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Sustainability Indices
In Collaboration with RobecoSAM



Thai Oil Public Company Limited

KM Session : Clean Fuel Project

5 July 2018

Time : 8.30 - 11.00 hrs.

Venue : Ballroom @ The Okura Prestige Hotel Bangkok



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Agenda

Thaioil Group Direction & Project Rationale

Scope of CFP & Technical Aspect

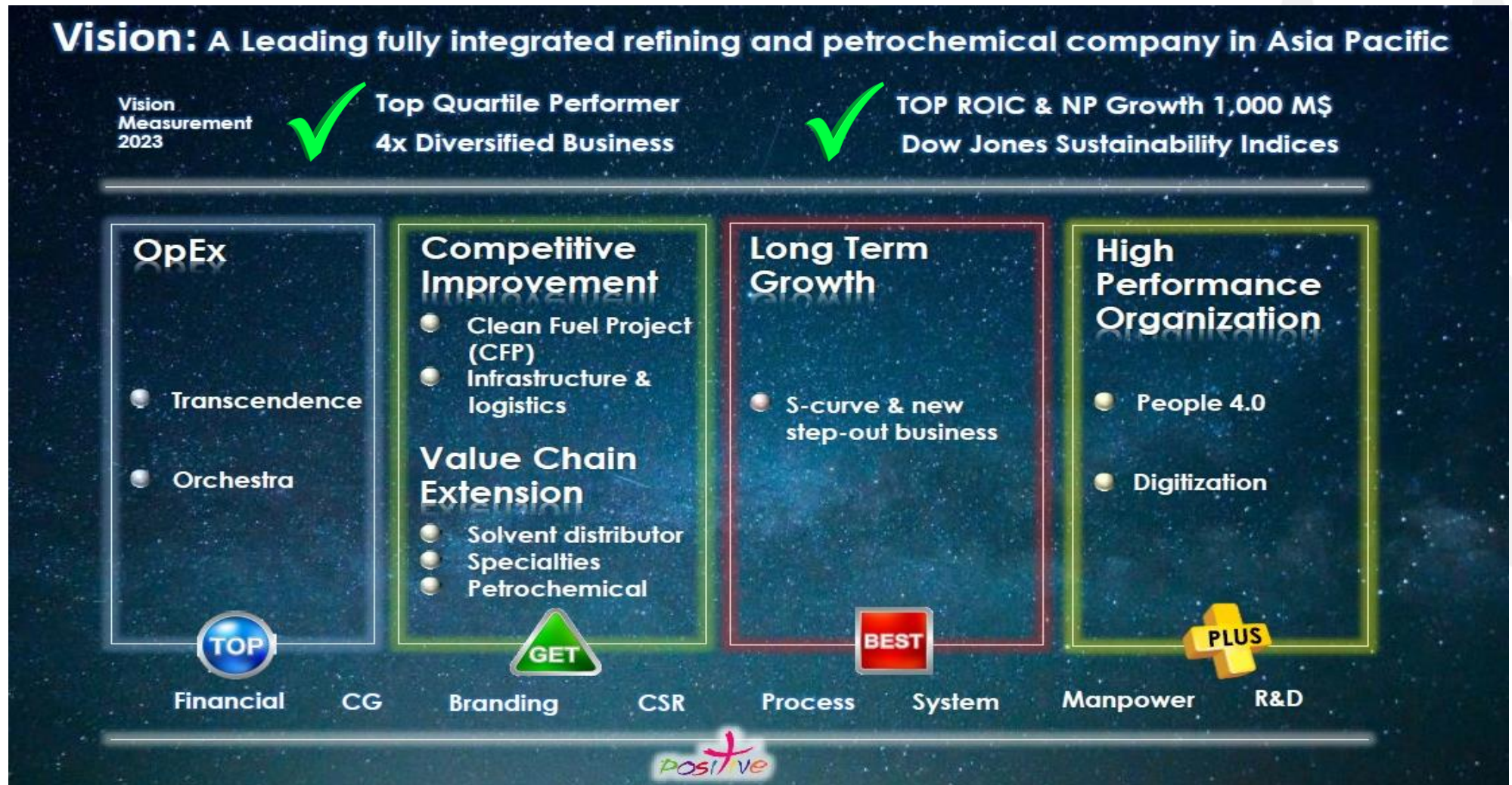
Market Outlook (2023 – 2042)

Financing Plan



Thaioil Group Direction & Project Rationale

Thaioil Strategic Direction



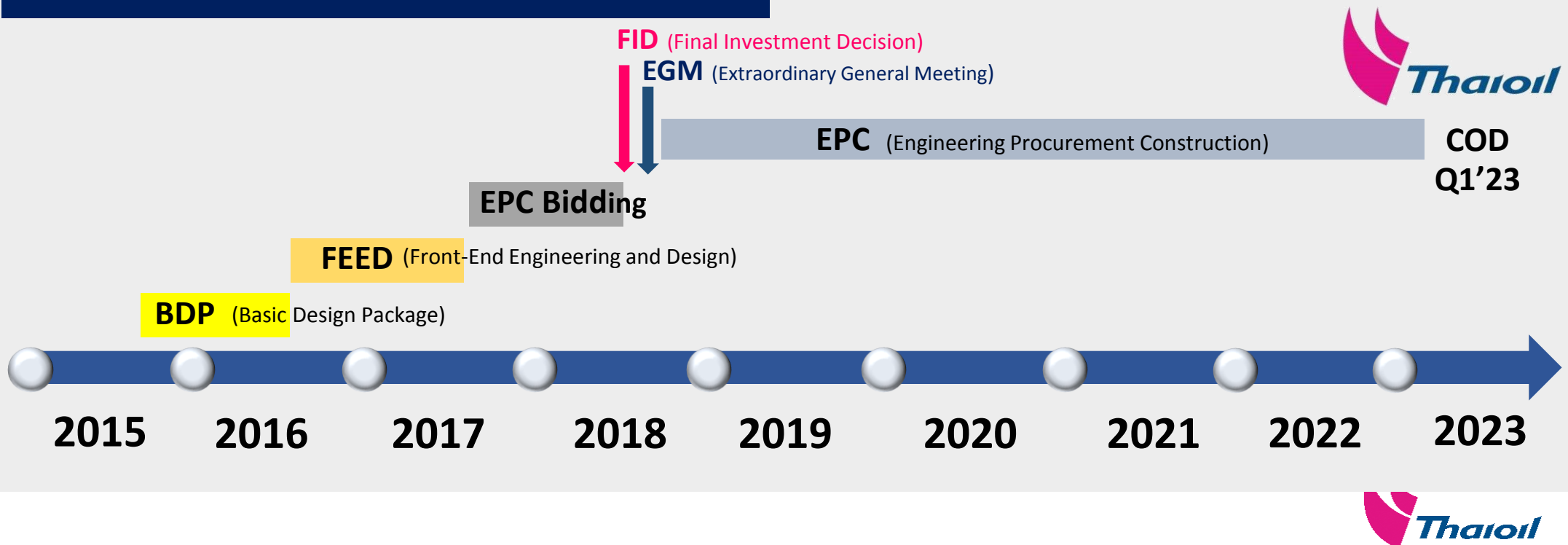
- To enhance **the competitiveness of the refineries** and **maintain 1st quartile performer**
- To enhance capability to **upgrade to higher valuable product** and **ability to process heavier crude**

Clean Fuel Project (CFP) : Rationale & Timeline

Project Rationale

- Risk of losing competitiveness to others regional refineries as more new refineries with higher capacity and more advanced technologies are on stream.
- Adjust product portfolio by producing high demand and clean product to serve customer needs and country's energy stability.
- Replace units i.e. CDU 1,2 which have been operating more than 50 and 40 years respectively.

CFP Timeline



Benefits of CFP

To Company

- Increase competitiveness & ensure TOP quartile positioning
- Feedstock cost reduction & flexibility
- Produce clean & more valuable product
- Plant optimization
- Creating opportunity for expanding into Petrochemical business

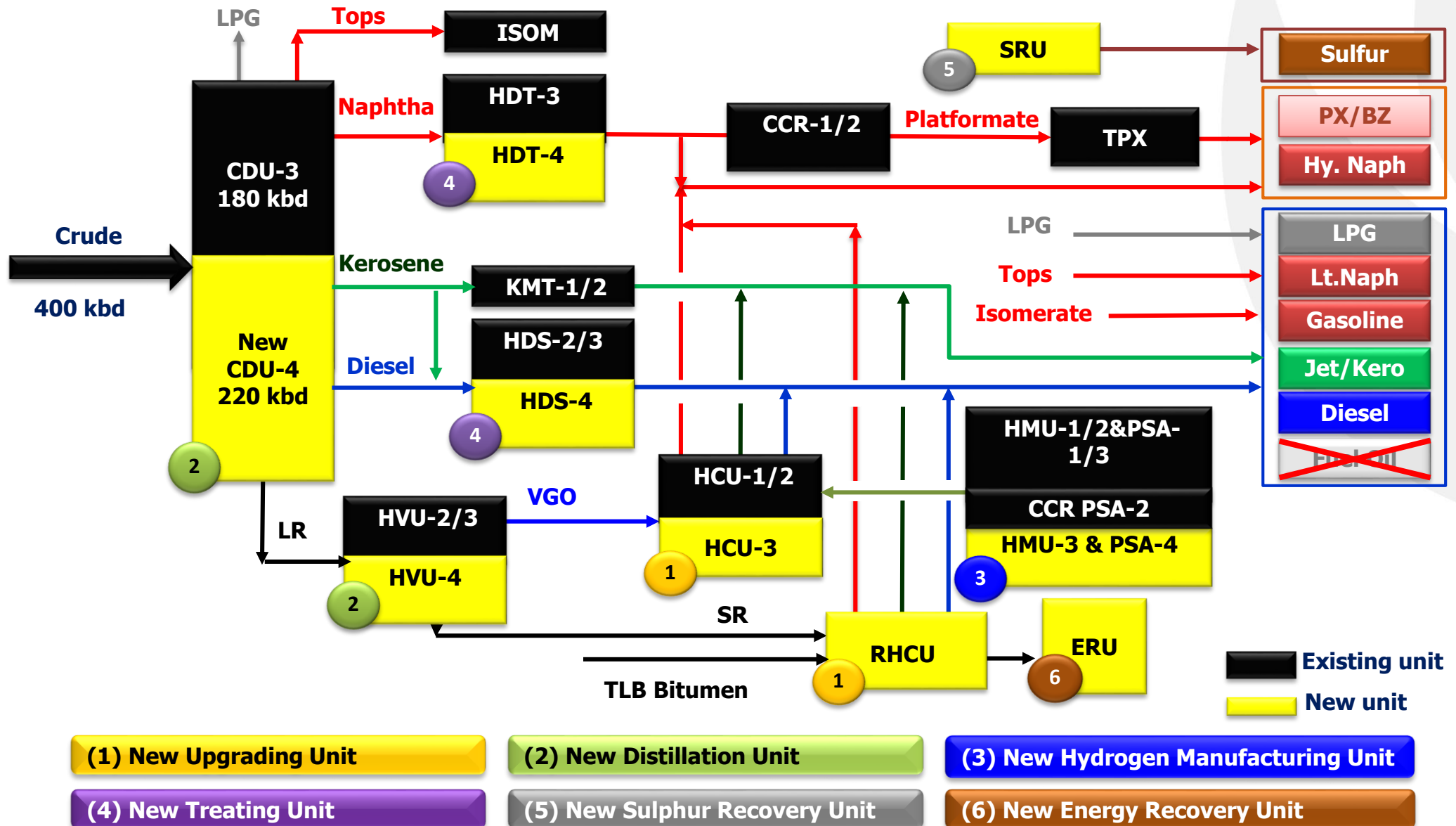
To Thailand

- Enhancement of country's long term energy stability
- Enhance the ability to process domestic crude
- Support government's Petrochemical Project Phase 4
- Opportunity to be the Energy Hub of AEC
- Driving force for country's economic development



Scope of CFP & Technical Aspect

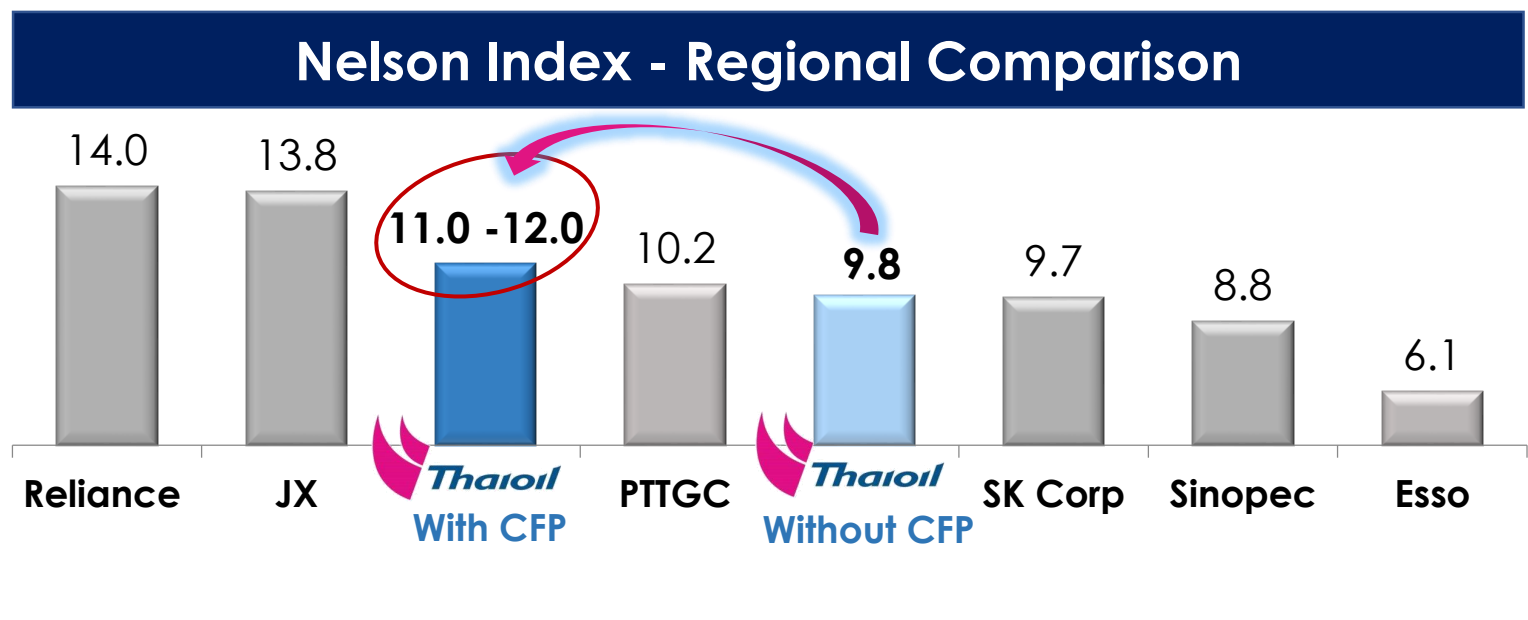
Scope of CFP & Technical Aspect



CFP Competitiveness

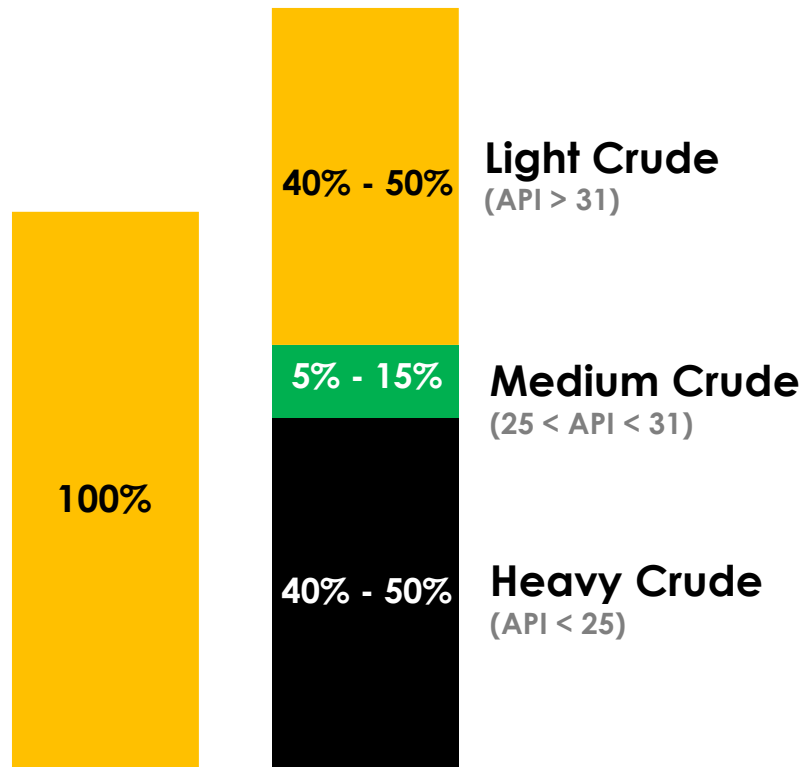
Without CFP	With CFP
<ul style="list-style-type: none">• CDU Capacity 275,000 bbl per day• Upgrading Ratio 28 % (upgrading capacity⁽¹⁾ over CDU capacity)	<ul style="list-style-type: none">• CDU Capacity 400,000 bbl per day• Upgrading Ratio 50% (upgrading capacity⁽²⁾ over CDU capacity)• Power Plant 250 MW

Remark : (1) including HCU 1/2, FCCU, TCU (2) including HCU 1/2/3, RHCU



CFP Value Proposition

Flexibility of crude intake

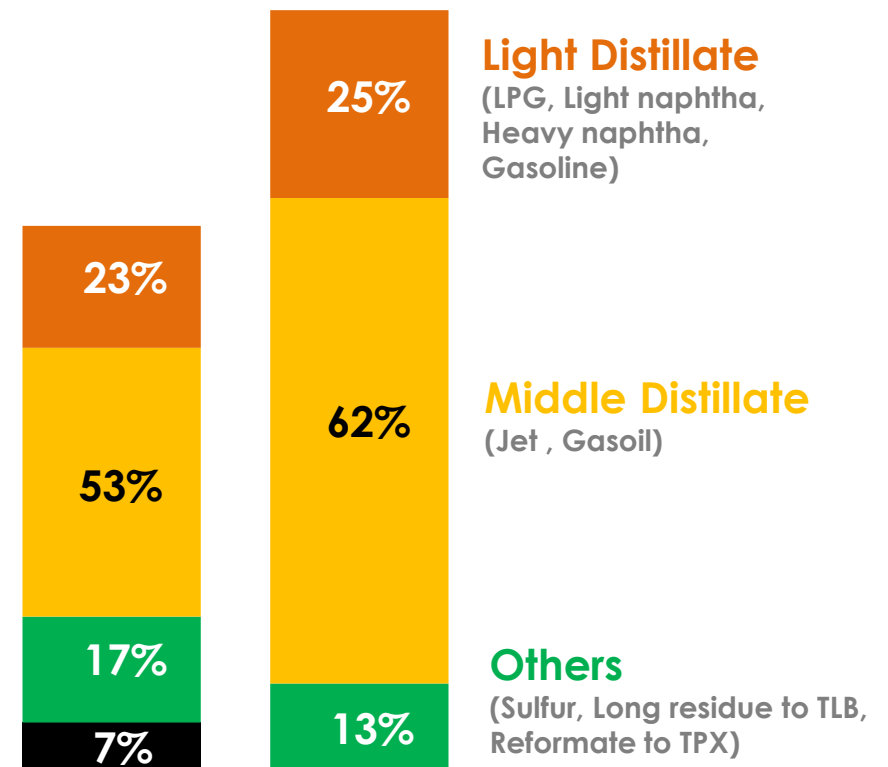


Without CFP

With CFP

Unit in %Vol.

Product Upgrading



Without CFP

With CFP

Unit in %Vol.

Note : After CFP, all products based on average data 2023-2043



Market Outlook (2023 – 2042)

Key Highlight : Market Outlook



CFP requires **small portion of heavy crude**



Tightening spare capacity opens **opportunity for additional capacity**



EVs gradually penetrate in **Gasoline**



Jet demand grows fast and **limited replacement**



New IMO spec requires **more Marine Gas Oil**

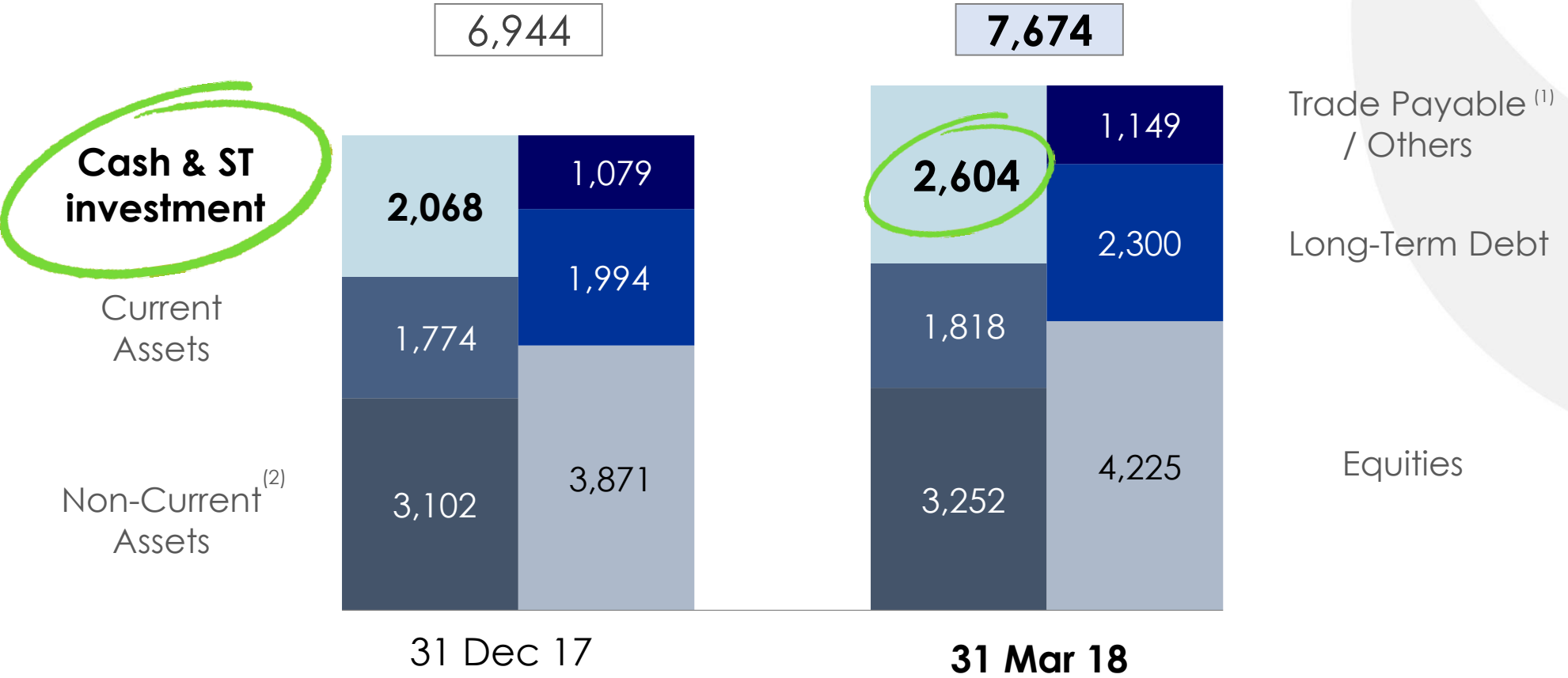


Financing Plan

Source of Fund

Strong Financial Position

Unit: million USD



⁽¹⁾ Including current portion of Long-Term Debt

⁽²⁾ Including available for sale 31 Dec 17 = 87 M\$, 31 Mar 18 = 124 M\$

Source of Fund

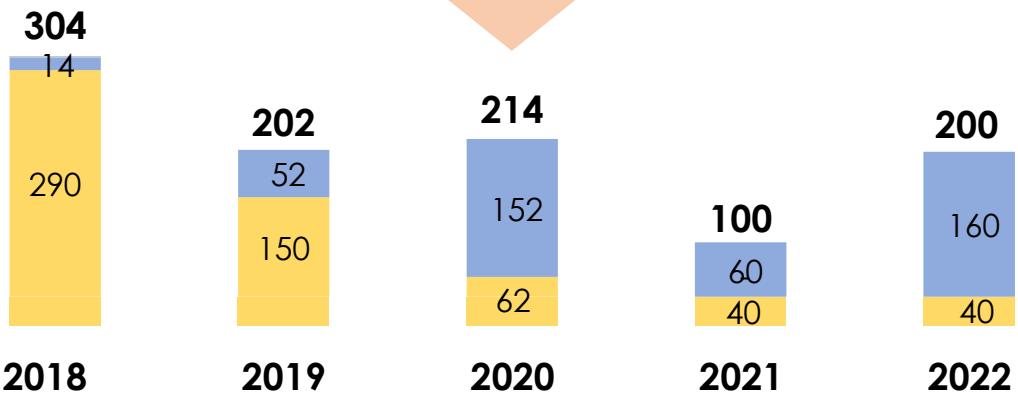
Free Cash Flow

Unit: million USD

Assumption : 275kbd 100% run

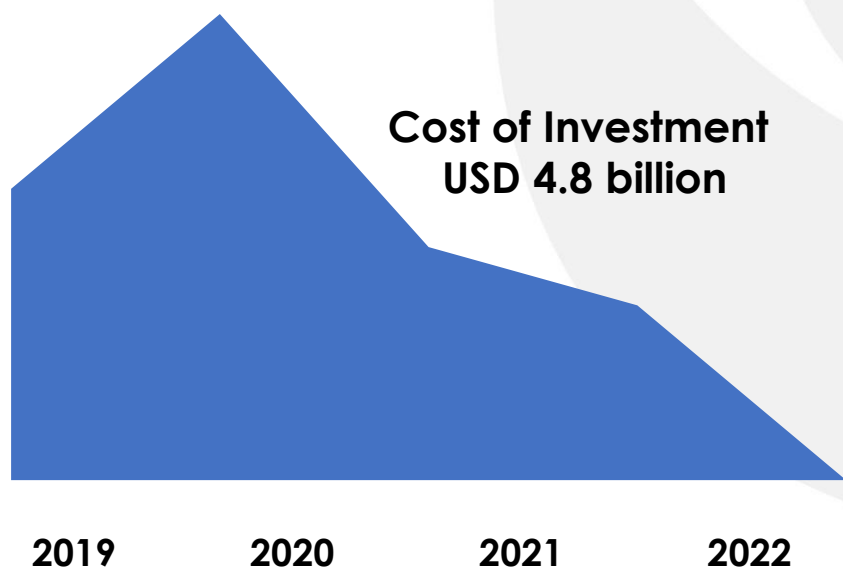
Avg EBITDA '13-18
700-800 M\$

FCF 400 M\$



■ Ongoing CAPEX (including maintenance cost) ■ Loan repayment
— Avg EBITBA '13 - '18

CAPEX Phasing





Source of Fund

New Borrowing

- Financial Policy allow debt-to-EBITDA 3:1 during investment. Thus, debt headroom up to USD 1-1.5 billion to reserve for new investment.
- Prepare readiness to secure external borrowing under GMTN & TTC
- Strong financial support in term of term loan & working capital
- Working capital management

FX Management

During construction

- FCD account + New USD borrowing  USD EPC Obligation
- THB saving account + New THB borrowing  THB EPC Obligation

After construction

- Increasing EBITDA matching USD loan outstanding to maintain natural hedge

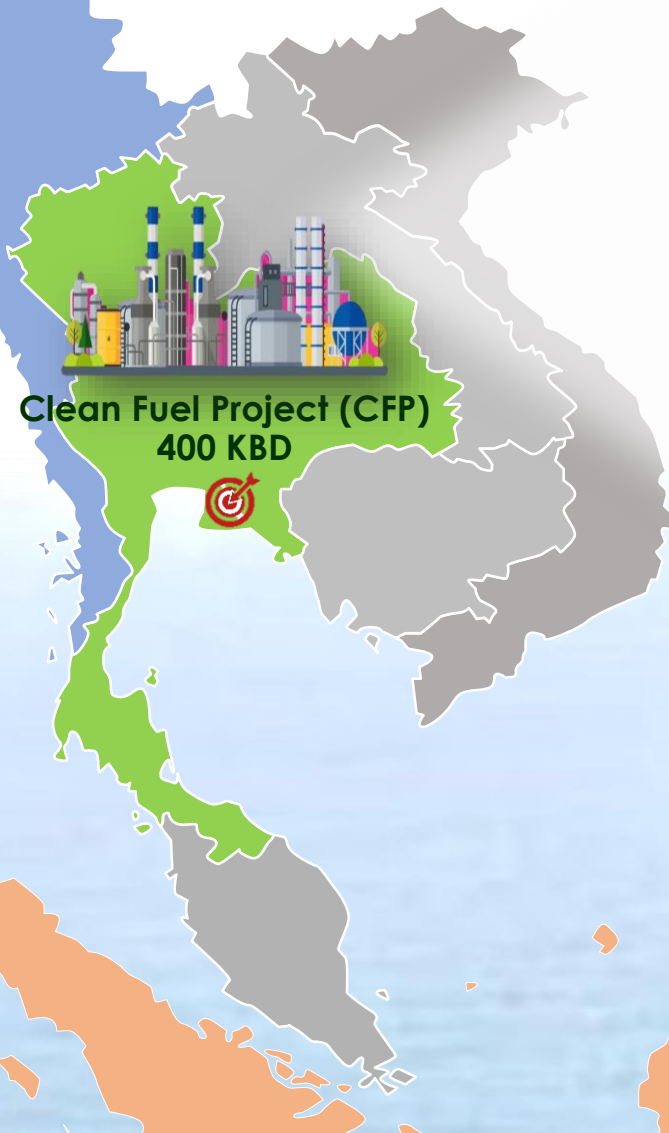


4 years construction : 2019 - 2022

Year 2023 onward



Conclusion : CFP



- 1 Top quartile performer in Asia-Pacific
- 2 DJSI energy industry group leader
- 3 PTT refining flagship
- 4 National player to support EEC strategy

Thank You

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