

PETRONAS Group Financial Results Announcement

Quarter 1 Ended 31 March 2012



EMBARGO

The information contained herein may only be released
after 5.00 p.m. on 31 May 2012

Cautionary Statement

Forward-looking statements 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 expressed 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.

©2012 PETROLIAM NASIONAL BERHAD (PETRONAS)

PETRONAS Group Financial Results Announcement

Financial Highlights

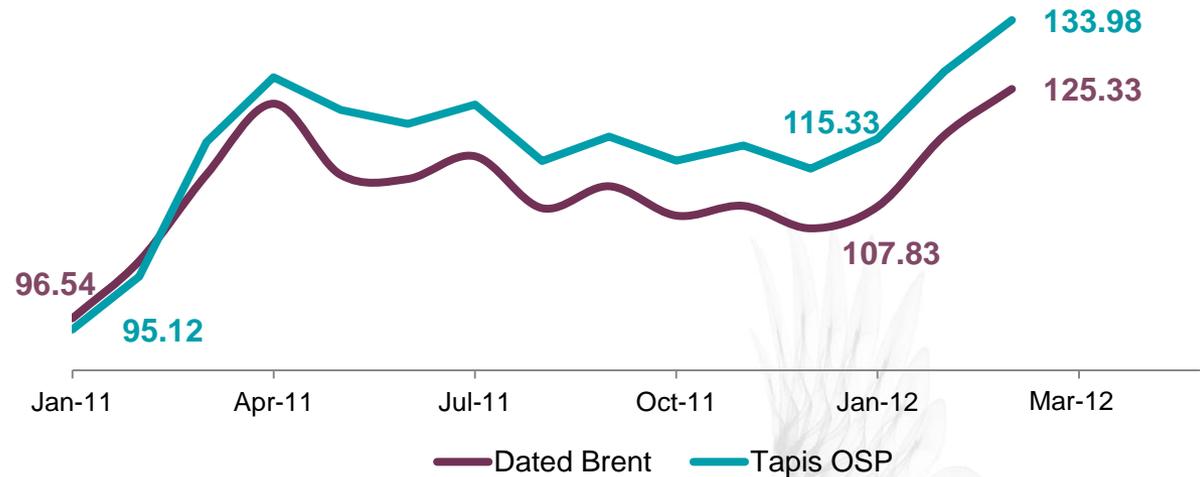
Datuk George Ratilal
Executive Vice President
Finance



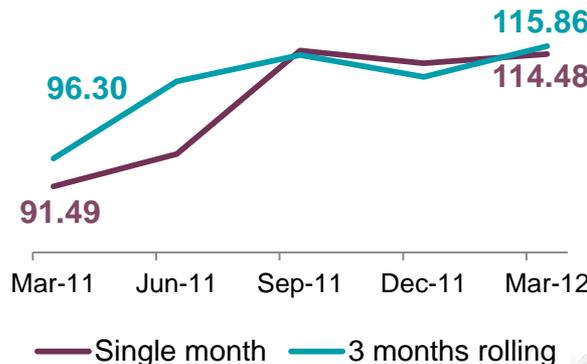
Product Prices remained elevated...

- Crude oil and other energy commodity prices remained elevated and trended higher in Q1 2012.
- Q1 2012 average Dated Brent was USD119/bbl, ~13% higher than same quarter last year of USD 105/bbl.
- Tapis continued to trade at a premium to Dated Brent.
- Ringgit weakened against the US Dollar late last year but strengthened in Q1 2012 - same level as Q1 2011.

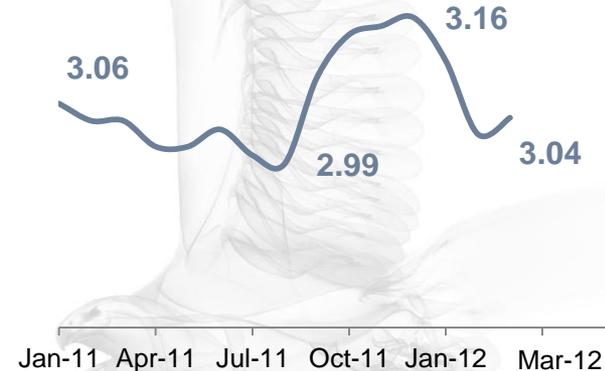
Benchmark Crude oil monthly average prices (USD/BBL)



JCC quarterly average prices (USD/BBL)



Average monthly Exchange Rate (USD/MYR)



Note: JCC is Japanese Crude Cocktail

Source: Internal Analysis, Platts, Bloomberg

Revenue (↑ 15%):

- favourable product prices; and
- higher crude oil trading volume.

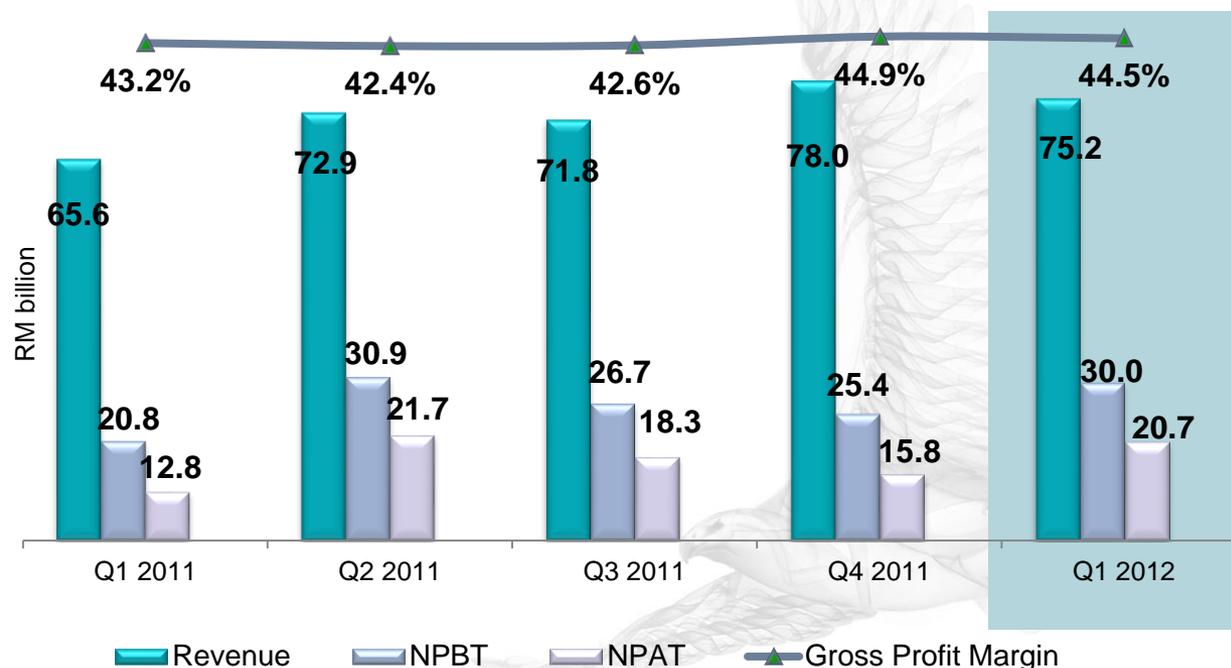
RM billion

Key Financial Indicators

	Q1 2011	Q1 2012	+/- (%)
Revenue	65.6	75.2	14.6
Net Profit Before Taxation ("NPBT")	20.8	30.0	44.2
Net Profit After Taxation ("NPAT")	12.8	20.7	61.7
Gross Profit Margin	43.2%	44.5%	n/a
NPAT Margin	19.5%	27.5%	n/a

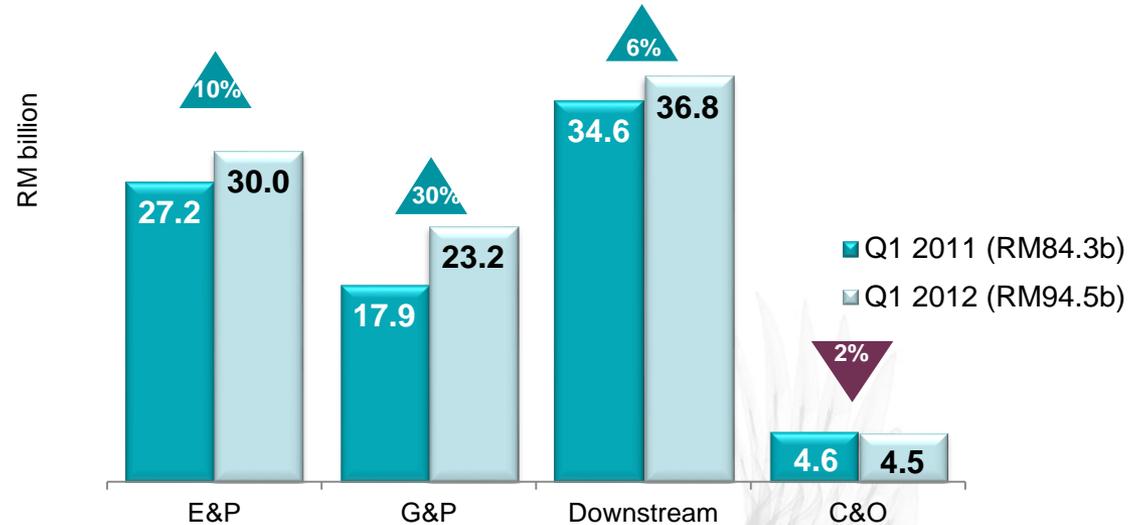
NPAT (↑ 62%):

- Higher margins on the back of higher revenue;
- Gain on disposal of PETRONAS' stake in Centrica PLC; and
- Lower Q1 2011 results.

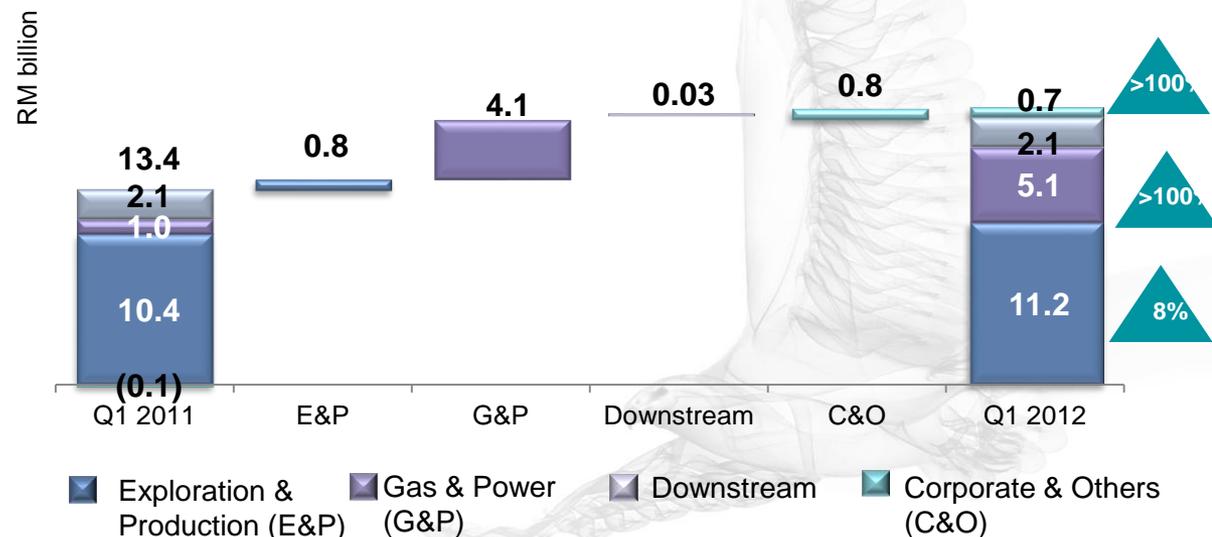


Gross Revenue and NOPAT strengthened on the back of higher product prices

Gross Revenue by Business Segments



Gross NOPAT by Business Segments



- **Gross Revenue (↑ 12%):**
 - Higher product prices across the board.

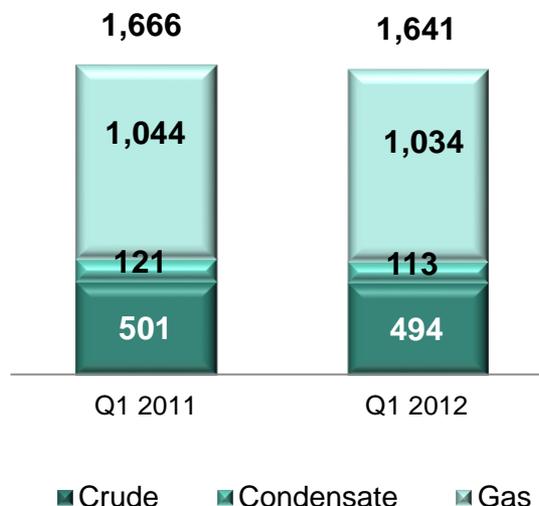
- **Gross NOPAT (↑ 43%):**
 - E&P (↑ 8%) - higher crude prices;
 - G&P (↑ >100%) - higher realised LNG prices; and
 - C&O (↑ >100%) - higher fund investments income.

Notes:
 1) NOPAT : Net Profit After Tax excluding financing cost, share of profits of associates and jointly controlled entities and other non-operating income and expenses
 2) Gross Revenue and Gross NOPAT include both third party and inter-segment transactions

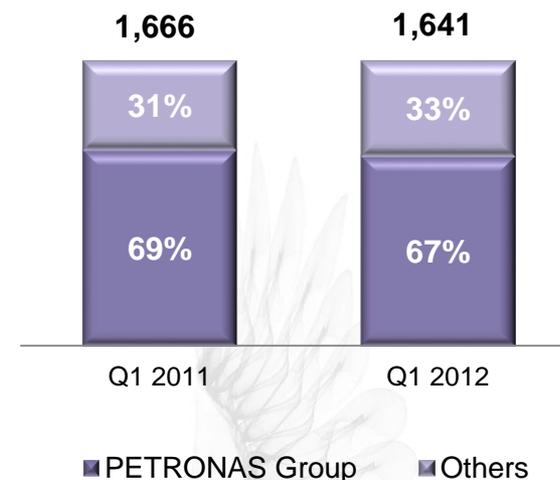
Overall Malaysia production remains a challenge

- Malaysia's hydrocarbon production was lower mainly due to:
 - Natural field depletion;
 - Poor reservoir performance; and
 - Operational challenges.

Malaysia Production by Hydrocarbon Type (kboe/d)



PETRONAS Group Entitlement % (kboe/d)



- Higher production from Peninsular Malaysia due to better operational performance.
- Sarawak and Sabah recorded lower production due to operational issues and customer demand respectively.

Malaysia Production By Region (kboe/d)

	Q1 2011	Q1 2012	+/-
Peninsular Malaysia	540	551	2%
Sarawak	934	902	(3%)
Sabah	192	188	(2%)

Lower overall production due to reservoir performance and security issues.

Crude

- Lower crude production due to stop order instructions in Sudan.

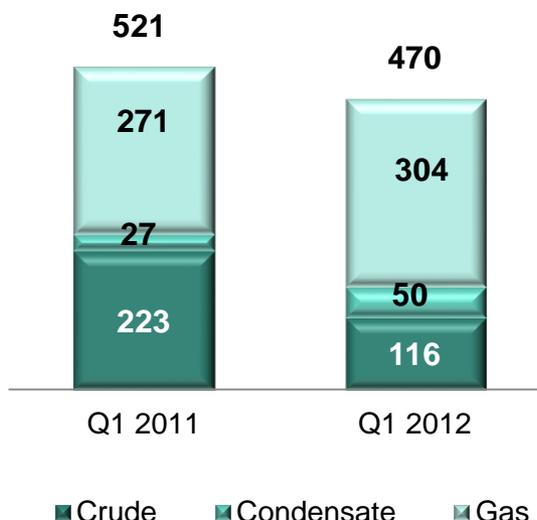
Gas and Condensate

- Higher gas and condensate production mainly due to new production coming on stream from Turkmenistan.

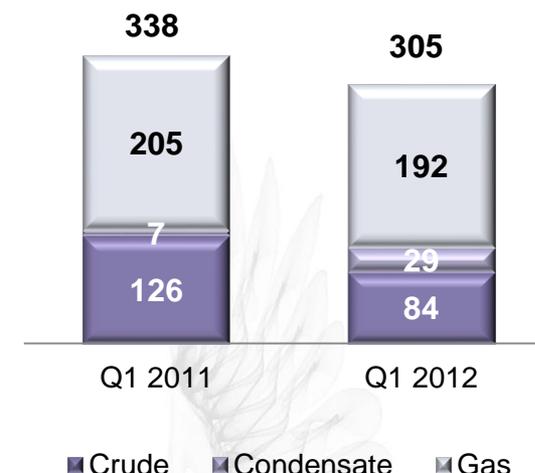
Entitlement

- Lower entitlement mainly due to cessation of Sudan production.

International Production by Hydrocarbon Type (kboe/d)



International Entitlement by Hydrocarbon Type



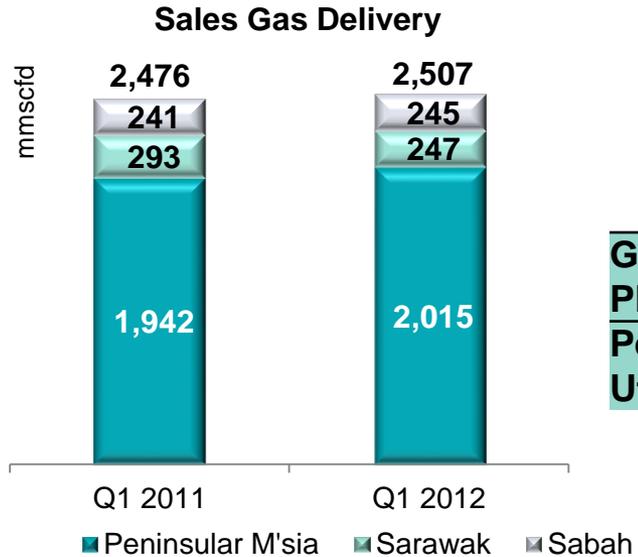
Top 5 Producing Countries/Area

	Q1 2011	Q1 2012	+/-
Egypt	130	123	(5%)
MTJDA	103	105	2%
Turkmenistan	6	68	>100%
Sudan	153	52	(66%)
Chad	41	36	(12%)

Lower LNG sales volume on the back of lower volume from Egypt

Sales Gas (↑ 1%):

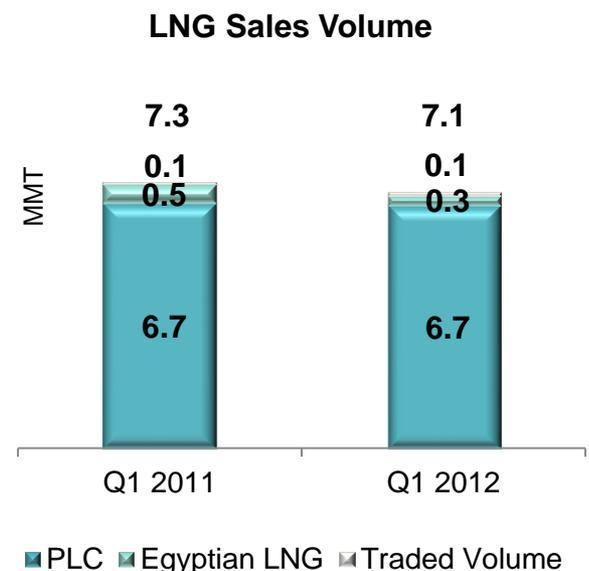
- higher feedgas supply from Malaysia-Thailand Joint Development Area (MTJDA).
- PETRONAS Gas Berhad continued to maintain world-class reliability levels for its GPP and PGU pipeline.



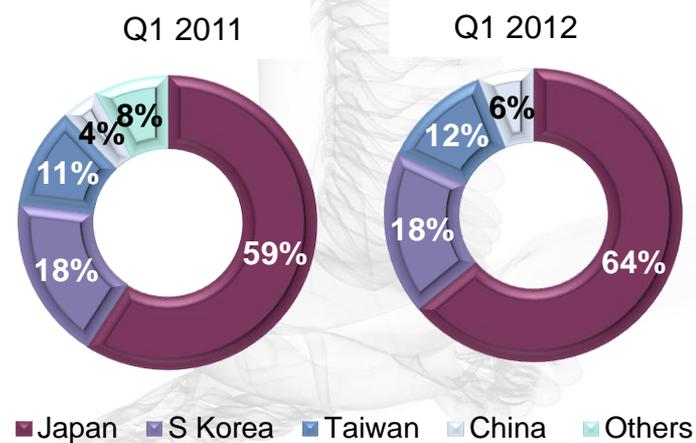
	Reliability Level Attained (%)	
	Q1 2011	Q1 2012
Gas Processing Plants (GPP)	100.00	99.99
Peninsular Gas Utilisation (PGU)	99.94	99.99

LNG (↓ 3%):

- lower LNG sales volume from Egypt due to lower upstream supply.
- Exports of LNG from PLC in Bintulu were mainly shipped to Japan.



PETRONAS LNG Complex (PLC) % sales by country



Higher crude sales volume recorded from higher crude trading activities

Crude Sales Volume (↑ 2%):

- higher crude trading activities.

Petroleum Product (↓ 1%):

- lower market demand affected by the high price environment.

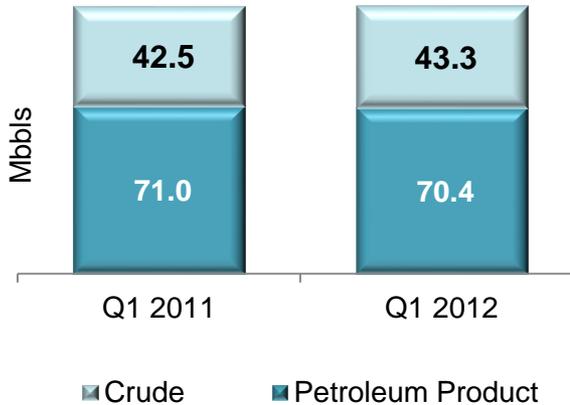
Petrochemical Products

- sales volume maintained at 1.8 MMT.

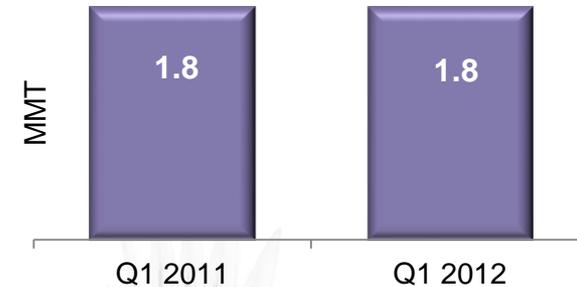
Domestic refineries and PCG plants

- improved performance mainly due to lower internal shutdowns whilst Engen refinery has resumed normal operations post turnaround in Quarter 4 of 2011.

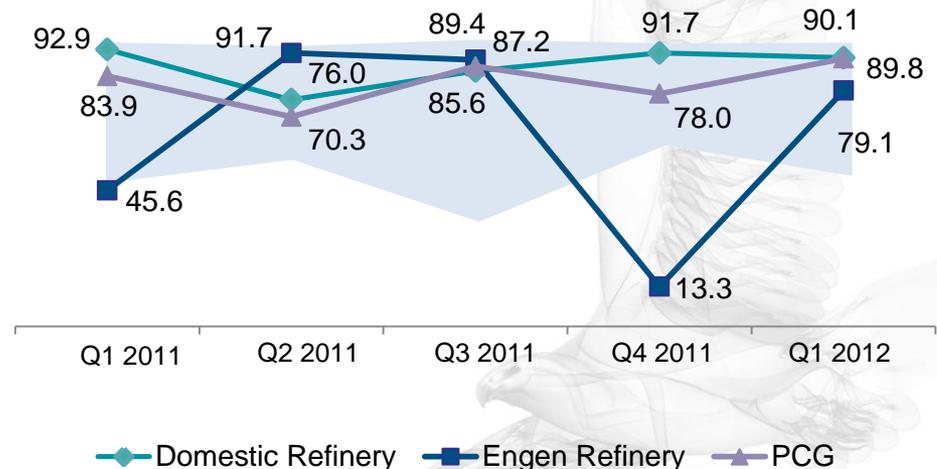
Crude and Petroleum Products Sales Volume



Petrochemical Products Sales Volume



Plant Utilisation (%) – Quarterly Trend

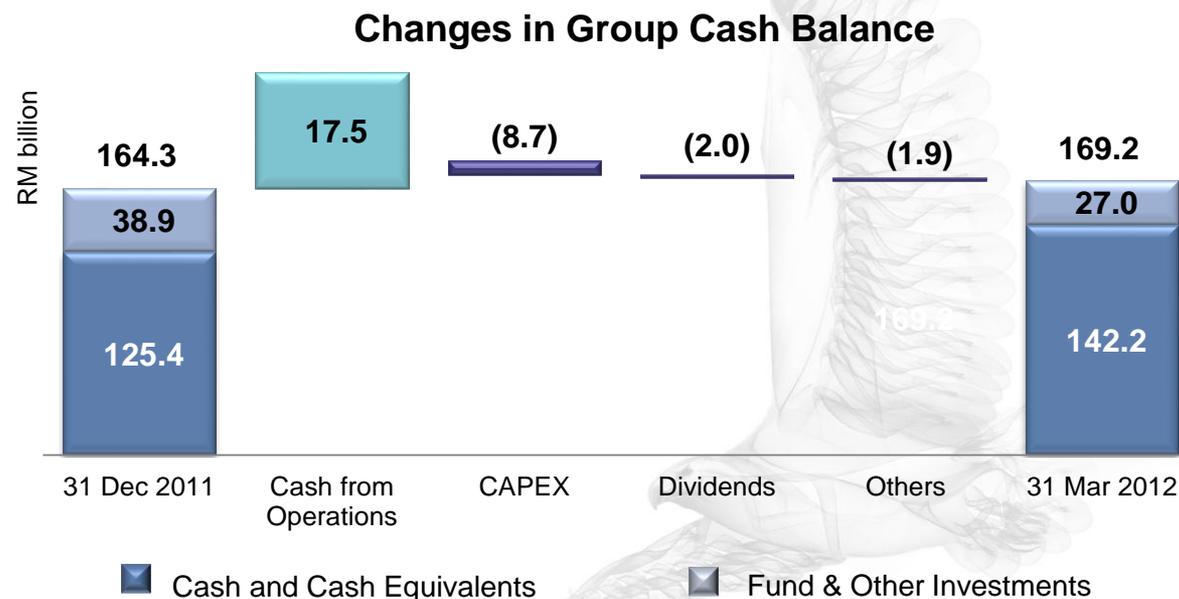


Peer comparison based on Average Asia-Pacific Refinery Utilisation Range (FACTS)

Balance Sheet remained robust

- **Total assets** ↑ 1.4% driven by better performance.
- **ROTA¹ & ROACE²** improved to 16.9% and 24.2% respectively, consistent with higher earnings recorded.
- **Group Cash Balance** ended higher at RM169.2b, an increase of RM4.9b.
- **CAPEX** spending of RM8.7b were mainly for E&P.

RM billion	31 Dec 2011	31 Mar 2012	+/- (%)
Balance Sheet Highlights			
Property, Plant & Equipment	205.6	206.4	0.4
Total Assets	475.1	481.9	1.4
Shareholders' Funds	286.9	273.4	(4.7)
Return on Total Assets (ROTA) ¹ (%)	13.3%	16.9%	n/a
Return on Average Capital Employed (ROACE) ² (%)	19.3%	24.2%	n/a
Gearing (%)	15.5%	15.4%	n/a



¹ROTA: Based on annualised NPAT excluding gain on disposal of PETRONAS' stake in Centrica

²ROACE calculated as NOPAT divided by the average shareholders' equity and long term debt during the period/year.

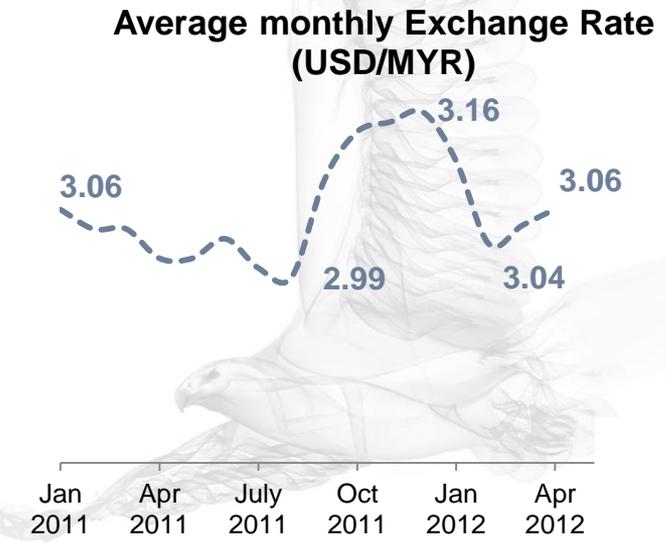
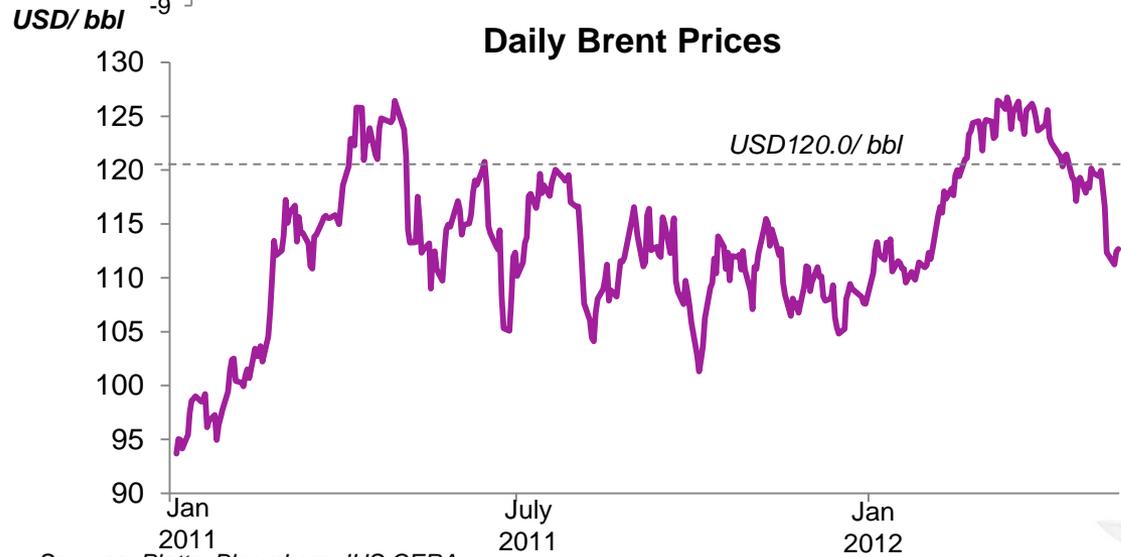
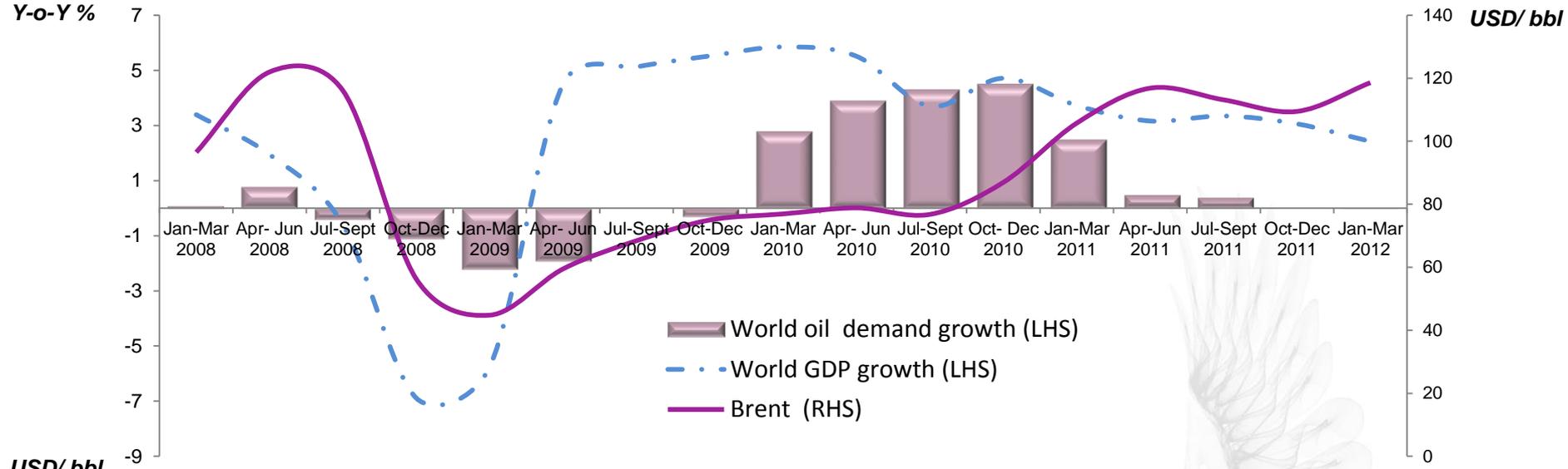
PETRONAS Group Financial Results Announcement

Datuk Wan Zulkiflee Wan Ariffin
Chief Operating Officer
& EVP Downstream
PETRONAS



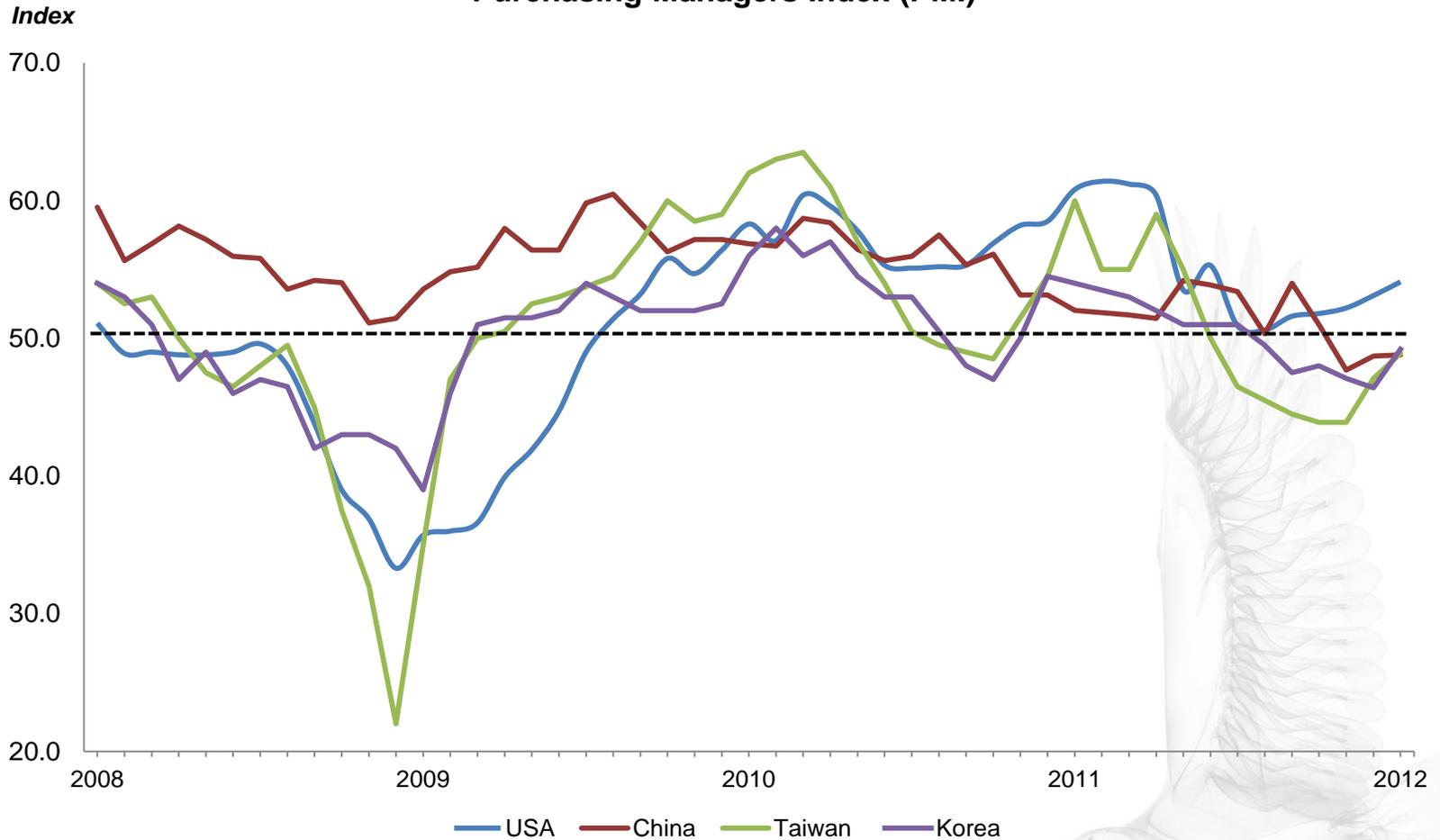
Global Economy & Oil Markets remain volatile

World GDP Growth, World Oil Demand Growth & Quarterly Average Brent Prices

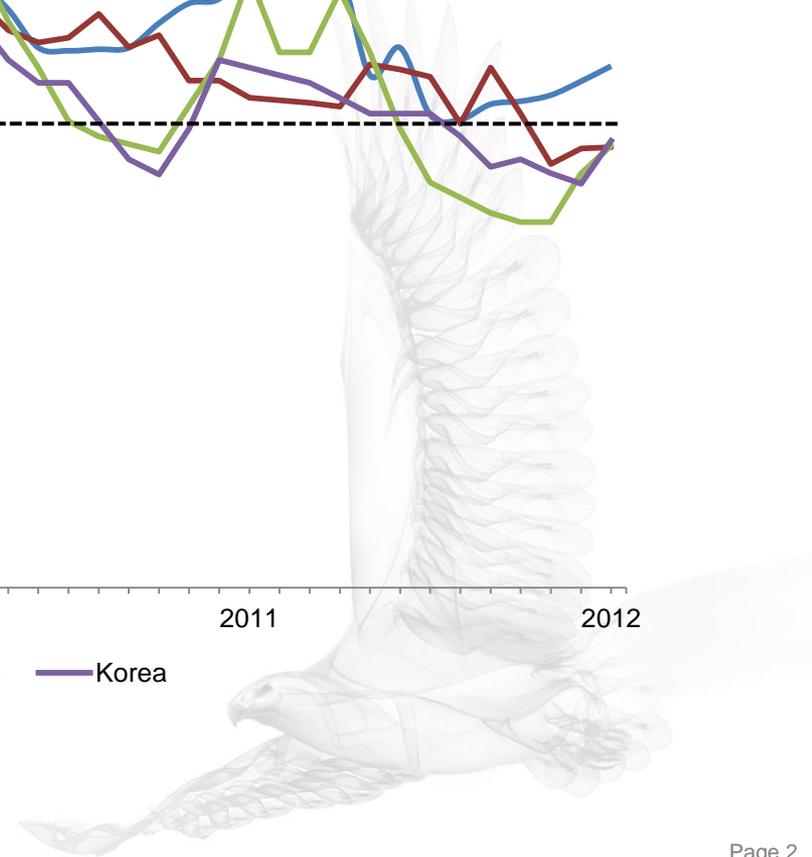


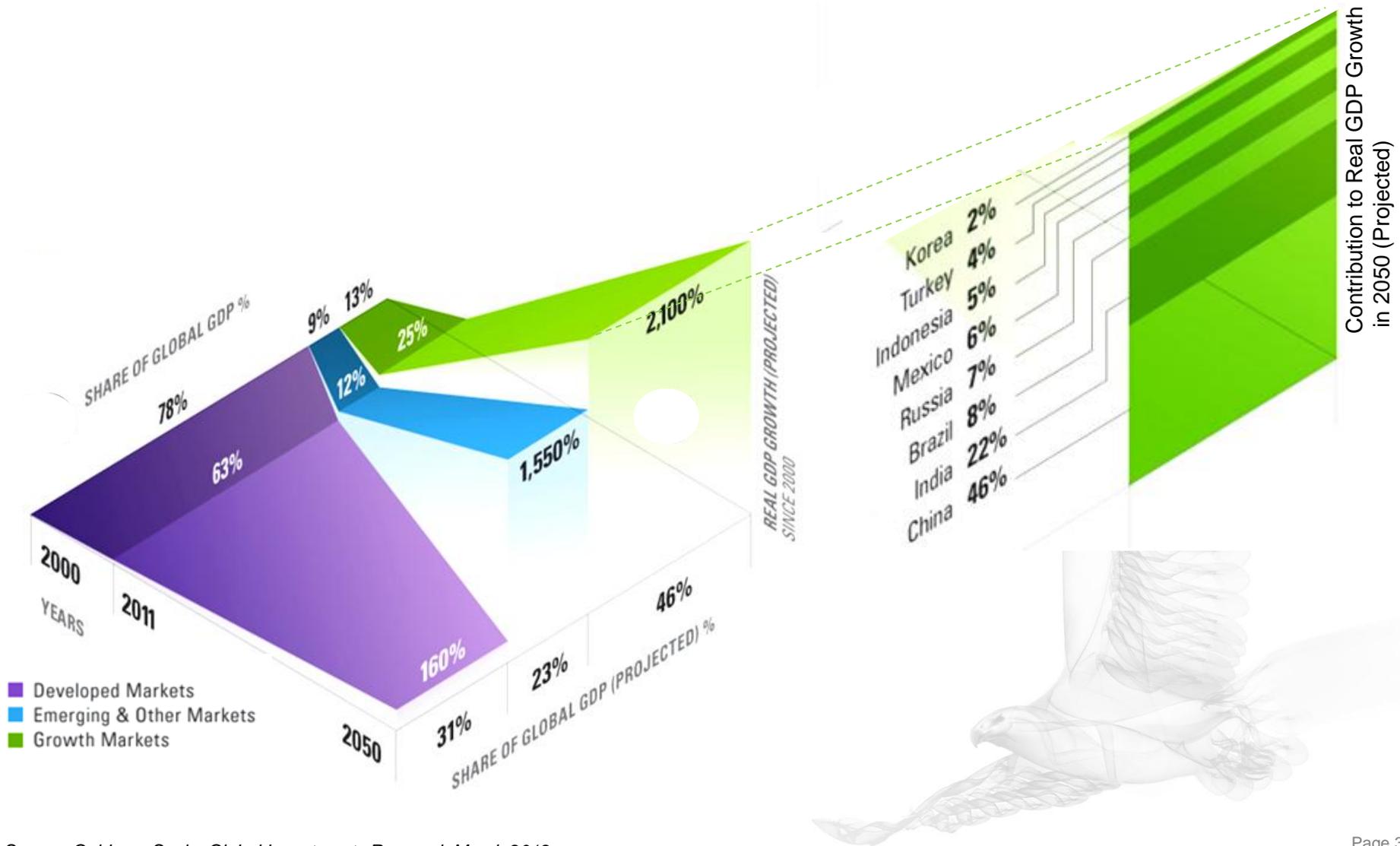
Sources: Platts, Bloomberg, IHS CERA

Purchasing Managers Index (PMI)



Sources: Bloomberg

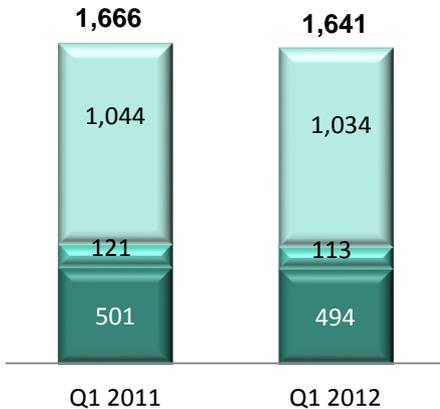




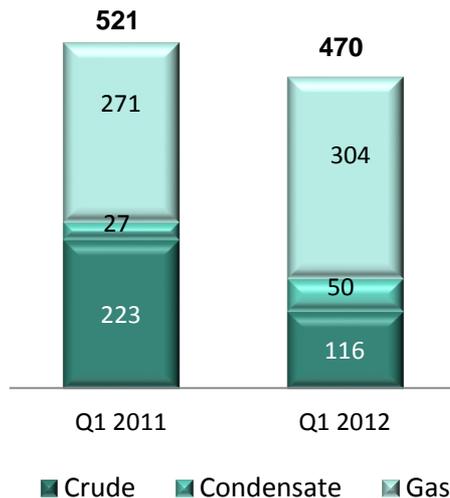
RM billion Key Financial Indicators	Q1 2011	Q1 2012	+/- (%)
Revenue	65.6	75.2	14.6
Net Profit Before Taxation	20.8	30.0	44.2
Net Profit After Taxation (NPAT)	12.8	20.7	61.7
Gross Profit Margin	43.2%	44.5%	n/a
NPAT Margin	19.5%	27.5%	n/a

RM billion Balance Sheet Highlights	31 Dec 2011	31 Mar 2012	+/- (%)
Property, Plant & Equipment	205.6	206.4	0.4
Total Assets	475.1	481.9	1.4
Shareholders' Funds	286.9	273.4	(4.7)
Return on Total Assets (%)	13.3%	16.9%	n/a
Return on Average Capital Employed (%)	19.3%	24.2%	n/a
Gearing (%)	15.5%	15.4%	n/a

Malaysia Production by Hydrocarbon Type (kboe/d)



International Production by Hydrocarbon Type (kboe/d)



■ Crude ■ Condensate ■ Gas

Q1 2012 HIGHLIGHTS

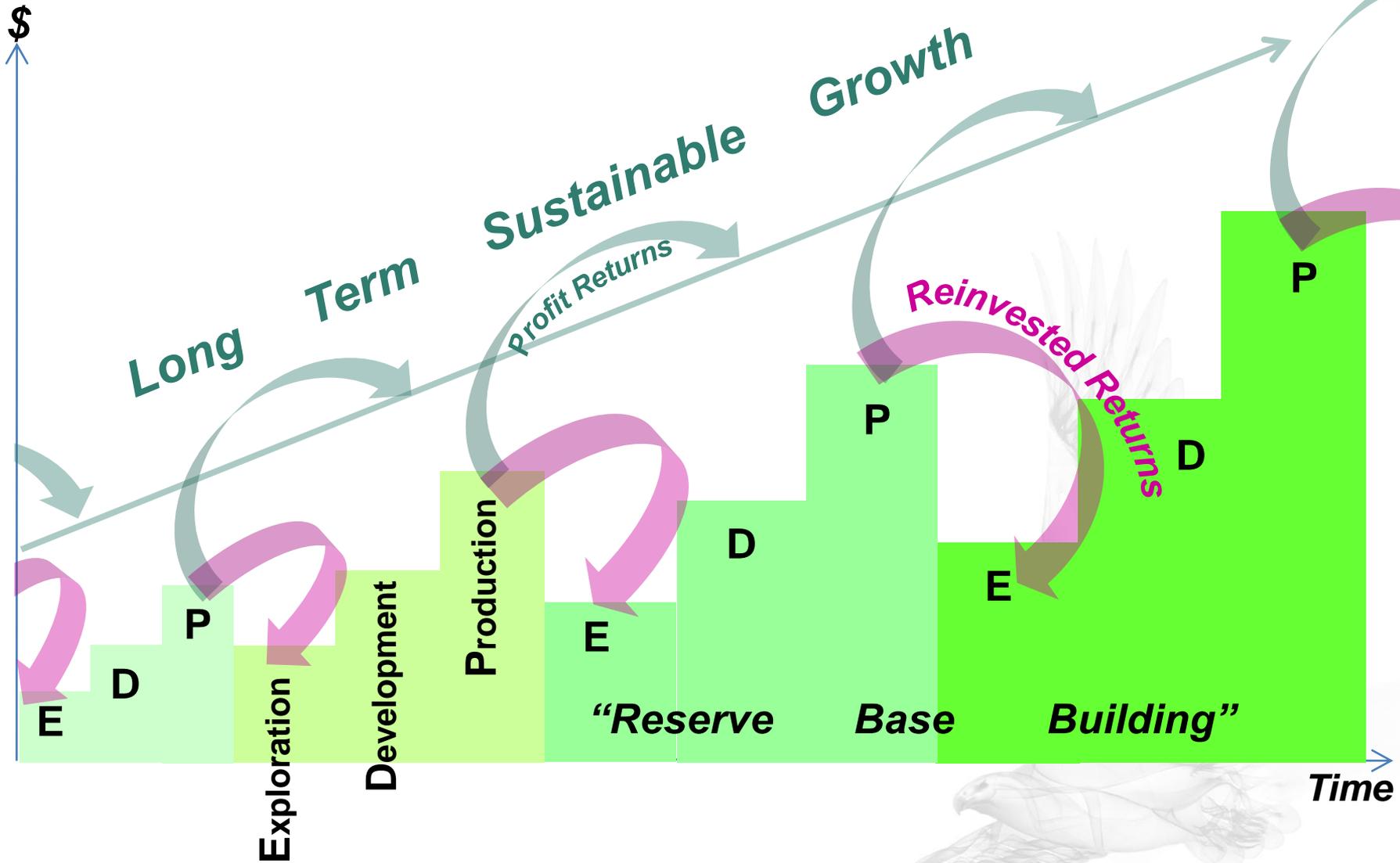
- **8 successful discoveries** - including Kasawari & NC8SW
- **9 IOR/EOR/IGR** projects sanctioned
- **5 First Oil/Gas** – 3 in Malaysia, 1 in Chad & 1 in the Thailand JDA
- Concluded **2 PSCs**
- Signed **1** Heads of Agreement with Total to study K5 Development & Production Potential
- **Portfolio high grading** - **1** divestment & **1** farm out

GROWTH IMPERATIVES

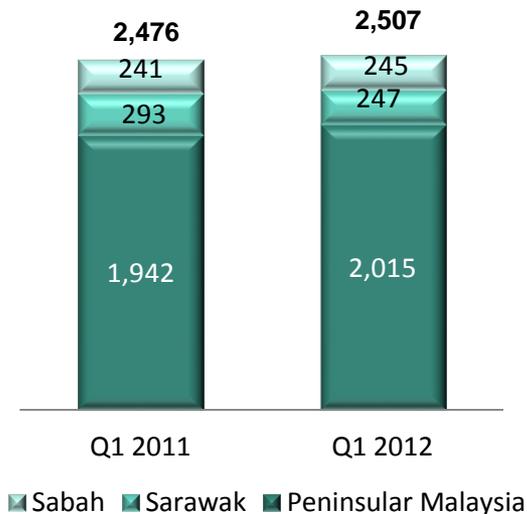


- Pursue a **3.5% CAGR** production growth over 5 years
- **Resource Replenishment Ratio > 1** on a 3 year rolling average
- **Maximise value creation within Malaysia**
- **High grade asset portfolio**
- **Anchor capability building on EOR & CO₂ development**
- **Explore new play types**

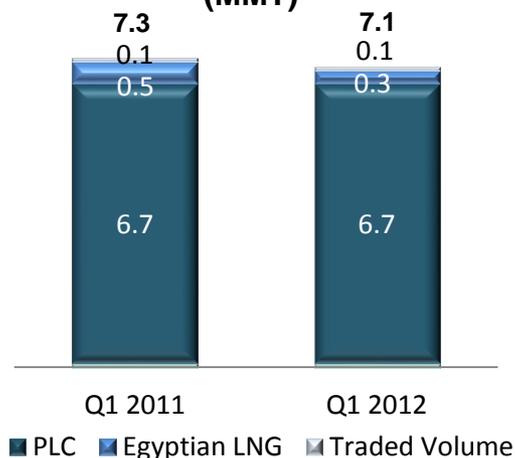




Sales Gas Delivery (mmscf/d)



LNG Sales Volume (MMT)



Q1 2012 HIGHLIGHTS

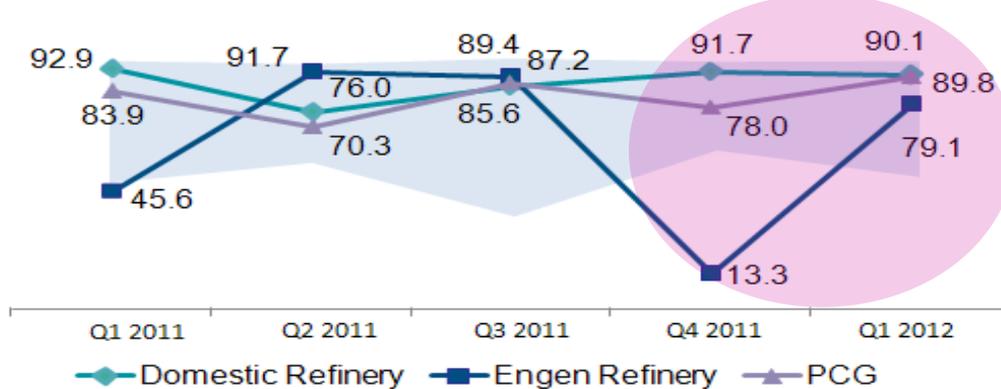
- Achieved **Final Investment Decision** for **Floating LNG** project on 27th March 2012
- Signed **Power Purchase Agreement** between **Sabah Electricity Sdn. Bhd. & Kimanis Power Sdn. Bhd** on 16th February 2012
- RGT-1** – to be launched on 4th June, ready for commissioning in August
- Portfolio high grading - divested 3.9% stake in Centrica Plc**

GROWTH IMPERATIVES



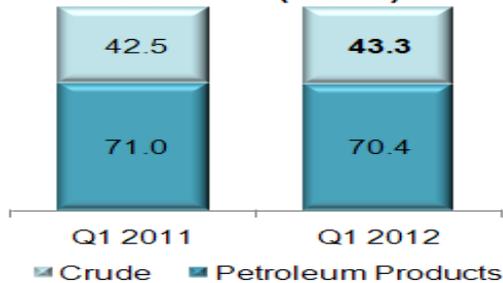
- Secure supply and maximise value of gas for Malaysia*
- Strengthen and grow LNG position in Asia Pacific & Atlantic*
- Establish and grow energy trading in Europe*
- Pursue and develop Power Business in Malaysia & Emerging Markets*

Plant Utilisation (%) – Quarterly Trend

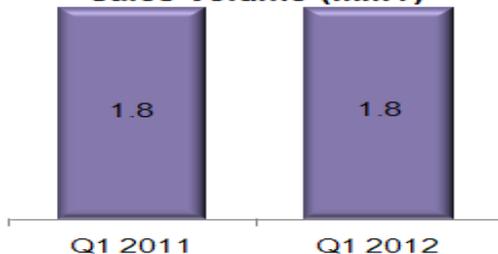


Peer comparison based on Average Asia-Pacific Refinery Utilisation Range (FACTS)

Crude and Petroleum Products Sales Volume (Mbbbls)



Petrochemical Products Sales Volume (MMT)



Q1 2012 HIGHLIGHTS

- Significant step-up in Operational Excellence
- Project RAPID – Heads of Agreement signed with:
 1. Itochu Corp
 2. Itochu & PTT Global Chemical Plc
- Project SAMUR – construction progressing as planned

GROWTH IMPERATIVES



- Strengthen presence and pursue opportunistic growth in selected markets
- High grade asset portfolio
- Grow refining and petrochemical capacity and product range
- Build global trading and marketing portfolio



MAXIMISE 'BASE' Business:

- Effective Execution of Focused Strategies
 - Enhance Portfolio Robustness
 - Superior Project Execution
- Optimisation, Process Improvements & Operational Excellence
- Seize New Frontiers & Core Positions

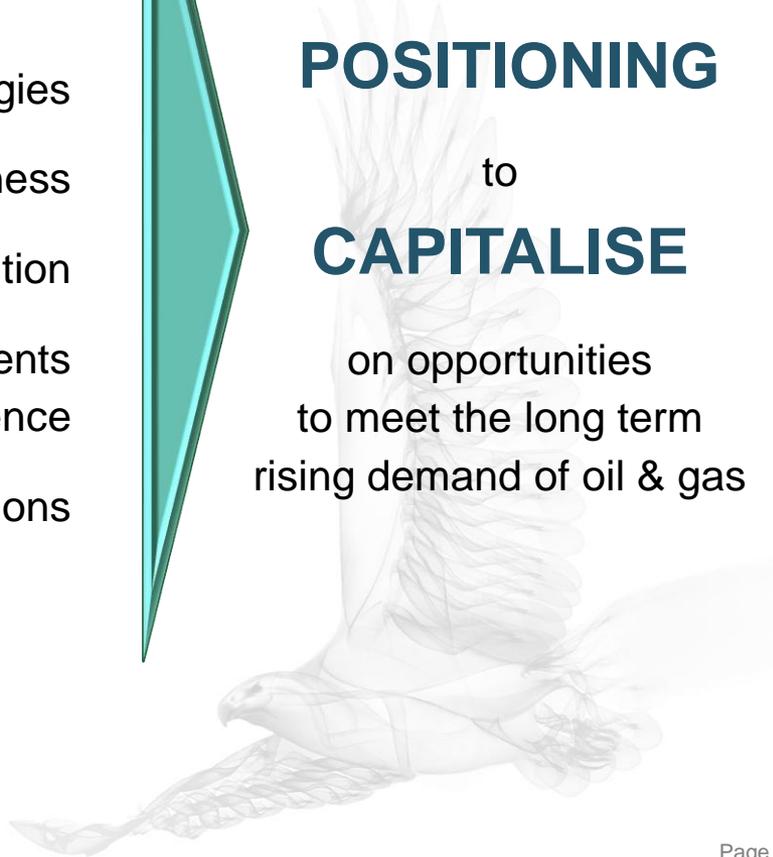


STRATEGIC POSITIONING

to

CAPITALISE

on opportunities
to meet the long term
rising demand of oil & gas



PETRONAS Group Financial Results Announcement

Thank You

