

# PTT Exploration and Production Public Company Limited

## Conference Call Q3 2015 Financial Results

22 October 2015



MEMBER OF  
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In Collaboration with RobecoSAM



# Summary of Q3 2015 Financial Results

Recurring profit remains strong although Q3 earnings is at net loss due to impairment charges



Unit : MMUSD

Statement of Income	Q2 15	Q3 15	% QoQ	Q3 14 **	% YoY	9M 15	9M 14 **	% YTD
<b>Total Revenues</b>	1,486	<b>1,512</b>	2	2,092	(28)	<b>4,440</b>	5,989	(26)
Sales	1,436	<b>1,362</b>	(5)	1,959	(30)	<b>4,233</b>	5,690	(26)
Others	50	<b>150</b>	>100	133	13	<b>207</b>	299	(31)
<i>Sales Volume (BOED)</i>	325,534	<b>332,203</b>	2	325,248	2	<b>328,312</b>	313,324	5
<i>Sales Price (USD/BOE)</i>	48.47	<b>44.55</b>	(8)	65.15	(32)	<b>47.22</b>	65.93	(28)
<b>Total Expenses</b>	1,451	<b>2,796</b>	93	1,615	73	<b>5,426</b>	4,572	19
<b>Major Expenses:</b>								
<i>Operating Expenses</i>	182	<b>183</b>	1	175	5	<b>532</b>	665	(20)
<i>Exploration Expenses</i>	38	<b>78</b>	>100	126	(38)	<b>130</b>	207	(37)
<i>DD&amp;A</i>	726	<b>653</b>	(10)	666	(2)	<b>2,107</b>	1,783	18
<i>Impairment Loss on Assets</i>	-	<b>1,385</b>	-	-	-	<b>1,385</b>	-	-
<i>Income Tax Expense</i>	137	<b>216</b>	58	268	(19)	<b>371</b>	844	(56)
<i>(Gain)/Loss on FX</i>	19	<b>20</b>	5	33	(39)	<b>73</b>	28	>100
<b>Net Income</b>	<b>35</b>	<b>(1,284)</b>	<b>&gt;(100)</b>	<b>477</b>	<b>&gt;(100)</b>	<b>(986)</b>	<b>1,417</b>	<b>&gt;(100)</b>
Recurring Net Income	194	<b>264</b>	36	426	(38)	<b>705</b>	1,355	(48)
Non-recurring *	(159)	<b>(1,548)</b>	>(100)	51	>(100)	<b>(1,691)</b>	62	>(100)

\* 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.

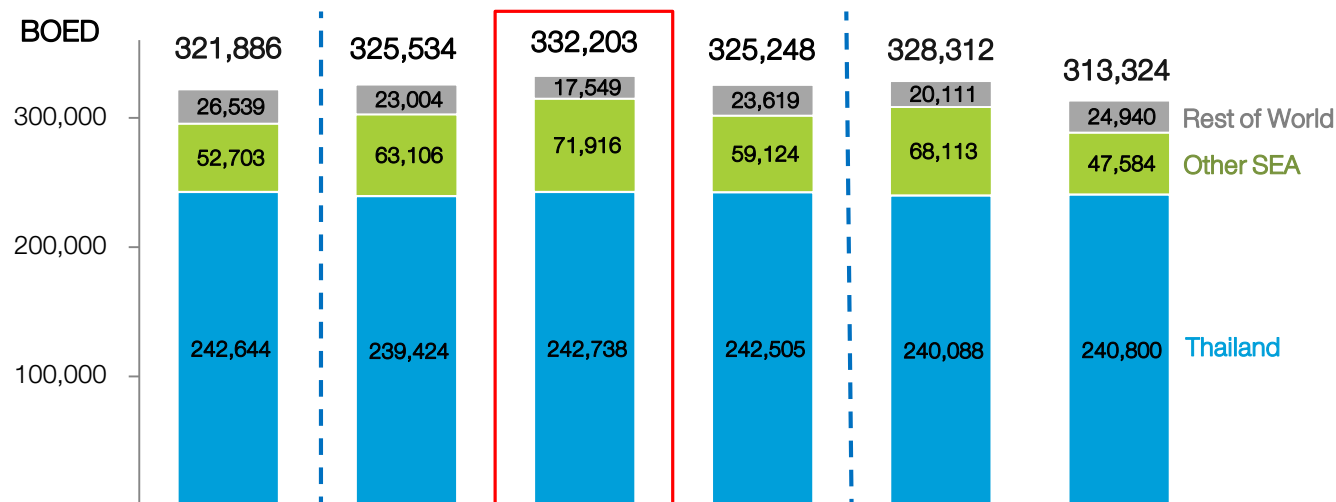
\*\* Restated

# PTTEP Sales Volume and Average Product Price

Sales volume rebounded in Q3 2015; while ASP decreased from lowered oil prices

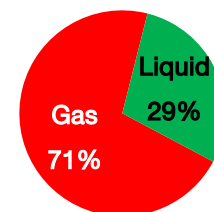


## Sales Volume

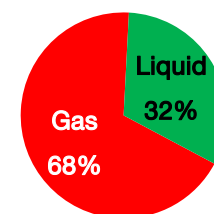


## Q3 2015 Sales Volume By Product

### Volume Mix



### Revenue Mix



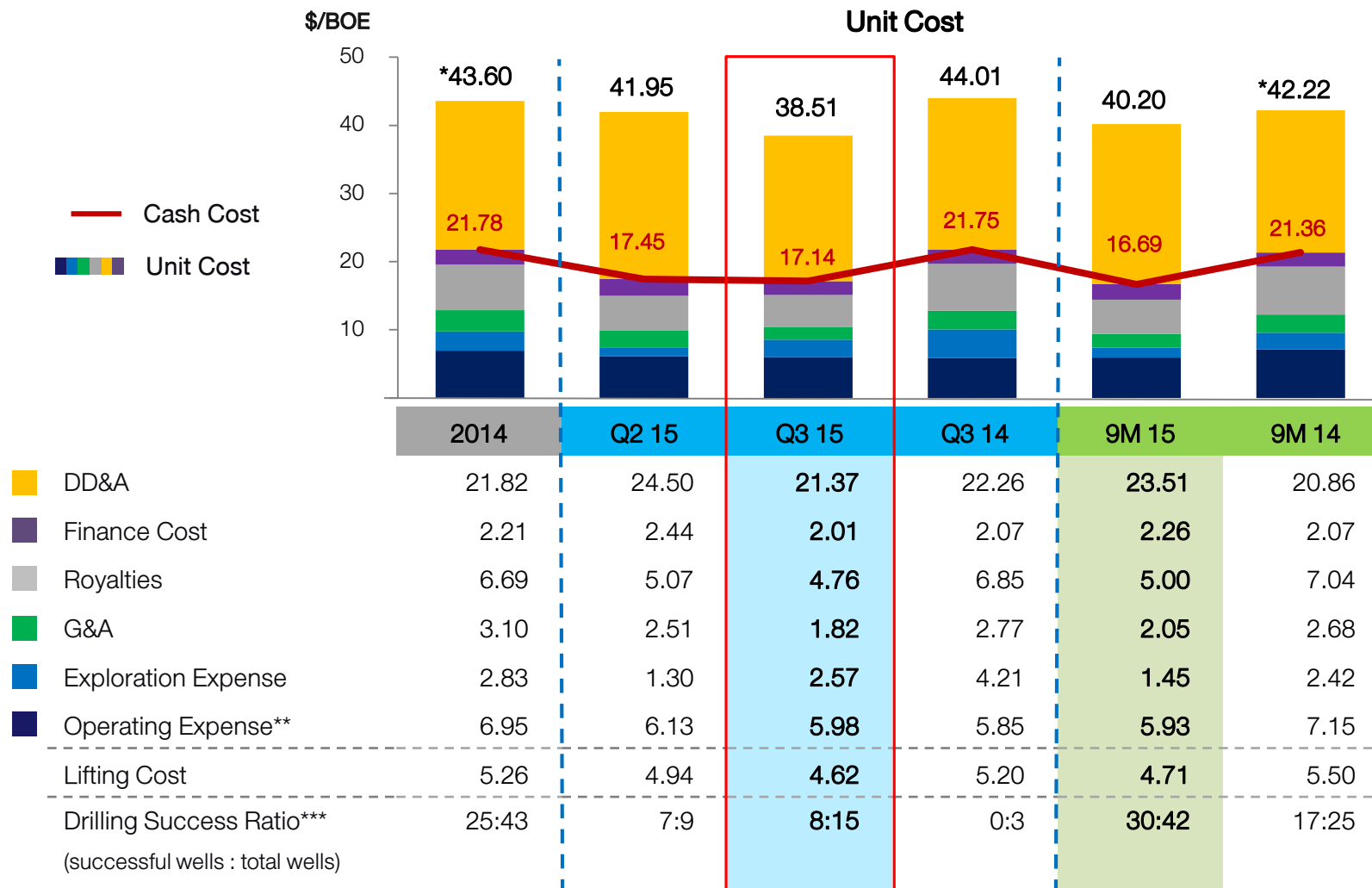
Sales Price	2014	Q2 15	Q3 15	Q3 14	9M 15	9M 14
Gas (\$/MMBTU)	* 8.03	7.29	7.10	8.13	7.47	* 8.02
Liquid (\$/BBL)	94.91	59.34	49.36	100.19	53.00	101.93
Weighted Avg. (\$/BOE)	** 63.38	48.47	44.55	65.15	47.22	** 65.93
Avg. Dubai (\$/BBL)	96.60	61.30	49.74	101.41	54.31	103.97
Avg. HSFO (\$/BBL) (High Sulphur Fuel Oil)	86.74	56.44	40.69	95.64	48.68	94.73

\* Gas price, if excludes Vietnam 16-1 retroactive sale recording, is \$8.07 for 2014 / \$8.08 for 9M 14

\*\* Average selling price, if excludes Vietnam 16-1 retroactive sale recording is \$63.59 for 2014 / \$66.24 for 9M 2014

# Operating Performance

Improved unit cost performance despite higher exploration write-off



\* If excluded extra expense from Montara's Development well (H5) :  
 2014 : Operating Exp. : 6.53 \$/BOE / Unit cost : 43.18 \$/BOE  
 9M 14 : Operating Exp. : 6.69 \$/BOE / Unit cost : 41.76 \$/BOE

\*\* Excludes diluent cost for blending bitumen in Oil Sands project  
 \*\*\* Exploration and Appraisal Wells

# Financial Performance : Income Statement

Healthy EBITDA margin



	Q2 15	Q3 15	Q3 14 **	9M 15	9M 14 **
Sales Revenue * (MMUSD)	1,466	1,391	1,996	4,328	5,789
EBITDA (MMUSD)	1,022	929	1,409	3,035	4,086
Net Income (MMUSD)	35	(1,284)	477	(986)	1,417
Recurring Net Income (MMUSD)	194	264	426	705	1,355
Earning Per Share (USD)	0.005	(0.32)	0.12	(0.25)	0.36
<b>Key Financial Ratios</b>					
EBITDA Margin (%)	70	67	71	70	71
Return on Equity (%) (LTM)	0.28	(14)	13	(14)	13
Return on Capital Employed (%) (LTM)	1	(10)	11	(10)	11
Return on Equity (%) (LTM, Recurring Net Income)	8	7	14	7	14
Return on Capital Employed (%) (LTM, Recurring Net Income)	7	6	11	6	11

\* Includes revenue from pipeline transportation

\*\* Restated

# Financial Performance : Balance Sheet

Healthy balance sheet with low gearing ratio



	Q2 15	Q3 15	Q3 14**	9M 15	9M 14**
Total Assets (MMUSD)	22,359	20,150	23,015	20,150	23,015
- Cash & cash equivalents* (MMUSD)	3,737	3,106	3,548	3,106	3,548
Total Liabilities (MMUSD)	9,720	8,946	9,698	8,946	9,698
- Interest bearing debt (MMUSD)	4,183	3,277	4,256	3,277	4,256
Equity (MMUSD)	12,639	11,203	13,317	11,203	13,317
<b>Key Financial Ratios</b>					
Total Debt to Equity (X)	0.33	0.29	0.32	0.29	0.32
Net Debt to Equity (X)	0.04	0.02	0.05	0.02	0.05
Total Debt to Capital (X)	0.25	0.23	0.24	0.23	0.24
Total Debt to EBITDA (X)	0.89	0.77	0.80	0.77	0.80
Net Debt to EBITDA (X)	0.09	0.04	0.13	0.04	0.13
EBITDA Interest Coverage (X)	24	23	28	23	28

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

**Weighted Average Cost of Debt\*\*\* :** 4.16%

**Average Loan Life\*\*\* :** 7.86 years

\* Cash & Cash Equivalents include Short-term Investments (Fixed deposit > 3 months)

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

\*\* Restated

\*\*\* Excludes hybrid bonds

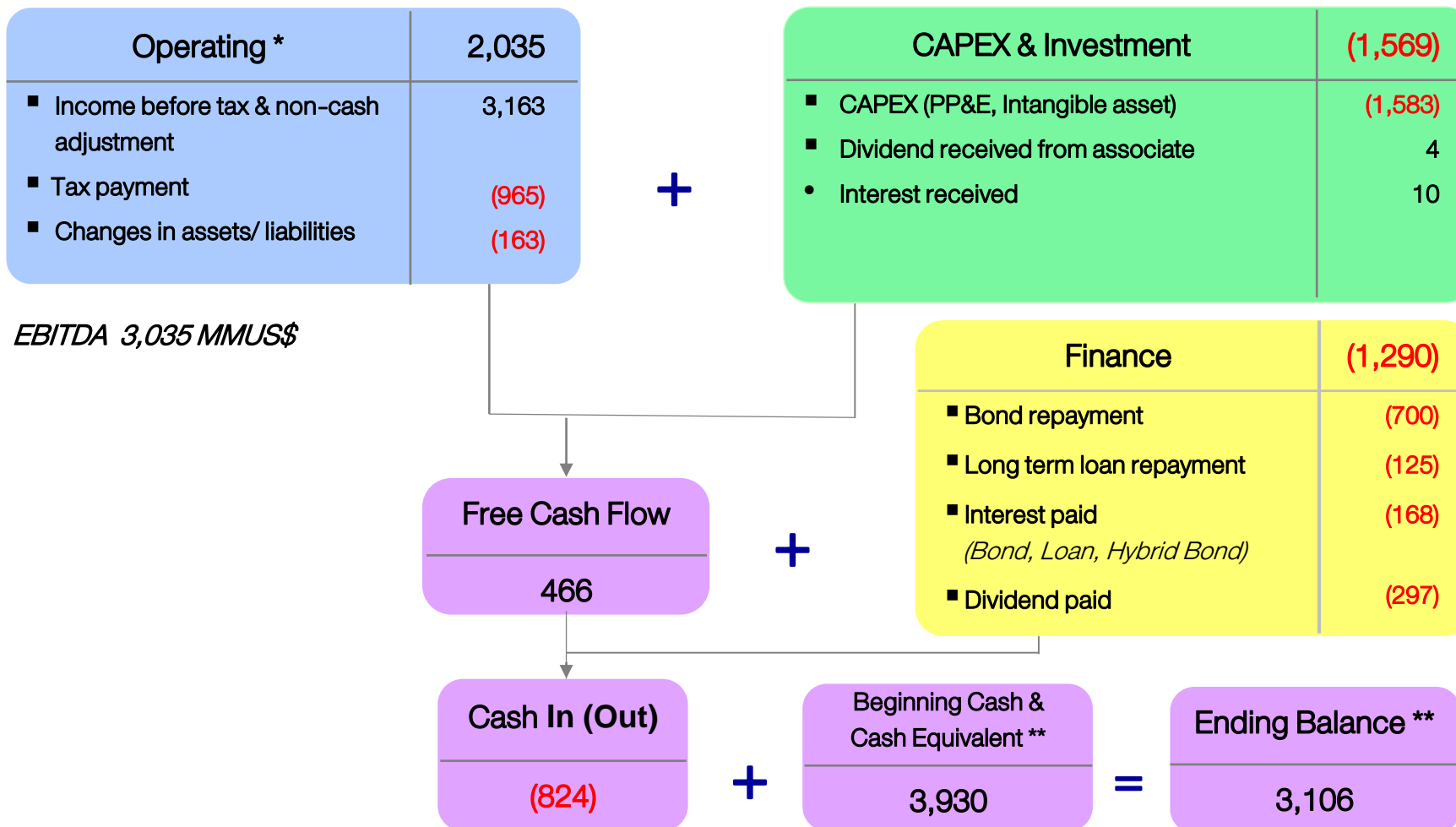


# Cash Flows: January – September 2015

Maintain strong cash position



Unit : MMUSD



\* Net of foreign exchange rate effect

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

Unit : MMUSD

## Summary of Statement of Profit and Loss :

Statement of Income	Q2 15	Q3 15	% QoQ	Q3 14 **	% YoY	9M 15	9M 14 **	% YTD
Net Income	35	(1,284)	>(100)	477	>(100)	(986)	1,417	>(100)
Recurring Net Income	194	264	36	426	(38)	705	1355	(48)
Non-recurring *	(159)	(1,548)	>(100)	51	>(100)	(1,691)	62	>(100)

- ✓ **Solid operational performance** : supports 2015 targeted sales volume growth
- ✓ **Improved unit cost performance** : alleviates impact of falling oil price on profitability
- ✓ **Competitive cash cost** : leads to healthy operating cash flow
- ✓ **\$3Bn cash on hand + Healthy balance sheet** : well positioned for M&A

\* 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.

\*\* Restated

Remark: Cash on hand includes short-term investments





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For more information, please visit our website at

<http://www.pttep.com>

OR

Contact us via email address at

[IR@pttep.com](mailto:IR@pttep.com)

OR

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