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PETRONAS Group
Financial Results Announcement
Financial Highlights

Datuk George Ratilal
Executive Vice President &
Group Chief Financial Officer
Key Indicators

**Avg JCC**¹ 1-mth rolling  
Avg. Dated Brent

**Exchange Rate**

**USD/MYR**  
3.13  
3.24 ↑

**Avg Dated Brent**  
106.57 USD/bbl  
2% lower than 2013 and on a downward trend

**Production**  
2,181 kboe/d  
4% higher than 2013 due to:
- New oil/gas production from **Iraq** and **Malaysia**
- **South Sudan** continuous operations ramp up
- **Canada** – well performance & Talisman acquisition
- Production enhancements

**Entitlement**  
1,725 ↑

**Production**  
2,098  
1,695  
1,656  
1,574  
Q3 FY2013  
Q2 FY2014  
Q3 FY2014

**Total Production**  
2,181  
2,078  
2,206  
2,064  
Q3 FY2013  
Q2 FY2014  
Q3 FY2014

**Entitlement**  
1,725  
1,695  
1,656  
1,574  
Q3 FY2013  
Q2 FY2014  
Q3 FY2014

**Japanese Crude Cocktail**

¹ Japanese Crude Cocktail
Group Financial Performance

**Revenue (RM Bil)**
- YTD 2013: 232.5
- YTD 2014: 249.8
- Change: +7%

**Profit before Tax (RM Bil)**
- YTD 2013: 76.7
- YTD 2014: 78.0
- Change: +2%

**Profit after Tax (RM Bil)**
- YTD 2013: 52.8
- YTD 2014: 54.9
- Change: +4%

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Group Financial Performance - YTD

Revenue

\[
\begin{align*}
\text{YTD 2013} & : 232.5 \\
\text{YTD 2014} & : 249.8
\end{align*}
\]

\[\text{2\% increase}\]

Profit before Tax

\[
\begin{align*}
\text{YTD 2013} & : 76.7 \\
\text{YTD 2014} & : 78.0
\end{align*}
\]

\[\text{2\% increase}\]

Increase in PBT:

- Higher production volume (↑ 4%) (Iraq, South Sudan, Canada & Malaysia)
- Higher LNG sales volume
- Favourable exchange rate
- Negatively impacted by lower crude prices
- Further negated by:
  - Higher amortisation expense (Iraq)
  - Higher impairments (Egypt)
  - Sudan’s pipeline tariff increase and its partial relinquishment
**Group Financial Performance - Quarter**

### Revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>81.4</td>
<td>85.4</td>
<td>80.4</td>
</tr>
</tbody>
</table>

- **Q3 2013**: RM25.9b, 12%
- **Q3 2014**: RM22.8b, 19%
- **Q2 2014**: RM28.1b

### Brent Price

- **Q3 2013**: RM110.36
- **Q3 2014**: RM101.85
- **Q2 2014**: RM109.63

**USD/MYR**

- **Q3 2013**: 3.24
- **Q3 2014**: 3.19
- **Q2 2014**: 3.23

### Profit before Tax

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>25.9</td>
<td>28.1</td>
<td>22.8</td>
</tr>
</tbody>
</table>

- **Q3 2013**: RM25.9b
- **Q3 2014**: RM22.8b
- **Q2 2014**: RM28.1b

**Lower Quarter 3 performance** due to:

- Lower crude *price*
- Unfavourable *exchange rate*
- Lower *LNG sales* volume
Business Segment Performance
Profit after Tax by Business Segment (Gross\(^1\))

**Upstream**
- RM Bil
  - YTD 2013: 41.6
  - YTD 2014: 45.1
  - Increase: 8%

**Downstream**
- RM Bil
  - YTD 2013: 7.3
  - YTD 2014: 5.3
  - Increase: 27%

**C&O**
- RM Bil
  - YTD 2013: 2.3
  - YTD 2014: 2.5
  - Increase: 9%

\(^1\) Gross PAT includes both third party and inter-segment transactions

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Other Financial Highlights

Cash Flows YTD 2014

RM Bil

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2014</th>
<th>31 Dec 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>545.1</td>
<td>528.7</td>
<td>+16.4</td>
</tr>
<tr>
<td>Cash balance</td>
<td>140.6</td>
<td>140.9</td>
<td>-0.3</td>
</tr>
<tr>
<td>ROACE (%)</td>
<td>16.6</td>
<td>17.0</td>
<td>-0.4</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>9.4</td>
<td>11.1</td>
<td>-1.7</td>
</tr>
</tbody>
</table>

Other Financial Highlights

Capital Investments YTD 2014

RM42.7 Bil

44% Malaysia
56% International

- Cash from operations
- Other net cash inflows
- Dividends
- Capital Investments
- Acquisition of unconventional resources
2014 Year-to-date in summary...

- Brent Price ↓ 1.7%
- Exchange Rate ↑ 3.5%
- Production ↑ 4.0%
- Entitlements ↑ 11.1%
- LNG Sales Volume ↑ 5.0%

Profit After Tax
↑ 4.0%
RM54.9 bil

Ending Cash Balance
RM140.6 bil
Current Financial Year Prospects

**Daily Dated Brent USD/bbl**

- **Q1**: USD 115/bbl
- **Q2**: USD 100/bbl
- **Q3**: USD 100/bbl
- **Q4**: USD 70.69/bbl

Surge in global oil supply

Slowing global energy demand

**Lower oil price**

Q4 earnings expected to be considerably lower than Q3

Source: Platts

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Operational Highlights
Upstream significant milestones achieved in delivering long term sustainable growth

Operational

3 Greenfields 1st HC YTD 10
6 Exploration Discoveries YTD 21

ORRR 3.9x 2C Resource +2.3 bboe
RRR 1.5x 2P Reserve +1.4 bboe

Ventures

3 PSC Signed YTD 5 1 Farm-in YTD 4

Enters China Unconventional Energy Market
Purchased stake in Shah Deniz (Azerbaijan) project

Agreement/MOU Signed

MOU signed with SOCAR (Azerbaijan)
Petrodar Operating Company Signs Oil Transportation Agreement with Sudan
Extend Growth Aspirations in The Americas with Signing of Two MOUs (PEMEX & YPF)

LNG Business

Commenced Topside Module Lifting for its 1st FLNG Facility
Commissioning Cargo Delivery to New Hibiki LNG Receiving Terminal in Japan
Aluminum Cut for 1st newbuild LNG ship Hull no 2729
MLNG DUA SPA Renewal
Operational Highlights

Upstream production for Q3 and YTD 2014 are higher than in 2013 corresponding period

Higher than 2013 corresponding period
- Q3 2014 (↑ 1%)
- YTD 2014 (↑ 4%)

Better Upstream performance:
- New oil/gas prodn from Msia + Iraq and production enhancement
- Canada drilling + well performance & Talisman acquisition
- South Sudan continuous operations ramp up

Negated by:
- higher natural decline rate

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Operational Highlights
Higher YTD both LNG sales volume and average sales gas delivered

LNG Sales Volume (mil tonnes)

- Higher driven by increase in trading volume & higher sales from PLC*

Sales Gas Delivery (mmscfd)

- Higher domestic supply from Kertih, Terengganu and RGT.

*PLC: PETRONAS LNG Complex, Bintulu, Sarawak
Downstream Business
RAPID: 7 EPCC contracts, 8 Common Facilities & Infrastructures contracts and 1 EPCM contract for UIO (Utilities, Interconnecting & Offsite) were awarded in July and August 2014.

Kimanis Power Sdn Bhd’s 2nd block achieved Commercial Operation on 22 July 2014.
**Downstream Business**

YTD Crude & Petroleum Products Sales Volume were higher but Petrochemical Products were lower

**Crude and Petroleum Products Sales Volume**

<table>
<thead>
<tr>
<th></th>
<th>Mbbls</th>
<th></th>
<th>MMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY2013</td>
<td>123.6</td>
<td>Q3 FY2014</td>
<td>126.2</td>
</tr>
<tr>
<td>Crude</td>
<td>47.0</td>
<td>Petroleum Products</td>
<td>76.6</td>
</tr>
<tr>
<td>Petroleum Products</td>
<td>76.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD FY2013</td>
<td>363.2</td>
<td>YTD FY2014</td>
<td>374.0</td>
</tr>
<tr>
<td>Crude</td>
<td>219.5</td>
<td>Petroleum Products</td>
<td>223.6</td>
</tr>
<tr>
<td>Petroleum Products</td>
<td>219.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Petrochemical Products Sales Volume**

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY2013</th>
<th>Q3 FY2014</th>
<th>YTD FY2013</th>
<th>YTD FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMT</td>
<td>1.4</td>
<td>1.4</td>
<td>4.8</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**Petroleum Products (↑2%):**
- Improved term sales volume secured for Jet/Kero as well as higher naphtha demand from Petrochemical sector

**Crude (↑5%):**
- Higher marketing activities driven by higher upstream production

**Petrochemical Products (↓10%):**
- Lower plant production due to higher maintenance activities & feedstock limitation
Improvement in domestic refineries and gas processing plant utilisation performance

- **Domestic Refineries** – improved plant performance, less plant turnarounds/shutdowns
- **Gas Processing Plants** – deferment of maintenance activities
- **Petrochemical Plants** – higher maintenance activities & feedstock limitation
- **Engen Refinery** – plant turnaround from August to September 2014

- **Gas Transmission** – temporary unavailability of feedgas pipeline for maintenance
- **Gas Processing** – deferment of maintenance activities

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**Plant Utilisation (%)**

- YTD FY2013:
  - Gas Processing Plants: 82.1
  - Domestic Refineries: 82.0
  - Petrochemical Plants: 80.8
  - Engen Refinery: 78.3

- YTD FY2014:
  - Gas Processing Plants: 80.8
  - Domestic Refineries: 80.3
  - Petrochemical Plants: 77.0
  - Engen Refinery: 66.9

**Plant Reliability (%)**

- YTD FY2013:
  - Gas Transmission: 99.98
  - Gas Processing: 97.30

- YTD FY2014:
  - Gas Transmission: 99.90
  - Gas Processing: 99.50
Thank You