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Performance
- Robust 2019 first quarter financial performance driven by the Three-Pronged Strategy, supported by continuous pursuit of operational excellence and fiscal discipline

9% in net profit of RM14.2 billion

11% in EBITDA of RM27.8 billion

Progress of projects & CAPEX Spending
- PIC\(^1\) 98.9% completion as at 31 March 2019
- Q1 2019 CAPEX spending of RM8.3 billion

Outlook
- The Group will maintain its efforts in instilling strong cost discipline and driving operational excellence in pursuit of its growth strategies.
- The Board expects the overall year end performance of PETRONAS Group to be affected by the rising volatility of oil price and foreign exchange movement.

\(^1\) Pengerang Integrated Complex (PIC)
## Q1 2019 Financial Highlights

### Key Financial Indicators (RM bil)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>57.9</td>
<td><strong>62.0</strong></td>
</tr>
<tr>
<td>PAT</td>
<td>13.0</td>
<td><strong>14.2</strong></td>
</tr>
<tr>
<td>PAT excluding net impairment/(write-back) on assets</td>
<td>11.9</td>
<td><strong>14.1</strong></td>
</tr>
<tr>
<td>EBITDA</td>
<td>25.0</td>
<td><strong>27.8</strong></td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>43%</td>
<td><strong>45%</strong></td>
</tr>
<tr>
<td>CFFO</td>
<td>21.9</td>
<td><strong>23.2</strong></td>
</tr>
<tr>
<td>Capital investments</td>
<td>12.0</td>
<td><strong>8.3</strong></td>
</tr>
</tbody>
</table>

### Dated Brent (USD/bbl)

- Q1 2018: $66.67
- Q1 2019: **$63.20**

### JCC single-month¹ (USD/bbl)

- Q1 2018: $66.55
- Q1 2019: **$65.68**

### MYR/USD²

- Q1 2018: RM3.92
- Q1 2019: **RM4.09**

### Production³ (kboe/d)

- Q1 2018: 2,461
- Q1 2019: **2,430**

### Entitlement⁴ (kboe/d)

- Q1 2018: 1,728
- Q1 2019: **1,824**

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¹ Represents published price, not actualised price
² Average exchange rate
³ Represents Malaysia’s production (PETRONAS Group and other Operators) and PETRONAS Group’s international equity production volume
⁴ Represents PETRONAS Group’s sales entitlement to Malaysia’s production and PETRONAS Group’s international sales entitlement volume

- Q1 2019 improved from higher sales volume mainly for petroleum products and LNG coupled with weakening of MYR against USD.
## Financial Results Announcement 31 March 2019, Financial Highlights

### Group Financial Results

#### Q1 2019 Y-o-Y

<table>
<thead>
<tr>
<th></th>
<th>EBITDA (RM bil)</th>
<th>PAT (RM bil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '19</td>
<td>27.8</td>
<td>14.2</td>
</tr>
<tr>
<td>Q1 '18</td>
<td>25.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>

**EBITDA**
- **11%** increase

**PAT**
- **9%** increase

#### Q1 2019 Q-o-Q

<table>
<thead>
<tr>
<th></th>
<th>EBITDA (RM bil)</th>
<th>PAT (RM bil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '19</td>
<td>27.8</td>
<td>14.2</td>
</tr>
<tr>
<td>Q4 '18</td>
<td>37.3</td>
<td>14.3</td>
</tr>
</tbody>
</table>

**EBITDA**
- **25%** decrease

**PAT**
- **1%** decrease

### Highlights

**Q1 2019 Y-o-Y**
- Higher PAT due to higher sales volume and effect of FOREX movement
- Higher EBITDA in line with higher PBT

**Q1 2019 Q-o-Q**
- Lower PAT due to lower average realised prices and sales volume
- Lower EBITDA due to lower average realised prices and sales volume

**Q1 2019 Y-o-Y**
- Higher PAT due to higher sales volume and effect of FOREX movement

**Q1 2019 Q-o-Q**
- Lower PAT due to lower average realised prices and sales volume
### PAT by Business Segments

<table>
<thead>
<tr>
<th>Q1 2018 Group PAT</th>
<th>Upstream</th>
<th>Downstream</th>
<th>C&amp;O</th>
<th>Inter-segment elimination</th>
<th>Q1 2019 Group PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.2</td>
<td>0.8</td>
<td>(1.0)</td>
<td>1.6</td>
<td>0.7</td>
<td>13.0</td>
</tr>
<tr>
<td>0.03</td>
<td></td>
<td>(0.05)</td>
<td></td>
<td></td>
<td>14.2</td>
</tr>
<tr>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Graphs**
- Green bar: Upstream
- Blue bar: Downstream
- Purple bar: C&O
- Yellow bar: Inter-segment elimination
Q1 2019 Upstream Performance

Focus Areas

Operational Excellence
- 7 projects achieved first hydrocarbon
- 4 Exploration discoveries
- Successfully relocated PFLNG Satu, from Kanowit to Kebabangan

Cost Management
- Achieved RM0.5b cost compression for the quarter, mainly due to resource optimisation and standardisation of processes across production sharing contracts (PSCs) in Malaysia as well as in International operations

Portfolio Growth and Asset High Grading
- 3 new PSCs signed and 1 operatorship transferred
- Acquired 2 offshore blocks, namely Mediterranean Block 4 of North Sidi Gaber and Block 6 of North El Fanar in Egypt

Operational Performance

Production and Entitlement (kboe/d)

<table>
<thead>
<tr>
<th>Products</th>
<th>Q1 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNG sales volume (million tonnes)</td>
<td>7.92</td>
<td>8.45</td>
</tr>
<tr>
<td>Malaysia average sales gas volume (mmscfd)</td>
<td>2,806</td>
<td>2,962</td>
</tr>
</tbody>
</table>

Note: kboe x 6 = mmscfd

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Q1 2019 Downstream Performance

Focus Areas

**93.6%**
**Steady** Downstream Overall Equipment Effectiveness across all business segments

**94.5%**
**Petrochemical Plant Utilisation above best-in-class**

**6.0%**
**Mogas volume growth** mainly due to launch of the new PETRONAS Primax 95 with Pro-Drive

**Sales Volume**

<table>
<thead>
<tr>
<th></th>
<th>Q1’18</th>
<th>Q1’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude oil</td>
<td>33.3</td>
<td>31.2</td>
</tr>
<tr>
<td>Petroleum</td>
<td>58.3</td>
<td>64.3</td>
</tr>
<tr>
<td>Petrochemical</td>
<td>2.2</td>
<td>1.9</td>
</tr>
</tbody>
</table>

1 Plant Utilisation based on Nexant

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**Capital Investments and Group Costs**

### Capital Investments

- **RM Bil**
- **Q1 '18**: 12.0
- **Q1 '19**: 8.3
- **Change**: -31% (31%)
- **37%** Malaysia
- **63%** International

- **Q1 2019 Capital investments**: RM8.3bil
- **CAPEX spending is expected to increase in the coming quarters of FY2019**

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### Group Costs

- **RM Bil**
- **Q1 '18**: 46.8
- **Q1 '19**: 49.0
- **Change**: +5% (5%)

- **Higher product costs incurred in tandem with higher sales volume**

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1. Relate to costs charged to Income Statement only
Other Financial Highlights

PETRONAS Group
Cash & Fund Investments Balance

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2018</th>
<th>31 Mar 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>181.0</td>
<td>179.7</td>
</tr>
<tr>
<td></td>
<td>50.1</td>
<td>52.4</td>
</tr>
<tr>
<td></td>
<td>130.9</td>
<td>127.3</td>
</tr>
</tbody>
</table>

PETRONAS Holding Company
Cash & Fund Investments Balance

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2018</th>
<th>31 Mar 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>94.6</td>
<td>81.1</td>
</tr>
</tbody>
</table>

Group Cash & Fund Investments Balance remained healthy

Holding Company Cash & Fund Investments Balance reflects dividend paid to date

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Upstream Business
Q1 2019 Operational Highlights

2 Successful acquisitions of Block 4 & Block 6 in Egypt

3 new PSCs signed + 1 Operatorship Transferred in Malaysia

4 Exploration wells encountered hydrocarbon (2 Malaysia, 1 Indonesia & 1 Mexico)

5 Completion of PFLNG 1 relocation from Kanowit to Kebabangan
   (Sailaway: 12 March 2019 | Arrived: 18 March 2019)

7 projects achieved first Hydrocarbon (6 Brownfields, 1 Unconventional)

LNG 7% LNG sales volume than Q1 2018
Higher LNG sales volume for Q1 2019 mainly attributable to higher volume from PETRONAS LNG Complex ("PLC") in Bintulu, Sarawak and higher trading activities.

Higher Malaysia average sales gas volume compared to prior year mainly due to higher demand.

Lower production for Q1 2019 mainly attributable to lower crude production from Iraq, partially offset by higher natural gas production from Turkmenistan.
Downstream Business
**Downstream Business Updates**

**Pengerang Integrated Complex (PIC)**

As at 31 March 2019, the Pengerang Integrated Complex (PIC) recorded an overall progress of 98.9 per cent.

Work will be continued towards achieving planned commercial operation date (COD) in Q4 2019, although not at full capacity given the impact of the incident involving Train 2 of the Atmospheric Residue Desulphurisation (ARDS) unit of the refinery complex on 12 April.

**PETRONAS Dagangan Berhad (PDB)**

PETRONAS Dagangan Berhad (PDB) recorded a three per cent overall sales volume increase compared to Q1 2018. Mogas volume alone increased by six per cent, largely attributed to the launch of its new PETRONAS Primax 95 with Pro-Drive, which has attracted many positive testimonials from motorists with regards to the fuel’s smoothness, responsiveness and efficiency.
Downstream Sales Volume

Higher petroleum products sales volume contributed by better trading and marketing performance while petrochemical sales volume fell due to lower production.
Plant Utilisation

Better refineries’ utilisation following stable plant operations while petrochemical plants were affected by maintenance activities during the quarter.

Plant Utilisation (%)

<table>
<thead>
<tr>
<th>Petrochemical Plants¹</th>
<th>Domestic Refineries</th>
<th>International Refinery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’18</td>
<td>Q1’19</td>
<td>Q1’18</td>
</tr>
<tr>
<td>100.0</td>
<td>94.5</td>
<td>83.4</td>
</tr>
</tbody>
</table>

¹ Plant Utilisation based on Nexant
THANK YOU

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