

# Siamgas and Petrochemicals Public Company Limited



สยามแก๊ส



Presentation for Investor & Analyst  
Quarter 1, 2012



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- SGP's Presence
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Business Growth 2010 - 2012
- Financial Results
- Business Outlook
- Q & A

# SGP's Regional Presence

## SINO SIAM GAS AND PETROCHEMICALS

- 200,000 Tons LPG Terminal
- LPG Wholesale & Retail

## SIAM OCEAN GAS AND ENERGY LIMITED

- 100,000 Tons LPG Terminal
- LPG Wholesales & Retail

## SIAMGAS & PETROCHEMICALS PLC UNIQUE GAS & PETROCHEMICALS PLC

- 2<sup>nd</sup> Largest LPG Trader in Thailand
- Regional LPG Wholesale (Offshore Trading) by SGP

## SUPER GAS

- 2,000 Tons LPG Terminal & Filling Plant
- LPG Wholesale & Retail

## SINGGAS

- LPG Wholesales & Retail

## FLOATING LPG TERMINAL

- 45,000 DWT



CHINA

ZHUHAI

HONG KONG  
MACAO

SHANTOU

TAIWAN

THAILAND

CAMBODIA

VIETNAM

MALAYSIA

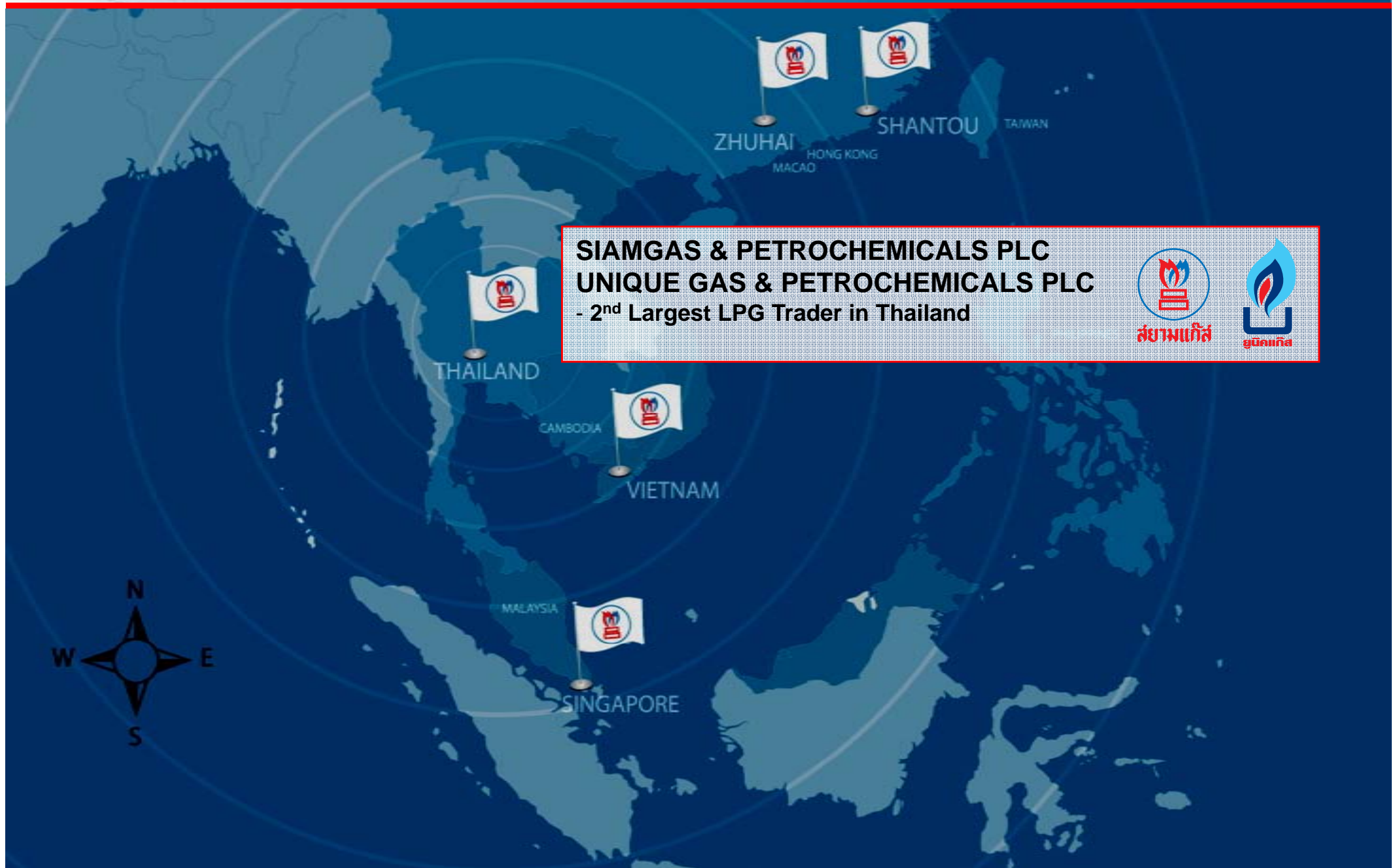
SINGAPORE



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# LPG Business in Thailand

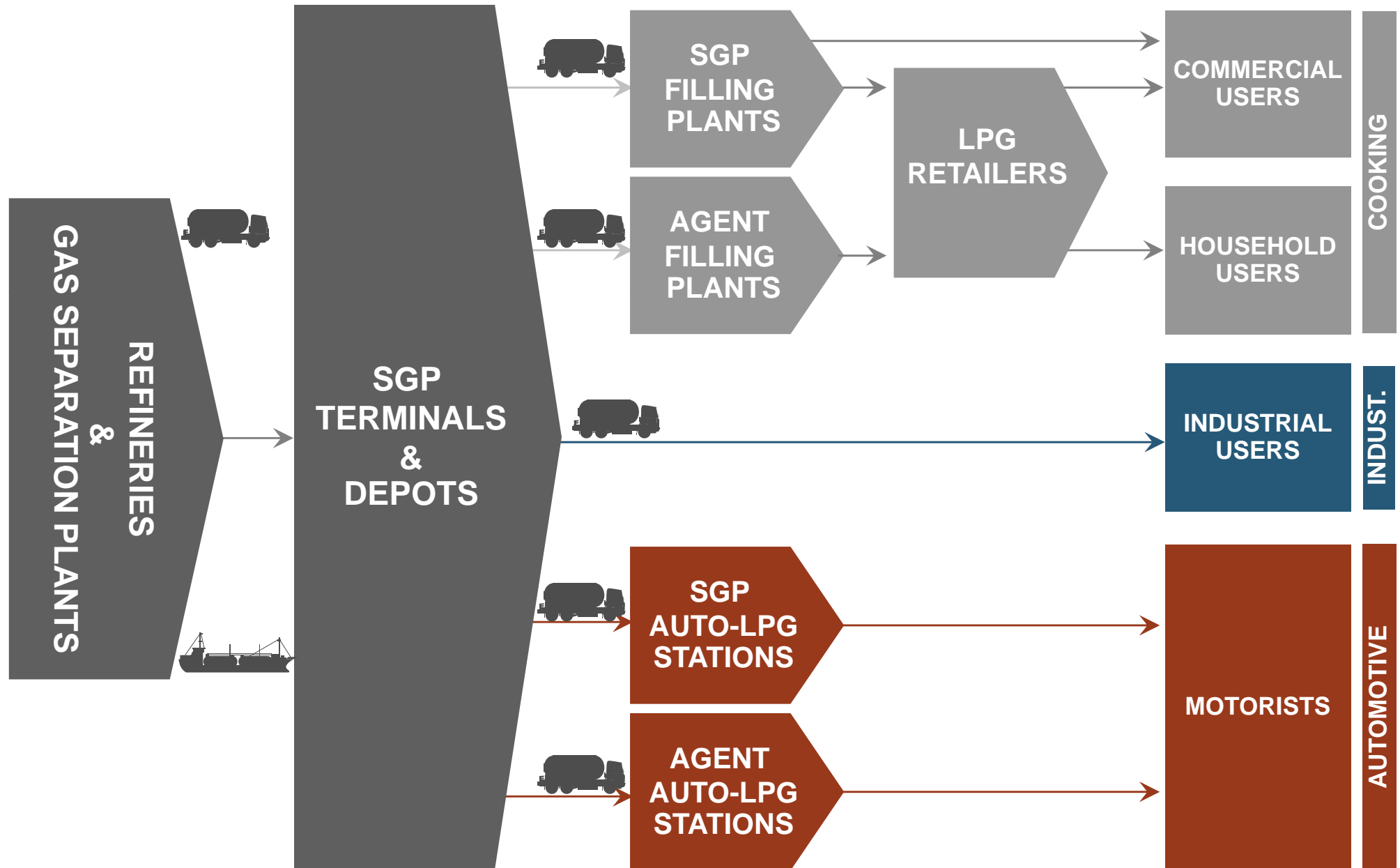




# Thailand LPG Market Highlights

- Thailand's economy expanded in 1Q'12 as factories resumed operations and domestic consumption revived after 2011 floods.
- Competition in automotive segment was still intense
- Gasoline prices still on high level
- Government's policy in lifting prices of certain energy sources
  - Price adjustment for cooking was still on hold
  - Lifted LPG auto-gas and NGV prices
    - LPG price lifted by THB 3/kg or THB 1.64/lt - (Jan'12-Apr'12)
    - NGV price lifted by THB 2/kg (Jan'12-Apr'12)
    - Both LPG auto-gas & NGV price lifting – on hold 3 months (May'12 – July'12)
  - Lifted LPG price for industrial use – THB 12/kg (3Q'11 – 2Q'12)
  - LPG price for Petrochemical Feed Stock was also lifted in Jan'12

# Business Model - Thailand

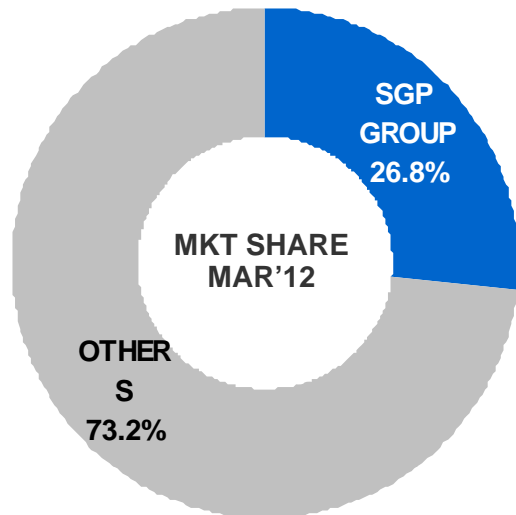
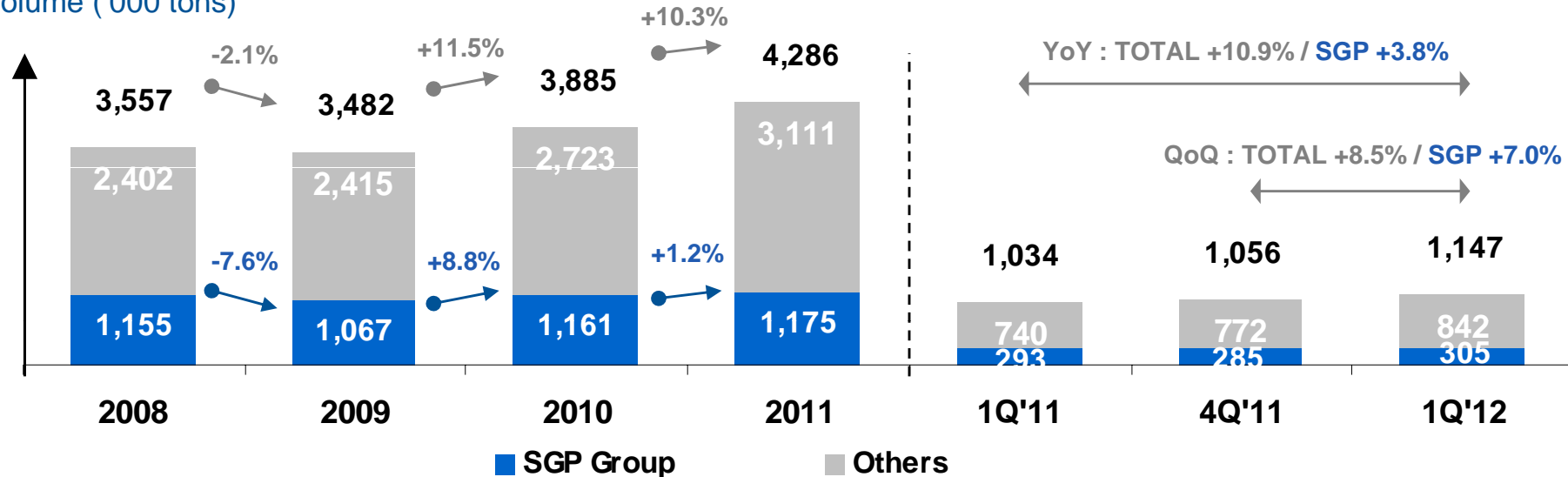




# Thailand LPG Market Highlights

[All Sectors]

Sales Volume ('000 tons)

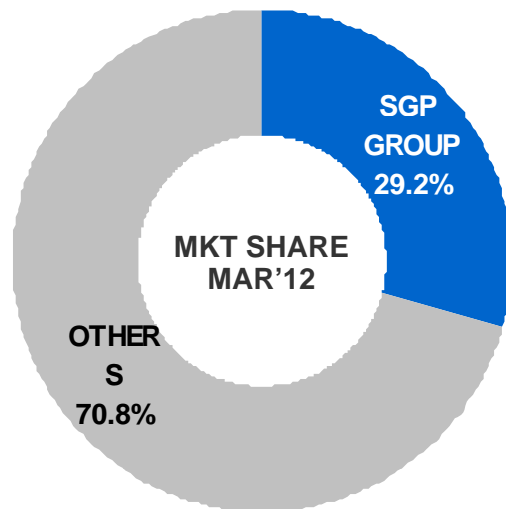
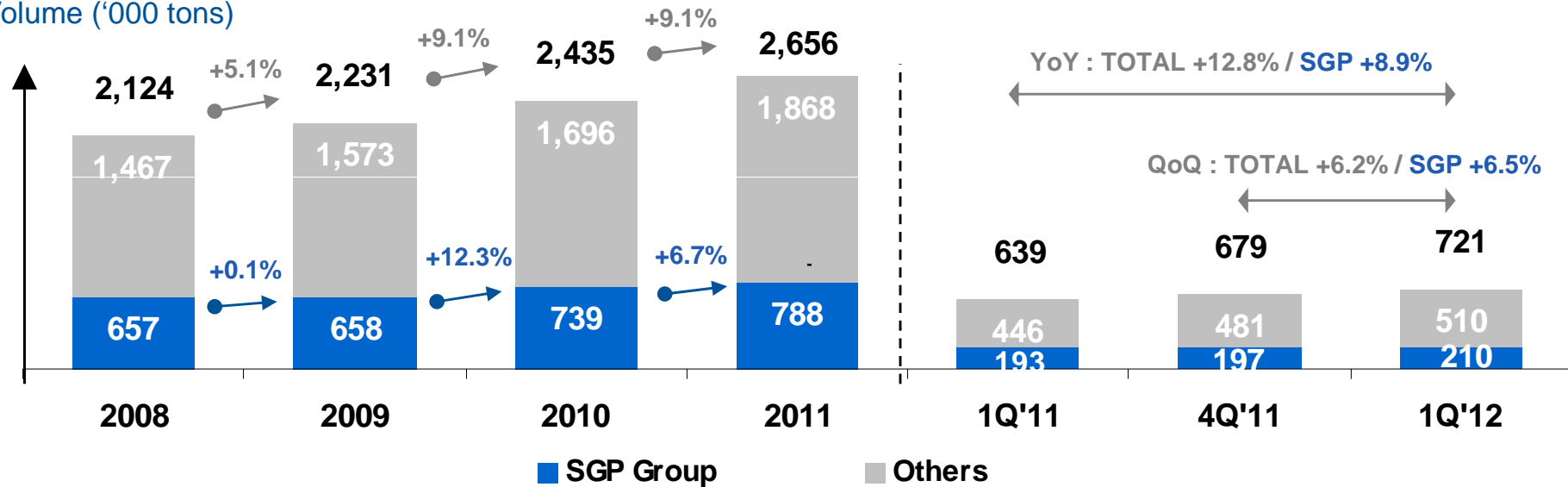


- Thailand's economy expanded on post-flood recovery
- High-level oil price pushed up LPG demand
- Total market size 4.29 million TPA (2011)
  - Cooking 2.66 million TPA (62%)
  - Automotive 0.92 million TPA (21%)
  - Industrial 0.71 million TPA (17%)
- Average growth ('08-'11) 8.8%

# Thailand LPG Market Highlights

[Cooking]

Sales Volume ('000 tons)



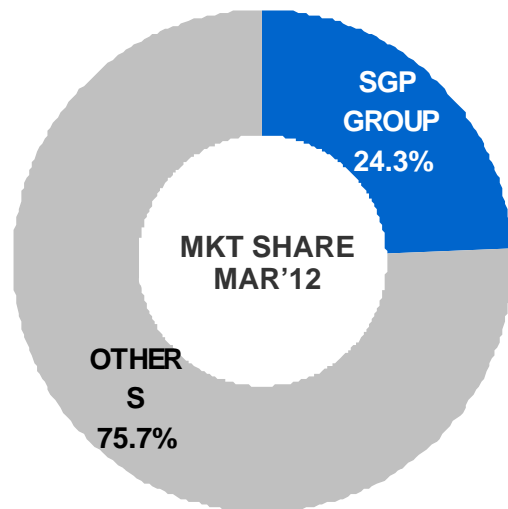
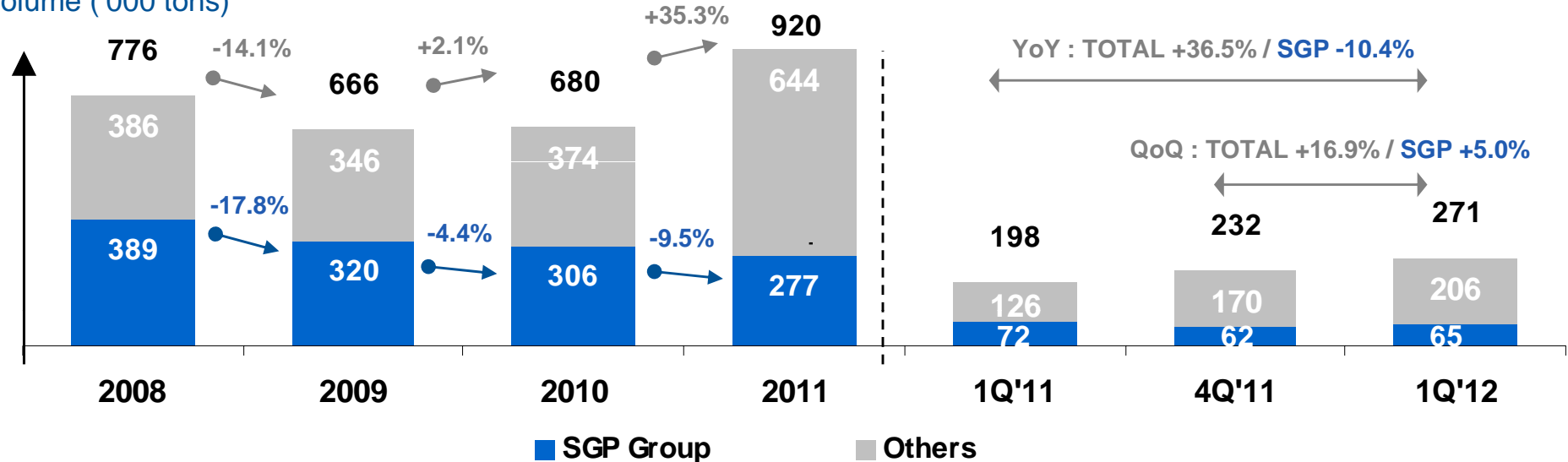
- Continuous and steady growth
- Higher demand in commercial sector
- Low price elasticity
- Few substituted energy sources



# Thailand LPG Market Highlights

[Automotive]

Sales Volume ('000 tons)



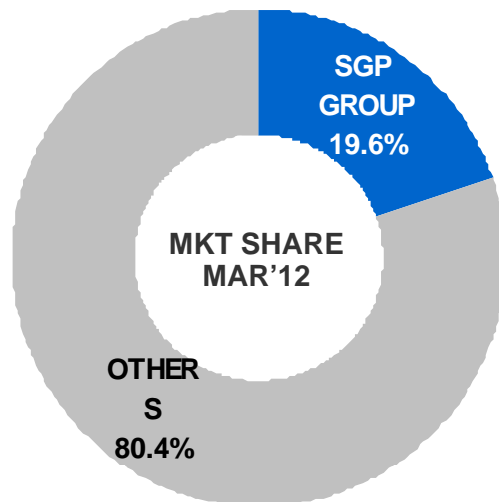
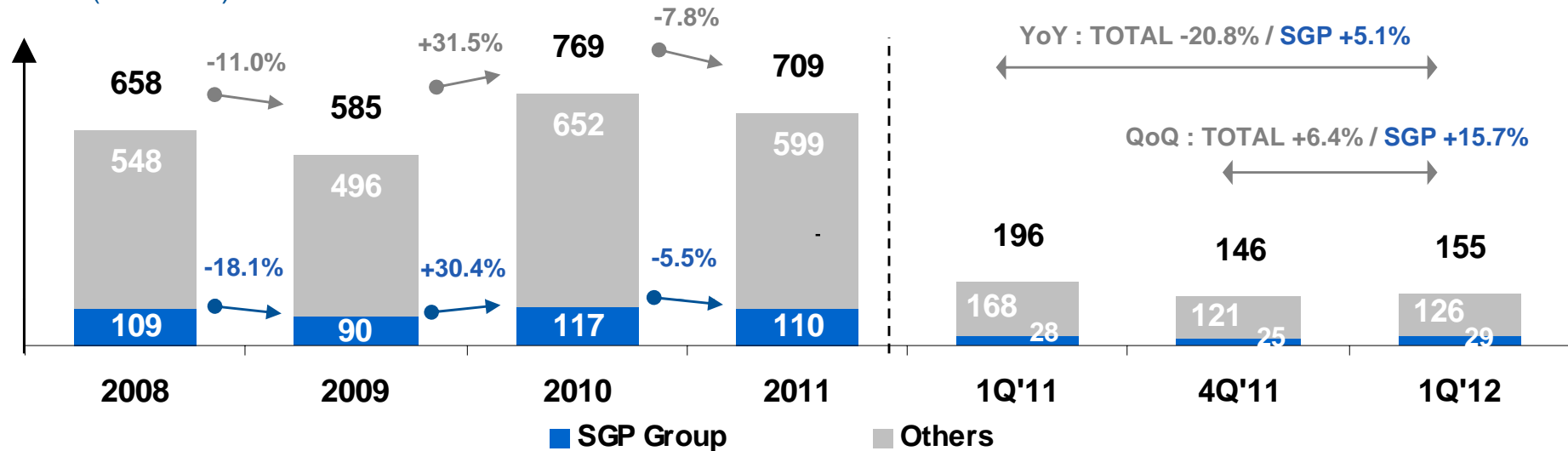
ENERGY	UNIT	RETAIL PRICE	CONS. KM/LT	COST THB/KM
NGV (Lifted THB 1.0/kg)	THB/KG	10.50	10.69	0.98
LPG (Lifted THB 1.64/lit)	THB/LT	12.94	7.41	1.75
LPG WORLD PRICE	THB/LT	17.12	7.41	2.31
E85	THB/LT	23.78	6.13	3.88
GASOHOL 91 (E10)	THB/LT	36.48	7.91	4.61
GASOHOL 95 (E10)	THB/LT	38.23	7.91	4.83
UGR-91	THB/LT	41.65	8.76	4.75
ULG 95	THB/LT	45.60	8.76	5.21
NGV (After THB +6 /kg lifted)	THB/KG	14.50	10.69	1.36
LPG (After THB +5.75 /lt lifted)	THB/LT	17.46	7.41	2.36

- Rising oil price – growing LPG consumption
- LPG price raising is on-hold 3 months (May-July).
- Competition was still intense.
- SGP continued expansion of its own network.

# Thailand LPG Market Highlights

[Industrial]

Sales Volume ('000 tons)



ENERGY	UNIT	PRICE (Exc.VAT)	HEATING VALUE (BTU)	PRICE/ Mil BTU
COAL	THB/KG	2.70	23,003	117.38
NG	THB/Mil BTU	340.00	1,000,000	340.00
LPG (Lifted by THB 12/kg)	THB/KG	29.12	47,300	615.64
FUELOIL	THB/LT	24.00	39,600	606.06
LPG WORLD PRICE	THB/KG	30.11	47,300	636.64
DIESEL OIL	THB/LT	31.73	36,700	864.58

- Price raising ended Apr'12 with total lifting THB 12/kg
- Advantages (i.e. cleanliness, lower R&M maintenance) are still major factors affecting growth in spite of price shifted and continuous undergoing oil to gas conversion.

- SGP's Presence
- Thailand LPG Market Highlights
- **Oversea LPG Market Highlights**
- Business Growth 2010 - 2012
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# Oversea Markets

## SINO SIAM GAS AND PETROCHEMICALS

- 200,000 Tons LPG Terminal
- LPG Wholesale & Retail

## SIAM OCEAN GAS AND ENERGY LIMITED

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- LPG Wholesales & Retail

## SIAMGAS & PETROCHEMICALS PLC

- Regional LPG Wholesale (Offshore Trading) by SGP

## SUPER GAS

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- LPG Wholesale & Retail

## SINGGAS

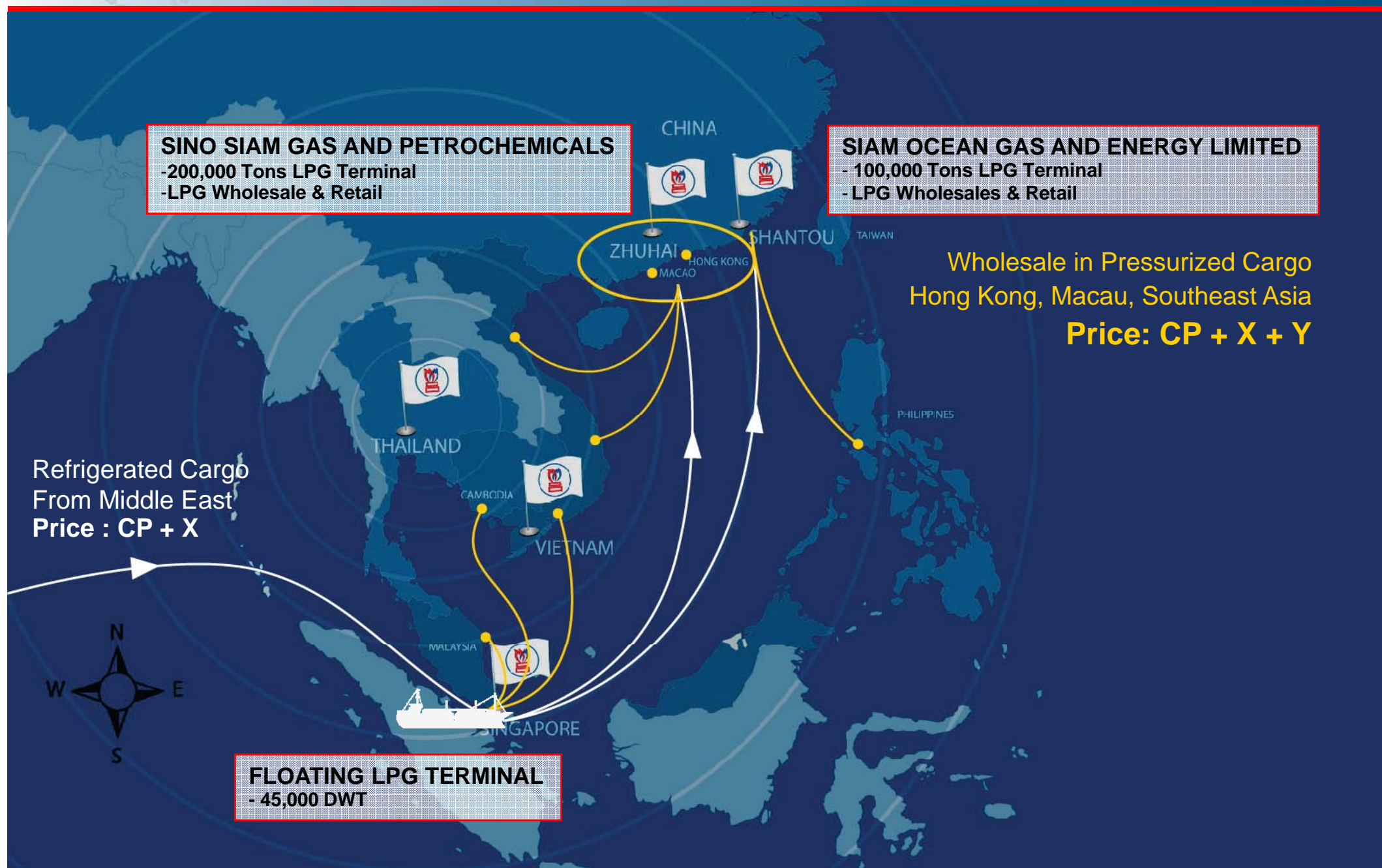
- LPG Wholesales & Retail

## FLOATING LPG TERMINAL

- 45,000 DWT



# Regional LPG Wholesale (Re-Export) Business



# Wholesale Regional Hub – Project Worthiness

Middle East

## 2 Bulk Breaking Terminals : Zhuhai & Shantou

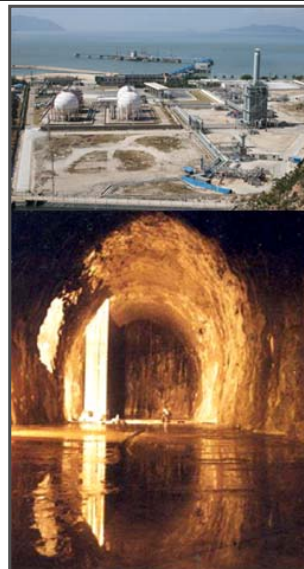
### SGP's M&A Investment in China Terminals

Approx. Cost	3,500,000,000	THB
Total Storage Cap.	300,000	Tons
Cost/Storage Cap.	11,667	THB/Ton

### COGEL's Historical Investment

Approx. Cost	146,000,000	USD
Fx	30	THB/USD
Approx. Cost	4,380,000,000	THB
Total Storage Cap.	100,000	Tons
Cost/Storage Cap.	43,800	THB/Ton

Source: International Finance Corporation, World Bank Group



Floating Storage  
VLGC – Singapore Strait  
Cap: ~45,000 DWT



Subsidiaries:  
China, Vietnam



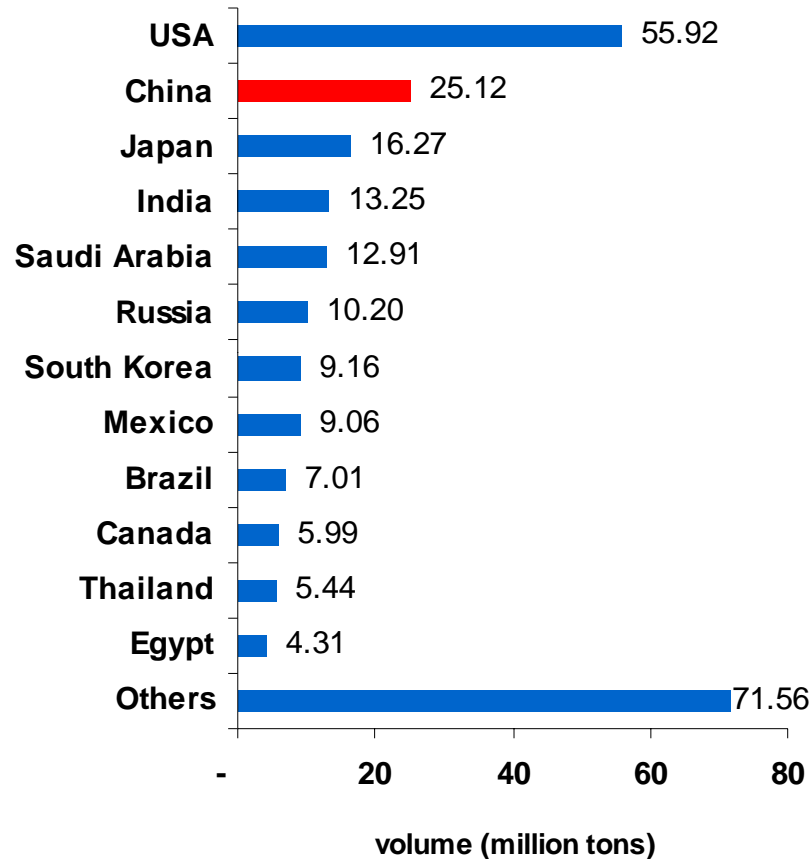
**TRADERS:**  
HONG KONG  
MACAU  
MALAYSIA  
VIETNAM  
CAMBODIA

Re-Export



# Room to grow in the growing global market

## LPG consumption in the world (2010)

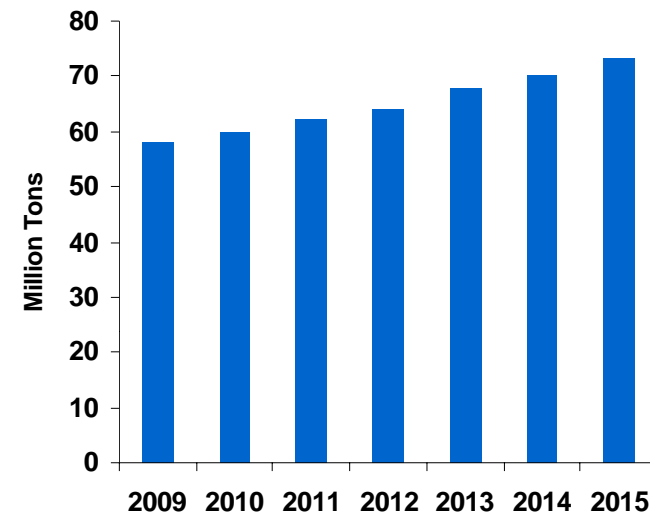


Source: Compiled by the Agency for Natural Resources  
From data released by the World LP Gas Association (WLPG)

\* Total 2010 consumption : 246 million tons  
\* LPG consumption including Petchem

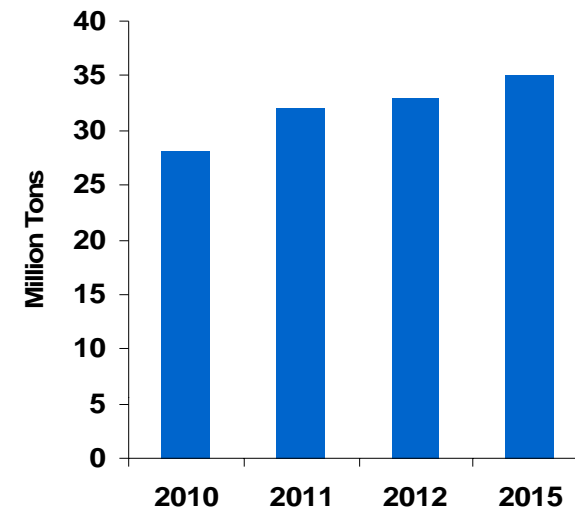
Growth indications from traders & major exporters

## World Propane & Butane Trade Outlook



Source : Poten & Partner

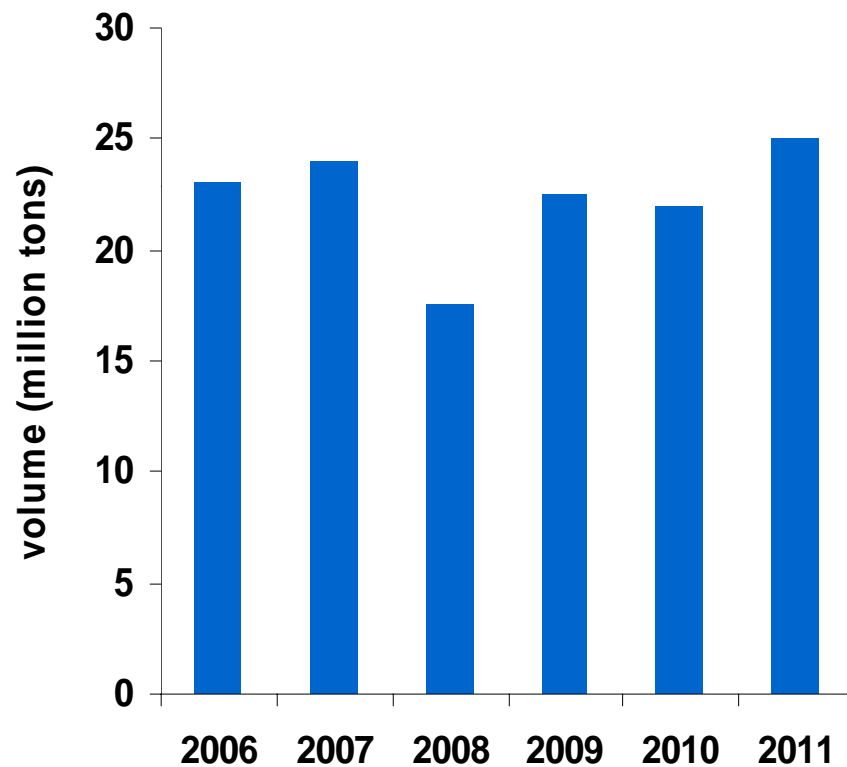
## Middle East Export O/L (2010-2015)



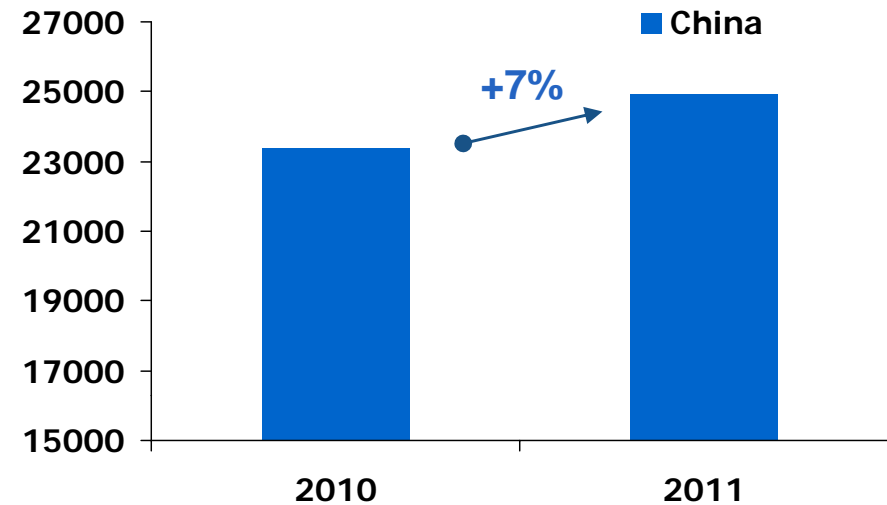
Source : Poten & Partner

# Growing China market

Historical LPG consumption in China (2006-2011)

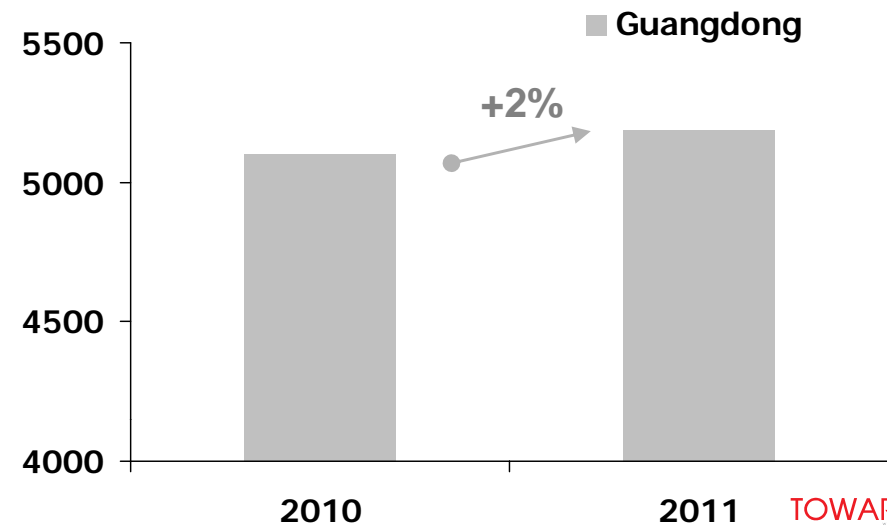


Source : C1 Energy



2011 China LPG consumption Growth

Source: Guangdong Oil & Gas Association



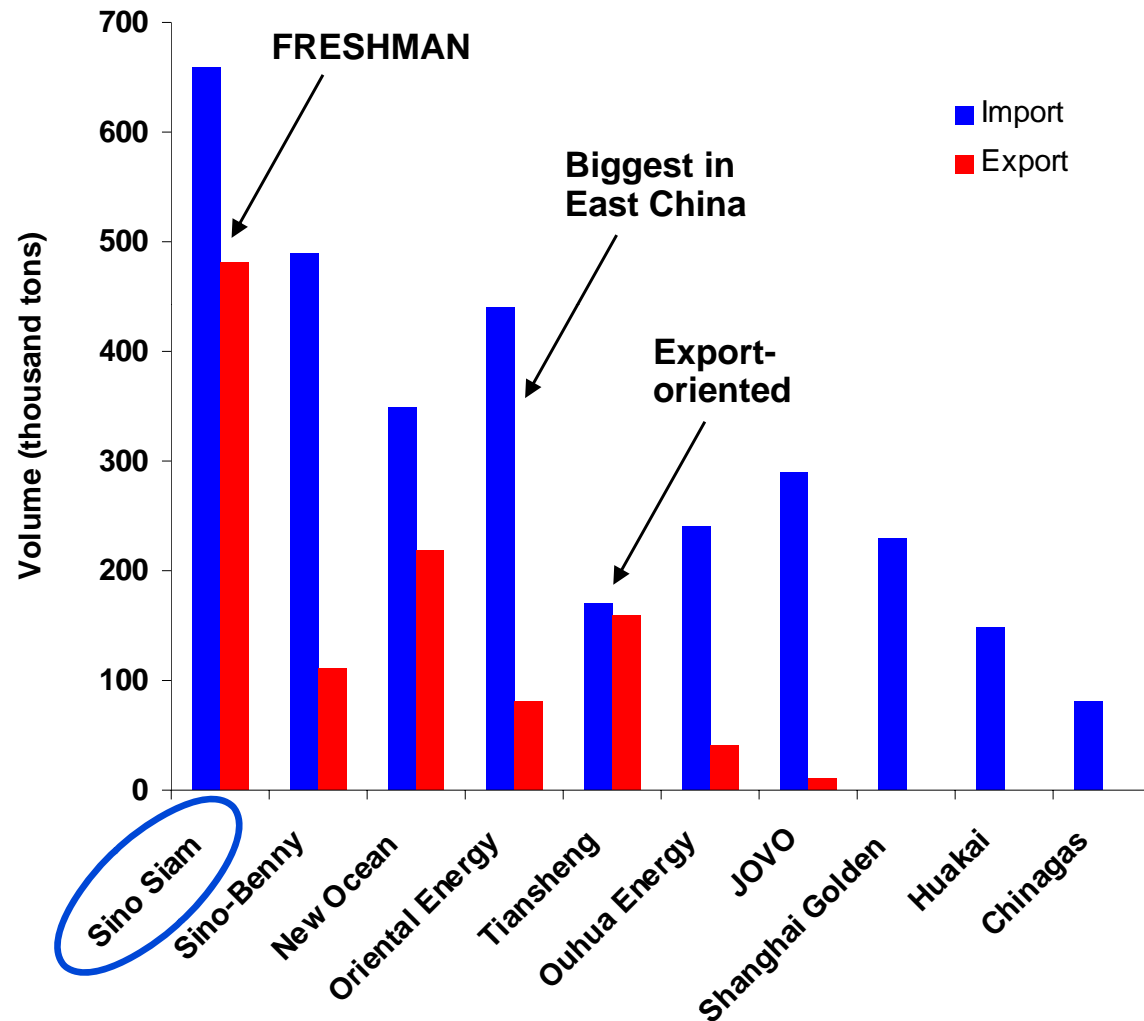




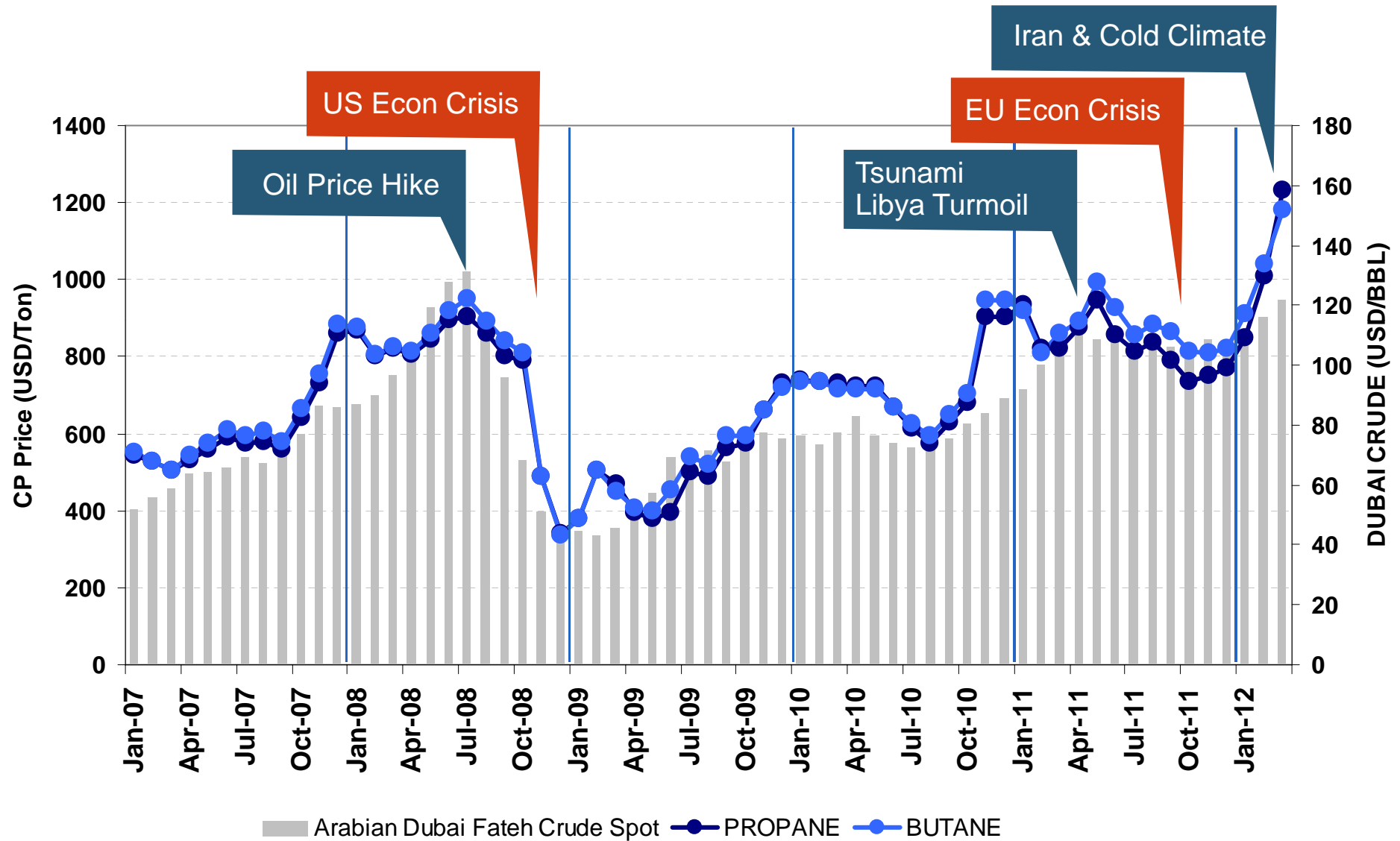
# SGP to be "ON TOP"

SGP (thru' Sino Siam) as  
a freshman with its  
recognizable  
achievement in making its  
debut in China

CHINA's top LPG importers and exporters

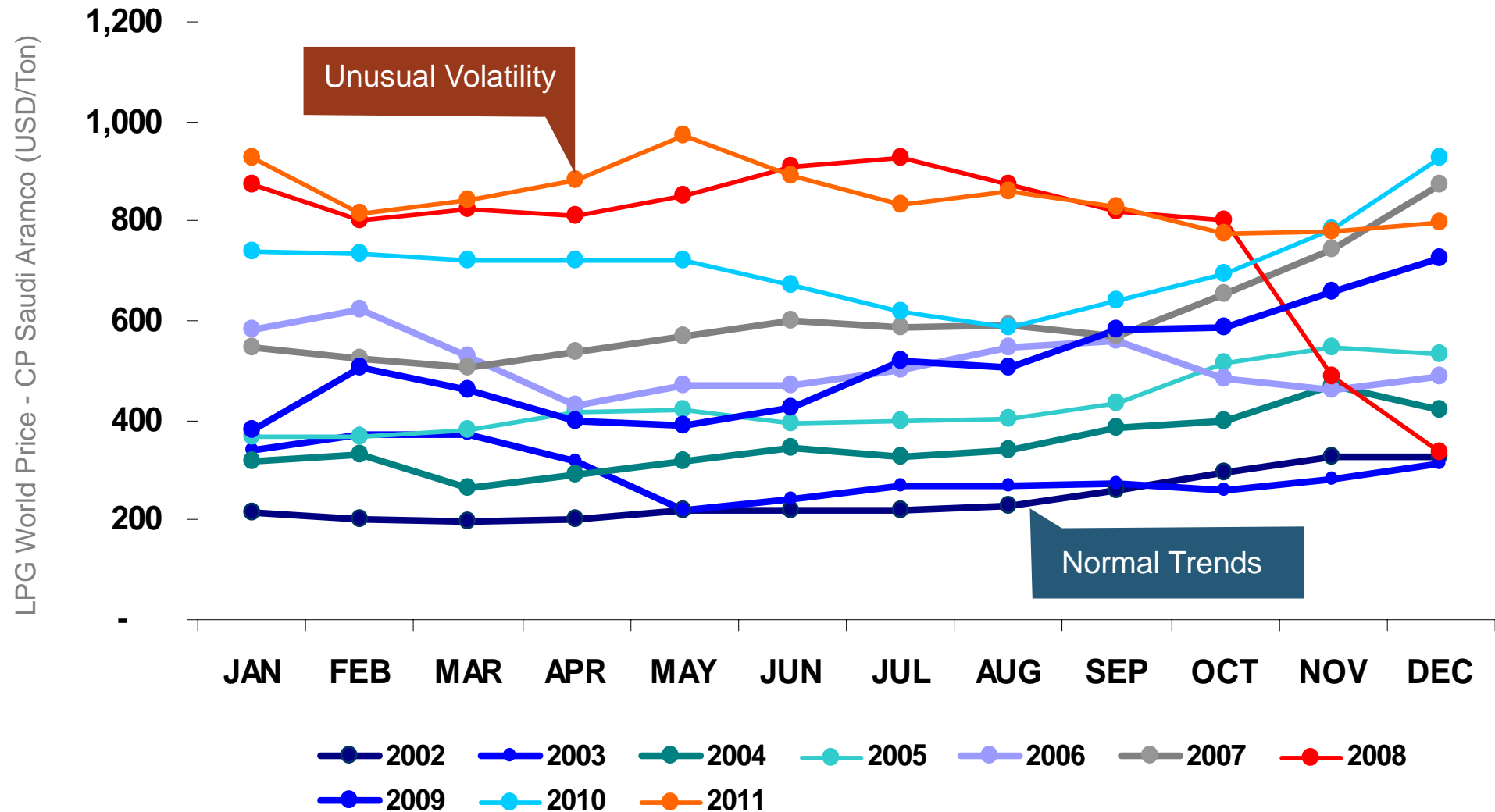


# CP Price 2007 - 2012

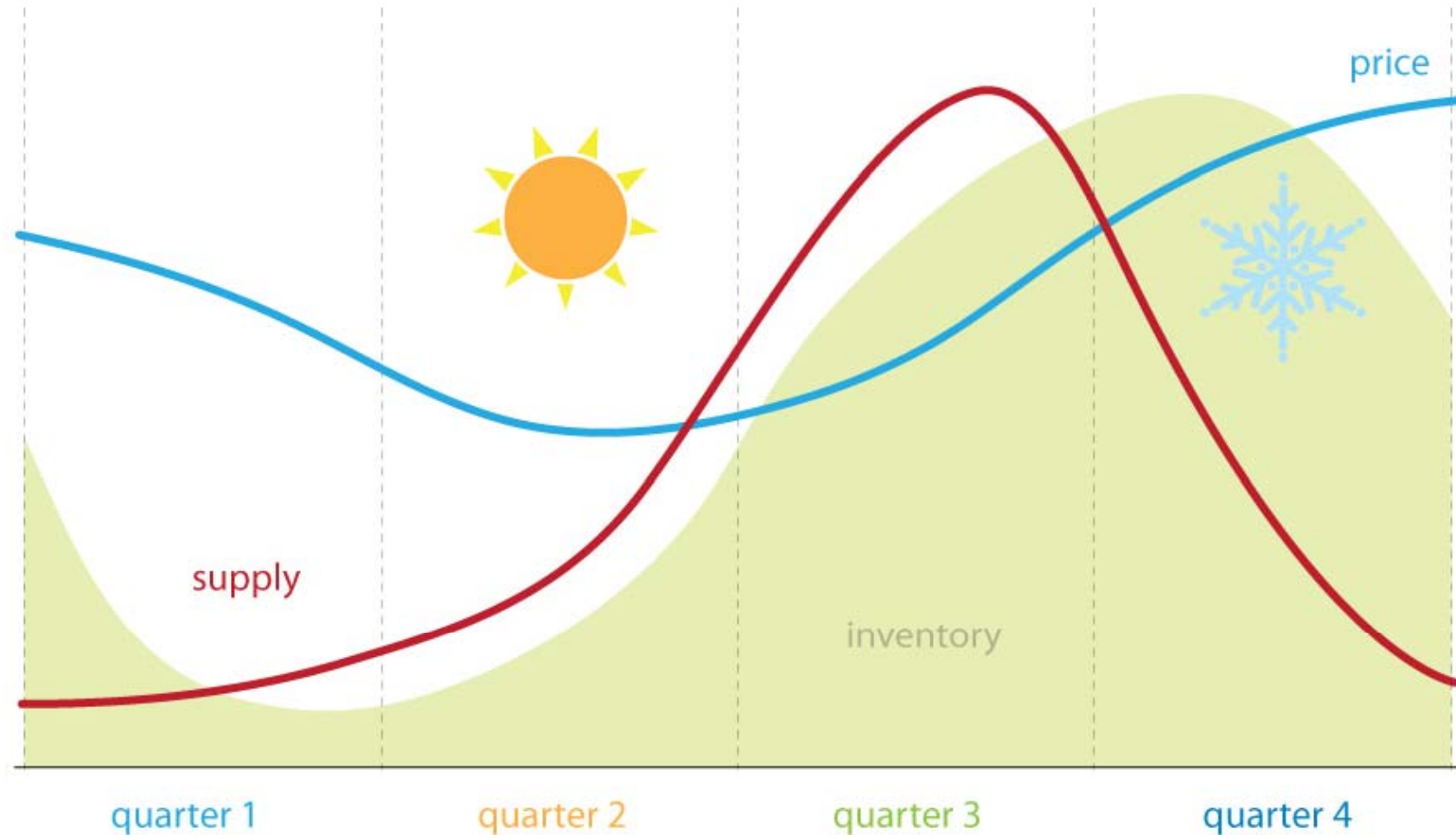




# Historical CP Price 2002-2011



# Inventory Management vs. CP Price

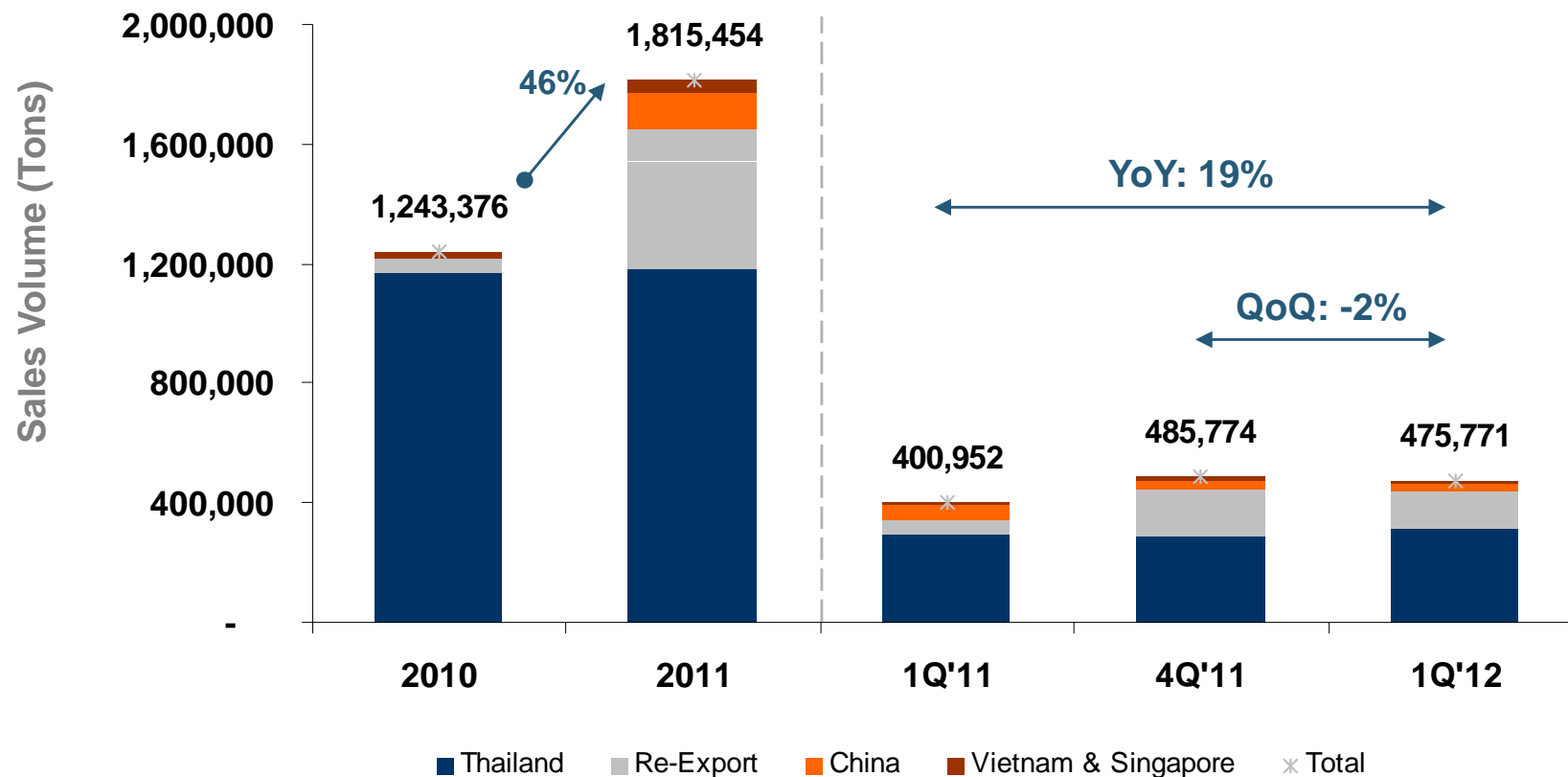


Refinery  $\neq$  LPG Wholesale : Manageable Inventory

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# LPG Business Growth : 2010 - 2012

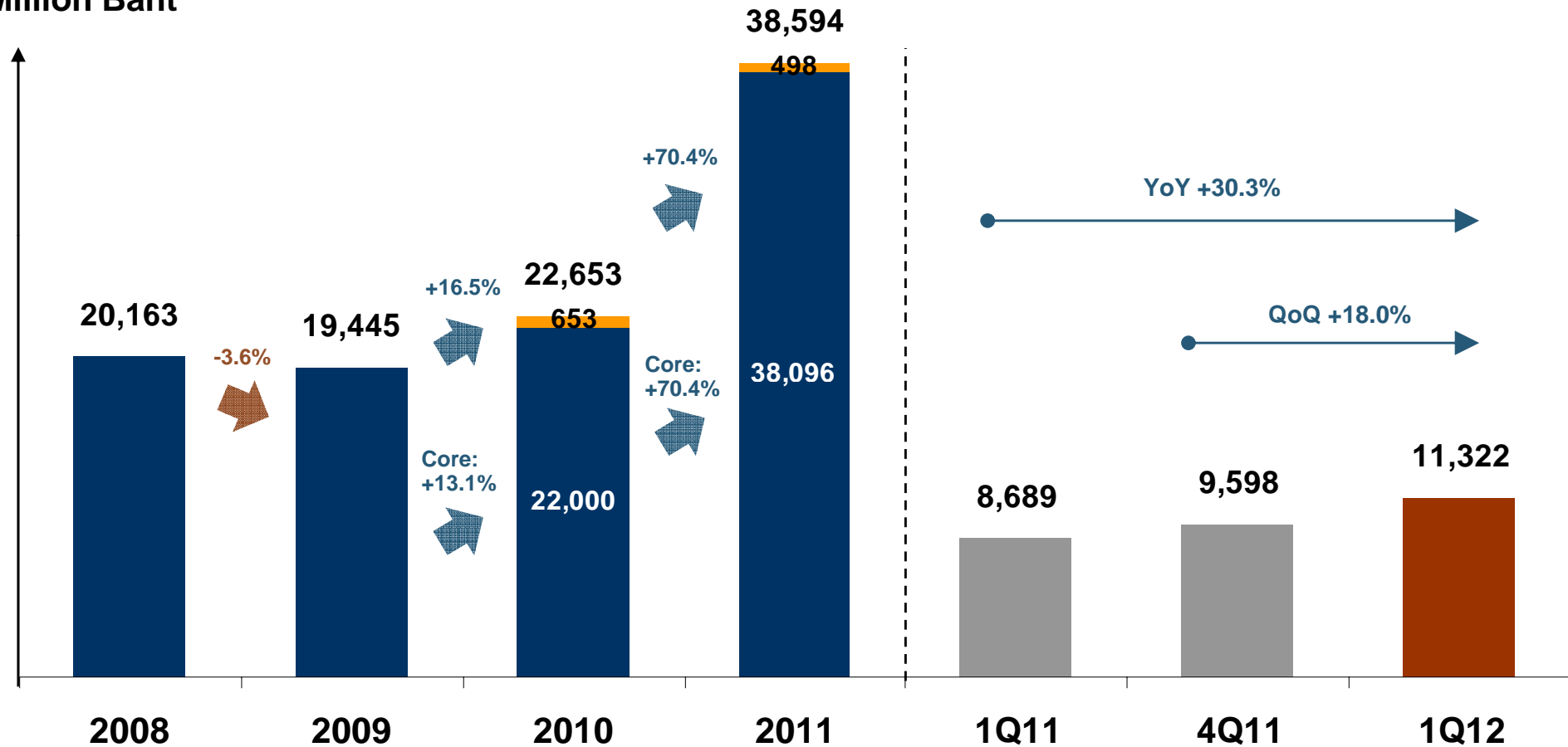


	2010	2011	1Q'11	4Q'11	1Q'12
Thailand	1,165,296	1,186,275	294,529	288,808	317,583
Re-Export	56,906	463,104	52,602	153,479	118,349
China	-	121,705	44,333	31,365	30,142
Vietnam & Si	21,173	44,369	9,488	12,122	9,697
<b>Total</b>	<b>1,243,376</b>	<b>1,815,454</b>	<b>400,952</b>	<b>485,774</b>	<b>475,771</b>

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# Financial Highlights - Revenue

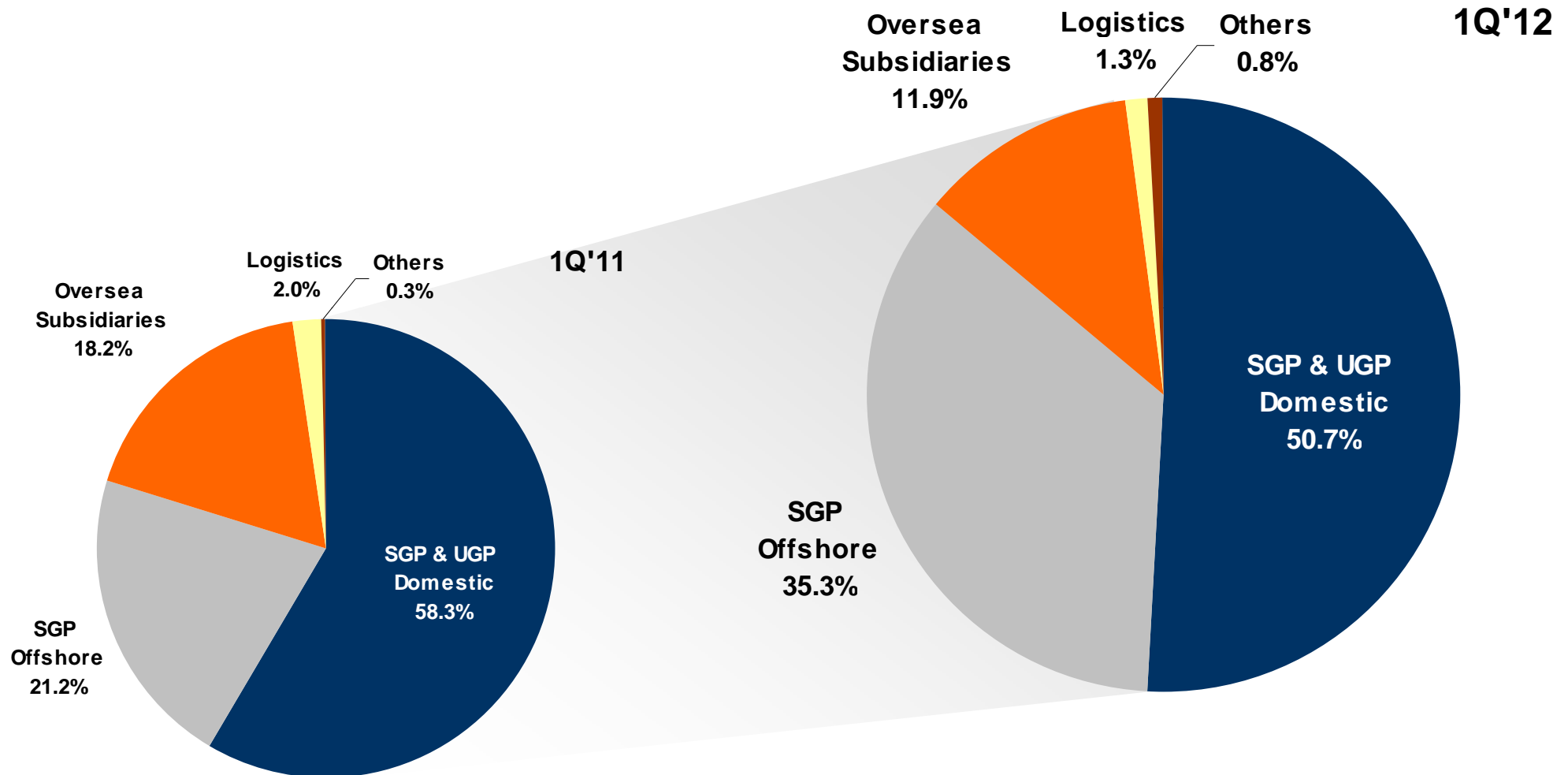
## REVENUE Million Baht



■ Core Revenue

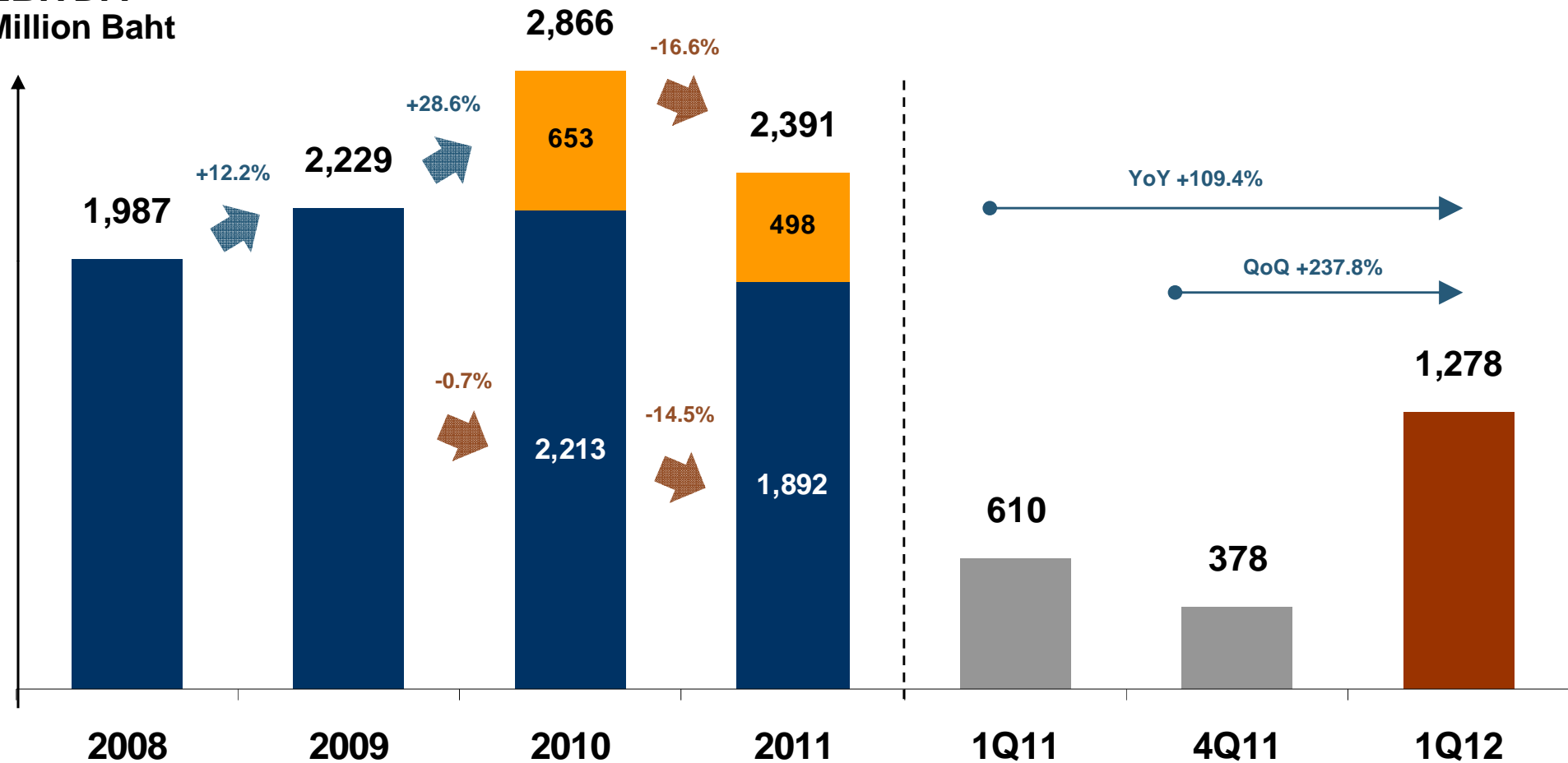
■ Gain on Business Acquisition

# Revenue Portion



# Financial Highlights - EBITDA

## EBITDA Million Baht

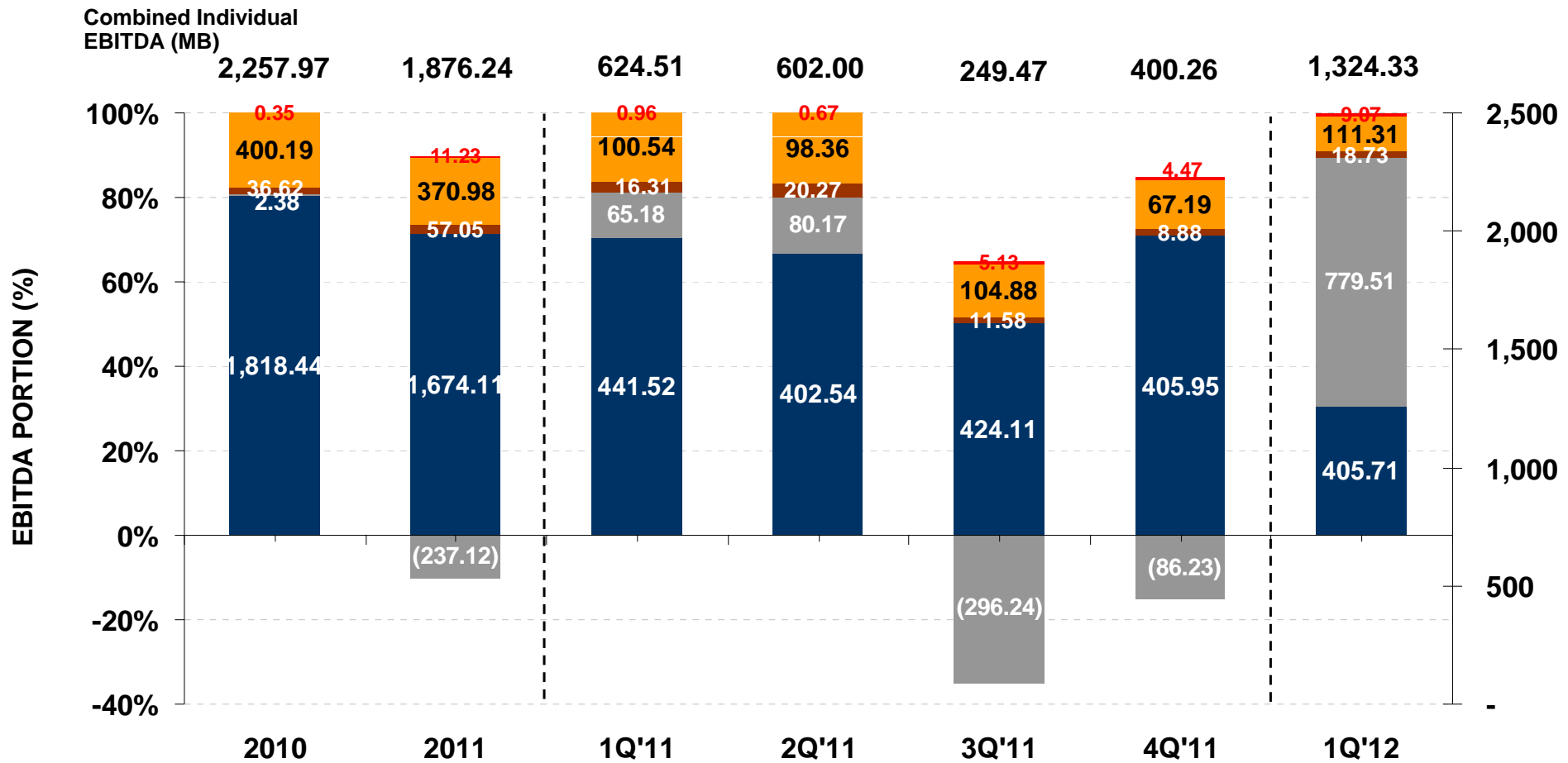


■ Core EBITDA

■ Gain on Business Acquisition



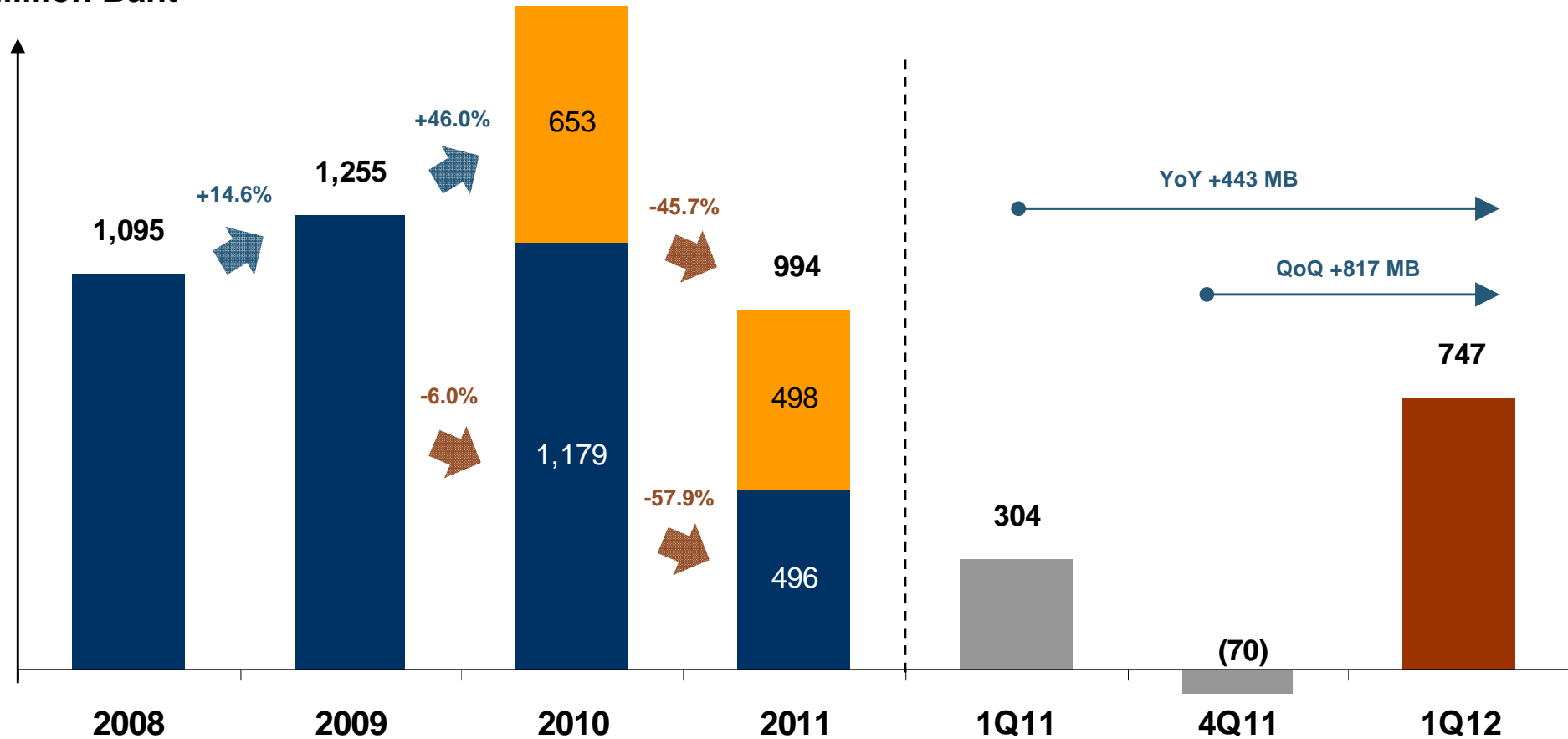
# EBITDA by Individual Business



■ SGP&UGP : Domestic ■ Offshore + China ■ Other Oversea ■ Logistics ■ Others EBITDA

# Financial Highlights – NET PROFIT

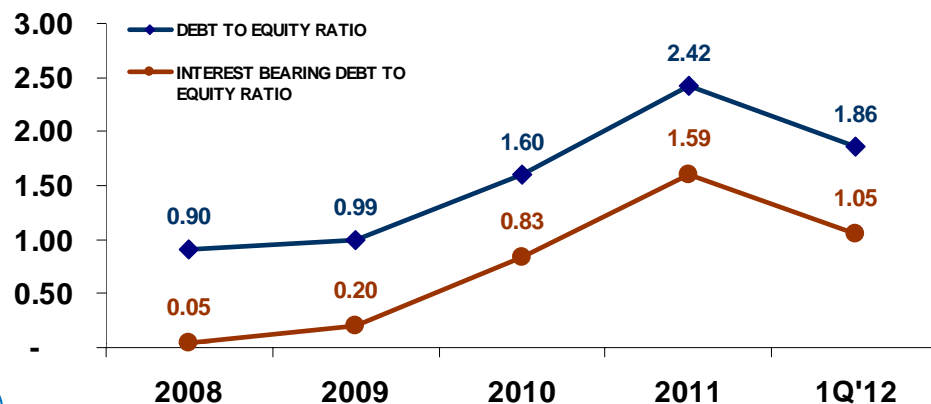
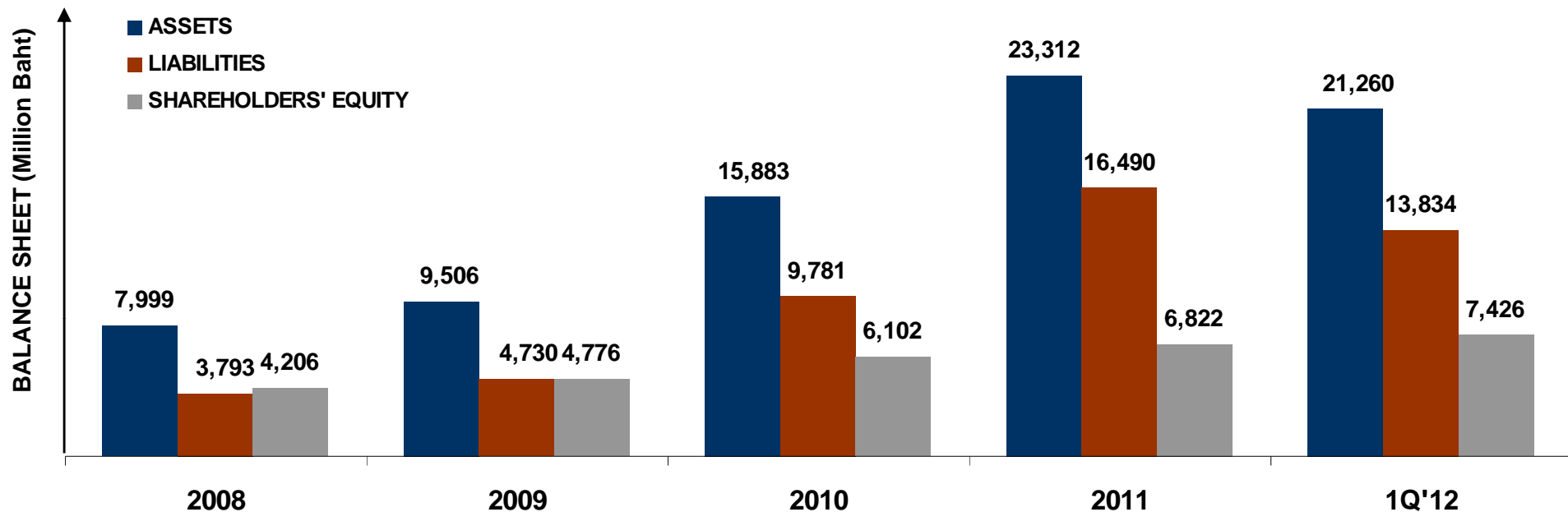
## NET PROFIT Million Baht



■ Core NET PROFIT

■ Gain on Business Acquisition

# Financial Highlights – Balance Sheet & D/E



## GEARING RATIO As of March 31, 2012

D/E Ratio : 1.86x

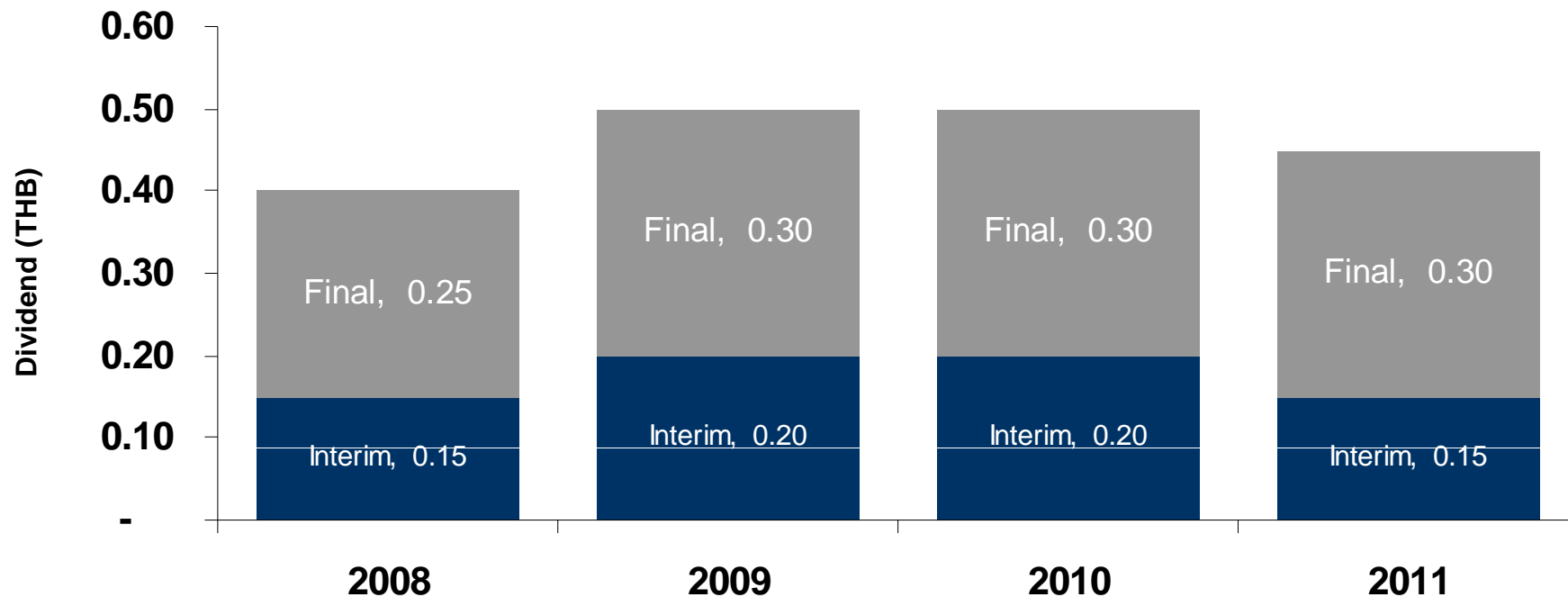
Interest Bearing Debt Ratio : 1.05x

# Dividend Payment

- **Dividend Policy**

- Not less than 40% of net profit after corporate income tax of the company's financial statement and after deduction of statutory reserve.

- **Historical Dividend Payments**



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# SGP's Strong Propositions

## Fully Integrated LPG Business

Huge Strategic  
LPG Storage Terminals  
-300,000 tons  
-Competitive Edge in  
regional LPG Wholesale Biz

## Oversea Subsidiaries

-China  
-Vietnam  
-Singapore

## Strong Logistics w/

## Company Tanker Vessels

-Pressurized x 20+  
-VLGC x 1 (Floating Storage)

Continuously  
Growing  
LPG Demand



Leading Energy Operator  
in East Asia

## Customers' Recognition & Trust

Top LPG Import & Export  
in China in 2011  
-“Quality & Reliability”

## Financial Strength

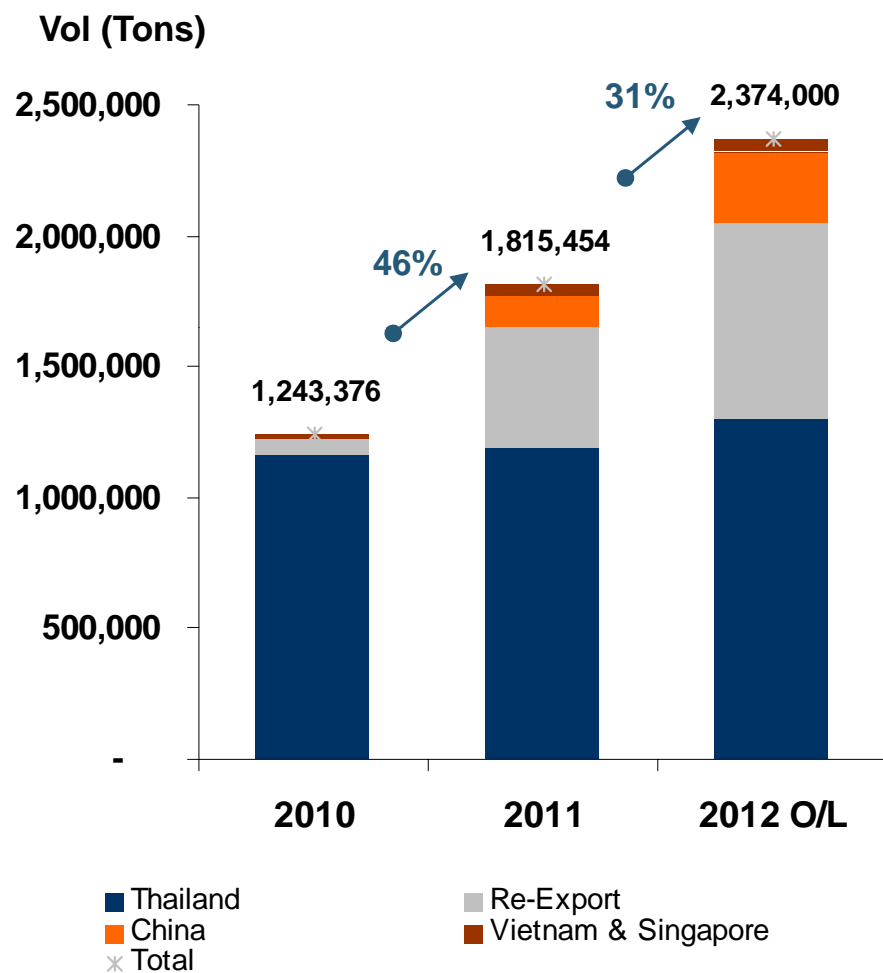
- “Established Credibility”  
among local & international  
financial institutions  
- Diversified Sources of Fund

Strong Base & Long-Time Experiences  
Thailand's 2<sup>nd</sup> Largest LPG Trader

- CP Price trend in favor of more margin making in 2012
- Full year of SOGEL commercial operation
- Fully utilized the Bulk Breaking Terminals in China and Floating Terminal in oversea expansion
- Continuous rising oil price will result in positive LPG demand
- Impact of Automotive & Industrial price increase
  - Automotive : fully lifted price will be still about half cost/km of gasoline
  - Industrial : fully lifted LPG price for industrial in Apr'12 is close to that of fuel oil, but cleaner and low maintenance costs
- Anticipated positive impact on SGP from Government's policy in entering AEC
  - Higher revenue from LPG price deregulation
  - Possibility in stepping up in higher tier of LPG trader
  - SGP's readiness & competitive advantages
- Lower corporate tax rate in 2012 helps improve net profit
- No major investment projects in 2012 pipeline
- 4,500 MB Bonds issued in Feb'12 would help reduce financial costs
- Reaching LPG upper stream sources would help reduce significant supply cost
- Continue keeping eyes closely on CP price forecast and all factors affecting CP price, e.g. economic situation, international political situation, climate change, etc.



# 2012 LPG Volume Outlook



Sales Volume (Tons)	2010	2011	1Q'12	2012 O/L
Thailand	1,165,296	1,186,275	317,583	1,300,000
SGP Offshore Trading	56,906	463,104	118,349	750,000
China	-	121,705	30,142	270,000
Vietnam & Singapore	21,173	44,369	9,697	54,000
<b>Total</b>	<b>1,243,376</b>	<b>1,815,454</b>	<b>475,771</b>	<b>2,374,000</b>

Growth	46%	31%
Domestic Portion	65%	55%
Oversea Portion	35%	45%





Questions are welcomed !