



PETRONAS

PETRONAS Group Financial Results Announcement

Quarter Ended 31 March 2014

EMBARGO

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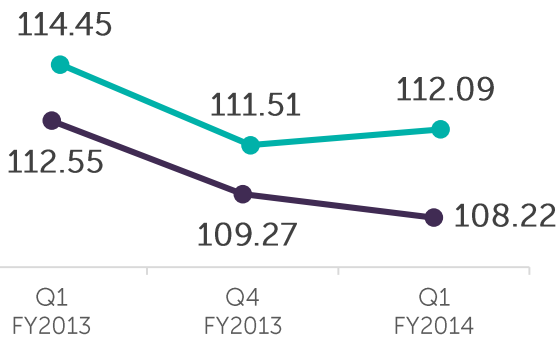
PETRONAS Group Financial Results Announcement

Financial Highlights

Datuk George Ratilal
Executive Vice President &
Group Chief Financial Officer

Key Indicators

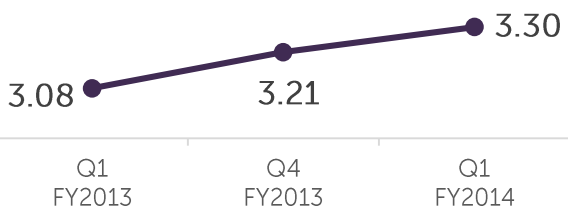
Benchmark Prices (USD/BBL)



avg dated brent
108.22
USD/bbl
3.9% lower than Q1 FY 2013

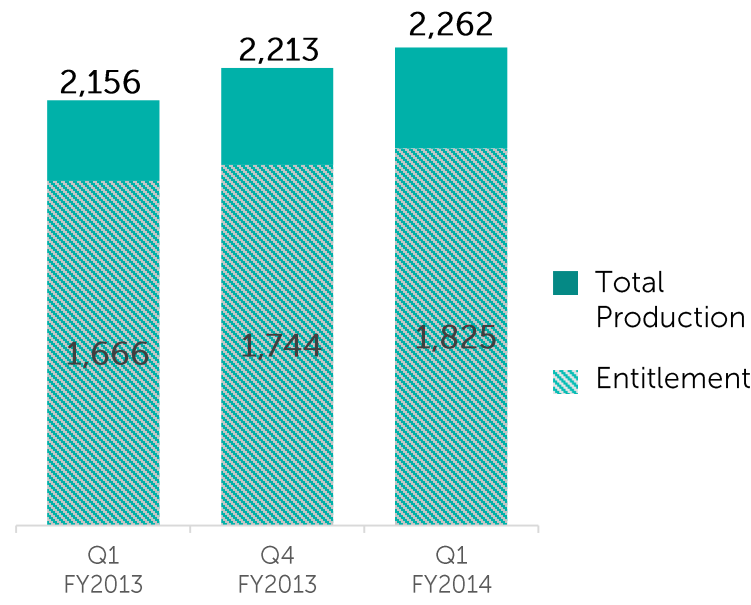
- Average JCC¹ 3-mth rolling
- Average Dated Brent

Avg Exchange Rate (USD/MYR)



exchange rate
3.30
USD/MYR
favourable movement of USD

Malaysia and International Oil & Gas Production & Entitlement (kboe/d)

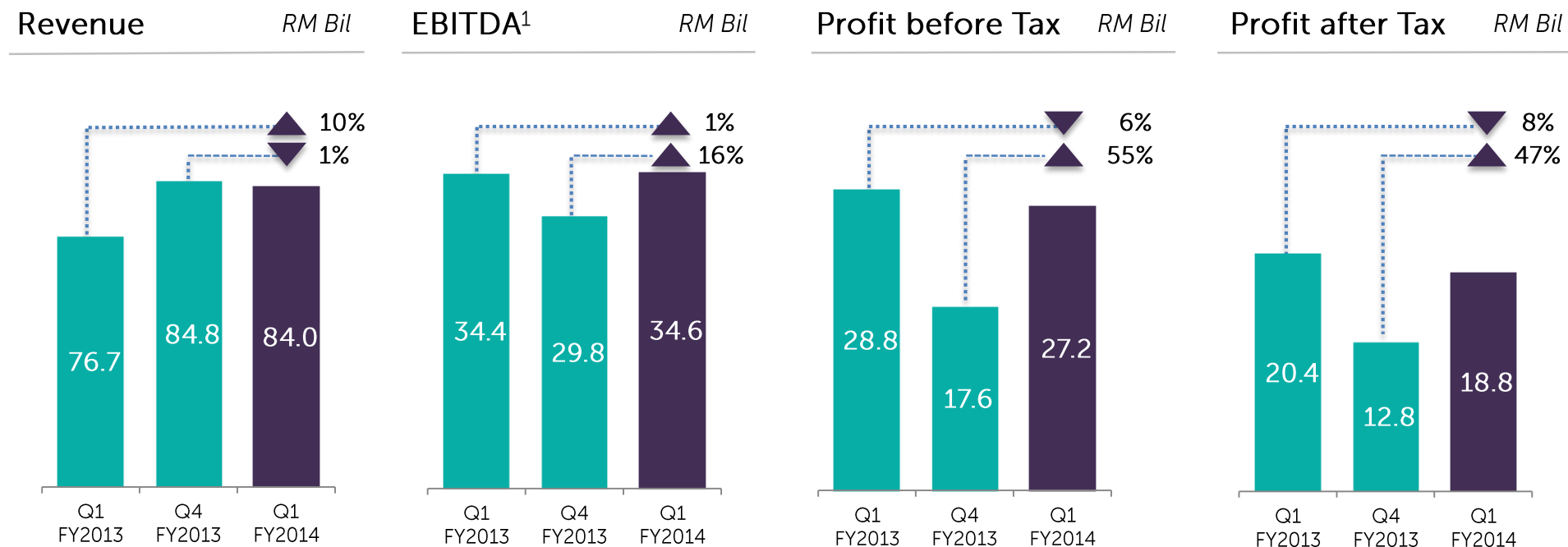


production **2,262** entitlement **1,825**
improvement driven by

- South Sudan production resumption
- new oil production from Iraq
- higher demand from Turkmenistan
- new gas production from Malaysia

¹ Japanese Crude Cocktail

Group Financial Performance



profit before tax

RM27.2b

Q1 FY2014 performance against same period last year was impacted by:

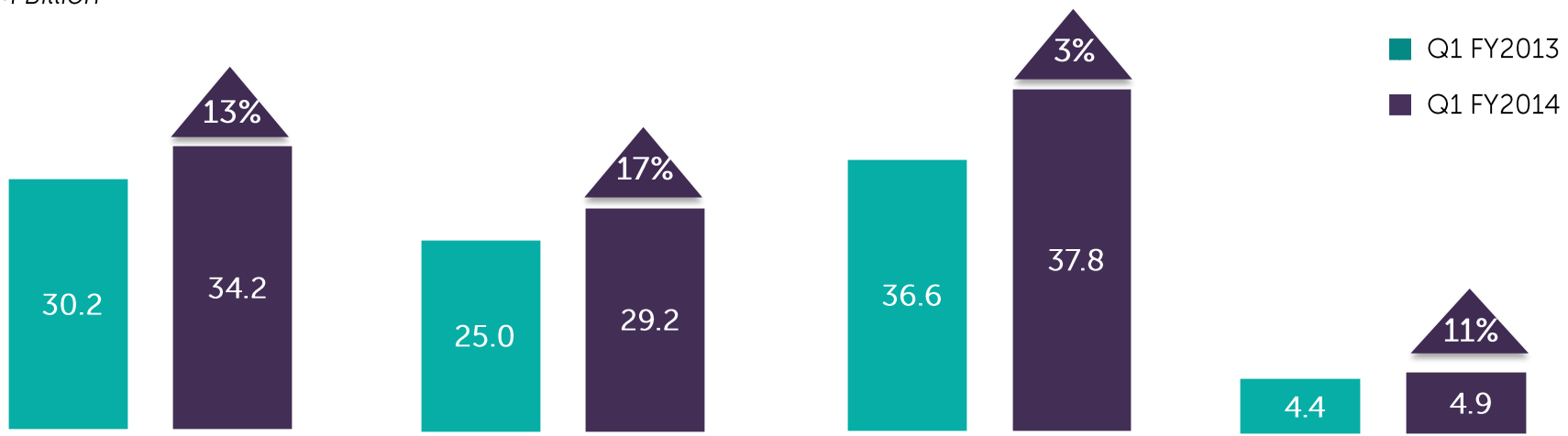
- fall in price offset by **improved production** and supported by favourable movement of the USD exchange rate against the Ringgit
- impairments – mainly Egypt
- higher operational costs due to increased exploration activities and costs incurred for LNG imports for RGT

¹EBITDA consists of profit before taxation and non-controlling interests, with the addition of amounts previously deducted for depreciation, amortisation and impairment loss on property, plant and equipment and intangible assets and financing costs, and the exclusion of interest income.

Business Segment Performance

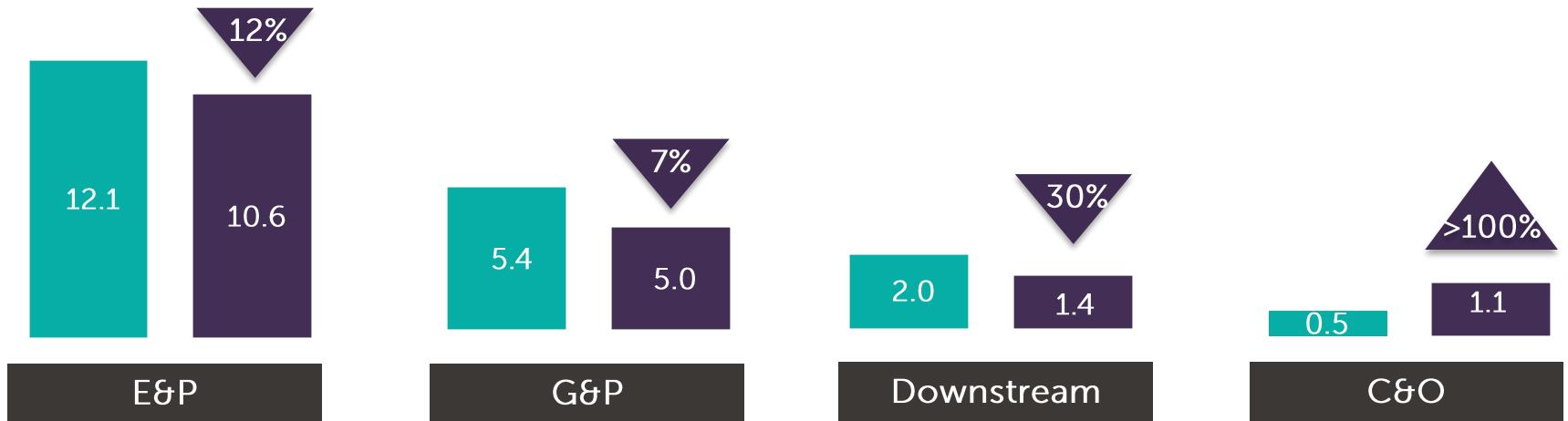
Revenue by Business Segment (Gross¹)

RM Billion



Profit After Tax by Business Segment (Gross¹)

RM Billion

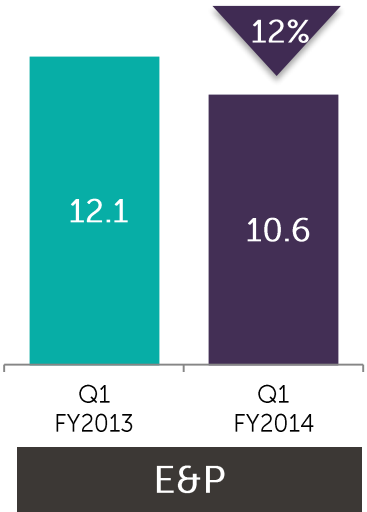


¹ Gross Revenue and PAT include both third party and inter-segment transactions.

Business Segment Performance

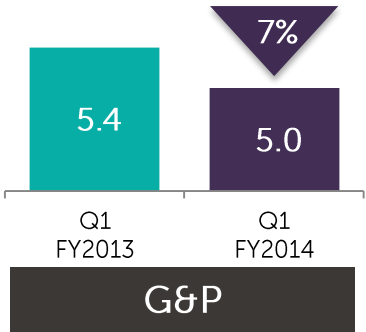
PAT by Business Segment (Gross¹)

RM Billion

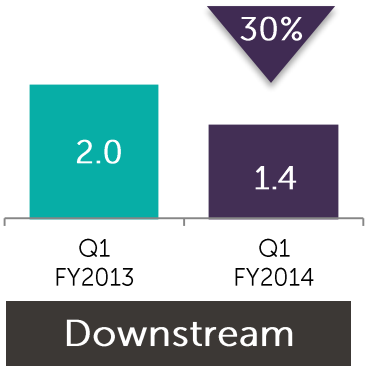


Improved production offset by:

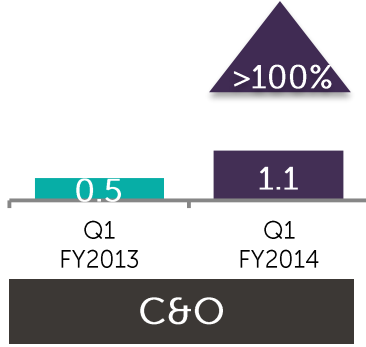
- ↓ crude prices
- ↑ costs from increased exploration activities
- impairment on Egypt assets



- ↑ LNG sales volume & sustained PLC² production
- ↑ costs incurred for processed gas via RGT Melaka (completed Q2 2013)



- ↓ crude prices
- ↓ refining margins
- ↓ trading & petrochemical products margins



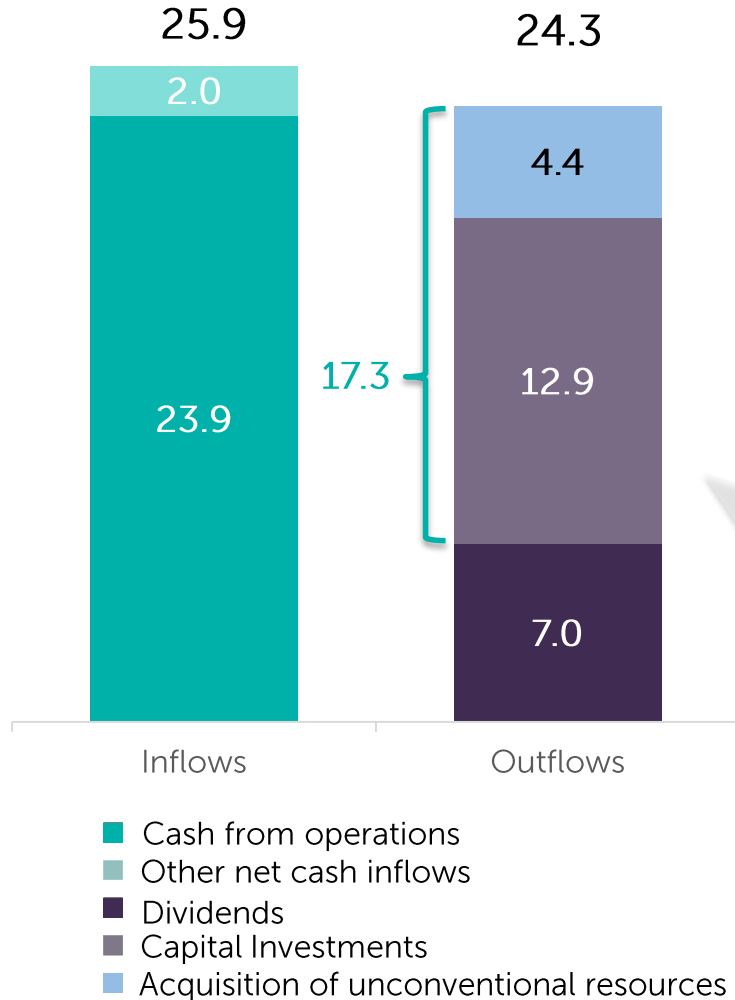
- ↑ property rentals and sales
- better margins from shipping
- forex gains

¹ Gross PAT include both third party and inter-segment transactions.
² PETRONAS LNG Complex
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Other Financial Highlights

Cash Flows Q1 FY2014

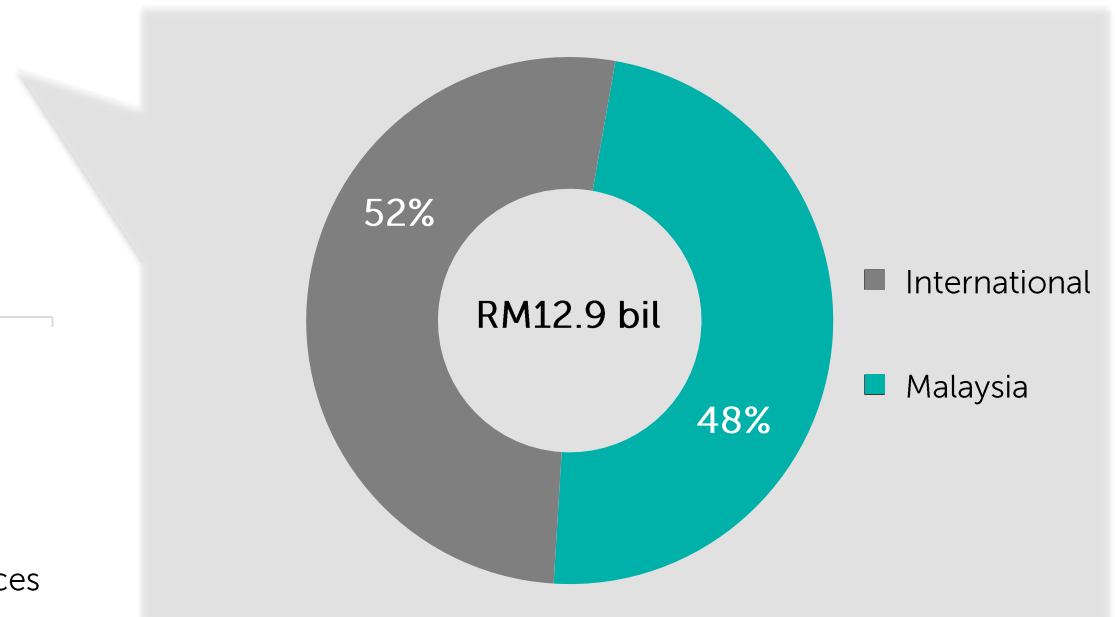
RM Billion



Financial Position

	31 Mar 2014	31 Dec 2013	Change
Total Assets (RM bil)	531.3	528.7	+2.6
Cash balance (RM bil)	142.5	140.9	+1.6
ROACE (%)	16.5	17.0	- 0.5
Gearing (%)	10.4	11.1	- 0.7

Capital Investments Q1 FY2014





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Thank You



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Exploration and Production Business

Operational Highlights

EP significant milestone achieved in delivering long term & sustainable growth



2 Greenfields 1st HC

- Damar
- Siakap North Petai



3 Exploration Discoveries

- Limbayong-2 (Oil)
- Duyong Deep-1
- Duyong Shallow-2



ORRR 3.1x
RRR 1.4x



First flow of gas from SSGP to MLNG



1 PSC signed

DW 2E (Total E&P Malaysia)

2 Award of Contract

- D35, D21 & J4 PSC Amendment
- Tanjung Baram RSC



INSTEP Integrated Oil and Gas Training Centre (IIOGTC)

Officially launched state-of-the-art facilities 27 March 2014



Talisman Asset acquisition

Completed on 12 March 2014



PSA with Indian Oil Company (IOC)

NMJV equity selldown of 10% completed on 25 March 2014



MOC with Turkish Petroleum Corporation (TPAO)

Signed on 28 March 2014

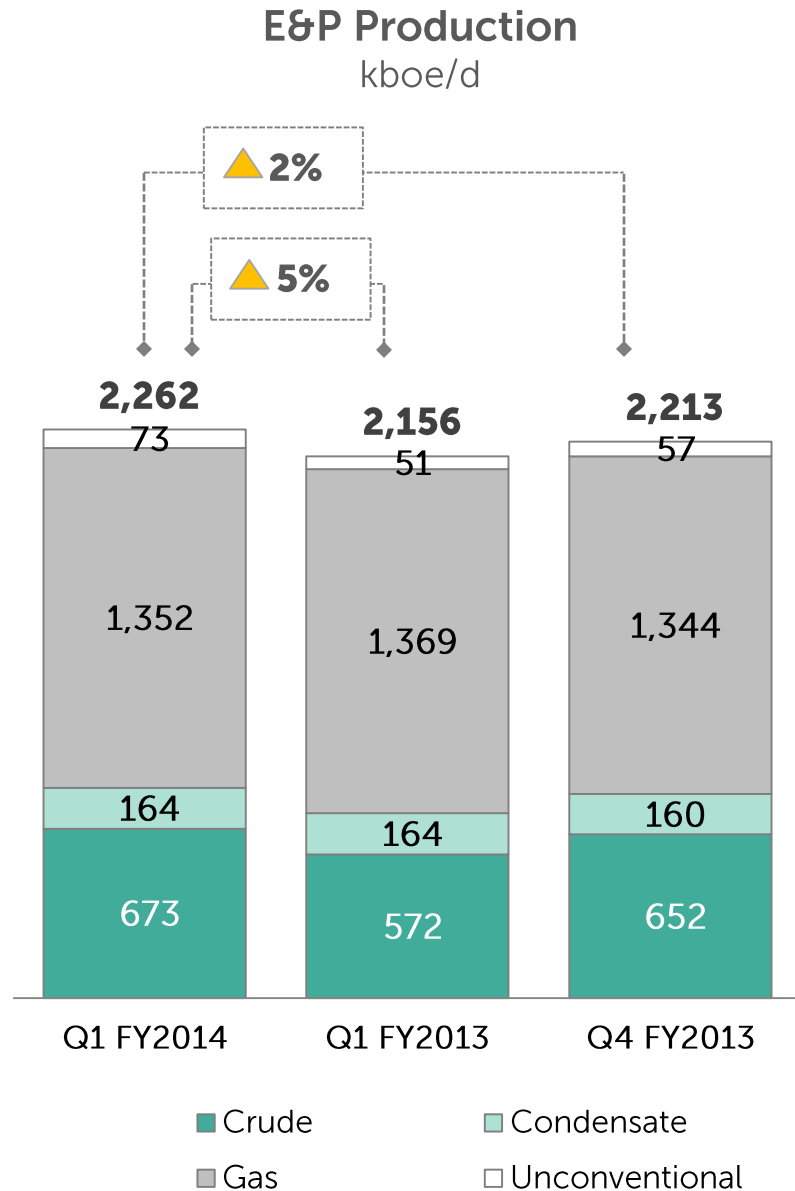
Operational Highlights

E&P Production for Q1 FY2014 is higher than Q1 & Q4 FY2013

Q1 FY2014 Prodn higher than Q1 FY2013 and Q4 FY2013 by 5% and 2% respectively

Strong E&P performance driven by:

- Msia Prodn enhancement
- Better well performance
- New oil/gas prodn from Msia and Iraq
- South Sudan prodn resumption & aggressive operations ramp up
- Turkmenistan higher demand





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Gas & Power Business

Q1 Key Achievements

Key milestones achieved for a sustainable future for LNG and sales gas growth

PNW

- EIS Submission by PNW on 28 February 2014 to B.C. Environmental Authority Export
- Completed sale of 10% Canada integrated LNG project to IOC on 25 March 2014. To date, 23% of the project has been sold to JAPEX (10%), Petroleum Brunei (3), IOC (10%)
- Canada's National Energy Board approval of PNW LNG export license on 26 March 2014

FLNG

- FLNG1 Hull Launching on 5 April 2014
- FLNG2 FID achieved on 23 January 2014

RM1.50

/mmbtu

Cabinet Approval on
Sales Gas Price increase

RM/MMBTU	w.e.f.	w.e.f.	w.e.f.	w.e.f.
	1-Jun-11	1-Jan-14	1-May-14	1-July-14
Power	13.70	15.20	15.20	16.70
Non Power	18.35	18.35	19.85	19.85
GMB	14.05	14.05	15.55	15.55

RM1.05

/Le

EC Approval on
new NGV price

Increase from RM0.68/Le pending SPAD taxi fare review in May 2014

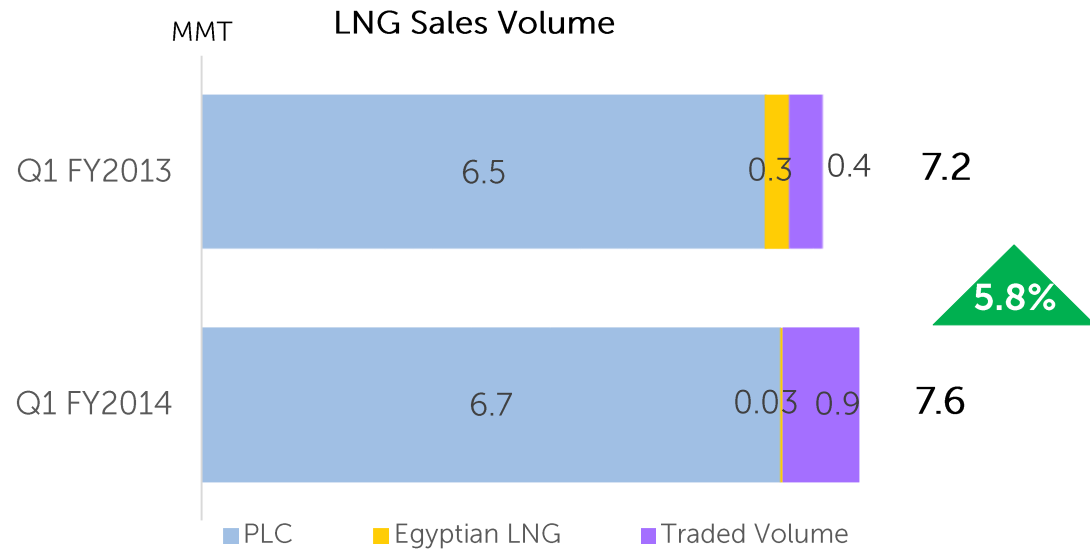
Note: Le = Litre equivalent, SPAD = Suruhanjaya Perkhidmatan Awam Darat; w.e.f: With effect from

Gas & Power Business

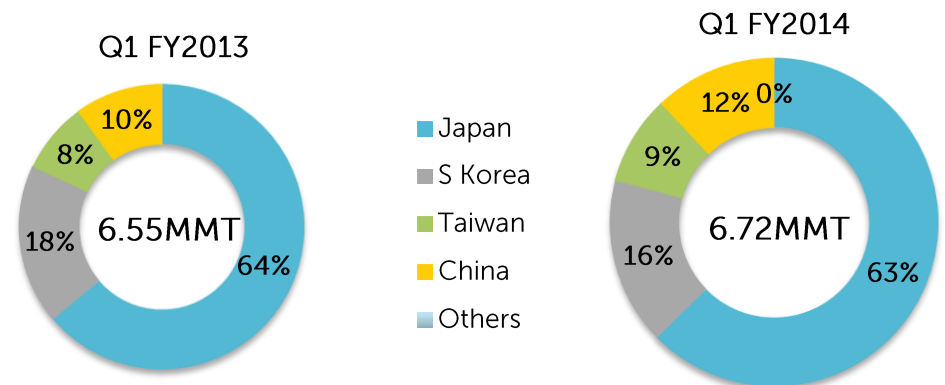
Higher LNG sales volume mainly from higher third party trading

LNG Sales Volume (↑ 5.8%):

- Total LNG sales volume for the year was higher by 0.42 million tonnes (MMT) as compared to the same period last year mainly due to increase in trading volume.
- Exports of LNG from PLC was higher by 2.6% from the same period last year which were mostly shipped to Japan, South Korea, Taiwan & China.



PETRONAS LNG Complex (PLC) % sales by country

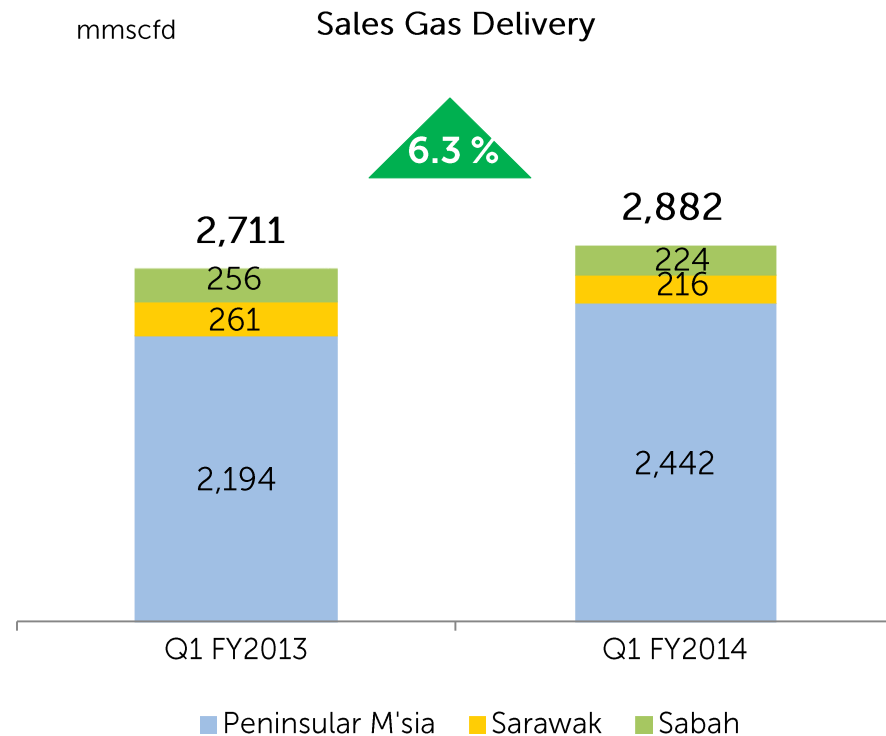


Gas & Power Business

Higher sales gas delivered from Domestic Kertih and RGT

Sales Gas (↑ 6.3%):

- Higher average sales gas delivery compared to same period last year mainly from higher domestic supply from Kertih, Terengganu, coupled with new gas supply sourced from LNG imported via the RGT.
- PETRONAS Gas Berhad continues to maintain world-class reliability levels for its Peninsular Gas Utilisation ("PGU") pipeline transmission system.



Reliability Level Attained (%)	Quarter 1	
	FY2013	FY2014
GPP	99.60%	99.90%
PGU	99.99%	100%



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Downstream Business

Downstream Business

Driving Superior Project Execution and Operational Excellence

Q1 FY2014 HIGHLIGHTS

- ❑ RAPID Project achieved Final Investment Decision on 3rd April 2014
- ❑ BASF PETRONAS Chemicals Sdn Bhd achieved Final Investment Decision on 13th February 2014 to build an integrated aroma chemicals complex at its site in Gebeng, Kuantan

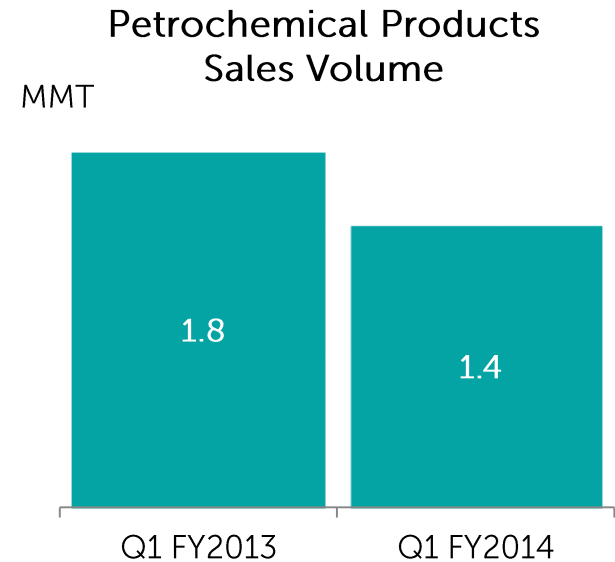
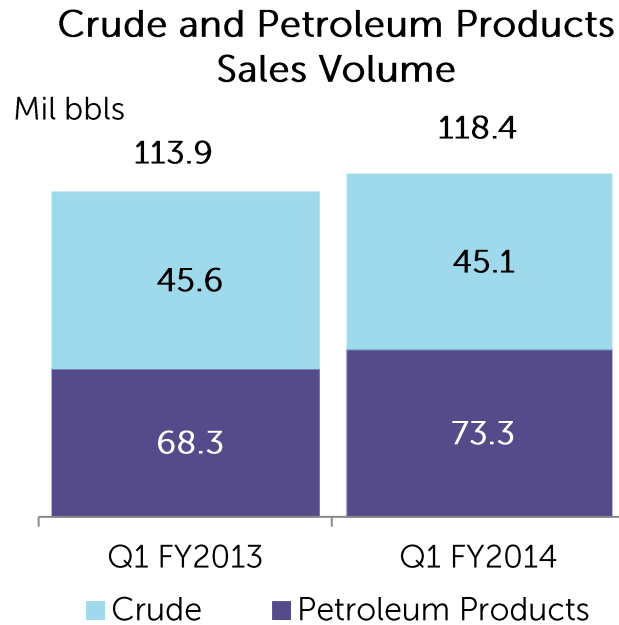
GROWTH IMPERATIVES

- 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



Downstream Business

Increase in petroleum products volume contributed by strong demand and opportunistic trading



Petroleum Products (↑7%):

- High demand for gasoil as well as stronger naphtha demand from petrochemical sector

Crude (↓1%):

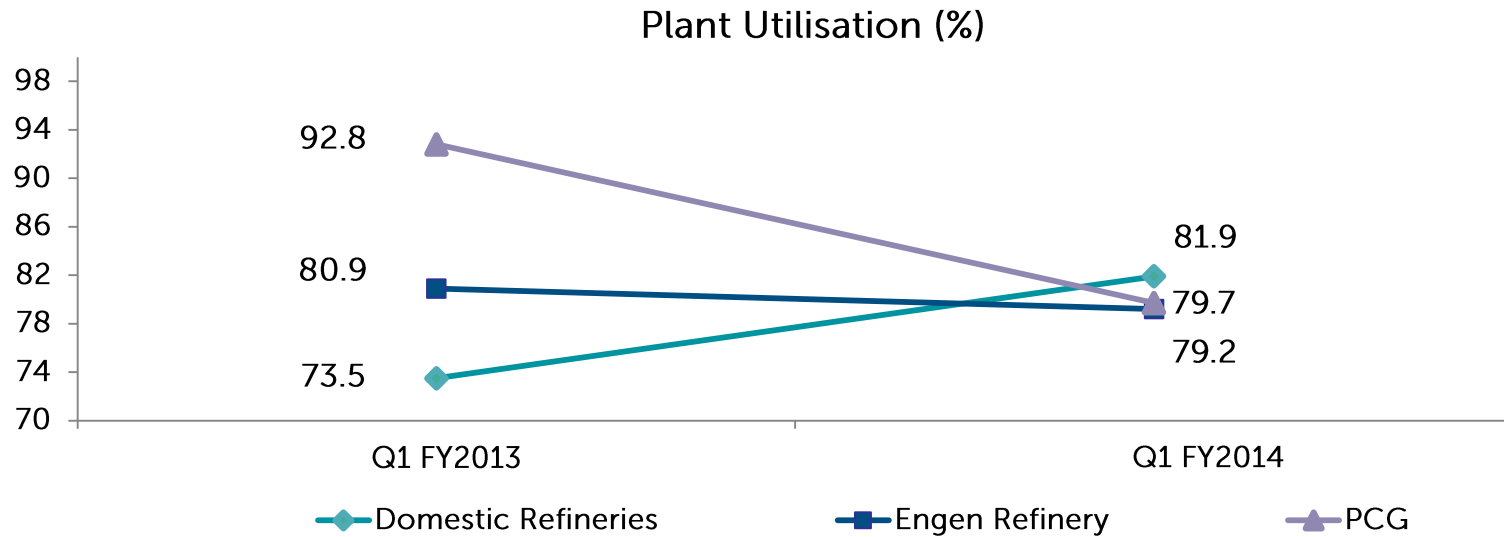
- Lower trading activities as a result of challenging market conditions

Petrochemical Products (↓22%):

- Lower petrochemical sales volume mainly due to lower plant production

Downstream Business

Weaker PCG Plant Utilisation mainly due to maintenance activities and feedstock limitation



Refineries and PCG Plants performance:

- Higher Domestic Refineries' utilisation as there were statutory shutdowns and turnaround activities during the same period last year
- Lower Engen Refinery's utilisation mainly due to maintenance activities during the quarter
- Lower PCG's plant utilisation mainly due to maintenance activities and feedstock limitation during the quarter



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Thank you