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Performance

Focused execution of overall business improvement activities, operational excellence and increased commodity prices

50% in net profit of RM41.0 billion

19% in EBITDA of RM79.1 billion

Progress of projects

- PIC¹ 95% completion as at 30 September 2018
- PFLNG2 90% completion as at 30 September 2018

Outlook

- PETRONAS expects performance to show an improvement compared to the previous financial year
- Continuous efforts will be pursued to deliver operational excellence

¹ Pengerang Integrated Complex (PIC)
# YTD FY2018 Financial Highlights

<table>
<thead>
<tr>
<th>Key Financial Indicators</th>
<th>YTD ‘17</th>
<th>YTD ‘18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>161.8</td>
<td>181.1</td>
</tr>
<tr>
<td>Profit After Tax (PAT)</td>
<td>27.3</td>
<td>41.0</td>
</tr>
<tr>
<td>PAT excluding net</td>
<td>28.8</td>
<td>39.9</td>
</tr>
<tr>
<td>impairment/(write-back)</td>
<td>on assets</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>66.7</td>
<td>79.1</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>CFFO</td>
<td>57.7</td>
<td>56.2</td>
</tr>
</tbody>
</table>

| Dated Brent (USD/bbl)    | 2017: $72.13 | 2017: $51.90 |
| JCC single-month         | 2017: $65.35 | 2017: $51.98 |

<table>
<thead>
<tr>
<th>MYR/USD¹</th>
<th>Production² (kboe/d)</th>
<th>Entitlement³ (kboe/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3.99</td>
<td>2017: 2,313</td>
<td>2017: 1,624</td>
</tr>
<tr>
<td>JCC single-month</td>
<td>2017: 2,296</td>
<td>2017: 1,742</td>
</tr>
</tbody>
</table>

1. Average exchange rate
2. Represents Malaysia’s production (PETRONAS Group and other Operators) and PETRONAS Group's international equity production volume
3. Represents PETRONAS Group’s sales entitlement to Malaysia’s production and PETRONAS Group’s international sales entitlement volume

CAPEX spending is anticipated to increase in Q4 driven by requirements for PIC, LNG Canada as well as increased drilling activities both domestic and abroad.
Group Financial Results

**YTD 2018**

<table>
<thead>
<tr>
<th></th>
<th>EBITDA (RM bil)</th>
<th>PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD '18</td>
<td>79.1 (19%)</td>
<td>41.0 (50%)</td>
</tr>
<tr>
<td>YTD '17</td>
<td>66.7</td>
<td>27.3</td>
</tr>
</tbody>
</table>

**Q3 2018 Y-o-Y**

<table>
<thead>
<tr>
<th></th>
<th>EBITDA (RM bil)</th>
<th>PAT (Q3 '18 - Q3 '17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '18</td>
<td>26.9 (25%)</td>
<td>14.3 (43%)</td>
</tr>
<tr>
<td>Q3 '17</td>
<td>21.5</td>
<td>10.0</td>
</tr>
</tbody>
</table>

**Q3 2018 Q-o-Q**

<table>
<thead>
<tr>
<th></th>
<th>EBITDA (RM bil)</th>
<th>PAT (Q3 '18 - Q2 '18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '18</td>
<td>26.9 (1%)</td>
<td>14.3 (5%)</td>
</tr>
<tr>
<td>Q2 '18</td>
<td>27.2</td>
<td>13.6</td>
</tr>
</tbody>
</table>
**PAT by Business Segments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YTD '17 Group PAT</th>
<th>Upstream</th>
<th>Downstream</th>
<th>C&amp;O</th>
<th>Intersegment elimination</th>
<th>YTD '18 Group PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>27.3</td>
<td>11.7</td>
<td>(0.4)</td>
<td>4.1</td>
<td>(1.7)</td>
<td>41.0</td>
</tr>
</tbody>
</table>

**Segment Results**

Financial Results Announcement 30 September 2018, Financial Highlights | Page 4
YTD 2018 Upstream Performance

**Focus Areas**

- **Operational Excellence**
  - 7 projects achieved 1st hydrocarbon
  - Exploration discoveries at Tepat in Sabah and Salam in Sarawak
  - Sabah-Sarawak Gas Pipeline- resumption of operations following the completion of intensive pipeline repair works
  - Enhancement of Malaysian PSC Terms
  - 6 LNG deals secured, contributing 3.68 mtpa

- **Cost Management**

- **Portfolio High Grading**
  - Approved FID for 25% participating interest in LNG Canada project in Kitimat, British Columbia
  - Farm-in to Exploration blocks
    - Rufisque Offshore Profond Block, Senegal
    - Block 4 Perdido, Mexico
  - South Sudan Block 1/2/4 production resumption and extension of Exploration and Production Sharing Agreement (EPSA) and Transitional agreement

**Operational Performance**

- **Production and Entitlement (kboe/d)**
  - YTD ‘17
    - Production 2,296
    - Entitlement 2,313
  - YTD ‘18
    - Production 1,422
    - Entitlement 1,357

**Products**

<table>
<thead>
<tr>
<th>Products</th>
<th>YTD ’17</th>
<th>YTD ’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNG sales volume (million tonnes)</td>
<td>21.91</td>
<td>20.79</td>
</tr>
<tr>
<td>Malaysia average sales gas volume (mmscfd)</td>
<td>2,740</td>
<td>2,767</td>
</tr>
</tbody>
</table>
YTD 2018 Downstream Performance

Focus Areas

Operational & Commercial Excellence

- Downstream OEE at 93.6%
- Plant Utilisation for petrochemicals plants at 91.2%
- Domestic and International retail recorded 3% volume improvement between Quarter 3 and Quarter 2
Capital Investments and Group Costs

Capital Investments

<table>
<thead>
<tr>
<th></th>
<th>YTD '17</th>
<th>YTD '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>33.8</td>
<td>26.5</td>
</tr>
</tbody>
</table>

22%

YTD Capital investments

- 33%
- 67%
- RM26.5bil
- Malaysia
- International

Group Costs\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>YTD '17</th>
<th>YTD '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM Bil</td>
<td>137.2</td>
<td>145.2</td>
</tr>
</tbody>
</table>

6%

- Higher total costs mainly due to higher product costs in tandem with higher prices
- Continuous Groupwide cost management efforts are in place

\(^1\) Relate to costs charged to Income Statement only
Other Financial Highlights

- Improved balance sheet position contributed by profit generated during the period on the back of ongoing operational improvements and better commodity prices
- ROACE\(^1\) at 12.6% up from 9.8% as at 31 December 2017

### Cash & fund investments

\[ \text{RM46.3 bil} \]

<table>
<thead>
<tr>
<th>RM Bil</th>
<th>YTD '18 Net Inflows</th>
<th>YTD '18 Net Outflows</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>37.0</td>
<td>17.0</td>
</tr>
<tr>
<td></td>
<td>56.2</td>
<td>26.5</td>
</tr>
<tr>
<td></td>
<td>Proceeds from disposal of inv. in subsi</td>
<td>Other net cash outflows</td>
</tr>
<tr>
<td></td>
<td>Cash from financing</td>
<td>Dividends to Government</td>
</tr>
<tr>
<td></td>
<td>Cash from operations</td>
<td>Dividends to Non-Controlling Interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital Investments</td>
</tr>
</tbody>
</table>

Notes:

1. ROACE is calculated as trailing 12 months profit before interest expense after tax divided by average total equity and long term debt during the period
2. Others consist of Upstream (50%), Downstream (11%) and Corporate & Others (39%)
Upstream Business
Operational Highlights

7 projects achieved
1st Hydrocarbon
(6 Brownfield, 1 Greenfield)

Exploration discoveries
at Tepat in Sabah and Salam in Sarawak

Sabah-Sarawak Gas Pipeline resumption ensuing the completion of intensive pipeline repair works

Enhancement of Malaysian PSC Terms
- Deepwater Fiscal Terms
- Non Fiscal Terms

Approved FID for LNG Canada project in Kitimat, British Columbia

6 LNG deals secured, contributing 3.68 mtpa

Farm-in to Exploration blocks
- Rufisque Offshore Profond Block in Senegal
- Block 4 Perdido in Mexico

South Sudan Block 1/2/4
- Production resumption
- Extension of Exploration and Production Sharing Agreement and Transitional Agreement
Operational Highlights

Higher production for 2018 mainly attributable to higher liquid production from Iraq

Lower LNG sales volume for 2018 mainly attributable to lower volume from PETRONAS LNG Complex ("PLC") in Bintulu, Sarawak

Higher Malaysia average sales gas volume compared to prior year mainly due to higher demand
Downstream Business
Downstream Growth Projects

**Pengerang Integrated Complex (PIC)**

The Pengerang Integrated Complex (PIC) has achieved 95 per cent progress and successfully received its first crude oil cargo at the Pengerang Deepwater Terminal 2 (PDT2).

PIC is currently approaching its commissioning stage and remains on track to achieve ready for startup in 2019.

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**Malaysian Refining Company Sdn Bhd (MRCSB)**

Our refinery in Melaka is upgrading its refinery configuration for the Diesel Euro 5 expansion with a total capital investment of RM1.5 billion. The refinery is now producing 30,000 barrels of Diesel Euro 5 per day, and is preparing for a higher production volume of 126,000 barrels of Diesel Euro 5 per day upon project completion in 2020.
Downstream Sales Volume
Higher petrochemical sales boosted by higher production

- Petrochemical Products: Mil Metric Tonnes
  - YTD '17: 6.0
  - YTD '18: 6.3
  - Increase: 5%

- Petroleum Products: Mil barrels
  - YTD '17: 186.9
  - YTD '18: 187.6
  - Increase: 0.4%

- Crude Oil: Mil barrels
  - YTD '17: 104.1
  - YTD '18: 102.3
  - Decrease: 2%
Plant Utilisation

Improved utilisation for petrochemical plants following healthy feedstock supply whilst refineries underwent statutory turnaround in the first half of the year.

Plant Utilisation (%)

<table>
<thead>
<tr>
<th></th>
<th>YTD '17</th>
<th>YTD '18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrochemical Plants</td>
<td>91.0</td>
<td>91.2</td>
</tr>
<tr>
<td>Domestic Refineries</td>
<td>89.5</td>
<td>88.9</td>
</tr>
<tr>
<td>International Refinery</td>
<td>97.0</td>
<td>70.8</td>
</tr>
</tbody>
</table>

1 Plant Utilisation based on Nexant
2 Lower plant utilisation due to turnaround at Engen refinery
THANK YOU

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