PETRONAS

PETRONAS Group Financial Results Announcement

Year-To-Date and Quarter 2
Ended 30 June 2012

EMBARGO

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Reimagining Energy™

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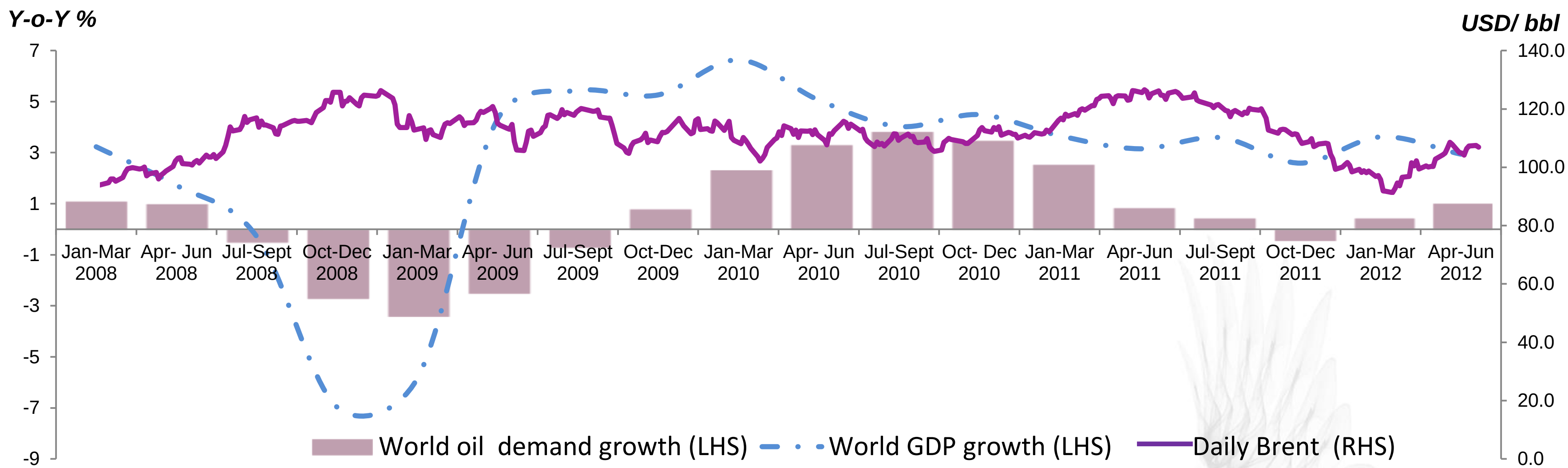
PETRONAS Group Financial Results Announcement

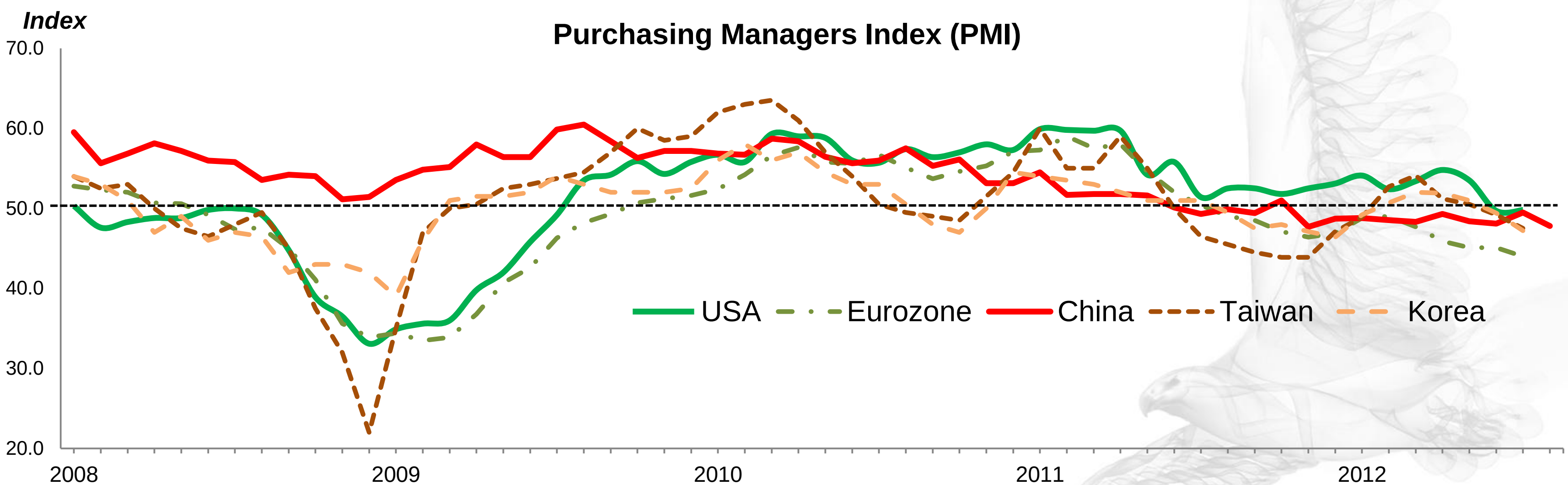
Tan Sri Dato' Shamsul Azhar Abbas
President & Group CEO
PETRONAS

Global Economy & Oil Markets remain volatile

World GDP Growth, World Oil Demand Growth & Daily Brent Prices

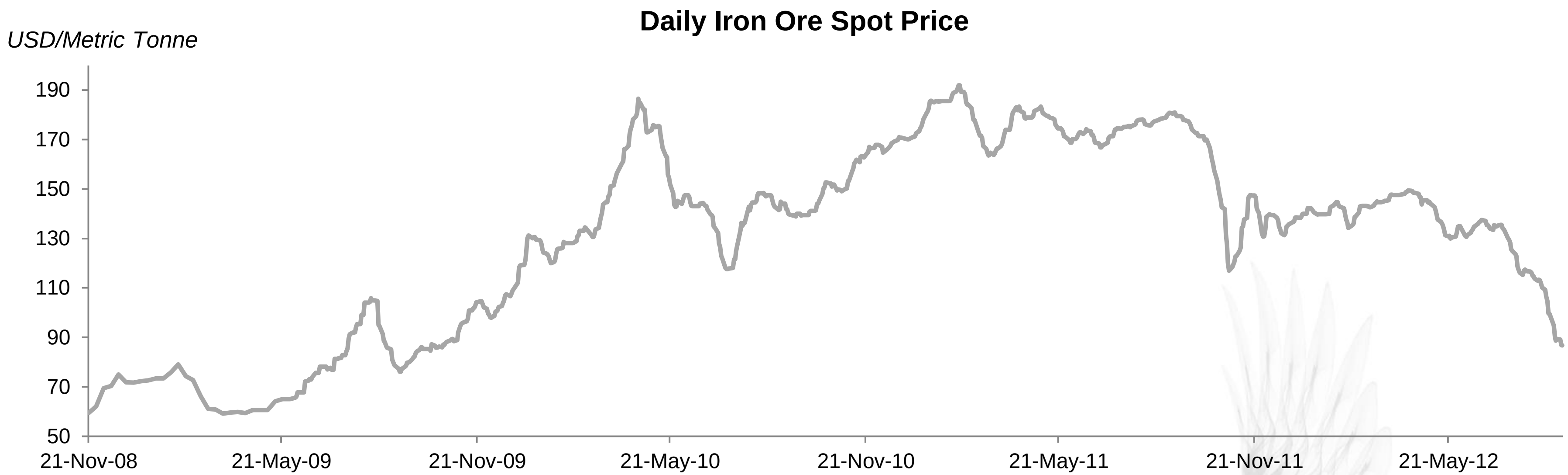


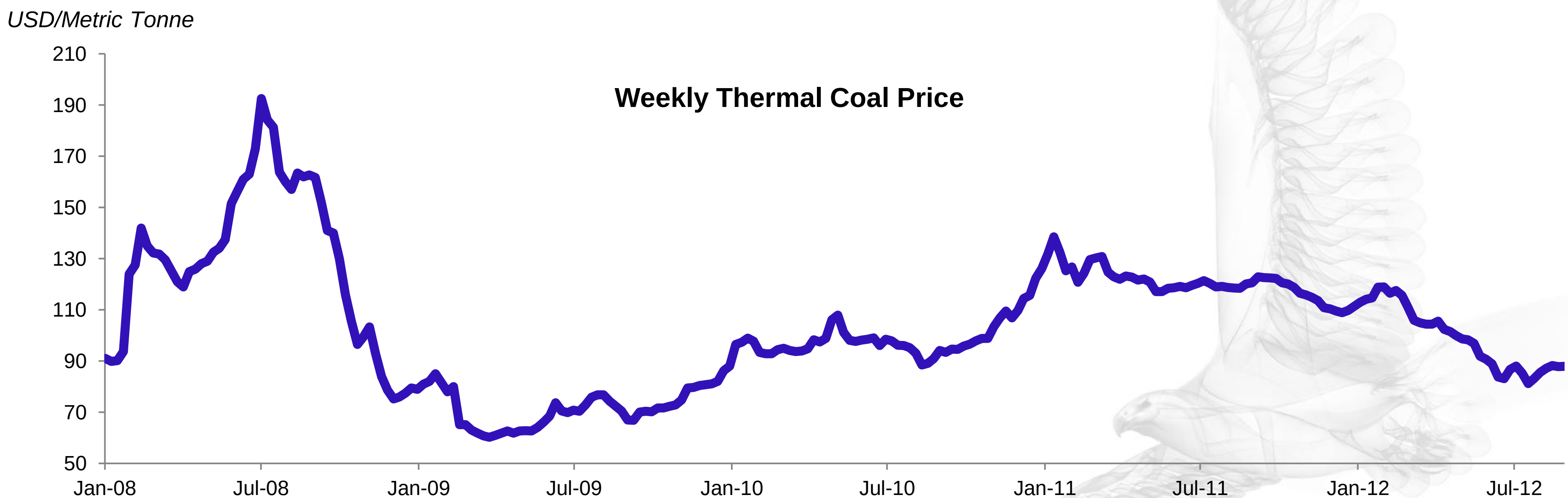
Purchasing Managers Index (PMI)



Sources: Bloomberg (up to July 2012), China's PMI based on HSBC's records including August 2012 flash

Base commodity prices softening





Notes: The Iron Ore price is based on Steel Index's price for 62 percent-grade iron ore to China, Thermal coal price is based on the Australian thermal coal price
Sources: Bloomberg, Reuters

Performance Headwinds

Q2 CY 2011	Q2 FY 2012	Q2 +/- (%)	RM billion Key Financial Indicators	YTD CY 2011	YTD FY 2012	YTD +/- (%)
72.9	70.7	(3.0)	Revenue	138.6	145.9	5.3
30.9	22.7	(26.5)	Net Profit Before Taxation	51.7	52.7	1.9
21.7	15.2	(30.0)	Net Profit After Taxation (NPAT)	34.5	36.0	4.3
42.4%	37.5%	n/a	Gross Profit Margin	42.8%	41.1%	n/a
29.8%	21.5%	n/a	NPAT Margin	24.9%	24.7%	n/a

RM billion Financial Position Highlights	31 Dec 2011	30 Jun 2012	+/- (%)
Property, Plant & Equipment	205.6	216.8	5.4
Total Assets	475.1	493.3	3.8
Shareholders' Funds	286.9	289.6	0.9
Return on Total Assets[1] (%)	13.3%	14.0%	n/a
Return on Average Capital Employed[2](%)	20.4%	20.0%	n/a
Gearing (%)	15.5%	13.3%	n/a

- *Depleting domestic production*
- *Rising cost = Shrinking pie – Lower PETRONAS entitlement (Deepwater & EOR)*
- *Ensuring security of supply for Malaysia's energy requirement*
- *Maintaining Operational Excellence*
- *Intensified asset integrity & maintenance of ageing facilities*
- *Effective Reservoir Management*
- *Halt in South Sudan production*

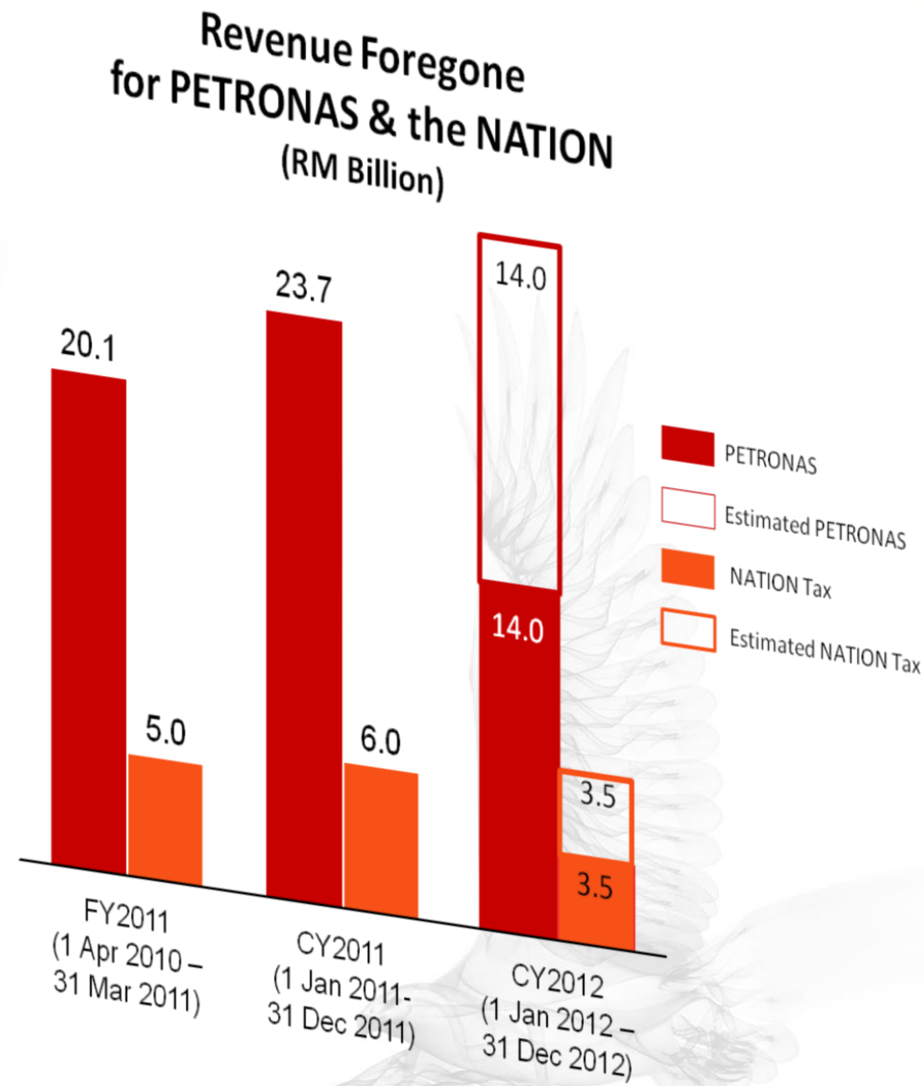
[1]ROTA: Based on annualised NPAT excluding gain on disposal of PETRONAS Group's stake in Centrica, APA Group, Proton and 5.2% Gas Malaysia disposal
[2]ROACE calculated based on annualised NOPAT divided by the average shareholders' equity and long term debt during the period/ year.

Depriving the Nation & PETRONAS of necessary funds for our planned investments

TNB wants to be compensated in full

"We have discussed this fuel-cost pass through mechanism that we are pursuing with the Government. These are major concerns that I will still pursue in collaboration with the relevant ministries to ensure that we get **full compensation, not just a third from the Government and one-third from Petroliam Nasional Bhd (PETRONAS), but full compensation for fuel cost pass through."**

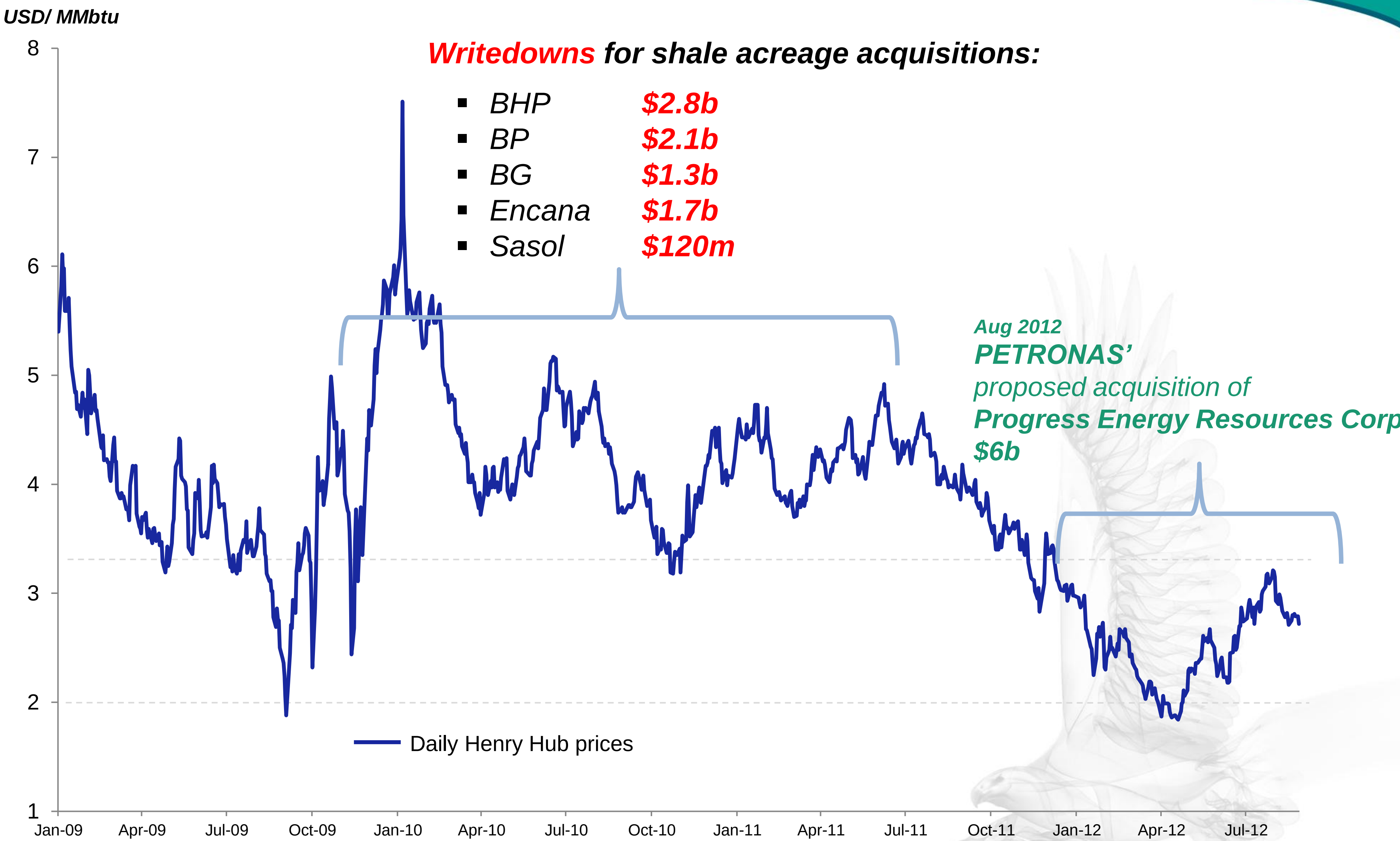
TNB CEO Azman Mohd, The Star, 20 July 2012



Nation Tax = Corporate Tax Rate of 25% x Revenue foregone for PETRONAS

WRITEDOWNS FOR SHALE GAS ACREAGE IN NORTH AMERICAN CONTINENT

Softened Henry Hub prices – Window of Opportunity



Note: Writedowns in US Dollars based on after tax basis, except for BHP's
Sources: IHS CERA, Bloomberg, Wall Street Journal, Corporate websites, Team Analysis

South Sudan - Halt in production

Shrinking pie - Lower entitlement volume in foreseeable future – EOR & Deepwater PSCs

Asset integrity & Infrastructure Maintenance

Aging legacy domestic fields

PRODUCTION REPLENISHMENT & GROWTH STRATEGY

Mergers & Acquisition (International)

Aggressive Exploration

Sweating existing assets - EOR

Monetising high CO_2 field

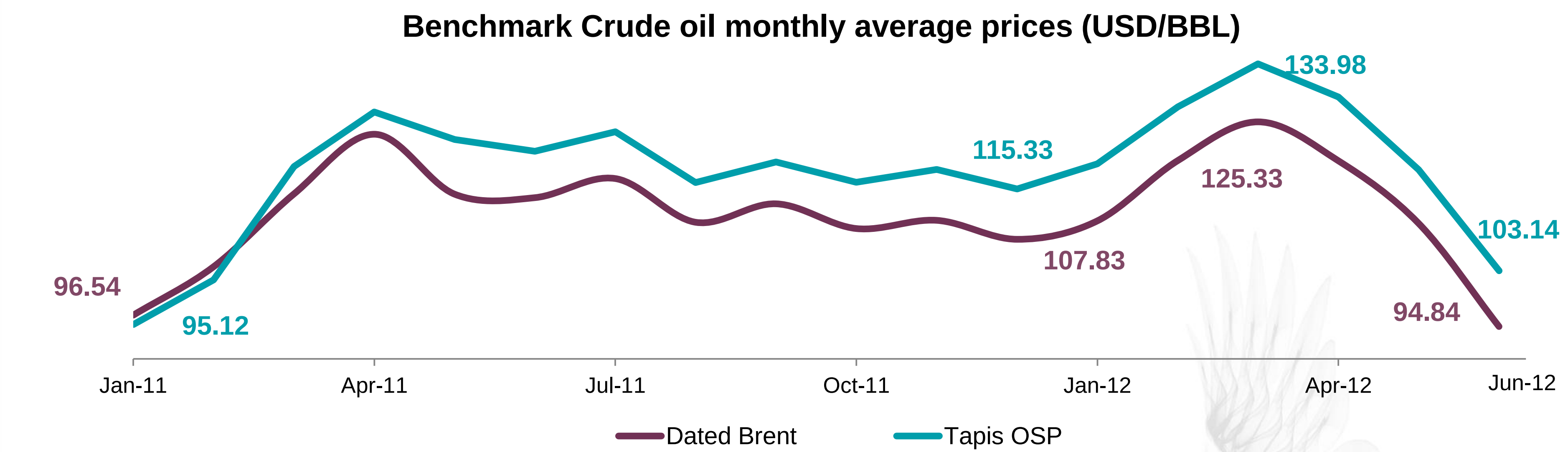
Unlocking marginal fields - RSC

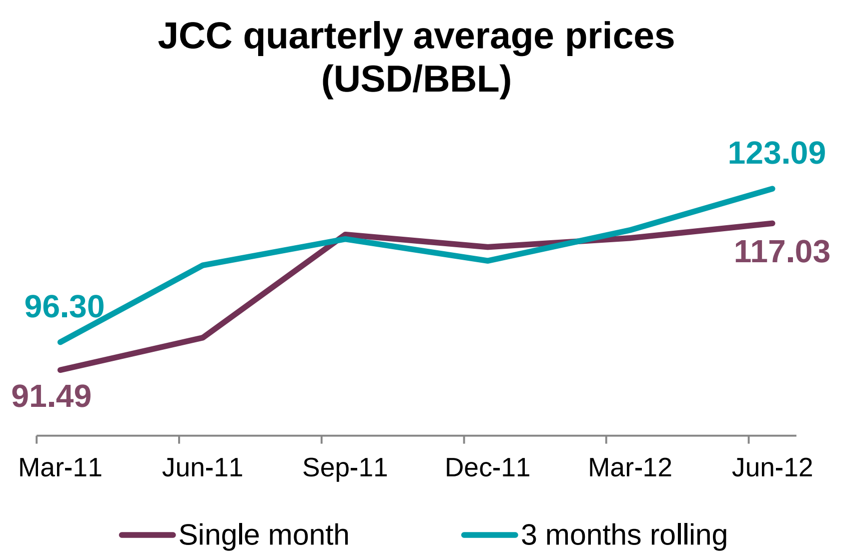
PETRONAS Group Financial Results Announcement

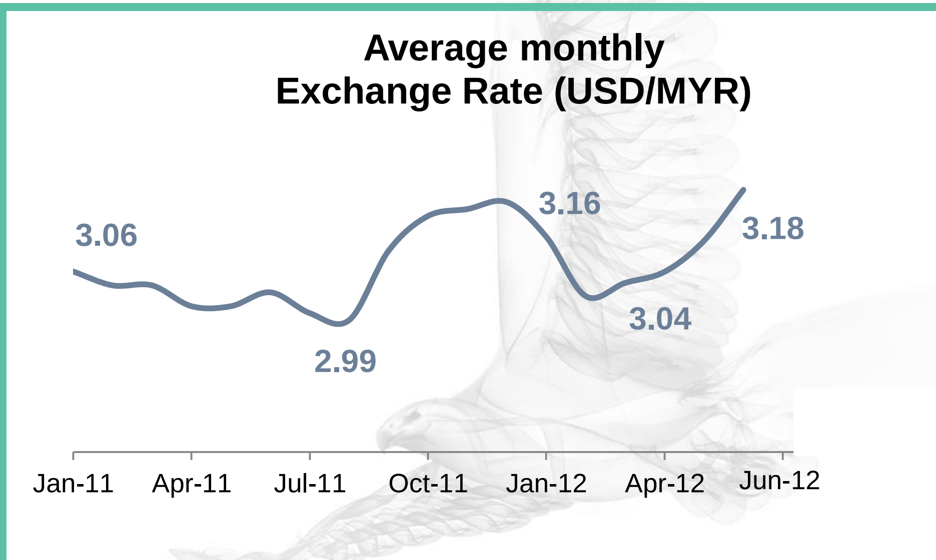
Financial Highlights

Datuk George Ratilal
Executive Vice President
Finance

Oil Price retreated in Q2 …







Note: JCC is Japanese Crude Cocktail

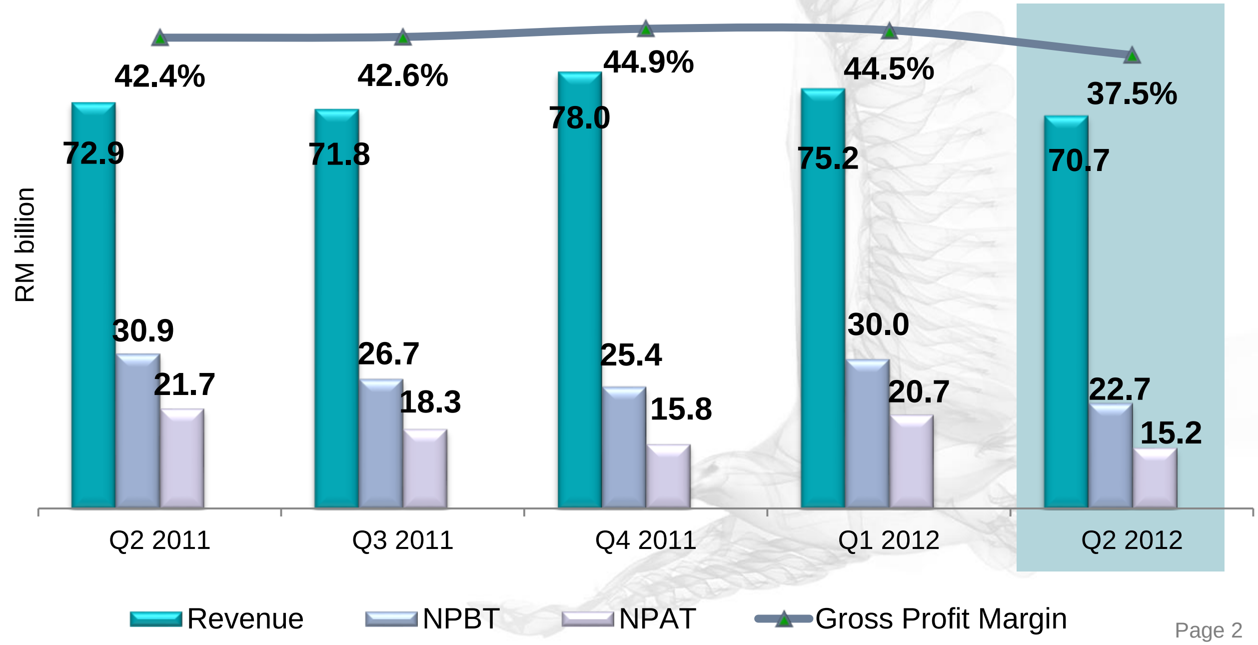
Source: Internal Analysis, Platts, Bloomberg

Performance affected by product prices and Sudan shutdown…

- **Revenue (↑ 5%):**
  - Favourable product prices in Q1, amidst production challenges and lower prices in Q2;
  - Higher petrochemical volume; and
  - Favourable exchange rate impact.

Q2			RM billion	YTD		
CY 2011	FY 2012	+/- (%)	Key Financial Indicators	CY 2011	FY 2012	+/- (%)
72.9	70.7	(3.0)	Revenue	138.6	145.9	5.3
30.9	22.7	(26.5)	Net Profit Before Taxation (NPBT)	51.7	52.7	1.9
21.7	15.2	(30.0)	Net Profit After Taxation (NPAT)	34.5	36.0	4.3
42.4%	37.5%	n/a	Gross Profit Margin	42.8%	41.1%	n/a
29.8%	21.5%	n/a	NPAT Margin	24.9%	24.7%	n/a

- **NPAT (↑ 4%):**
  - Higher profits on the back of higher revenue; and
  - Gain on disposal of investments.



Gross Revenue and NOPAT affected by product prices and Sudan shutdown…

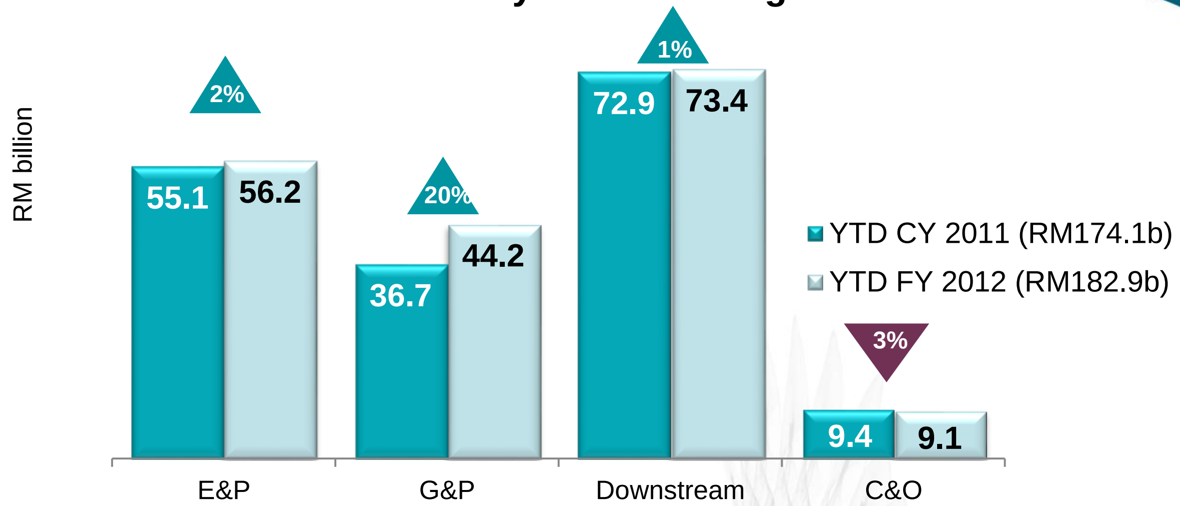
- **Gross Revenue (↑ 5%):**
  - Favourable product prices in Q1, amidst production challenges and lower prices in Q2.
- **Gross NOPAT (↑ 6%):**
  - E&P (↓ 15%) - operational challenges including stop production instructions for Sudan operations;
  - G&P (↑ 85%) - higher realised LNG prices;
  - Downstream (↓ 21%) - declining trend of crude oil and petroleum product prices in Q2; and
  - C&O (↑ >100%) - higher fund investments income.

Notes:

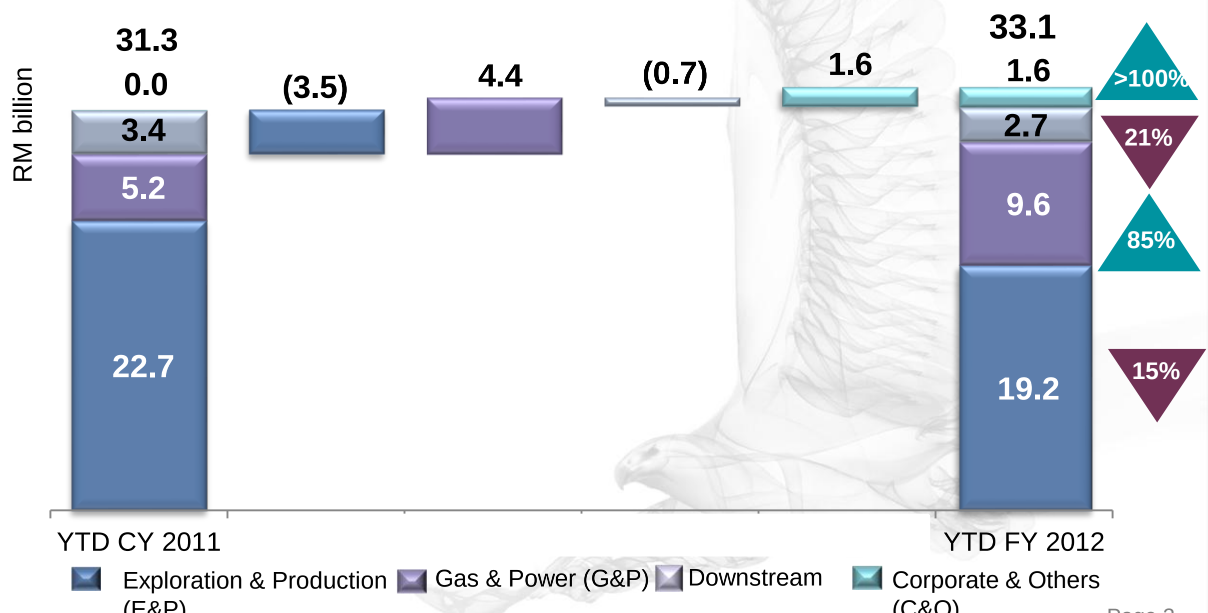
1) NOPAT : Net Profit After Tax excluding financing cost, share of profits of associates and jointly controlled entities and other non-operating income and expenses

2) Gross Revenue and Gross NOPAT include both third party and inter-segment transactions

Gross Revenue by Business Segments



Gross NOPAT by Business Segments



Financial Position remains strong

- **Total Assets** ↑ 3.8% driven by better performance.
- **ROTA**[1] **& ROACE**[2] are at 14.0% and 20.0% respectively.
- **Group Cash Balance** ended higher at RM172.6b, an increase of RM8.3b.
- **CAPEX** spending of RM20.4b were mainly for E&P.

RM billion **Financial Position Highlights**	**31 Dec 2011**	**30 Jun 2012**	**+/- (%)**
Property, Plant & Equipment	205.6	216.8	5.4
Total Assets	475.1	493.3	3.8
Shareholders' Funds	286.9	289.6	0.9
Return on Total Assets (ROTA)[1] (%)	13.3%	14.0%	n/a
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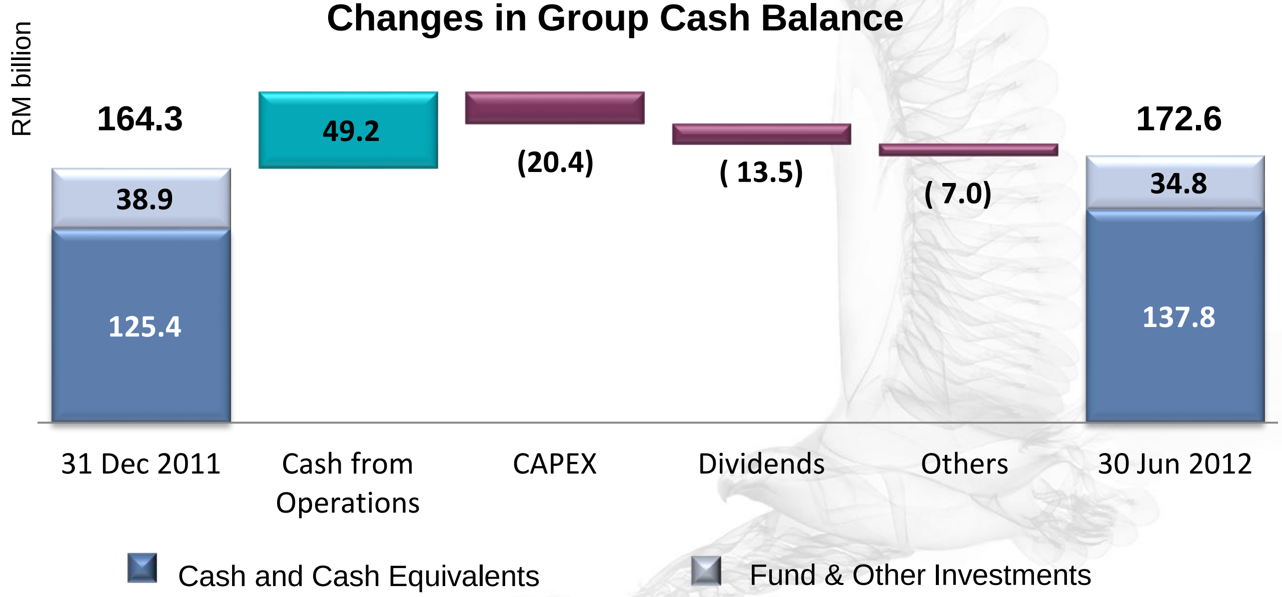
Gearing (%)	15.5%	13.3%	n/a

Changes in Group Cash Balance



[1]ROTA: Based on annualised NPAT excluding gain on disposal of PETRONAS Group's stake in Centrica, APA Group, Proton and 5.2% Gas Malaysia disposal

[2]ROACE calculated based on annualised NOPAT divided by the average shareholders' equity and long term debt during the period/ year.

Exploration and Production Business

Q2 FY2012 HIGHLIGHTS

- **4 successful discoveries –**
  Duyong Shallow, Kuang North-1, Zuhal East-2
  & M5-2, all in Malaysia
- **6 First Oil/Gas** –
  2 in Malaysia (Kumang East 1 & SFCS Phase 2),
  1 each in Iraq Halfaya, Canada Montney, Egypt WDDM
  Phase 8b & JDA Suriya B
- Concluded **5 PSCs**
- Awarded **2 new blocks** onshore Myanmar
  - RSF 2 & RSF3
- Signed **3rd Risk Service Contract** for Kapal, Banang and Meranti fields with Coastal Energy Company
- Signed **Gas Sales Agreement** for Kepodang and Ketapang, Indonesia

GROWTH IMPERATIVES

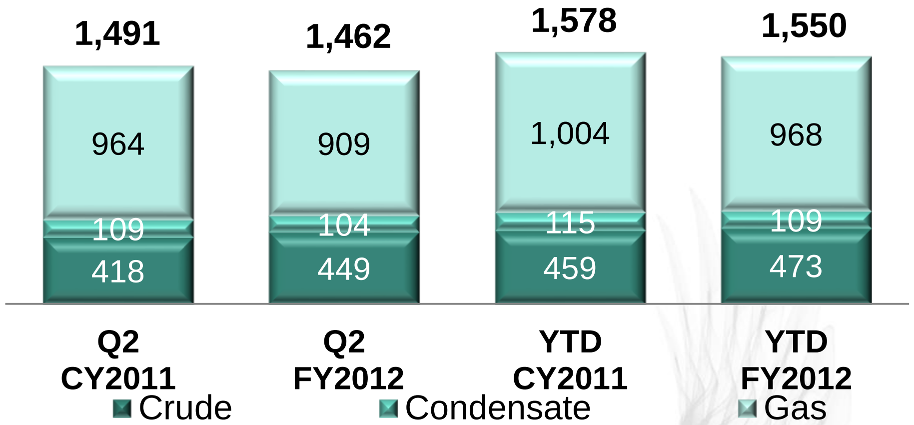
- *Pursue a 3.5% CAGR production growth over 5 years*
- *Resource Replenishment Ratio > 1 on a 3 year rolling average*
- *Maximise value creation within Malaysia*
- *High grade asset portfolio*
- *Anchor capability building on EOR & CO_2 development*
- *Explore new play types*

Operational challenges impacting gas production

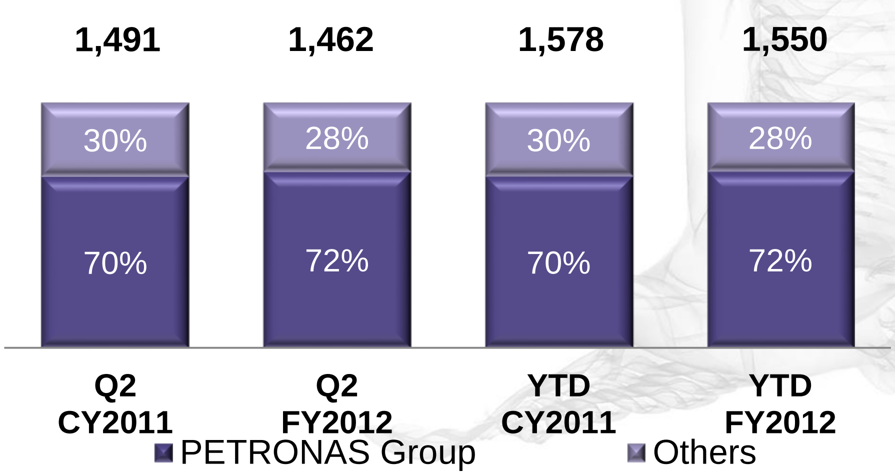
- Malaysia's crude production was higher mainly due to:
  - Production enhancement initiatives;
  - New production from Peninsular Malaysia (East Piatu and Sepat); and
  - Better well performance

- Offset by lower gas production mainly due to operational issues and planned shutdown in Sarawak.

Malaysia Production by Hydrocarbon Type (kboe/d)



PETRONAS Group Entitlement % (kboe/d)



Lower crude production was due to security issues despite higher gas recorded

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Crude (↓ 58%):

- Lower YTD production mainly due to stop order instructions in South Sudan following the geo-political crisis.

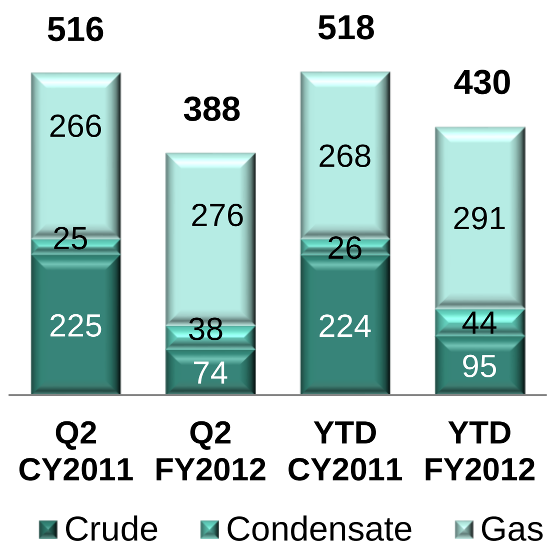
Gas and Condensate (↑ 14%):

- Higher YTD production mainly due to new production coming on stream from Turkmenistan.

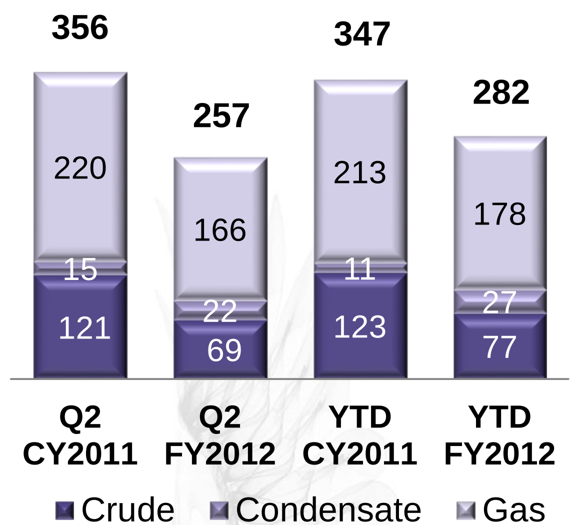
Entitlement (↓ 19%):

- Lower entitlement mainly due to cessation of Sudan production.

International Production by Hydrocarbon Type (kboe/d)



International Entitlement by Hydrocarbon Type



Top Producing Countries/ Area	YTD CY2011	YTD FY2012	+/-
Egypt	127	124	(2%)
MTJDA	104	103	(1%)
Turkmenistan	6	50	>100%
Chad	41	37	(10%)
Indonesia	31	34	10%
Sudan	153	30	(80%)

Gas & Power Business

Pursuing New Business

Q2 2012 HIGHLIGHTS

- Entered agreement to acquire **Progress Energy Resources Corporation** subject to relevant regulatory approvals
- Awarded **EPCC for PETRONAS Floating LNG 1** in June 2012, target completion by 2015
- Awarded **Dual FEED for PETRONAS Floating LNG 2** in June 2012
- **Divested 17% in APA Group**
- Achieved **FID** and awarded **EPCC for Solar Power Plant** in Gebeng
- Signed **short term LNG Sales Purchase Agreement with Statoil ASA** for supply of LNG to Malaysia
- **Signed Gas Sales Agreement (GSA) with Maegma Steel HRC Sdn Bhd** for the supply of 57mmscfd of gas for 15years beginning 2016 **at LNG-based price**
- **Renewal of GSA with Gas Malaysia Bhd** for another 10 years from 1st January 2013 which includes the supply of additional gas volume of up to 192 mmscfd **at LNG-based price**

GROWTH IMPERATIVES

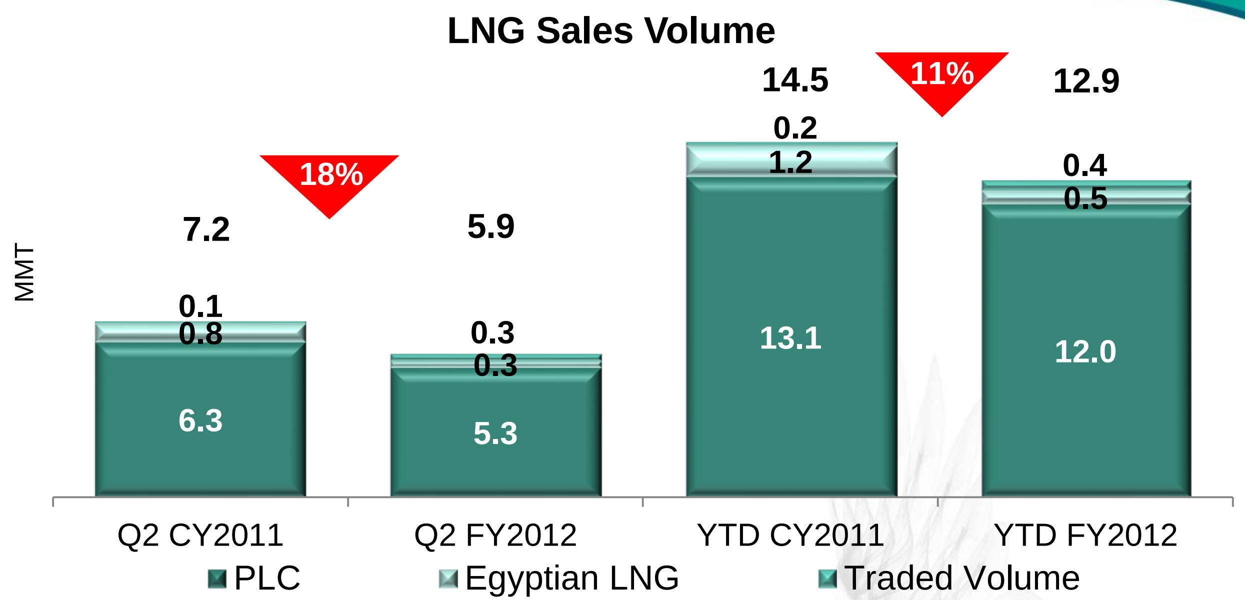
- *Secure supply and maximise value of gas for Malaysia*
- *Strengthen and grow LNG position in Asia Pacific & Atlantic*
- *Establish and grow energy trading in Europe*
- *Pursue and develop Power Business in Malaysia & Emerging Markets*

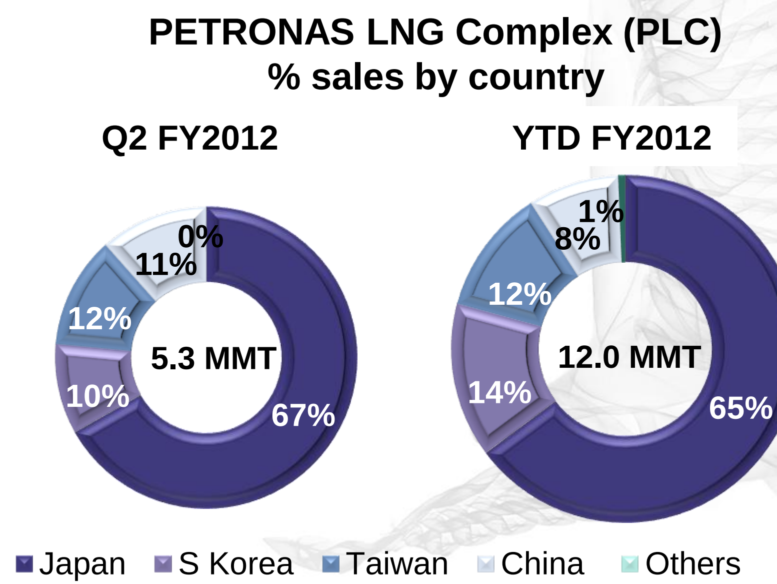
Lower LNG sales volume from lower PLC production and Egypt

LNG (↓ 11%):

- Lower LNG sales volume was mainly due to lower production from the PETRONAS LNG Complex (“PLC”) in Bintulu, Sarawak attributed to scheduled plant turnaround as well as lower entitlement volume from operations in Egypt.

- Exports of LNG from PLC were mostly shipped to Japan, South Korea & Taiwan.



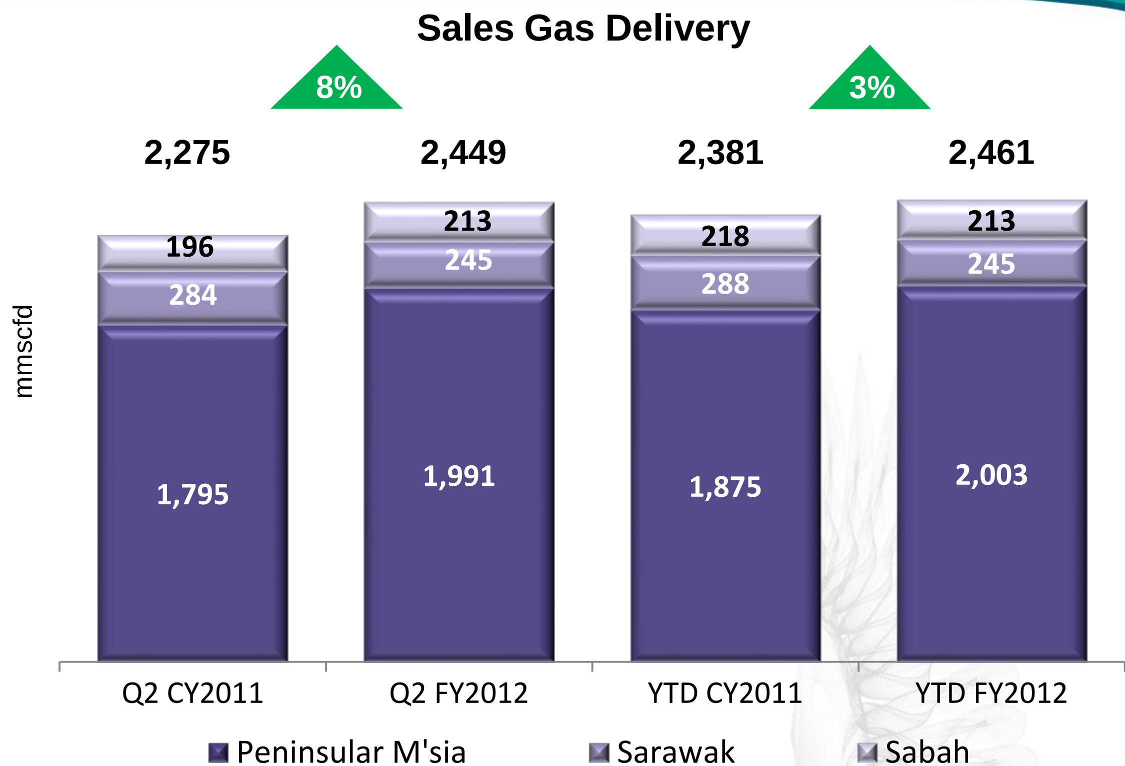


Higher volume due to higher supply from Kertih & MTJDA

Sales Gas (↑ 3%):

- Higher average sales gas delivery mainly from higher delivery to customers in Peninsular Malaysia resulting from higher domestic feedgas supply through Kertih and from Malaysia-Thailand Joint Development Area (MTJDA).

- PETRONAS Gas Berhad continues to maintain world-class reliability levels for its GPP and PGU pipeline.



Reliability Level Attained (%)	Q2		YTD	
	CY2011	FY2012	CY2011	FY2012
GPP	99.70	99.99	99.85	99.99
PGU	99.99	99.95	99.97	99.98

Downstream Business

Q2 2012 HIGHLIGHTS

- **Launching of Project RAPID** by DYMM Sultan of Johor on 13th May 2012
- **Project RAPID signed:**
  - **Heads of Agreement with Itochu** on 18th May 2012 for C2 Chain & C3 Polymer;
  - **Heads of Agreement with PTTGC & Itochu** on 18th May 2012 for C2 & C3 derivatives; and
  - **License, FEED, Engineering & Technical Services Agreement with LUMMUS Technology Inc.** for Steam Cracker Complex in June 2012.
- **Awarded FEED contracts for PSR-1, MG3 and HPU-3** as part of PSR-1/MG3 Retrofit Project

GROWTH IMPERATIVES

- *Strengthen presence and pursue opportunistic growth in selected markets*
- *High grade asset portfolio*
- *Grow refining and petrochemical capacity and product range*
- *Build global trading and marketing portfolio*

Higher YTD petrochemical sales volume recorded due to better plant performance

Petrochemical Products (↑ 6%):

- YTD volume increased mainly due to better plant performance

Crude (↓ 10%):

- YTD volume decreased mainly due to persisting geopolitical issues in Sudan and also lower crude trading activities

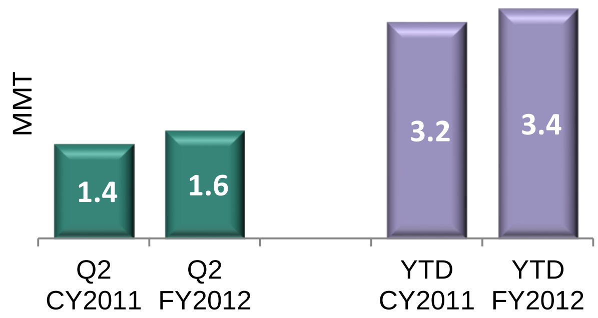
Petroleum Products (↓ 5%):

- YTD volume decreased mainly due to lower market demand affected by the continuous high price environment

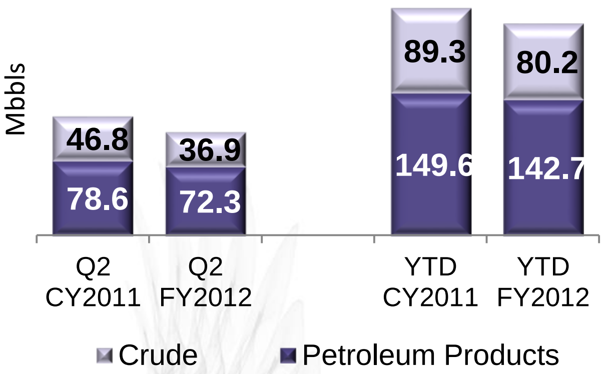
Domestic refineries and PCG Plants performance:

- Improved performance mainly due to lower internal shutdowns and slowdowns

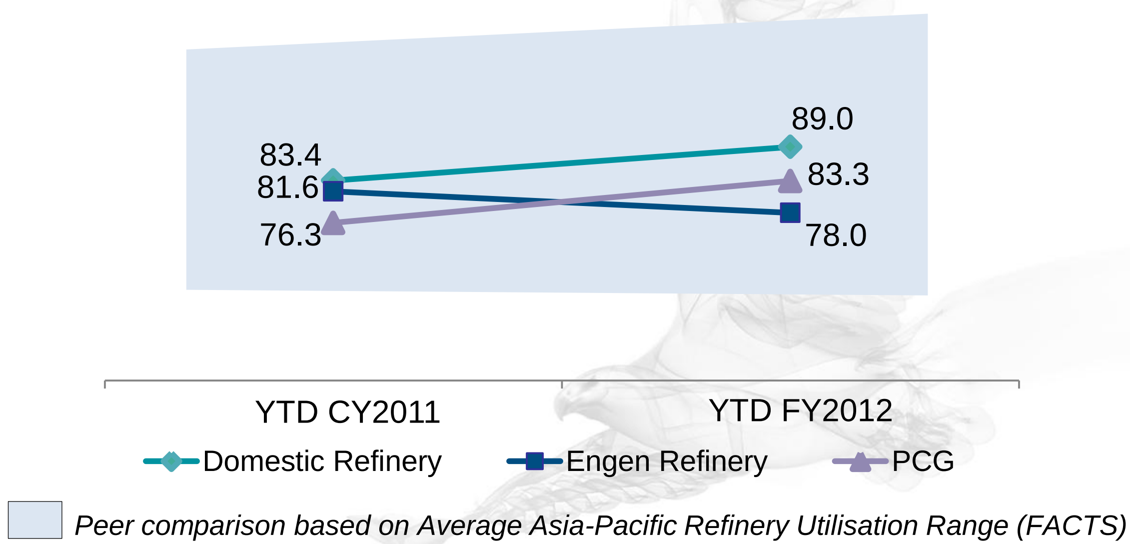
Petrochemical Products Sales Volume



Crude and Petroleum Products Sales Volume



Plant Utilisation (%)



Thank You