



Energy Security
for Sustainable
Future

ENERGY SECURITY FOR SUSTAINABLE FUTURE

PTT PUBLIC COMPANY LIMITED





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PTT Public Company Limited

PTT Public Company Limited or former Petroleum Authority of Thailand was established on December 29, 1978, under the Petroleum Authority of Thailand Act B.E. 2521 (1978) to operate petroleum and other related businesses.

In a wake of intensified market competition, the government envisioned a need of increasing role of private sector in energy industry. On September 25, 2001, the cabinet gave consent to transform assets of the Petroleum Authority of Thailand into equity capital. Upon its resolution, PTT Public Company Limited or PTT Plc. was founded whilst the government continued to hold a share of not less than 51 percent in the company.

Later, PTT was corporatized into a public company limited under the Corporatization Act B.E. 2542 (1999) via the establishment of PTT Plc. on October 1, 2001, with registered capital of 20,000 million baht. Then it was registered in the Stock Exchange of Thailand on December 6, 2001, having the Ministry of Finance as the largest shareholder. PTT maintains the status as a state enterprise under the supervision of the Ministry of Energy.

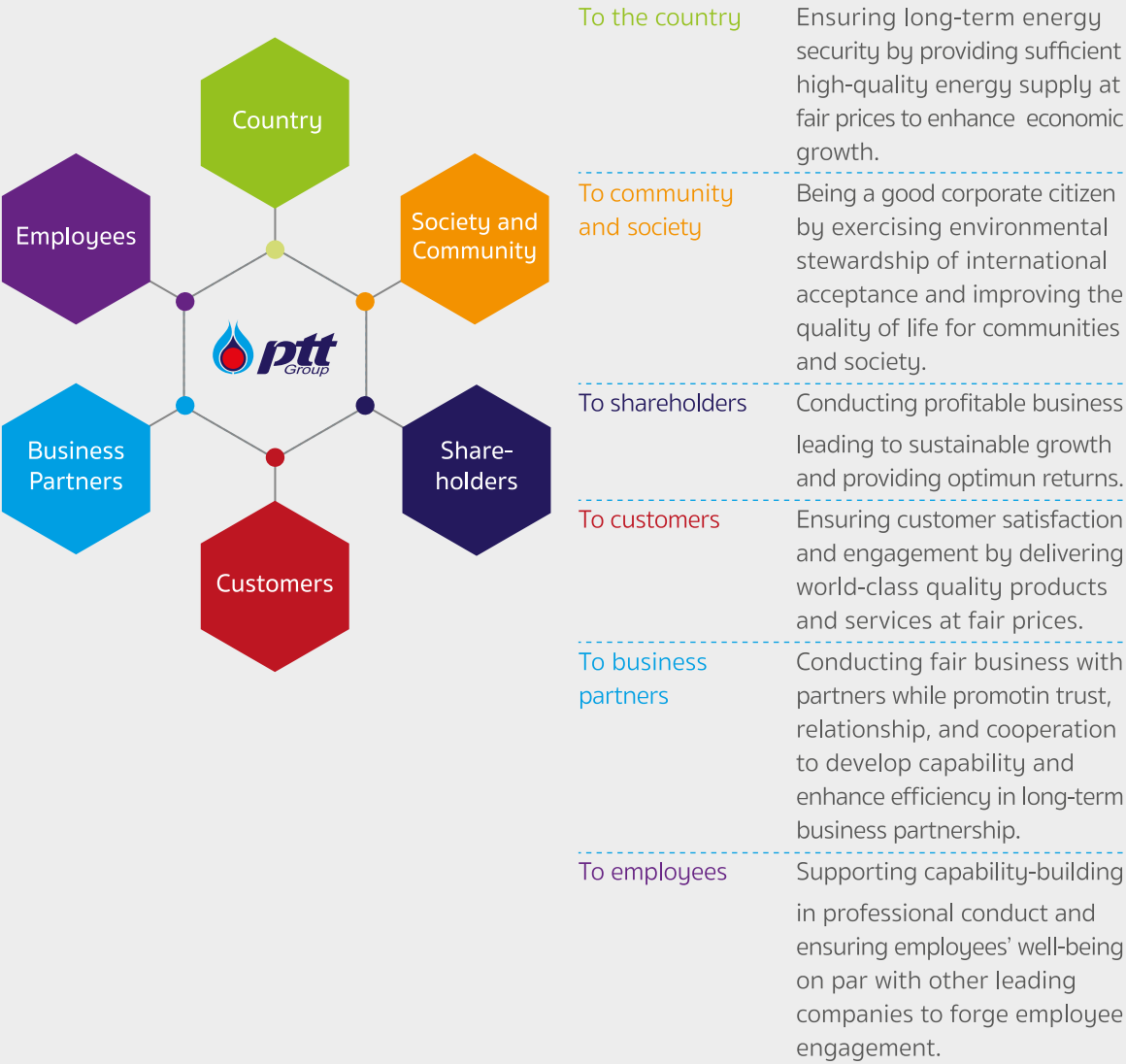
PTT Group Vision

VISION

THAI PREMIER
MULTINATIONAL
ENERGY COMPANY

MISSION

To conduct integrated energy and petrochemical business as the national energy company with a balanced mission of stakeholder satisfaction through:

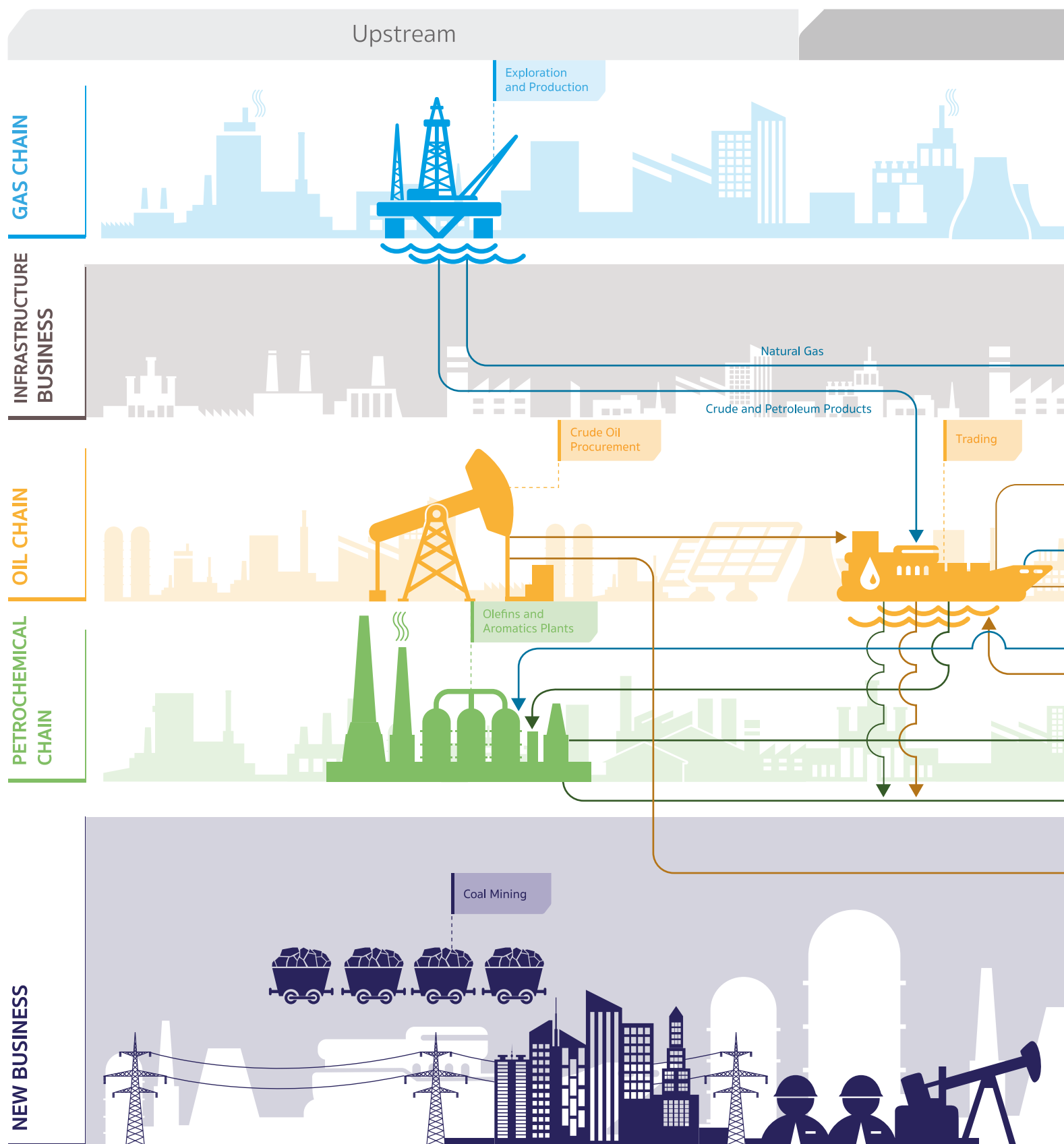


PTT GROUP VALUES

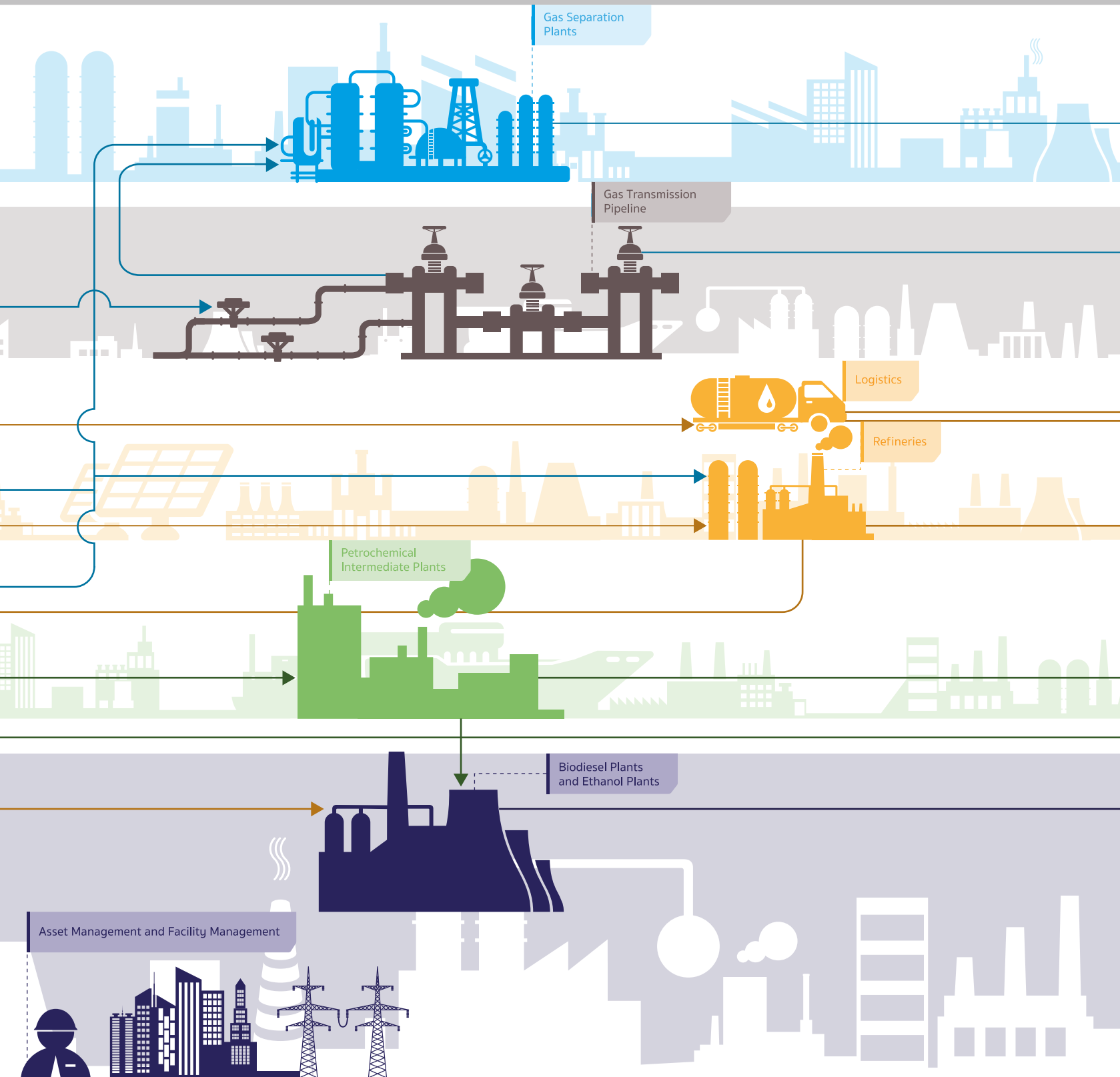


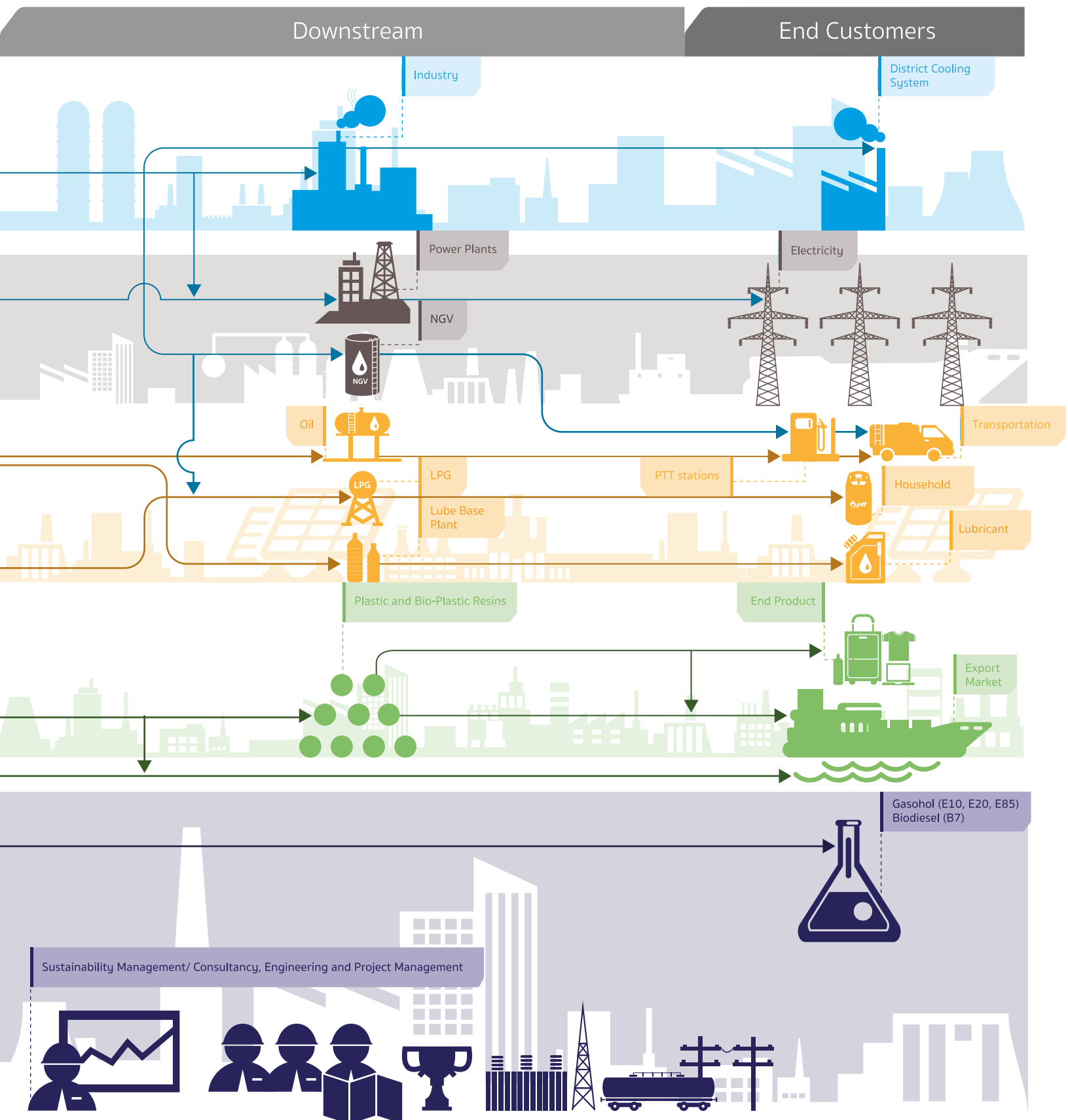
PTT Group's core values are known as SPIRIT. The group's executives and all employees believe that the SPIRIT values forge-among PTT Group companies, executives, and all employees-a common way of working together, aligned directions, common beliefs, and unique excellence in the eyes of outsiders, thus leading PTT as a whole towards sustainable excellence. We are committed to SPIRIT in defining frameworks for notions and beliefs that in turn lead to behavior and practical guidelines. PTT Group's core values are therefore a key precursor to a strong corporate culture. They help us decide, forge trust in one another and create a sense of belonging among us all. As a result, the values are key to our thinking approaches and practices for all PTT Group people to be professional and responsible to the society.

Creates Value through Business Chain



Intermediate





CREATES VALUE THROUGH BUSINESS CHAIN



Sustainable Development

PTT operates its business in alignment with a sustainability strategy by maintaining a balance of being a High Performance Organization (HPO) and of a commitment to the continuous improvement of technology, innovation, and knowledge. The strategy concerns the management, work process, production, product distribution, and Good Corporate Governance (CG). Abiding by business ethics includes transparent, fair, and traceable operations; strict adherence to laws and regulations; due attention to environmental management; and improvement of the quality of life of society and the communities (CSR), while taking into account the equity of stakeholders' benefits.

As a result, PTT has been listed as a member of Dow Jones Sustainability World Index (DJSI World) in Oil and Gas Industry (OIX) for the fourth consecutive year (2012-2015.) Moreover, PTT Group's affiliated companies: PTTEP, PTTGC, TOP and IRPC, have also been listed as DJSI member for the second consecutive year (2014-2015.) This achievement reflects PTT Group's aspiration to grow our business alongside social and environment responsibilities for the long-term vitality and sustainability of all.





CG

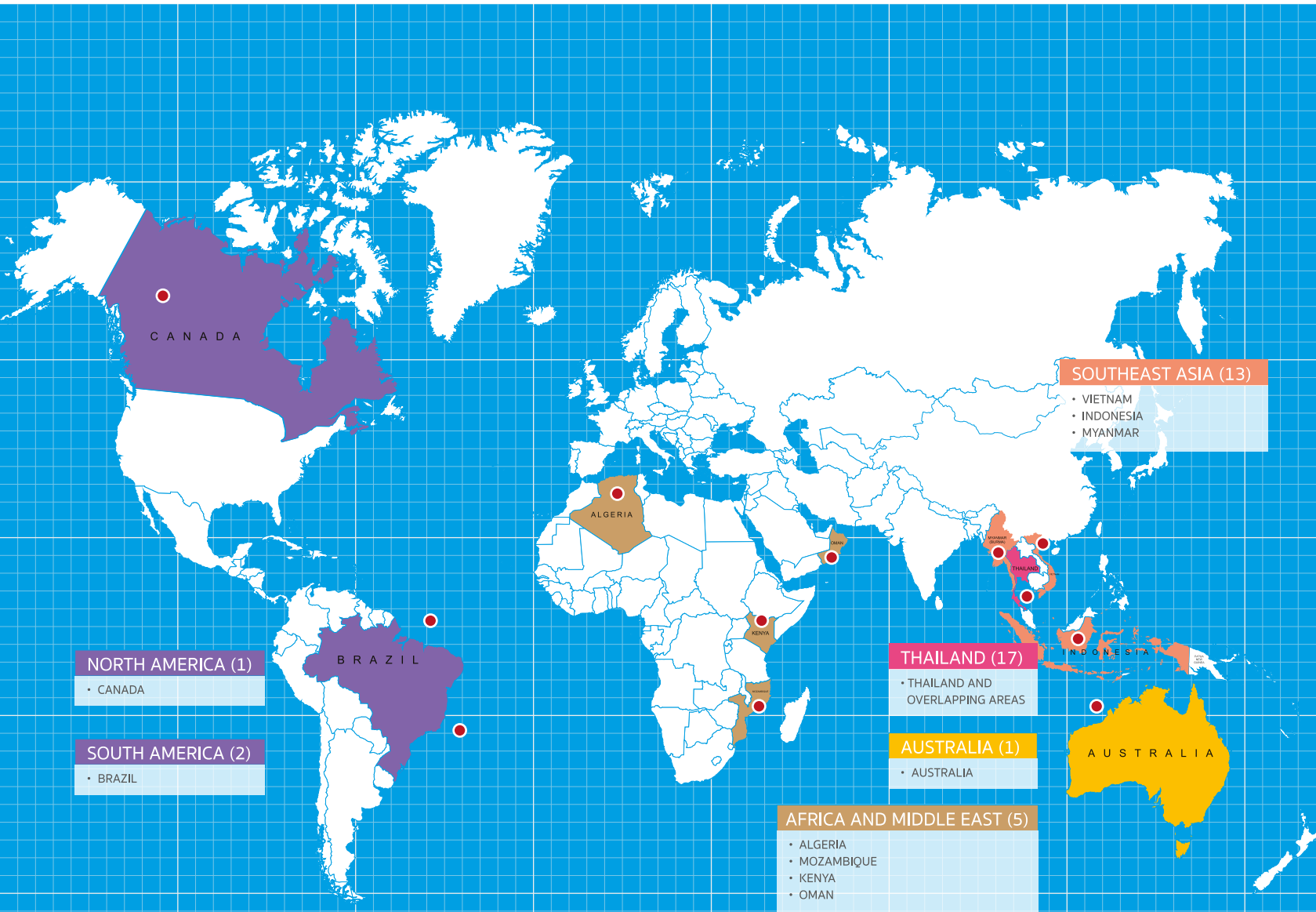


CSR



HPO

PTTEP's Exploration and Production Projects



PTTEP has invested in 39 projects in 11 countries around the globe.

(As of December 2015)

Nature of Business

PTT is a fully integrated national petroleum and petrochemical company with missions to foster national energy security and create fair treatment to all stakeholders under the good corporate governance. PTT's operations cover the business value chain from upstream to downstream which could be summarized as follows.

Upstream Petroleum and Gas Business Group



Petroleum Exploration and Production Business

PTT invest in petroleum exploration and production business through subsidiary company; PTT Exploration and Production Public Company Limited or PTTEP, with the exploration and production of petroleum consisting of natural gas, condensate, and crude oil from both domestic and international sources in order to supply domestic demands and build a sustainable energy security, as well as generating revenues for the country. Currently, PTTEP has invested in 39 projects in 11 countries. There are 17 projects investing in Thailand and 22 projects in 10 foreign countries worldwide, which are Vietnam, Indonesia, Myanmar, Canada, Australia, Algeria, Mozambique, Kenya, Oman, and Brazil.



Natural Gas Business

PTT's natural gas business covers supplying natural gas from both domestic and international sources to serve the continually rising demand for energy in the country to feed power plants, industrial factories, and petroleum service stations as alternative fuel for vehicles, and managing natural gas pipeline transmission both onshore and offshore, as well as land transportation. As of December 31, 2015, PTT had 3,528 kilometers of natural gas transmission pipeline network (excluding natural gas distribution pipeline for another 523 kilometers). In 2015, two completed pipeline construction projects were the 4th natural gas pipeline project and Nakhon Sawan Natural Gas Pipeline Project, with the lengths of 300 kilometers and 210 kilometers accordingly.

Moreover, PTT's gas separation plants separate hydrocarbon compounds to feed petrochemical plants as raw materials, to maximize value and utilization of natural gas.

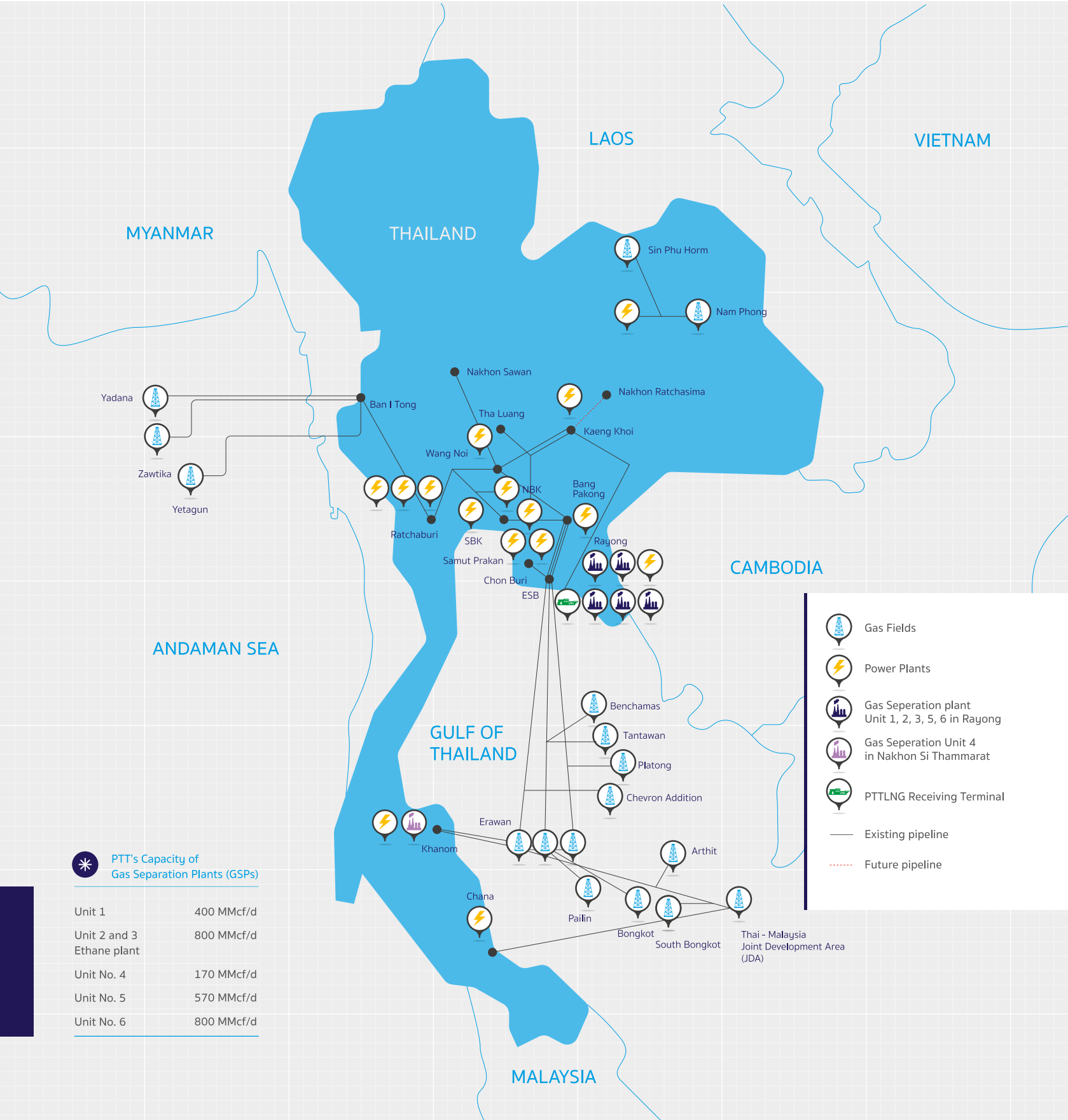
Additionally, through companies in PTT Group, PTT has operated gas-related businesses such as Liquefied Natural Gas (LNG) terminal, power generation and district cooling system.



Coal Business

PTT has conducted energy business in foreign countries in order to seek new energy resources and alternative energy resources to maintain security for energy supply for the country, and enhance current business operations based on knowledge, expertise, experiences of personnel, and cooperation among companies in PTT Group in order to expand the investment in foreign countries. PTT has invested through subsidiary companies (PTT holds 100% of shares), which is PTT Energy Resources Company Limited (PTTER). Currently, PTTER has invested in coal mine business in Indonesia and Madagascar, including joint ventures for feasibility study on coal resources in Brunei.

Natural Gas Transmission Pipeline System and Gas Separation Plants



PTT's Capacity of Gas Separation Plants (GSPs)

Unit 1	400 MMcf/d
Unit 2 and 3	800 MMcf/d
Ethane plant	
Unit No. 4	170 MMcf/d
Unit No. 5	570 MMcf/d
Unit No. 6	800 MMcf/d

Downstream Petroleum Business Group



Oil Business

PTT Oil Business operates oil distribution business, covering petroleum products (fuel oil and LPG), lubricants and retail business in Thailand and overseas. Its distribution services are divided into three groups, according to its customer segments as follows: 1) Commercial Business (B2B) covers corporate customers, public sector (government agencies and state enterprises) and the private organizations who buy products for their business or internal use. 2) Supply Sales range from oil sellers under Article 7 and 10 of the Oil Trade Act B.E. 2543 and the 2nd amendment enacted in B.E. 2550. 3) Retail Business (B2C) refers to consumers and gas station operators through its nationwide network of over 1,300 gas stations. Built under PTT Life Station concept, PTT Gas stations have been developed to served modern customers who search for one-stop service, which include various retail businesses within PTT gas stations: 7-Eleven, Jiffy, Café Amazon, PTT Fit Auto car care service, financial service outlets and restaurants. Its retails business also covers LPG sales through its nationwide LPG (cooking gas) retailers, and lubricant products through lubricant retailers.



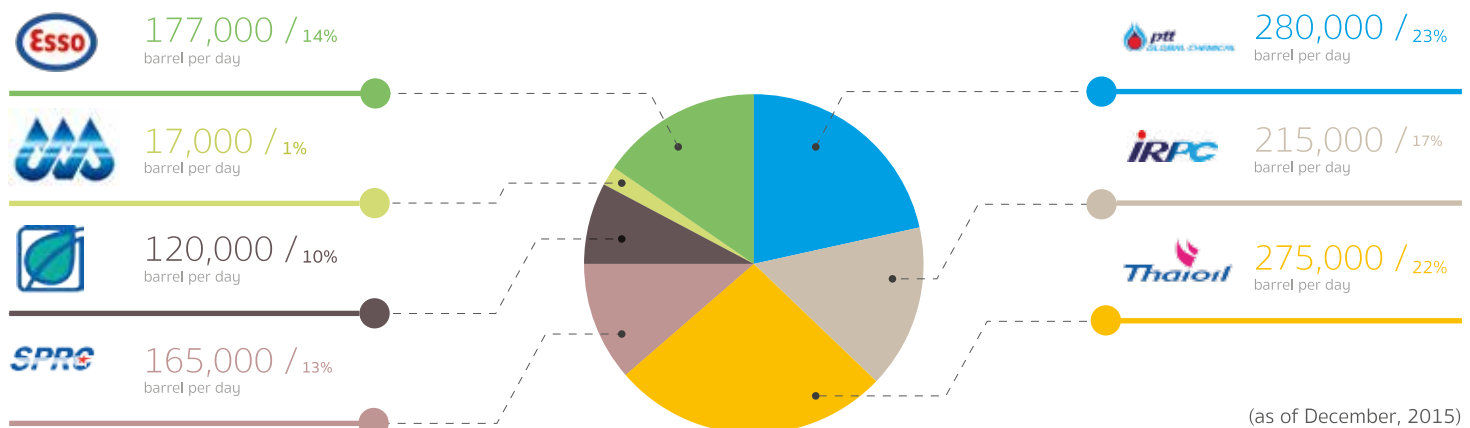
International Trading Business

PTT undertakes full-function of international trading activities of crude oil, condensate, LPG, refined products, petrochemical products, and other commodities, such as, crude palm oil and biomass energy, under the strategic framework of sustainable energy procurement for Thailand, value added, and worldwide trading base expansion. The scope of trading activities ranges from procurement, import, and export, to international trading with related services in transportation, international chartering, and price risk management. In aiming to expand trading network for PTT Group and step up from regional to global player, PTT International Trading Business Unit had established its subsidiaries and representative offices in each main trading hub; Singapore, United Arab Emirates, China and Indonesia, to support international trading activities and to connect with market in each region.

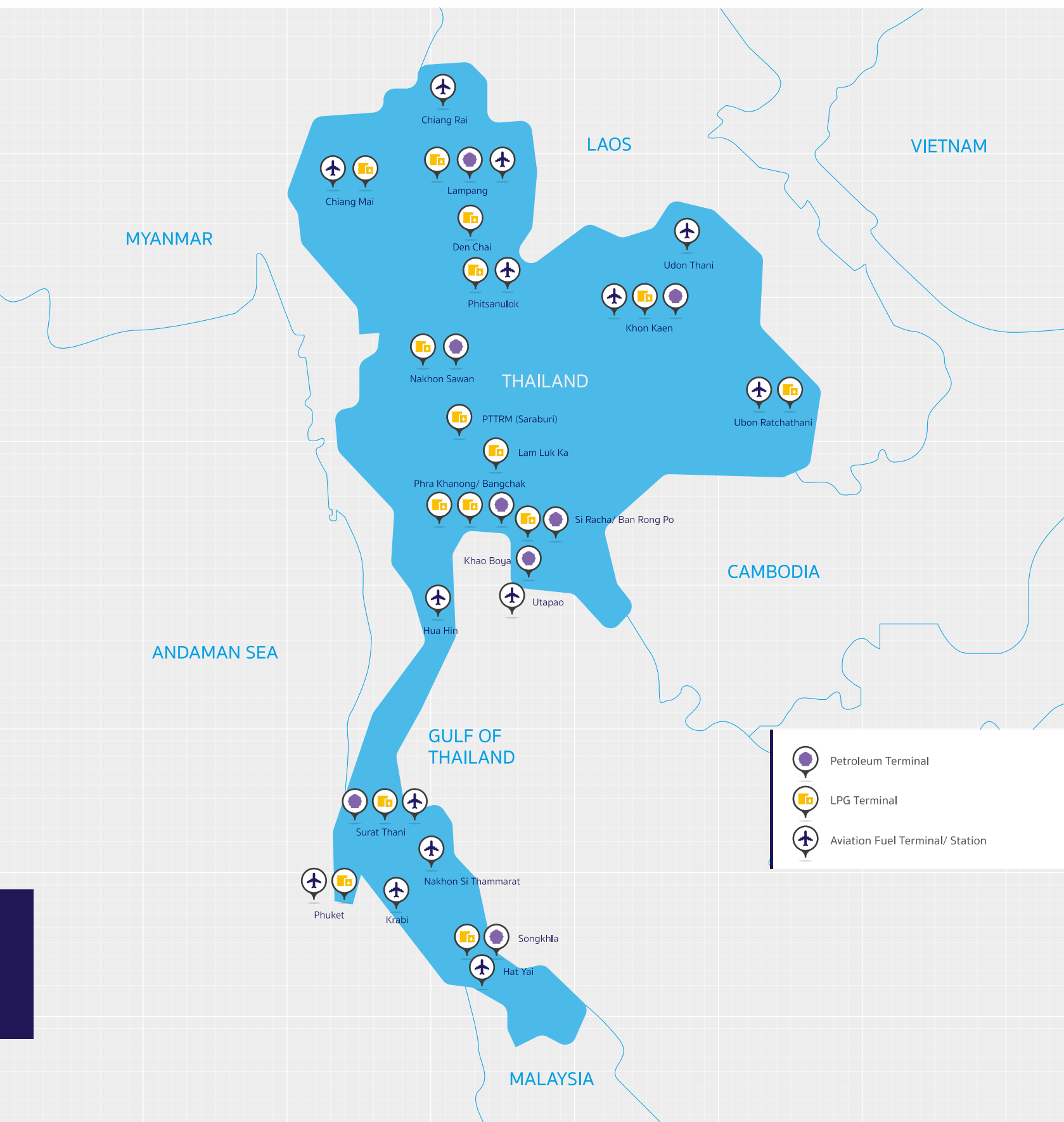


Refinery Business

PTT has invested in refining business through PTT Global Chemical Co., Ltd. (PTTGC), Thai Oil Public Company Limited (TOP), and IRPC Public Company Limited (IRPC). PTT not only supplies crude which is procured from both domestic and international sources for all those refineries but also off-takes petroleum products from them, in term of PTT shareholding ratio in each refinery. Furthermore, PTT Group attempts to enhance the competitiveness of its refining business by investing in related businesses which are petrochemicals, lube base, electrical generation, marine shipping, and alternative fuel, such as, bio-diesel and ethanol. The total refining capacity of PTT group of 354,735 barrels per day is equivalent to approximately 28.4 percent of total refining capacity in Thailand at 1.249 million barrels per day according to PTT shareholding percentage.



Petroleum, Oil, LPG Terminals, and Aviation Fuel Station Map





Petrochemical Business

PTT invests in a total integration petrochemical business starting from upstream to intermediate and polymers both olefins chain and aromatic chain. Petrochemical group of PTT is the biggest in the country and ranks among the top in Asia. Downstream petrochemical products of PTT Group include a variety of products ranging from polymer and resin business, ethylene oxide business that is the substrate of sanitation care product, PET water bottle and cosmetic, oleo-chemical business that is the component of biodiesel and is the substrate of health products, aromatic, and other specialties.

Petrochemical activities also include marketing & logistics of polymers, utilities, tank & terminal, maintenance & engineering services, and safety & environment services. There is an expansion plan to enter an international arena by investing in Asia and the Middle East. An international presence will help creating more value to the existing business following the market back strategy and further pursuing specialty business.

Infrastructure Business Group

Infrastructure Business Group is established in order to manage infrastructure assets of PTT Group for maximum efficiency and in compliance with the government policy in creating sustainability for the country through energy infrastructure. Energy infrastructure is a crucial part in driving the country in every aspect as well as is the key success factor of PTT in business growth and expansion in the future.

Infrastructure business group covers the asset management of onshore and offshore gas transmission pipeline, distribution and transportation of natural gas for vehicles, land development, and sustainability management and project engineering. Furthermore, PTT has invested in many businesses through the companies in PTT Group, including power and utilities, office building management, and technical and engineering consulting services.

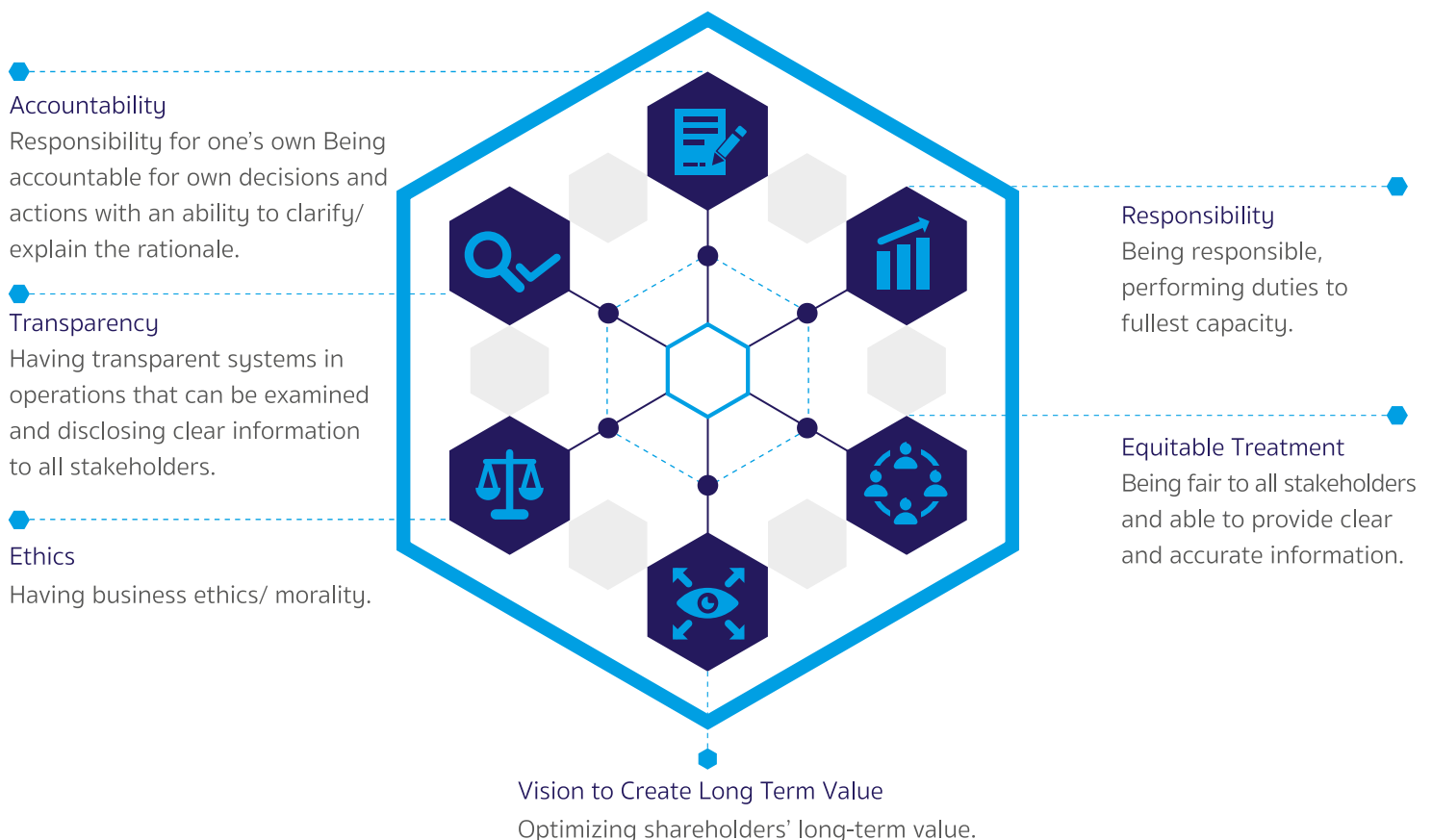


Corporate Governance Leads to Sustainability

PTT is committed to its business ideal of social, community, and environmental responsibility through fair treatment of all stakeholders under a code of business ethics marked by transparency, accountability, and willingness to disclose information about all stages of its operation. Whatever socio-economic conditions may prevail, PTT's Corporate Governance Policy remains an integral part of our business policies, of which notions and procedures are cascaded to companies within PTT Group. For in our noble missions as the nation's energy stewards, we must execute our duties strictly for the benefits of society and the country at large.

We are convinced that our corporate governance policy ensures society with confidence in fair and transparent organizational operations, this has driven the organization towards competitiveness in the short and long terms. In addition, the corporate governance principles foster confidence among investors, financial institutions, and business allies in common business dealings, thus adding to sustainable value for shareholders and balanced interests among all stakeholders, society, and the environment.

PTT's Pillars for Business Operation and Corporate Governance





Code of Business Conduct

PTT has established a policy on good corporate governance regarding integrity and ethics as a Code of Conduct, written in the Corporate Governance, Ethical Standards and Code of Business Ethics Handbook (CG Handbook.) The handbook of principles was developed and distributed to the Board of Directors, managements and employees for acknowledgement and adoption as working discipline. The essential aspects of the code are as follows:

- Respect the laws and the Universal Declaration of Human Rights principles
- Stay politically neutral
- Stay free of vested interests and conflicts of interest
- Maintain confidentiality and refrain from using internal information for personal benefits
- Respond to the customers' needs and show responsibility towards consumers
- Compete freely and fairly
- Use a transparent procurement system and treat business partners fairly
- Show responsibility towards community and society
- Support employees' right and create organizational commitment
- Abide by the code of conduct regarding creditor treatment
- Have efficient internal control and internal audit system
- Have a guideline for accepting and giving gifts, assets, or other benefits
- Maintain safety, promote hygiene, and preserve the environment
- Respect intellectual property and properly apply information technology

Furthermore, with the commitment to honest, transparent, and fair business operations, PTT does not accept corruption in all forms, both direct and indirect approaches. Therefore, PTT has announced the Anti-Corruption Policy of PTT and PTT Group, which states that every personnel of PTT Group must comply strictly with the anti-corruption policy. Also, PTT has already been certified for the status of Private Sector Collective Action Coalition Against Corruption (CAC).



Corporate Citizenship

PTT engages in the development and support to raise a better standard of living in society and local communities along with generating awareness of the Sufficiency Economy Principles by creating sustainable development through several projects and activities for society in various forms, as direct operations, cooperation with associate networks, and operations via foundations established by PTT for public benefits according to 3 main approaches that are human resource development, society and communities development, and natural resources and the environmental conservation for totally more than 40 key projects.



Human Resources

Valuing Comprehensive development of education, ranging from infrastructure, teaching materials, and improving school quality, curriculum, teaching personnel as well as academic and ethical skills for youth.

Kamnoetvidya Science Academy and Vidyasirimedhi Institute of Science and Technology

A world-class high school for Science Academy and frontier research university in science and technology to significantly improve student's knowledge and skill and there by increasing the country's sustainable development and prosperity.



Society and Communities

Promote good quality of life and reinforce strength for the community in line with the philosophy of Sufficiency Economy for sustainable self-reliance.

Society and Communities Development

Develop urban communities into a livable city, as well as support the community to be self-reliant on energy according to the local resources in each area.



Natural Resources and Environment

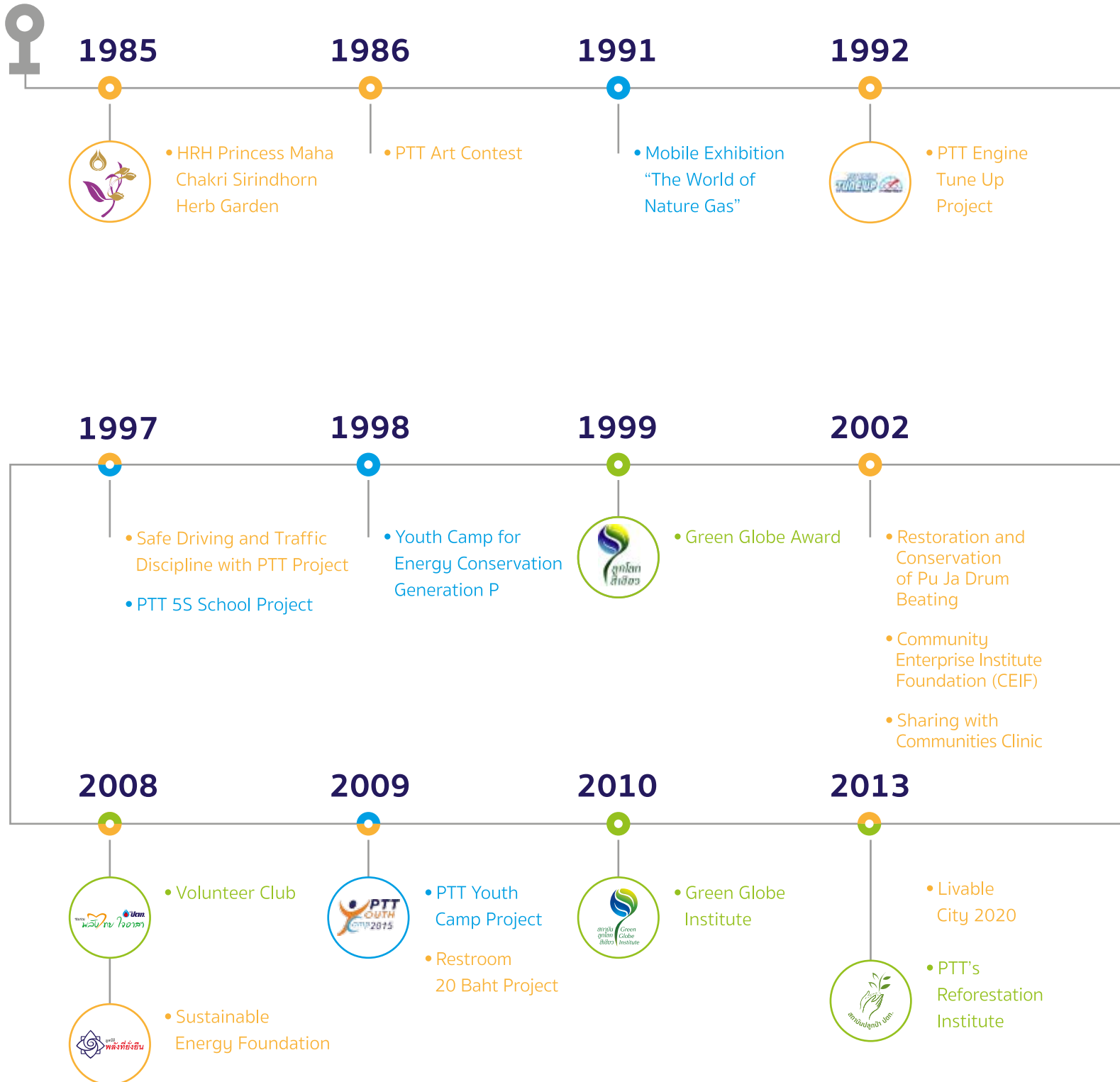
Restore and conserve natural resources to maintain abundance, as well as to create some awareness of sustainable conservation of natural resources and environment with cooperation of the networking communities.

PTT's Reforestation Institute

Cultivate and restore forest in order to create abundant ecosystem and biodiversity as carbon pool through the production and development of network, including management of the knowledge regarding sustainable reforestation and conservation.

PTT also contributes via PTT established foundations such as the Rayong Institute of Science & Technology Foundation to support the operation of Vidyasirimedhi Institute, the RASA foundation to support the operation of Kamnoetvidya Science Academy, and the Sustainable Energy Foundation to support natural resource, environment and energy conservation including educational opportunities for students via the Green Globe Institute, the Learning Institute For Everyone, the Teacher-honored Project and research studies, etc.

Social Investment and Corporate Social Responsibility Programs



- Human Resources Project
- Society and Communities Project
- Natural Resources and Environment Project

1993

- Construction of School Buildings and Libraries
- Support for easing of Traffic Problems

1994

- Reforestation Project in Honor of His Majesty the King on the occasion of the 50th Anniversary of the Accession to the Throne

1996

- Scholarship Awards
- Mobile Clinic Project
- West Thong Pha Phum Project
- Vetiver Planting Project according to the Royal Initiative

2004

- Support for Tennis
- One District One School – Lab School Project
- Sirinath Rajini Mangrove Ecosystem Learning Center

2006

- Petro Camp to Champ Petro Project
- Management of Biological Resources from the Coast to Mountain Peak, Khaonom Beach – Khaonan Area

2007

- 84 Tambons on a Sufficiency Path Project
- Rayong Green City Project
- Community Energy Development Project

2014

- Research and Develop Project about Cultivation and Production of Coffee and Natural Resource Reservation System for Sustainable Development

2015

• Kamnoetvidya Science Academy

• Vidyasirimedhi Institute



• Metro Forest Project

• Wangchan Forest Project



• Community Energy Management Program (CEMP)



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