

PTT Exploration and Production Public Company Limited

Conference Call 2015 Year-end Financial Results

28 January 2016



PTTEP

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



Summary of 2015 Financial Results

Full year earnings is at net loss mainly due to Q3 impairment charges



Unit : MMUSD

Statement of Income	2014*	2015	% YTD	Q3 15*	Q4 15	% QoQ	Q4 14*	% YoY
Total Revenues	7,834	5,654	(28)	1,473	1,337	(9)	1,974	(32)
Sales	7,319	5,326	(27)	1,323	1,213	(8)	1,758	(31)
Others	515	328	(36)	150	124	(17)	216	(43)
Sales Volume (BOED)	312,569	322,167	3	320,795	336,363	5	335,595	0
Sales Price (USD/BOE)	63.71	45.29	(29)	44.83	39.18	(13)	56.95	(31)
Total Expenses	7,157	6,508	(9)	2,757	1,205	(56)	2,713	(56)
Major Expenses:								
Operating Expenses	857	710	(17)	183	178	(3)	191	(7)
Exploration Expenses	333	184	(45)	78	53	(32)	126	(58)
DD&A	2,562	2,720	6	653	612	(6)	779	(21)
Impairment loss on assets	997	1,385	39	1,385	-	(100)	997	(100)
Income Tax Expense	1,095	489	(55)	216	119	(45)	250	(52)
(Gain)/Loss on FX	49	69	41	20	(4)	(>100)	21	(>100)
Net Income	677	(854)	(>100)	(1,284)	132	>100	(739)	>100
Recurring Net Income	1,538	718	(53)	264	13	(95)	183	(93)
Non-recurring**	(861)	(1,572)	(83)	(1,548)	119	>100	(922)	>100

* Restated

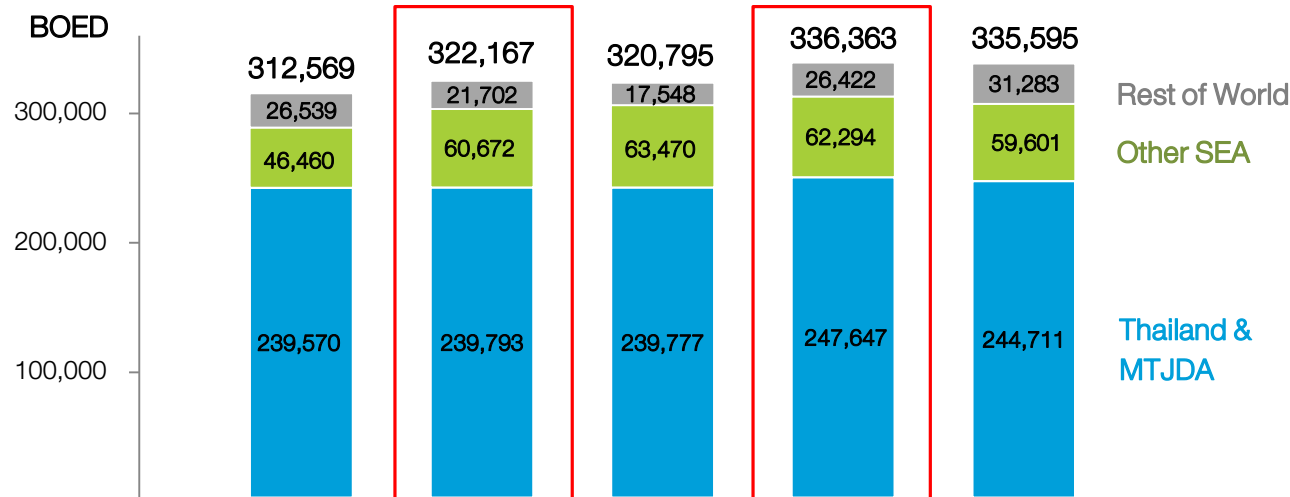
** Includes Gain/(Loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/(Loss) from Financial Instruments, Impairment Loss on Assets, and etc.

PTTEP Sales Volume & Average Selling Price

Sales volume increased per 3% target; while ASP decreased from lowered oil prices



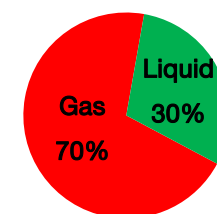
Sales Volume



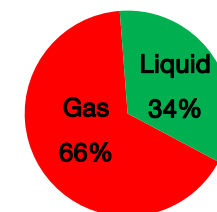
Sales Price	2014	2015	Q3 15	Q4 15	Q4 14
Gas (\$/MMBTU)	8.06	7.20	7.16	6.29	8.12
Liquid (\$/BBL)	94.82	50.05	49.33	42.22	74.84
Weighted Avg. (\$/BOE)	63.71	45.29	44.83	39.18	56.95
Avg. Dubai (\$/BBL)	96.60	50.91	49.74	40.71	74.40
Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil)	86.74	44.86	40.69	33.39	67.23

2015 Sales Volume By Product

Volume Mix

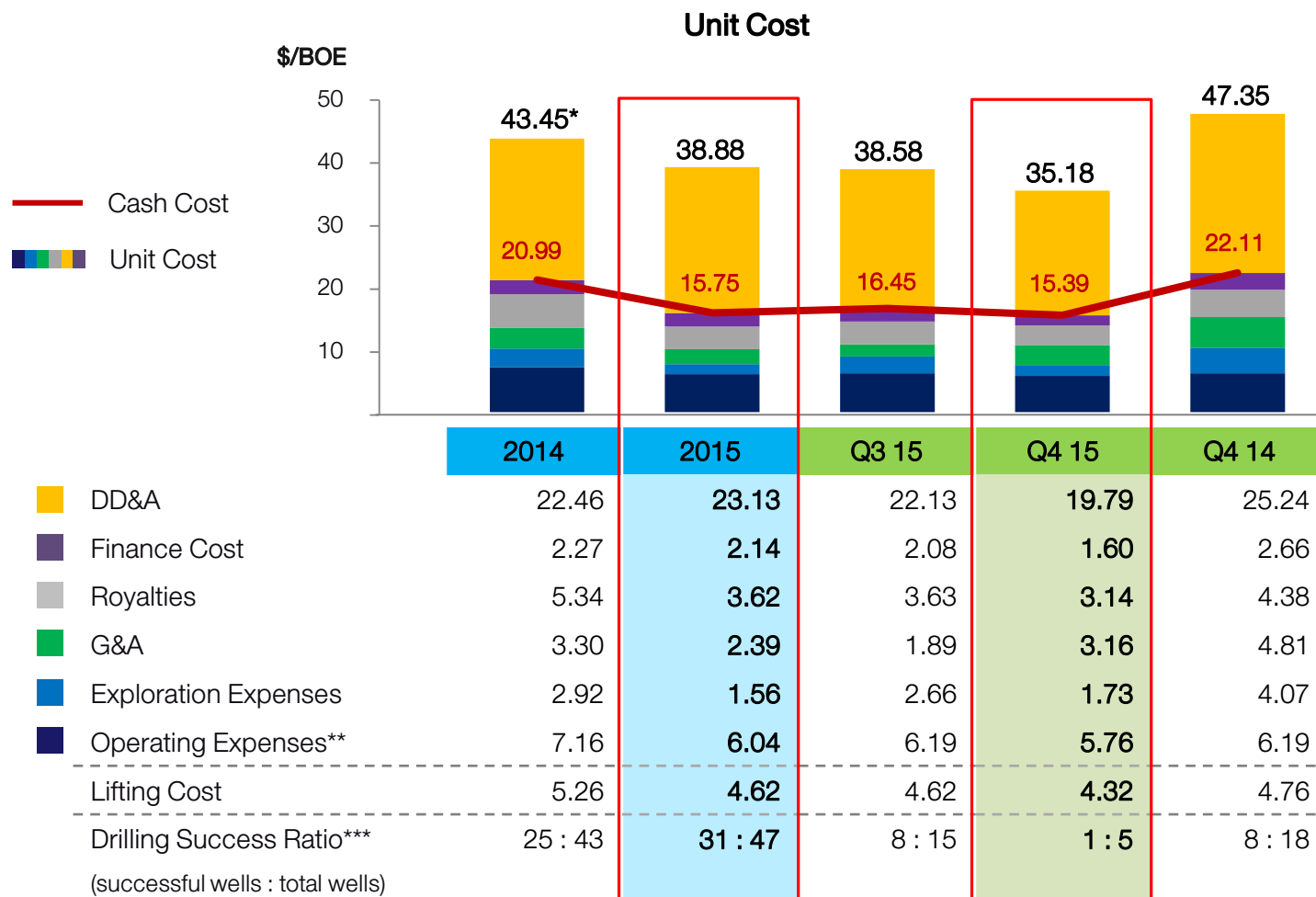


Revenue Mix



Operating Performance

Continuous improvement in unit cost performance



* If excluded extra expense from Montara's Development well (H5) : For 2014 : Operating Exp. : 6.73 \$/BOE / Unit cost : 43.02 \$/BOE

** Excludes diluent cost for blending bitumen in Oil Sands project

*** Exploration and Appraisal Wells

Financial Performance : Income Statement

Healthy EBITDA margin



	2014*	2015	Q3 15*	Q4 15	Q4 14*
Sales Revenue** (MMUSD)	7,457	5,444	1,353	1,236	1,797
EBITDA (MMUSD)	5,282	3,844	929	809	1,196
Net Income (MMUSD)	677	(854)	(1,284)	132	(739)
Recurring Net Income (MMUSD)	1,538	718	264	13	183
Earning Per Share (USD)	0.16	(0.22)	(0.32)	0.02	(0.20)
Key Financial Ratios					
EBITDA Margin (%)	71	71	69	65	67
Return on Equity (%) (LTM)	6	(7)	(14)	(7)	6
Return on Capital Employed (%) (LTM)	5	(5)	(10)	(5)	5
Return on Equity (%) (LTM, Recurring Net Income)	13	6	7	6	13
Return on Capital Employed (%) (LTM, Recurring Net Income)	10	5	6	5	10

* Restated

** Sales and revenue from pipeline transportation

Financial Performance : Balance Sheet

Healthy balance sheet with low gearing ratio and over \$3Bn cash on hand



	2014*	2015
Total Assets (MMUSD)	23,271	19,642
- Cash & cash equivalents** (MMUSD)	3,930	3,260
Total Liabilities (MMUSD)	10,723	8,314
- Interest bearing debt (MMUSD)	4,229	3,005
Equity (MMUSD)	12,548	11,328
Key Financial Ratios		
Total Debt to Equity (X)	0.34	0.27
Net Debt** to Equity (X)	0.02	(0.02)
Total Debt to Capital (X)	0.25	0.21
Total Debt to EBITDA (X)	0.80	0.78
Net Debt** to EBITDA (X)	0.06	(0.07)
EBITDA Interest Coverage (X)	28	24

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

Weighted Average Cost of Debt* :** 4.32%

Average Loan Life* :** 8.17 years

* Restated

** 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

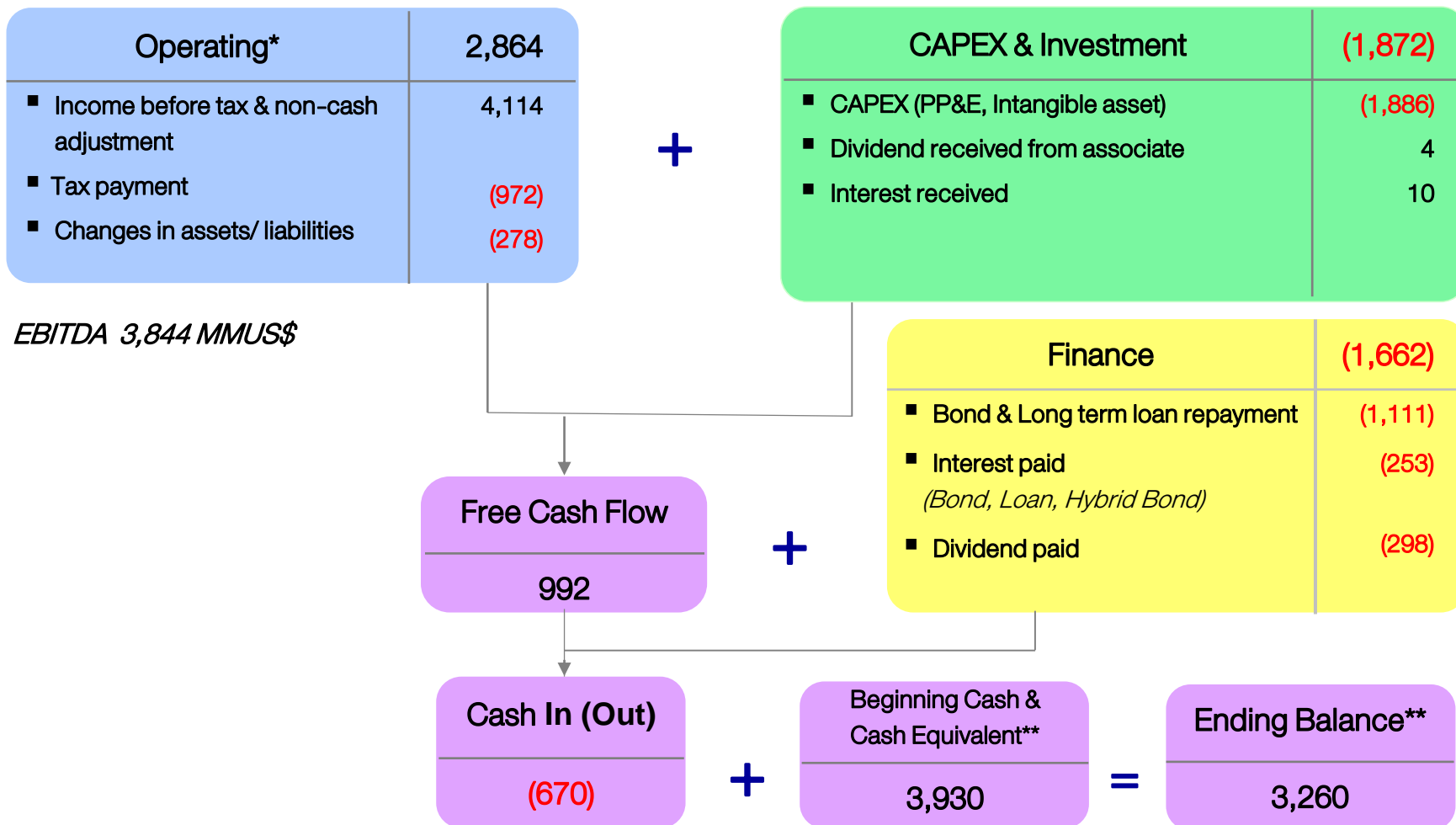
*** Excludes hybrid bonds

Cash Flows : January – December 2015

Strong cash position and healthy operating cash flow



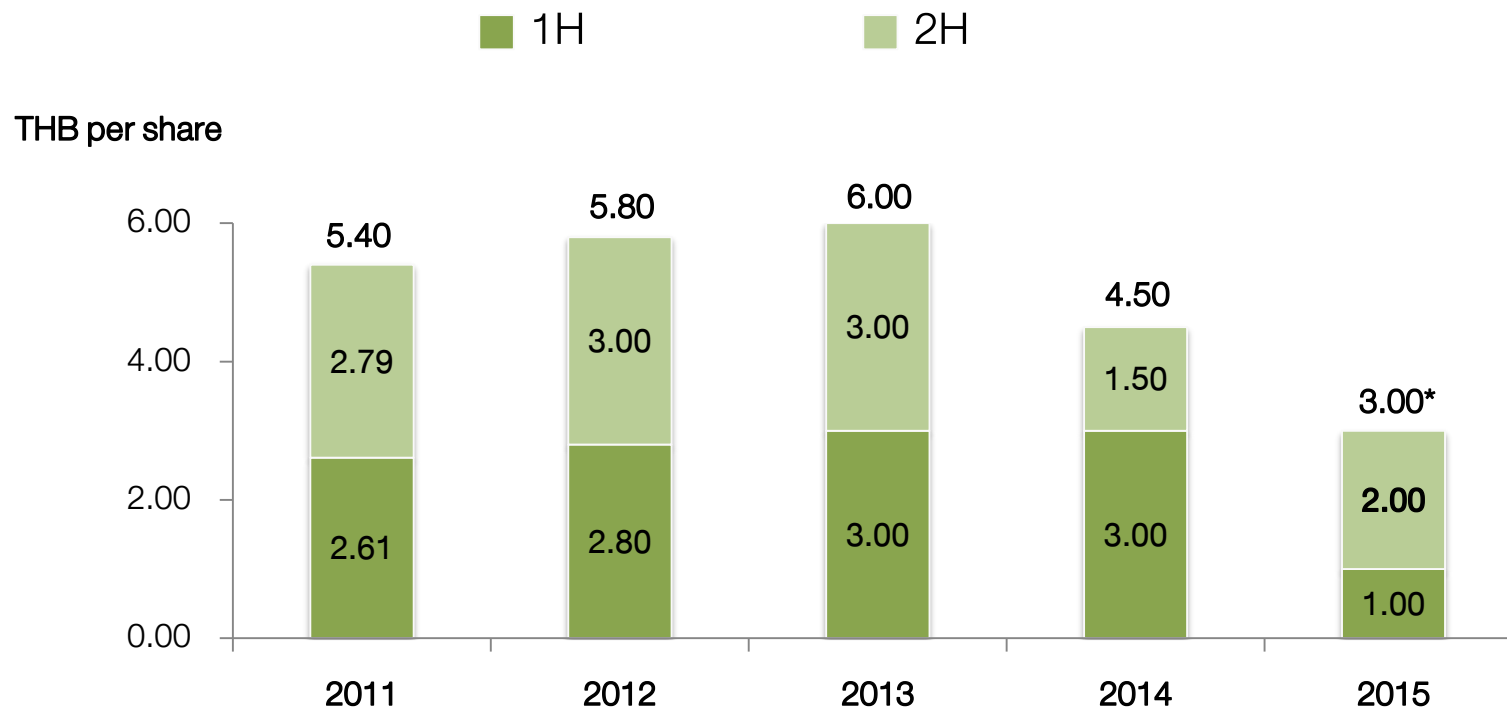
Unit : MMUSD



* Net of foreign exchange rate effect

** Include Short-term investment (Fixed deposit > 3 months)

Dividend Payment History (Policy : No Less Than 30% of Net Income)



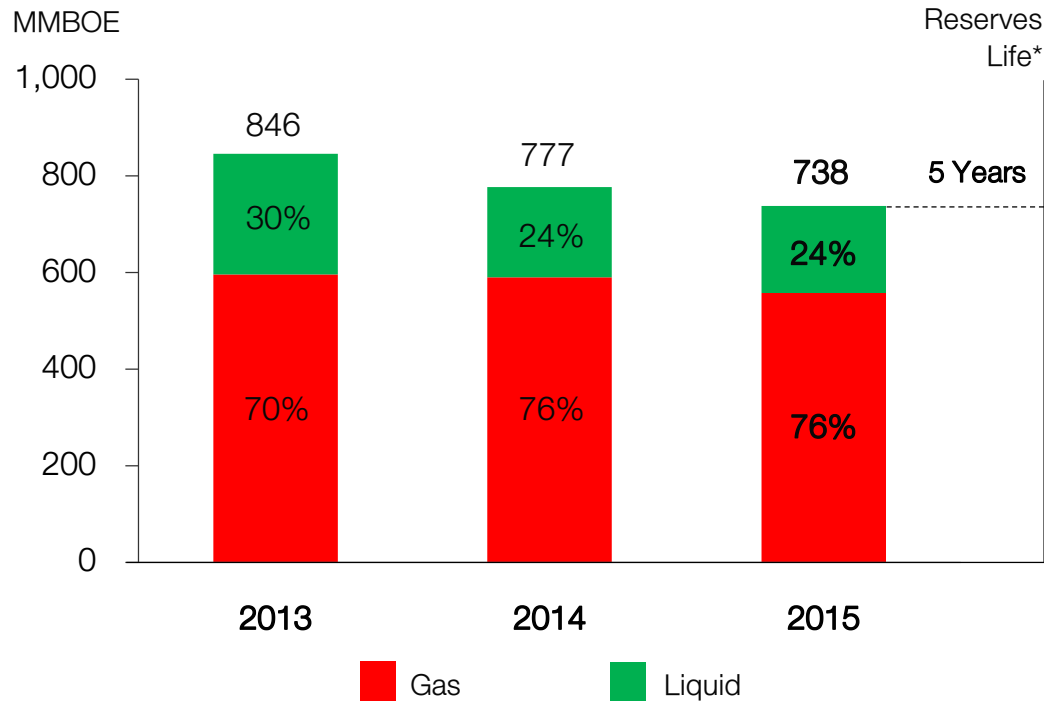
Payout Ratio (%)	40	38	40	82	N/A
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* Subject to the Annual General Shareholders' Meeting approval

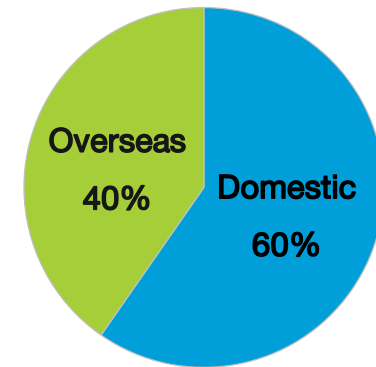
Proved Reserves as of Year-end 2015



By Product



2015 By Geography



5-Year Average Proved Reserves Replacement Ratio (X)

2013	2014	2015
0.82x	0.45x	0.50x

* Based on total production of natural gas, condensate, and crude oil (including LPG) of 374 KBOED for the year ended December 31, 2015

Summary of Statement of Profit and Loss :

Unit : MMUSD

Statement of Income	2014*	2015	% YTD	Q3 15*	Q4 15	% QoQ	Q4 14*	% YoY
Net Income	677	(854)	(>100)	(1,284)	132	>100	(739)	>100
Recurring Net Income	1,538	718	(53)	264	13	(95)	183	(93)
Non-recurring**	(861)	(1,572)	(83)	(1,548)	119	>100	(922)	>100

- ✓ **Solid operational performance** : successful start-up of Algeria Bir Seba project and sales volume growth per target
- ✓ **Improved cost performance** : alleviates impact of falling oil price on profitability
- ✓ **Competitive cash cost** : leads to high levels of liquidity and investment flexibility
- ✓ **Healthy operating cash flow** : sufficient to cover investment plan, debt services and dividend
- ✓ **\$3Bn cash on hand + Strong balance sheet** : well positioned for M&A and ready to weather through low oil prices
- ✓ **Dividend payment** : demonstrates our dividend commitment to shareholders

* Restated

** Includes 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.

Remark: Cash on hand includes short-term investments



Exploring new horizons, we take every step as learning

For more information, please visit our website at

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	AFTER Reclassification		BEFORE Reclassification	
	2015	Q4 15	2015	Q4 15
Sales				
Sales Revenue (MMUSD)	5,326	1,213	5,479	1,246
Sales Volume (BOED)				
Thailand & MTJDA	239,793	247,647	242,803	250,859
Other SEA	60,672	62,294	68,612	70,094
Rest of World	21,702	26,422	21,702	26,422
Total Sales Volume	322,167	336,363	333,117	347,375
Sales Price				
Gas (\$/MMBTU)	7.20	6.29	7.15	6.24
Liquid (\$/BBL)	50.05	42.22	50.09	42.27
Weighted Avg. (\$/BOE)	45.29	39.18	45.06	38.99
Unit Cost (\$/BOE)				
DD&A	23.13	19.79	22.37	19.16
Finance Cost	2.14	1.60	2.07	1.55
Royalties	3.62	3.14	4.76	4.09
G&A	2.39	3.16	2.31	3.06
Exploration Expenses	1.56	1.73	1.51	1.67
Operating Expenses	6.04	5.76	5.84	5.57
Total Unit Cost	38.88	35.18	38.86	35.10
Cash Cost	15.75	15.39	16.49	15.94

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	$\text{Trailing-12-month EBITDA} / \text{Trailing-12-month Interest Expenses \& Amortize Bond Issuing Cost}$