PETROLIMEX GROUP OVERVIEW AND LNG PLAN

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VietNam National Petroleum Group (Petrolimex)
PETROLIMEX – GROUP OVERVIEW
1956
Establishment of Oil, Lubricant and Grease Corporation

1995-1997
Establishment of Vietnam National Petroleum Corporation (Petrolimex - PLX) by merge of the Oil, Lubricant and Grease Corporation and Vietnam National Kerosene Company and Acquired 26 General Material Supplying companies

1999–2005
Equitization of 18 indirect petroleum-trading companies and enterprises

2010
Re-registration of 42 Petrolimex subsidiary companies in becoming of One-member Limited Companies 100% owned by Petrolimex

2011
Equitizing and restructuring of Petrolimex to form the Group according to Prime Minister's approval

2014
Signed Memorandum of Understanding (MOU) with strategic partner – No. 1 energy group - JX Nippon Oil Japan & Energy (JX NOE).

2016
PLX has sold roughly 155 million shares to JX Nippon Oil & Energy Corporation (JX NOE) – about 8% of capital

2017
Listed on Ho Chi Minh Stock Exchange (HOSE) and sold 20 million treasury shares
Over 80 foreign institutional investors are current shareholders after 12 months listed in Hochiminh Stock Exchange (ticker: PLX).
**HIGHLIGHTS**

**Market leader position:**
- No #1: Oil and fuel distribution (> 50% market share)
- No #1: Oil and lubricants, asphalt

**Dominant distribution network & facilities:**
- The largest retail network with efficient operation
- Nationwide storage and port system with large capacity and ideal location
- Unique pipeline system

**Healthy and profitable financials**

- **Total Asset:** 2.93 bn USD
- **Revenue:** 6.85 bn USD
- **Net profit:** 175 million USD
- **Charter Capital:** 563 million USD
BUSINESS MODEL - SEGMENTS

PETROLIMEX

Petroleum products and fuels trading
- 43 Subsidiaries (100%)
- Petrolimex Aviation Fuel JSC (65%)
- Petrolimex Singapore (100%)
- Petrolimex Laos (100%)
- Van Phong Bonded Petroleum Terminal (85%)

Petrochemicals, asphalts, chemicals trading
- Petrolimex Petrochemical Corporation Jsc (79%)
- Petrolimex Chemical PTN Ltd (60%)
- Castrol – BP – Petco Ltd. Co (35%)

Liquefied Petroleum gas trading
- Petrolimex Gas Corporation (52%)

Petroleum transportation and Construction
- Petrolimex Tanker Corporation (100%)
- Petrolimex Transportation Services Corporation (100%)
- Petrolimex Construction and Trading Corporation (35%)

Insurance and banking
- PG Insurance (PJICO) (40%)
- PG Bank (40%)
Supply sources
- Petrolimex Singapore
- Domestic factories
- Oversea suppliers

Upstream Storage and Port System
- Quang Ninh
- Da Nang
- Van Phong Bonded Petroleum Terminal
- Nha Be
- Can Tho

Distribution
- 43 subsidiary companies
- 2,500 company-owned petroleum stations
- 2,800 petroleum station agents

Related products
- Petrochemical, asphalts, chemicals
- Gas
- Insurance and banking

Value chain in downstream business, from oil and gas import, logistics, to nationwide distribution network

Petrolimex transportation system: seaway, road transport and pipelines from oil terminals to final points.
STRATEGIC PARTNER JX

- Established on 1st April 2010, by consolidating two over-100-year-old groups – Nippon Oil and Nippon Mining
- The **No.1 energy group** in Japan
- Total revenue of JX Holdings in 2016 is 75 billion USD

- Procure crude oil from 25 countries
- Total revenue of JX Nippon Oil & Energy in 2016 is over **59 billions USD**
- **23 VLCCs**
- **11,000** service stations located across Japan branded ENEOS with 43% market share
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- After the M&A with Tonen General Group in this early April/2017, JX is operating **11 refineries**, increasing its market share up to over **50%**.

- **Crude oil processing capacity:** 1.93 million barrels/day (~ 1/2 total capacity of Japan)
- **11 refineries**
- **5 petrochemical product manufactories**
- Owner of Kiire Base – the largest oil stockpile site in the world with capacity of 7.3 million m³
POSITION IN THE MARKET

Market share: 50%

Total capacity of terminal and storage system: 2,245,000 m³

Total pipeline: 570 km

The only bonded petroleum terminal qualified for 150,000 DWT vessels

- 5200 service stations / 14,000 stations nationwide
- 2500 retail company–owned petroleum stations
LNG PLAN

1. Co-operate with partners to distribute LNG for domestic market of Vietnam. The priority is supplying LNG for Power Plants.

2. Construct LNG storage facilities to import from oversea by vessels.

3. Look for potential LNG suppliers as well as transporters.
LNG FACILITY - VAN PHONG BONDED PETROLEUM TERMINAL

- Providing import and export services, storage and dispensing inspection of petroleum products and sell in domestic and regional markets.
- 56.7 hectares in land, 42 hectares in water, lies at the estuary of Van Phong Bay.
- Current Facilities:
  - 29 Fuel tankers with capacity of up to 505,000m³
  - 4 Jetties capable for up to 150,000 DWT ships
  - 3 Tug boats are also provided to move vessel in and out of the Terminal
LNG PLAN

VAN PHONG BONDED PETROLEUM TERMINAL

• A geographically unique advantage:
  o 14km from the main international sea route.
  o Well shielded from winds → sanctuary for international vessel in the event of storm.

• An ideal bulk-breaking center to supply and distribute the products into domestic market.

• A center for transshipment to neighboring market.
LNG PLAN

Some challenges of LNG distribution in Viet Nam:

• High investment cost for delivery, storage and distribution system;

• Selling price of LNG is not competitive with coal (for Power Plants);

• Long-term contract and high capacity transportation vessels while import plan depends on end-users.
1) Product specification for commercial use? Product comparison to other kind of petroleum product?

2) Transportation (LNG tanker): specification for tanker, risk, vessel capacity, price....

3) Quality and risk control during delivery, storage of LNG

4) LNG terminal: standards for design and operation

5) LNG environmental effect.
THANK YOU FOR YOUR ATTENTION
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