

PTT Exploration and Production Public Company Limited

Conference Call Q1 2015 Financial Results

April 30, 2015



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Summary of Q1 2015 Financial Results



Improved recurring NI from lower expenses

Unit : MMUSD

| <i>Statements of Income</i> | <i>Q4 14</i> | <i>Q1 15</i> | <i>% QoQ</i> | <i>Q1 14</i> | <i>% YoY</i> |
|-----------------------------|--------------|--------------|----------------|--------------|--------------|
| Total Revenues | 2,026 | 1,497 | (26) | 1,827 | (18) |
| Sales | 1,807 | 1,435 | (21) | 1,785 | (20) |
| Others | 219 | 62 | (72) | 42 | 48 |
| Sales Volume (BOED) | 347,295 | 327,145 | (6) | 298,621 | 10 |
| Sales Price (USD/BOE) | 56.54 | 48.74 | (14) | 64.92 | (25) |
| Total Expenses | 2,765 | 1,233 | (55) | 1,447 | (15) |
| Major Expenses: | | | 0 | | |
| Operating Expenses | 192 | 167 | (13) | 284 | (41) |
| Exploration Expenses | 126 | 13 | (90) | 16 | (19) |
| DD&A | 780 | 728 | (7) | 499 | 46 |
| Impairment loss on assets | 997 | - | (100) | - | - |
| Income Tax Expense | 250 | 18 | (93) | 343 | (95) |
| Gain(Loss)on FX | (21) | (34) | (62) | (4) | >(100) |
| Recurring Net Income | 183 | 248 | 36 | 392 | (37) |
| Non-recurring * | (922) | 16 | >100 | (12) | >100 |
| Net Income | (739) | 264 | >100 | 380 | (31) |

* Includes Gain/(loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation, Gain/loss from Financial instruments, H1 incident Insurance Claim, Impairment loss on assets, and etc.

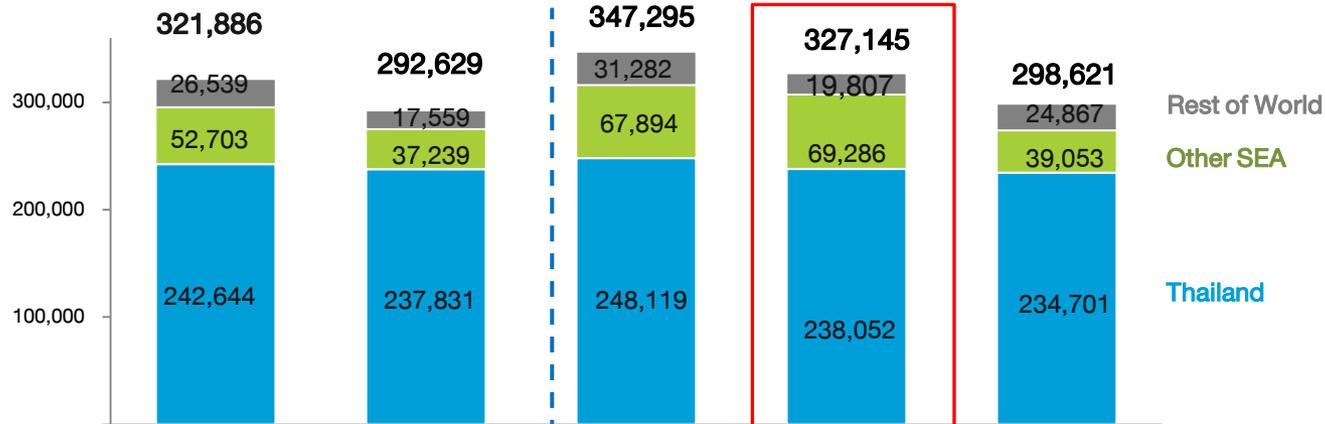
PTTEP Sales Volume and Average Product Price



Resilient gas price amidst low oil price environment

Sales Volume

BOED

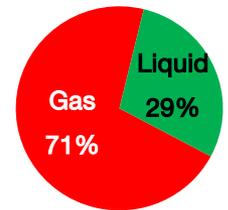


Sales Price

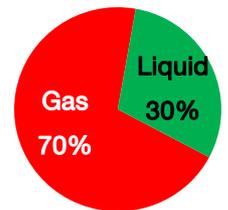
| | 2014 | 2013 | Q4 14 | Q1 15 | Q1 14 |
|---|--------------|---------------|-------|--------------|---------|
| Gas (\$/MMBTU) | *8.03 | *7.92 | 8.06 | 8.03 | *7.79 |
| Liquid (\$/BBL) | <u>94.91</u> | <u>100.15</u> | 74.88 | 50.12 | 100.84 |
| Weighted Avg. (\$/BOE) | **63.38 | **65.58 | 56.54 | 48.74 | **64.92 |
| Avg. Dubai (\$/BBL) | 96.60 | 105.52 | 74.40 | 51.89 | 104.46 |
| Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil) | 86.74 | 95.27 | 67.23 | 48.90 | 93.79 |

Q1 2015 Sales Volume By Product

Volume Mix



Revenue Mix

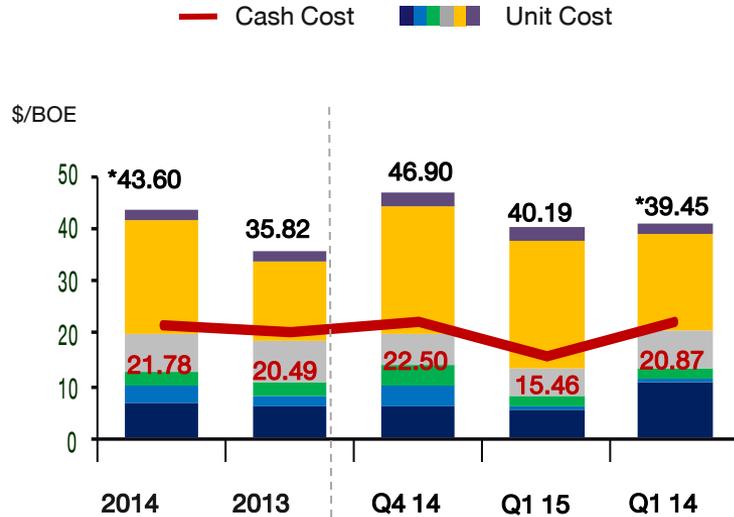


* Gas price, if excludes Vietnam 16-1 retroactive sale recording, is 8.07 \$ for 2014 / 8.01 \$ for 2013 / 7.97 \$ for Q1 14

** Average selling price, if excludes Vietnam 16-1 retroactive sale recording is 63.59 for 2014 / 66.09\$ for 2013 / 65.91 \$ for Q1 14

Operating Performance

Improved cash cost & unit cost from lower exploration and G&A expenses



| | 2014 | 2013 | Q4 14 | Q1 15 | Q1 14 |
|--|---------|---------|--------|---------|--------|
| Lifting Cost | 5.26 | 4.88 | 4.76 | 4.57 | 5.35 |
| Drilling Success Ratio (Number of Successful wells : Total) | | | | | |
| Success Ratio *** | 25 : 43 | 38 : 55 | 8 : 18 | 15 : 18 | 9 : 10 |

*** Exploration and Appraisal Wells

| | 2014 | 2013 | Q4 14 | Q1 15 | Q1 14 |
|-------------------|-------|-------|-------|-------|-------|
| Finance Cost | 2.21 | 1.88 | 2.57 | 2.33 | 2.10 |
| DD&A | 21.82 | 15.33 | 24.40 | 24.73 | 18.58 |
| Royalties | 6.69 | 7.65 | 5.75 | 5.18 | 7.09 |
| G&A | 3.10 | 3.17 | 4.26 | 1.82 | 2.00 |
| Exploration Exp. | 2.83 | 1.61 | 3.93 | 0.45 | 0.60 |
| Operating Exp. ** | *6.95 | 6.18 | 5.99 | 5.68 | *9.08 |

* If excluded extra expense from Montara's Development well (H5) :
 2014 ; Operating Exp. : 6.53 \$/BOE / Unit cost : 43.18 \$/BOE
 Q114: Operating Exp. : 6.77\$/BOE / Unit cost : 37.14 \$/BOE

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

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

Financial Performance : Income Statement

Improved EBITDA Margin



| | 2014 | 2013 | Q4 14 | Q1 15 | Q1 14 |
|--------------------------------------|-------|-------|--------|-------|-------|
| Sales Revenue* (MMUSD) | 7,634 | 7,323 | 1,845 | 1,470 | 1,813 |
| EBITDA (MMUSD) | 5,295 | 5,168 | 1,209 | 1,084 | 1,268 |
| Net Profit (MMUSD) | 677 | 1,847 | (739) | 264 | 380 |
| Earning Per Share (USD) | 0.16 | 0.46 | (0.20) | 0.07 | 0.10 |
| Key Financial Ratios | | | | | |
| EBITDA Margin (%) | 69 | 71 | 66 | 74 | 70 |
| Return on Equity (%) (LTM) | 6 | 16 | 6 | 5 | 14 |
| Return on Capital Employed (%) (LTM) | 5 | 13 | 5 | 4 | 11 |
| Simple Effective Tax Rate (%) | 62 | 45 | (51) | 6 | 48 |

* Includes revenue from pipeline transportation

Financial Performance : Balance Sheet



Healthy balance sheet with low gearing ratio

| Credit Ratings : BBB+ (S&P) , Baa1 (Moody's) , AAA (TRIS) | 2014 | 2013 | Q4 14 | Q1 15 | Q1 14 |
|--|--------|--------|--------|---------------|--------|
| Total Assets (MMUSD) | 23,287 | 21,572 | 23,287 | 23,353 | 22,086 |
| - Cash & cash equivalents (MMUSD) | 3,930 | 2,357 | 3,930 | 3,959 | 3,071 |
| Total Liabilities (MMUSD) | 10,739 | 9,853 | 10,739 | 10,760 | 10,397 |
| - Interest bearing debt (MMUSD) | 4,229 | 4,023 | 4,229 | 4,206 | 4,014 |
| Equity (MMUSD) | 12,548 | 11,719 | 12,548 | 12,593 | 11,689 |
| Key Financial Ratios | | | | | |
| Total Debt to Equity (X) | 0.34 | 0.34 | 0.34 | 0.33 | 0.34 |
| Net Debt to Equity (X) | 0.02 | 0.14 | 0.02 | 0.02 | 0.08 |
| Total Debt / Capital (X) | 0.25 | 0.26 | 0.25 | 0.25 | 0.26 |
| Total Debt / EBITDA (X) | 0.80 | 0.78 | 0.80 | 0.82 | 0.79 |
| Net Debt / EBITDA (X) | 0.06 | 0.32 | 0.06 | 0.05 | 0.19 |
| EBITDA Interest Coverage (X) | 28 | 32 | 28 | 27 | 31 |
| Weighted Average Cost of Debt * : 4.13 % | | | | | |
| Average Loan Life * : 6.83 years | | | | | |

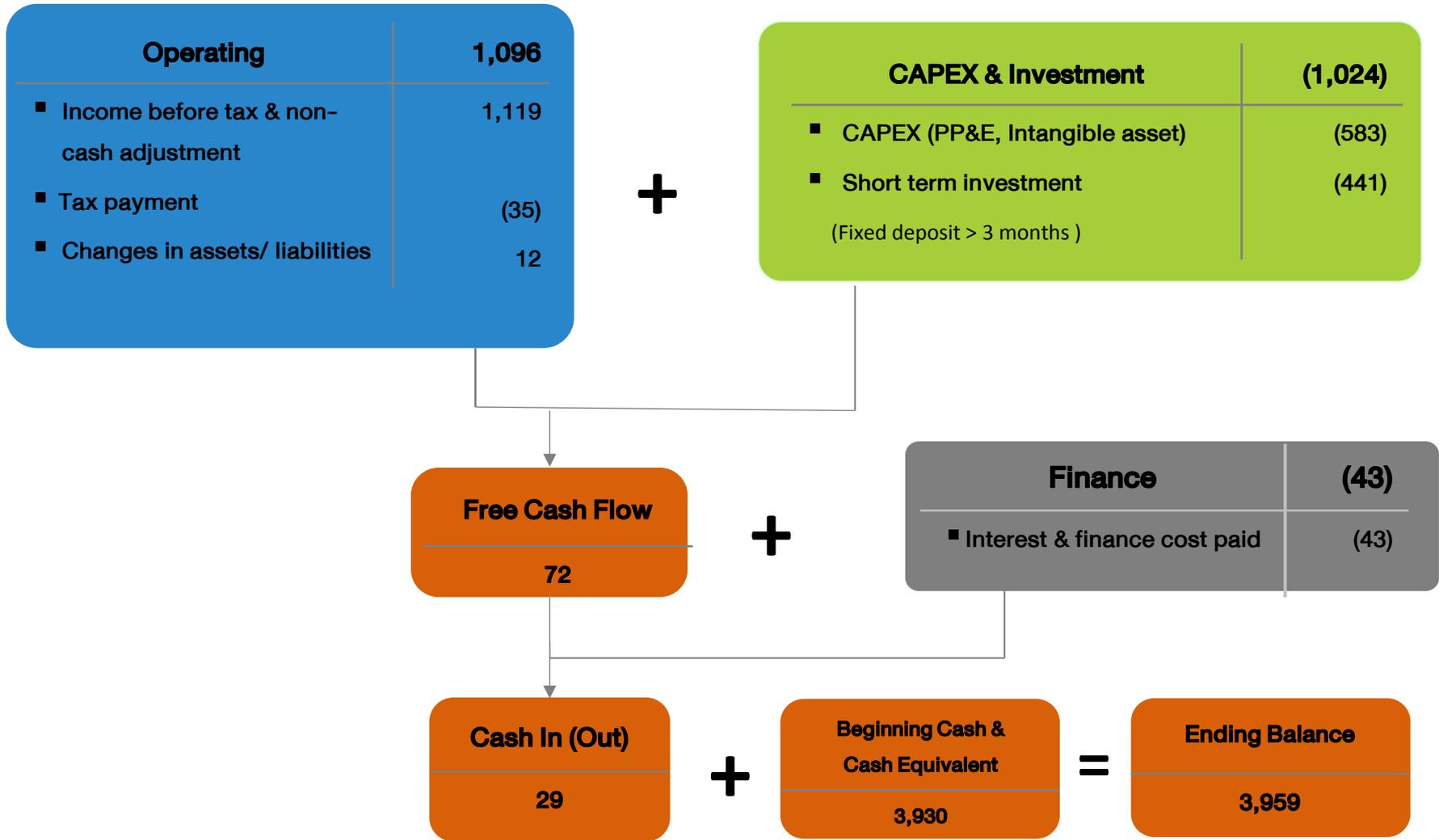
* Exclude Hybrid bonds

Cash Flows: Jan – Mar 2015

Strong cash position with ~1 billion USD generated from operations



Unit : MMUS\$



Summary of Statement of Profit and Loss :

Unit : MMUSD

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- ✓ **Resilient gas prices** : support revenue stream
- ✓ **Improved recurring NI** : from lower expenses
- ✓ **Strong operating cashflow** : sufficiently funded CAPEX
- ✓ **Healthy Balance Sheet** : low gearing offers ample liquidity

* Includes Gain/(loss) on FX, Deferred tax from Functional currency, Current Tax from FX Revaluation , Gain/loss from Financial instruments , H1 incident Insurance Claim , Impairment loss on assets ,and etc.



Exploring new horizons, we take every step as learning

For more information, please visit our website at

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