

PTT Exploration and Production Public Company Limited

Conference Call Q2 2015 Financial Results

23 July 2015



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



Summary of Q2 2015 Financial Results



Lower NI primarily from non-recurring items

Unit : MMUSD

| Statement of Income | Q1 15 | Q2 15 | % QoQ | Q2 14 ** | % YoY | 6M 15 | 6M 14 ** | % YTD |
|------------------------------|------------|----------------|-------------|------------|-------------|----------------|------------|-------------|
| Total Revenues | 1,497 | 1,486 | (1) | 2,105 | (29) | 2,976 | 3,928 | (24) |
| Sales | 1,435 | 1,436 | 0 | 1,946 | (26) | 2,871 | 3,731 | (23) |
| Others | 62 | 50 | (19) | 159 | (69) | 105 | 197 | (47) |
| <i>Sales Volume (BOED)</i> | 327,145 | 325,534 | (0) | 315,810 | 3 | 326,335 | 307,263 | 6 |
| <i>Sales Price (USD/BOE)</i> | 48.74 | 48.47 | (1) | 67.70 | (28) | 48.61 | 66.35 | (27) |
| Total Expenses | 1,233 | 1,451 | 18 | 1,545 | (6) | 2,677 | 2,988 | (10) |
| Major Expenses: | | | | - | | | | |
| <i>Operating Expenses</i> | 167 | 182 | 9 | 206 | (12) | 349 | 491 | (29) |
| <i>Exploration Expenses</i> | 13 | 38 | >100 | 65 | (42) | 52 | 82 | (37) |
| <i>DD&A</i> | 728 | 726 | (0) | 618 | 17 | 1,454 | 1,117 | 30 |
| <i>Income Tax Expense</i> | 18 | 137 | >100 | 234 | (41) | 155 | 576 | (73) |
| <i>(Gain)/Loss on FX</i> | 34 | 19 | (44) | (9) | >100 | 53 | (5) | >100 |
| Net Income | 264 | 35 | (87) | 560 | (94) | 299 | 940 | (68) |
| Recurring Net Income | 248 | 194 | (22) | 537 | (64) | 440 | 929 | (53) |
| Non-recurring * | 16 | (159) | >100 | 23 | >100 | (141) | 11 | >100 |

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

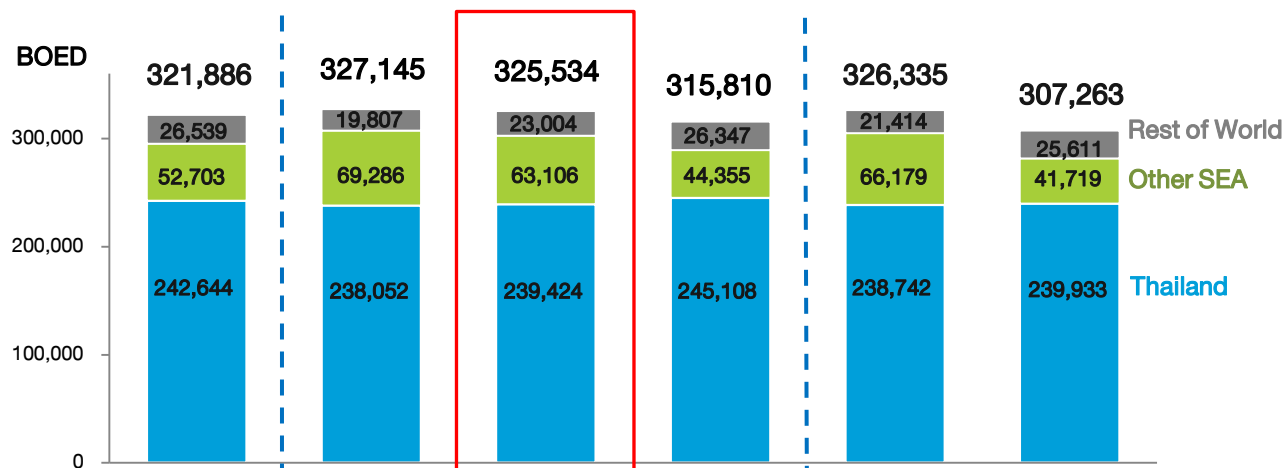
** Restated

PTTEP Sales Volume and Average Product Price

Price stability amidst volatile environment



Sales Volume



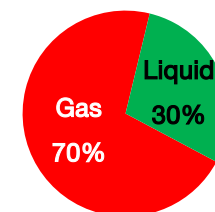
Sales Price

| | 2014 | Q1 15 | Q2 15 | Q2 14 | 6M 15 | 6M 14 |
|------------------------|----------|-------|-------|--------|-------|----------|
| Gas (\$/MMBTU) | * 8.03 | 8.03 | 7.29 | 8.11 | 7.66 | * 7.96 |
| Liquid (\$/BBL) | 94.91 | 50.12 | 59.34 | 104.64 | 54.83 | 102.82 |
| Weighted Avg. (\$/BOE) | ** 63.38 | 48.74 | 48.47 | 67.70 | 48.61 | ** 66.35 |
| Avg. Dubai (\$/BBL) | 96.60 | 51.89 | 61.30 | 106.11 | 56.59 | 105.28 |
| Avg. HSFO (\$/BBL) | 86.74 | 48.90 | 56.44 | 93.32 | 52.67 | 93.55 |

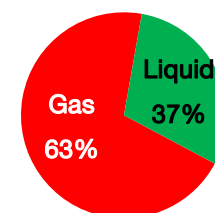
(High Sulphur Fuel Oil)

Q2 2015 Sales Volume By Product

Volume Mix



Revenue Mix

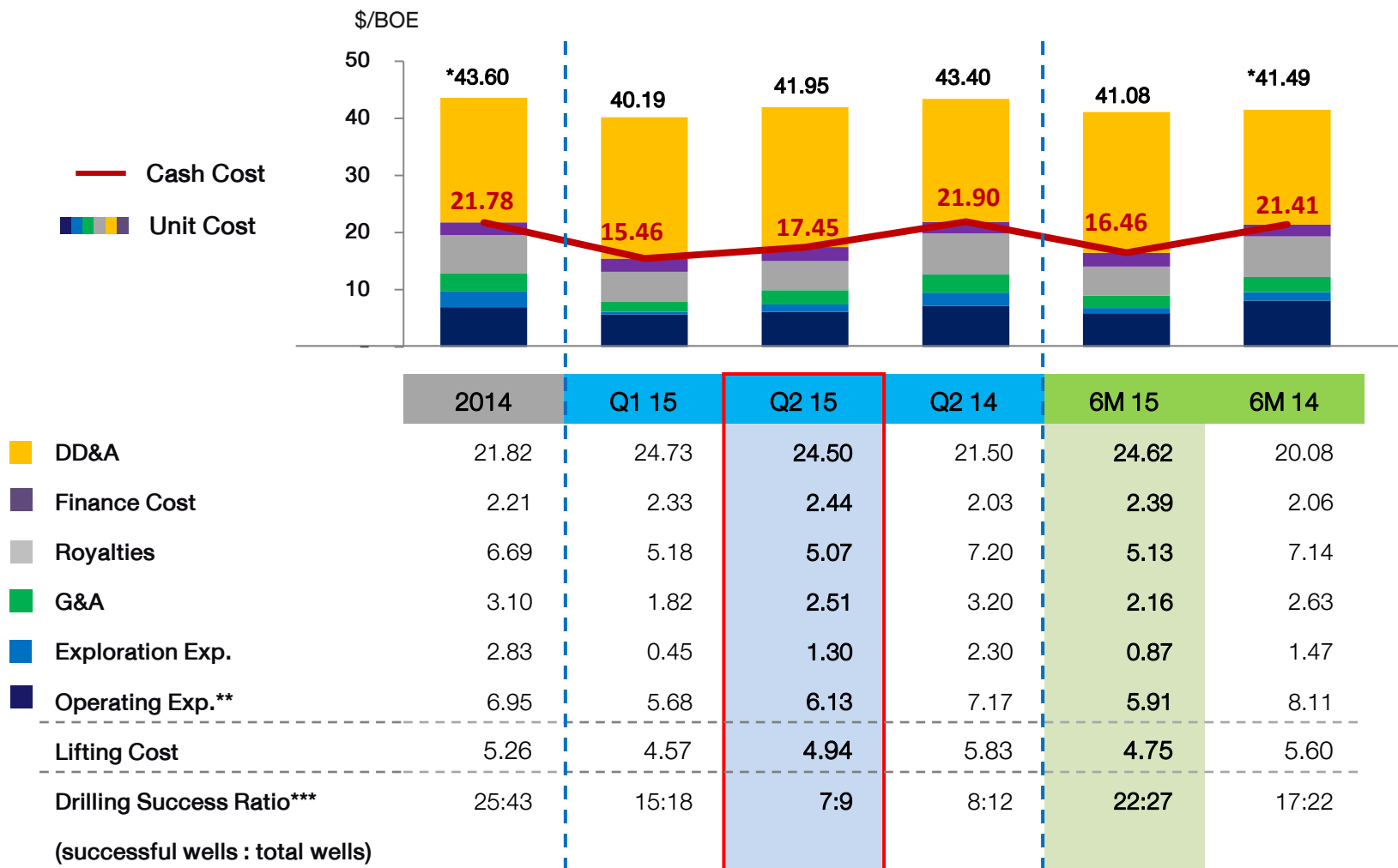


* Gas price, if excludes Vietnam 16-1 retroactive sale recording, is \$8.07 for 2014 / \$8.04 for 6M 2014

** Average selling price, if excludes Vietnam 16-1 retroactive sale recording is \$63.59 for 2014 / \$66.84 for 6M 2014

Operating Performance

Slight QoQ increase in unit cost from exploration write-off and higher maintenance cost



* If excluded extra expense from Montara's Development well (H5) :
2014 ; Operating Exp. : 6.53 \$/BOE / Unit cost : 43.18 \$/BOE
6M 14 : Operating Exp. : 6.99 \$/BOE / Unit cost : 38.31 \$/BOE

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

*** Exploration and Appraisal Wells

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

Financial Performance : Income Statement

Healthy EBITDA margin



| | Q1 15 | Q2 15 | Q2 14 ** | 6M 15 | 6M 14 ** |
|--------------------------------------|-------|-------|----------|-------|----------|
| Sales Revenue * (MMUSD) | 1,470 | 1,466 | 1,980 | 2,937 | 3,792 |
| EBITDA (MMUSD) | 1,084 | 1,022 | 1,409 | 2,106 | 2,677 |
| Net Profit (MMUSD) | 264 | 35 | 560 | 299 | 940 |
| Earning Per Share (USD) | 0.07 | 0.005 | 0.14 | 0.07 | 0.24 |
| Key Financial Ratios | | | | | |
| EBITDA Margin (%) | 74 | 70 | 71 | 72 | 71 |
| Return on Equity (%) (LTM) | 5 | 0.28 | 14 | 0.28 | 14 |
| Return on Capital Employed (%) (LTM) | 4 | 1 | 12 | 1 | 12 |

* Includes revenue from pipeline transportation

** Restated

Financial Performance : Balance Sheet

Healthy balance sheet with low gearing ratio



| | Q1 15 | Q2 15 | Q2 14 ** | 6M 15 | 6M 14 ** |
|-----------------------------------|--------|--------|----------|--------|----------|
| Total Assets (MMUSD) | 23,353 | 22,359 | 22,877 | 22,359 | 22,877 |
| - Cash & cash equivalents (MMUSD) | 3,959 | 2,956 | 3,211 | 2,956 | 3,211 |
| Total Liabilities (MMUSD) | 10,760 | 9,720 | 9,626 | 9,720 | 9,626 |
| - Interest bearing debt (MMUSD) | 4,206 | 4,183 | 4,274 | 4,183 | 4,274 |
| Equity (MMUSD) | 12,593 | 12,639 | 13,251 | 12,639 | 13,251 |
| Key Financial Ratios | | | | | |
| Total Debt to Equity (X) | 0.33 | 0.33 | 0.32 | 0.33 | 0.32 |
| Net Debt to Equity (X) | 0.02 | 0.10 | 0.08 | 0.10 | 0.08 |
| Total Debt / Capital (X) | 0.25 | 0.25 | 0.24 | 0.25 | 0.24 |
| Total Debt / EBITDA (X) | 0.82 | 0.89 | 0.82 | 0.89 | 0.82 |
| Net Debt / EBITDA (X) | 0.05 | 0.26 | 0.21 | 0.26 | 0.21 |
| EBITDA Interest Coverage (X) | 27 | 24 | 30 | 24 | 30 |

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

Weighted Average Cost of Debt * : 4.13 %

Average Loan Life * : 6.58 years

* Exclude Hybrid bonds

** Restated

Cash Flows: Jan – Jun 2015

Maintain strong cash position



Unit : MMUS\$

| Operating* | 1,237 |
|---|-------|
| ▪ Income before tax & non-cash adjustment | 2,142 |
| ▪ Tax payment | (895) |
| ▪ Changes in assets/liabilities | (10) |

EBITDA 2,106 MMUS\$

+

| CAPEX & Investment | (1,896) |
|--|---------|
| ▪ CAPEX (PP&E, Intangible asset) | (1,118) |
| ▪ Short term investment (Fixed deposit >3 months) | (781) |
| ▪ Others | 3 |

Free Cash Flow
(659)

+

| Finance | (315) |
|--|-------|
| ▪ Interest paid (Bond, Loan, Hybrid Bond) | (133) |
| ▪ Dividend paid | (182) |

Cash In (Out)
(974)

+

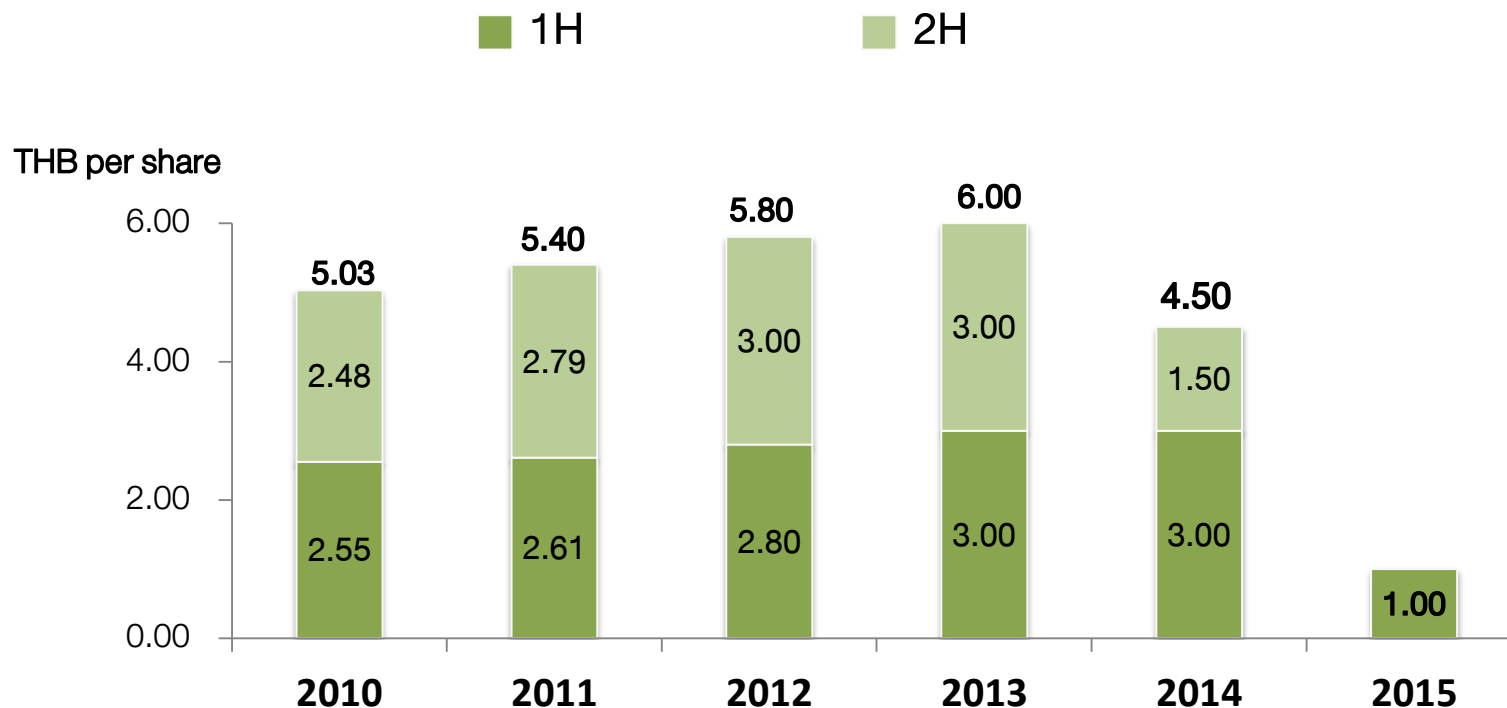
Beginning Cash & Cash Equivalent
3,930

=

Ending Balance
2,956

* Net of foreign exchange rate effect

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



| | | | | | | |
|------------------|----|----|----|----|----|----|
| Payout Ratio (%) | 40 | 40 | 38 | 40 | 82 | 39 |
|------------------|----|----|----|----|----|----|

Unit : MMUSD

Summary of Statement of Profit and Loss :

| Statement of Income | Q1 15 | Q2 15 | % QoQ | Q2 14 ** | % YoY | 6M 15 | 6M 14 ** | % YTD |
|----------------------|-------|-------|-------|----------|-------|-------|----------|-------|
| Net Income | 264 | 35 | (87) | 560 | (94) | 299 | 940 | (68) |
| Recurring Net Income | 248 | 194 | (22) | 537 | (64) | 440 | 929 | (53) |
| Non-recurring * | 16 | (159) | >100 | 23 | >100 | (141) | 11 | >100 |

- ✓ **Stable average selling prices** : support stable revenue stream
- ✓ **Resilient core performance** : leads to healthy operating cash flow
- ✓ **Healthy Balance Sheet** : low gearing offers ample liquidity
- ✓ **Dividend payment** : demonstrates our dividend commitment to shareholders

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

** Restated



Exploring new horizons, we take every step as learning

For more information, please visit our website at

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Call us at **+66 2 537 4000**

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