PETRONAS Group
Financial Results Announcement
Third Quarter 2020
Financial and Operational Results
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Key Messages

- While Brent price stabilised in the 3rd quarter this year following gradual recovery in oil demand and further bolstered by OPEC+ production cut, global oil market continues to remain fragile and uncertain, undermined by a resurgence in COVID-19 cases in major economies.

- PETRONAS Q3 2020 results reflect the Group’s agility in responding to the challenging market landscape with overall financials showed peripheral improvement against last quarter partly attributed to our focused cost-compression efforts since beginning of the year. Nonetheless, cumulative performance remains softer against corresponding period last year due to low oil price and weak demand.

- Group Revenue for the cumulative period ended 30 September 2020 stood at RM134.7 bil, a decrease of 24% compared to corresponding period last year. PAT excluding net impairment declined to RM10.3 bil while EBITDA stood at RM43.4 bil. CFFO remains positive at RM32.6 bil during the period.

- Prolonged low oil price and slow demand recovery continue to pose challenges to the industry. Despite the gravity of the situation, PETRONAS will remain focus in maintaining portfolio resilience, upholding disciplined capital and operational spending as well as preserving liquidity to ensure business sustainability.

- PETRONAS expects the performance of the Group in the final quarter of 2020 to be continuously affected by the challenging business environment.
Focused cost compression demonstrates the Group’s commitment towards effective portfolio management and its pursuit for growth.

### Performance (RM Bil) - YTD FY2019 vs YTD FY2020

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD FY2019</th>
<th>YTD FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>176.2</td>
<td>134.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>73.5</td>
<td>43.4</td>
</tr>
<tr>
<td>Cash flows from operating activities (CFFO)</td>
<td>64.6</td>
<td>32.6</td>
</tr>
<tr>
<td>PAT/(LAT)</td>
<td>36.4</td>
<td>(19.9)</td>
</tr>
<tr>
<td>PAT excluding impairment*</td>
<td>39.4</td>
<td>10.3</td>
</tr>
<tr>
<td>Group costs</td>
<td>142.7</td>
<td>157.2</td>
</tr>
<tr>
<td>Group costs excluding impairment*</td>
<td>139.7</td>
<td>127.0</td>
</tr>
</tbody>
</table>

### Financial Position (RM Bil) - 31 Dec 2019 vs 30 Sept 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>31 Dec 2019</th>
<th>30 Sept 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>622.4</td>
<td>594.8</td>
</tr>
<tr>
<td>Net cash position**</td>
<td>81.6</td>
<td>61.0</td>
</tr>
</tbody>
</table>

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* Net impairment/write-off and well costs
** Total cash and cash equivalent and short term funds and other investments less total borrowings

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YTD FY2020 Capital Investments (RM Bil)

<table>
<thead>
<tr>
<th>Category</th>
<th>YTD FY2019</th>
<th>YTD FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>C&amp;O</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>Downstream</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>G&amp;NE</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Upstream</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

RM22.5 bil
Group’s CFFO remains healthy despite softer overall performance

<table>
<thead>
<tr>
<th>31 Dec 2019</th>
<th>CFFO</th>
<th>Drawdown of borrowings</th>
<th>Dividends</th>
<th>Capital investments</th>
<th>Financing repayment</th>
<th>Others</th>
<th>30 Sept 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>152.2</td>
<td>58.0</td>
<td>94.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>153.1</td>
</tr>
<tr>
<td>32.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60.3</td>
</tr>
<tr>
<td>36.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>92.8</td>
</tr>
<tr>
<td>(29.9)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(22.5)</td>
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<tr>
<td>(18.2)</td>
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<tr>
<td>2.0</td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Mainly comprise of remaining funds of non-wholly owned subsidiaries and trust funds within the Group
Funds of wholly owned subsidiaries and PETRONAS’ portion of non-wholly owned subsidiaries

1 Mainly contributed by proceeds from disposal of securities and dividend received

CFFO over Revenue (%)

- PETRONAS
- Peer Group

PETRONAS Holding Company Cash & Fund Investments Balance

<table>
<thead>
<tr>
<th>31 Dec 2019</th>
<th>30 Sep 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.0</td>
<td>65.1</td>
</tr>
</tbody>
</table>
Operational Highlights
Downstream business heavily impacted by inventory losses and compressed margins

<table>
<thead>
<tr>
<th>Segment</th>
<th>PAT/(LAT)</th>
<th>PAT/(LAT) excluding impairment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream</td>
<td>17.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Gas &amp; New Energy</td>
<td>10.2</td>
<td>12.5</td>
</tr>
<tr>
<td>Downstream</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>Corporate &amp; Others</td>
<td>5.0</td>
<td>5.1</td>
</tr>
</tbody>
</table>

**Upstream**
- Production: 2,190 Kboe/d (6% decrease)
- Gross LNG sales volume: 24.3 MMT (1% decrease)

**Gas & New Energy**
- Gross LNG sales volume: 194.0 MMT (1% decrease)

**Financial Results Announcement 30 September 2020, Financial Highlights**
YTD FY2020 Upstream Performance
Upstream remains committed to achieve operational delivery amidst challenging business landscape

Focus Areas

Maximizing Cash Generator

- 15 Projects achieved first Hydrocarbon (9 Brownfield, 6 Greenfield)
- 3 Exploration discoveries one in offshore US GoM and two in Salina Basin, Mexico
- 9 Projects achieved Final Investment Decision (FID) (8 Malaysia, 1 International)

Sanctioned several zero continuous venting and flaring of hydrocarbon projects in its Carigali Operated assets in Malaysia and international assets with an estimated total gas recovery of about 33 MMscfd and total GHG reduction of approximately 2 MtCO2e/year. This supports our commitment to Net Zero Carbon Emissions by 2050.

Operational Excellence

- 50% Reduction of CAPEX through deployment of Enhanced Single-Trip Multizone (ESTMZ) at Samarang, offshore Sabah.

- 1st in Malaysia Resak Remote Operations Platform deployed at Resak, offshore Terengganu. The pilot project has a potential of 30% OPEX reduction

Portfolio Growth

- Farm in into US Gulf of Mexico (US GOM) and Indonesia’s Aru PSC First entry into US GOM and successful oil discovery of the exploration well of the Monument Prospect.

- PETRONAS first export deal for the PETRONAS E&P Argentina S.A’s La Amarga Chica crude

PETRONAS was among the first international companies to tap into the international market to monetise unconventional production from the country

Operational Performance

<table>
<thead>
<tr>
<th>Production (kboe/d)</th>
<th>Entitlement (kboe/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD FY2019</td>
<td>2,328</td>
</tr>
<tr>
<td></td>
<td>1,671</td>
</tr>
<tr>
<td>YTD FY2020</td>
<td>2,190</td>
</tr>
<tr>
<td></td>
<td>1,615</td>
</tr>
</tbody>
</table>

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YTD FY2020 Gas and New Energy Performance
Continues to weather a challenging market landscape as a reliable provider of cleaner energy solutions while growing its presence in the renewable space

**Focus Areas**

**Maximising Cash Generator**
- **Successfully delivered 11,426th LNG cargoes from PETRONAS LNG Complex, Bintulu**, as of the third quarter of 2020, marking a milestone of over 37 years of reliable delivery without fail since operations began
- 4.6 MTPA
- 345 MMscfd
- **PFLNG DUA**
  - Achieved ready-for-start-up status on 27 August 2020 with commercialisation planned for 2021

**Stepping Out**
- **800 MWp** of solar capacity in operation and under development in India and South East Asia, following the acquisition of Acme Solar, enabling PETRONAS to expand into India’s utilities sector and beyond commercial and industrial sectors.
- **50 MWp** of solar capacity in operation and under development in Malaysia, including the completion of solar rooftop installations at 13 out of the 15 TESCO stores across Malaysia that will collectively generate about 18 GWh of clean energy per year once completed

**Operational Performance**

- **Gross LNG Sales Volume (MMT)**
  - YTD FY2019: 24.6
  - YTD FY2020: 24.3
  - **1%** decrease

- **Overall Equipment Effectiveness (OEE)**
  - YTD FY2019: 97.2%
  - YTD FY2020: 97.1%
YTD FY2020 Downstream Performance

Recorded gradual improvements on sales volume despite depressed margins

Focus Areas

**Operational Excellence**

- **92.4%** Overall Equipment Effectiveness (OEE)
- **94.5%** Improved Petrochemical Plant Utilisation

**Commercial Excellence**

- **6.1 mil** Metric tonnes of petrochemicals sales products volume
- **15.7 bil** Liters of overall marketing sales volume

**Growth Delivery Excellence**

- PCG and LG Chem recently inked an agreement to build a Nitrile Butadiene Latex (NBL) manufacturing plant at Pengerang Integrated Complex (PIC) in Johor
- PCG entered SSPA to acquire 50% shares in PCC Oxyalkylates Malaysia Sdn Bhd
- PDB became the first LNG (Liquified Natural Gas) solution provider using road trucks for off-grid customers in Peninsular Malaysia
- Setel launched Deliver2Me, the first service of its kind in Malaysia which enables Setel users to purchase selected items from Kedai Mesra

**Sales Volume**

- **Petroleum products (Million Barrels)**
  - YTD FY2019: 192.1
  - YTD FY2020: 194.0
- **Crude oil (Million Barrels)**
  - YTD FY2019: 91.1
  - YTD FY2020: 101.8
- **Petrochemicals products (Million Metric Tonnes)**
  - YTD FY2019: 6.2
  - YTD FY2020: 6.1

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1 Plant Utilisation based on Nexant
* Compared to SPLY 2019

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The deliberate steps to strengthen our resiliency will continue at pace as we remain focused in pursuing our 3-pronged strategy.

Reshape our Portfolio

Retooling the Human Capital Equation

Focused Execution at Pace

As we progress, PETRONAS’ aspiration to achieve Net Zero Carbon Emissions 2050 will be carried through our firm commitment to Continued Value Creation, Safeguarding the Environment, Positive Social Impact and Responsible Governance across the integrated value chain.
Thank you for your passion!
Upstream Business
YTD FY2020 Upstream Operational Highlights

**Production (kboe/d)**

- **Crude & Cond.**
  - YTD FY2019: 1,421
  - YTD FY2020: 1,337
  - **Change:** -6%

- **Natural Gas**
  - YTD FY2019: 907
  - YTD FY2020: 853

**Entitlement (kboe/d)**

- **Crude & Cond.**
  - YTD FY2019: 562
  - YTD FY2020: 587
  - **Change:** +3%

- **Natural Gas**
  - YTD FY2019: 1,109
  - YTD FY2020: 1,028

Total daily average production and entitlement volume is lower for the year mainly attributable to lower demand following the global COVID-19 pandemic.
Gas and New Energy Business
Decrease in gross LNG sales volume mainly due to lower production volume from PLC, partially offset by higher trading activities. Decrease in Malaysia average gas sales attributed to lower offtake from the power sector in Peninsular Malaysia following movement restrictions in the wake of the COVID-19 pandemic.
Downstream Business
YTD FY2020 Downstream Sales Volume

**Petroleum Products**
- Mil barrels

- YTD FY2019: 192.1
- YTD FY2020: 194.0

**Crude Oil**
- Mil barrels

- YTD FY2019: 91.1
- YTD FY2020: 101.8

**Petrochemical Products**
- Mil Metric Tonnes

- YTD FY2019: 6.2
- YTD FY2020: 6.1

Higher petroleum products sales volume contributed by higher trading activities, partially offset by lower marketing sales volume due to lower demand caused by the COVID-19 pandemic.
Lower Plant Utilisation at domestic and international refineries impacted by demand reduction due to the COVID-19 pandemic

1 Plant Utilisation based on Nexant