

# PTTEP's Perspective on Opportunities and Challenges in Developing Oil & Gas in Asia-Pacific

2010 International Oil & Gas Conference and Exhibition in China (IOGCEC)  
Panel Session 3: "Opportunities and Challenges in Developing Oil & Gas in Asia Pacific"  
Thursday, 10 June 2010, 1030-1200 hours, Conventional Hall 2A

By

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# Agenda

- **PTTEP Overview**
- Strategic Direction
- Key Enablers



# PTTEP snapshot – Company profile

**Establishment** June 20, 1985

**Business** Petroleum exploration and production and related business

**Major shareholder** PTT Plc: 65.42% (Feb 2010)

**Capital** Registered USD ~ million  
Paid-up USD ~102 million

**Listing on the SET** June 10, 1993

**Market capitalization** Approximately USD 14.97 billion (May 19, 2010)

**Credit ratings** A3 by Moody's; BBB+ by S&P; A- by JCR; AAA by TRIS; 8.37 points ("very good") in Corporate Governance assessment by TRIS

**PTTEP employees** 2,736 persons (Dec 31, 2009)

**E&P projects** 40 projects (13 countries) (May 21, 2010)

**Investment** 4 projects (May 21, 2010)

**Environmental Management System** ISO14001: 2004 (PTTEP1, S1, PTTEP Building, Bongkot and Petroleum Development Support Base in Songkhla) Certification, under UKAS accreditation, from AJA Registrars Ltd.

**Health & Safety Management Systems** ISRS (PTTEP1, Bongkot and Petroleum Development Support Base in Songkhla)

**Proved reserves** 1,099 MMBOE (2009)

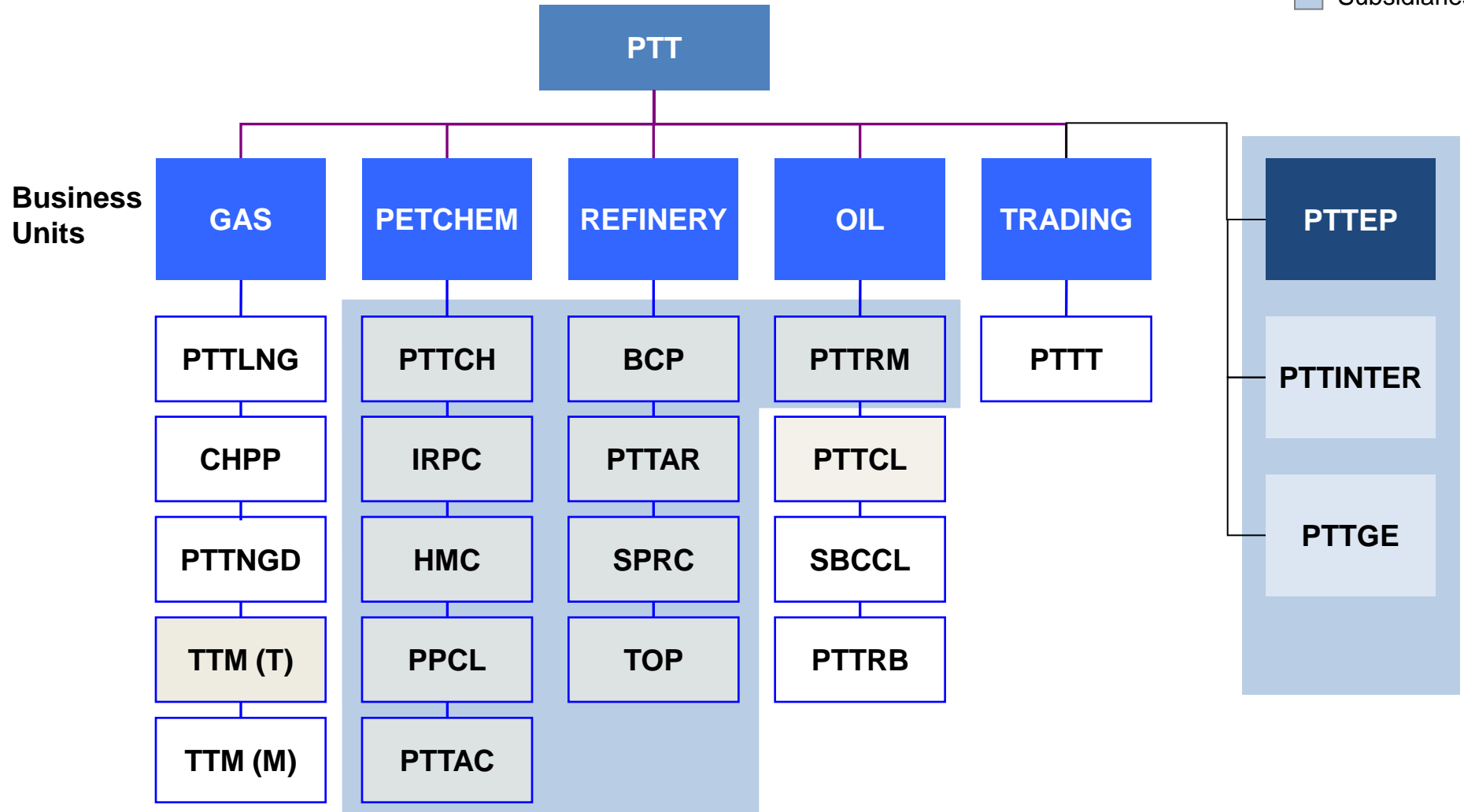
**Sales volumes** 233,756 BOED (2009)  
219,314 BOED (2008)  
179,767 BOED (2007)



# PTTEP as part of overall integrated oil and gas company PTT Group



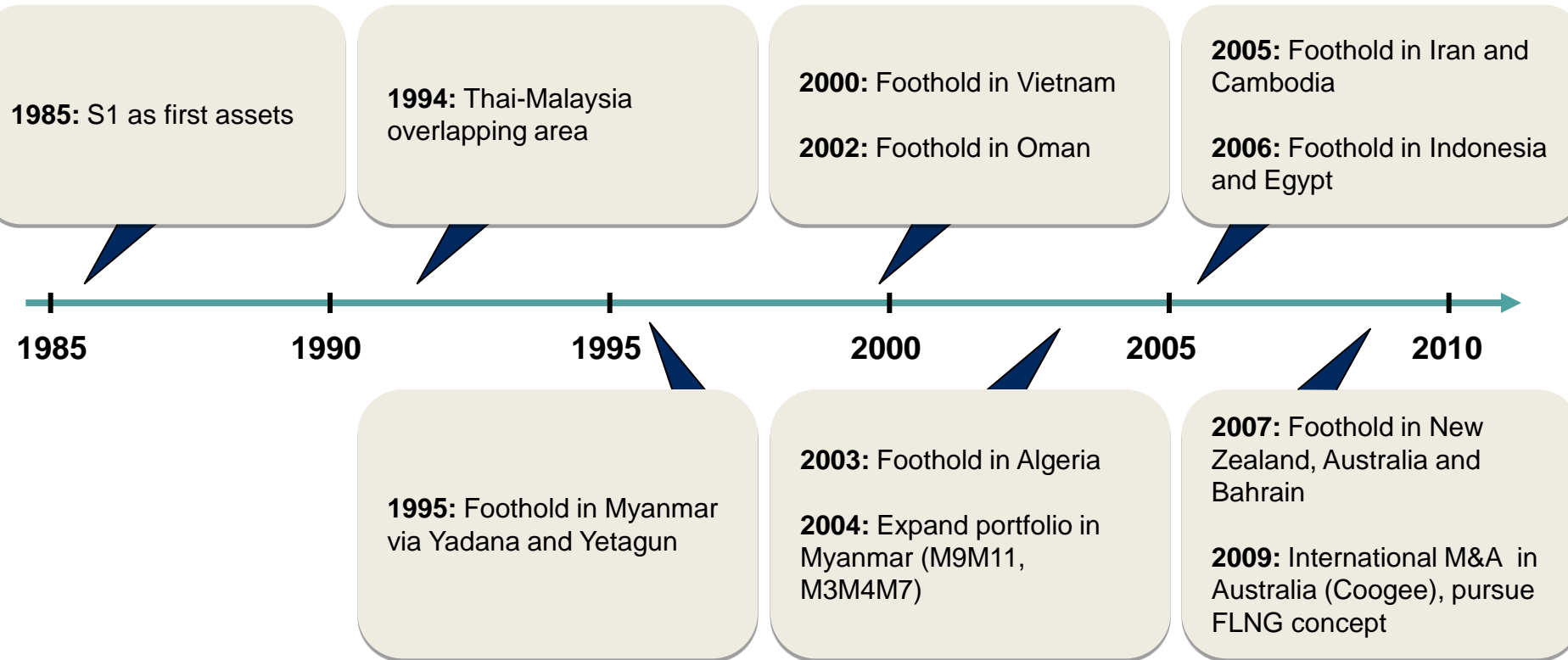
■ Subsidiaries





# PTTEP expands its operation internationally after success in Thailand

PTTEP's portfolio history, 1985-2010

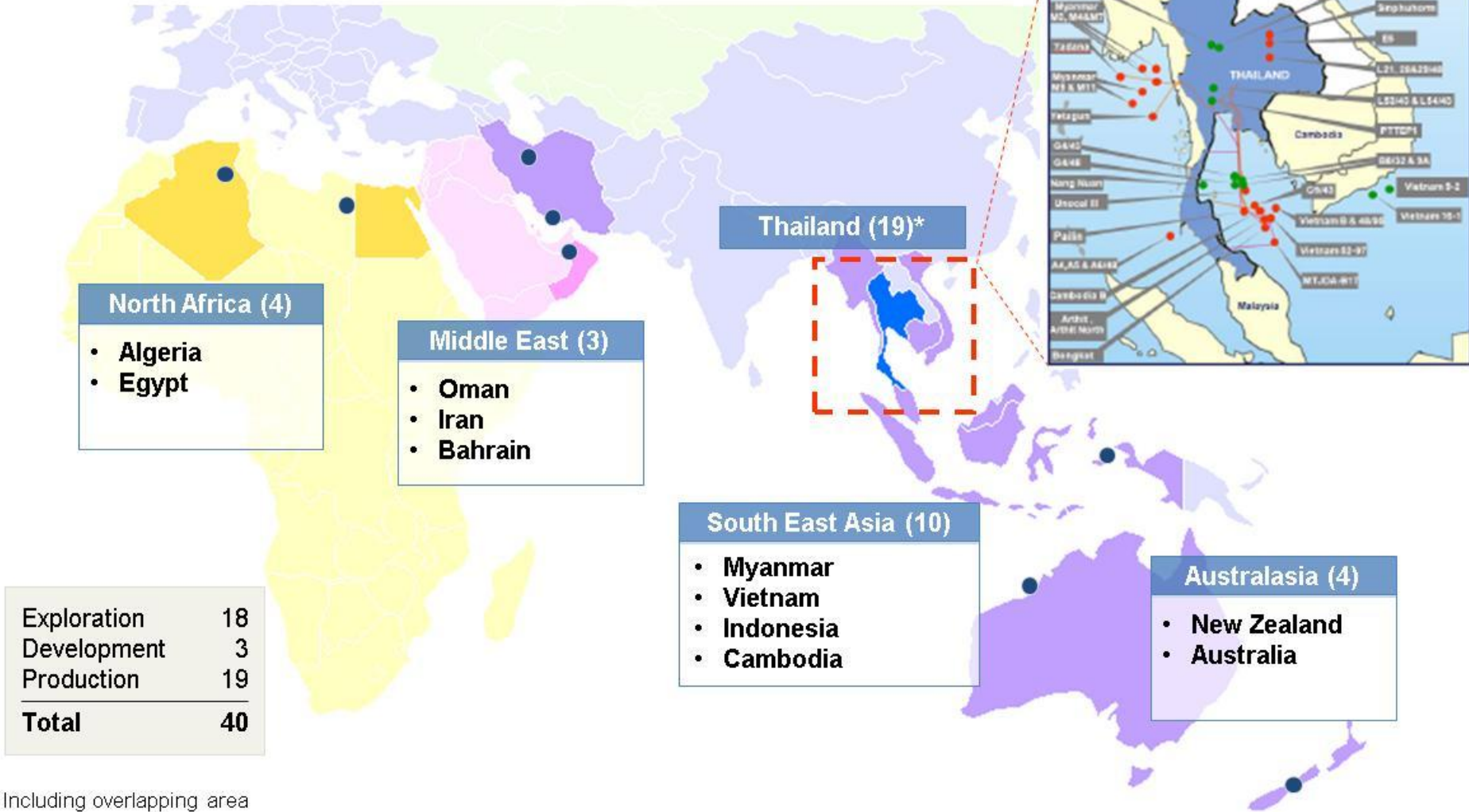


- PTTEP has continuously grown since 1985 especially in the past decade, 29 new projects during 2000-2010
- 1995: First international footstep in Myanmar
- 2002 :First ME footstep in Oman
- 2009 : Acquire Coogee as first international M&A



# PTTEP's worldwide portfolio: 40 projects in 13 countries

Worldwide operations: 40 projects in 13\* countries



\* Including overlapping area

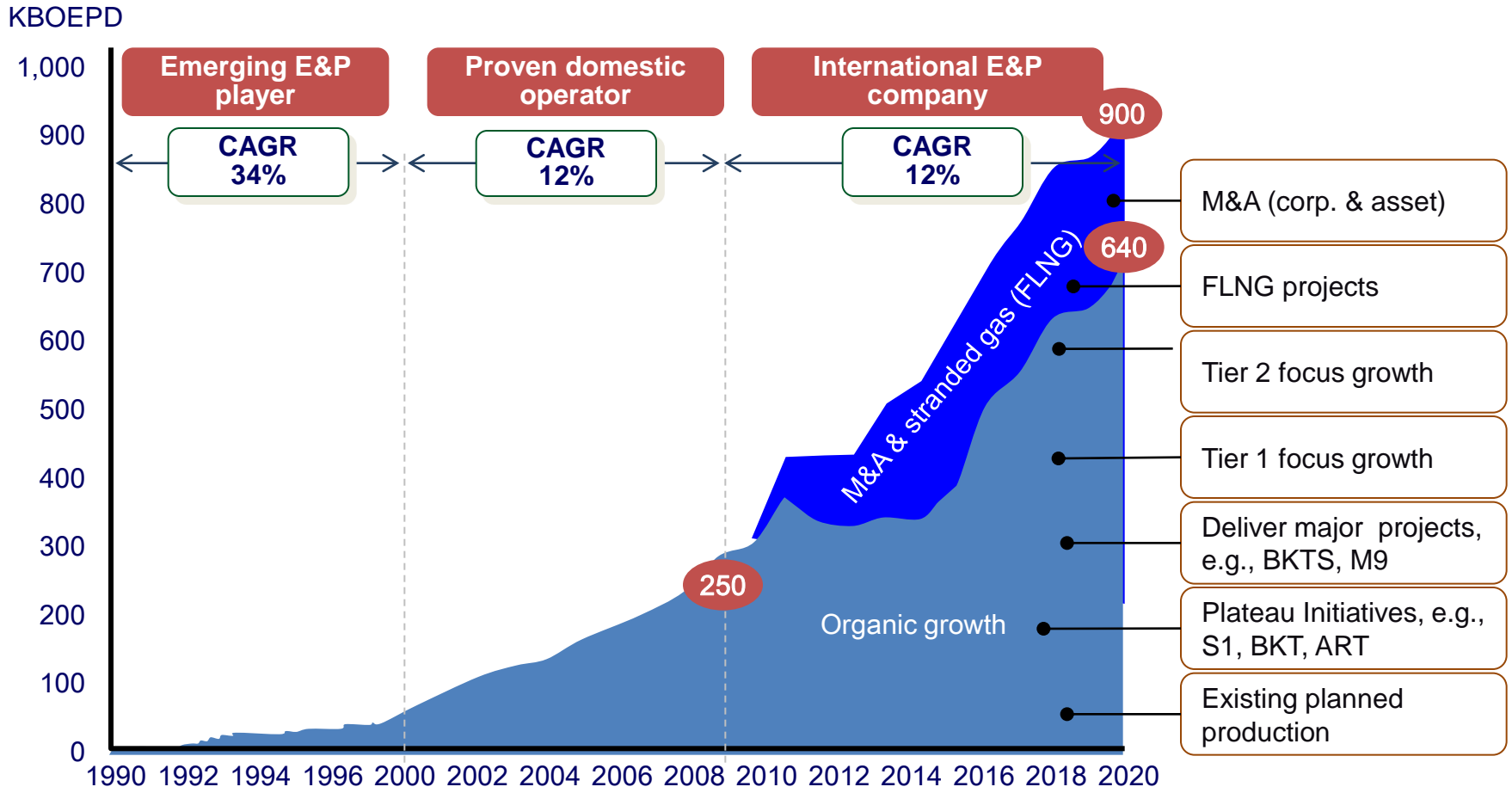


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# PTTEP Aspiration to lead to International E&P company with production target of 900,000 BOED in 2020



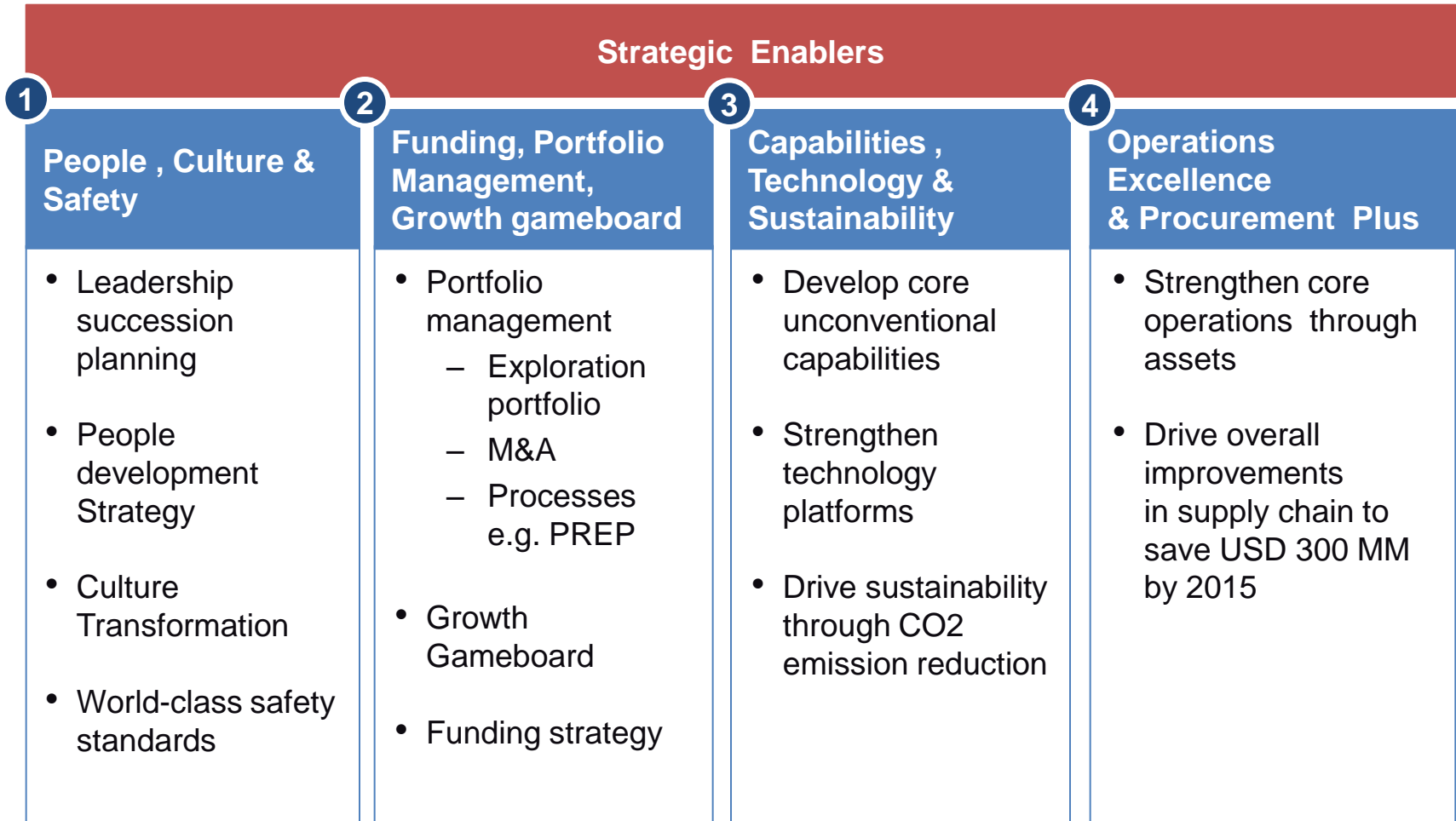


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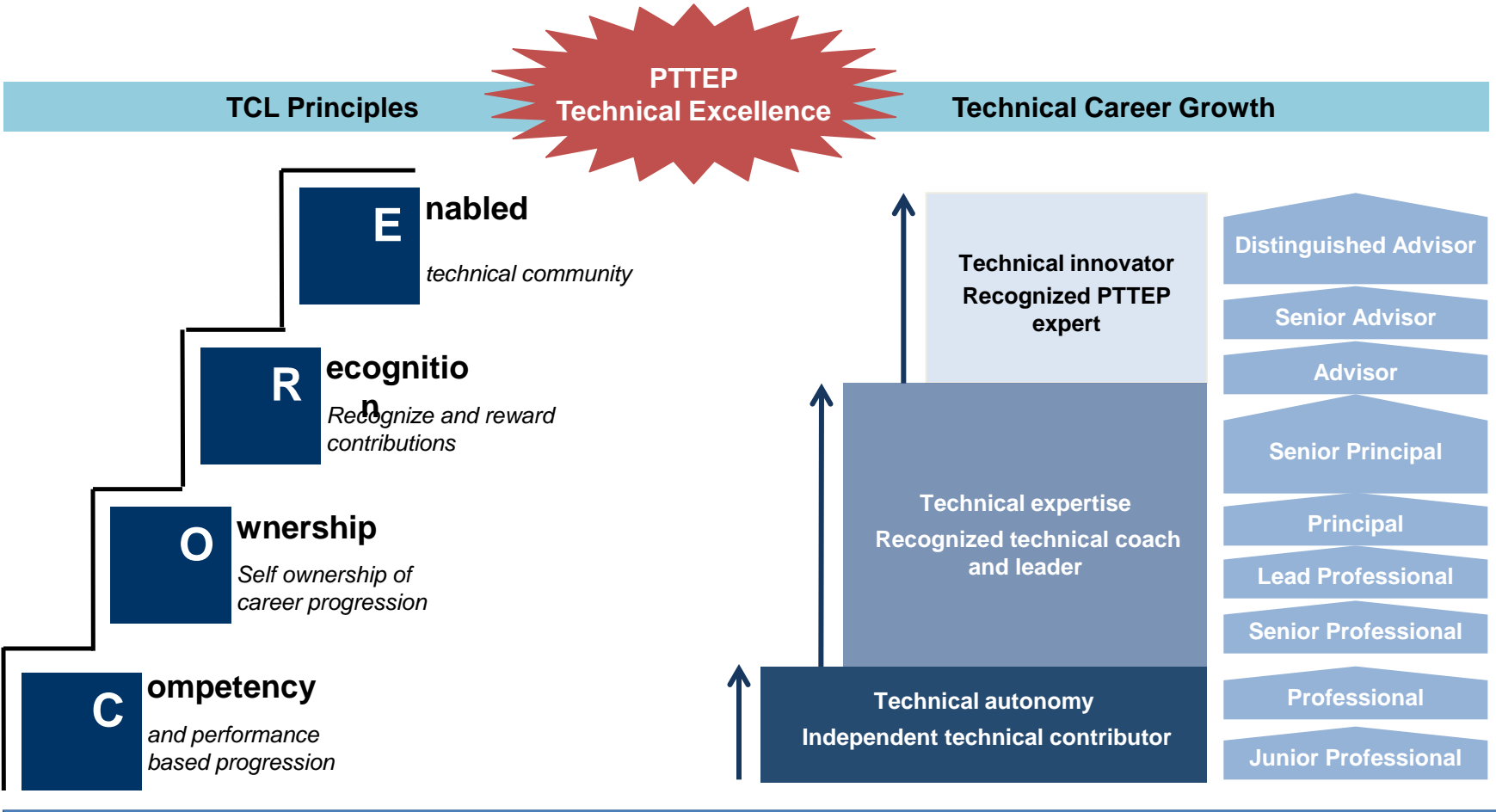
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# PTTEP is adopting and driving 4 key strategic enablers to support its growth plans and establish itself as the leading E&P company



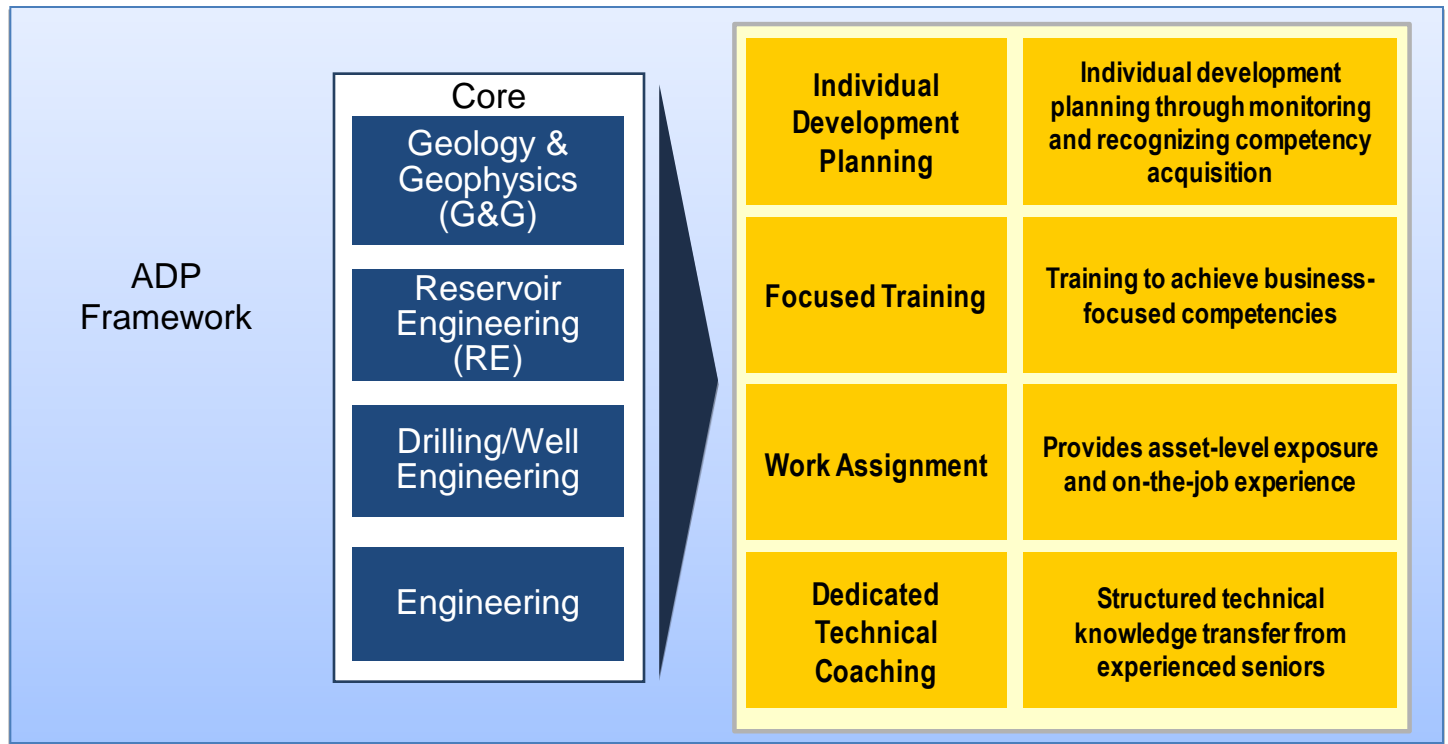
# Technical Career Ladder (TCL) aims to motivate, develop, and recognize technical professionals for their value creation within PTTEP





# The Accelerated Development Program (ADP) focuses on a competency-based framework

PTTEP Induction	Foundation	Field Study	Work Assignment
Corporate overview and introduction to E&P basics	Establishes a discipline-specific foundation through focused training, rotations, and technical coaching	Integrated Field Lifecycle (Case Study)	Aligns business requirements and individual development needs





# Clear growth priorities and non-priorities defined for both countries and investment themes as a result

	Tier-1 countries	Tier-2 countries	Tier-3 countries	
Theme	1 <sup>st</sup> priorities			
		1 <sup>st</sup> quadrant: Production xxx kbd	2 <sup>nd</sup> quadrant: Production: xx kbd	
	2 <sup>nd</sup> priorities			
		3 <sup>rd</sup> quadrant: Production: xx kbd		
	3 <sup>rd</sup> priorities			



# Innovation through cutting edge technology such as Floating Liquid Natural Gas (FLNG)

FLNG technology is the combination of three proven technologies, combined into an integrated system



FLNG is attractive compared to conventional LNG projects

	Onshore LNG	Floating LNG
<b>CAPEX</b>	1-2 bn USD per 1 MMTPA Extra Cost for land pipeline, jetties, and infrastructure	0.8-1.4 bn USD per 1 MMTPA One facility at gas location and direct shipping to clients
<b>EIA and permitting</b>	Longer process and potential area limitations 5-7 years	Simpler and easier process expected for offshore locations 3-4 years
<b>Location and permitting</b>	Limitation by suitability of seafronts, water depths, etc.	Can be relocated at source even if remote, few restrictions
<b>Homeland Security</b>	Higher risk and resistance (NIMBY)	Lower risk



# PTTEP has taken rapid action to reduce costs through Operational Excellence and Procurement Plus programs



## Overview of activities

- Enhance policy, and develop and share best practices in order to improve overall PTTEP operations
- Promote PTTEP operating excellence and benchmarking
- Develop staff competencies to improve in-house expertise

## Impact

- Operations Excellence has identified and prioritized



- Identify and capture cost savings items for both opex and capex
  - Focus on high impact items
  - Utilize Total Cost of Ownership approach
  - Integrate effort across PTTEP
- Build deep capabilities in Procurement

- Procurement Plus initiative on-track to deliver and target at USD 300 m by 2013



THE END