

Siamgas and Petrochemicals PLC



Presentation

for investor & analyst
3Q'11



"Toward a New Horizon"

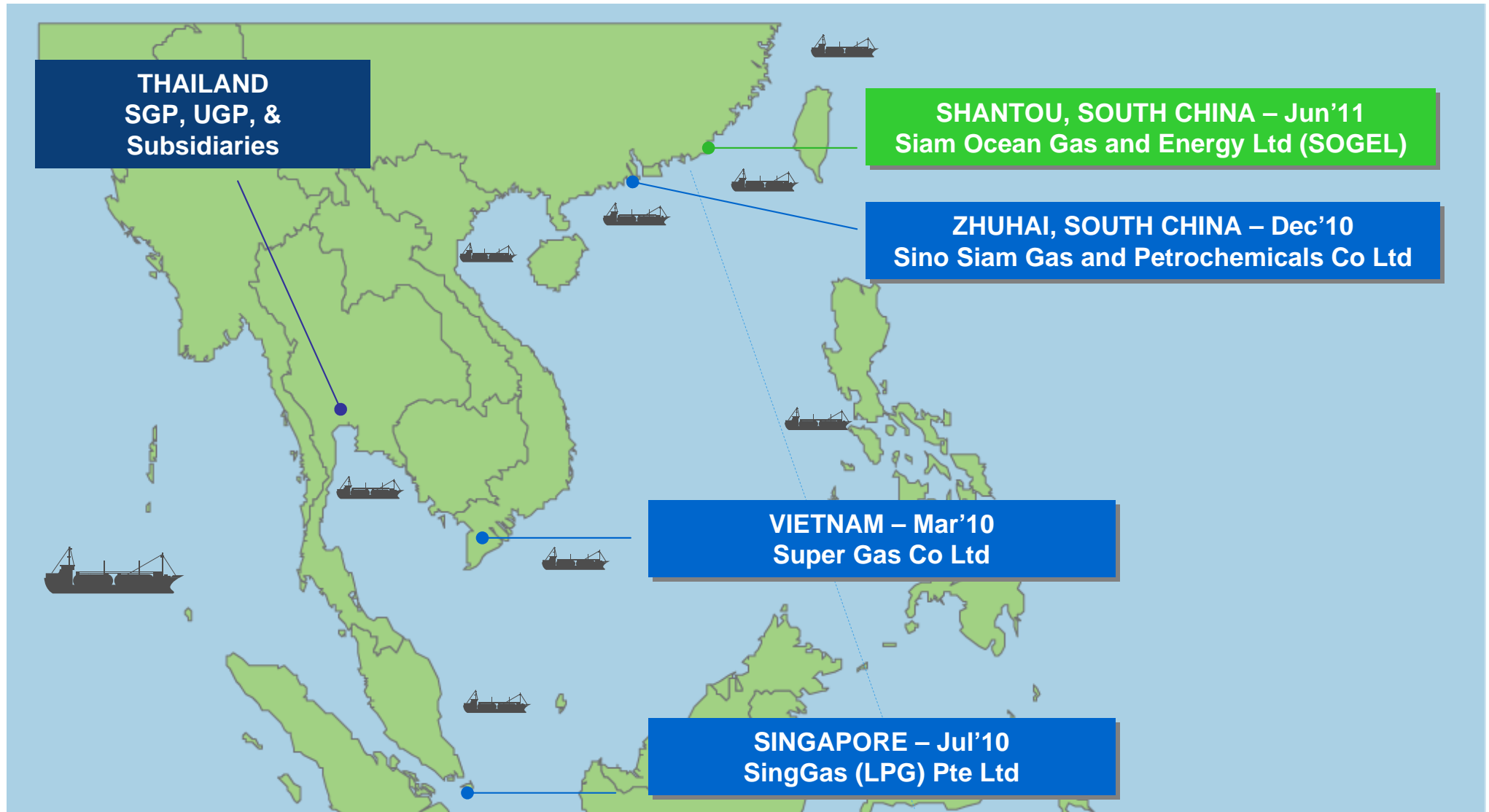
- The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for share in Siamgas and Petrochemicals Public Company Limited (“SGP” and shares in SGP, “shares”) in any jurisdiction or should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.
- This presentation may include information which is forward-looking in nature. Forward-looking information involve known and unknown risks, uncertainties and other factors which may impact on the actual outcomes, including economic conditions in the markets in which SGP operates and general achievement of SGP business forecasts, which will cause the actual results, performance or achievements of SGP to differ, perhaps materially, from the results, performance or achievements expressed or implied in this presentation.
- This presentation has been prepared by the SGP. The information in this presentation has not been independently verified. No presentation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the SGP or any of its agents or advisers, or any of their respective affiliates, advisers or representatives, shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of the presentation or its contents or otherwise arising in connection with this presentation.
- This presentation is made, furnished and distributed for information purposes only. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This presentation and all other information, materials or documents provided in connection therewith, shall not, either in whole or in part, be reproduced, redistributed or made available to any other person, save in strict compliance with all applicable laws.

- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

- Previously, relied only on stable Thailand domestic business
 - Controlled price (US\$ 333/ton), moderate competition, stable but limited growth
- Changing perspectives on SGP after expansion to overseas markets:
 - Opportunities for unlimited growth
 - LPG trading with LPG world price (CP Saudi Aramco US\$700-900/ton)
 - Changing price on monthly basis
 - Seasonal pricing trend in line with weather under usual circumstance
 - Annual cycle of business operation gives a clearer picture of SGP's overseas operation performance
 - Volume swing and price movement imply significant magnitude in financial figures
 - Profit margin relies on price moving trend, and inventory balance
 - Financial cost is probably high at the beginning of expansion projects
 - Foreign exchange has some effect on booking transaction in financial statement.

Current areas of SGP's operations

5



● Existing Assets ● Acquisitions in 2010 ● Acquisition closing in 2Q'11

- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

Thailand LPG Market Highlights

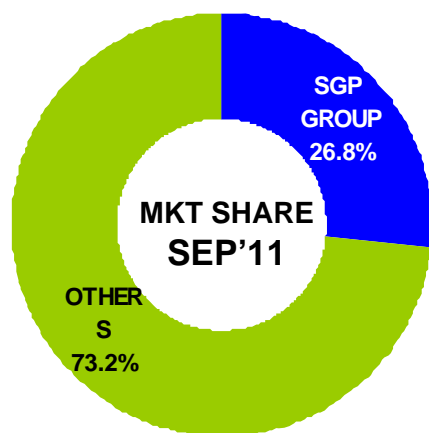
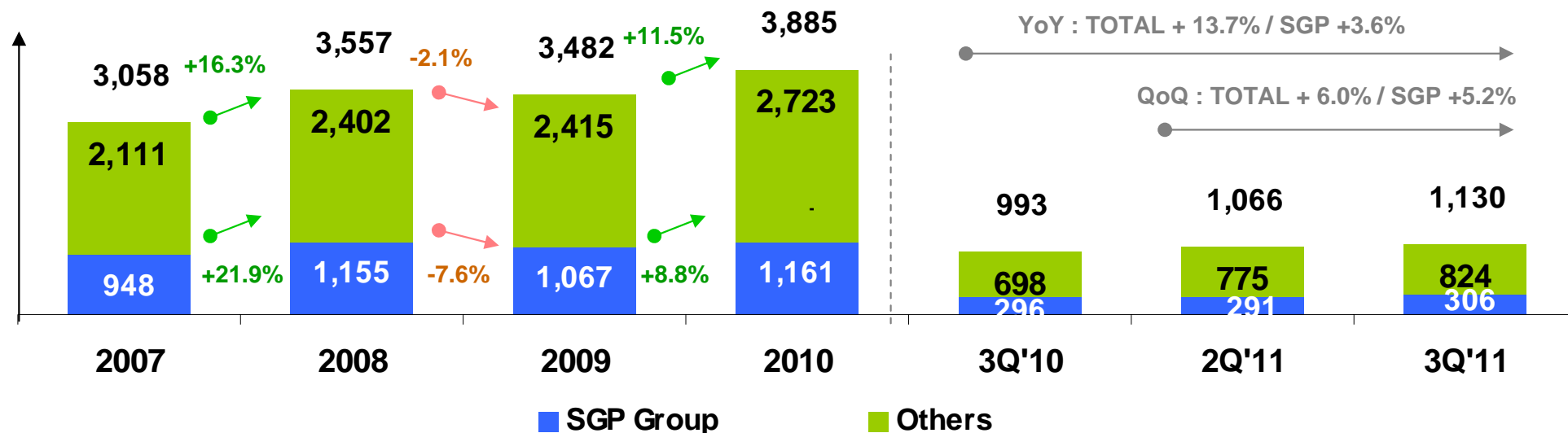
7

- The government has raised LPG price for industrial usage by THB 6/kg in July (THB 3/kg) and Oct (THB 3/kg) – THB 6/kg to go till quarter 2 2012
- Minor flood impact in few inundated areas started in late quarter 3
- Competition in automotive segment was still intense
- Gross Profit was maintained with gradual improvement
- Price adjustment for cooking is probably postponed

Thailand LPG Market Highlights

[All Sectors] ⁸

Sales Vol ('000 tons)



Total market size 3.89 million TPA (2010)

Cooking 2.44 million TPA (63%)

Automotive 0.68 million TPA (17%)

Industrial 0.77 million TPA (20%)

Average growth ('06-'10) 9.6%

Factors affecting LPG Market

Oil Price

Global & National Economic Situation

Population Growth

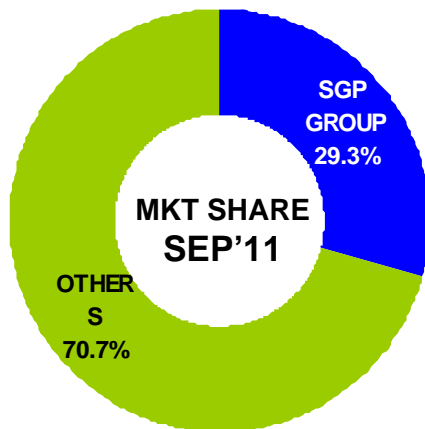
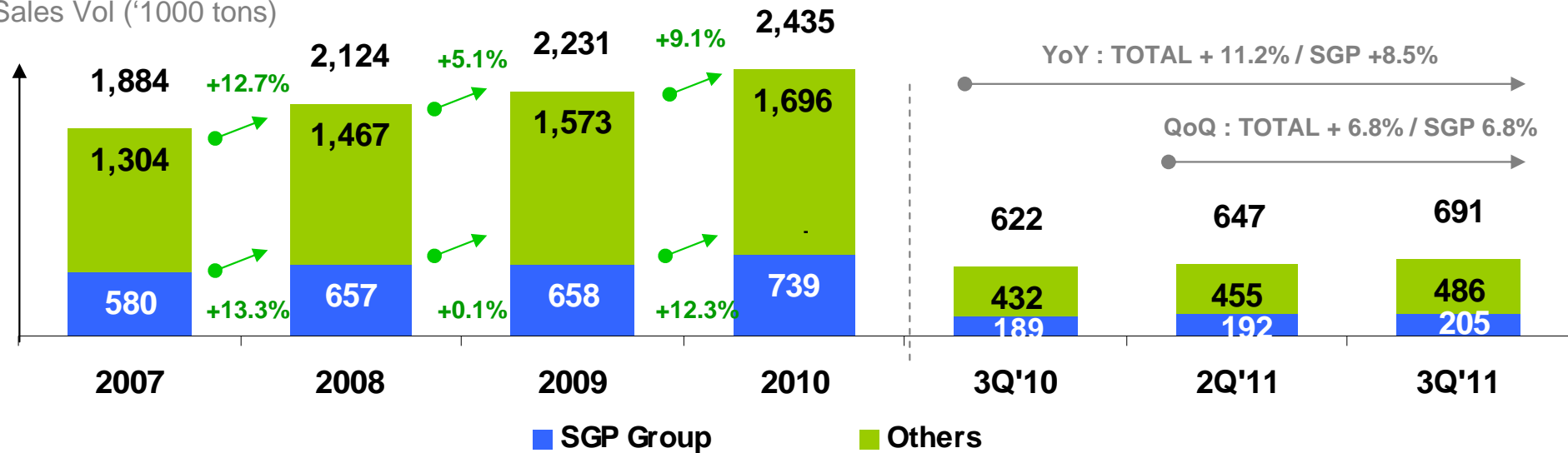
Government's Energy Policy

Data Source : Department of Energy Business

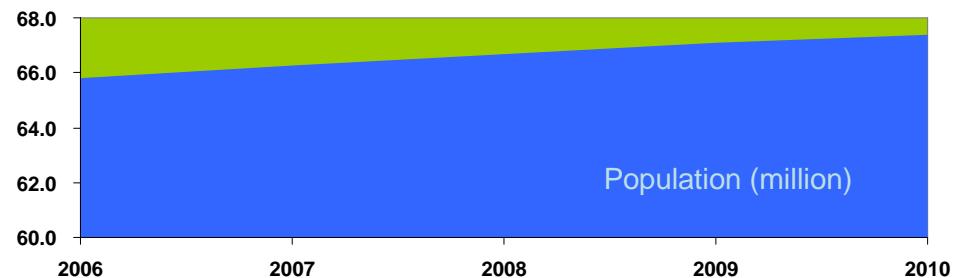
Thailand LPG Market Highlights

[Cooking Sector] ⁹

Sales Vol ('000 tons)



Data Source : Department of Energy Business

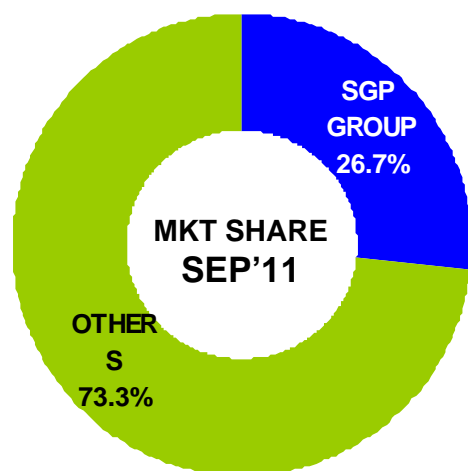
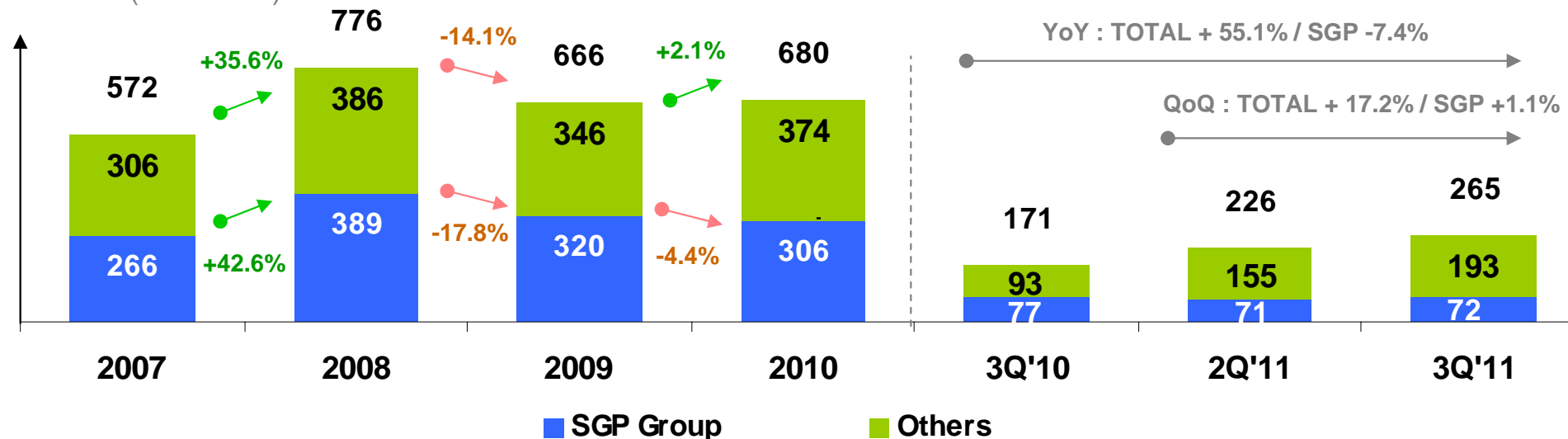


- Continuous and steady growth
- Higher demand in commercial sector
- Few substituted energy sources
- Little impact from flood in lower north starting late 3Q'11

Thailand LPG Market Highlights

[Automotive Sector]¹⁰

Sales Vol ('000 tons)



Data Source : Department of Energy Business

Ref. Bangkok retail oil price as of end of Sep'11 / CP Price of Sep'11 – USD 827.50/Ton

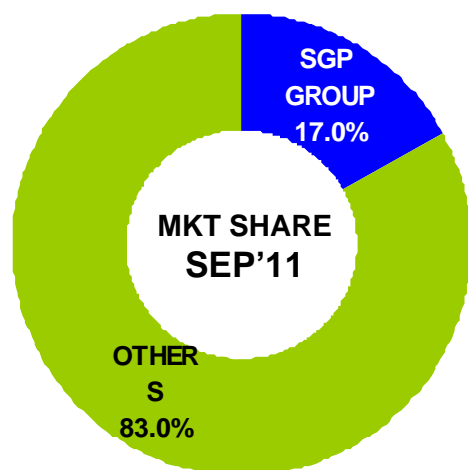
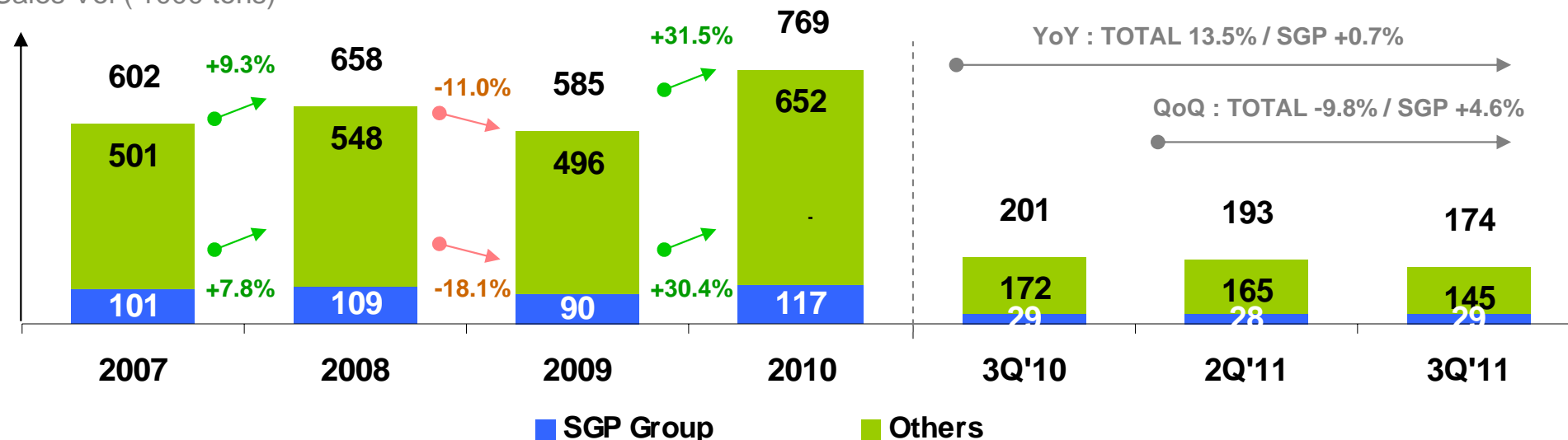
ENERGY	UNIT	RETAIL PRICE	CONS. KM/LT	COST THB/KM
NGV	THB/KG	8.50	10.69	0.80
LPG	THB/LT	11.30	7.41	1.52
LPG WORLD PRICE	THB/LT	16.87	7.41	2.28
E85	THB/LT	21.32	6.13	3.48
GASOHOL 91 (E10)	THB/LT	32.34	7.91	4.09
GASOHOL 95 (E10)	THB/LT	35.37	7.91	4.47
UGR 91	THB/LT	35.37	8.76	4.04
ULG 95	THB/LT	39.32	8.76	4.49
NGV (After adj +6 THB/KG)	THB/KG	14.50	10.69	1.36
LPG (After adj +9 THB/KG)	THB/KG	16.23	7.41	2.19

- Rising oil price – growing LPG consumption
- Competition became more intense.

Thailand LPG Market Highlights

[Industrial Sector] ¹¹

Sales Vol ('1000 tons)



Data Source : Department of Energy Business

Ref. LPG price – after THB 3/kg 1st adjustment on July 19, 2011 // CP Price of Sep'11 – USD 827.50/Ton

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	THB/KG	20.12	47,300	425.37
FUELOIL	THB/LT	24.00	39,600	606.06
LPG WORLD PRICE	THB/KG	28.24	47,300	596.94
DIESEL OIL	THB/LT	27.49	36,700	749.05
LPG (THB 6/kg lifted Oct'11)	THB/KG	23.12	47,300	488.79
LPG (THB 12/kg lifted)	THB/KG	29.12	47,300	615.64

- Favorable economic outlook for 2011
- Expected continual growth of manufacturing sector
- Price for indust' usage has been lifted by THB 6/kg as of Oct'11
- No significant impact on company's sales from flood



- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

Overseas Business Operations

13

Super Gas Co Ltd



Vietnam

March 2010

LPG Business
Acquired Super Gas Co.,Ltd.
USD 11.5 mil
LPG Terminal & Filling Plant
Storage. Cap 2,000 tons



SingGas (LPG) Pte Ltd



Singapore

July 2010

LPG Business
Acquired from Shell Gas (LPG)
SGD 15 mil
LPG Filling Plant
Storage. Cap 75 tons



Sino Siam Gas & Petrochemicals Co Ltd



Zhuhai, China

Dec 2010

LPG Business
Acquired from BP Zhuhai (LPG)
USD 101 mil
LPG Terminal (Bulk-Breaking)
LPG Filling Plant
LPG Retail Outlets
Storage. Cap 200,000 tons
(Underground Storage Caverns)



Siam Gas Ocean & Energy Ltd



Shantou, China

Jun 2011

LPG Business
Acquired from Chevron China
USD 51 mil
LPG Terminal (Bulk-Breaking)
Storage. Cap 100,000 tons
(Underground Storage Caverns)

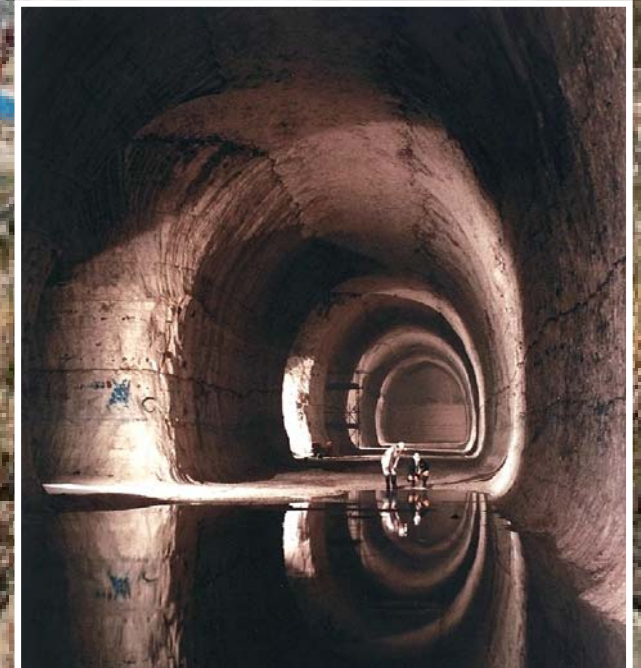


Combined Largest Storage in China

14

Total : 300,000 Tons
Zhuhai : 200,000 Tons
Shantou : 100,000 Tons

Storage Caverns



Terminal in Zhuhai - Facilities

15

Jetty (3 Berths)



7 Truck Loading Bays



Cylinder Filling (Bottling) Plant



Above ground storage



Terminal in Shantou - Facilities

16

Storage Cavern



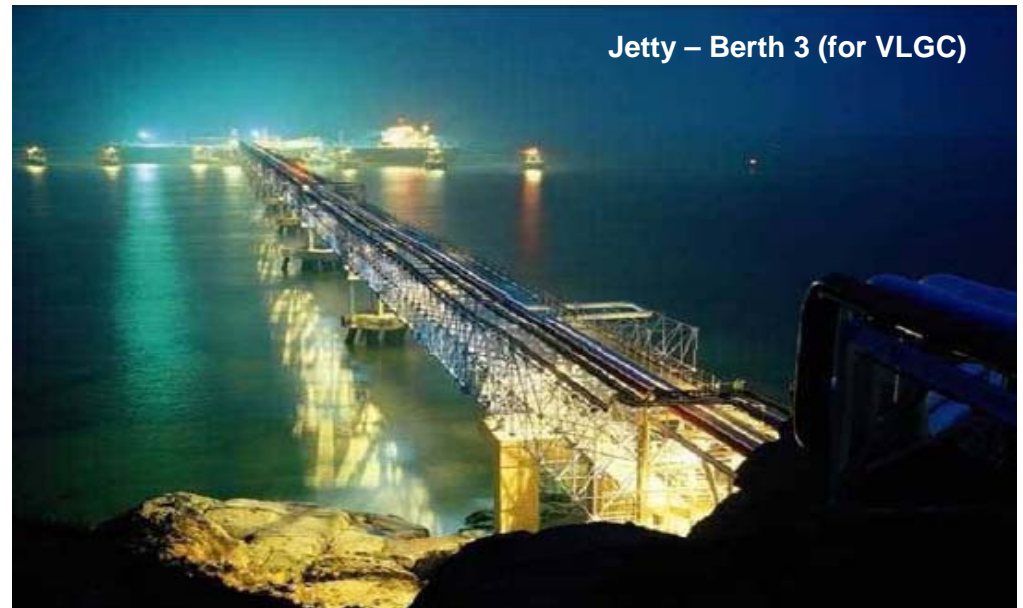
Jetty – Berth 1 & 2



Truck Loading Bays



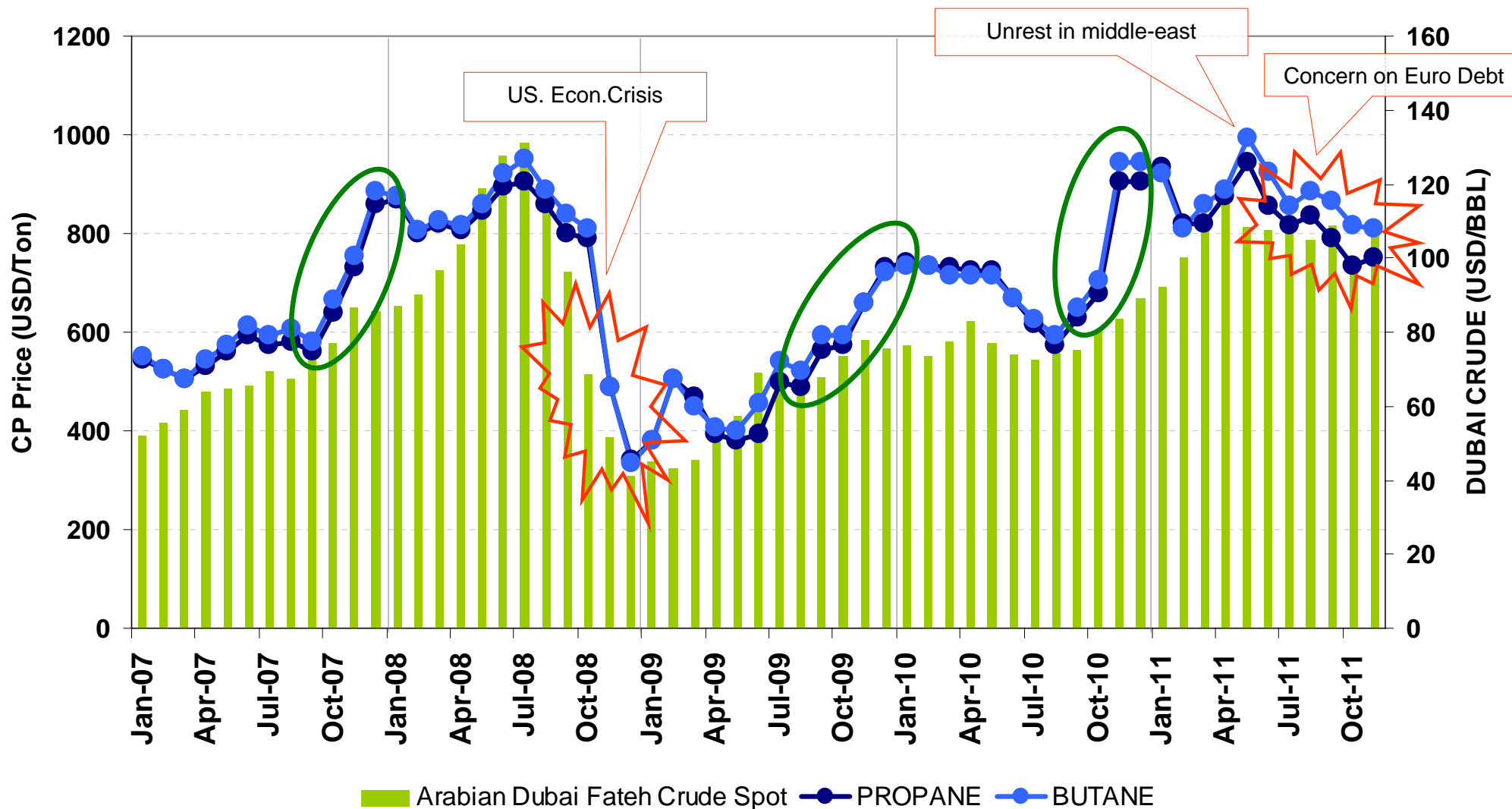
Jetty – Berth 3 (for VLGC)



- LPG world price volatility
 - Declining trend from 2Q11 after hike up in May 2011 with unrest in Middle East
 - Started to climb up from July to August 2011
 - Shifted downward due to concern on European debt Around mid August 2011
- Stock Loss was booked for Offshore Trading
- Oversea subsidiaries were still delivering gross profit, but 2Q11 performed a little better
- Business operations of SOGEL started, and await for commissioning in quarter 4/2011

Historical LPG CP Price vs. Dubai Crude Oil Price

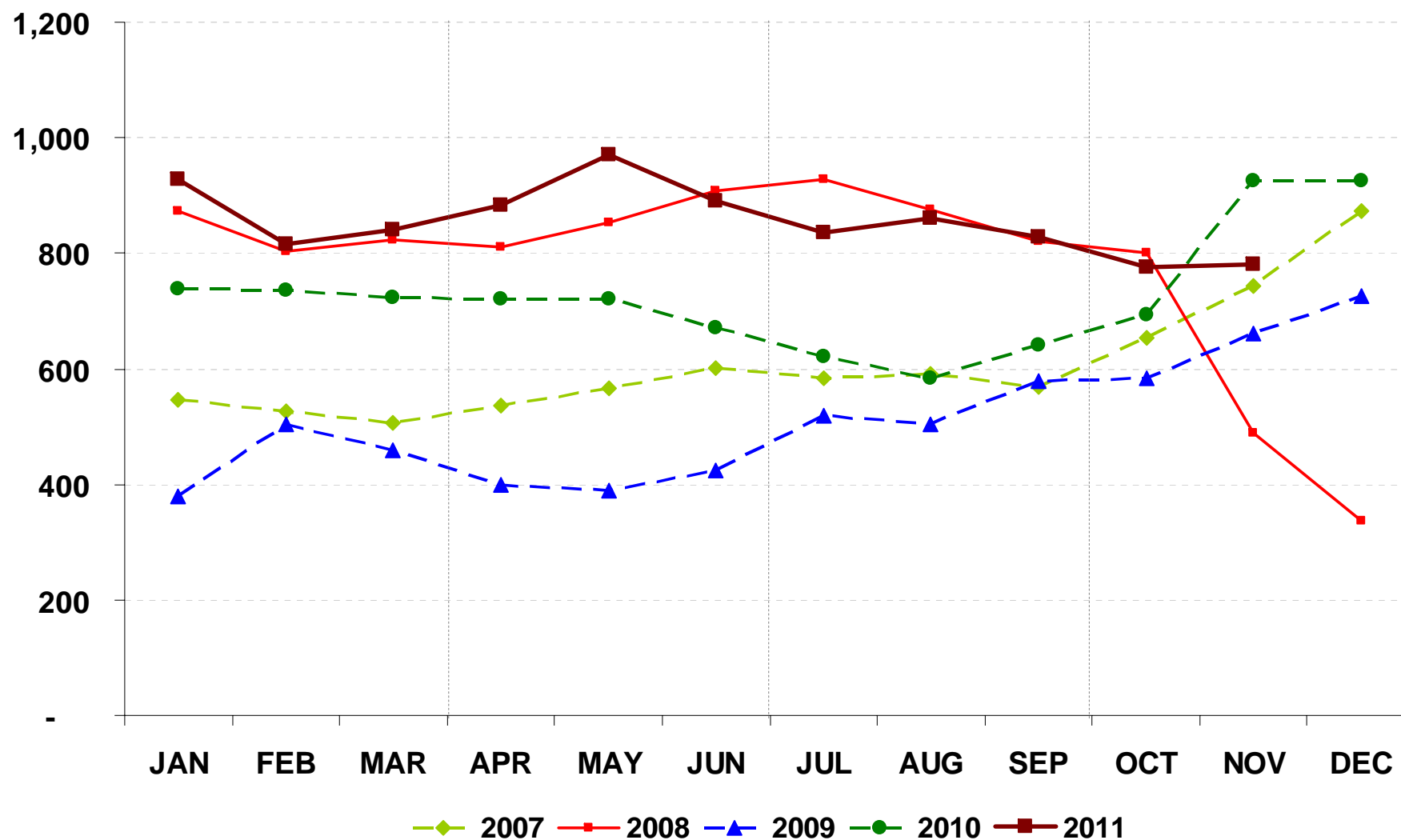
18



CP PRICE = LPG World Price of Saudi Aramco

Historical CP Price (2007-2011)

19



SGP's South China Business Model

Bulk Breaking Distribution & Cost/Price Structure

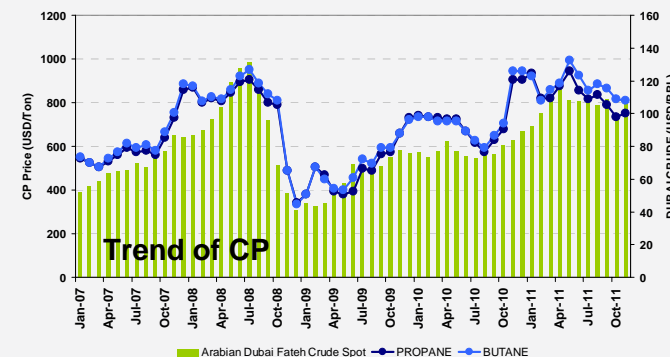


Middle East

Cost :
CP + X

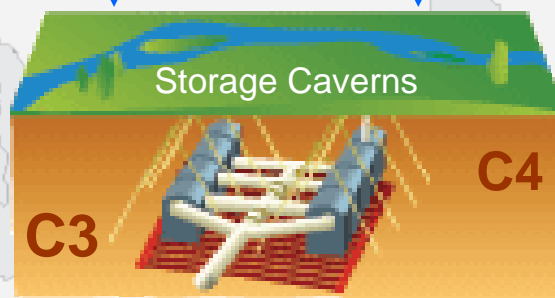


Refrigerated Cargo ~ 44,000 Tons



Bulk Breaking Terminal

- Zhuhai
- Shantou



Selling Price : CP + X + Y



Selling Price : CP + X + Y



~2,000 Tons



~2,000 Tons



~2,000 Tons



~2,000 Tons



~2,000 Tons

Re-Export

70-80%

Domestic Sales

20-30%

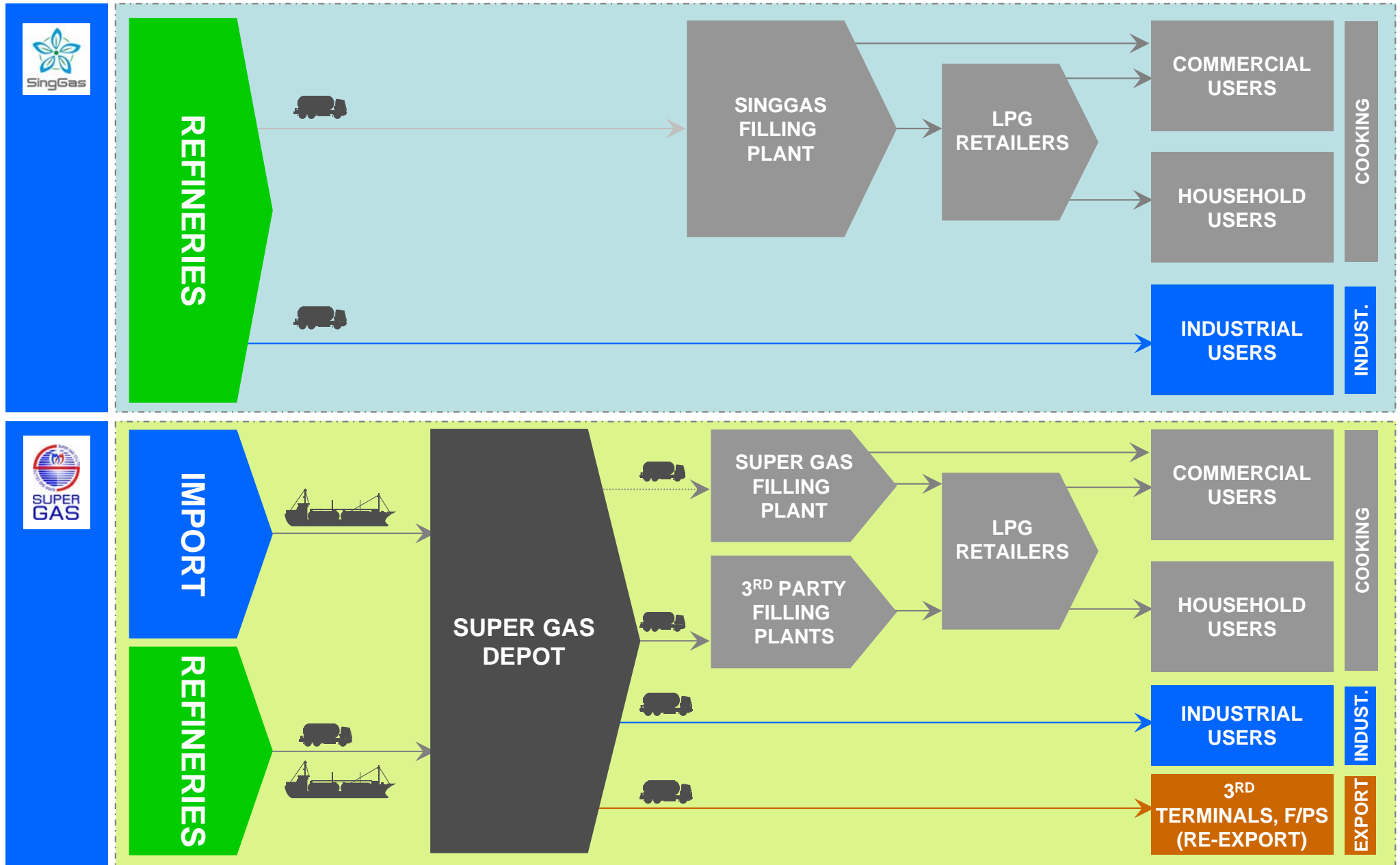
South East Asia Re-Export Markets

21



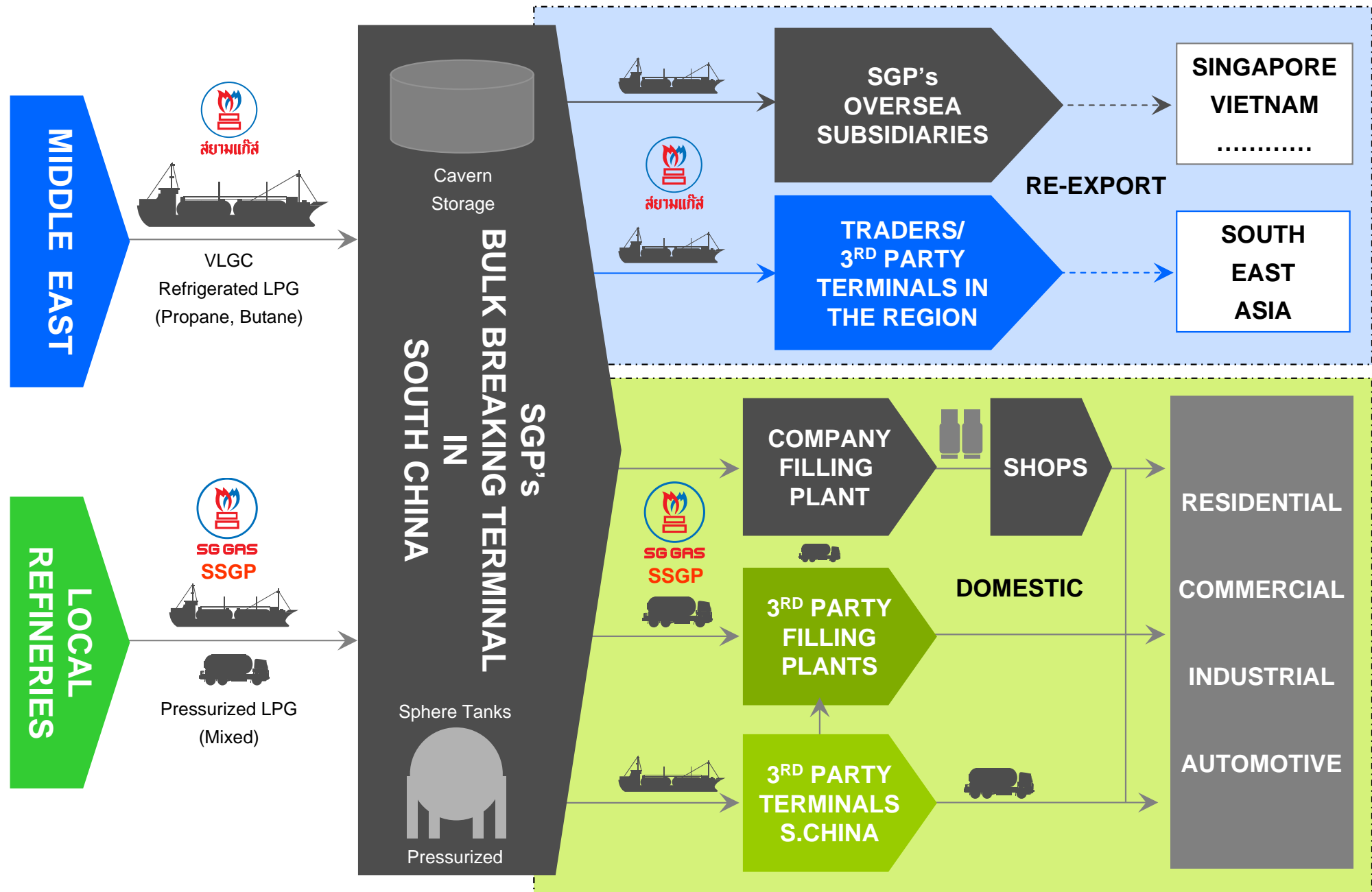
Business Model – Singapore & Vietnam

22



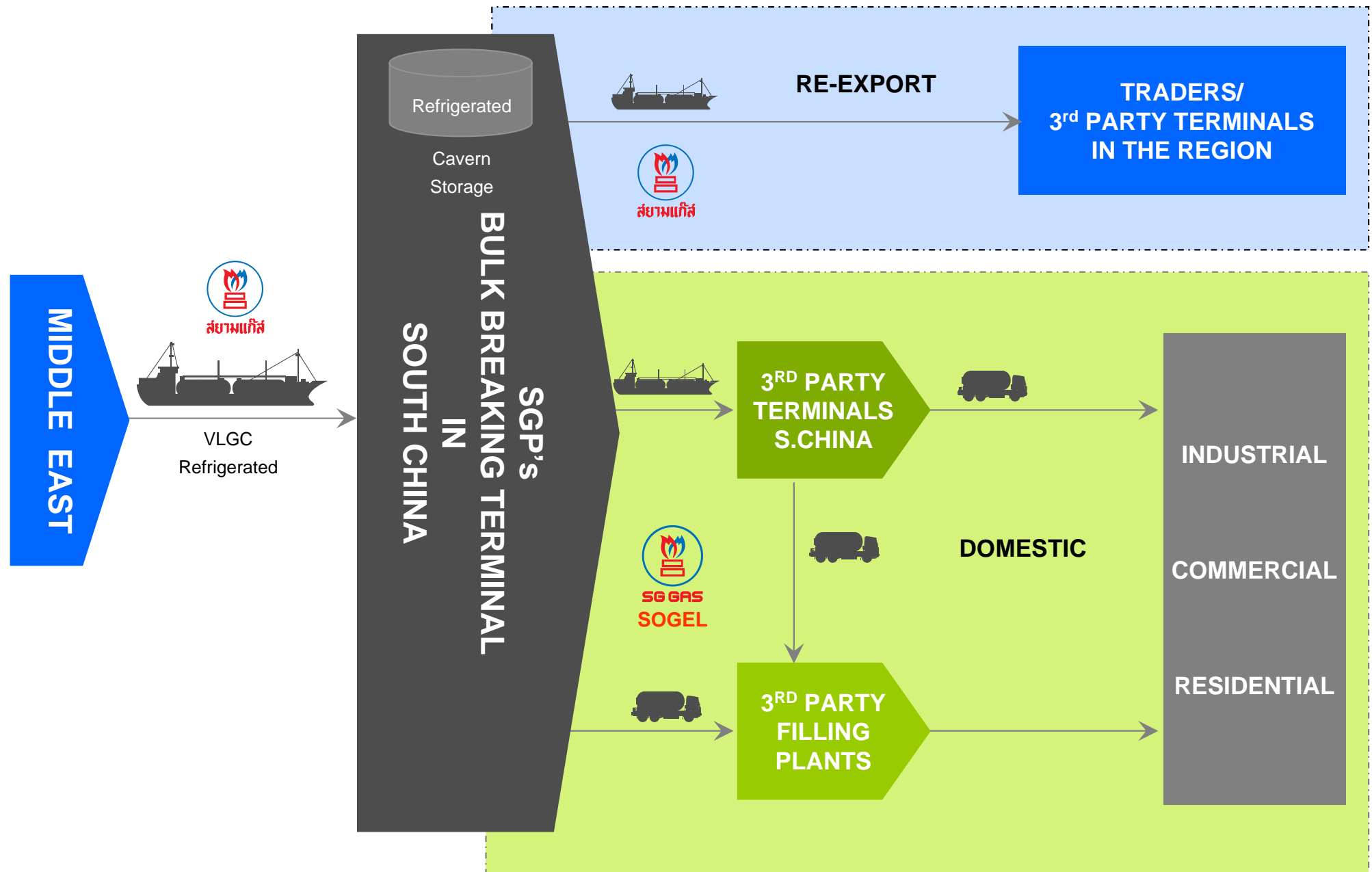
Business Model – Zhuhai, South China

23



Business Model – Shantou, South China

24

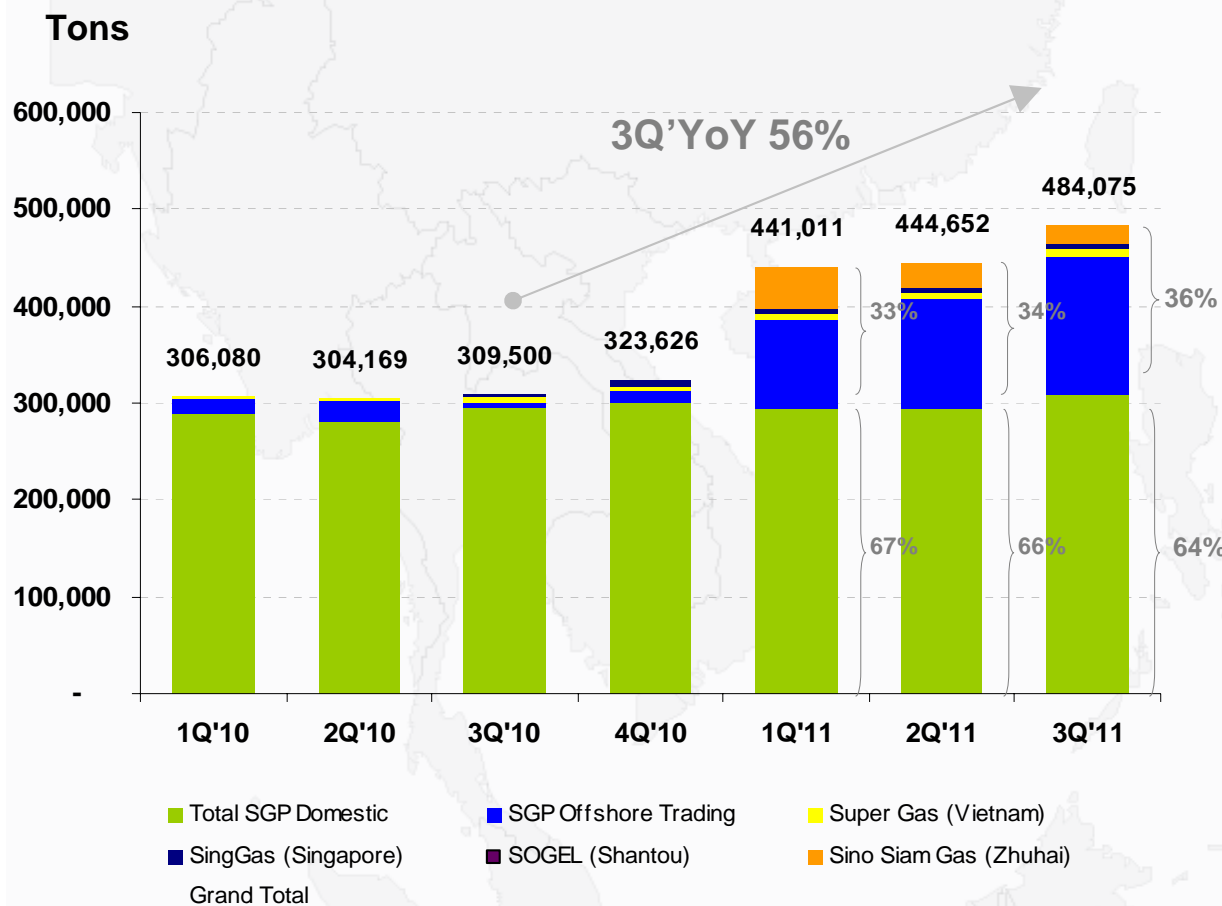


- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

LPG Business Growth 2010-2011

Domestic vs Offshore

26



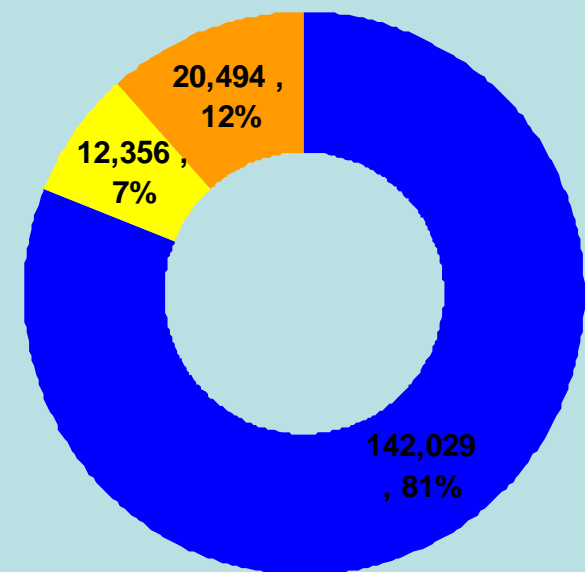
SGP Group – LPG Volume 2010 – 2011

LPG Sales Volume (Tons)	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11	3Q'11
Total SGP Domestic	288,685	281,263	296,223	299,126	294,529	293,742	309,197
Total Oversea	17,395	22,906	13,277	24,500	146,483	150,910	174,878



สยามแก๊ส

3Q'11 Oversea Volume Breakdown (Tons)



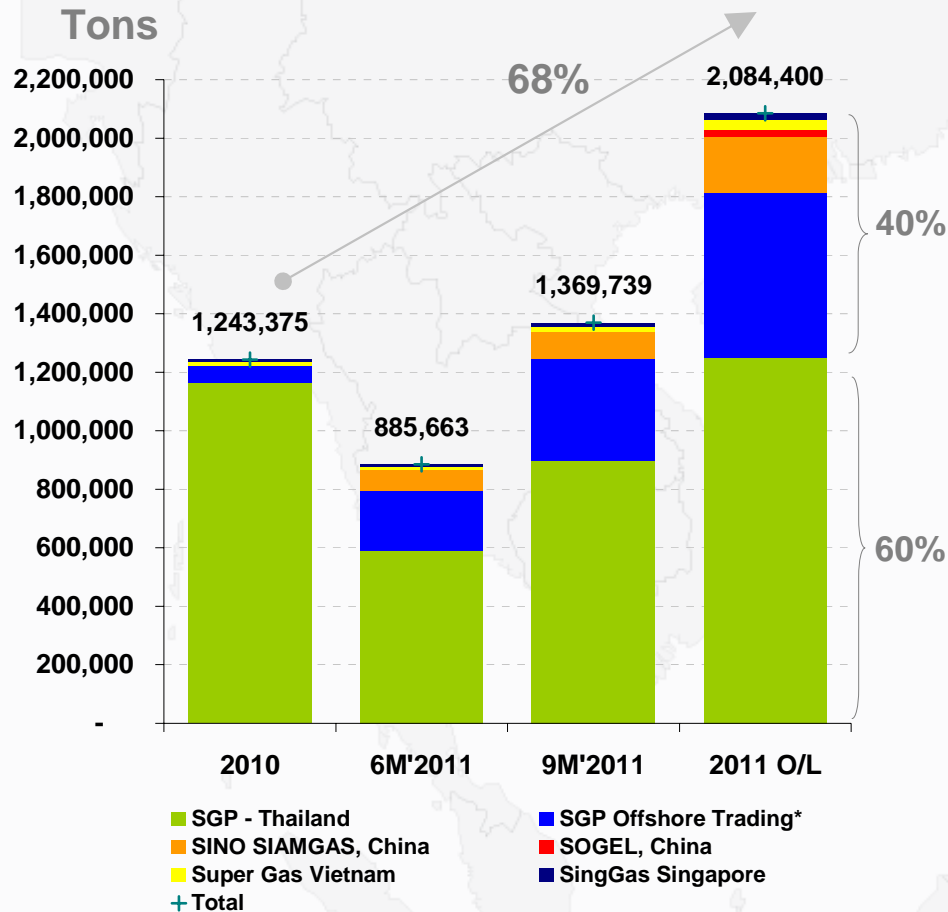
■ SGP Offshore Trading

■ SingGas & Super Gas

■ SOGEL & Sino Siam Gas

2011 LPG Volume Outlook

27



Sales Volume (tons)	2010	6M'2011	9M'2011	2011 O/L
SGP - Thailand	1,165,296	588,271	897,468	1,250,000
SGP Offshore Trading*	56,906	207,657	349,685	566,000
SINO SIAMGAS, China	-	69,846	90,340	188,000
SOGEL, China	-	-	-	24,000
Super Gas Vietnam	12,380	10,816	18,894	36,000
SingGas Singapore	8,793	9,074	13,351	20,400
Total	1,243,375	885,663	1,369,739	2,084,400
Total Growth				68%
Domestic Portion	94%	66%	66%	60%
Oversea portion	6%	34%	34%	40%

Note:

SG Gas = Sino Siam Gas, Zhuhai

SGP's Offshore Trading Markets* :

Macao, Hongkong, Vietnam, Malaysia, Thailand



สยามแก๊ส

- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

2010 Financial Statement Restatements

29

- 24 DEC 2010** Acquired BP Zhuhai LPG Limited – Zhuhai, China
- 9 MAR 2011** Completed valuation of Fair Value of acquired assets
- 31 MAR 2011** Recorded gain on business acquisition Baht 653 million in the company's quarter 1 interim financial statements as at 31 March 2011

Restatement:

Ref. | Thai Accounting Standard 43 (revised 2007) : Business Combination. The fair value adjustment is made by retroactive adjustment as if its fair value had been recognized since the date of acquisition.

- 30 SEP 2011** recognized the gain on business acquisition of Baht 653 million in consolidated statements of income in the 2010 (reissued) instead of the three-month period ended 31 March 2011

Impact on 2010 Financial Statements

	RETAIN EARNING (MB)		NET PROFIT (MB)		EARNING PER SHARE (Bht)	
	PREVIOUS	REVISED	PREVIOUS	REVISED	PREVIOUS	REVISED
	2,754	3,407	1,179	1,832	1.28	1.99
INCREASE (DECREASE)	653		653		0.71	

1Q11 Financial Statement Restatements

30

- 24 DEC 2010** Acquired BP Zhuhai LPG Limited – Zhuhai, China
- 9 MAR 2011** Completed Fair Value Asset Valuation
- 31 MAR 2011** Recorded gain on business acquisition Baht 653 million in the company's quarter 1 interim financial statements as at 31 March 2011

Restatement:

Ref. | Thai Accounting Standard 43 (revised 2007) : Business Combination. The fair value adjustment is made by retroactive adjustment as if its fair value had been recognized since the date of acquisition.

- 30 SEP 2011** decreased the gain on business acquisition by Baht 653 million in the quarter 1 interim consolidated financial statements as at 31 March 2011 (reissued)

Impact on 1Q11 Financial Statements

	RETAINED EARNING (MB)		NET PROFIT (MB)		EARNING PER SHARE (Bht)	
	PREVIOUS	REVISED	PREVIOUS	REVISED	PREVIOUS	REVISED
	3,640	3,640	957	304	1.04	0.33
INCREASE (DECREASE)	-		(653)		(0.71)	

2Q11 Financial Statement Restatements

31

30 JUN 2011

Acquired Chevron Ocean Gas and Energy Limitd (COGEL) – Shantou, China

30 JUN 2011

Recorded net cash balance in COGEL of Baht 112 million which was included in the total gain on business acquisition of Baht 610 million for the company's quarter 2 interim financial statements as at 30 June 2011

Restatement:

Ref. | The equity transfer agreement to repay of the cash balance in the account of the acquired company to the seller at the acquisition date (CASH FREE , DEBT FREE)

In SEP 2011

The company finalized the net cash balance.

30 SEP 2011

retrospectively adjusted the fair value of net assets from business acquisition and gain on business acquisition decreased by Baht 112 million in the quarter 2 interim consolidated financial statements as at 30 June 2011 (reissued)

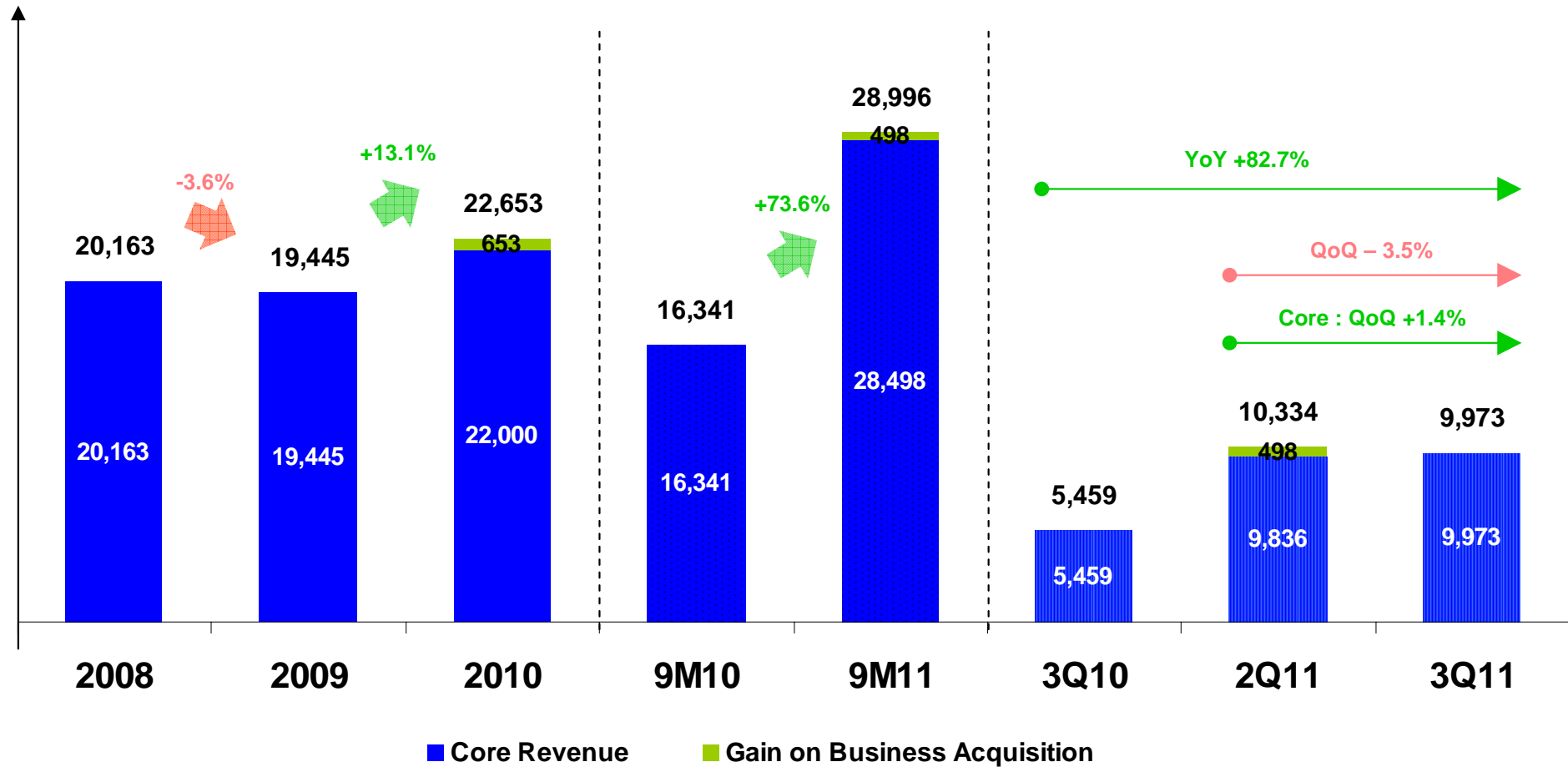
Impact on 2Q11 Financial Statements

	LIABILITIES (MB)		NET PROFIT (MB)		EARNING PER SHARE (BHT)	
	PREVIOUS	REVISED	PREVIOUS	REVISED	PREVIOUS	REVISED
	14,410	14,522	860	748	0.94	0.81
INCREASE (DECREASE)	112		(112)		(0.13)	

Financial Highlights - Revenue

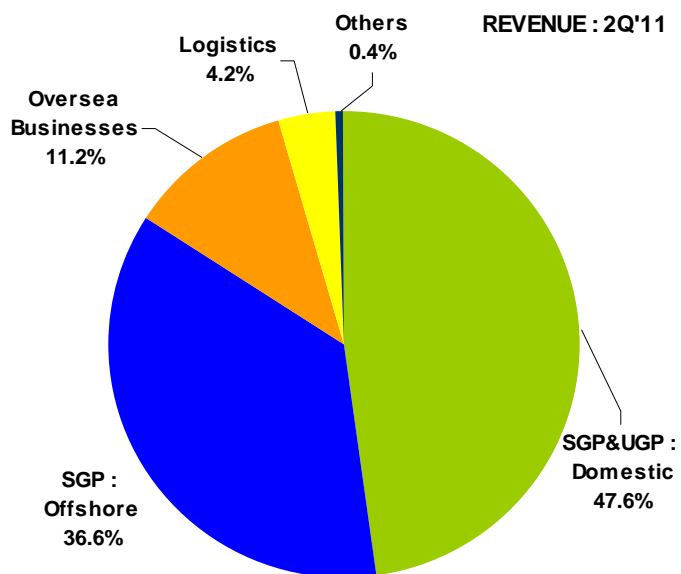
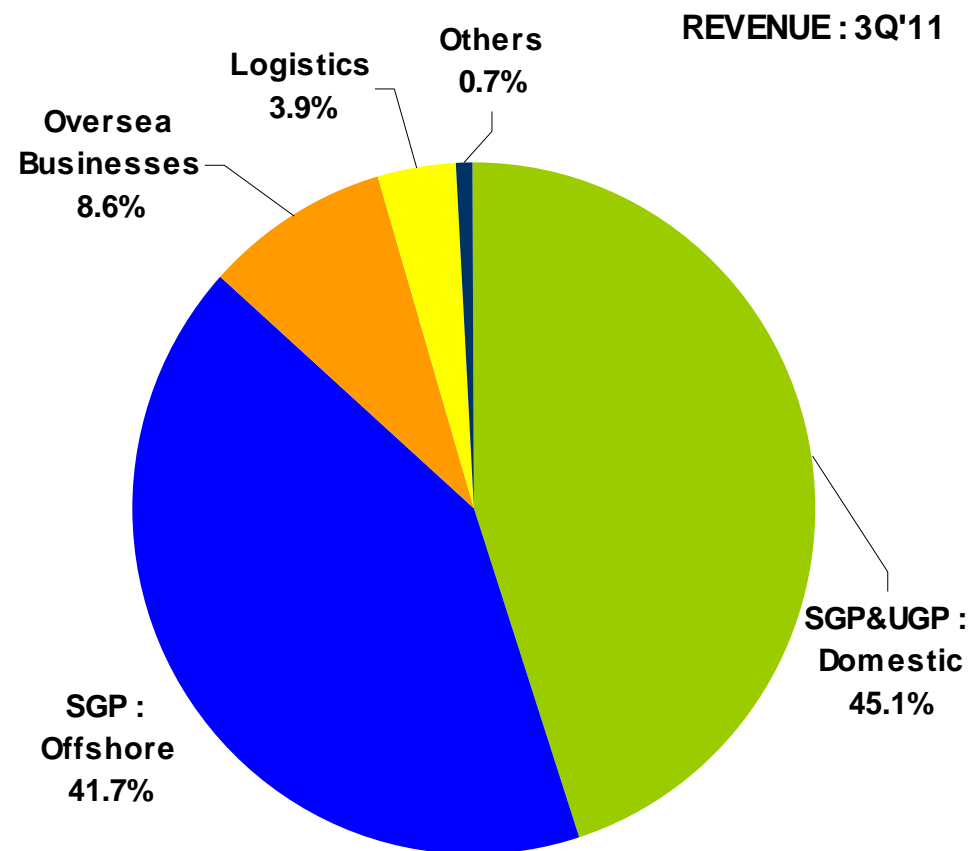
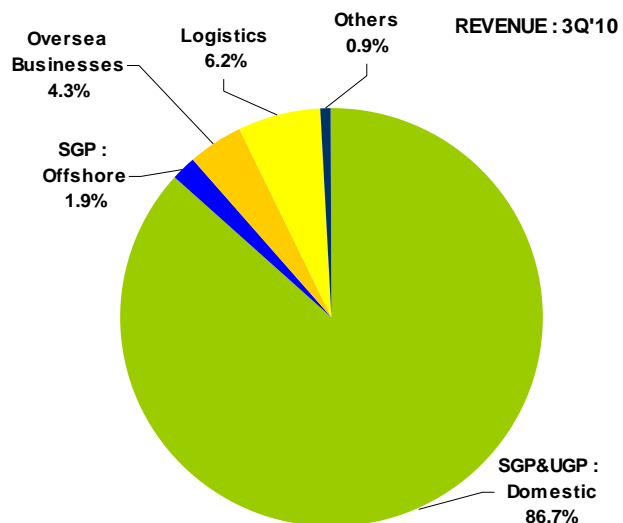
32

REVENUE Million Baht



REVENUE by Individual Business

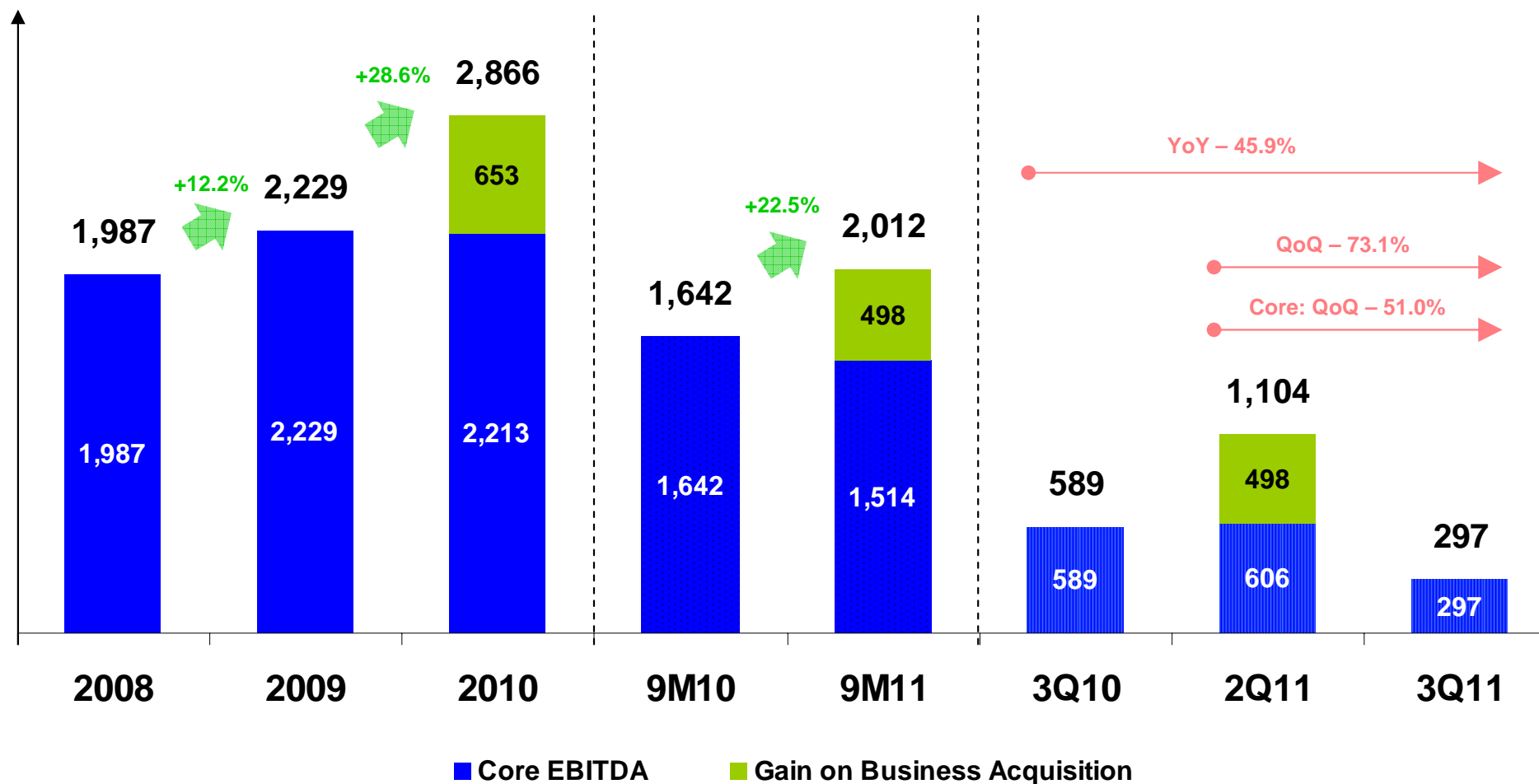
33



Financial Highlights - EBITDA

34

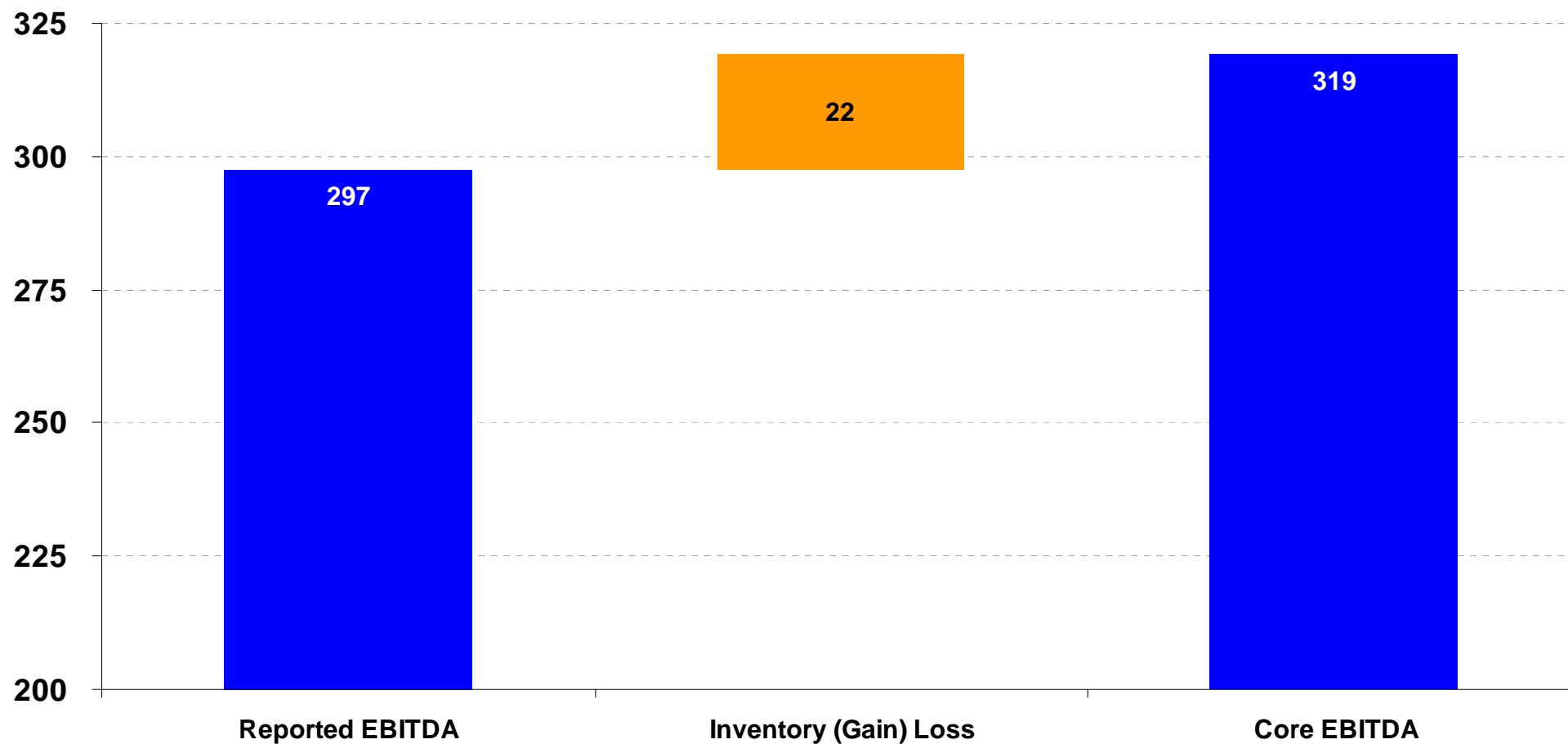
EBITDA Million Baht



Core EBITDA – 3Q11

35

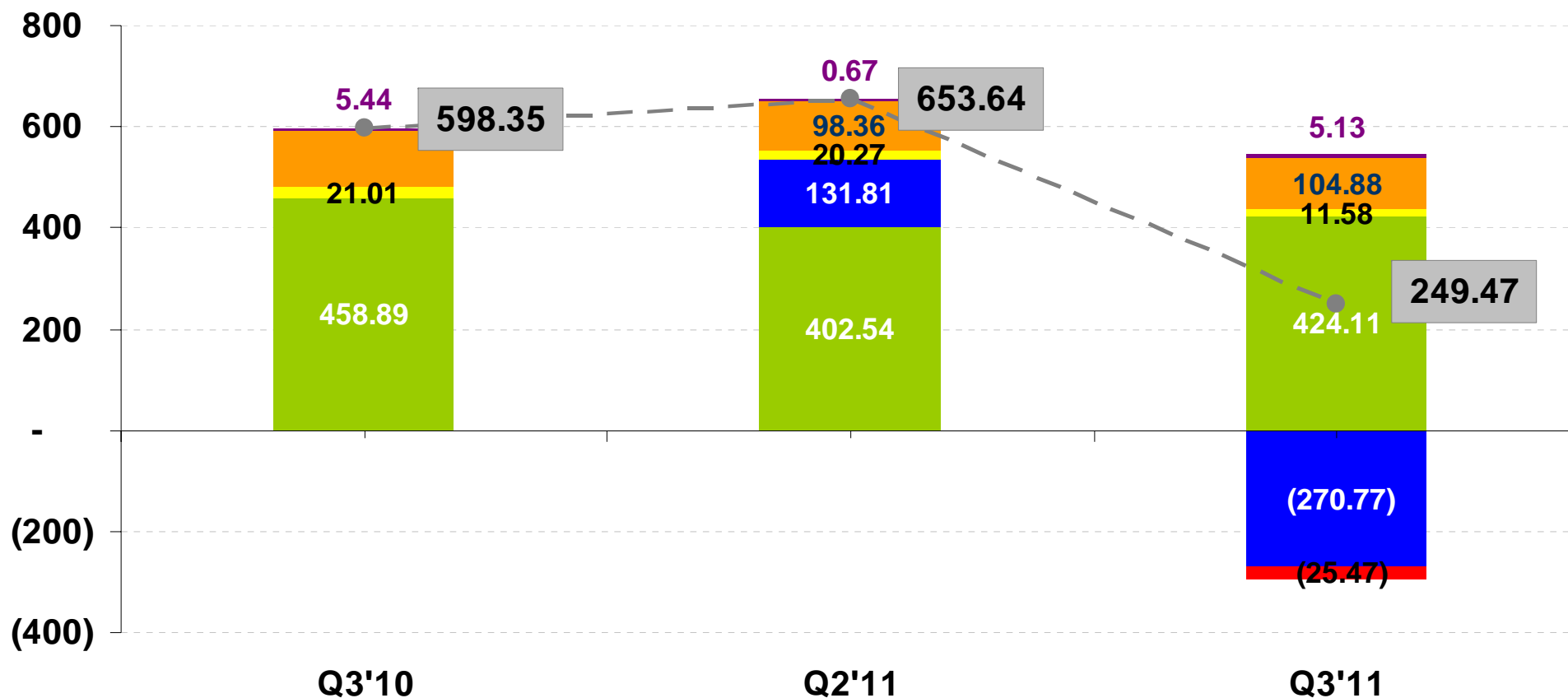
EBITDA Million Baht



EBITDA by Individual Business

36

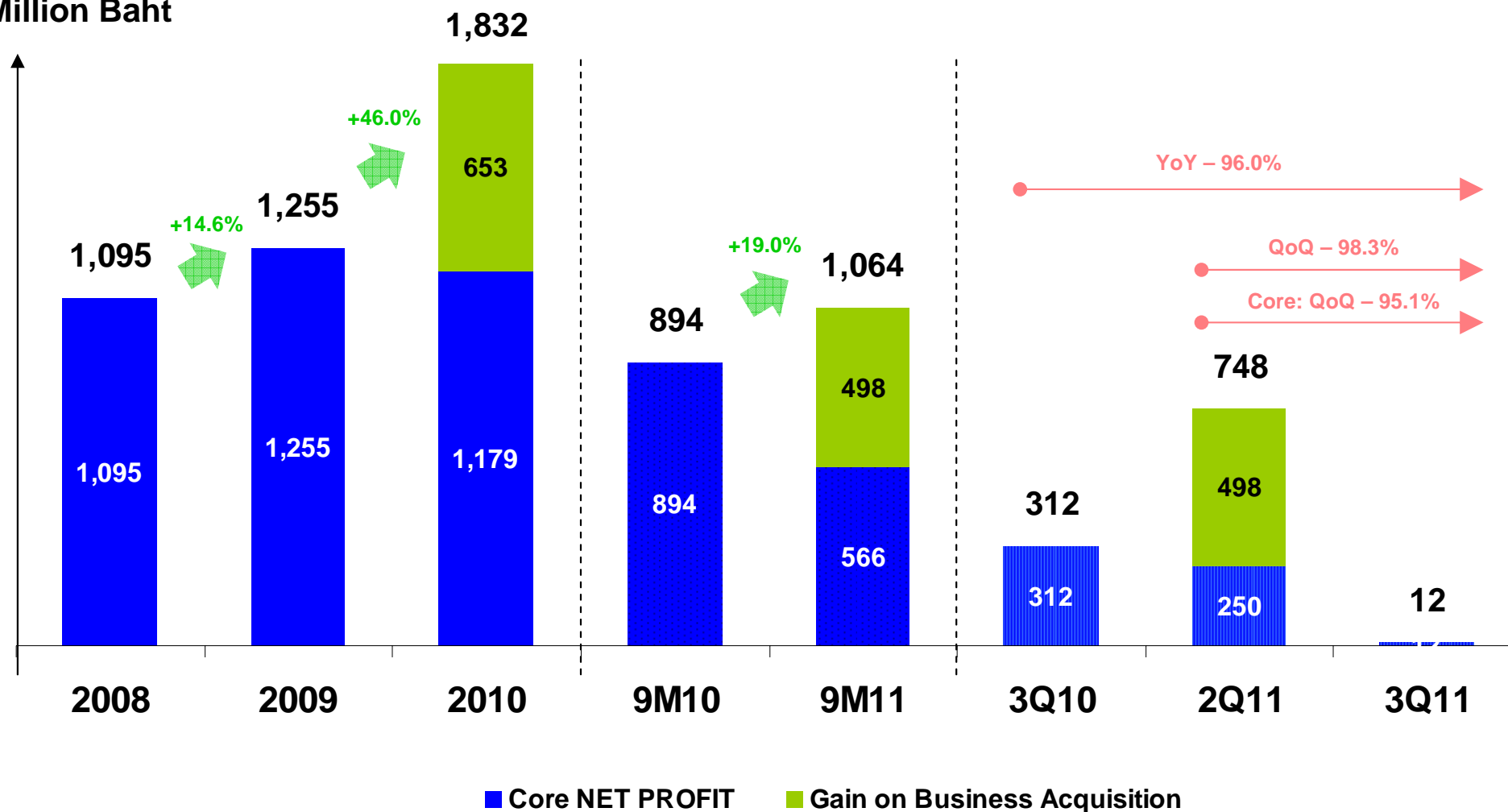
EBITDA Million Baht



Financial Highlights – NET PROFIT

37

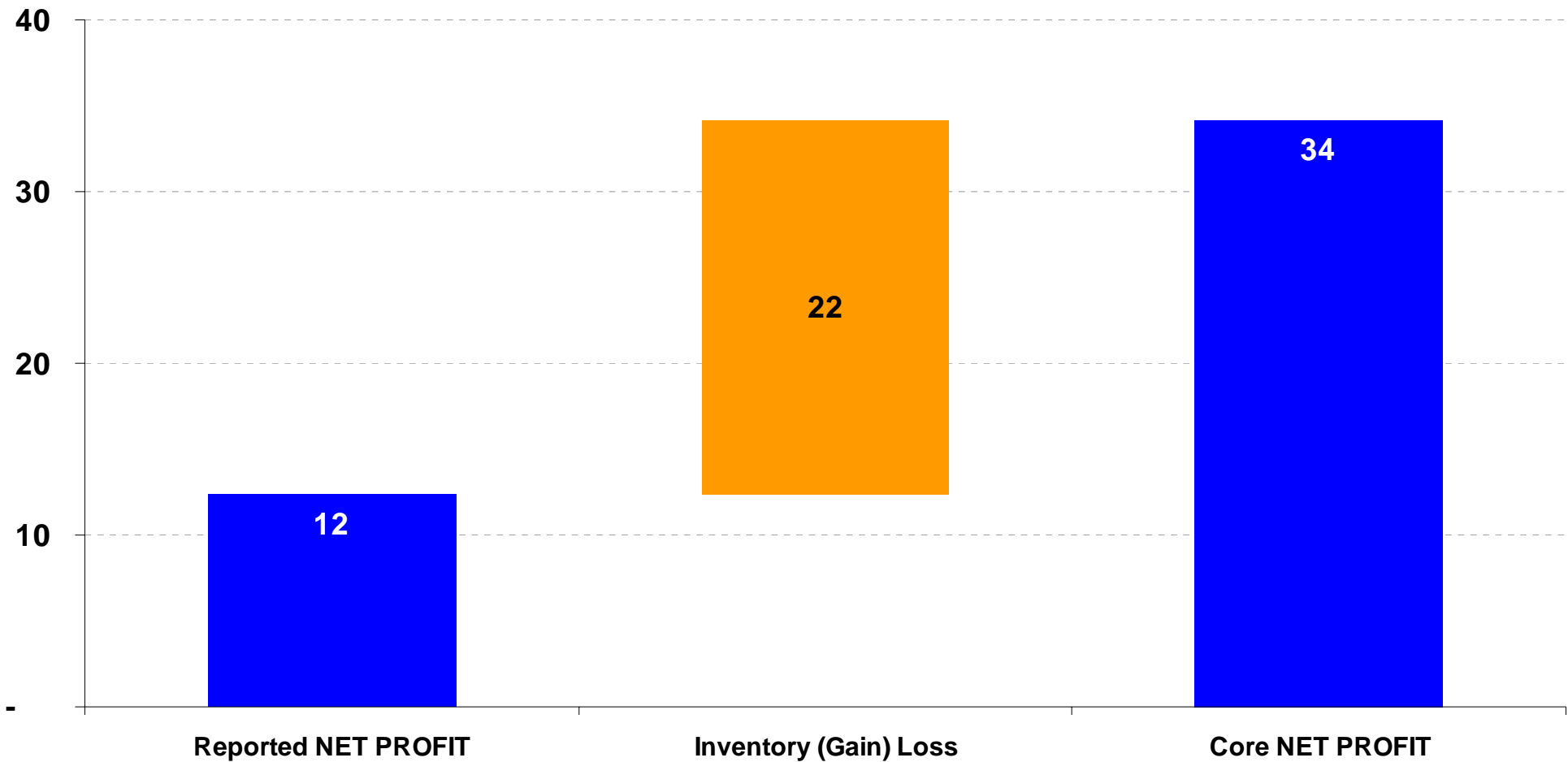
NET PROFIT Million Baht



Core NET PROFIT – 3Q11

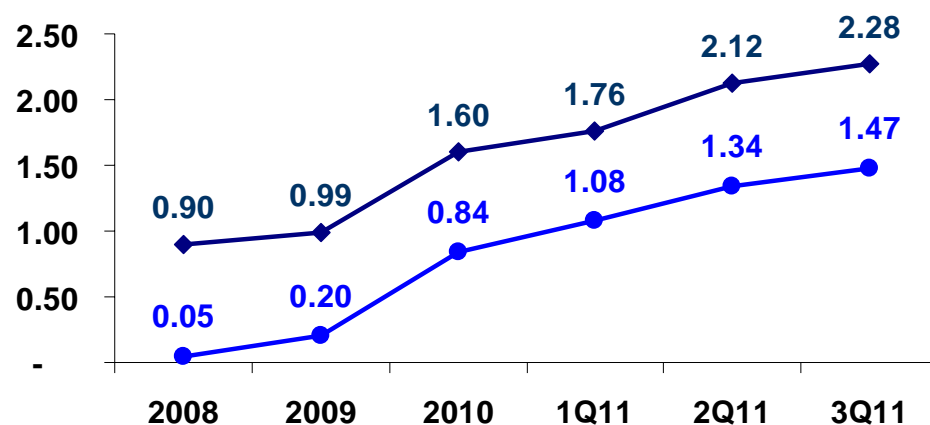
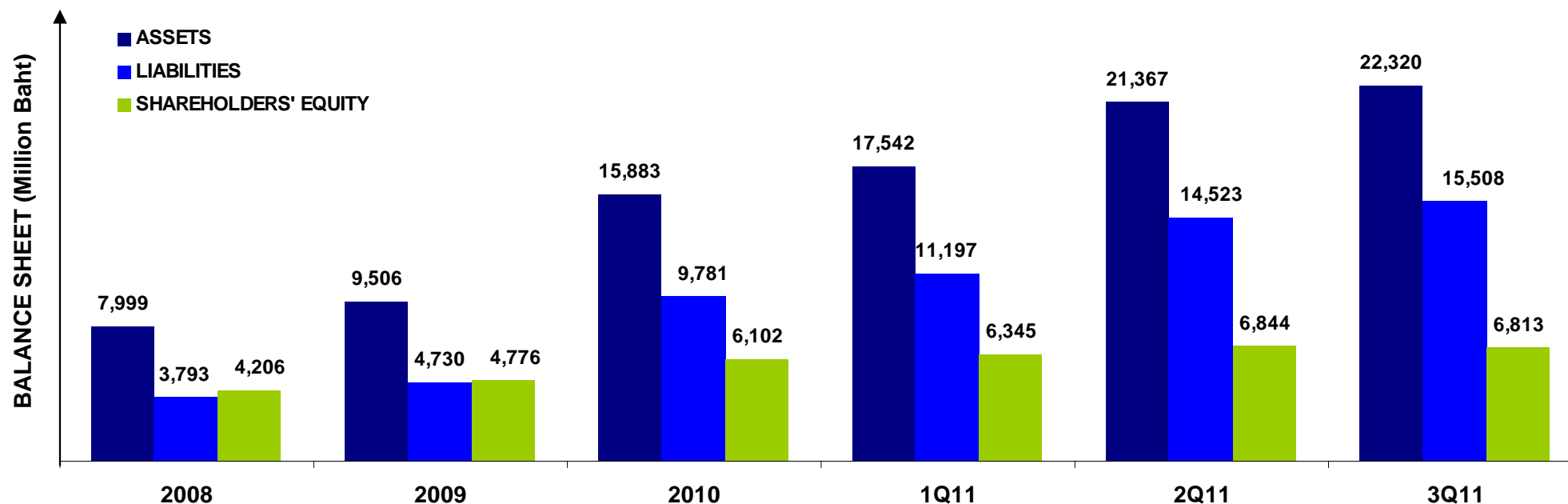
38

NET PROFIT Million Baht



Financial Highlights – Balance Sheet

39



GEARING RATIO – 3Q11

D/E Ratio : 2.28x

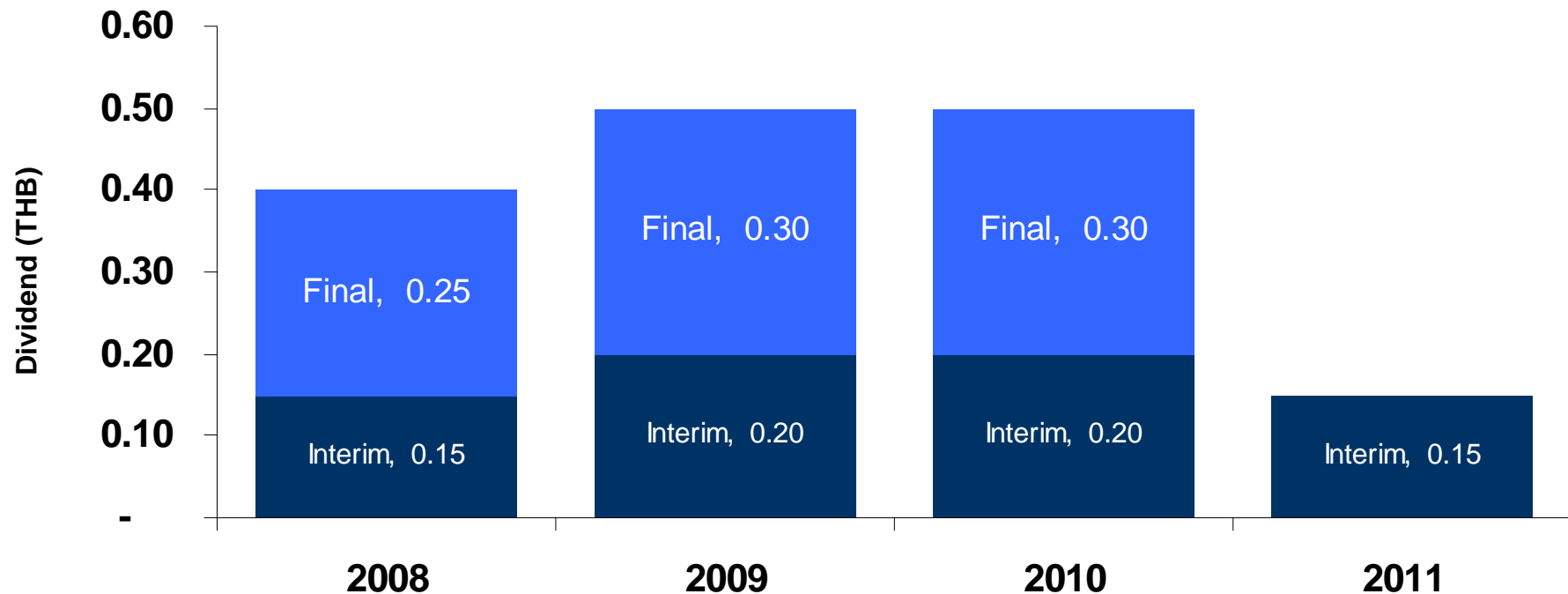
Interest Bearing Debt Ratio : 1.47x

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**



- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A

CSR Activities

“Reaching hands to people in inundated areas”



CSR Activities

“Reaching hands to people in inundated areas”



CSR Activities

“Reaching hands to people in inundated areas”



- New perspective on SGP
- Thailand LPG Market Highlights
- Oversea LPG Market Highlights
- Growth in sales volume and outlook
- Financial Results
- CSR
- Q & A



Questions are welcomed !

Investor Relations Contact

Siamgas and Petrochemicals Public Company Limited
498/997-999 Bobae Tower, Dumrongrak Road,
Klong-Mahanak, Pomprab-Satrupai, Bangkok
THAILAND 10100

Telephone : +662 628 1700-10 Ext 1589

Email : puvadol.vasudhara@ugp.co.th
narin.phanrattanamala@ugp.co.th

Website : www.siamgas.com

facebook : www.facebook.com/siamgas