



Bor. Hor. 049/2014

13th November 2014

**Attention: President
The Stock Exchange of Thailand**

Subject: Report of 3rd Quarter 2014 Financial performances

The Company is pleased to report the 3rd quarter 2014 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30th September 2014, the Company's Net Profit After Tax for the third quarter stood at Baht 425 million compared to Net Profit After Tax of Baht 288 million in the corresponding period of 2013. Details are as follows:

1. Sales and services stood at Baht 11,386 million reflecting an increase of 29.8% from the same period last year. The increase in sale revenue was mainly attributable to higher sales in export markets due to better market demand in this region and also the increase of our refinery production in Malaysia. Domestic sales also reported increase in sale revenue due to the end of the government 2013-2014 fiscal budget.
2. Operating gross profit margin (excluding hedging cost and FX gain) decreased significantly to Baht 132 million compared to Baht 608 million in 2013 due to the big drop in selling prices that were in line with decreases in crude oil price. The Brent market plummeted a whopping US\$18/bbl (from US\$113/bbl to US\$95/bbl) during the quarter under review. This free fall was the result of surplus crude supply in the market from Shale Oil in the US competing with OPEC productions and also negative global economic outlook by IMF. Nevertheless, the reduction in gross profit margin was protected by the hedging strategy explained below.
3. Our hedging strategy has protected the gross profit margin in this incredible market volatility with a hedging gain of Baht 678 million in the 3rd Quarter. This has contributed a significant positive impact to the result of this Quarter as compared to the corresponding quarter in 2013. Under the crude inventory policy, the company has marked to market (MTM) and provided a net realized value (NRV) provision of Baht 142 million on the crude inventory.
4. The Baht/USD strengthened from 32.60 to below 32.00 but ended at 32.50 during the 3rd Quarter and the Company recorded a FX gain of Baht 126 million as compared to Baht 82 million gain for the corresponding quarter in 2013.
5. Selling and administrative expenses stood at Baht 46 million and Baht 160 million representing 0.40%, and 1.40% of sales and services, respectively. Comparatively, these expenses in the same period 2013 stood at Baht 32 million and Baht 163 million or 0.37%



and 1.85% of sales and services, respectively. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.

6. The Company's consolidated debt to equity ratio (D/E ratio) significantly improved from 2.44 down to 2.15 whilst the Group continues its active crude procurement program. If we excluded the short-term crude inventory financing, the D/E ratio (Total Liability/Equity) was only 0.83. Furthermore, the current ratio which included the short-term loan was at 1.17.
7. Financial expense in the 3rd quarter 2014 was Baht 53 million, a slight increase from Baht 49 million from the same period 2013 due to the increase in financing for crude procurement.
8. The Consolidated Net Profit After Tax (excluding minority interest) of Baht 425 million represented earning per share of Baht 2.77 attributable to the equity shareholders of the Company for the 3rd quarter 2014.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director