

PTT Exploration and Production Public Company Limited

Q1 2016 Analyst Meeting

Bangkok

16 May 2016



PTTEP

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 





Safety Performance

Industry Highlights

Financial Results

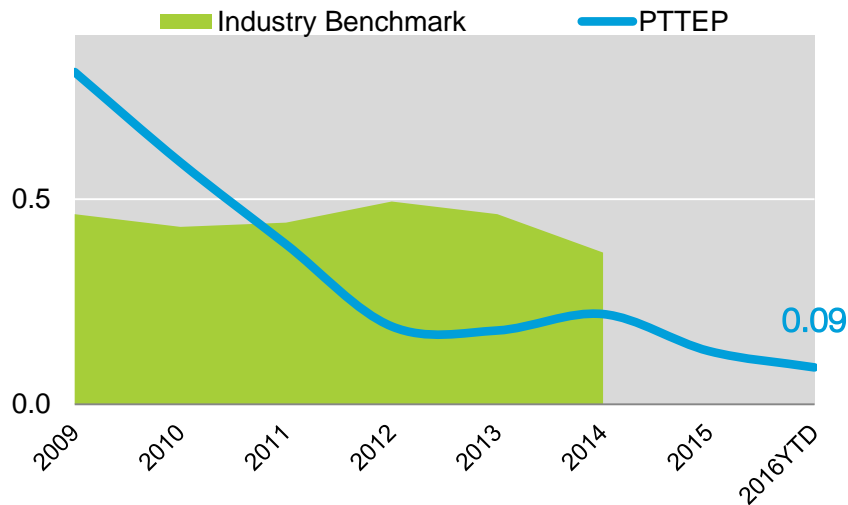
Outlook



Safety

Maintain high safety standard

of incidents per million man hours
(Lost time injury incident frequency, LTIF)

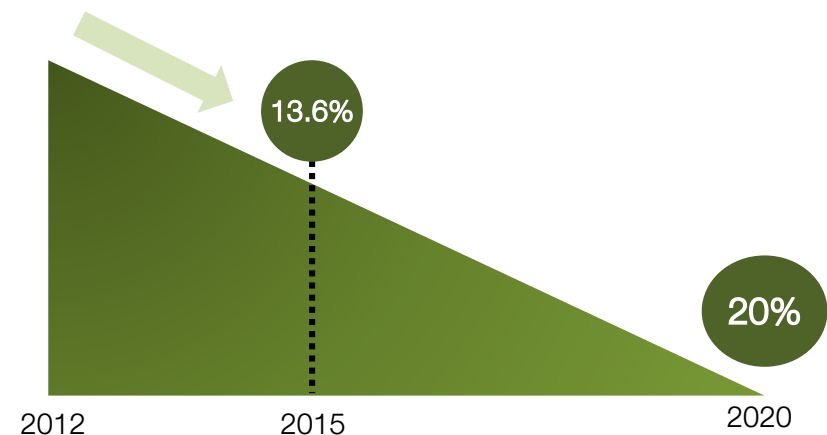


Safety of PTTEP employees and contractors in every aspect of our operations is key to achieve the goal of "Target Zero"

Environment

Target 20% GHG reduction by 2020

% of GHG emission reduction comparing to 2012 base year figure



PTTEP aims to become a Low Carbon Footprint organization, and has set a goal to reduce its greenhouse gas (GHG) emissions by not less the 20% in the year 2020 versus its 2012 base year figure.

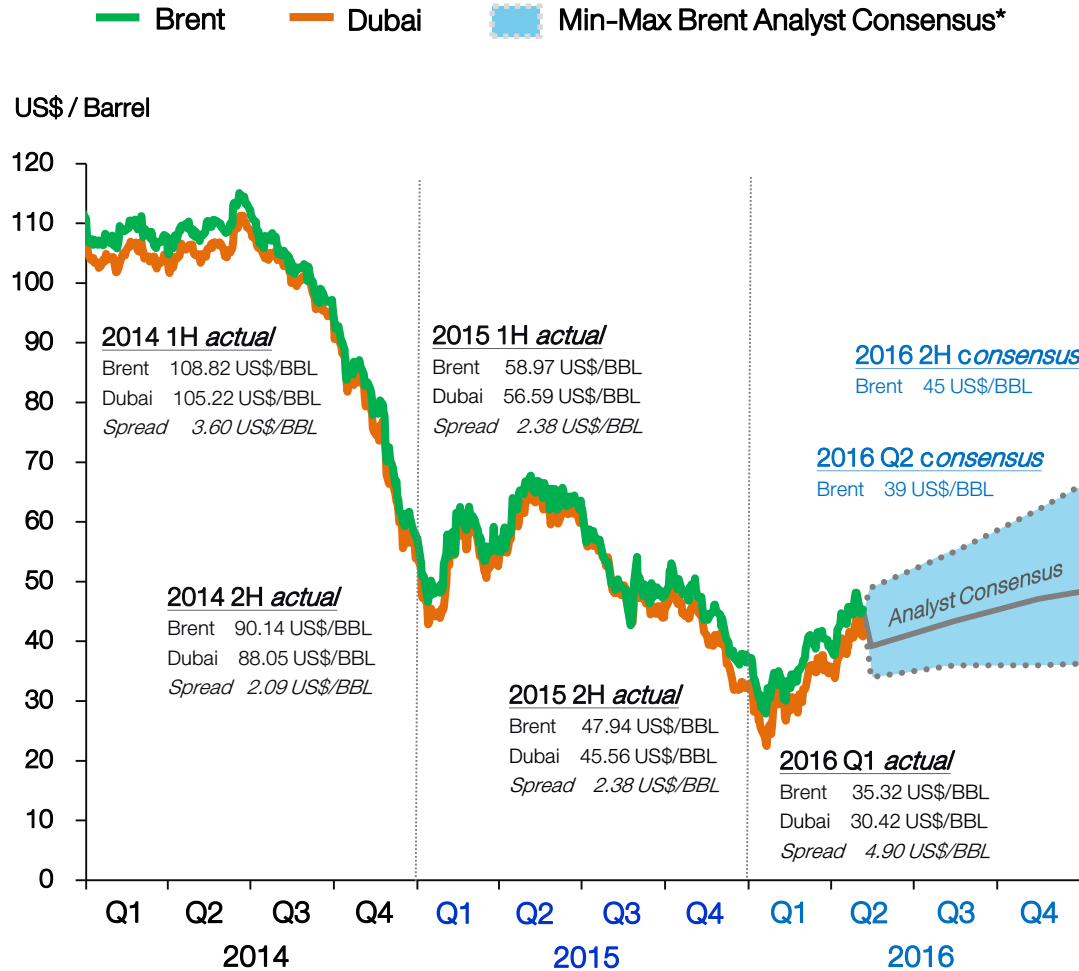


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Remark: * Bloomberg Analyst Consensus (CPFC) as of 9 May 2016 (43 estimates)

Q1 2016 Highlights

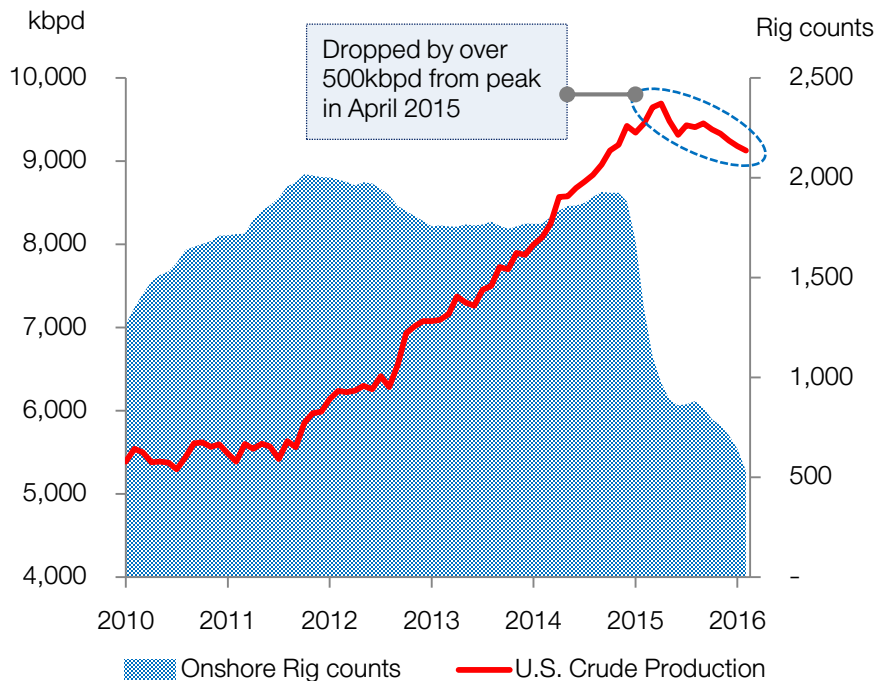
- ↓ Continued oversupply conditions
- ↓ Additional supply from Iran after international sanctions lifted
- ↑ Discussion between OPEC and non-OPEC members to limit production

Outlook for the Remainder of 2016

- ↓ Increasing supply from Iran
- ↓ New record of US crude inventory
- ↑ Decline in US shale production
- ↑ Continued growth in global crude oil demand
- ↑ Recent supply disruption (mainly Canada)

US Production

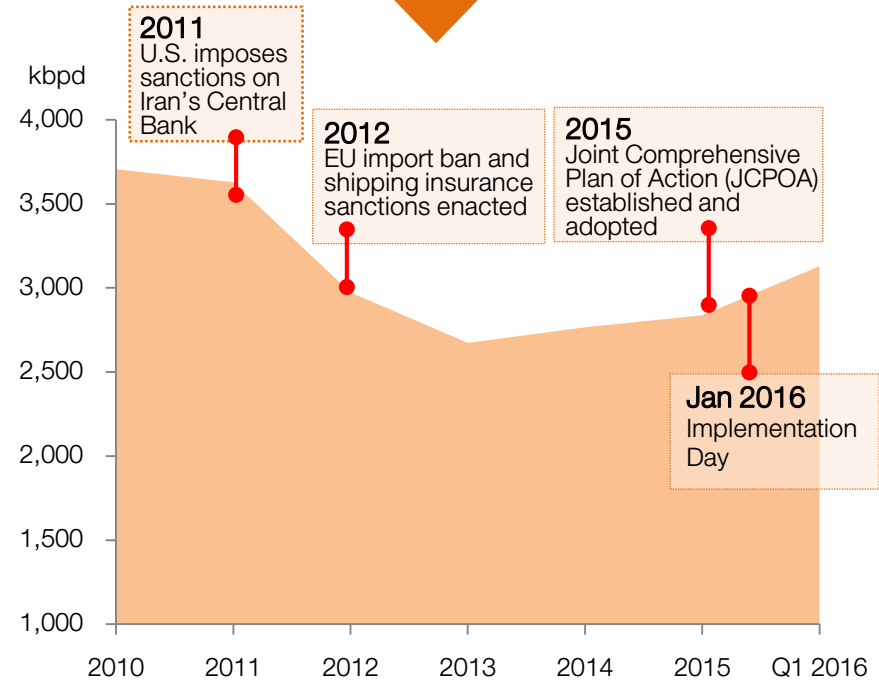
Start to see an impact on US crude production following investment cuts since end 2014



Source: Baker Hughes and EIA

Iran Output

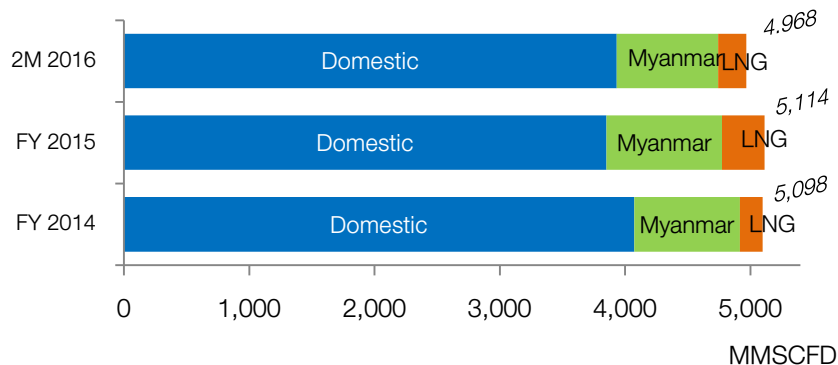
Iran's crude output has risen by ~300 KBPD after sanctions removed in Jan 2016



Source: OPEC Monthly Oil Market Report

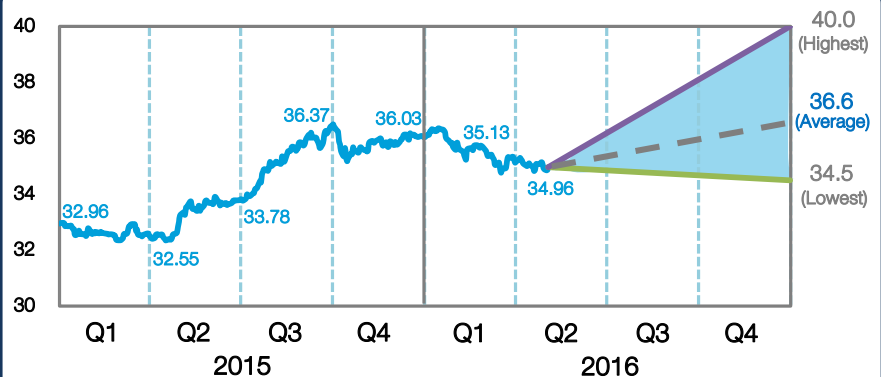


Thailand's Natural Gas Supply by Source



Source: EPPO

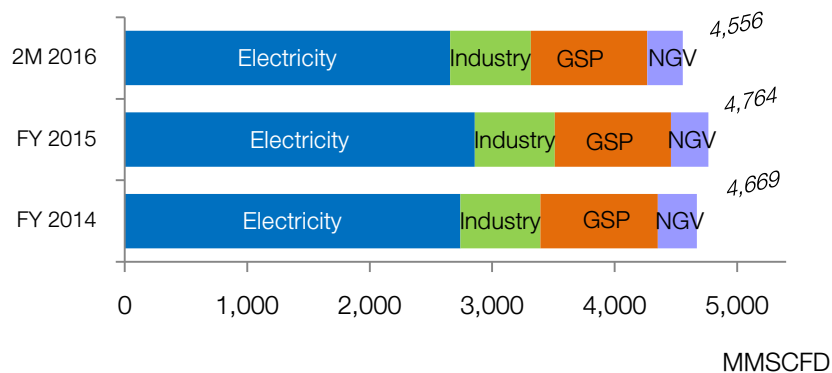
Exchange Rate Movement (THB/USD)



Source: Bank of Thailand, Bloomberg

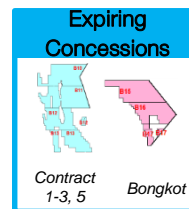
Forecast based on Bloomberg Consensus as of 4 May 2016

Thailand's Natural Gas Consumption by Sector



Source: EPPO

Upstream Energy Reform



- According to National Energy Policy Office meeting in May 2015, contractual management plan for expiring concessions to be concluded within one year
- Bidding round process could be resumed after amendments to Petroleum Act is finalized



Safety Performance

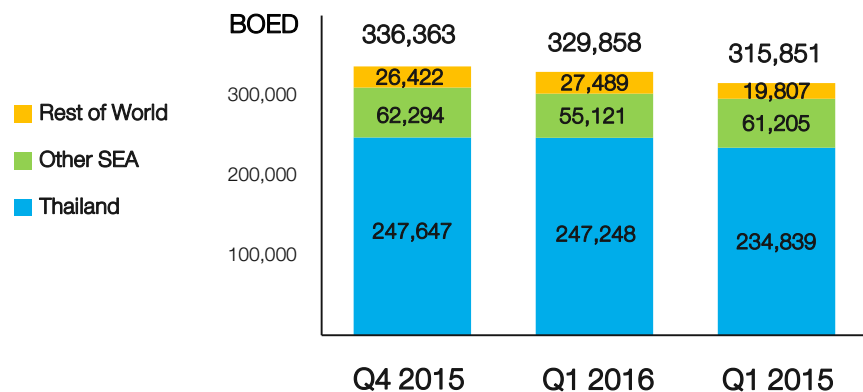
Industry Highlights

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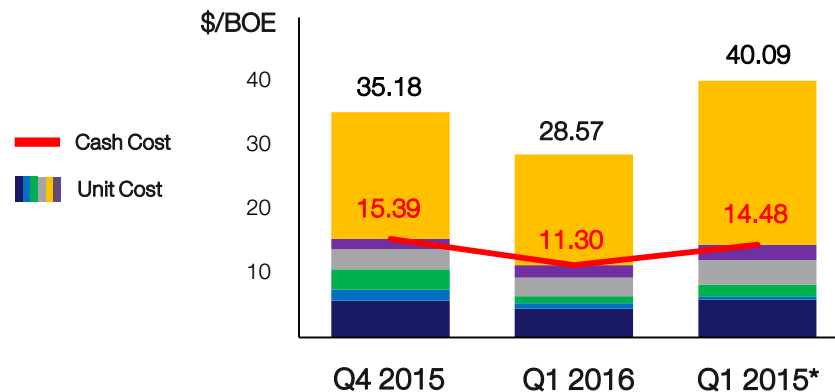


Sales Volume and Price



Gas (\$/MMBTU)	6.29	6.09	8.08
Liquid (\$/BBL)	42.22	32.04	50.06
Weighted Avg. (\$/BOE)	39.18	35.08	48.95
Avg. Dubai (\$/BBL)	40.71	30.42	51.89
Avg. HSFO (\$/BBL)	33.39	24.67	48.90
(High Sulphur Fuel Oil)			
Volume Mix (Gas : Liquid)	69 : 31	68 : 32	70 : 30
Revenue Mix (Gas : Liquid)	66 : 34	71 : 29	70 : 30

Unit Cost



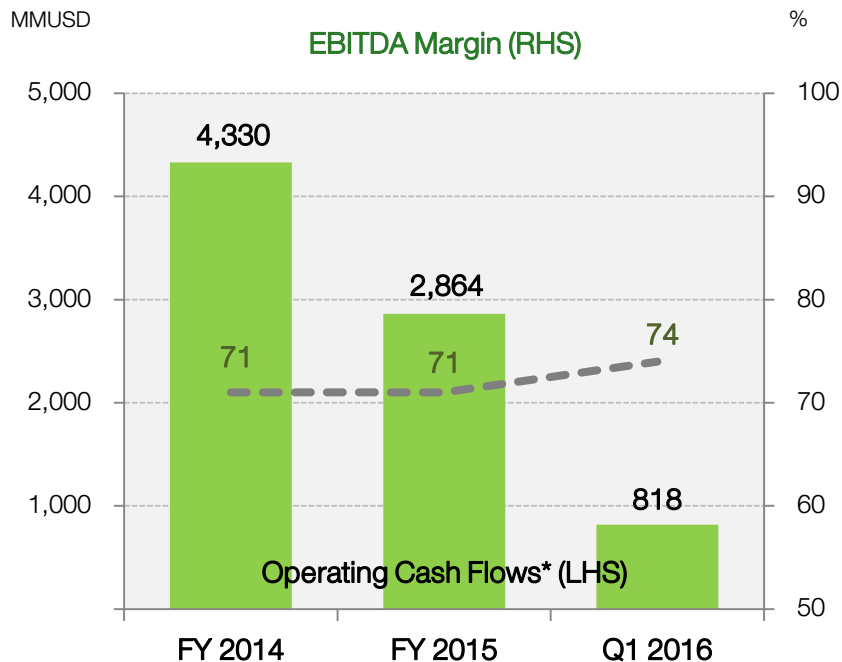
DD&A	19.79	17.27	25.61
Finance Cost	1.60	1.94	2.41
Royalties	3.14	2.94	3.84
G&A	3.16	1.08	1.88
Exploration Expenses	1.73	0.86	0.47
Operating Expenses	5.76	4.48	5.88
Lifting Cost	4.32	3.90	4.57
Drilling Success Ratio**	1 : 5	2 : 3	15 : 18

Remark: * Restated

** Successful wells : Total wells (includes Exploration and Appraisal wells)

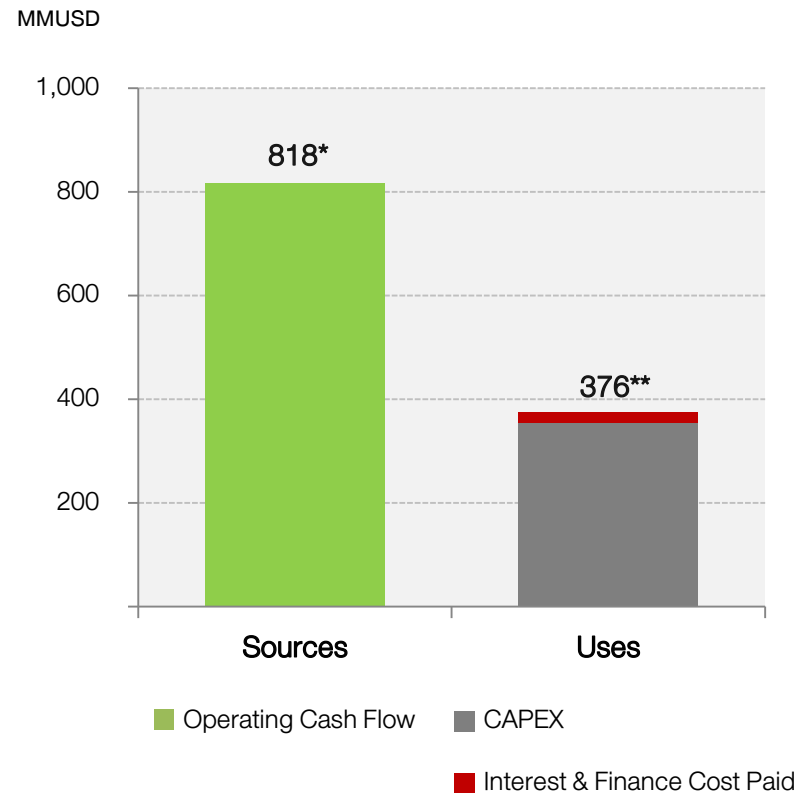


Cash Flow Performance



Net Income	677	(854)	157
Recurring Net Income***	1,538	718	116

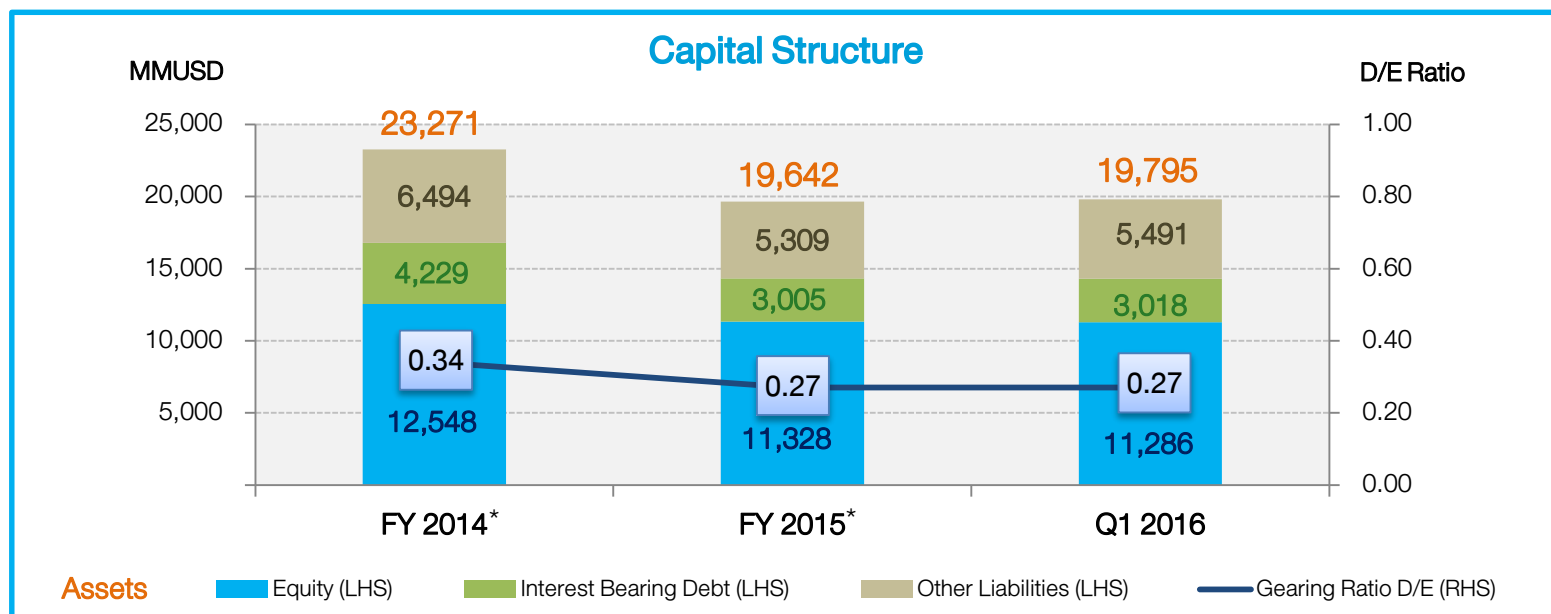
Source & Use of Funds in Q1 2016



Remark: * Net of adjustment for the effect of exchange rate changes on cash and cash equivalents

** Excludes cash flows for investing in short-term investments (Fixed deposit > 3 months)

*** Excludes Gain/(Loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/(Loss) from Financial Instruments, Impairment Loss on Assets, and etc.



Debt Profile**



Weighted Average
Cost of Debt** (%)

4.14

4.32

4.42

[Fixed : Floating]

[77 : 23]

[82 : 18]

[82 : 18]

Average Loan Life** (Years)

7.05

8.17

8.54

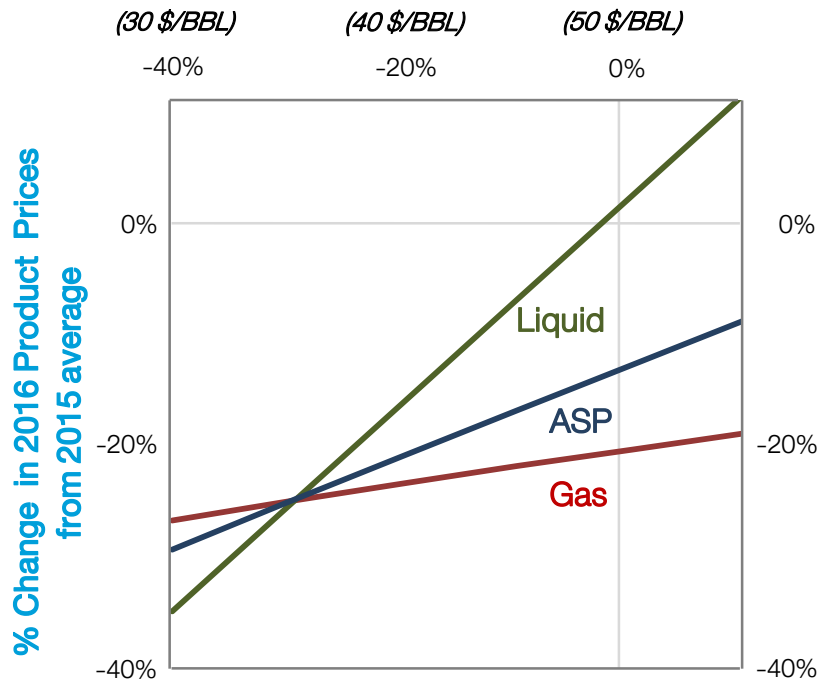
Remark: * Restated

** Excludes Hybrid bonds

Product price sensitivity to oil price

- Liquid price largely moves in line with crude price
- Gas price impacted by last year's crude price due to lag time in price adjustment

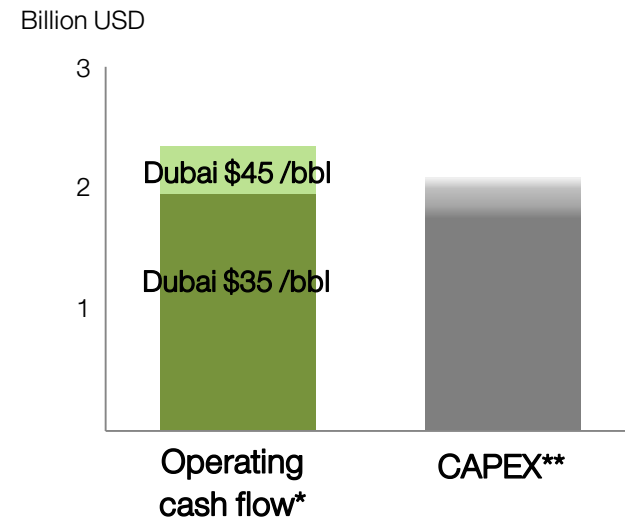
% Change in 2016 Dubai from 2015 average
(average 2015 Dubai at \$50/BBL)



2016 liquidity outlook

- Solid cash flow from operations despite continued drop in gas price
- No debt maturity in 2016/17

2016 Projected Cash Flow



* assumes various operational assumptions and modelled on varying Dubai prices

** ranges from 1.9-2.1 billion USD based on the announced 2016 CAPEX and subsequent reduction target of 10%



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RESET

REFOCUS

RENEW

Maintain sales volume

Unit: KBOED



2016 full year guidance



Average Gas Price *

Full Year

~5.5
USD/MMBTU



Average Sales Volume

~322
KBOED



EBITDA Margin

~65
% of sales revenue



Unit Cost

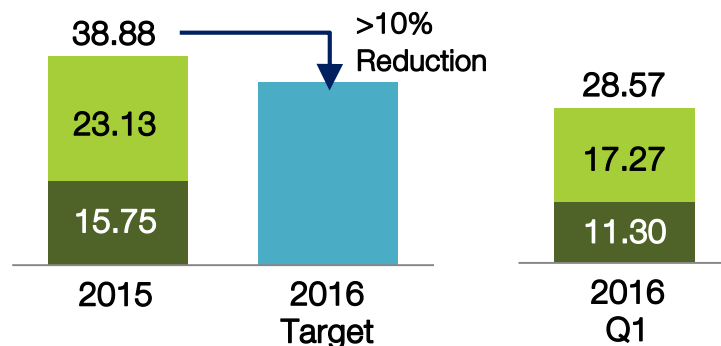
< 34
USD / BOE

Bring down unit cost

Unit: USD/BOE

Cash

Non-cash



* Based on the average Dubai crude oil price of 39 USD/BBL in 2016 after taking into account the Q1 2016 average price of 30.42 USD/BBL

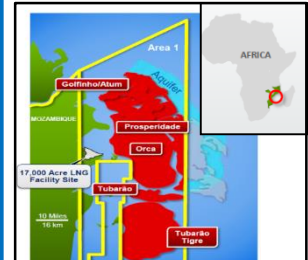



RESET

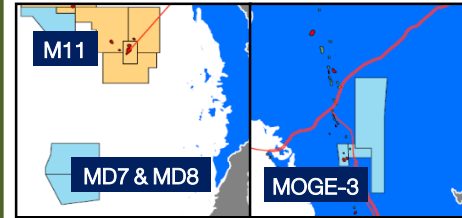
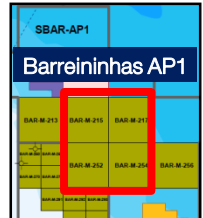
REFOCUS

RENEW



Progressing on pre-development candidates

Mozambique	Algeria
 <ul style="list-style-type: none"> Focus on finalizing commercial agreements 	 <ul style="list-style-type: none"> To complete exploration and appraisal program Assess resources and development concept

Exploration in new prospective areas

Myanmar (offshore, onshore)	Brazil
 <ul style="list-style-type: none"> Conduct 2D / 3D seismic surveys 	 <ul style="list-style-type: none"> Prepare for 3D seismic survey

Evaluate new investment opportunities

Southeast Asia	LNG value chain
 <ul style="list-style-type: none"> Producing / near-term producing assets Prospective exploration blocks 	 <ul style="list-style-type: none"> Evaluate feasibility to form LNG partnership with PTT

Source : Anadarko, The National Agency of Petroleum, Natural Gas and Biofuels, Brazil (the ANP)



- ✓ On track to achieve stable sales volume
- ✓ Competitive operating performance through better cost structure
- ✓ Ample liquidity with solid cash flow and significant cash on hand
- ✓ Options for long-term growth through organic and inorganic investments



You can reach the Investor Relations team for more information and inquiry through the following channels:



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Detailed financial information

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Project details

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Organization structure

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Ratios and formula

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Unit : MMUSD

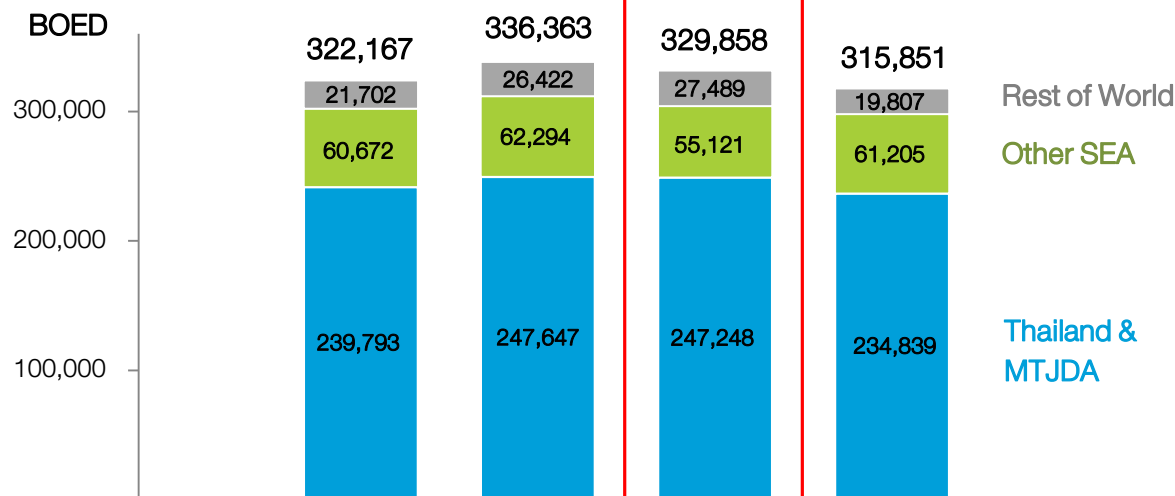
Statement of Income	Q4 15	Q1 16	% QoQ	Q1 15*	% YoY
Total Revenues	1,337	1,093	(18)	1,453	(25)
Sales	1,213	1,053	(13)	1,392	(24)
Others	124	40	(68)	61	(34)
Sales Volume (BOED)	336,363	329,858	(2)	315,851	4
Sales Price (USD/BOE)	39.18	35.08	(10)	48.95	(28)
Total Expenses	1,205	936	(22)	1,189	(21)
Major Expenses:					
Operating Expenses	178	135	(24)	167	(19)
Exploration Expenses	53	26	(51)	13	100
DD&A	612	518	(15)	728	(29)
Income Tax Expense	119	30	(75)	18	67
(Gain)/Loss on FX	(4)	(6)	(50)	34	>(100)
Net Income	132	157	19	264	(41)
Recurring Net Income	13	116	>100	248	(53)
Non-Recurring**	119	41	(66)	16	>100

* Restated

** Includes Gain/(Loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/(Loss) from Financial Instruments, and etc.



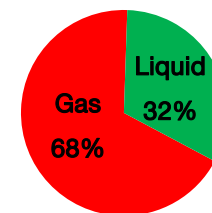
Sales Volume



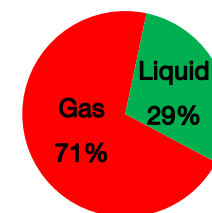
Sales Price	2015	Q4 15	Q1 16	Q1 15
Gas (\$/MMBTU)	7.20	6.29	6.09	8.08
Liquid (\$/BBL)	50.05	42.22	32.04	50.06
Weighted Avg. (\$/BOE)	45.29	39.18	35.08	48.95
Avg. Dubai (\$/BBL)	50.91	40.71	30.42	51.89
Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil)	44.86	33.39	24.67	48.90

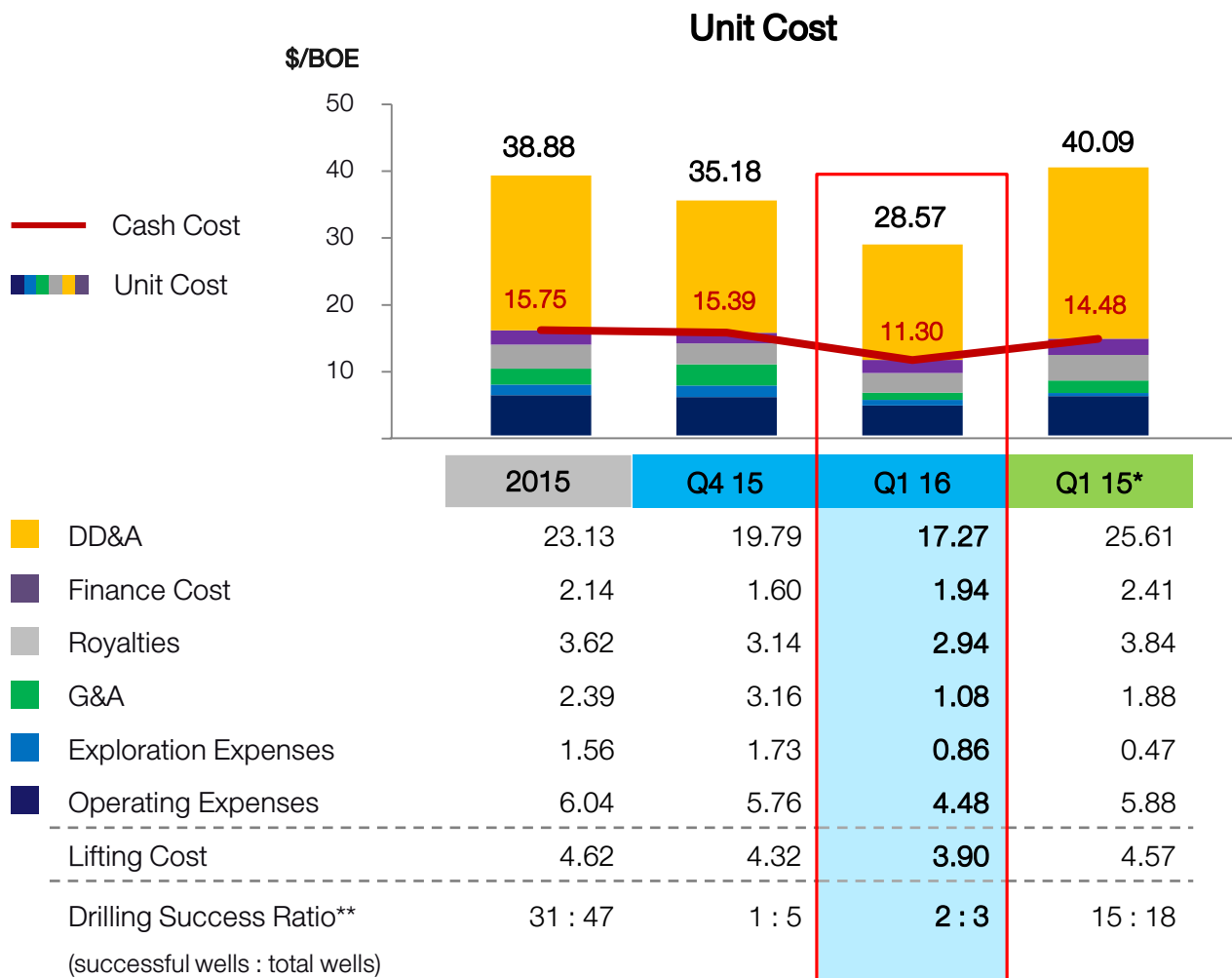
Q1 2016 Sales Volume & Revenue By Product

Volume Mix



Revenue Mix





Note: * Restated

** Exploration and Appraisal Wells

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q4 15	Q1 16	Q1 15*
Sales Revenue** (MMUSD)	1,236	1,070	1,427
EBITDA (MMUSD)	809	789	1,084
Net Income (MMUSD)	132	157	264
Recurring Net Income (MMUSD)	13	116	248
Earning Per Share (USD)	0.02	0.04	0.07
Key Financial Ratios			
EBITDA Margin (%)	65	74	76
Return on Equity (%) (LTM)	(7)	(8)	5
Return on Capital Employed (%) (LTM)	(5)	(5)	4
Return on Equity (%) (LTM, Recurring Net Income)	6	5	11
Return on Capital Employed (%) (LTM, Recurring Net Income)	5	5	10

Note: * Restated

** Sales and revenue from pipeline transportation

The formulas for calculating ratios are provided in the supplementary section for your reference



	Q4 15	Q1 16
Total Assets (MMUSD)	19,642	19,795
- Cash & cash equivalents* (MMUSD)	3,260	3,702
Total Liabilities (MMUSD)	8,314	8,509
- Interest bearing debt (MMUSD)	3,005	3,018
Equity (MMUSD)	11,328	11,286
Key Financial Ratios		
Total Debt to Equity (X)	0.27	0.27
Net Debt* to Equity (X)	(0.02)	(0.06)
Total Debt to Capital (X)	0.21	0.21
Total Debt to EBITDA (X)	0.78	0.85
Net Debt* to EBITDA (X)	(0.07)	(0.19)
EBITDA Interest Coverage (X)	24	24

Credit Ratings : BBB+ (S&P), Baa1 (Moody's), AAA (TRIS)

Weighted Average Cost of Debt :** 4.42%

Average Loan Life :** 8.54 years

Note: * Cash & Cash Equivalents (Cash on hand) include Short-term Investments (Fixed deposit > 3 months)

Net Debt = Total Debt less Cash & Cash Equivalents and Short-term Investments

** Excludes hybrid bonds

The formulas for calculating ratios are provided in the supplementary section for your reference



	Project	Status*	PTTEP's Share	Partners <i>(as of Q1 2016)</i>		Q1 2016 Average Sales Volume **		2016 Key Activities
						Gas	Oil and Other	
Production Phase								
Thailand and JDA								
1	Arthit	OP	80%	Chevron MOECO	16% 4%	234 MMSCFD	Condensate: 9.2 k BPD	<ul style="list-style-type: none">• Ensure gas deliverability level at DCQ****• Drill development wells• Install wellhead platforms
2	B6/27	OP	60%***			N/A	N/A	<ul style="list-style-type: none">• Subsurface study
3	B8/32 & 9A		25%	Chevron MOECO KrisEnergy PSTL	51.66% 16.71% 4.63% 2%	129 MMSCFD	Crude: 30 k BPD	<ul style="list-style-type: none">• Drill development wells• Perform waterflood activities
4	Bongkot	OP	44.4445%	TOTAL British Gas	33.3333% 22.2222%	901 MMSCFD	Condensate: 31 k BPD	<ul style="list-style-type: none">• Ensure gas deliverability level at DCQ****• Drill Exploration / Appraisal / Development wells• Install wellhead platforms
5	Contract 3 <i>(Formerly Unocal III)</i>		5%	Chevron MOECO	71.25% 23.75%	558 MMSCFD	Crude: 25 k BPD Condensate: 20 k BPD	<ul style="list-style-type: none">• Drill exploration / appraisal / development wells• Install wellhead platforms• Perform waterflood activities
6	Contract 4 <i>(Formerly Pailin)</i>		60%	Chevron MOECO	35% 5%	333 MMSCFD	Condensate: 15 k BPD	<ul style="list-style-type: none">• Ensure gas deliverability level at DCQ****• Drill exploration / appraisal / development wells• Install wellhead platforms• Review development plan of Ubon field
7	E5		20%	ExxonMobil	80%	12 MMSCFD	-	
8	G4/43		21.375%	Chevron MOECO PSTL	51% 21.25% 6.375%	1.2 MMSCFD	Crude: 7.2 k BPD	<ul style="list-style-type: none">• Drill development wells• Perform waterflood activities
9	G4/48		5%	Chevron MOECO	71.25% 23.75%	5.2 MMSCFD	Crude: 479 BPD	
10	L53/43 & L54/43	OP	100%			-	Crude: 137 BPD	<ul style="list-style-type: none">• Drill exploration and development wells
11	PTTEP1	OP	100%			-	Crude: 397 BPD	<ul style="list-style-type: none">• Drill development wells• Perform waterflood activities
12	S1	OP	100%			23 MMSCFD	Crude: 28 k BPD	<ul style="list-style-type: none">• Drill exploration / appraisal / development wells• Enhance oil recovery program includes waterflooding and artificial lift
13	Sinphuhorm	OP	55%	Apico ExxonMobil	35% 10%	124 MMSCFD	Condensate: 482 BPD	<ul style="list-style-type: none">• Drill development wells
14	MTJDA	JOC	50%	Petronas-Carigali	50%	314 MMSCFD	Condensate: 6.3 k BPD	<ul style="list-style-type: none">• Drill development wells• Install wellhead platforms
15	L22/43	OP	100%			-	Crude: 82 BPD	<ul style="list-style-type: none">• Drill exploration / development wells

* Status: OP = PTTEP operatorship / JOC = PTTEP joint operatorship

** Sales volume stated at 100% basis.

*** Pending the approval of the partner divestment from DMF

**** DCQ = Daily Contractual Quantity



	Project	Status*	PTTEP's Share	Partners (as of Q1 2016)	Q1 2016 Average Sales Volume **		2016 Key Activities
					Gas	Oil and Other	
Production Phase							
Overseas							
16	Oman 44	OP	100%		23 MMSCFD	Condensate: 1.3 k BPD	• Maintain production operation
17	Vietnam 9-2	JOC	25%	PetroVietnam 50% SOCO 25%	12 MMSCFD	Crude: 2.7 k BPD	• Maintain production operation • Perform reservoir management
18	Yadana		25.5%	TOTAL 31.24% Chevron 28.26% MOGE 15%	707 MMSCFD	-	• Drill exploration / development wells • Acquire 2D seismic reprocessing • Perform reservoir management
19	Yetagun		19.3178%	Petronas-Carigali 30.00140% MOGE Nippon Oil 20.4541% PC Myanmar 19.3178% (Hong Kong) 10.90878%	233 MMSCFD	Condensate: 4 k BPD	• Drill development wells • Perform reservoir Management
20	Vietnam 16-1	JOC	28.5%	PetroVietnam 41% SOCO 28.5% OPECO 2%	15 MMSCFD	Crude: 27 k BPD	• Drill development wells • Perform reservoir management • Review feasibility for water handling facility upgrade
21	PTTEP Australasia (PTTEP AA)	OP	20%-100% (varied by permits)		-	Crude: 20 k BPD	• Maintain production operation • Assess resource potential of exploration permits
22	Natuna Sea A		11.5%	Premier Oil 28.67% KUFPEC 33.33% Petronas 15% Pertamina 11.5%	218 MMSCFD	Crude: 2.2 k BPD	• Maintain production operation
23	Zawtika (M9 & a part of M11)	OP	80%	Myanma Oil and Gas Enterprise (MOGE) 20%	276 MMSCFD	-	• Maintain production rate • Drill development wells • Install wellhead platforms
24	Algeria 433a & 416b (Bir Seba)	JOC	35%	PetroVietnam 40% Sonatrach 25%	-	Crude: 2 k BPD (net entitlement)	• Maintain production operation • Review field development plan for possible capacity expansion

* Status: OP = PTTEP operatorship / JOC = PTTEP joint operatorship

** Sales volume stated at 100% basis except for Algeria 433a & 416b



	Project	Status*	PTTEP's Share	Partners (as of Q1 2016)	2016 Key Activities
Exploration Phase					
Thailand and JDA					
25	G9/43	OP	100%		
Overseas					
26	Myanmar M3	OP	80%	MOECO 20%	• Access development options and commercial potential
27	Mozambique Rovuma Offshore Area 1		8.5%	Anadarko, Mitsui, ENH, Bharat Petroleum, BREML, OVL 26.5%, 20%, 15%, 10%, 10%, 10%	• Preparatory work for Final Investment Decision (FID) including LNG marketing and finalization of remaining commercial contracts
28	Algeria Hassi Bir Rekaiz	OP	24.5%	CNOOC Sonatrach 24.5% 51%	• Drill Appraisal wells
29	Myanmar M11	OP	100%**		
30	Vietnam B & 48/95		8.5%	PVN MOECO 65.88% 25.62%	• Negotiate a GSA with the Vietnamese government
31	Vietnam 52/97		7%	PVN MOECO 73.4% 19.6%	• Negotiate a GSA with the Vietnamese government
32	Myanmar PSC G and EP 2	OP	70%	WinPreciousResources MOECO Palang Sophon Offshore 10% 10% 10%	• Conduct G&G studies
33	Kenya L11A, L11B, L12		10%	Anadarko Total ENI 50% 30% 10%	• Conduct G&G studies

* Status: OP = PTTEP operatorship / JOC = PTTEP joint operatorship

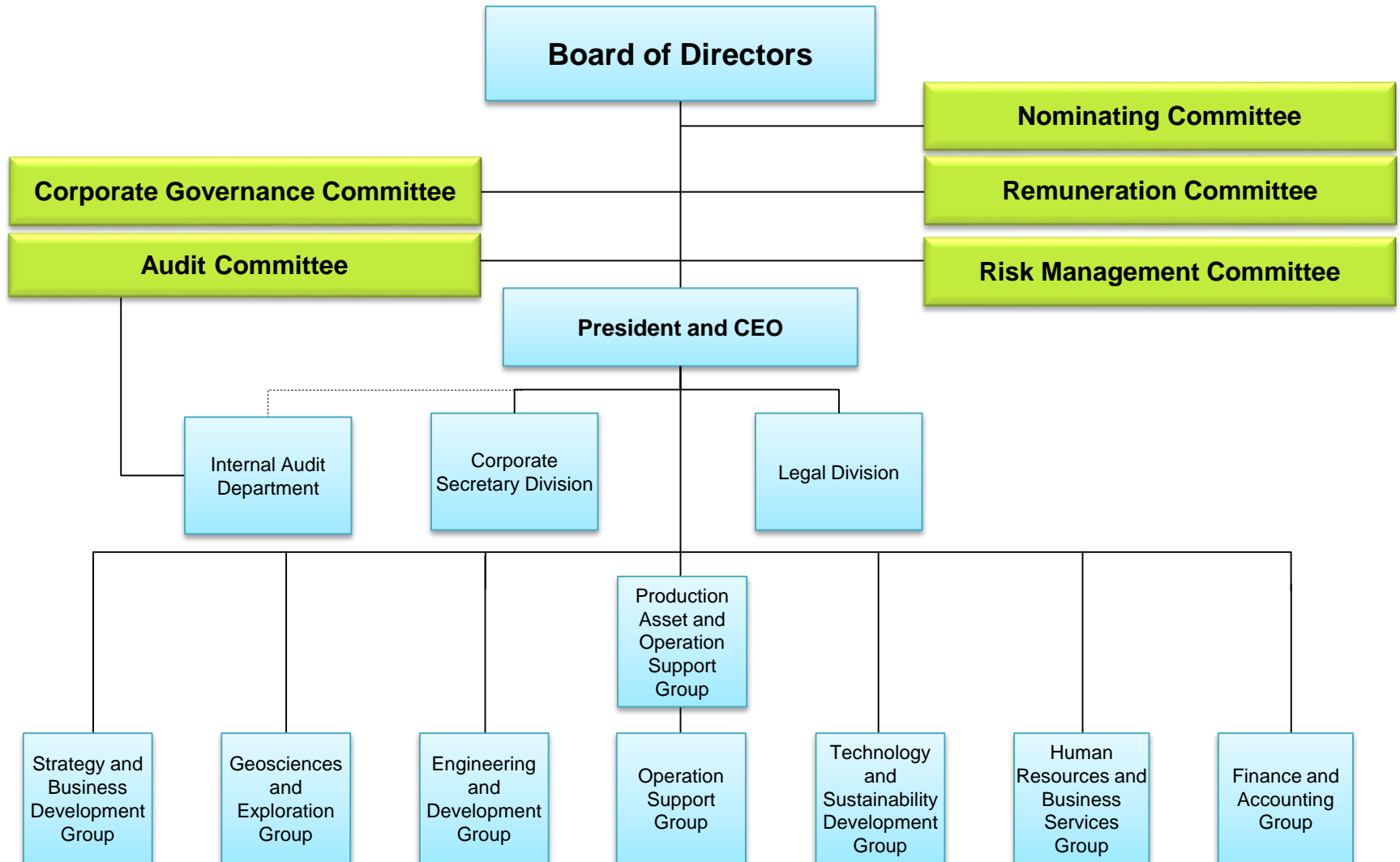
** New participating interest subject to government approval



	Project	Status*	PTTEP's Share	Partners (as of 2015)	2016 Key Activities
Exploration Phase					
Overseas (Cont'd)					
34	Myanmar MD 7 and MD 8	OP	100%		
35	Mariana Oil Sands	OP	100%		<ul style="list-style-type: none"> Assess development approach and cost reduction opportunity
36	Barreirinhas AP1		25%	BG Brasil 75%	<ul style="list-style-type: none"> Acquire 3D seismic
37	Myanmar MOGE 3	OP	75%	Palang Sophon Offshore 10% MOECO 10% WinPreciousResources 5%	<ul style="list-style-type: none"> Acquire 3D seismic
38	Brazil BM-ES-23		20%	Petrobras 65% INPEX 15%	<ul style="list-style-type: none"> Drilling result and resource evaluation

Remarks: 38 projects exclude 5 projects that are pending official withdrawal approval

* Status: OP = PTTEP operatorship / JOC = PTTEP joint operatorship





Ratio	Formula
Lifting Cost (\$/BOE)	$(\text{Operating Exp.}) / \text{Production Volume}$
Cash Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost}) / \text{Sales Volume}$
Unit Cost (\$/BOE)	$(\text{Operating Exp.} + \text{Exploration Exp.} + \text{G\&A} + \text{Royalties} + \text{Finance Cost} + \text{DD\&A}) / \text{Sales Volume}$
Reserves Replacement Ratio	$5\text{-Yr Additional Proved Reserves} / 5\text{-Yr Production Volume}$
Reserves Life Index (Year)	$\text{Proved Reserves} / \text{Production Volume}$
Success Ratio	$\text{Number of wells with petroleum discovery} / \text{Total number of exploration and appraisal wells}$
Sales Revenue	$\text{Sales} + \text{Revenue from pipeline transportation}$
EBITDA	$(\text{Sales} + \text{Revenue from pipeline transportation}) - (\text{Operating expenses} + \text{Exploration expenses} + \text{Administrative expenses} + \text{Petroleum royalties and remuneration} + \text{Management's remuneration})$
EBITDA Margin	$\text{EBITDA} / \text{Sales Revenue}$
Return on Equity	$\text{Trailing-12-month net income} / \text{Average shareholders' equity between the beginning and the end of the 12-month period}$
Return on Capital Employed	$(\text{Trailing-12-month net income} + \text{Trailing-12-month Interest Expenses \& Amortise Bond Issuing Cost}) / (\text{Average shareholders' equity and average total debt between the beginning and the end of the 12-month period})$
Simple Effective Tax Rate	$\text{Income tax expenses} / \text{Income before income taxes}$
Total debt	$\text{Short-term loans from financial institution} + \text{Current portion of long-term debts} + \text{Bonds} + \text{Long-term loans from financial institution}$
Net debt	$\text{Total debt} - \text{Liquidity}$
Debt to Equity	$\text{Total debt} / \text{Shareholders' equity}$
Net Debt to Equity	$\text{Net debt} / \text{Shareholders' equity}$
Total Debt to Capital	$\text{Total debt} / (\text{Total debt} + \text{Shareholders' equity})$
Total Debt to EBITDA	$\text{Total debt} / \text{Trailing-12-month EBITDA}$
Net Debt to EBITDA	$\text{Net debt} / \text{Trailing-12-month EBITDA}$
EBITDA Interest Coverage Ratio	$\text{Trailing-12-month EBITDA} / \text{Trailing-12-month Interest Expenses \& Amortize Bond Issuing Cost}$