

Siamgas and Petrochemicals PLC



Presentation for investor & analyst 4Q'11 and 2011



"Toward a New Horizon"

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- New perspective on SGP
- Current SGP's major businesses
- Oversea LPG Market Highlights
- Thailand LPG Market Highlights
- Financial Results
- 2012 Business Outlook
- Recent events
- Q & A

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New perspective on SGP for 2011 onward

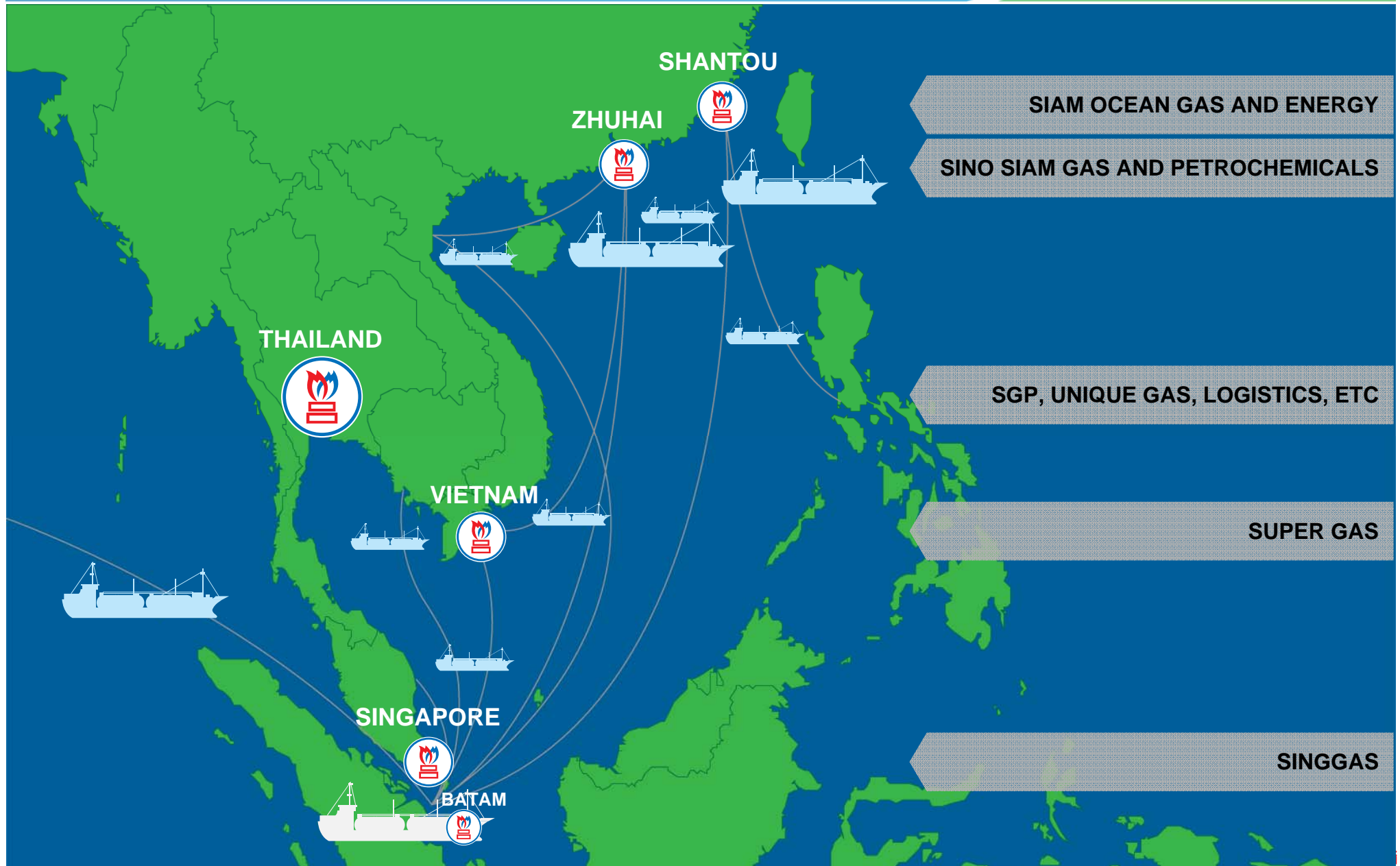
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- Previously, relied only on stable Thailand domestic business
 - Controlled price (U\$ 333/ton), moderate competition, stable but limited growth
- Changing perspectives on SGP after expansion to overseas markets:
 - Opportunities for unlimited growth
 - Trading with LPG world price (CP Saudi Aramco U\$700-900/ton)
 - Changing price on monthly basis
 - Seasonal pricing trend is normally in line with climate condition
 - Annual cycle of business operation gives a clearer picture of SGP's overseas operation performance
 - Significant price movement may imply change 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.

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Current areas of SGP's operations

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Overseas Business Operations

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Siamgas and Petrochemicals PCL

Thailand



LPG Offshore Trading Business

Utilizing mega size storage and facilities of subsidiaries in China i.e. SINO SIAM, and SOGEL in importing and re-exporting LPG to other traders and subsidiaries in the region
SGP currently utilizes VLGC as floating terminal in Batam (Indonesia) to enhance competitive advantage in SEA



Super Gas Co Ltd



Vietnam

LPG Business
(Acquired from Chinese owner),
Mar'10
LPG Terminal & Filling Plant
Storage. Cap 2,000 tons



SingGas (LPG) Pte Ltd



Singapore

LPG Business
Acquired from Shell Gas (LPG),
Jul'10
LPG Filling Plant
Storage. Cap 75 tons



Sino Siam Gas & Petrochemicals Co Ltd



Zhuhai, China

LPG Business
Acquired from BP (Dec'10)
LPG Terminal (Bulk-Breaking)
LPG Filling Plant
LPG Retail Outlets
Storage. Cap 200,000 tons
(Underground Storage Caverns)



Siam Ocean Gas & Energy Ltd



Shantou, China

LPG Business
Acquired from Chevron (Jun'11)
LPG Terminal (Bulk-Breaking)
Storage. Cap 100,000 tons
(Underground Storage Caverns)



South East Asia Re-Export Markets

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SGP's Business Model for Re-Export and Domestic Sales in China

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Middle East

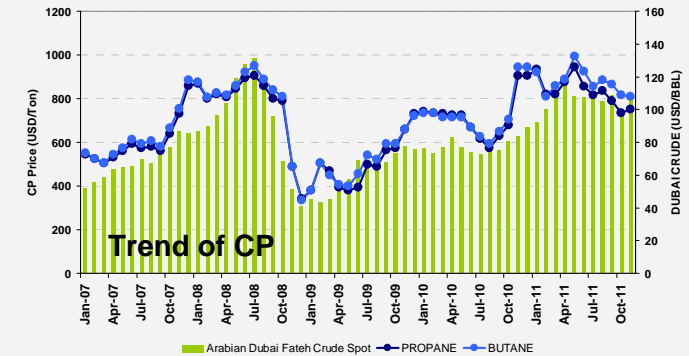
Cost :
 $CP + X$



Refrigerated Cargo ~ 44,000 Tons

Bulk Breaking Terminal

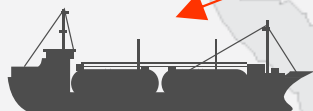
- Zhuhai
- Shantou



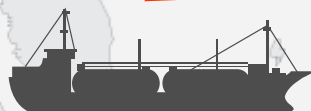
Selling Price : $CP + X + Y$



Selling Price : $CP + X + Y$



~2,000 Tons



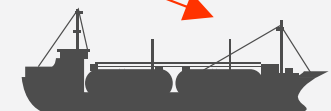
~2,000 Tons



~2,000 Tons



~2,000 Tons



~2,000 Tons

Re-Export (Offshore Trading)

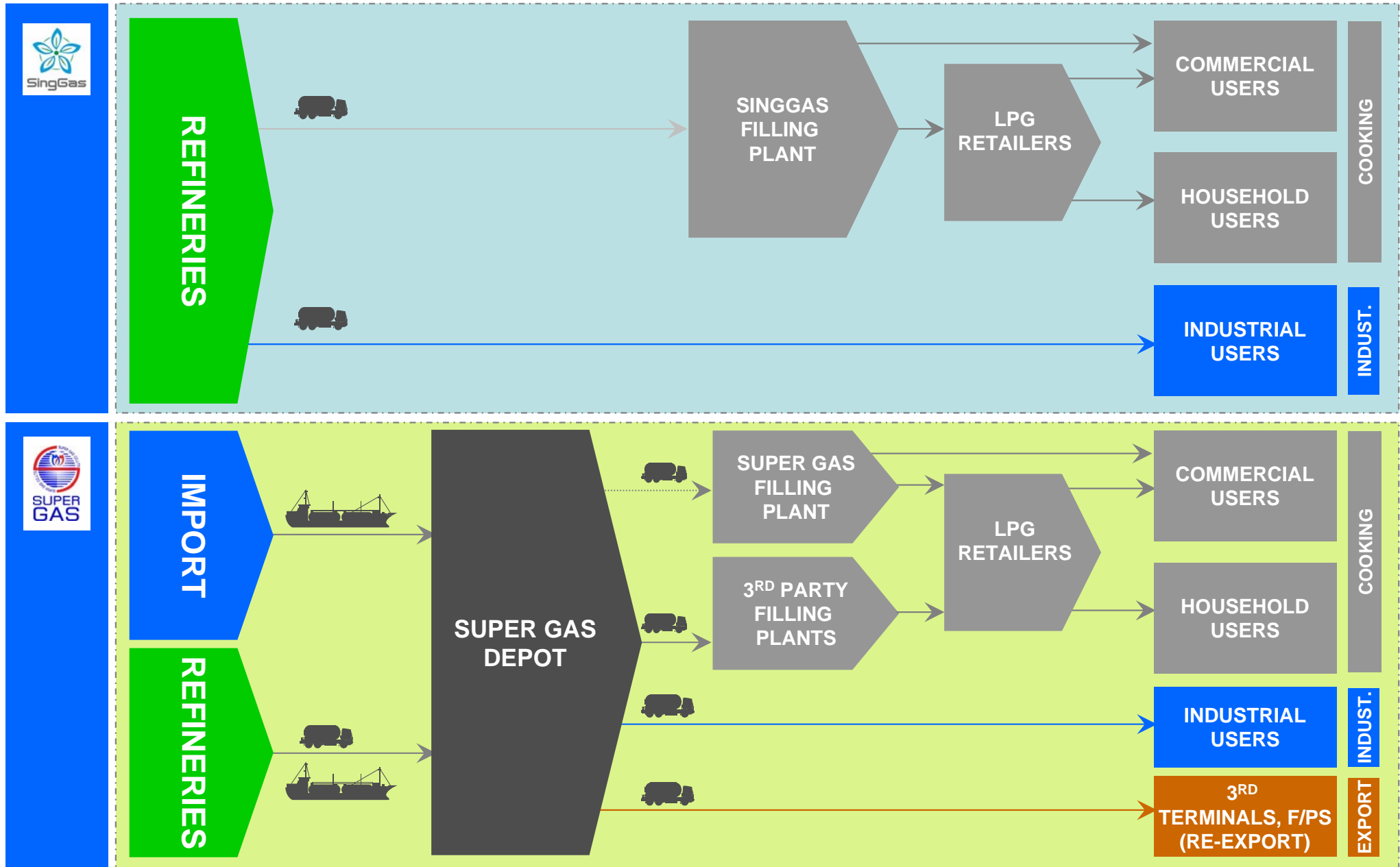
70-80%

Domestic Sales

20-30%

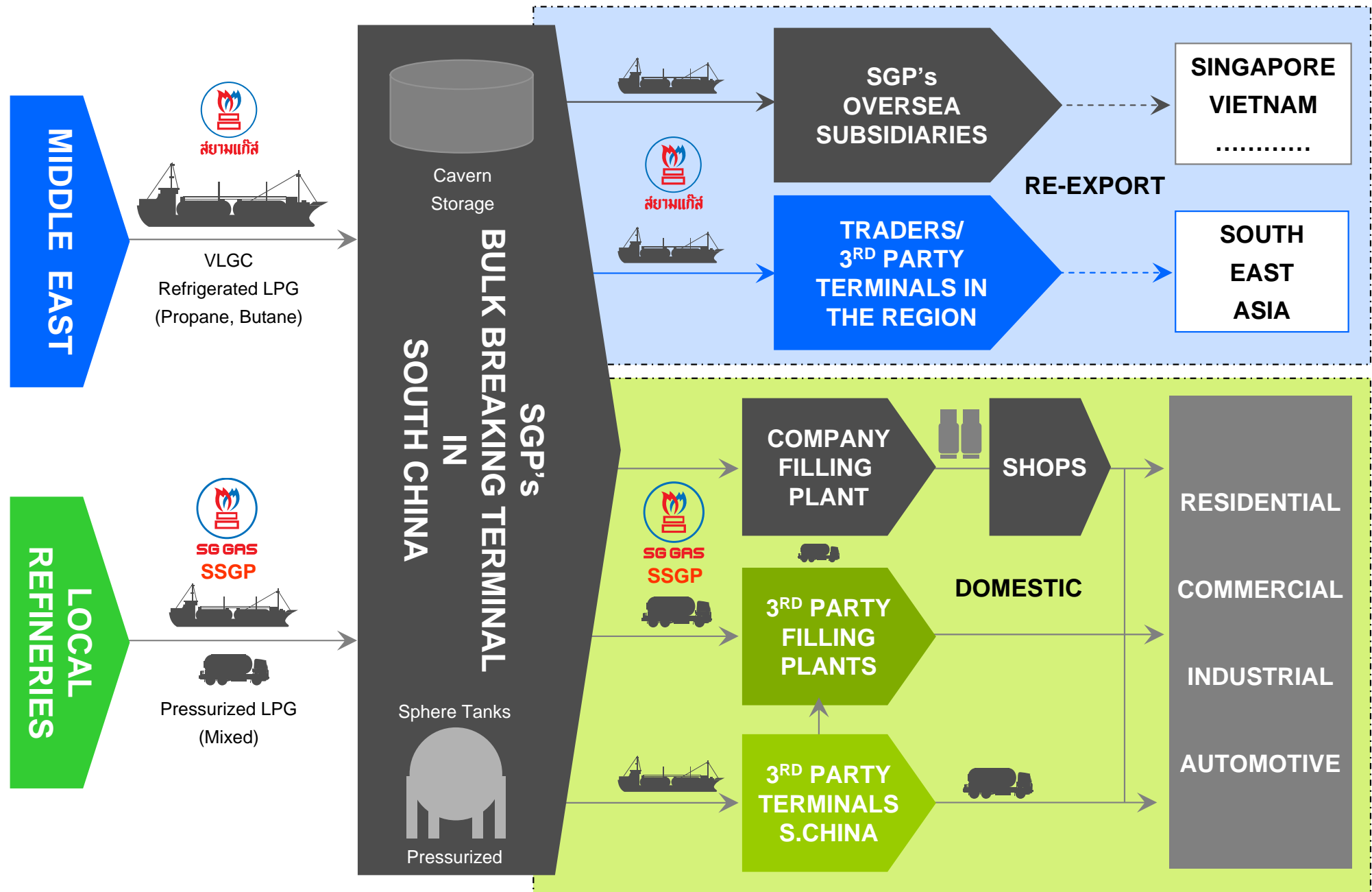
Business Model – Singapore & Vietnam

11



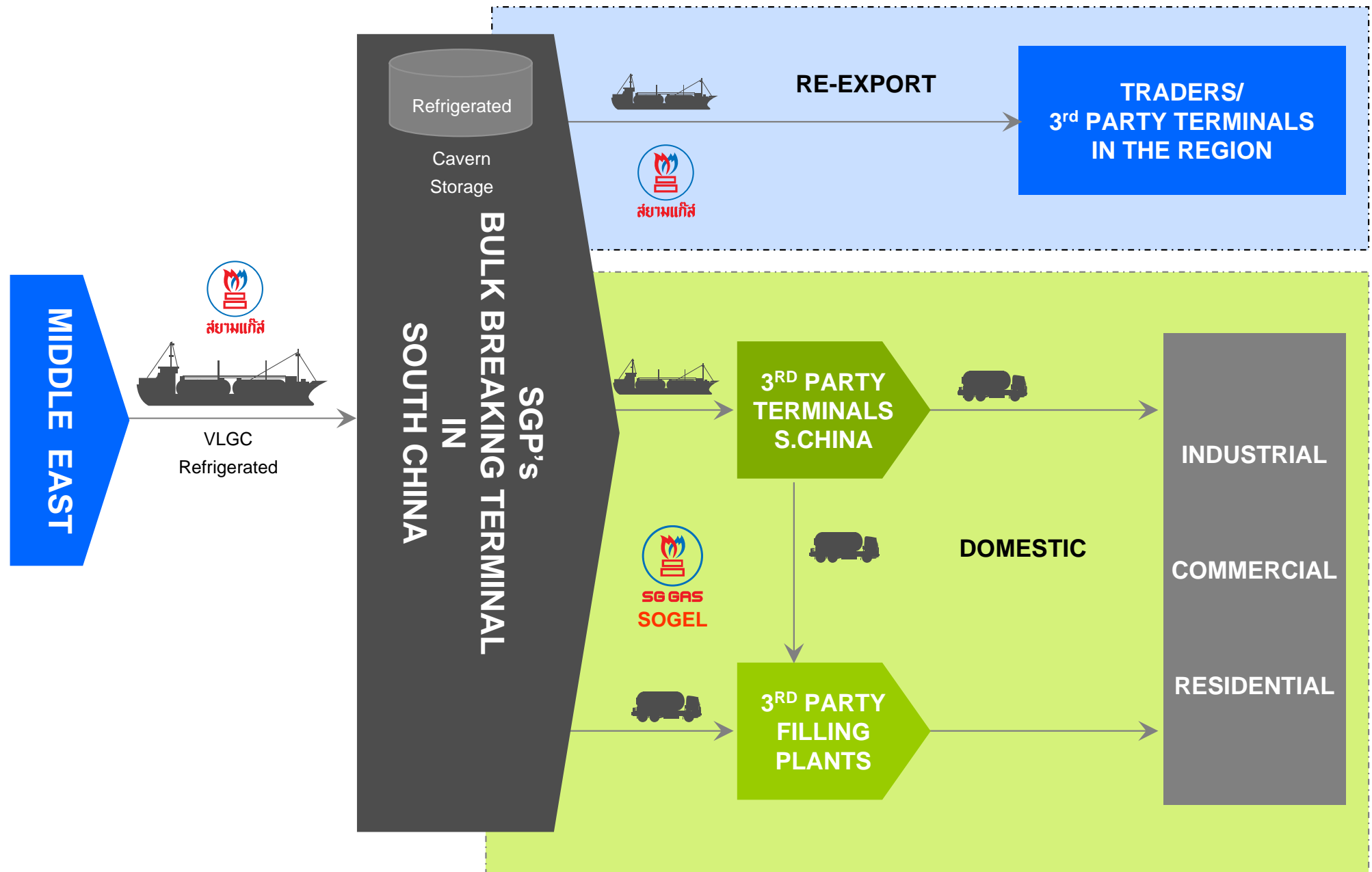
Business Model – Zhuhai, South China

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Business Model – Shantou, South China

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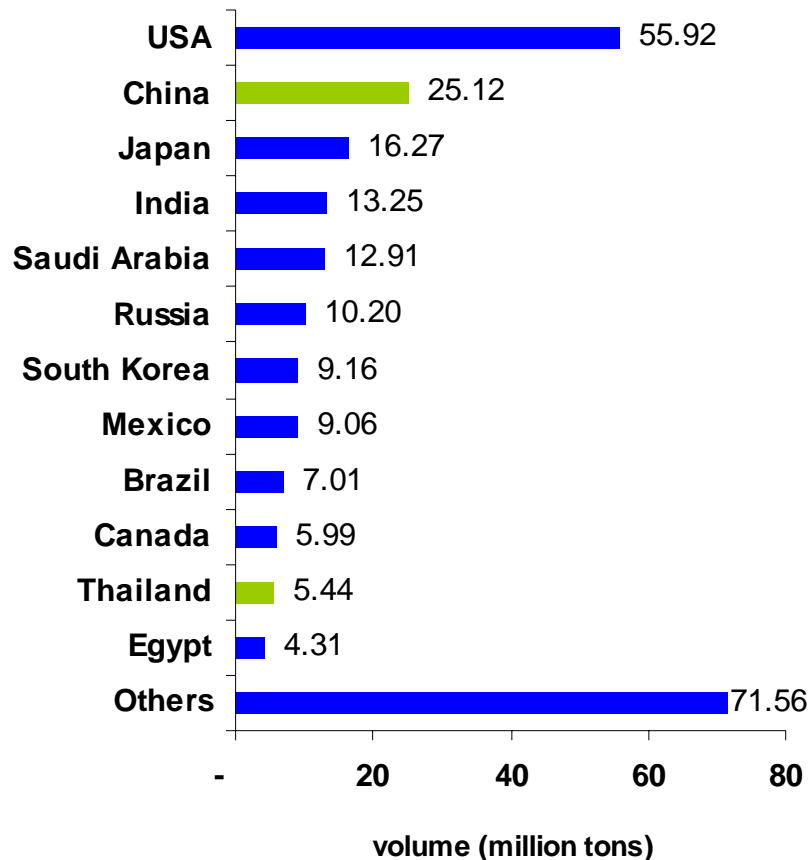
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- Global LPG consumption growth tends to continue – Petchem plays a key role driving growth
- LPG world price volatility
 - March 2011 Libya turmoil cast shadow : triggered LPG price hike with 2011 historical high in May.
 - Declining trend after hike up in May 2011
 - Tended to climb up from July going on August 2011, but shifted downward due to concern on European debt Around mid August 2011
 - Colder climate in 4Q'11 gradually drove up LPG price
- SGP's minor stock loss from Offshore Trading due to QoQ LPG price decrease
- Business operations of SOGEL commercially started in quarter December 2011
- Increasing offshore trading sales volume in 4Q'11 with higher demand and additional customers/channels
- SGP, thru' SINO SIAM was recognized as top importer in China

Room to grow in the growing global market

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LPG consumption in the world (2010)

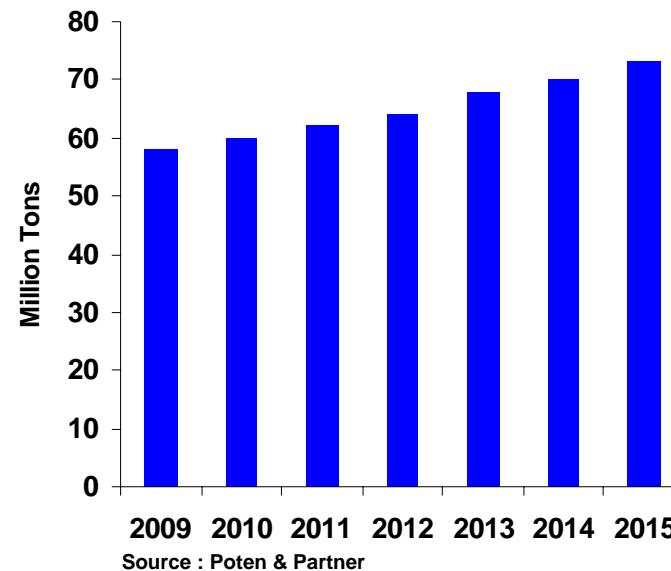


Source: Compiled by the Agency for Natural Resources
From data released by the World LP Gas Association (W LPG)

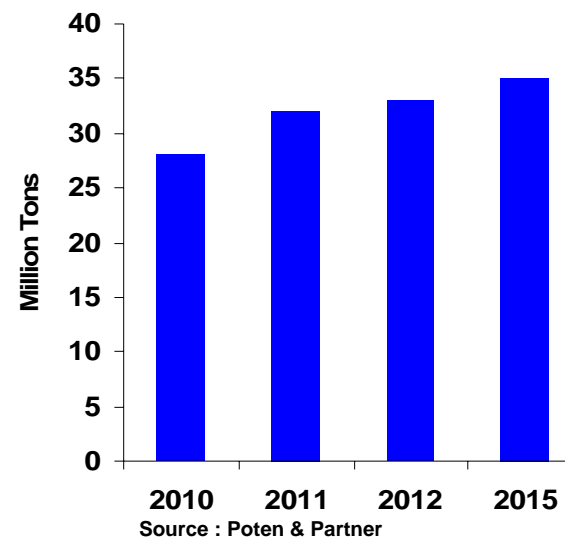
- * Total 2010 consumption : 246 million tons
- * LPG consumption including Petchem

Growth indications from traders & major exporters

World Propane & Butane Trade Outlook



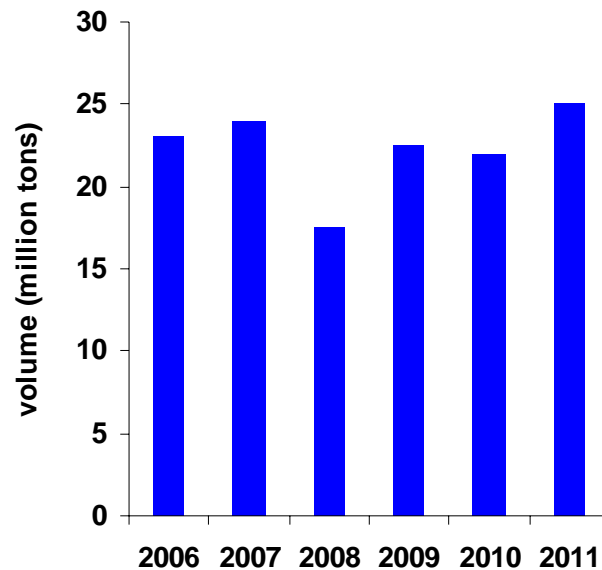
Middle East Export O/L (2010-2015)



SGP to be "ON TOP"

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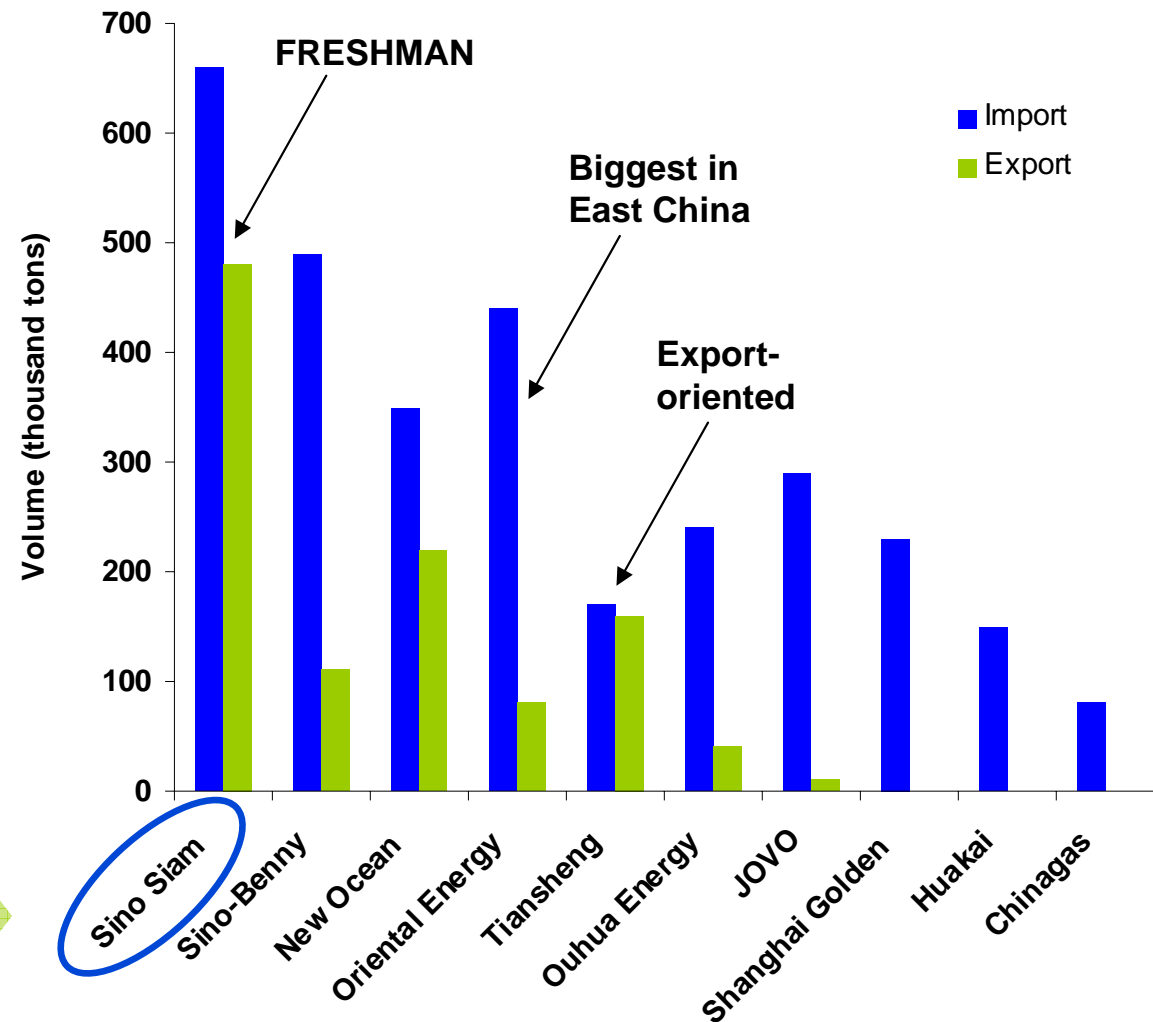
LPG consumption in China (2006-2011)



Source : C1 Energy

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

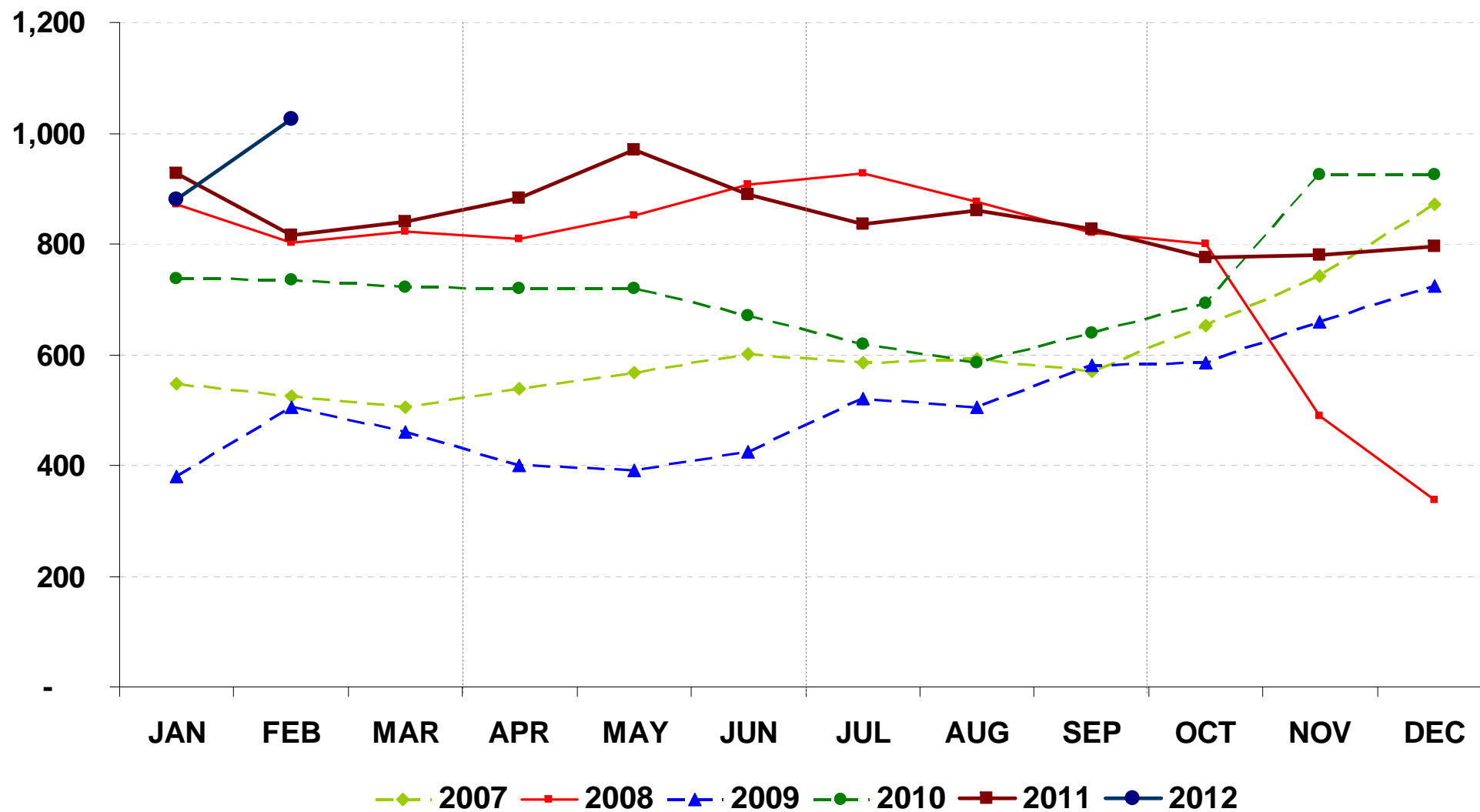
CHINA's top LPG importers and exporters



Source: GAC, C1 Energy

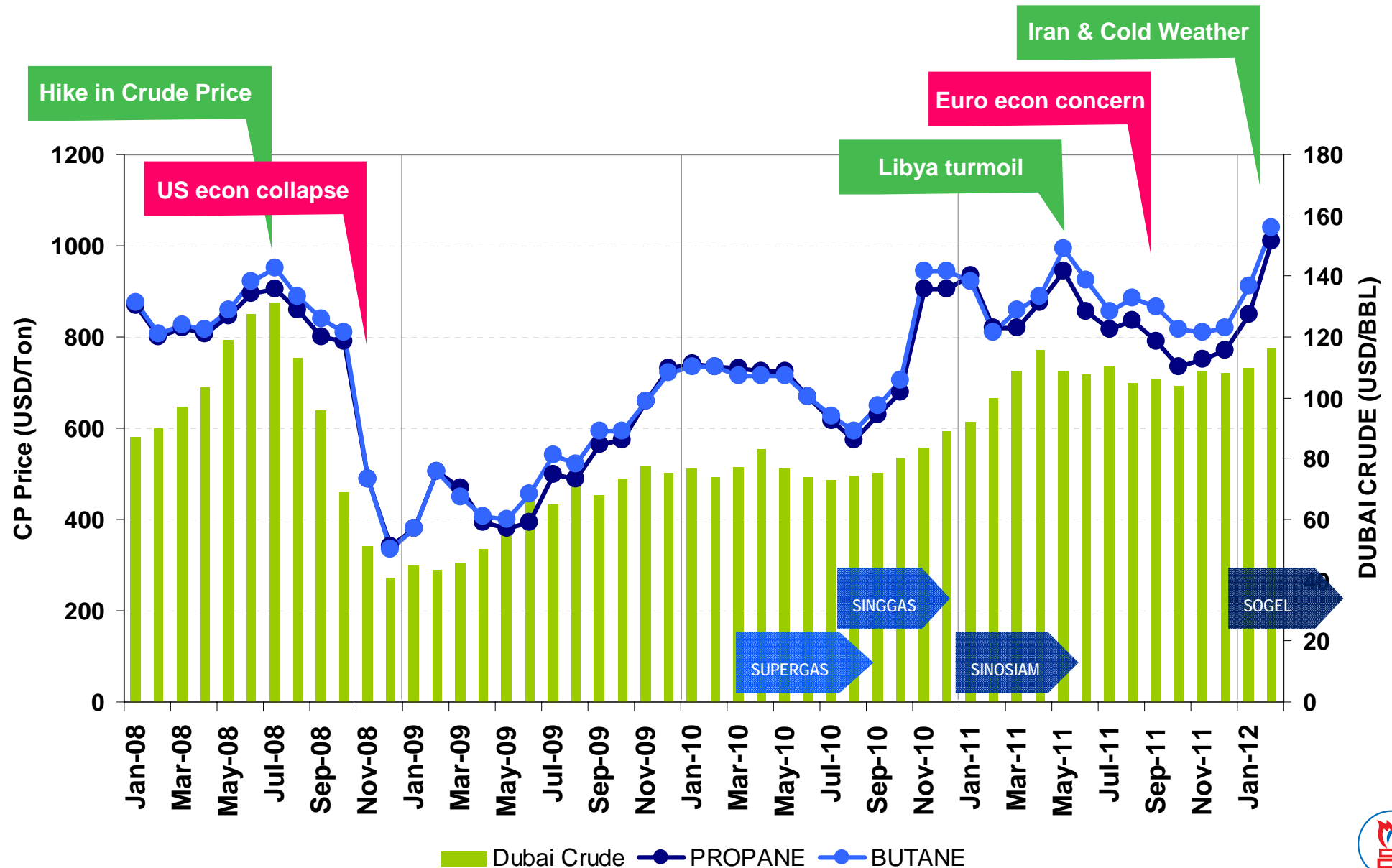
Historical CP Price (2007-2012)

18



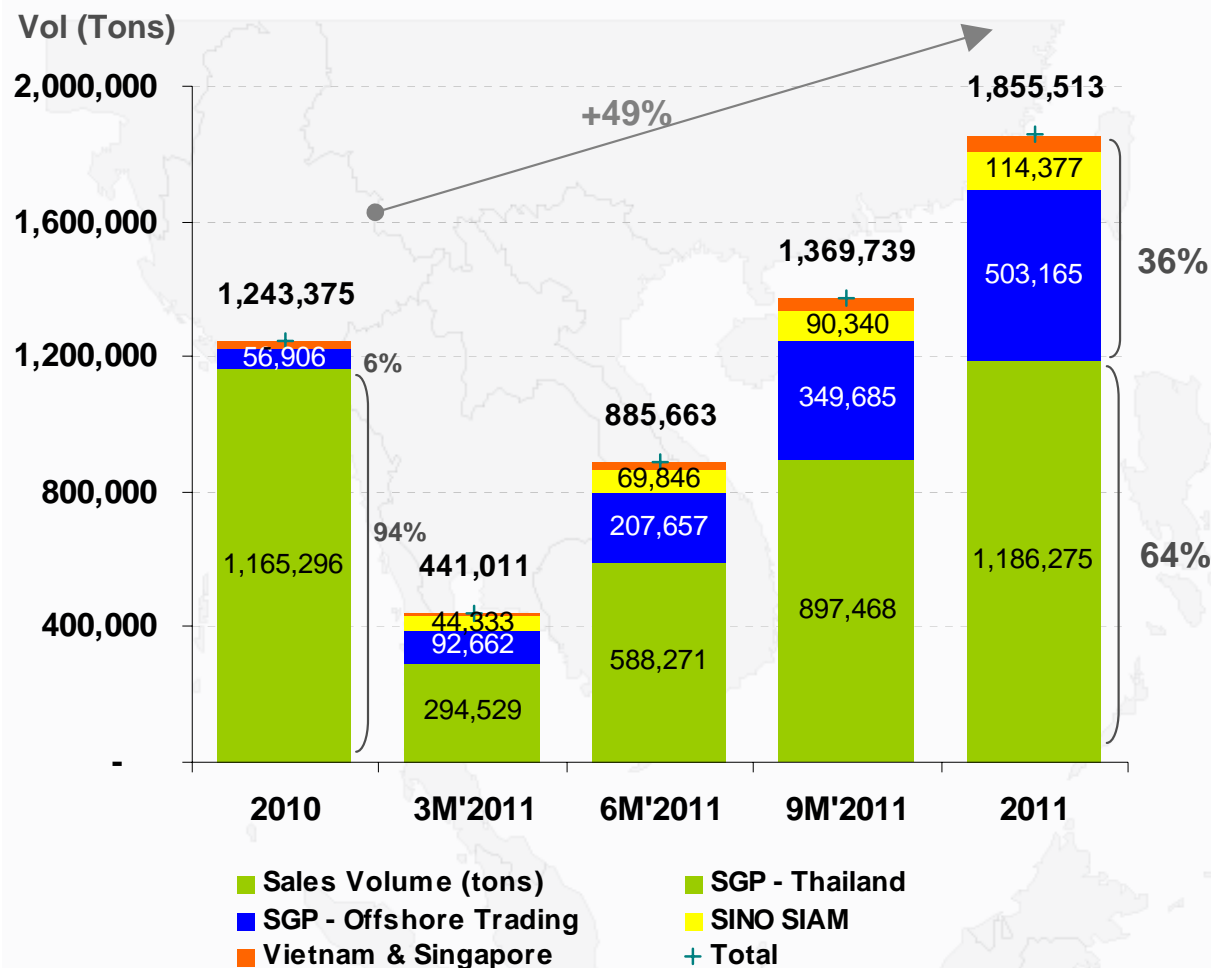
Global CP Price and Influencing Global Situations

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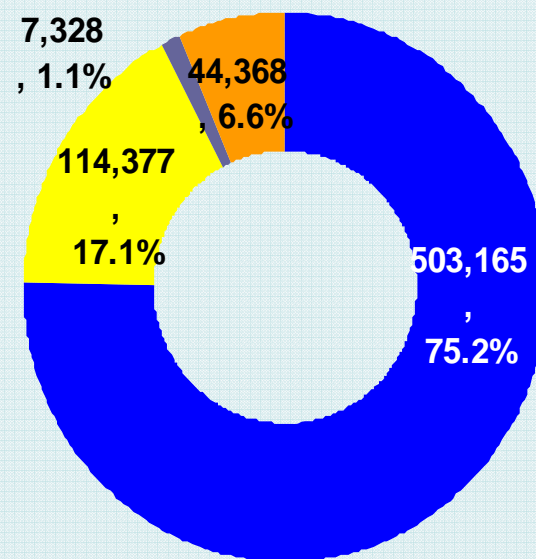


LPG Business Growth 2010-2011

Domestic & Oversea Sales Volume



Oversea volume breakdown



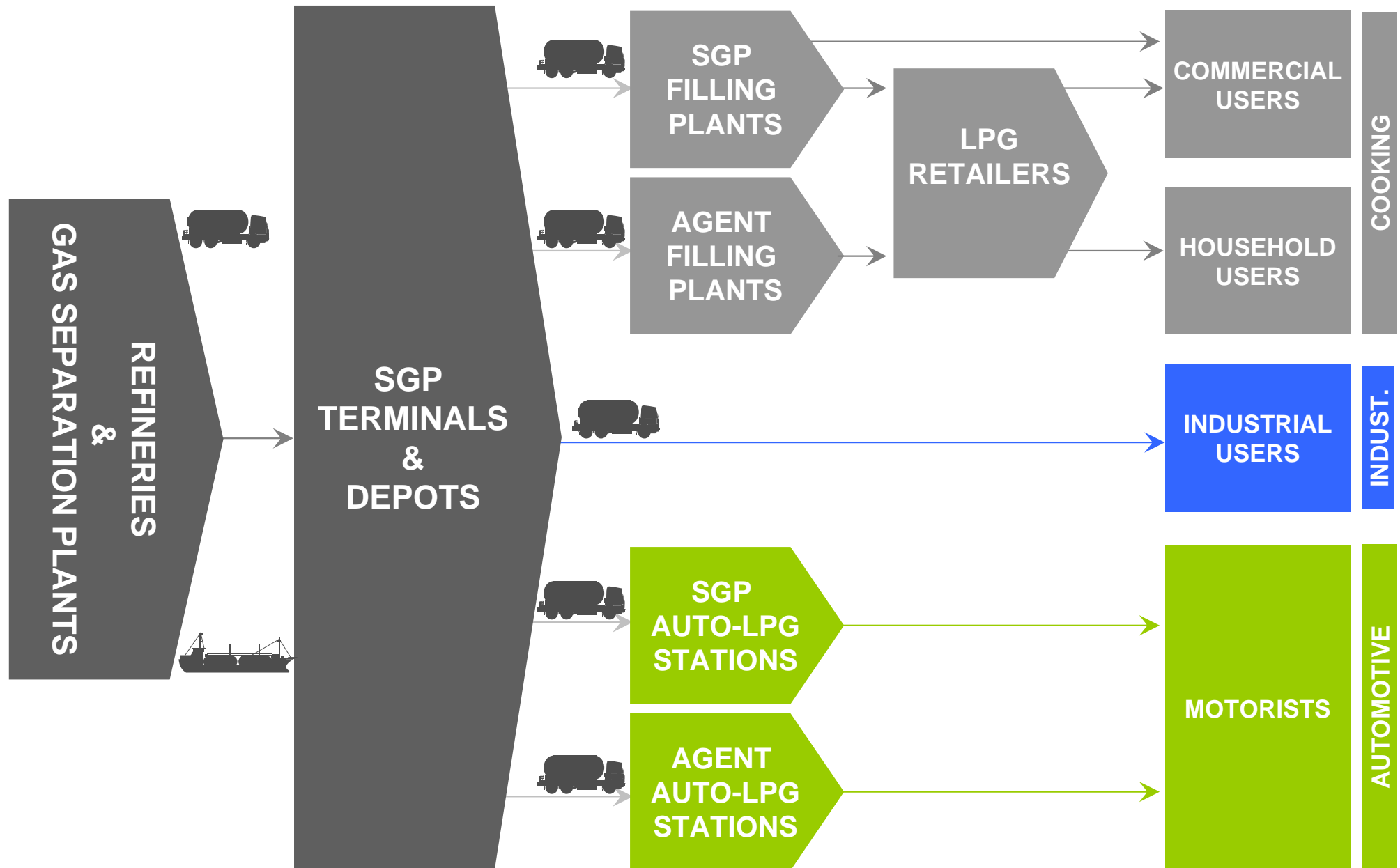
- SGP - Offshore Trading
- SINO SIAM
- SOGEL
- Vietnam & Singapore

Sales Volume (tons)	2010	3M'2011	6M'2011	9M'2011	2011
Total Thailand	1,165,296	294,529	588,271	897,468	1,186,275
Total Oversea	78,079	146,483	297,393	472,271	669,238

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Business Model - Thailand

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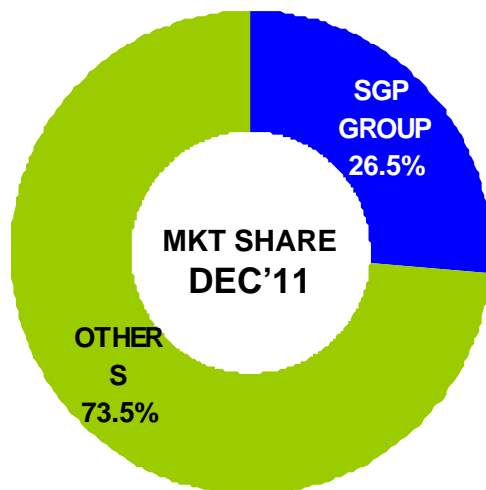
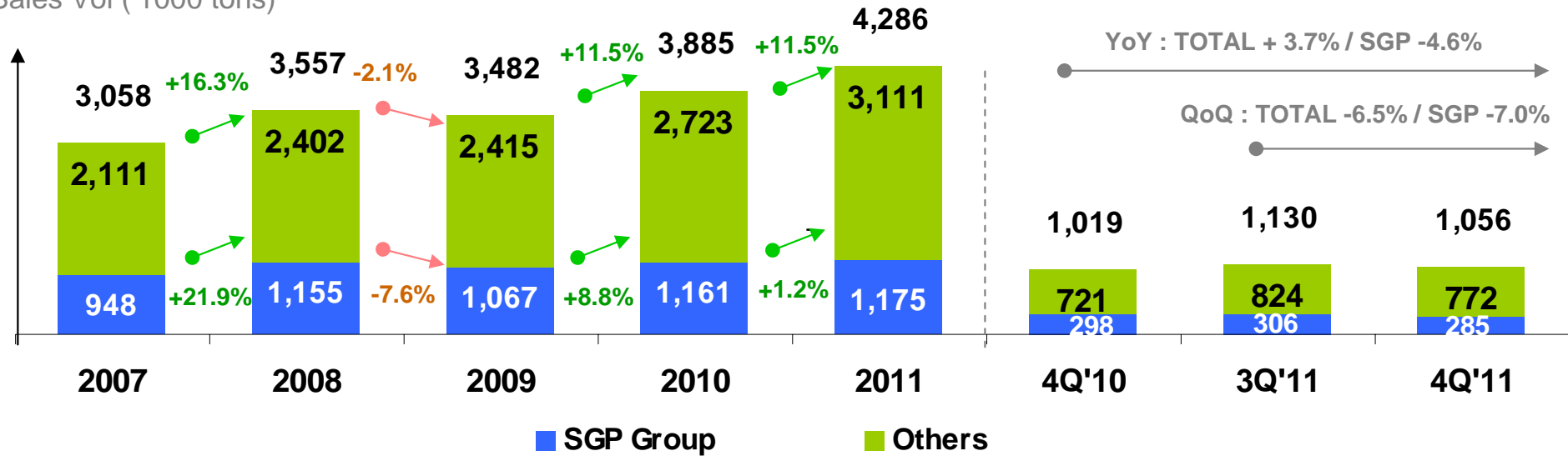


- Economic slow down due to flood which had impact on LPG demand in inundated areas started in late quarter 3 till quarter 4
- Competition in automotive segment was still intense
- Continuous trend of gasoline price increase (THB 1/lit on average QoQ) and tend to go on in the following quarter
- Government's policy in lifting prices of certain energy sources
 - Price adjustment for cooking was still on hold
 - Government still gave signal of LPG auto-gas and NGV price increase
 - LPG price lifted (monthly) – THB 0.41/lit in Jan'12 and THB 0.41/kg in Feb'12
 - NGV price lifted (monthly) – THB 0.50/kg in Jan'12 and THB 0.50/kg in Feb'12
 - The government has quarterly raised LPG price for industrial usage by THB 3/kg in Jul'11 and THB 3/kg in Oct'11, and THB 3/kg in Jan'12 – and final THB 3/kg to go in Apr'12
 - LPG price for Petrochemical Feed Stock was also lifted in Jan'12

Thailand LPG Market Highlights

[All Sectors] ²⁴

Sales Vol ('000 tons)



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 ('07-'11) 8.8%

Factors affecting LPG Market

Oil Price

Global & National Economic Situation

Population Growth

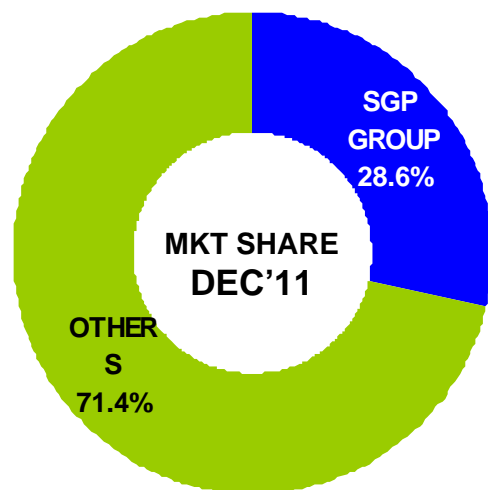
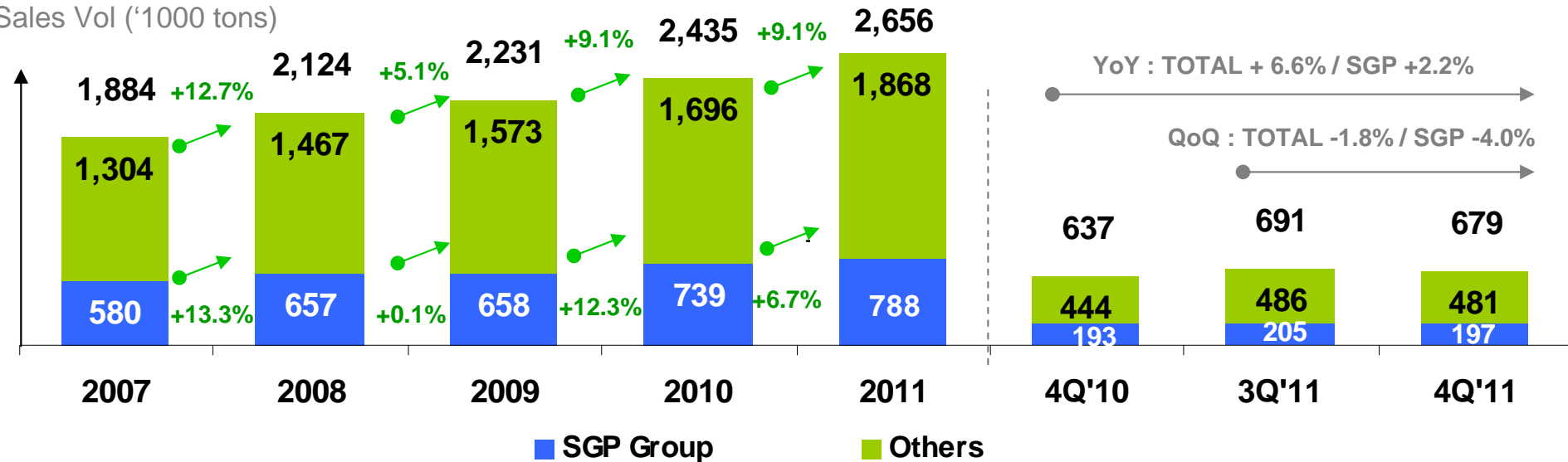
Government's Energy Policy

Data Source : Department of Energy Business

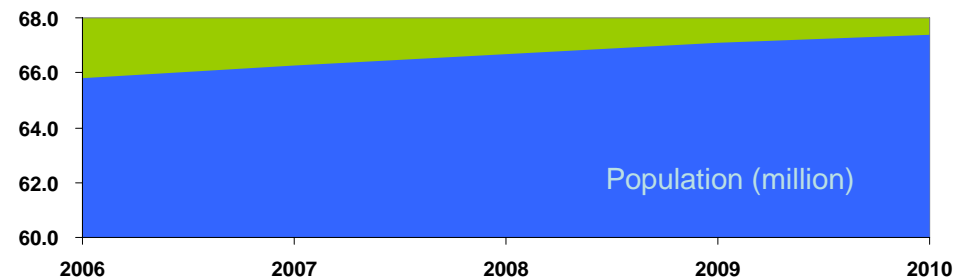
Thailand LPG Market Highlights

[Cooking Sector] ²⁵

Sales Vol ('000 tons)



Data Source : Department of Energy Business

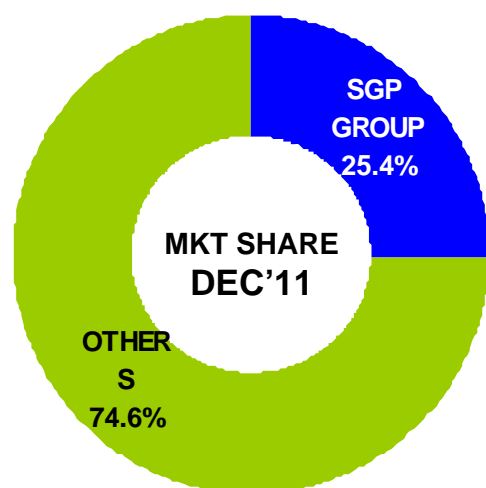
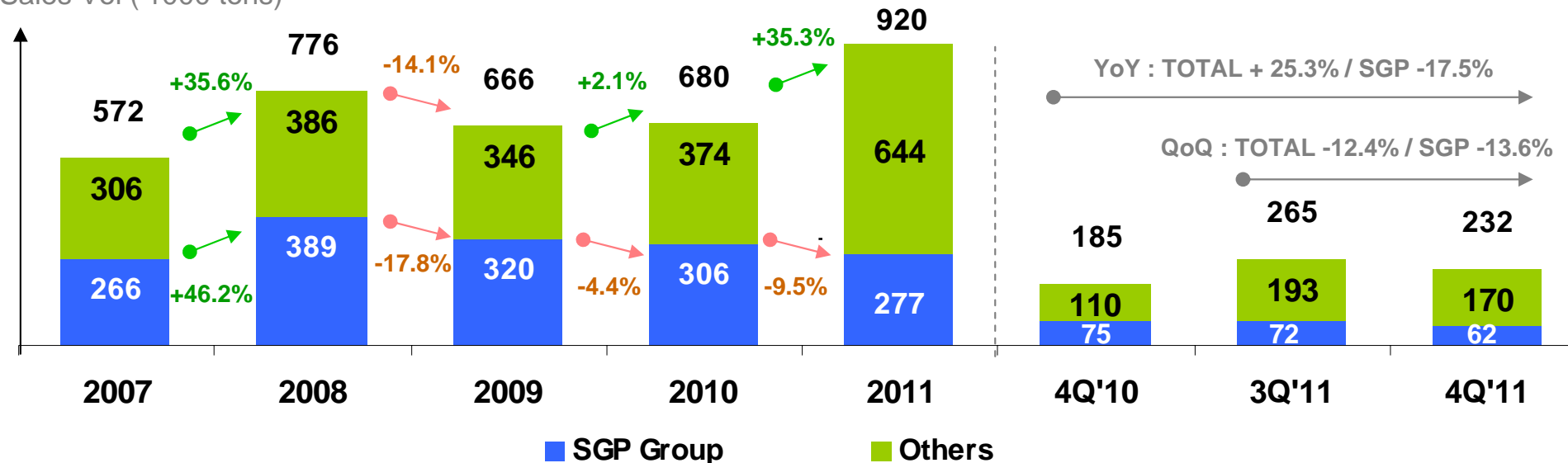


- Continuous and steady growth
- Higher demand in commercial sector
- Few substituted energy sources
- Impact from flood in 3Q'11 till 4Q'11

Thailand LPG Market Highlights

[Automotive Sector] 26

Sales Vol ('000 tons)



Data Source : Department of Energy Business

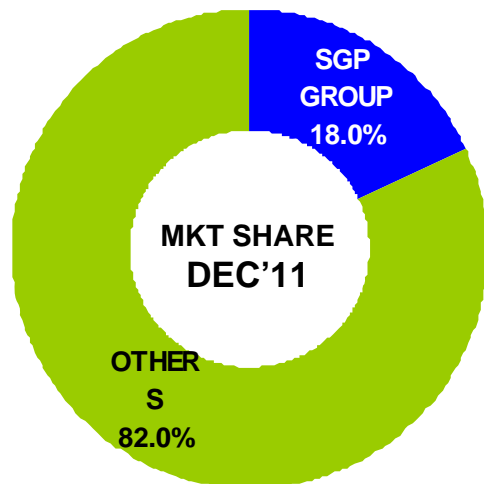
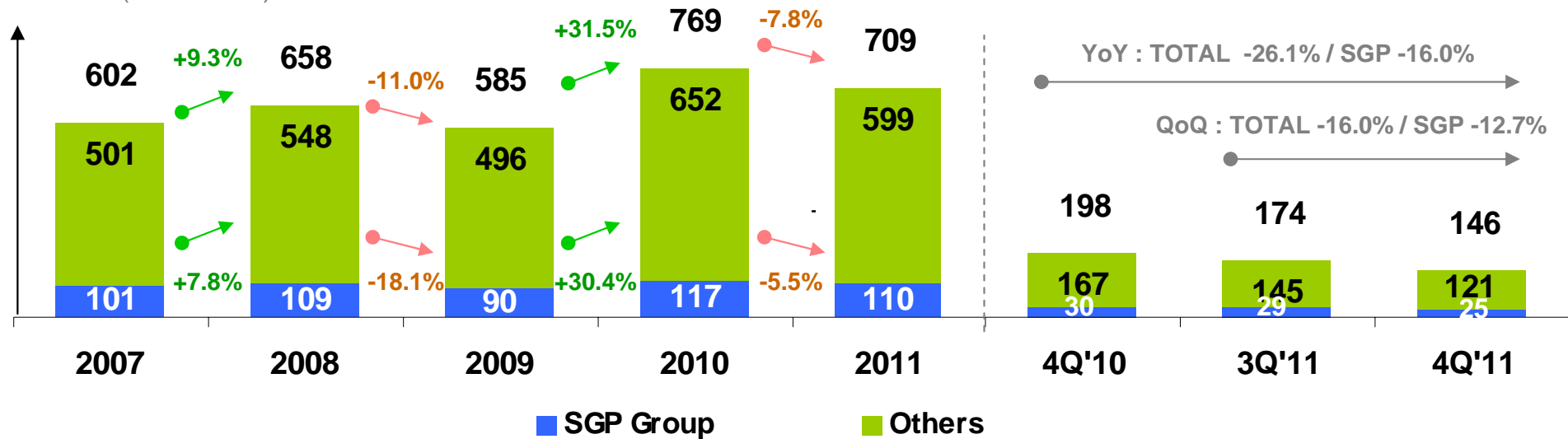
ENERGY	UNIT	RETAIL PRICE	CONS. KM/LT	COST THB/KM
NGV (Lifted THB 1.0/kg)	THB/KG	9.50	10.69	0.89
LPG (Lifted THB 0.82/lt)	THB/LT	12.12	7.41	1.64
LPG WORLD PRICE	THB/LT	23.41	7.41	3.16
E85	THB/LT	23.68	6.13	3.86
GASOHOL 91 (E10)	THB/LT	37.88	7.91	4.79
GASOHOL 95 (E10)	THB/LT	39.63	7.91	5.01
UGR 91	THB/LT	40.91	8.76	4.67
ULG 95	THB/LT	45.26	8.76	5.17
NGV (After adj THB +6 /kg)	THB/KG	14.50	10.69	1.36
LPG (After adj THB +5.75 /lt)	THB/LT	17.05	7.41	2.30
LPG WORLD PRICE	USD/TON	1,205.00	Mar-12	
FX	THB/USD	30.50	Mar-12	

- Rising oil price – growing LPG consumption
- Competition was still intense.

Thailand LPG Market Highlights

[Industrial Sector] ²⁷

Sales Vol ('1000 tons)



Data Source : Department of Energy Business

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 9/kg)	THB/KG	26.12	47,300	552.22
FUELOIL	THB/LT	24.00	39,600	606.06
LPG WORLD PRICE	THB/KG	40.18	47,300	849.52
DIESEL OIL	THB/LT	31.73	36,700	864.58
LPG (After THB 12/kg lifted)	THB/KG	29.12	47,300	615.64
LPG WORLD PRICE	USD/TON	1,205.00	Mar-12	
FX	THB/USD	30.50	Mar-12	

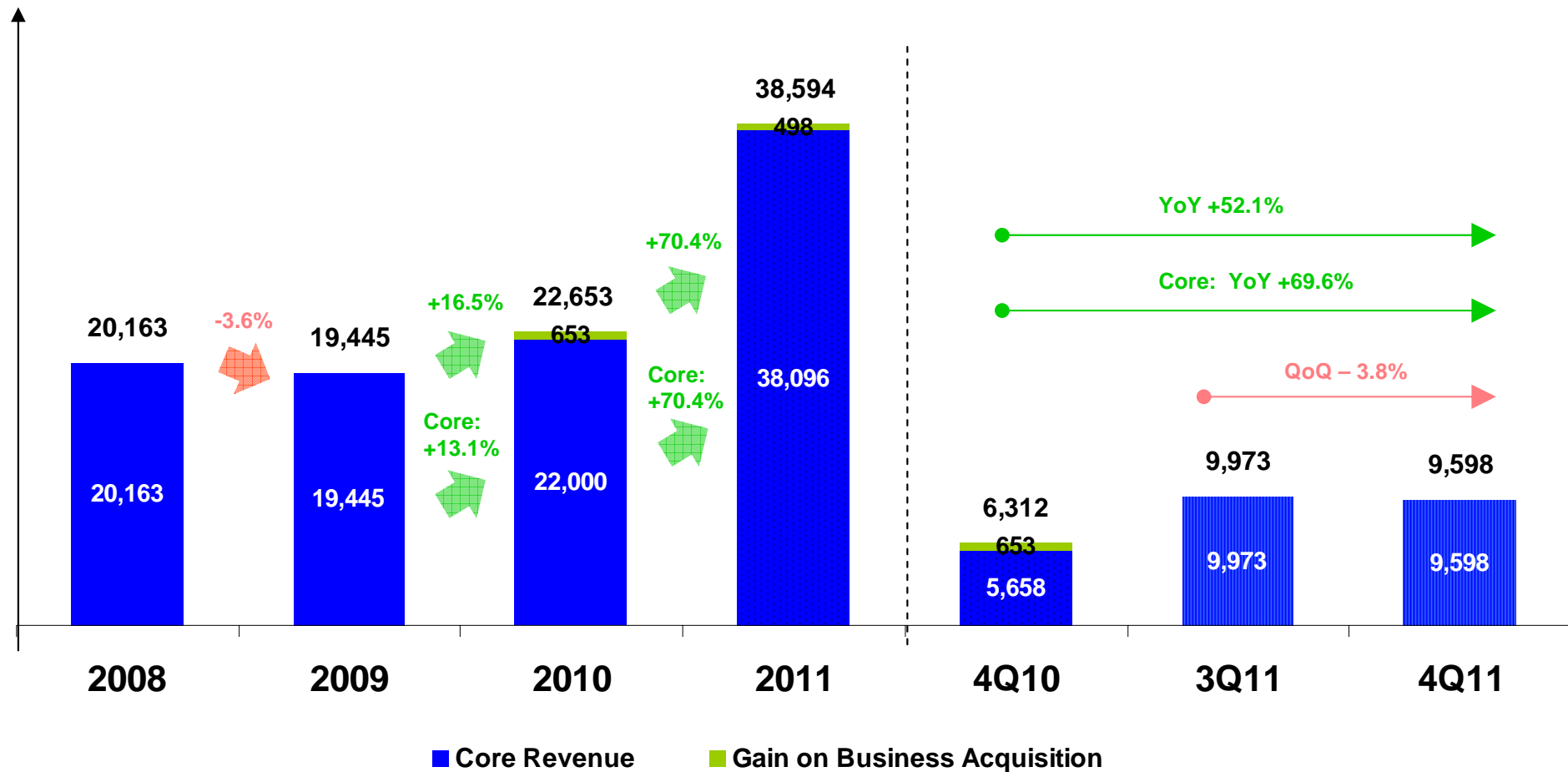
- Price for indust' usage has been lifted by THB 9/kg as of Mar'11
- Advantages of LPG (e.g. cleaner, lower R&M maintenance) are still major factors affecting growth in spite of price shifted
- Expected continual growth of manufacturing sector
- Minor impact on company's sales from flood in 4Q'11

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Financial Highlights - Revenue

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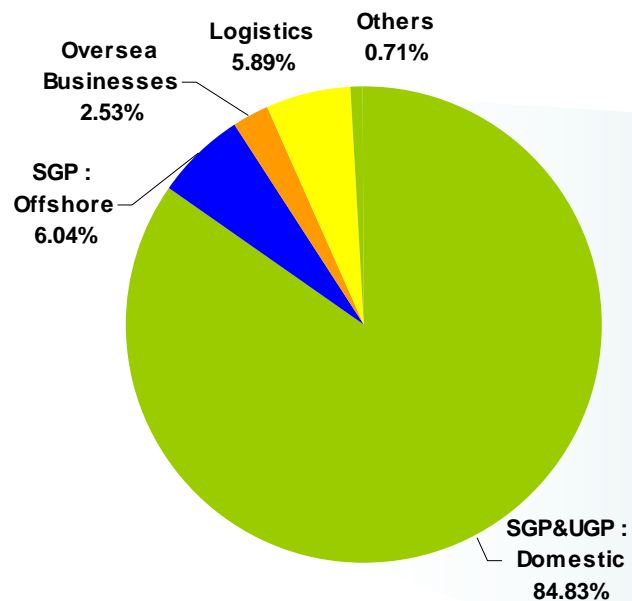
REVENUE Million Baht



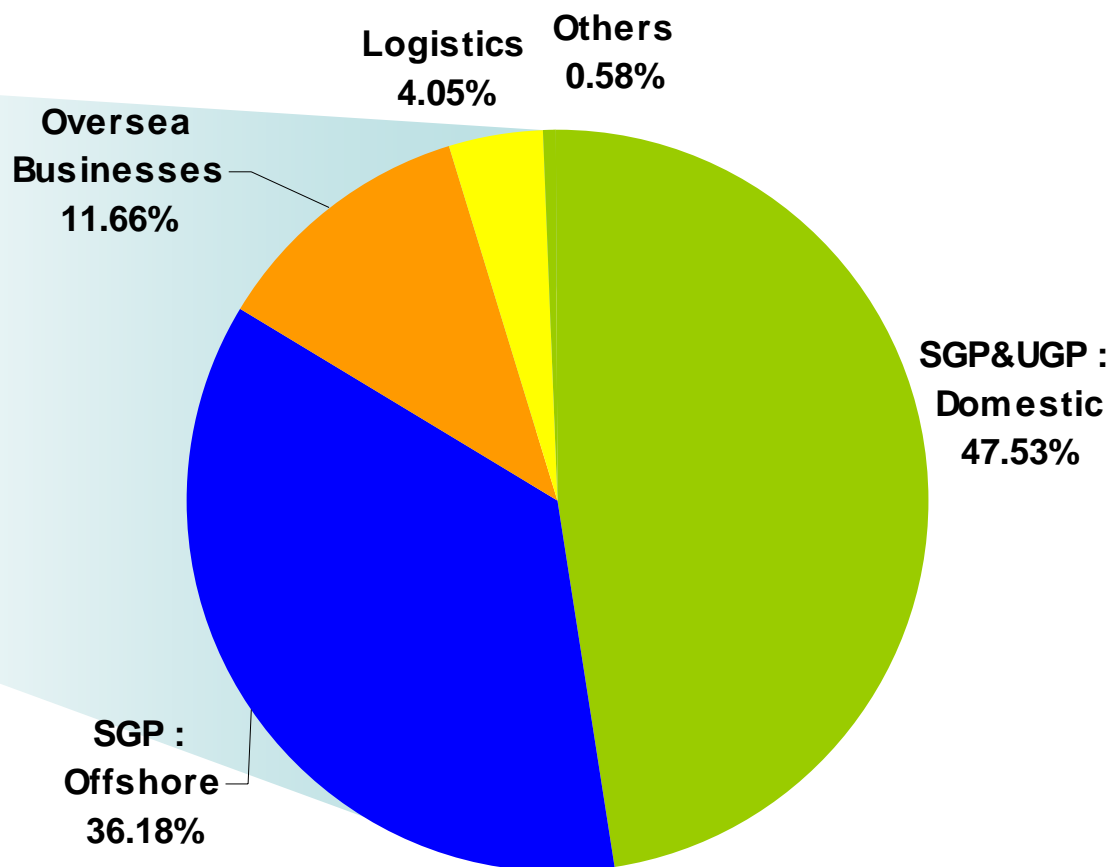
REVENUE by Individual Business

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REVENUE : 2010



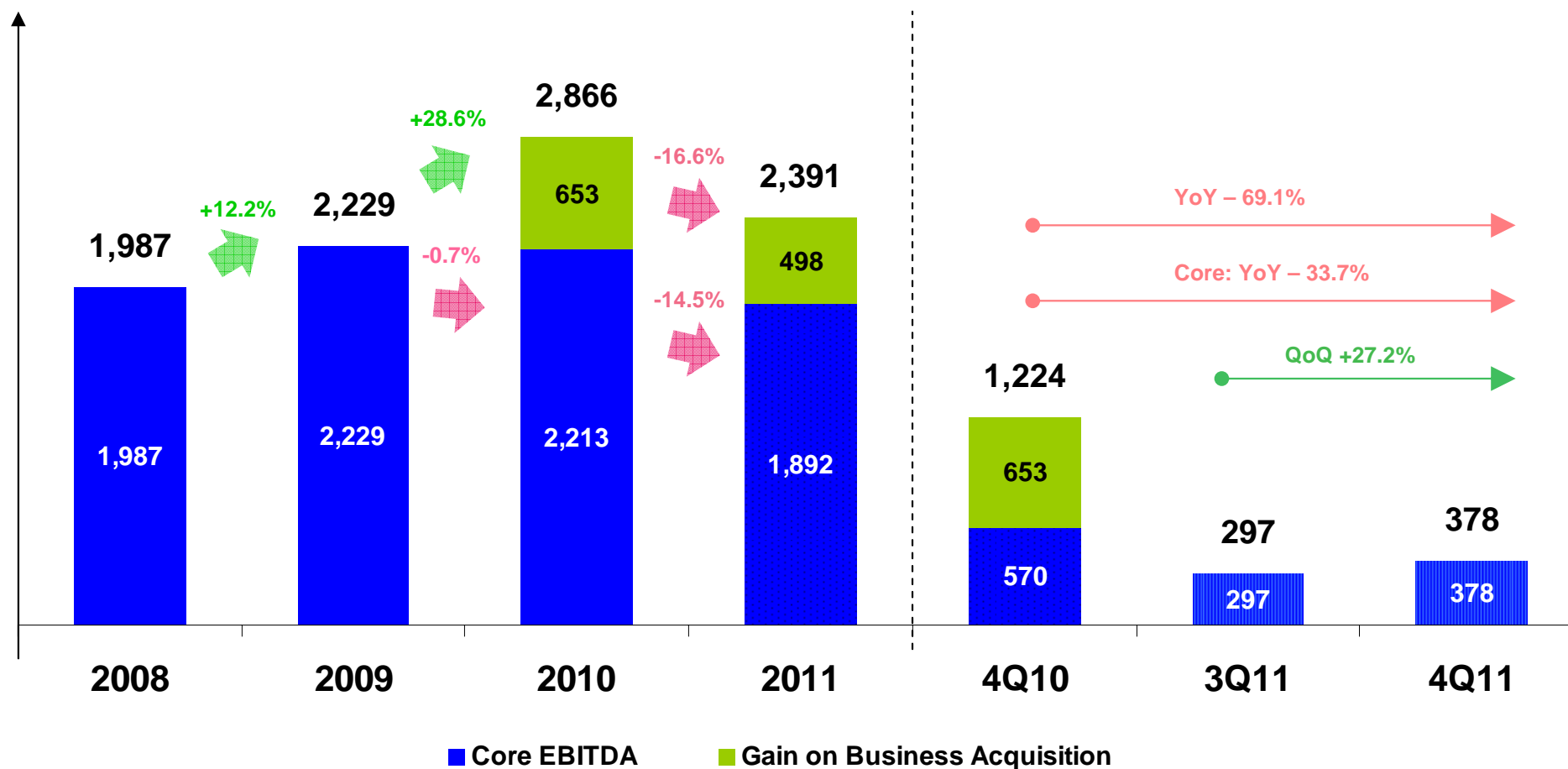
REVENUE : 2011



Financial Highlights - EBITDA

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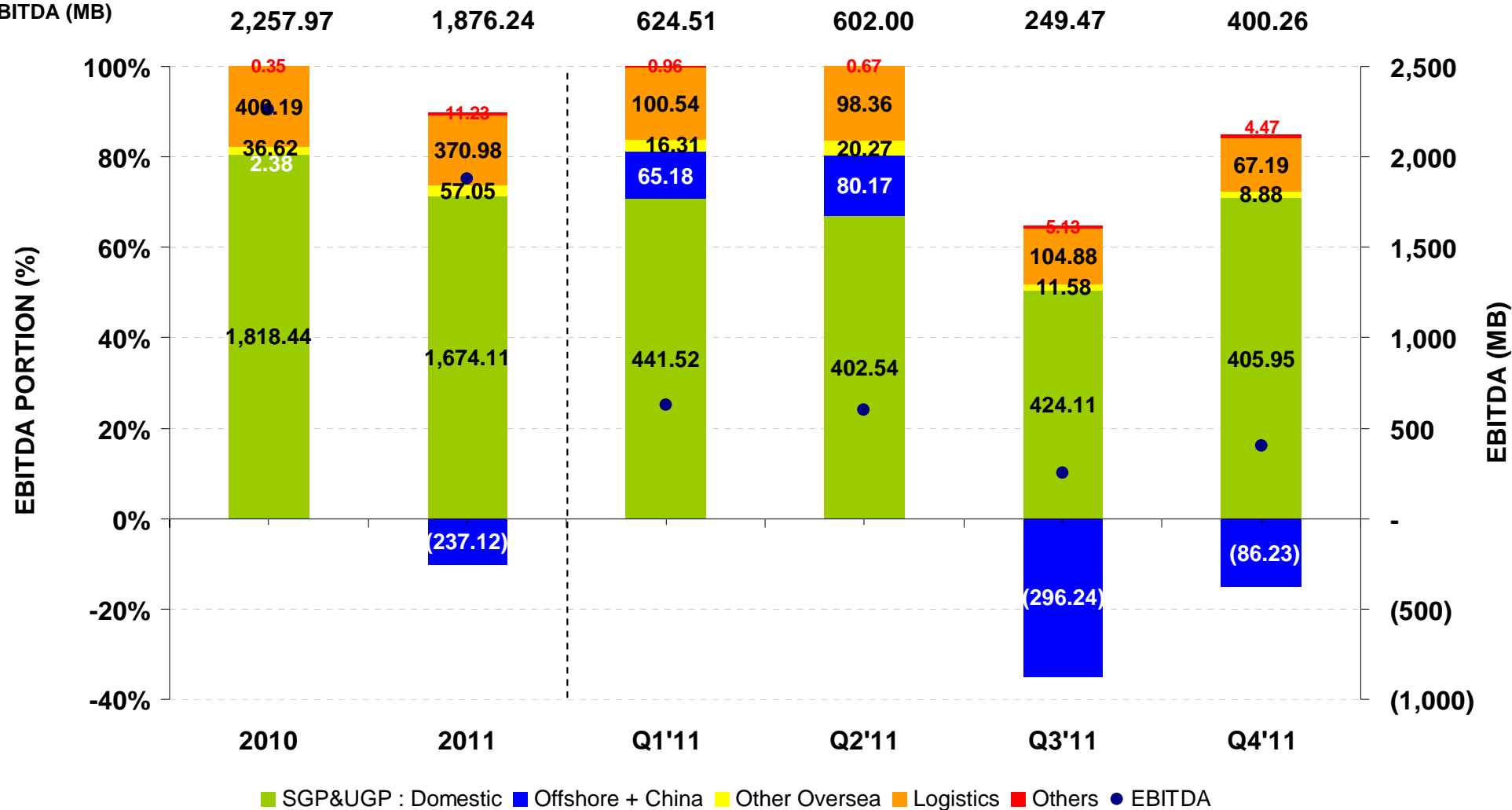
EBITDA Million Baht



EBITDA by Individual Business

32

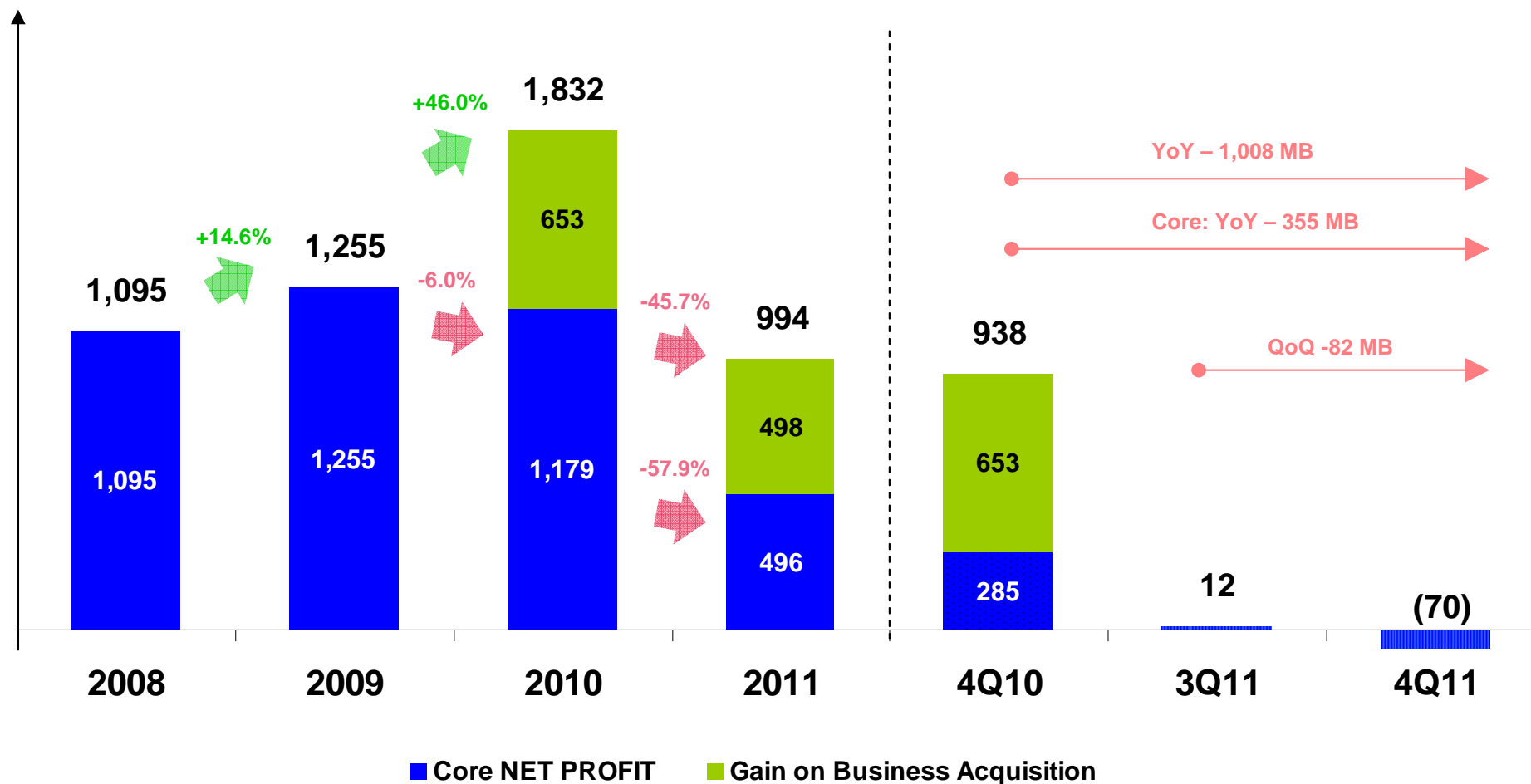
Combined Individual
EBITDA (MB)



Financial Highlights – NET PROFIT

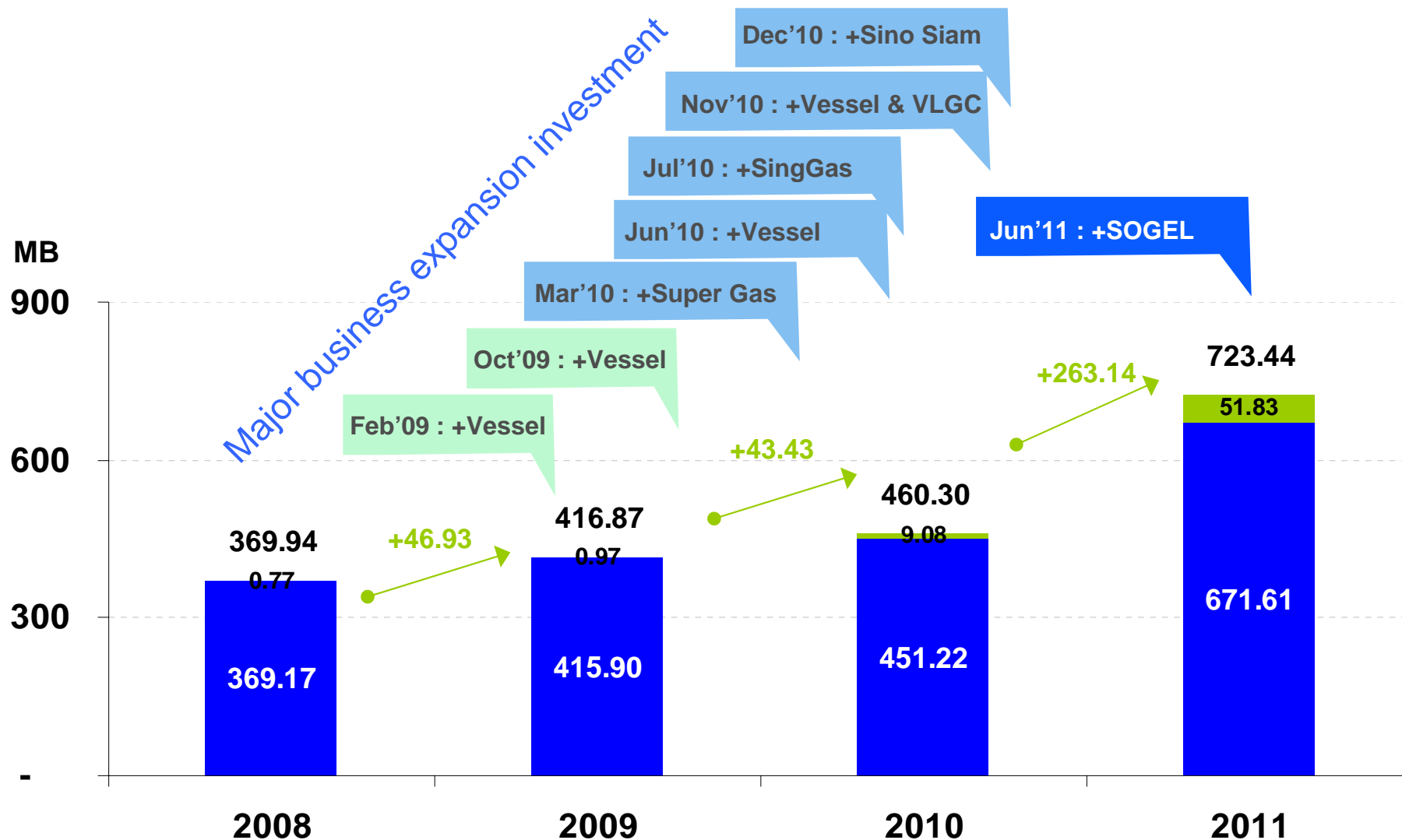
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NET PROFIT Million Baht



Changes in Depreciation

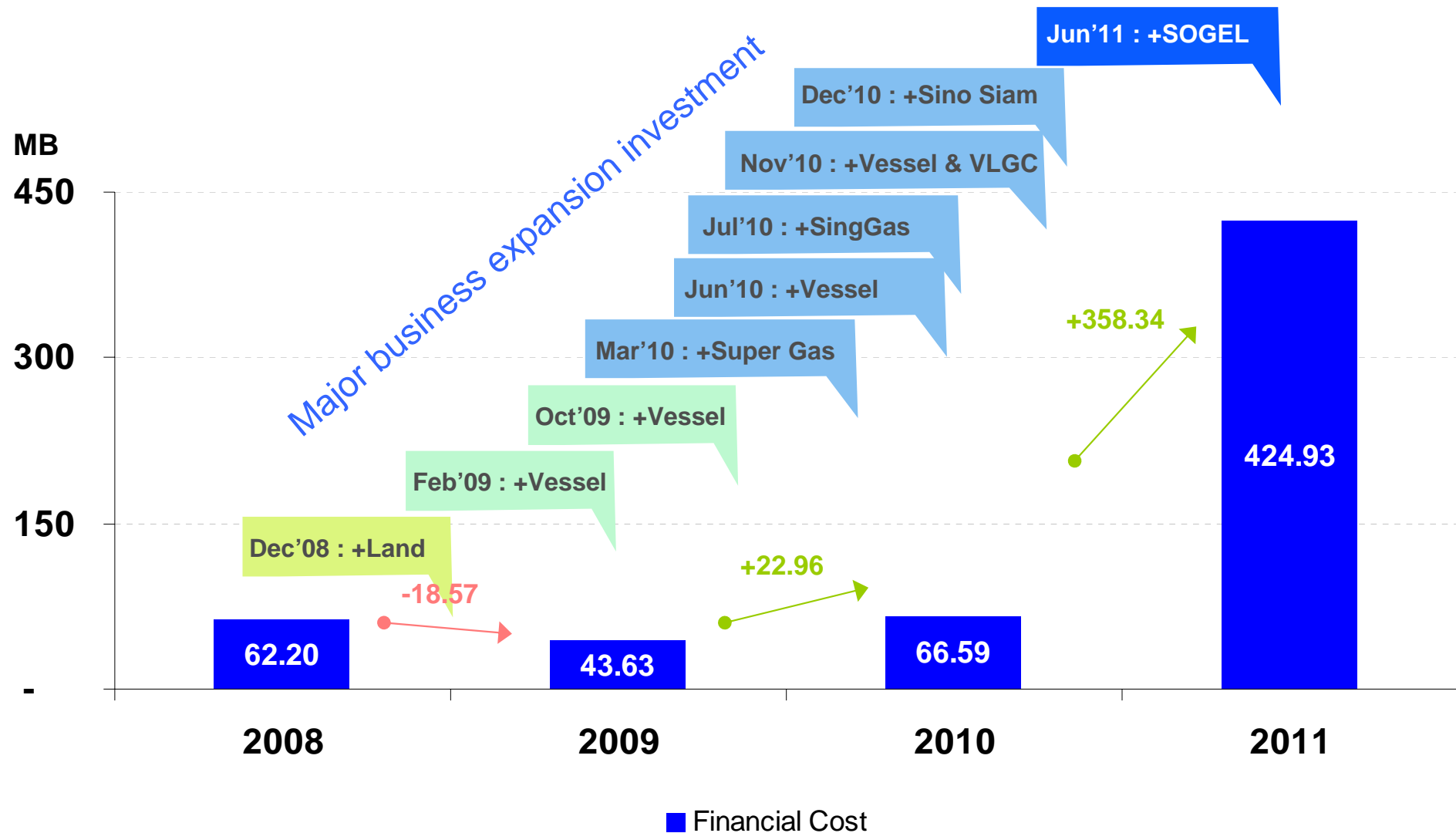
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■ Depreciation ■ Amortization

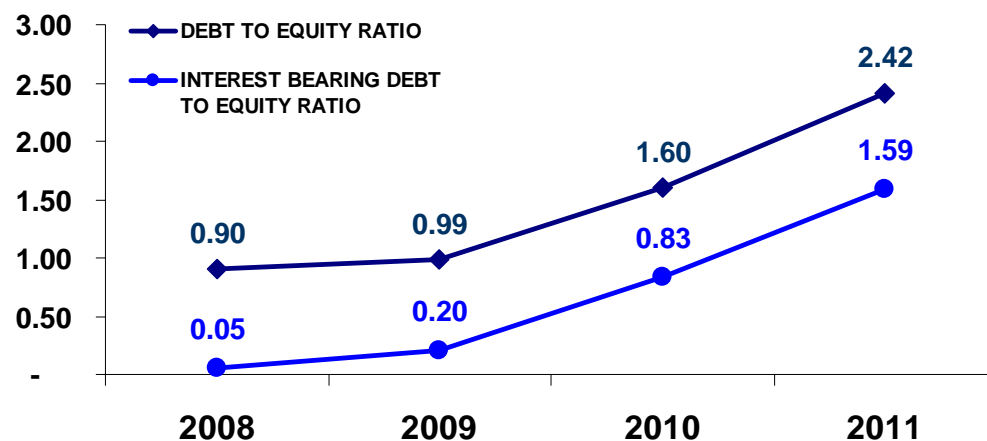
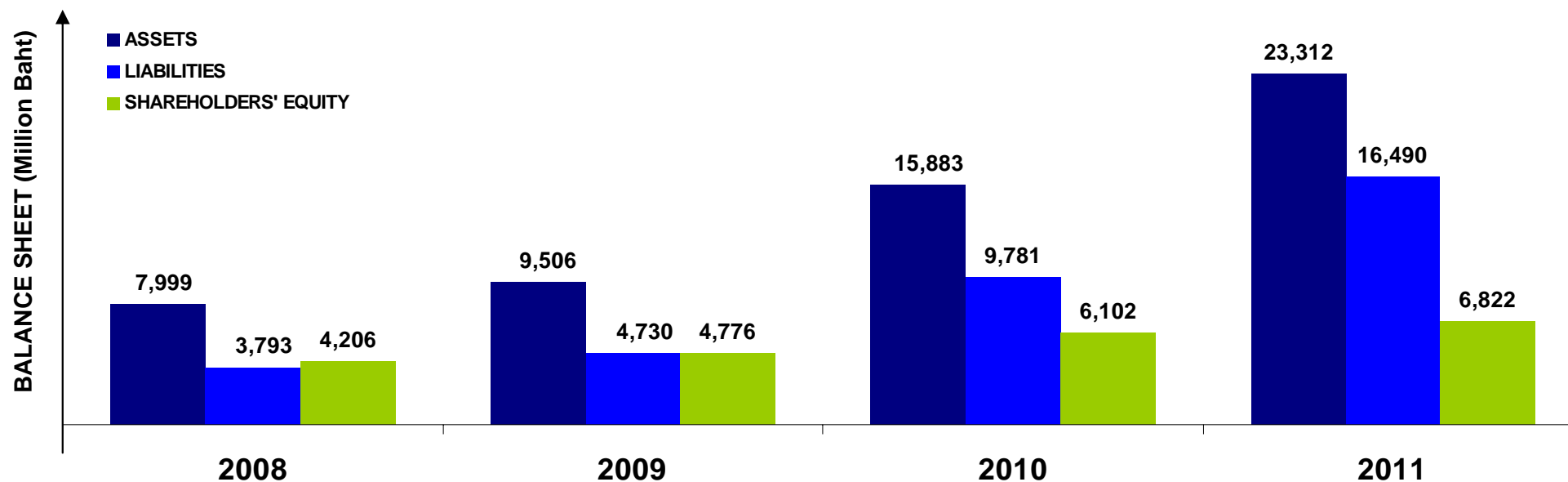
Changes in Financial Costs

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Financial Highlights – Balance Sheet

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GEARING RATIO As of December 31, 2011

D/E Ratio : 2.42x

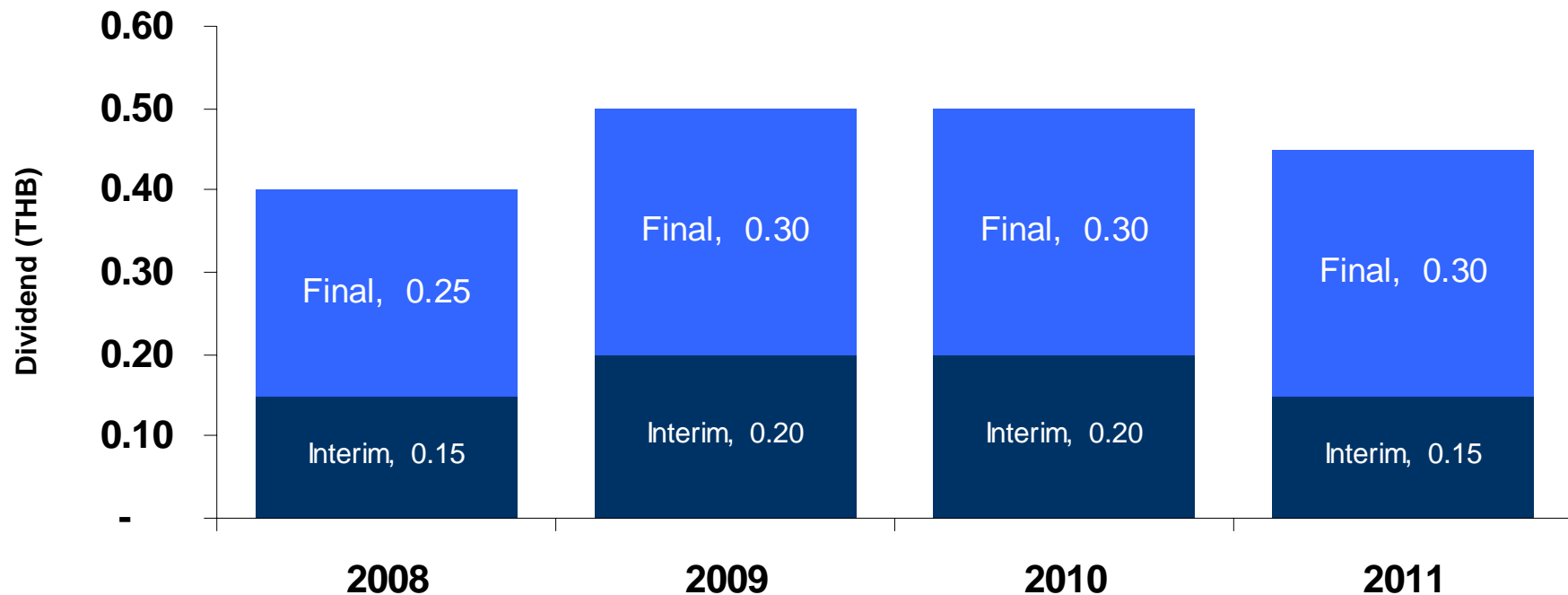
Interest Bearing Debt Ratio : 1.59x

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**



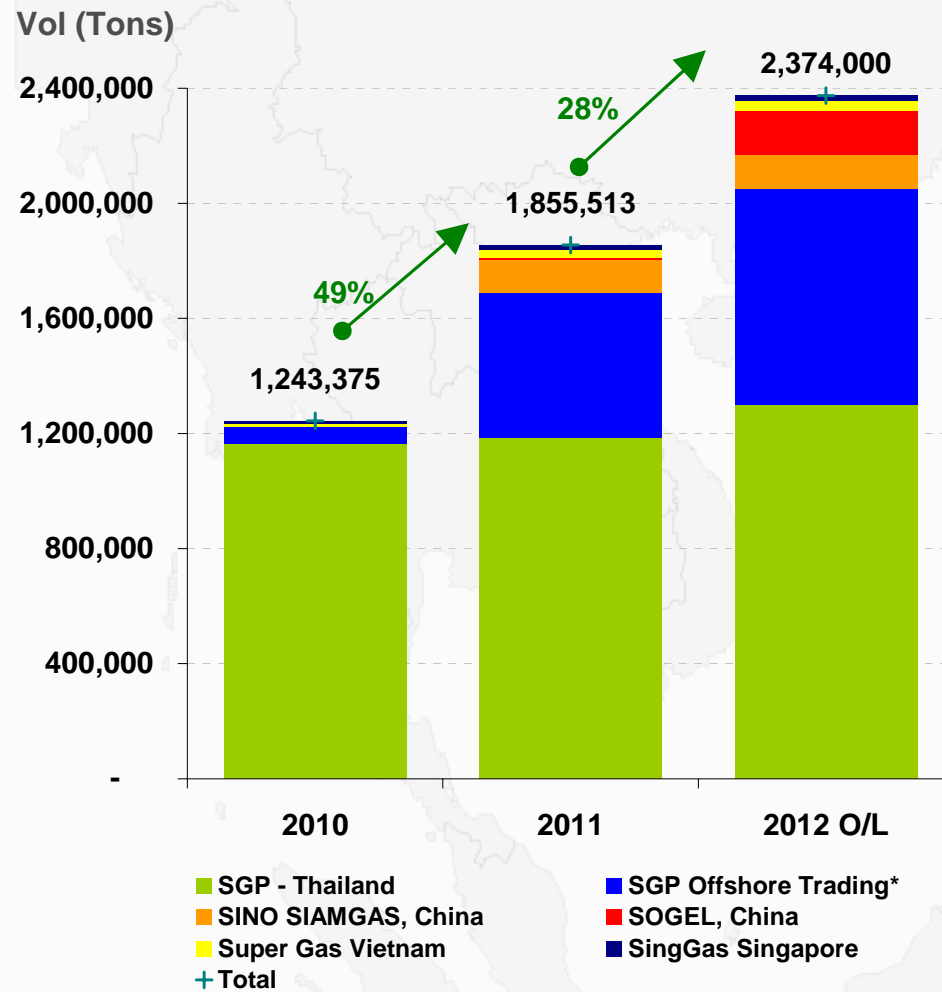
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"The Harvesting Year"

- CP Price trend in favor of more margin making in 1Q'12
- Full year of SOGEL commercial operation
- 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 still lower than that of fuel oil
- 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

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Sales Volume (tons)	2010	2011	2012 O/L
SGP - Thailand	1,165,296	1,186,275	1,300,000
SGP Offshore Trading*	56,906	503,165	750,000
SINO SIAMGAS, China	-	114,377	120,000
SOGEL, China	-	7,328	150,000
Super Gas Vietnam	12,380	26,496	36,000
SingGas Singapore	8,793	17,872	18,000
Total	1,243,375	1,855,513	2,374,000
Total Growth		49%	28%
Domestic Portion	94%	64%	55%
Overseas portion	6%	36%	45%



สยามแก๊ส

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SOGEL MOU Signing Ceremony Feb 18'12

(SOGEL & Shantou Chenghai Hongsheng Petroleum Gas Co.,Ltd)

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SOGEL Grand Opening Ceremony – Mar 9'12

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Questions are welcomed !

Investor Relations Contact

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