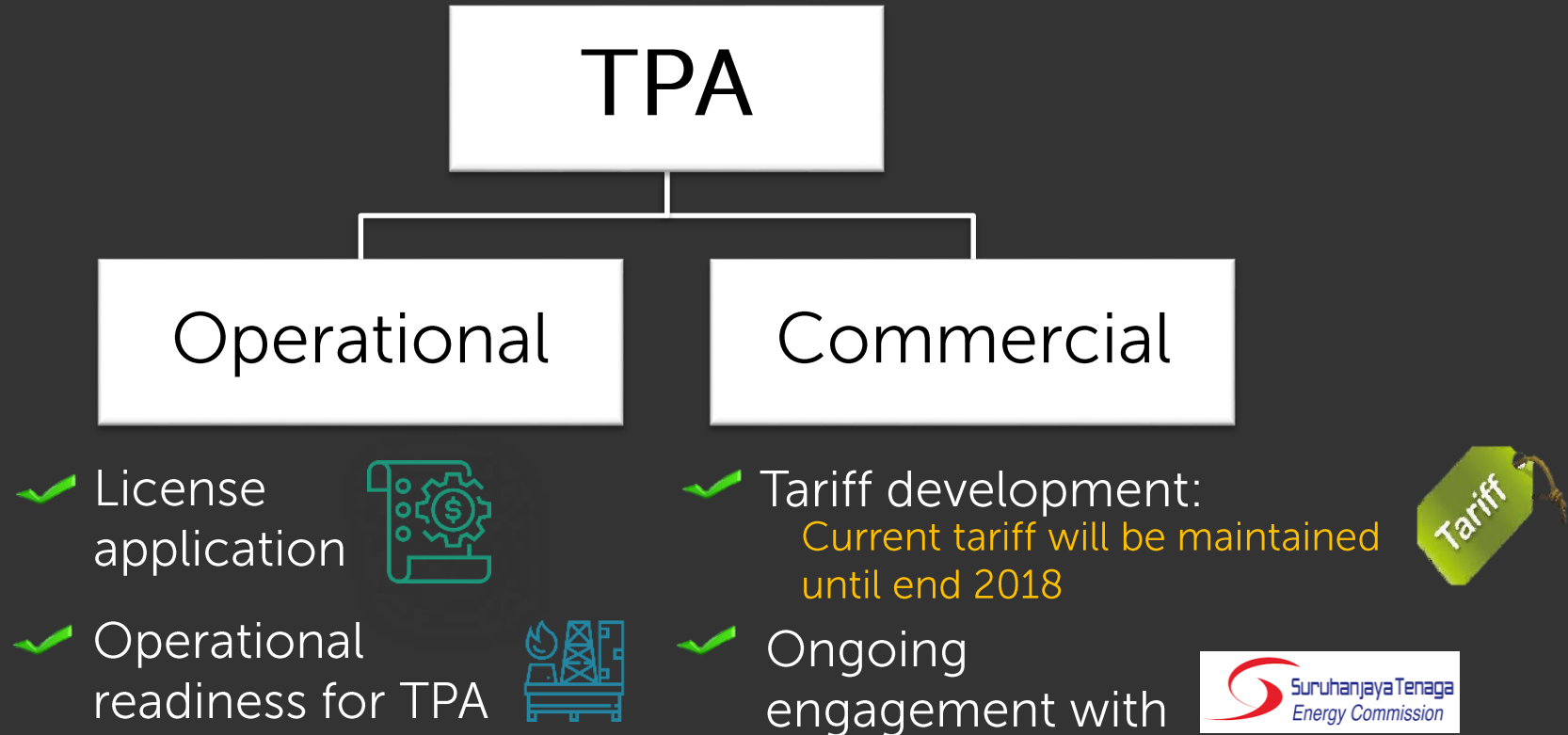
Target commercial operation date Q4 2018



Rate of return is comparable to other utilities provider and above PGB hurdle rate

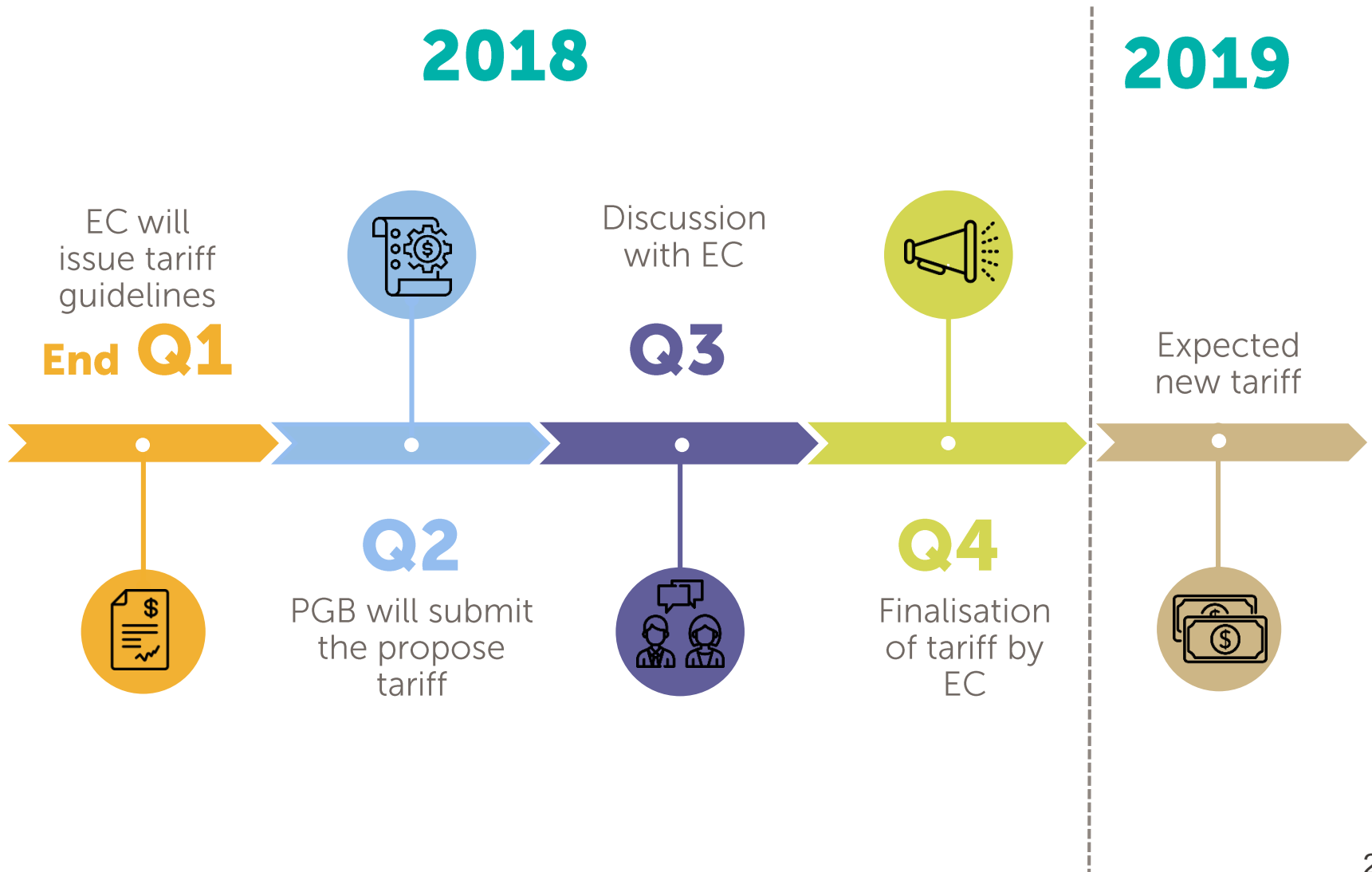
TPA IMPLEMENTATION

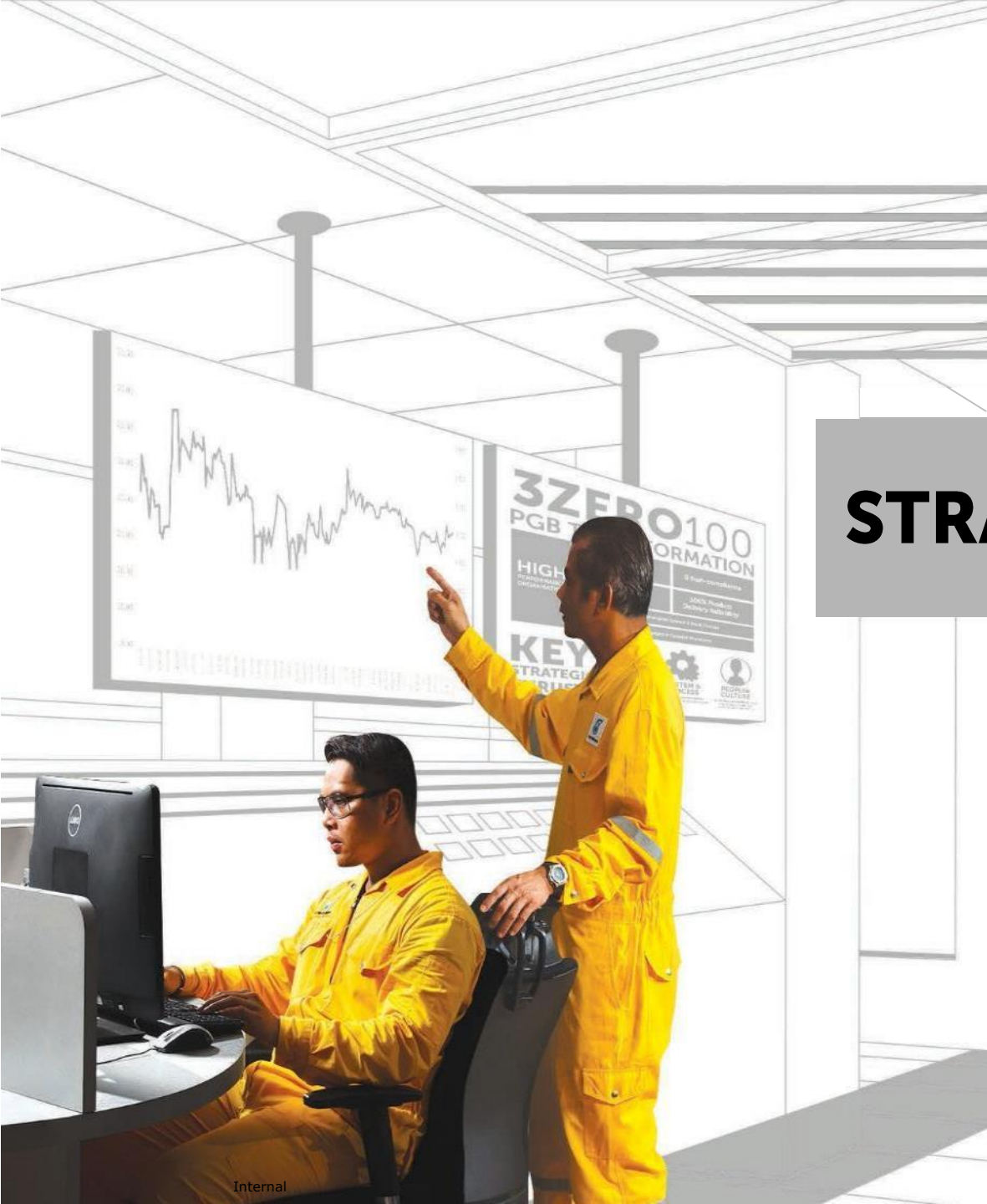
Third Party Access (TPA) in compliance with Gas Supply (Amendment) Act 2016 is in effect commencing 16 January 2018



Tariff Development

The Company is in continuous discussion with Energy Commission (EC) on the framework and quantum of the tariff beyond 2018





STRATEGIC DRIVERS

STRATEGIC DRIVERS

Achieve competitiveness, productivity and efficiency as well as growth in our pursuit of becoming world class organisation

**HEALTH, SAFETY,
SECURITY &
ENVIRONMENT (HSSE)**

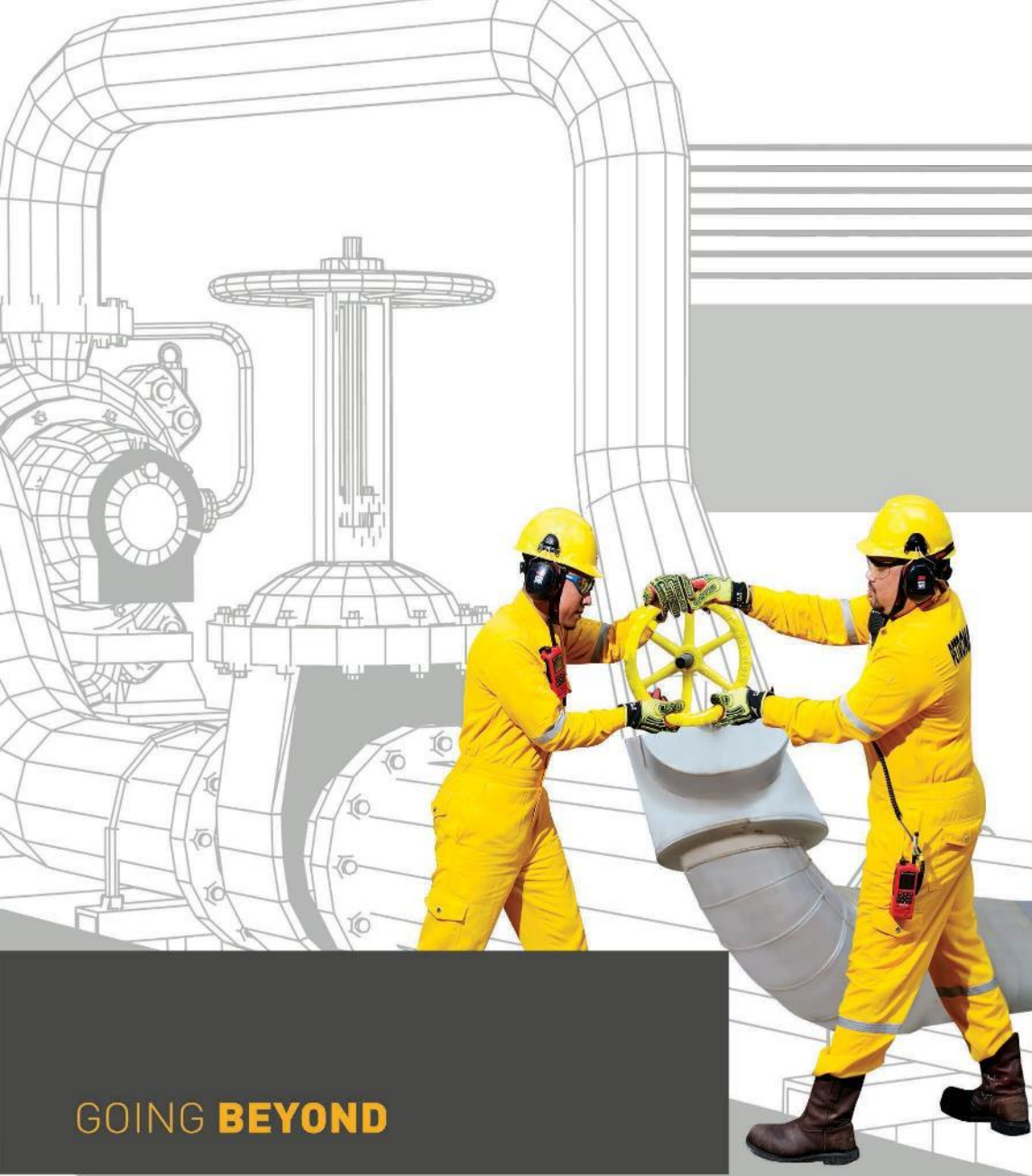


**OPERATIONAL
EXCELLENCE**



**VALUE OPTIMISATION
& GROWTH**





GOING **BEYOND**

For further enquiries please contact us at

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PETRONAS

THANK YOU

www.petronasgas.com

A decorative graphic on the left side of the slide, consisting of several overlapping, semi-transparent teal triangles of various shades, creating a layered, abstract shape that tapers towards the bottom.

Question & Answer