PETRONAS Group
Financial Results
Announcement

Year-To-Date and Quarter 2
Ended 30 June 2012

EMBARGO
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Global Economy & Oil Markets remain volatile

Sources: Bloomberg (up to July 2012), China’s PMI based on HSBC’s records including August 2012 flash
GLOBAL & INDUSTRY OVERVIEW

Base commodity prices softening

Notes: The Iron Ore price is based on Steel Index's price for 62 percent-grade iron ore to China. Thermal coal price is based on the Australian thermal coal price. Sources: Bloomberg, Reuters
## Performance Headwinds

### Financial Highlights

#### Key Financial Indicators

<table>
<thead>
<tr>
<th>CY 2011</th>
<th>FY 2012</th>
<th>+/- (%</th>
<th>CY 2011</th>
<th>FY 2012</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>72.9</td>
<td>70.7</td>
<td>(3.0)</td>
<td>138.6</td>
<td>145.9</td>
</tr>
<tr>
<td>Net Profit Before Taxation</td>
<td>30.9</td>
<td>22.7</td>
<td>(26.5)</td>
<td>51.7</td>
<td>52.7</td>
</tr>
<tr>
<td>Net Profit After Taxation (NPAT)</td>
<td>21.7</td>
<td>15.2</td>
<td>(30.0)</td>
<td>34.5</td>
<td>36.0</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>42.4%</td>
<td>37.5%</td>
<td>n/a</td>
<td>42.8%</td>
<td>41.1%</td>
</tr>
<tr>
<td>NPAT Margin</td>
<td>29.8%</td>
<td>21.5%</td>
<td>n/a</td>
<td>24.9%</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

#### Financial Position Highlights

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2011</th>
<th>30 Jun 2012</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>205.6</td>
<td>216.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>475.1</td>
<td>493.3</td>
<td>3.8</td>
</tr>
<tr>
<td>Shareholders’ Funds</td>
<td>286.9</td>
<td>289.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Return on Total Assets¹ (%)</td>
<td>13.3%</td>
<td>14.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>Return on Average Capital Employed² (%)</td>
<td>20.4%</td>
<td>20.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>15.5%</td>
<td>13.3%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

¹ ROTA: Based on annualised NPAT excluding gain on disposal of PETRONAS Group’s stake in Centrica, APA Group, Proton and 5.2% Gas Malaysia disposal
² ROACE calculated based on annualised NOPAT divided by the average shareholders’ equity and long term debt during the period/year.

- Depleting domestic production
- Rising cost = Shrinking pie – Lower PETRONAS entitlement (Deepwater & EOR)
- Ensuring security of supply for Malaysia’s energy requirement
- Maintaining Operational Excellence
- Intensified asset integrity & maintenance of ageing facilities
- Effective Reservoir Management
- Halt in South Sudan production
TNB wants to be compensated in full

“We have discussed this fuel-cost pass through mechanism that we are pursuing with the Government. These are major concerns that I will still pursue in collaboration with the relevant ministries to ensure that we get full compensation, not just a third from the Government and one-third from Petroliam Nasional Bhd (PETRONAS), but full compensation for fuel cost pass through.”

WRITEDOWNS FOR SHALE GAS ACREAGE IN NORTH AMERICAN CONTINENT

Softened Henry Hub prices – Window of Opportunity

**Writedowns for shale acreage acquisitions:**

- **BHP** $2.8b
- **BP** $2.1b
- **BG** $1.3b
- **Encana** $1.7b
- **Sasol** $120m

*Note: Writedowns in US Dollars based on after tax basis, except for BHP’s
Sources: IHS CERA, Bloomberg, Wall Street Journal, Corporate websites, Team Analysis

Aug 2012
PETRONAS’ proposed acquisition of Progress Energy Resources Corp
$6b
TOWARDS ROBUST SUSTAINABLE FUTURE

Production Replenishment & Growth Strategy

PRODUCTION REPLENISHMENT & GROWTH STRATEGY

South Sudan - Halt in production

 Shrinking pie - Lower entitlement volume in foreseeable future – EOR & Deepwater PSCs

 Asset integrity & Infrastructure Maintenance

 Aging legacy domestic fields

Mergers & Acquisition (International)

 Aggressive Exploration

 Sweating existing assets - EOR

 Monetising high CO₂ field

 Unlocking marginal fields - RSC
PETRONAS Group
Financial Results
Announcement

Financial Highlights
Datuk George Ratilal
Executive Vice President
Finance
Crude oil and other energy commodity prices remained elevated and trended higher in Q1 2012.

Q1 2012 average Dated Brent was USD 119/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.

Note: JCC is Japanese Crude Cocktail

Source: Internal Analysis, Platts, Bloomberg
FINANCIAL HIGHLIGHTS

Performance affected by product prices and Sudan shutdown…

Revenue (↑ 5%):

- Favourable product prices in Q1, amidst production challenges and lower prices in Q2;
- Higher petrochemical volume; and
- Favourable exchange rate impact.

NPAT (↑ 4%):

- Higher profits on the back of higher revenue; and
- Gain on disposal of investments.

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<tr>
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<td>n/a</td>
<td>24.9%</td>
<td>24.7%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Revenue (RM billion): Q2 2011 72.9, Q3 2011 71.8, Q4 2011 78.0, Q1 2012 75.2, Q2 2012 70.7

NPBT (RM billion): Q2 2011 30.9, Q3 2011 26.7, Q4 2011 25.4, Q1 2012 30.0, Q2 2012 22.7

NPAT (RM billion): Q2 2011 21.7, Q3 2011 18.3, Q4 2011 15.8, Q1 2012 20.7, Q2 2012 15.2
**BUSINESS SEGMENTS REVENUE & NOPAT**

Gross Revenue and NOPAT affected by product prices and Sudan shutdown…

- **Gross Revenue (↑ 5%):**
  - Favourable product prices in Q1, amidst production challenges and lower prices in Q2.

- **Gross NOPAT (↑ 6%):**
  - E&P (↓ 15%) - operational challenges including stop production instructions for Sudan operations;
  - G&P (↑ 85%) - higher realised LNG prices;
  - Downstream (↓ 21%) - declining trend of crude oil and petroleum product prices in Q2; and
  - C&O (↑ >100%) - higher fund investments income.

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**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

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**Gross Revenue by Business Segments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YTD CY 2011 (RM174.1b)</th>
<th>YTD FY 2012 (RM182.9b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;P (↑ 2%)</td>
<td>55.1</td>
<td>56.2</td>
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<tr>
<td>G&amp;P (20%)</td>
<td>36.7</td>
<td>44.2</td>
</tr>
<tr>
<td>Downstream (↑ 1%)</td>
<td>72.9</td>
<td>73.4</td>
</tr>
<tr>
<td>C&amp;O</td>
<td>9.4 (3%)</td>
<td>9.1 (3%)</td>
</tr>
</tbody>
</table>

**Gross NOPAT by Business Segments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YTD CY 2011</th>
<th>YTD FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Production</td>
<td>31.3</td>
<td>33.1</td>
</tr>
<tr>
<td>Gas &amp; Power (G&amp;P)</td>
<td>0.0 (3.5)</td>
<td>1.6</td>
</tr>
<tr>
<td>Downstream</td>
<td>4.4</td>
<td>2.7 (21%)</td>
</tr>
<tr>
<td>Corporate &amp; Others (C&amp;O)</td>
<td>19.2</td>
<td>19.2</td>
</tr>
</tbody>
</table>

**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
Financial Position remains strong

- **Total Assets** ↑ 3.8% driven by better performance.

- **ROTA**¹ & **ROACE**² are at 14.0% and 20.0% respectively.

- **Group Cash Balance** ended higher at RM172.6b, an increase of RM8.3b.

- **CAPEX** spending of RM20.4b were mainly for E&P.

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### Financial Position Highlights

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<th>30 Jun 2012</th>
<th>+/- (%)</th>
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</thead>
</table>
| Property, Plant & Equipment | 205.6      | 216.8      | 5.4%
| Total Assets     | 475.1      | 493.3      | 3.8%
| Shareholders' Funds | 286.9    | 289.6      | 0.9%
| Return on Total Assets (ROTA)¹ (%) | 13.3% | 14.0% | n/a |
| Return on Average Capital Employed (ROACE)² (%) | 20.4% | 20.0% | n/a |
| Gearing (%)      | 15.5%      | 13.3%      | n/a    |

---

1. **ROTA**: Based on annualised NPAT excluding gain on disposal of PETRONAS Group’s stake in Centrica, APA Group, Proton and 5.2% Gas Malaysia disposal

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

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### Changes in Group Cash Balance

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2011</th>
<th>Cash from Operations</th>
<th>CAPEX</th>
<th>Dividends</th>
<th>Others</th>
<th>30 Jun 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM billion</td>
<td>164.3</td>
<td>49.2</td>
<td>(20.4)</td>
<td>(13.5)</td>
<td>(7.0)</td>
<td>172.6</td>
</tr>
<tr>
<td></td>
<td>38.9</td>
<td>125.4</td>
<td></td>
<td></td>
<td></td>
<td>137.8</td>
</tr>
<tr>
<td></td>
<td>125.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>137.8</td>
</tr>
</tbody>
</table>

- **Cash and Cash Equivalents**
- **Fund & Other Investments**
Exploration and Production Business
**Q2 FY2012 HIGHLIGHTS**

- **4 successful discoveries** – Duyong Shallow, Kuang North-1, Zuhal East-2 & M5-2, all in Malaysia

- **6 First Oil/Gas** – 2 in Malaysia (Kumang East 1 & SFCS Phase 2), 1 each in Iraq Halfaya, Canada Montney, Egypt WDDM Phase 8b & JDA Suriya B

- Concluded **5 PSCs**

- Awarded **2 new blocks** onshore Myanmar - RSF 2 & RSF3

- Signed **3rd Risk Service Contract** for Kapal, Banang and Meranti fields with Coastal Energy Company

- Signed **Gas Sales Agreement** for Kepodang and Ketapang, Indonesia

**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**
• Malaysia’s crude production was higher mainly due to:
  • Production enhancement initiatives;
  • New production from Peninsular Malaysia (East Piatu and Sepat); and
  • Better well performance

• Offset by lower gas production mainly due to operational issues and planned shutdown in Sarawak.

Malaysia Production by Hydrocarbon Type (kboe/d)

- Q2 CY2011: 1,491 kboe/d (Crude: 964 kboe/d, Condensate: 418 kboe/d, Gas: 109 kboe/d)
- Q2 FY2012: 1,462 kboe/d (Crude: 909 kboe/d, Condensate: 449 kboe/d, Gas: 104 kboe/d)
- YTD CY2011: 1,578 kboe/d (Crude: 1,004 kboe/d, Condensate: 459 kboe/d, Gas: 115 kboe/d)

PETRONAS Group Entitlement % (kboe/d)

- Q2 CY2011: 30% (PETRONAS Group) and 70% (Others)
- Q2 FY2012: 28% (PETRONAS Group) and 72% (Others)
- YTD CY2011: 30% (PETRONAS Group) and 70% (Others)
- YTD FY2012: 28% (PETRONAS Group) and 72% (Others)
Lower crude production was due to security issues despite higher gas recorded.

**Crude (↓ 58%):**
- Lower YTD production mainly due to stop order instructions in South Sudan following the geo-political crisis.

**Gas and Condensate (↑ 14%):**
- Higher YTD production mainly due to new production coming on stream from Turkmenistan.

**Entitlement (↓ 19%):**
- Lower entitlement mainly due to cessation of Sudan production.

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### International Production by Hydrocarbon Type (kboe/d)

<table>
<thead>
<tr>
<th></th>
<th>Q2 CY2011</th>
<th>Q2 FY2012</th>
<th>YTD CY2011</th>
<th>YTD FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>25</td>
<td>25</td>
<td>266</td>
<td>266</td>
</tr>
<tr>
<td>Condensate</td>
<td>276</td>
<td>276</td>
<td>388</td>
<td>388</td>
</tr>
<tr>
<td>Gas</td>
<td>74</td>
<td>74</td>
<td>224</td>
<td>224</td>
</tr>
</tbody>
</table>

### International Entitlement by Hydrocarbon Type

<table>
<thead>
<tr>
<th></th>
<th>Q2 CY2011</th>
<th>Q2 FY2012</th>
<th>YTD CY2011</th>
<th>YTD FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>15</td>
<td>15</td>
<td>220</td>
<td>220</td>
</tr>
<tr>
<td>Condensate</td>
<td>166</td>
<td>121</td>
<td>213</td>
<td>121</td>
</tr>
<tr>
<td>Gas</td>
<td>22</td>
<td>69</td>
<td>77</td>
<td>69</td>
</tr>
</tbody>
</table>

### Top Producing Countries/Area

<table>
<thead>
<tr>
<th>Country</th>
<th>YTD CY2011</th>
<th>YTD FY2012</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>127</td>
<td>124</td>
<td>(2%)</td>
</tr>
<tr>
<td>MTJDA</td>
<td>104</td>
<td>103</td>
<td>(1%)</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>6</td>
<td>50</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Chad</td>
<td>41</td>
<td>37</td>
<td>(10%)</td>
</tr>
<tr>
<td>Indonesia</td>
<td>31</td>
<td>34</td>
<td>10%</td>
</tr>
<tr>
<td>Sudan</td>
<td>153</td>
<td>30</td>
<td>(80%)</td>
</tr>
</tbody>
</table>
Gas & Power Business
Q2 2012 HIGHLIGHTS

- Entered agreement to acquire Progress Energy Resources Corporation subject to relevant regulatory approvals
- Awarded EPCC for PETRONAS Floating LNG 1 in June 2012, target completion by 2015
- Awarded Dual FEED for PETRONAS Floating LNG 2 in June 2012
- Divested 17% in APA Group
- Achieved FID and awarded EPCC for Solar Power Plant in Gebeng
- Signed short term LNG Sales Purchase Agreement with Statoil ASA for supply of LNG to Malaysia
- Signed Gas Sales Agreement (GSA) with Maegma Steel HRC Sdn Bhd for the supply of 57mmcf/d of gas for 15 years beginning 2016 at LNG-based price
- Renewal of GSA with Gas Malaysia Bhd for another 10 years from 1st January 2013 which includes the supply of additional gas volume of up to 192 mmcf/d at LNG-based price
Lower LNG sales volume from lower PLC production and Egypt

**LNG (↓ 11%)**:  
- Lower LNG sales volume was mainly due to lower production from the PETRONAS LNG Complex (“PLC”) in Bintulu, Sarawak attributed to scheduled plant turnaround as well as lower entitlement volume from operations in Egypt.

- Exports of LNG from PLC were mostly shipped to Japan, South Korea & Taiwan.

**PETRONAS LNG Complex (PLC)**  
% sales by country
Sales Gas (↑ 3%):  

- Higher average sales gas delivery mainly from higher delivery to customers in Peninsular Malaysia resulting from higher domestic feedgas supply through Kertih and from Malaysia-Thailand Joint Development Area (MTJDA).  

- PETRONAS Gas Berhad continues to maintain world-class reliability levels for its GPP and PGU pipeline.

<table>
<thead>
<tr>
<th></th>
<th>Q2 CY2011</th>
<th>Q2 FY2012</th>
<th>YTD CY2011</th>
<th>YTD FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Gas Delivery (mmscfd)</td>
<td>2,275</td>
<td>2,449</td>
<td>2,381</td>
<td>2,461</td>
</tr>
<tr>
<td>Peninsular M'sia</td>
<td>1,795</td>
<td>1,991</td>
<td>1,875</td>
<td>2,003</td>
</tr>
<tr>
<td>Sarawak</td>
<td>196</td>
<td>213</td>
<td>218</td>
<td>213</td>
</tr>
<tr>
<td>Sabah</td>
<td>284</td>
<td>245</td>
<td>288</td>
<td>245</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reliability Level Attained (%)</th>
<th>Q2</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGU</td>
<td>99.99</td>
<td>99.95</td>
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</table>

Higher volume due to higher supply from Kertih & MTJDA.
Downstream Business
Q2 2012 HIGHLIGHTS

- Launching of Project RAPID by DYMM Sultan of Johor on 13th May 2012

- Project RAPID signed:
  - Heads of Agreement with Itochu on 18th May 2012 for C2 Chain & C3 Polymer;
  - Heads of Agreement with PTTGC & Itochu on 18th May 2012 for C2 & C3 derivatives; and
  - License, FEED, Engineering & Technical Services Agreement with LUMMUS Technology Inc. for Steam Cracker Complex in June 2012.

- Awarded FEED contracts for PSR-1, MG3 and HPU-3 as part of PSR-1/MG3 Retrofit Project

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
Higher YTD petrochemical sales volume recorded due to better plant performance

### Petrochemical Products (↑ 6%):
- YTD volume increased mainly due to better plant performance

### Crude (↓ 10%):
- YTD volume decreased mainly due to persisting geopolitical issues in Sudan and also lower crude trading activities

### Petroleum Products (↓ 5%):
- YTD volume decreased mainly due to lower market demand affected by the continuous high price environment

### Domestic refineries and PCG Plants performance:
- Improved performance mainly due to lower internal shutdowns and slowdowns

#### Petrochemical Products Sales Volume

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<thead>
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<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Petroleum Products</td>
<td>78.6</td>
<td>72.3</td>
<td>89.3</td>
<td>80.2</td>
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#### Crude and Petroleum Products Sales Volume

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<td>Petroleum Products</td>
<td>89.3</td>
<td>80.2</td>
<td>89.0</td>
<td>83.3</td>
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#### Plant Utilisation (%)

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<thead>
<tr>
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<th>YTD CY2011</th>
<th>YTD FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Refinery</td>
<td>83.4</td>
<td>76.3</td>
</tr>
<tr>
<td>Engen Refinery</td>
<td>81.6</td>
<td>83.3</td>
</tr>
<tr>
<td>PCG</td>
<td>76.3</td>
<td>78.0</td>
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</tbody>
</table>

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