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## FY2017 Key Features

### Performance
- 27% increase in underlying* net profit of RM46.6 billion for FY2017 compared to RM36.8 billion recorded in FY2016
- 30% increase in FY2017 EBITDA to RM92.0 billion compared to RM70.7 billion in FY2016
- Continued drive for higher productivity and operational excellence

### Operations
- Progress of projects:
  - Pengerang Integrated Complex (PIC) achieved 84% completion as at 31 Dec 2017
  - Commissioning and delivering of LNG from world’s first floating LNG facility in April 2017

### Outlook
- PETRONAS is in a stronger position to execute its long term growth strategy
- Subject to sustainability of price recovery, PETRONAS expects to deliver satisfactory performance in the next financial year

*Excluding net impairment on assets
## Key Indicators

<table>
<thead>
<tr>
<th>FY2016</th>
<th>FY2017</th>
<th>Q3 FY2017</th>
<th>Q4 FY2017</th>
<th>Q4 FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>43.69</td>
<td>54.27</td>
<td>52.08</td>
<td>61.39</td>
<td>49.46</td>
</tr>
<tr>
<td>39.13</td>
<td>51.39</td>
<td>53.33</td>
<td>49.62</td>
<td>46.22</td>
</tr>
<tr>
<td>4.15</td>
<td>4.30</td>
<td>4.26</td>
<td>4.16</td>
<td>4.32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2016</th>
<th>FY2017</th>
<th>Q3 FY2017</th>
<th>Q4 FY2017</th>
<th>Q4 FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,363</td>
<td>2,320</td>
<td>2,206</td>
<td>2,389</td>
<td>2,444</td>
</tr>
<tr>
<td>1,794</td>
<td>1,760</td>
<td>1,671</td>
<td>1,813</td>
<td>1,909</td>
</tr>
</tbody>
</table>

*Average exchange rate  
**Represents Malaysia’s production [PETRONAS Group and other Petroleum Arrangement Contractors (PACS)] and PETRONAS Group’s international equity production  
***Represents PETRONAS Group’s entitlement to Malaysia’s production and International’s production
# Financial Highlights

<table>
<thead>
<tr>
<th>% change</th>
<th>FY2016</th>
<th>FY2017</th>
<th>Key Financial Indicators (RM bil)</th>
<th>Q4 FY2017</th>
<th>Q4 FY2016</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.6</td>
<td>195.1</td>
<td>223.6</td>
<td>Revenue</td>
<td>61.8</td>
<td>54.3</td>
<td>13.8</td>
</tr>
<tr>
<td>90.6</td>
<td>33.9</td>
<td>64.6</td>
<td>Profit before tax (PBT)</td>
<td>23.6</td>
<td>15.6</td>
<td>51.3</td>
</tr>
<tr>
<td>91.2</td>
<td>23.8</td>
<td>45.5</td>
<td>Profit after tax (PAT)</td>
<td>18.2</td>
<td>11.3</td>
<td>61.1</td>
</tr>
<tr>
<td>(91.5)</td>
<td>(13.0)</td>
<td>(1.1)</td>
<td>Identified items*</td>
<td>0.5</td>
<td>(2.4)</td>
<td>&gt;100</td>
</tr>
<tr>
<td>26.6</td>
<td>36.8</td>
<td>46.6</td>
<td>PAT excluding identified items (PAT*)</td>
<td>17.7</td>
<td>13.7</td>
<td>29.2</td>
</tr>
<tr>
<td>30.1</td>
<td>70.7</td>
<td>92.0</td>
<td>EBITDA</td>
<td>25.3</td>
<td>21.9</td>
<td>15.5</td>
</tr>
<tr>
<td>4.9</td>
<td>36.2</td>
<td>41.1</td>
<td>EBITDA Margin (%)</td>
<td>40.9</td>
<td>40.3</td>
<td>0.6</td>
</tr>
<tr>
<td>40.7</td>
<td>53.8</td>
<td>75.7</td>
<td>CFFO</td>
<td>17.9</td>
<td>17.7</td>
<td>1.1</td>
</tr>
<tr>
<td>(11.7)</td>
<td>50.4</td>
<td>44.5</td>
<td>Capital Investments</td>
<td>10.7</td>
<td>14.4</td>
<td>(25.7)</td>
</tr>
</tbody>
</table>

*Comprise of net impairment on assets
FY2017 Group Financial Results

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM bil</td>
<td>70.7</td>
<td>92.0</td>
</tr>
</tbody>
</table>

**PAT***

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM bil</td>
<td>36.8</td>
<td>46.6</td>
</tr>
</tbody>
</table>

**EBITDA Margin (%)**

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.1</td>
<td>36.2</td>
<td></td>
</tr>
</tbody>
</table>

** Improved margin due to higher average realised prices and lower well costs write off**

*Excluding net impairment on assets
**Q4 FY2017 Y-o-Y Group Financial Results**

**EBITDA**
- **Q4 FY2016**: RM 21.9
- **Q4 FY2017**: RM 25.3
  - **Increase**: 15%

**PAT**
- **Q4 FY2016**: RM 13.7
- **Q4 FY2017**: RM 17.7
  - **Increase**: 29%

**EBITDA Margin (%)**
- **Q4 FY2016**: 40.3%
- **Q4 FY2017**: 40.9%
  - **Increase**: 1%

*Excluding net impairment on assets

- **Higher average realised prices**
- **Higher net foreign exchange losses**

**Improved margin in line with consistent performance**
Q4 FY2017 Q-o-Q Group Financial Results

**EBITDA**

<table>
<thead>
<tr>
<th>Q3 FY2017</th>
<th>Q4 FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.5</td>
<td>25.3</td>
</tr>
</tbody>
</table>

**EBITDA Margin (%)**

<table>
<thead>
<tr>
<th>Q3 FY2017</th>
<th>Q4 FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.9</td>
<td>40.0</td>
</tr>
</tbody>
</table>

Improved margin in line with consistent performance

**PAT**

<table>
<thead>
<tr>
<th>Q3 FY2017</th>
<th>Q4 FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.2</td>
<td>17.7</td>
</tr>
</tbody>
</table>

*Excluding net impairment on assets

Financial Results Announcement 31 December 2017, Financial Highlights | Page 6
Higher YTD PAT mainly due to:

**Upstream:**
- higher average realised prices
- lower net impairment on assets

**Downstream:**
- better petrochemical product spreads
- higher international refining margin
- higher trading and marketing margins

partially offset by:

**Corporate & Others**
- higher net foreign exchange losses
FY2017 Upstream Performance

Focus Areas

Operational Excellence
- Delivered highest number of LNG cargoes from PETRONAS LNG Complex (PLC) in PETRONAS history
- Delivered 10,000th cargo from PLC to Japan

Cost Management
- Continuous efforts in cost optimisation and cash management initiatives

Portfolio High Grading
- Secured 3 blocks in Mexico
- Signed 6 PSCs in Malaysia, including 3 Ultra-Deepwater Blocks
- Extension of Chad Permit H concession for another 20 years

Operational Performance

Production and Entitlement (kboe/d)

- FY2016: 2,363
- FY2017: 2,320

<table>
<thead>
<tr>
<th>Products</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNG sales volume (million tonnes)</td>
<td>30.1</td>
<td>30.7</td>
</tr>
<tr>
<td>Malaysia average sales gas volume (mmscfd)</td>
<td>2,772</td>
<td>2,691</td>
</tr>
</tbody>
</table>

YTD Financial Performance

- Revenue: FY2016 113.1 RM Bil, FY2017 135.1 RM Bil (24% increase)
- PAT: FY2016 3.5, FY2017 33.1 (10x increase)
## FY2017 Downstream Performance

### Focus Areas

**Operational & Commercial Excellence**

- Downstream Overall Equipment Effectiveness (OEE) at 94.9%
- PETRONAS Chemicals Fertiliser Sabah Sdn Bhd (SAMUR Project) successfully commercialised
- PETRONAS’ retail business recorded the highest unit margin in 5 years

### Operational Performance

<table>
<thead>
<tr>
<th>Sales Volume (Million)</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemicals products (MT)</td>
<td>7.3</td>
<td>8.1</td>
</tr>
<tr>
<td>Petroleum products (barrels)</td>
<td>268.1</td>
<td>253.3</td>
</tr>
<tr>
<td>Crude oil (barrels)</td>
<td>189.3</td>
<td>144.7</td>
</tr>
</tbody>
</table>

### Financial Performance

<table>
<thead>
<tr>
<th>RM Bil</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>95.2</td>
<td>113.7</td>
</tr>
<tr>
<td>PAT</td>
<td>8.3</td>
<td>11.3</td>
</tr>
</tbody>
</table>

**Revenue**

- **FY2016**: 95.2 RM Bil
- **FY2017**: 113.7 RM Bil

**PAT**

- **FY2016**: 8.3
- **FY2017**: 11.3

**PAT margin**

- **FY2016**: 9%
- **FY2017**: 10%
Capital investments and controllable costs

Capital investments

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>50.4</td>
<td>44.5</td>
</tr>
</tbody>
</table>

12% reduction in capital investments from 2016 to 2017.

Controllable Costs*

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>48.9</td>
<td>45.9</td>
</tr>
</tbody>
</table>

6% reduction in controllable costs from 2016 to 2017.

FY2017 Capital investments

- 83% Malaysia
- 17% International

- Reduction in controllable costs of RM3 billion due to continuing Groupwide cost management efforts

*Controllable costs is defined as recurring costs in running the business operation deemed controllable by the Management
Other Financial Highlights

Cash Flows FY2017

<table>
<thead>
<tr>
<th>RM Bil</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0</td>
</tr>
<tr>
<td>10.7</td>
</tr>
<tr>
<td>16.0</td>
</tr>
<tr>
<td>6.8</td>
</tr>
<tr>
<td>44.5</td>
</tr>
</tbody>
</table>

Net Inflows | Net Outflows

- Cash from operations
- Cash from financing
- Other net cash outflows
- Dividends to Gov.
- Dividends to Non-Controlling Interest
- Capital Investments

Significant Items

- Total assets at RM599.8 bil (↓ 0.6%)¹
- Shareholders’ equity at RM389.8 bil
- Cash and fund investments at RM136.5 bil
- Borrowings at RM64.1 bil
- Leverage at 16.1% (↓ from 17.4%)²
- ROACE³ at 9.8% (↑ from 5.4%)²

Notes:
¹Compared to 31 December 2016
²As at 31 December 2016
³ROACE is calculated as profit before interest expense after tax divided by average total equity and long term debt during the year
Upstream Business
Operational Highlights – 2017

Focused delivery across the value chain

**HSE**
- Zero Fatality
- >40% reduction in Loss Time Injury

**Production**
- ▼ 2% than 2016
- Conformance efforts to the Joint Declaration of Cooperation between OPEC and non-OPEC countries
- Lower volume from Iraq and Canada
- 13 projects achieved 1st production

**Financials**
- RM 6.5 bil industry-wide cost optimisation and cash generation via Cost Reduction Alliance (CORAL 2.0) and PAC’s initiatives

**LNG**
- ▲ 2% LNG sales volume than 2016
- 443 Bce PLC LNG Loadable, highest in PETRONAS history
- Delivered 10,000th cargo from PLC in Bintulu to Japan
- 5 FLNG SATU cargoes delivered

**Technology**
- Commissioned and delivered LNG from world first floating LNG, PFLNG Satu
- Successful deployment of World’s first
  - Offshore Non-metallic pipeline
  - Thru Tubing Electric Submersible Pump (ESP) technology

**Growth**
- Secured 3 blocks in Mexico
- Signed 6 PSCs in Malaysia, including 3 Ultra-Deepwater blocks
- Extension of Chad Permit H concession for another 20 years

**Portfolio High-Grading**
- Handed over 3 blocks to PetroVietnam
- Exited Algeria
- Ceased production in Mauritania
- Non FID of PNW LNG project in Canada

**Gas Advocacy**
- Cabinet agreed to continue with automatic price increase until it reaches market parity
- Cabinet approved minimum gas offtake commitment of 800 mmscfd for power sector
Operational Highlights
Overall lower 2017 production volume compared to prior year

- Lower than 2016 corresponding period
  - Q4 2017 (↓ 2%)
  - FY 2017 (↓ 2%)
- Conformance efforts to the Joint Declaration of Cooperation between OPEC and non-OPEC countries
- Lower Iraq entitlement
- Lower activities in Canada
- Partially offset by higher gas production in Sabah and Sarawak

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>744</td>
<td>710</td>
<td>776</td>
<td>714</td>
</tr>
<tr>
<td>Condensate</td>
<td>200</td>
<td>169</td>
<td>163</td>
<td>161</td>
</tr>
<tr>
<td>Gas</td>
<td>1,500</td>
<td>1,510</td>
<td>1,424</td>
<td>1,445</td>
</tr>
</tbody>
</table>

Production (kboe/d)
Operational Highlights
Higher LNG sales volume compared to prior year

LNG Sales Volume (mil tonnes)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>8.62</td>
<td>8.81</td>
</tr>
</tbody>
</table>

Higher than 2016 attributable to full period of operations for Gladstone LNG and Train 9 in Bintulu, coupled with higher volume from Egyptian LNG and new volume from PETRONAS Floating LNG 1, partially offset by lower volume from trading activities.

Malaysia Average Sales Gas Volume (mmscfd)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>2,810</td>
<td>2,546</td>
</tr>
</tbody>
</table>

Lower Malaysia average sales gas volume compared to 2016 mainly due to lower demand.
Downstream Business
Downstream Growth Projects

Progressing well within expectations

Pengerang Integrated Complex (PIC)

PIC reached peak construction in 2017, making 40% progress during the year alone. Overall progress as at 31 Dec 2017 is 84% and has reached 87% to date. PIC remains on-track for start-up in 2019.

BPC\(^1\) Projects

Aroma Plant

Start-up of the new integrated aroma ingredients complex has been initiated in phases.

HR-PIB\(^2\)

The plant has successfully commissioned in December 2017 and shipped on-specification products in January 2018.
Downstream Sales Volume
Higher petrochemical sales and value-focused trading contributed to better profitability

PETROCHEMICAL PRODUCTS
Mil Metric Tonnes

2016: 7.3
2017: 8.1

11%

CRUDE
Mil barrels

2016: 189.3
2017: 144.7

24%

PETROLEUM PRODUCTS
Mil barrels

2016: 268.1
2017: 253.3

5%

PAT MARGIN

2016: RM Billion
2017: 11.3

36%

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**Plant Utilisation**

Improved utilisation for refineries whilst petrochemical plants had undertaken higher statutory turnaround activities.