



## Setting Up A National Oil Company in Timor-Leste Workshop

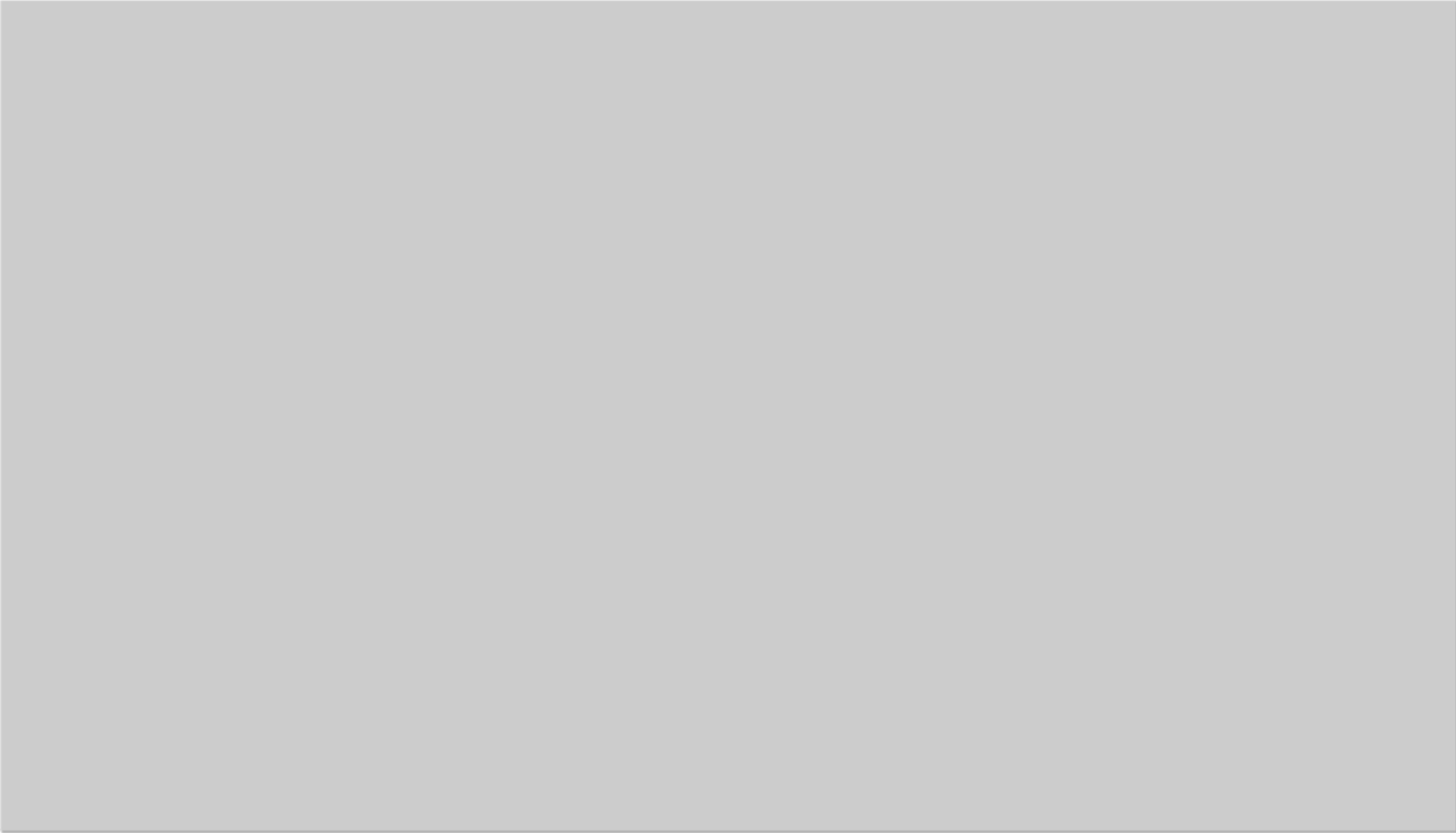
PTT's Experience in Listing An NOC  
Dili, Timor-Leste  
May 28 – 29, 2009



# AGENDA

- Introduction to Thailand
- Introduction to PTT
- Lesson Learned of Listing an NOC

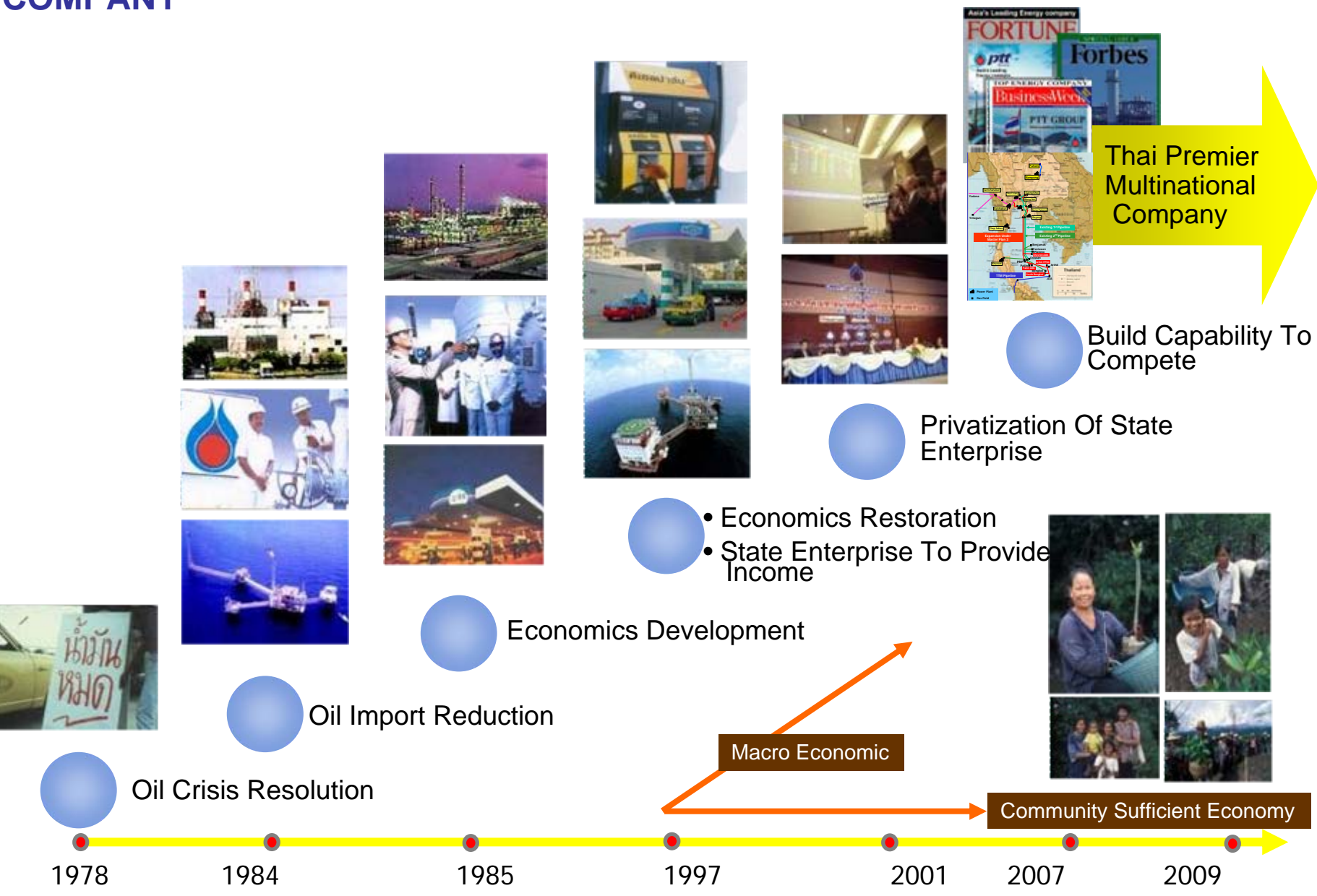
# ABOUT THAILAND



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# FROM NATIONAL ENERGY COMPANY TO PREMIER MULTINATIONAL COMPANY



Thai Premier Multinational Company

Build Capability To Compete

Privatization Of State Enterprise

Economics Restoration  
State Enterprise To Provide Income

Economics Development

Oil Import Reduction

Oil Crisis Resolution



Community Sufficient Economy

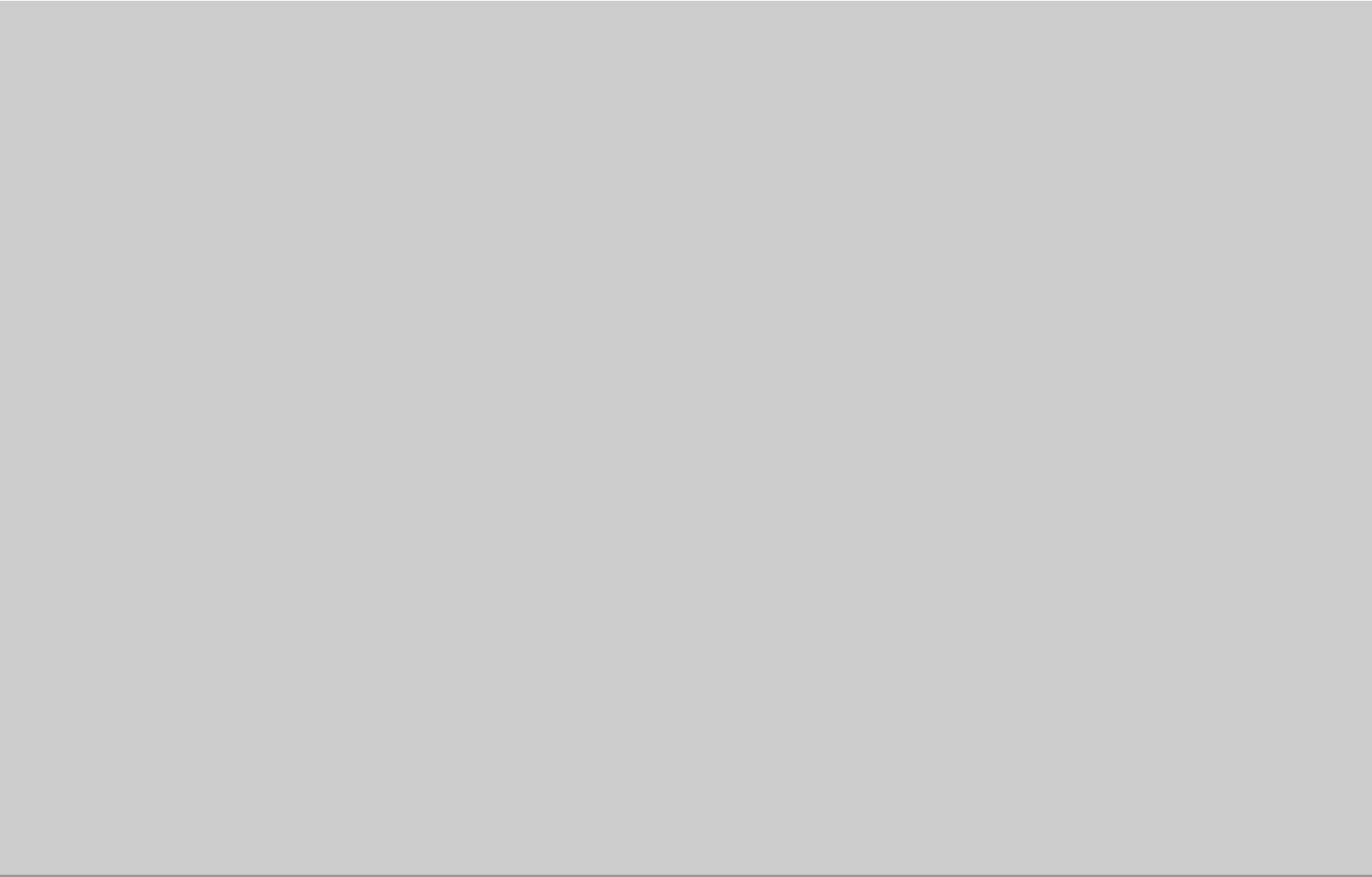
# PTT GROUP'S HYDROCARBON VALUE CHAIN



# PTT GROUP UPSTREAM BUSINESS



# PTT GROUP MIDSTREAM BUSINESS









# PTT GROUP REFINING BUSINESS



## **PTT'S STRATEGIC IMPORTANCE TO THE THAI ECONOMY**

**Ownership : Ministry of Finance 'Direct and Indirect' ~ 67%, Public ~ 33%**



# **PTT GROUP RECOGNITION: CONFIDENCE & CREDIBILITY**

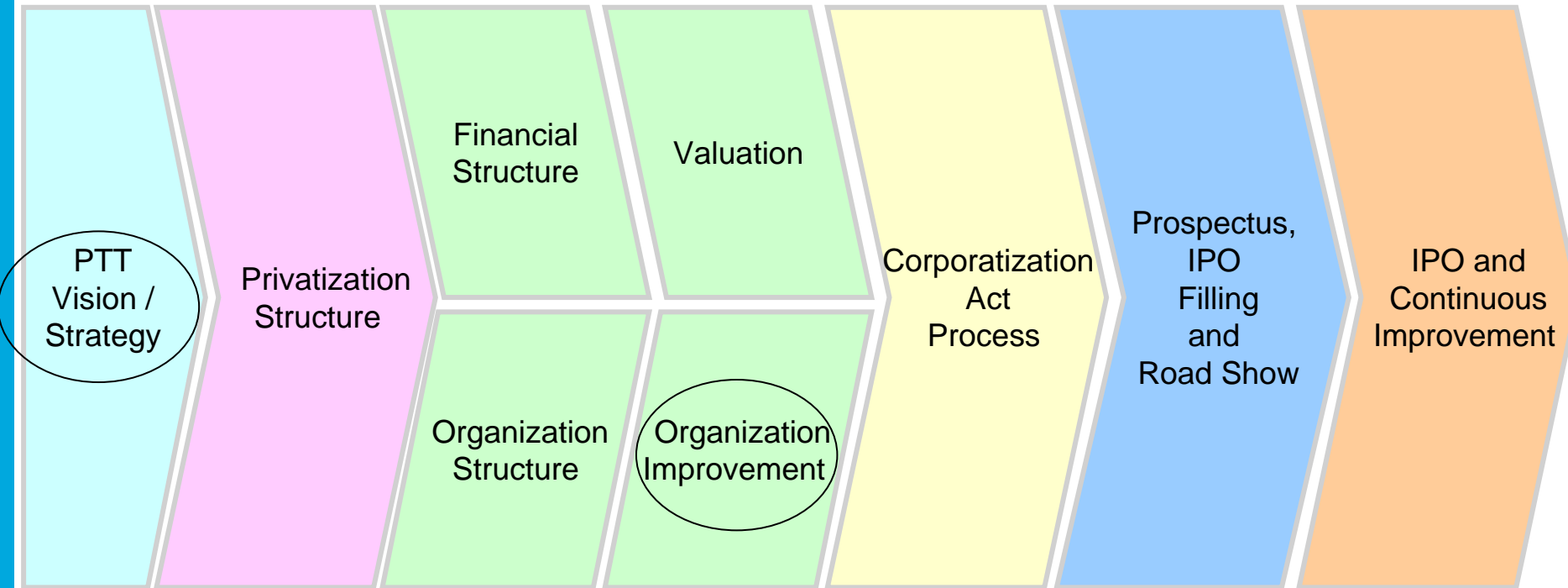
**PTT is widely recognized among business community both local and international**



# AGENDA

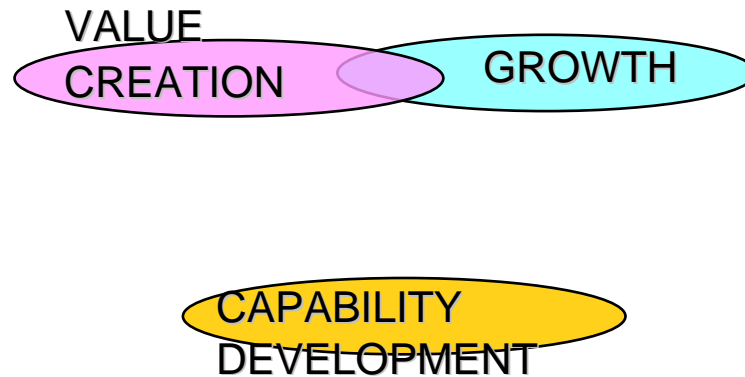
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# PTT GROUP: INITIAL PUBLIC OFFERING PREPARATION PROCESS



# CRITICAL CHANGE: STRATEGIC DIRECTIONS

- Financial Engineering/ Management – Lower WACC, Optimize D/E
- Portfolio Management
- Synergy – Lower Cost
- QSHE – High Standards
- Procurement Efficiency
- Development Capability

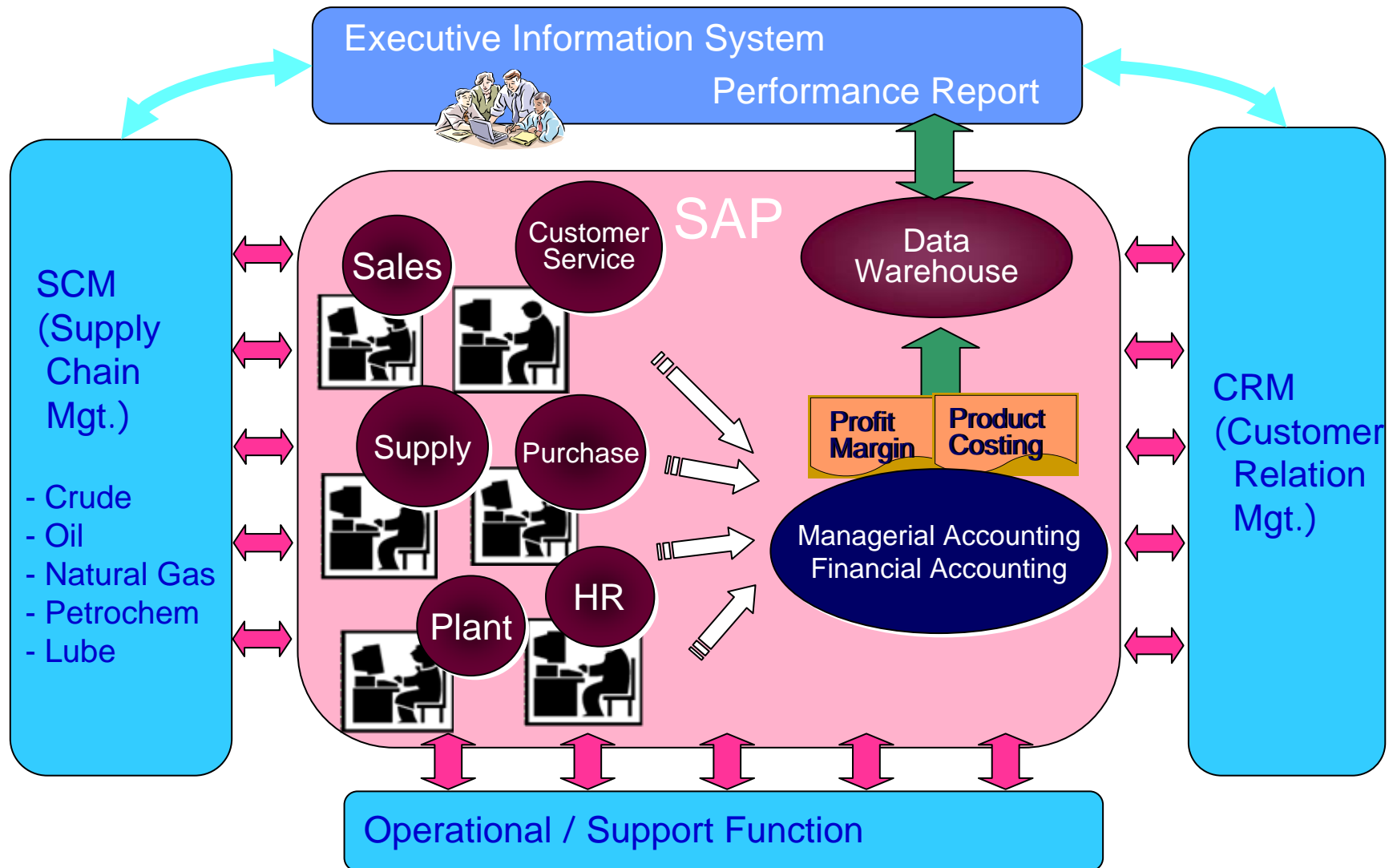


- New Venture Capability
- Exploration Capability
- Alignment with PTT/EGAT/Government
  - LNG Linked E&P
  - Imported Pipe Gas E& P
  - Asset M&A
- R&D
- Monitoring and Alert System

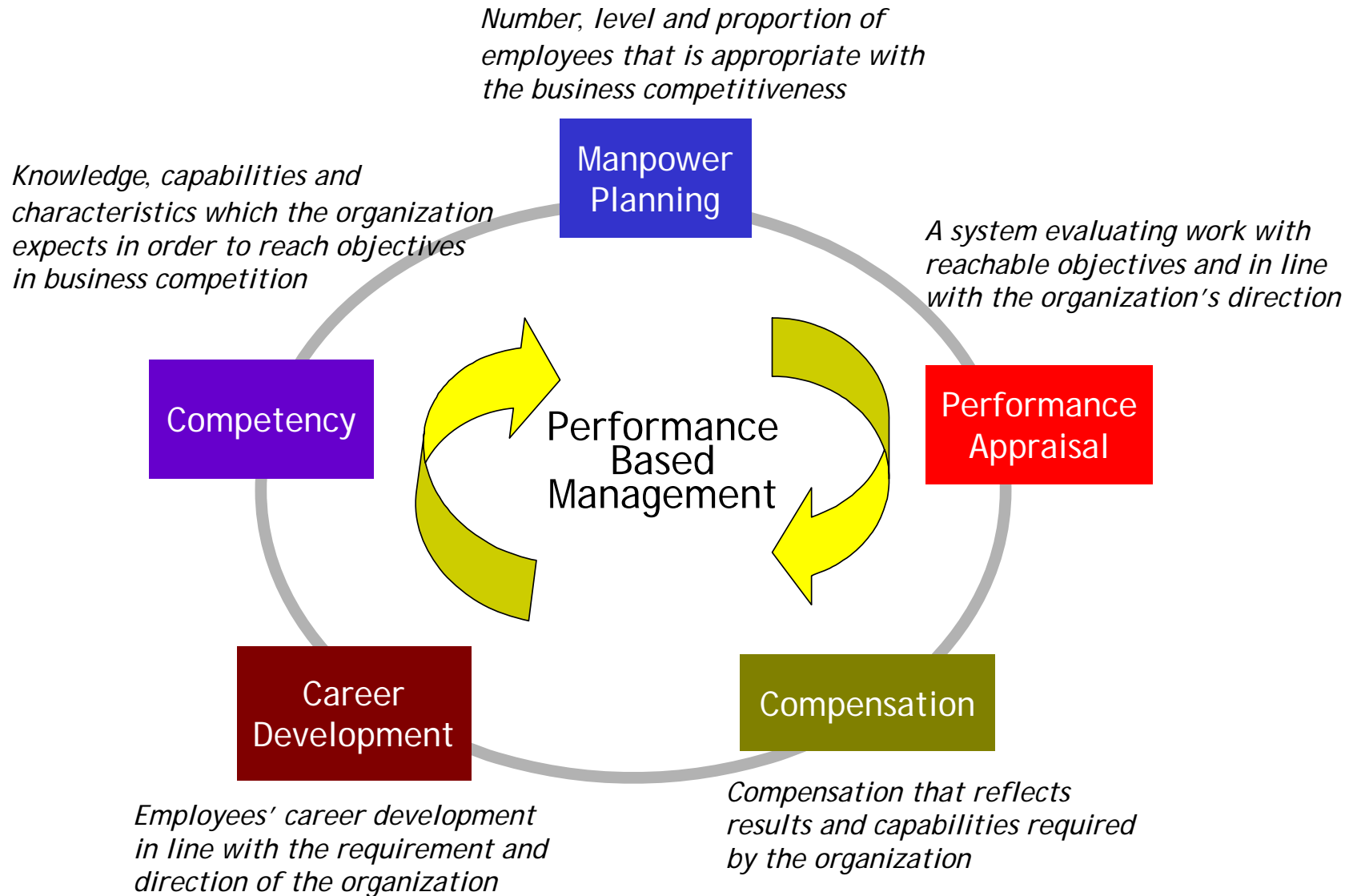
- HR Competency
- Culture – Trust and Commitment
- Commercial and Marketing Capability
- Performance Management System
- Boundaryless Organization
- Organization Structure for International Expansion
- Negotiation Capability



# CRITICAL CHALLENGE: CAPABILITY MANAGEMENT TOOLS



# CRITICAL CHALLENGE: HUMAN RESOURCE DEVELOPMENT



# CRITICAL CHALLENGE: RISK MANAGEMENT

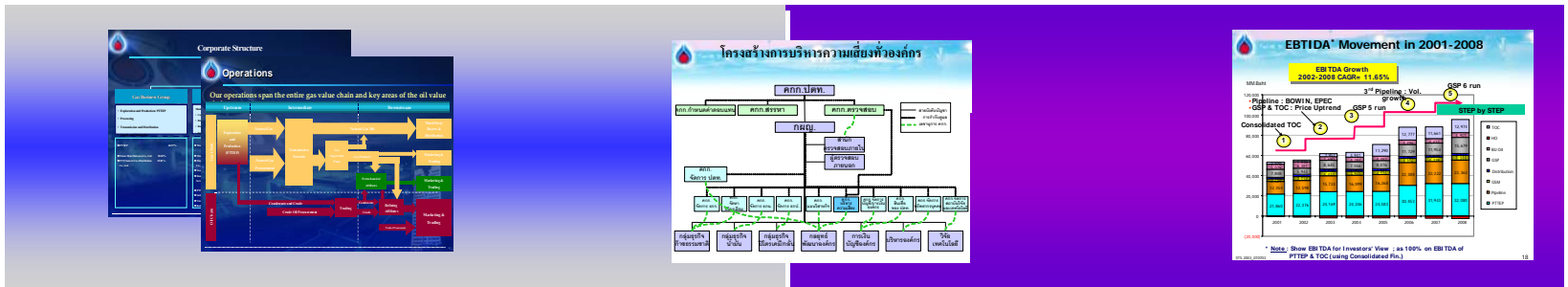
Risk Factor



Risk Management



Value Target



## Projects Implementation

- Reduce resistance from public
- Project costs management

## Credit Risk

- Set criteria for lending
- Set Selling price and payment term
- Management on the follow up of payment over due

## Fluctuation of Baht

- Major loans are in Baht
- Currency matched between receivable and payable

## Customers Distribution

- Demand Supply Matching
- Negotiate with producers to solve problems
- Increase the capacity of pipeline network

## Operation

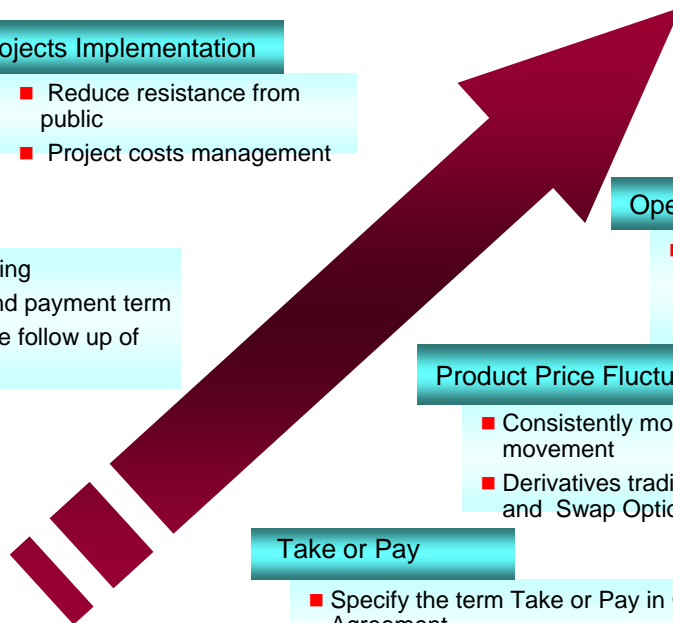
- Apply the international system of QSHE
  - ISO ISRS
  - Preventive Maintenance

## Product Price Fluctuation

- Consistently monitoring the price movement
- Derivatives trading such as Forwards and Swap Option

## Take or Pay

- Specify the term Take or Pay in Gas Sales Agreement
- Accelerate expansion of basic structure to be able to receive the amount of gas as specified



# CRITICAL CHALLENGE: CORPORATE GOOD GOVERNANCE

Accountability

Equitable treatment

Vision to create Long-term value

Responsibility

Transparency

Ethic



Sound Business Decision

High Efficiency and Effectiveness