



The Bangchak Petroleum Public Company Limited

Management Discussion and Analysis of Business Operation

For the three-month period ended 31 March 2015



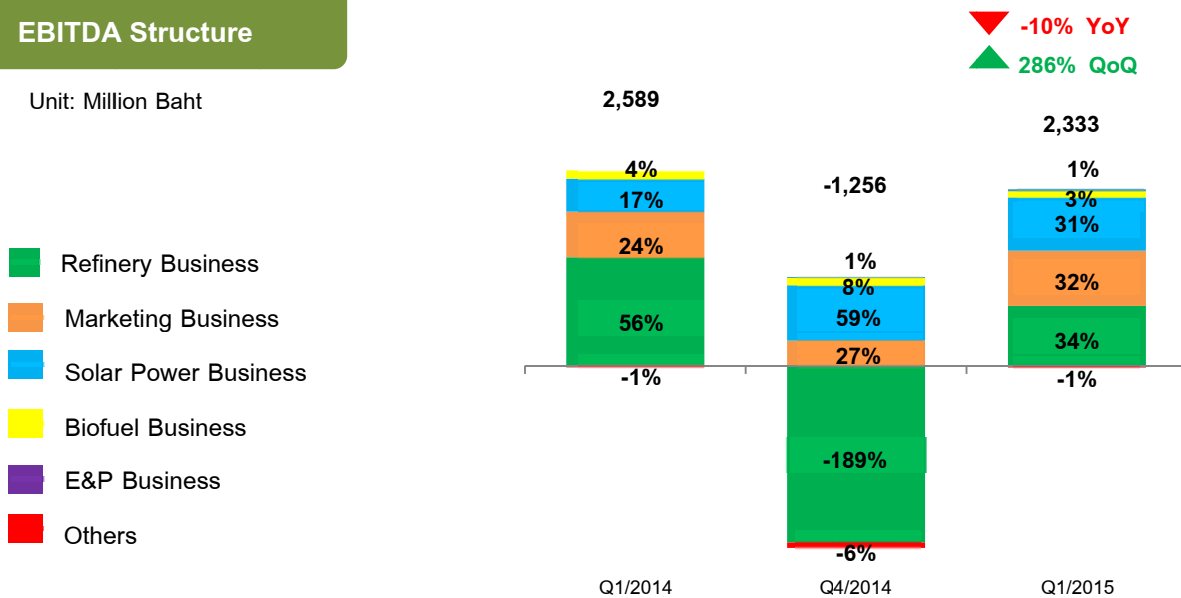


Executive Summary

In Q1/2015, the consolidated financial statement recorded revenue from sale of goods and rendering of services of Baht 39,445 million and net profit of Baht 1,056 million which was the net profit attributable to owners of the Company of Baht 1,037 million, or earning per share of 0.75 Baht

EBITDA Structure

Unit: Million Baht



In Q1/2015, revenue from sale of goods and rendering of services and net profit attributable to the owners of the company were decreased by 21% (YoY), and 34% (YoY) respectively from the drop in crude price which started in the second half of year 2014 (Average Dubai Price in Q1/2014: 104.45 \$/BBL, Q4/2014: 74.37 \$/BBL, Q1/2015: 51.76 \$/BBL) as a result of the decline, the Company recorded an inventory loss of Baht 1,790 million in Q1/2015.

Compared to Q4/2014, revenue from sale of goods and rendering of services decreased by 14% (QoQ) while net profit attributable to the owners of the company increased by 142% (QoQ) from the amount of inventory loss recorded in Q4/2014, around Baht 4,417 million, which was different from that of 1Q/2015, which was recorded at an inventory loss of Baht 1,790 million (included reversal of allowance for loss on decline in value of inventories (LCM) of Baht 975 million which occurred in Q4/2014) as a result of crude price situation that slightly recovered from U.S. oil rig count report which showed a decline in number of oil rig in operation, a decline of investment of major oil producing companies, and the unrest situation in the Middle East and African countries which affected the crude export. Therefore, the Company recorded a net profit of Baht 1,037 million.

On the other hand, Thailand economy in Q1/2015 had recovered when compared to the same period last year as there was an easing in political situations. Refinery average crude run increased during the quarter, as well as, the total sales volume which increased 7% (YoY) and 1% (QoQ). And as



there was a slightly recovery in crude price during the quarter, the Company reported no additional impairment. As a result, Net profit attributable to owners of the company increased by 142% from the Net loss of Baht 2,489 million in the previous quarter but Net profit attributable to owners of the company decreased by Baht 525 million (-34%) when compared to Q1/2014. EBITDA was recorded at Baht 2,333 million, an increase of 286% from previous quarter but a decrease of 10% from Q1/2014. The details of each business performance were as follow;

Refinery business had an average crude run of 108.63 thousand barrel per day. Market GRM was a record high of 10.19 \$/BBL. Although there was a recovery in crude price from its lowest point in January, but the crude cost for Q1/2015 intake, partly, still reflected the price of crude from latter half of the year 2014 which was still higher than the current crude price, as a result, the Company recorded an inventory loss of Baht 1,766 million.

Marketing business had a total sales volume of 1,344 million litre, an increase of 8% YoY and 1% QoQ from the higher average crude run of the refinery, as well as, a recovery in Thailand economy during the quarter of the year, especially tourism sector which increased oil products demand. As a result, the Company retail market sales volume increased and maintained its 2nd rank in market share position from last year. The Company still maintained its priorities of selling the finished products through service stations, opening new and quality service stations, refurbishing its service stations to attract more customers. Furthermore, Industrial market sales volume also increased, especially diesel. Therefore, total marketing margin in Q1/2015 was 0.75 baht per litre.

Solar Power business was fully operated for all 3 phases (PPA of 118 MW). Total revenue was recorded at Baht 752 million and electricity sales was 64.96 million kWh.

Biodiesel Business had an average daily production rate of 355 Thousand litre per day, a recorded revenue of Baht 1,235 Million. The B100 sales volume was 36 million litre. Both revenue and sales volumes decreased as a result of government's policy of temporary decreasing the portion of B100 mixing with diesel from 7% to 3.5% due to the shortage of crude palm oil and a decrease in glycerin revenue which was mainly from the drop in its selling price per unit and a slightly decreased sales volume.

Exploration and Production business recorded revenue of Baht 501 million. In Q1/2015, Nido had completed its acquisition of Galoc Production Company WLL (GPC) for its 33% working interest in the Galoc oil field in Philippines. As of now, Nido's interest in the Galoc oil field was increased from 22.88% to 55.88% and entitled itself as an operator of Galoc oil field. The GPC acquisition cost was USD 87.4 million (or Baht 2,876 million).



The Company and its subsidiaries' operating results were summarized as below;

Unit: Million Baht

	Q1 2014	Q4 2014	Q1 2015	YoY (%)	QoQ (%)
Revenue from sale of goods and rendering of services	49,657	45,749	39,445	-21%	-14%
Total EBITDA	2,589	(1,256)	2,333	-10%	286%
<i>Refinery and Marketing Business (R&M)</i>					
EBITDA Refinery	1,450	(2,369)	798	-45%	134%
EBITDA Marketing ^{1/}	612	334	740	21%	121%
<i>Renewable business</i>					
EBITDA Solar Power ^{2/}	441	740	713	62%	-4%
EBITDA Biofuel ^{3/}	110	99	81	-27%	-19%
EBITDA Exploration and Production ^{4/}	-	13	28	N/A	120%
EBITDA Others ^{5/}	(24)	(73)	(27)	15%	-62%
Profit attributable to owners of the Company	1,562	(2,489)	1,037	-34%	142%
Basic earnings (loss) per share (Baht)	1.13	(1.81)	0.75		

1/ EBITDA from Marketing Business and Bangchak Greenet Co.,Ltd

2/ EBITDA from Solar Power Plant Business, Bangchak Solar Energy Co.,Ltd. and its subsidiaries

3/ EBITDA from Bangchak Biofuel Co., Ltd. and share of profit/ (loss) from Ubon Bio Ethanol Co, Ltd

4/ EBITDA from Nido Petroleum Limited

5/ EBITDA from BCP Energy International Pte, Ltd. and its subsidiary

Total Sales Volume in each market category of the Company

Unit: Million Litre

Marketing Business	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Retail	713	777	782	10%	1%
Industrial	527	558	562	7%	1%
Total	1,240	1,335	1,344	8%	1%
Wholesale Business					
Petroleum traders in accordance with section 7	192	142	173	-10%	22%
Export	214	275	245	14%	-11%
Total	406	417	417	3%	0.1%
Total Sales Volume	1,646	1,752	1,761	7%	1%

Note: Total sales volume figures excluding the swap amount between petroleum traders in accordance with section 7 and the sales volume of crude



Analysis of the Consolidated Statement of Income

Unit: Million Baht

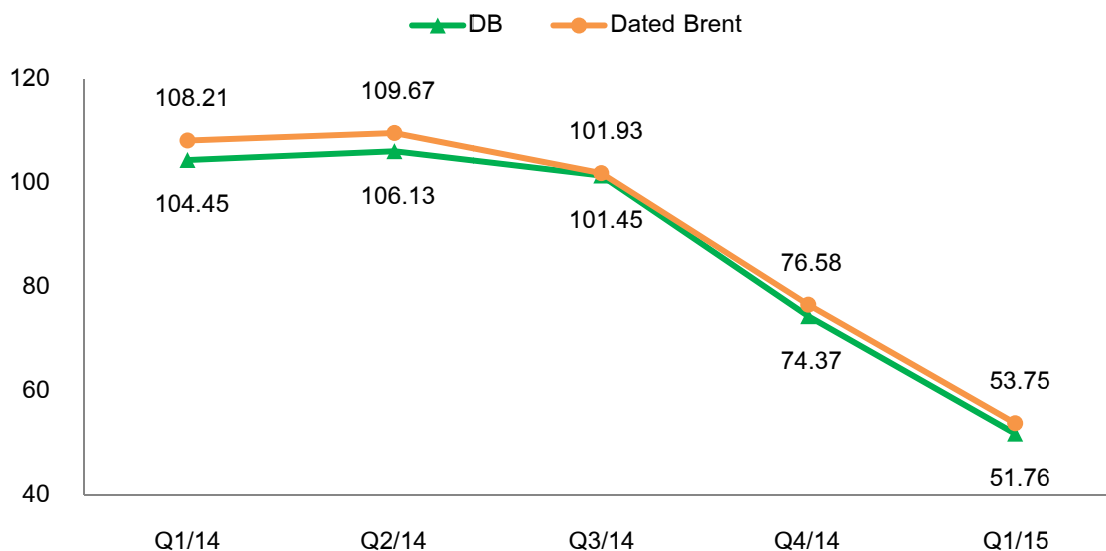
	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Revenue from sale of goods and rendering of services	49,657	45,749	39,445	-21%	-14%
Cost of sale of goods and rendering of services	(47,035)	(47,003)	(37,082)	-21%	-21%
Gross Profit	2,621	(1,255)	2,363	-10%	288%
Investment income and other income	89	379	104	17%	-73%
Selling and administrative expenses	(954)	(1,665)	(1,057)	11%	-37%
Gain from crude and product oil price hedging contract	90	150	(136)	-251%	-191%
Gain (loss) from foreign currency forward contracts	55	(2)	(5)	-109%	122%
Gain (loss) on foreign exchange	247	192	266	8%	39%
Reversal of allowance for loss/ (loss) from impairment of assets	1	(826)	11	891%	101%
Share of profit (loss) of associate	10	10	12	12%	12%
Profit before finance costs and income tax expense	2,160	(3,018)	1,558	-28%	152%
Finance costs	(264)	(403)	(411)	56%	2%
Profit/(loss) before income tax expense	1,896	(3,420)	1,147	-40%	134%
Income tax (expense) credit	(310)	914	(91)	-71%	-110%
Profit for the period	1,586	(2,506)	1,056	-33%	142%
Owners of the Company	1,562	(2,489)	1,037		
Non-controlling interests	24	(17)	19		
Earnings per share (Baht per Share)	1.13	(1.81)	0.75		



Summary of the Company and its subsidiaries' performance by Business unit

Refinery and Marketing Business Performance

Crude Oil Price Situation



Unit: \$/bbl

	Q1/2014	Q4/2014	Q1/2014			YoY	QoQ
	AVG	AVG	MAX	MIN	AVG	%	%
DB	104.45	74.37	59.50	42.00	51.76	-50.44%	-30.40%
Dated Brent	108.21	76.58	61.99	45.22	53.75	-50.33%	-29.81%
DTD/DB	3.76	2.21	4.78	-0.56	1.99	-47.19%	-10.14%

Average Dubai crude oil price in Q1/2015 was decreased by 52.69 \$/BBL from Q1/2014 because of the crude oil oversupply, especially from the shale boom in the U.S. while OPEC decided not to cut its oil production. Oil price fell to the lowest level in six years in January 2015. While in Q1/2014, oil prices have been driven by the unrest in the Middle East and concerns of the conflict between Russia and Ukraine.

In Q1/2015, an average Dubai crude oil price was decreased by 22.61 \$/BBL from Q4/2014 because of the oversupply in the market, after Non-OPEC producers, particularly shale oil producers in the U.S., continue their oil production at a high level. On the other hand, OPEC also maintained its production ceiling of 30 million barrels a day without any indication that it will cut production to stop the falling in oil price. U.S. crude oil stock has risen over the first quarter to a record high due to higher crude oil production, refineries turnaround and strike of refinery workers. Moreover, market has been under pressure from the expectations that political framework on Iran nuclear program would set the stage for a landmark nuclear agreement. Western sanctions would be lifted, allowing



Iran to resume its oil exports in the future. Oil price also dropped after the appreciation of the US dollar compare to other major currencies, especially Euro and Yen. US Dollar was boosted by the speculation that the Federal Reserve will start to raise its interest rate by this year, while the Euro fell to its lowest level in 11 years after the European Central Bank (ECB) announced the injection of one trillion euros to stimulate Eurozone growth and to battle with low inflation.

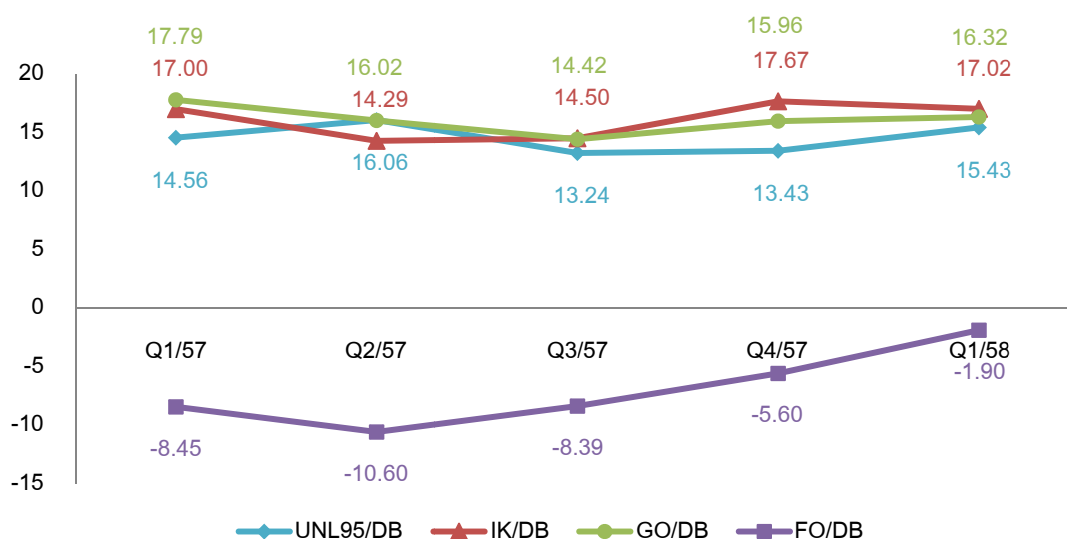
However, the oil price still had some supporting factors and started to slightly recover after major oil producers announced lower investments for the year 2015, while U.S. oil rig count has continued to decline, suggesting that the increase in crude oil production would be at slower pace this year. The oil price was also supported by the unrest in the Middle East and Africa (MENA), also the oil exports delay from southern Iraq terminal due to bad weather. Libya's oil production and exports were also uncertain because of the attack from the rebel groups. Lastly, Islamic insurgent groups attacks in Northern Iraqi and the combat in Yemen has created worries about the transportation of oil from the Middle East.

An average Dated Brent/Dubai (DTD/DB) in Q1/2015 was reduced by 1.59 \$/BBL when compared to Q1/2014, due to the unrest in Libya. Although the effect of the unrest on exports was around the same level as in Q1/2014, but the spread in Q1/2015 was also pressured by the lower crude oil price and the oversupply of the light crude oil.

In Q1/2015, an average DTD/DB was decreased by 0.04 \$/BBL from Q4/2014. The spread stayed around the same level from the previous quarter as the pressure from the crude oil oversupply was still remain. Shale oil productions in the U.S. continued to expand, resulting in lower light crude imports from Africa, which has the similar quality to U.S shale oil, to the U.S. Nonetheless, the spread has some supports from the higher crude oil demand in winter.



Crack Spreads Analysis



Unit: \$/bbl

	Q1/2014	Q4/2014	Q1/2015			YoY	QoQ
	AVG	AVG	MAX	MIN	AVG	(%)	(%)
UNL95/DB	14.56	13.43	20.60	10.00	15.43	5.97%	14.88%
IK/DB	17.00	17.67	19.03	14.52	17.02	0.12%	-3.68%
GO/DB	17.79	15.96	18.06	13.56	16.32	-8.26%	2.22%
FO/DB	-8.45	-5.60	0.64	-4.94	-1.90	77.52%	66.04%

- An average Gasoline 95 Octane/Dubai (UNL95/DB) in Q1/2015 was 15.43 \$/BBL, an increase of 0.87\$/BBL from Q1/2014 which was driven by a higher demand in the region due to lower oil prices. Gasoline demand rose to the new high record especially in India and China.

In Q1/2015, UNL95/DB was increased by 2.0 \$/BBL from Q4/2014. The spread had been driven by China's lower gasoline exports as demand increased during the Chinese New Year. In addition, The Western U.S. gasoline supply was tightened after a fire incident at the Fluid Catalytic Cracking unit (FCC) with production capacity of 100,000 barrels per day at the Exxon Mobil refinery in Torrance, California, resulted in gasoline imports from South Korea and Singapore. Moreover in March, refineries in Europe and Asia, especially in South Korea, India and Taiwan are all in the annual maintenance period, lowering the supply. The spread also rose as demand of Naphtha, a component of gasoline, increased in the first quarter, due to the delay of Naphtha shipment from Europe to Asia.

- An average of Jet (Kerosene)/Dubai (IK/DB) in Q1/2015 was 17.02 \$/bbl, an increase of 0.02 \$/BBL from Q1/2014 due to the extraordinary cold weather in the US, and the volume of air



travelling passengers in Asia which has increased due to the expansion of the middle class population in the region.

In Q1/2015, IK/DB was decreased by 0.65 \$/BBL from Q4/2014. The spread had been supported by higher Jet demands in transportation sector during travelling season and the Chinese Lunar New Year. Also Kerosene demands for heating were increased during winter, especially in Japan. Furthermore, as many refineries in the U.S. were unable to run during the severe winter, U.S. heating oil stock fell to the lowest level in 5 years. The U.S. had to import heating oil from Europe instead of the exporting it.

- An average of Gasoil/Dubai (GO/DB) in Q1/2015 was 16.32 \$/BBL, a decrease of 1.47 \$/BBL from Q1/2014. The spread has been under pressure from the start of two new refineries in the Middle East, including Yanbu refinery with capacity of 400,000 barrels per day in Saudi Arabia, and the extension Ruwais refinery with capacity of 417,000 barrels per day in the UAE. In the near future, Middle East gasoil demand/supply is expected to be balanced within the region. As such, gasoil will no longer need to be imported from Asia. In addition, oil demand in Asia was still weak, especially the mining sector in Indonesia, as well as transportation and industrial sectors in China.

In Q1/2015, GO/DB was increased by 0.35 \$/BBL from Q4/2014. The higher spread had been driven by the severe cold weather in the U.S. which has obstructed the production of some refineries on the east coast, and the protest of the workers in some U.S. refineries, of which production capacity accounted more than 20% of the total country's capacity. As a result, the U.S. had to import the Middle Distillates products from Europe. For the demand side in Asia, Vietnam's oil import from ASEAN countries had increased as a respond to a cut in oil product import duties from ASEAN started on January 1. In addition, China had reduced its gasoil exports as it turned to produce more jet fuel to meet the increasing domestic demand. Lastly, the increase in exports to Africa was also a factor boosting the spread.

- An average Fuel Oil/Dubai (FO/DB) was -1.90 \$/bbl in Q1/2015, an increase of 6.55 \$/BBL from Q1/2014 due to the crude oil price had dropped by more than 50% from the mid of 2014, while fuel oil demand for vessels in Asia had decreased due to the slowing down economy.

In Q1/2015, FO/DB was increased by 3.69 \$/BBL from Q4/2014. The spread had been driven by the increase in demand for electricity generation in South Korea and Japan during the winter season. In addition, fuel oil demand for vessels in China and Singapore was also higher from the increase in goods transportation during Chinese Lunar New Year. On the other hand, fuel oil arbitrage flows from western countries to Asia had slowed down because the shipping cost was higher, as VLCC vessel was booked as floating storage for crude oil after oil traders expected that oil prices may raise in the future.



1) Refinery Business

The table of Refinery business performance

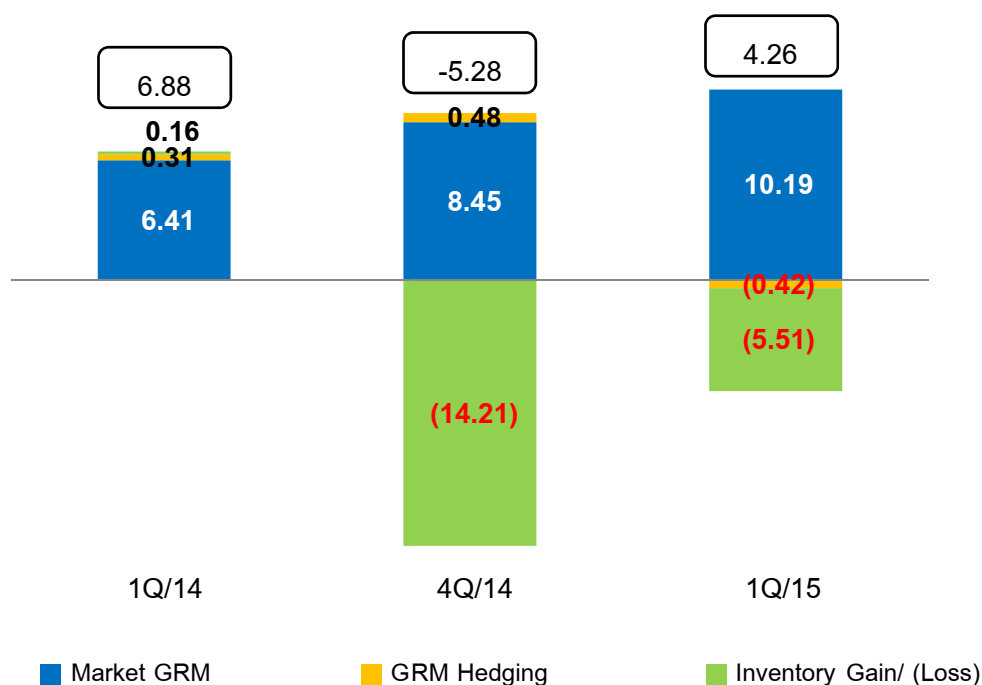
	Q1/2557	Q4/2557	Q1/2558	YoY (%)	QoQ (%)
Average Crude Run (KBD)	97.82	102.48	108.63	11%	6%
Utilization Rate (%)	82%	85%	91%		
Average FX (THB/USD)	32.80	32.85	32.80		

Unit: Million Baht

	Q1/2557	Q4/2557	Q1/2558	YoY (%)	QoQ (%)
Market GRM	1,851	2,617	3,267	77%	25%
GRM Hedging	90	150	(136)	-251%	-191%
Inventory Gain/ (Loss) ^{1/}	45	(4,400)	(1,655)	N/A	62%
Total GRM	1,986	(1,634)	1,476	-26%	190%
EBITDA	1,450	(2,369)	798	-45%	134%

Note: 1/ Inventory Gain/ (Loss) in Q4/2014 was included LCM of Baht 992 million, which the whole amount of LCM was reversed in Q1/2015.

Unit: USD/BBL





Comparison of Q1/2015 and Q1/2014 operating results

In Q1/2015, refinery had an average crude run of 108.63 thousand barrel per day, an increase of 11% from Q1/2014 due to high market GRM during the quarter; as a result of oversupply of crude oil which depressed crude price, while product spreads continued to be strong since last year. Consequently, high market GRM situation encouraged refinery to increase their crude run. Moreover, domestic oil demand increased from both industrial and retail sectors due to seasonal factor (high season) and an easing in domestic political situation which distressed economy last year.

Market GRM was recorded at Baht 3,267 million, an increase of 77% from the same period last year as a result of an increase in Fuel Oil/Dubai crack spread (FO/DB) which gained its benefit from the heavy drop in crude price. Gasoline/Dubai crack spread (UNL95/DB) was also benefited by the drop of crude price by which regional gasoline retail price drop created more demand. And also a decrease in crude cost from the narrower spread between Dated Brent and Dubai which was on the average of 1.99 \$/BBL in the quarter (Q1/2014: 3.76 \$/BBL) due to the oversupply of the crude oil as shale oil production in U.S. continued to expand which reduced its light crude import from Africa, of which quality is similar to shale oil. As a result, market GRM was high during the quarter.

Although there was a recovery in crude price from its lowest point in January, but the crude cost for Q1/2015 intake, partly, still reflected the price of crude from latter half of the year 2014 which was still higher than the current crude price, as a result, the Company recorded an inventory loss of Baht 1,766 million (included reversal of allowance for loss on decline in value of inventories (LCM) of Baht 992 million that incurred in Q4/2015). All in all, Refinery business recorded a total GRM of Baht 1,365 million (-31% YoY), and an EBITDA of Baht 798 million (-45% YoY)

Comparison of Q1/2015 and Q4/2014 operating results

Compared to Q4/2014, average crude run of refinery increased by 6% as the price of oil products continued to stay high from the end of year 2014 and also a high market GRM situation which encouraged refinery to increase their crude run.

As the majorities of the crack spreads continued to be strong during the quarter, especially Fuel Oil/Dubai crack spread (FO/DB) which improved by the demand from South Korea and Japan for their electricity generation during winter and Gasoline/Dubai crack spread (UNL95/DB) which increased from the previous quarter as demand from China increase, while gasoline supply from the west of the U.S. was tightened after a fire incidence in a refinery in California. Furthermore, crude cost for the quarter was slightly lower since the spread between Dated Brent/Dubai narrowed down to an average of 1.99\$/BBL (Q4/2015: 2.21\$/BBL). The decreased spread between Dated Brent/Dubai was due to the light crude oil oversupply from the continuously increasing U.S. shale oil production. As such, market GRM for Q1/2015 was Baht 651 million higher than the previous quarter (+25%).



Despite the recovery of the crude oil price during the quarter from the lowest point in January, part of the company's crude oil cost for 1Q/2015 was still reflecting the higher crude cost from the end of the 2014, resulting in the company's Inventory Loss for the quarter. However, there was a reversal of allowance for loss on decline in value of inventories (LCM) of Baht 992 million which incurred in Q4/2015, resulted in an increase in total GRM of Baht 2,998 million (+184%), and an increase in EBTDA of Baht 3,167 million (+134%) from the previous quarter.





2) Marketing Business and Bangchak Green Net Co., Ltd.

Sales volume in each market category of Marketing Business

Unit: Million Litre

	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Retail (Service Stations)	713	777	782	10%	1%
Industrial	527	558	562	7%	1%
Total	1,240	1,335	1,344	8%	1%

Sales volume in each product category of Marketing Business

Unit: Million Litre

	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
LPG	16	13	10	-36%	-22%
Gasoline	12	13	15	28%	20%
Gasohol	324	371	364	12%	-2%
Gasohol 91	127	148	149	17%	1%
Gasohol 95	83	93	97	17%	4%
Gasohol E20	80	79	77	-4%	-2%
Gasohol E85	34	50	40	20%	-20%
Jet Fuel	181	148	160	-12%	8%
Diesel	650	747	741	14%	-1%
Fuel Oil	43	34	43	-1%	25%
Lubricant	14	9	11	-21%	26%
Others	1	0.33	0.42	-32%	27%
Total	1,240	1,335	1,344	8%	1%

The table below shows details of Marketing Margin

Unit: Baht per Litre

	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Retail Margin (Service Stations)	0.95	0.93	0.95	0%	2%
Industrial Margin	0.30	0.32	0.48	63%	53%
Total Marketing Margin	0.67	0.67	0.75	12%	12%

Note: Marketing Margin figure was the attributable to the Company only.



Comparison of Q1/2015 and Q1/2014 Operating Results

In Q1/2015, marketing business had a total sales volume of 1,344 million litre, an increase of 104 million litre (+8%) from Q1/2014 from an increasing in crude run of the refinery, together with Thai economics in the first quarter of 2015 has started to recover especially in tourism sector as the Chinese and Malaysian tourists has continuously come to visit Thailand, resulting in the increase in demand of oil products while Thai economic in Q1/2014 was effected from political situation and the announcement of the state of emergency by Thai's government. diesel product sales volume was increased by 14% and gasohol products sales volume was increased by 12% from Q1/2015.

The sales volume through retail market was increased by 10% as it was the first priority market for the Company. In addition, a decline of oil price since the end of year 2014 was a supported factor for oil demand. In Q1/2015, diesel product sales volume was increased by 8% and gasohol products sales volume was increased by 11%, especially in gasohol 91 and gasohol 95 products which their price was reduced to be similar with other gasohol products, therefore, oil consumers has switched to use more of these products. Although, the number of service station was decreased from 1,065 stations in Q1/2014 to 1,050 stations in Q1/2015 as the Company had closed inefficient or low thrupt per service stations and continuously opened a new one which appealed more to customer together with improving quality and appearance of existing service stations to create thrupt per service station growth. Additionally, the Company still continuously expanded E20 and E85 service stations. In Q1/2015, there were 697 service stations selling Gasohol E20 (Q1/2014: 680 stations) and 208 service stations selling Gasohol E85 (Q1/2014: 107 stations).

Sales volume through industrial market was increased by 7%, which was mainly from diesel product as there were more demand of oil product from industrial and transportation sectors due to the recovery of Thai economics in Q1/2015. On the other hand, there was a temporary shutdown of other refinery in Thailand, resulting to a less finished oil production. Additionally, the continued sugar cane harvest season from end of year 2014 helped increased diesel sales volume.

In Q1/2015, Total Marketing margin was 0.75 Baht per litre, an increase of 12% from Q1/2014. Industrial margin was 0.48 Baht per liter, an increase of 63% from an increasing in industrial sales volume, and the easing of competition in industrial market. Retail margin was 0.95 Baht per litre, relative with the same period last year. All in all, marketing business had recorded an EBITDA of Baht 740 million, an increase of Baht 128 million (+21%).



Comparison of Q1/2015 and Q4/2014 Operating Results

When compared to Q4/2014, total sales volume of marketing business increased by 1% from an increase in refinery average crude run and the effect of long holidays (high season, Chinese holiday) which continued from the previous quarter. Retail sales volume slightly increased from diesel, gasohol 91 and gasohol 95 products. Industrial sales volume was also marginally increased from jet fuel as a result of an increase in number of flights from Q4/2014 of Thai Airways which was the main customer of jet fuel.

Total Marketing Margin increased by 0.08 Baht per litre (+12%). Industrial margin increased by 0.17 Baht per litre (+53%) as there was a temporary shutdowns of some units in domestic refineries, resulted in a decrease of supply in the market. Retail margin increased by 0.02 Baht per litre (+2%) Therefore, EBITDA increased by Baht 406 million (+121%) from Q4/2014. (Normally an operating and administrative expense during the fourth quarter was higher than others, resulted in a lower EBITDA during such quarter.)





Renewable Business Performance

3) Solar Power Business

Electricity Sales (Million kWh)	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Phase 1 (PPA of 38 MW)	18.14	17.25	16.93	-7%	-2%
Phase 2 (PPA of 32 MW)	20.32	19.79	18.99	-7%	-4%
Phase 3 (PPA of 48 MW)	0.67	30.27	29.04	N/A	-4%
Total	39.13	67.30	64.96	66%	-4%
Revenue (Million Baht)	456	780	752	65%	-4%

Comparison of Q1/2015 and Q1/2014 Operating Results

In Q1/2015, Solar Power Business recorded total revenue of Baht 752 million, an increase of Baht 296 million (+65%) as there were a fully operation of Solar Power Plant phase 1 and 2 (PPA of 80 MW) in Q1/2014, while there were a fully operation of a whole 3 phases (PPA of 118 MW) in Q1/2015 (Solar Power Plant phase 3, PPA of 48 MW, had commercialized its operation in April 2014). Total electricity sales were recorded at 64.96 million kWh, an increase of 25.83 million kWh (+66%) which were mainly from an increase in Solar Power Plant phase 3 of 28.37 million kWh. Therefore, Solar Power Business was recorded EBITDA of Baht 713 million, an increase of Baht 272 million (+62%)

Comparison of Q1/2015 and Q1/2014 Operating Results

In Q1/2015, total revenue was decreased by Baht 28 million from a decreasing in electricity sales of 2.35 million kWh (-4%). Total electricity sales were decreased due to a seasonal sun path and rainstorms in every area despite the higher irradiation of all 3 phases in Q1/2015, therefore, an EBITDA of 1Q/2015 was decreased by Baht 27 million (-4%)





4) Biofuel Business

In Q1/2015, Biofuel business recorded an EBITDA of Baht 81 million, which comprised of an EBITDA from Bangchak Biofuel Co, Ltd. of Baht 69 million and share of profit from Ubon Bio Ethanol Co, Ltd of Baht 12 million.

Table of biodiesel performance by Bangchak Biofuel. Co., Ltd

	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
Revenue (Million Baht)	1,422	1,535	1,235	-13%	-20%
Utilization Rate (%)	100%	102%	99%	-2%	-3%
Average Daily Production Rate (Thousand litre per day)	361	366	355	-2%	-3%
B100 Sales Volume (Million litre)	39	53	36	-7%	-32%
EBITDA (Million Baht)	100	89	69	-31%	-22%

Average Sales Price	Q1/2014	Q4/2014	Q1/2015	YoY (%)	QoQ (%)
B100	37.33	31.53	37.00	-1%	17%
Crude Palm Oil (CPO)	33.03	28.22	33.36	1%	18%

*Source: Department of Energy Business, Ministry of Energy.

Comparison of Q1/2015 and Q1/2014 Operating Results

In Q1/2015, Biodiesel business recorded a revenue of Baht 1,235 million, a decrease of Baht 188 million (-13%) from Q1/2014. Total B100 sales volume was decreased 3 million litre (-7%) from the government's policy of decreasing the portion of B100 mixing with diesel from 7% to 3.5% due to the shortage of crude palm oil production which was insufficient for the domestic demand. However, in Q1/2014 the government's policy of mixing B100 at 3.5% was effective for 42 days, while in Q1/2015 was 68 days. As a result, average daily production rate was decreased from 361 thousand litre per day to be 355 thousand litre per day (-2%) in Q1/2015, additionally, an average B100 sales price was slightly decreased, as well as the Glycerin sales volume and price dropped. (Average Glycerin sell price in Q1/2014: 11.20 Baht per Kilogram, Q1/2015: 6.9 Baht per Kilogram)

However, the gross margin in Q1/2015 was decreased when compared to Q1/2014 as the margin per unit of B100 decrease as well as margin per unit of Glycerin, also there was an inventory loss of Baht 13 million included reversal of allowance for loss on decline in value of inventories (LCM) of Baht 23 million. (Q1/2014: Inventory gain of Baht 2 million). Biodiesel Business recorded EBITDA of Baht 69 million, a decrease of Baht 31 million (-31%) when compared to the same period last year.



Comparison of Q1/2015 and Q4/2014 Operating Results

When compared Q1/2015 to Q4/2014, Biodiesel business recorded a decrease in revenue of Baht 300 million (-20%) from the government's policy of decreasing the portion of B100 mixing with diesel from 7% to 3.5% in Q1/2015 due to the drought in year 2014 effected to a shortage of crude palm oil production which was insufficient for the domestic demand, while the portion of B100 mixing with diesel in Q4/2014 was 7% for the whole period. Total B100 sales volume was decreased by 17 million litre (-32%) from the less order for B100 from the Bangchak Petroleum, who was the major buyer. As a result, average daily production rate was decreased by 3% from Q4/2014, as well as the Glycerin sales volume dropped.

From the tighten supply of crude palm oil situation during the quarter, an average selling price of crude palm oil (CPO) increased which widened the spread between crude palm oil (CPO) price and B100 price in Q1/2015 compared to Q4/2014. However, average selling price of crude palm oil (CPO) started to decline in the late of Q1/2015, as a result, there was an inventory loss of Baht 13 million included reversal of allowance for loss on decline in value of inventories (LCM) of Baht 23 million. (Q4/2014: Inventory loss of Baht 23 million) Therefore, biodiesel business recorded a decrease in EBITDA of Baht 20 million (-22%) from previous quarter.





5) Exploration and Production Business

In Q1/2015, Nido had completed its acquisition of Galoc Production Company WLL (GPC) for its 33% working interest in the Galoc oil field in Philippines. The transaction was completed on 17 February 2015, as such, Nido's interest in the Galoc oil field was increased from 22.88% to 55.88% and entitled itself as an operator of Galoc oil field. The GPC acquisition cost was USD 87.4 million (or Baht 2,876 million).

In the first quarter, Galoc oil field production was 585,900 barrels (224,826 barrels net to Nido), which was an average daily production of 6,510 barrels (average daily production of 2,498 barrels net to Nido)

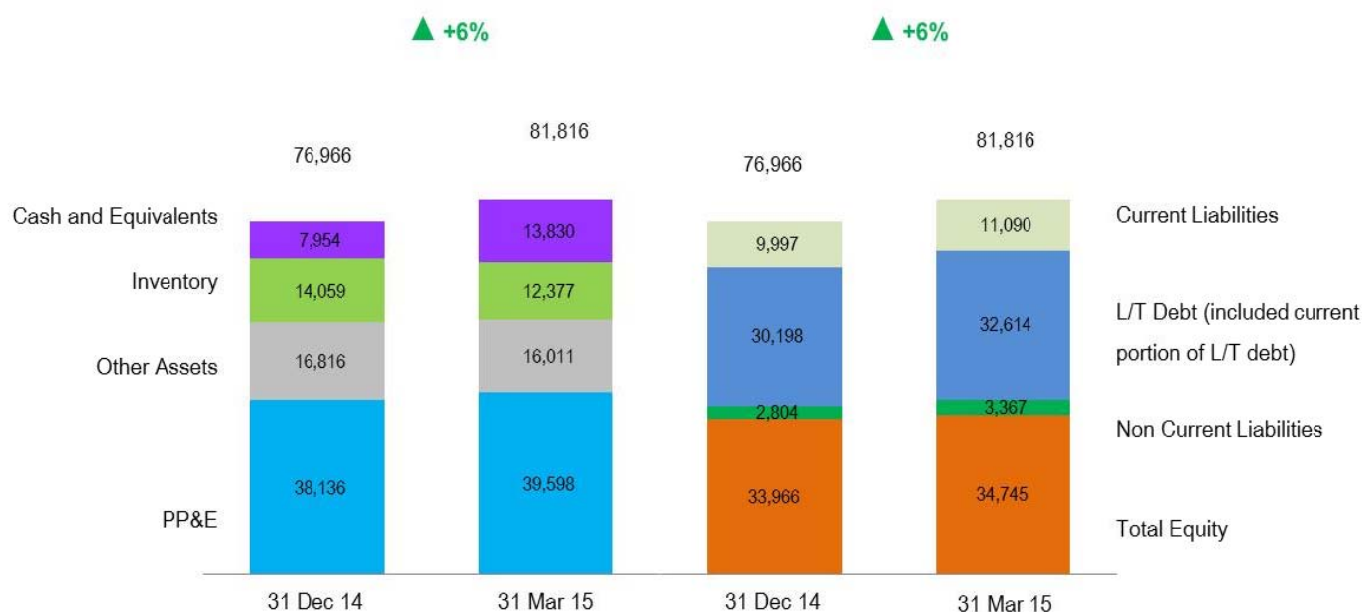
Exploration and Production Business recorded revenue of Baht 501 million from the sales of 2 cargoes of crude oil, in total of 682,515 barrels (268,804 barrels net to Nido). Therefore, in Q1/2015, EBITDA was recorded of Baht 28 million, an increase of Baht 15 million from the previous quarter.





Analysis of Financial Position of the Company and its subsidiaries (Consolidated)

Unit: Million Baht



Assets

As of March 31, 2015, Total Assets of the Company and its subsidiaries were Baht 81,816 million, an increase of Baht 4,851 million when compared to the end of 2014. The changes in assets were mainly from:

- Cash and cash equivalents was increased by 5,876 million (Details are stated under Analysis of the Cash Flow Statement)
- Trade Accounts Receivable was decreased by Baht 326 million from lower sales value in March 2015, compared to December 2014 due to the total sales volume and oil price reduction.
- Other Accounts Receivable was decreased by 208 million from the insurance compensation receivable of Baht 236 million in 2014, which received in 2015.
- Inventory was decreased by Baht 1,681 million as crude oil and finished oil products' price decreased. The crude oil and finished oil products increased from 4.98 million barrels in December 2014 to 5.09 million barrels in March 2015. In addition, there was a Lower of Cost of Market (LCM) of Baht 992 million in December 2014.
- Oil fuel fund subsidies receivable was decreased by Baht 625 million as the Company received cash from oil fuel fund subsidies. As at 31 March 2015 company has oil fuel fund subsidies receivable about 4 months (during December 2014 – March 2015), whereas at 31 December 2014, company has oil fuel fund subsidies receivable about 6 months (during July – December 2014).



- Property, plant and equipment was increased by Baht 1,462 million, from an assets in Galoc Production Company WLL (GPC) of Baht 1,906 million, an exploration and production of petroleum assets of Baht 188 million, refinery machinery and equipment of Baht 113 million, biodiesel plant machinery and equipment of Baht 192 million and depreciation of Baht 1,003 million.
- Intangible assets was increased by Baht 1,003 million from exploration and evaluation expenditure of Baht 1,041 million as Nido Petroleum Limited acquired the shares in Galoc Production Company WLL (GPC), additional investment of Baht 20 million and effect of movement in exchange rates of Baht 58 million.

Liabilities

As of March 31, 2015, Total Liabilities of the Company and its subsidiaries was Baht 47,071 million, an increase of Baht 4,071 million when compared to the end of 2014. The change in liabilities was mainly from:

- Trade Accounts Payable was increased by Baht 1,841 million, as some part of amount in December 2014 had been paid within the month, but the amount in March 2015 was due in the next month as normal. However, the value of crude oil and finished oil products in March 2015 were similar to December 2014.
- Long-term loans from financial institutions and Debenture (including current portion of long-term loans) was increased by 2,416 million from a Debenture Issuance of Baht 3,000 million and repayment of Long-term loans portion of Baht 514 million.
- Other current liabilities of Baht 2,469 million, an increase of Baht 585 million, mainly from provision for the decommissioning cost of Baht 318 million as Nido Petroleum Limited acquired the shares in Galoc Production Company WLL., and deferred tax liabilities of Baht 229 million.

Equities

As of March 31, 2015, Total Equity attributable to owners of the Company was Baht 34,114 million, an increase of Baht 807 million from Net Profit for the first quarter of Baht 1,037 million. Other component of equity (foreign currency translation differences for foreign operations) was Baht -230 million. Consolidated book value was Baht 24.78 per share.





Analysis of the Cash Flows Statement of the Company and its subsidiaries (Consolidated)

In Q1/2015, the Company and its subsidiaries had net cash received from operating activities of Baht 6,578 million, net cash used in investing activities of Baht 2,965 million and net cash received in financing activities of Baht 2,290 million. As a result, there was a net increase in cash and cash equivalents of Baht 5,903 million. Cash and cash equivalents on 1 January, 2015 was Baht 7,954 million and there was an effect of exchange rate changes on balances held in foreign currencies of Baht 28 million, when accounted for all activities. Cash and cash equivalents as of March 31, 2015 was Baht 13,830 million.

Details of cash received and used are as follows:

Unit: Million Baht

Cash Flows	31 March 2014	31 March 2015
Net cash received (used) from operating activities	(6,355)	6,578
Net cash received (used) in investing activities	(1,576)	(2,965)
Net cash received (used) in financing activities	5,901	2,290
Net increase (decrease) in cash and cash equivalents	(2,030)	5,903
Cash and cash equivalents at 1 January	6,527	7,954
Effect of exchange rate changes on balances Held in foreign currencies	-	(28)
Cash and cash equivalents at 31 March	4,497	13,830

Cash received and used details are as follows:

- 1) The Company and its subsidiaries had net cash received from operating activities of Baht 6,578 million, mainly from
 - Net cash received from operating activities of Baht 1,378 million which was from Net Profit of Baht 1,056 million added back Non-Cash Expenses of Baht 180 million, Finance Costs and Income Tax paid of Baht 502 million.
 - Cash used in the operating assets of Baht 4,742 million, mainly from a decrease in Inventory of Baht 2,870 million, a decrease in Trade Account Receivable, other Receivable of Baht 689 million and other Assets of Baht 1,183 million.
 - Cash used in operating liabilities of Baht 423 million, mainly from an increase in Trade Accounts Payable of Baht 1,498 million, a decrease in Other Payables of Baht 721 million and a decrease in Other liabilities of Baht 304 million.
 - Income Tax Paid of Baht 16 million.



- 2) Net Cash used in investing activities of Baht 2,965 million, mainly from
- Interest received of Baht 19 million.
 - Investment in property, plant and equipment of Baht 421 million which were from an investment in biodiesel plant machinery and equipment of Baht 192 million, refinery machinery and equipment of Baht 113 million and other of Baht 116 million.
 - Current investment of Baht 67 million.
 - Net cash outflow on acquisition of subsidiary of Baht 2,411 million as Nido Petroleum Limited acquired the shares in Galoc Production Company WLL.
 - Leasehold right of Baht 59 million.
 - Purchase of intangible assets of Baht 25 million.
- 3) Net cash received from financing activities of Baht 2,290 million, mainly from
- Debenture Issuance of Baht 2,996 million.
 - Short-term loan from financial institutional of company's subsidiaries of Baht 110 million.
 - Repayment of long-term loans of Baht 514 million.
 - Payment of Non-control Interest of Baht 30 million.
 - Financial costs of Baht 272 million.





Financial Ratios (Consolidated)

	Q1/2014	Q4/2014	Q1/2015
Profitability Ratios (%)			
EBITDA Margin	5.21%	-2.74%	5.91%
Profit Margin	3.19%	-5.48%	2.68%
Return on Equity (ROE) ^{1/}	11.38%	2.09%	0.53%
Return on Assets (ROA)	7.63%	2.29%	1.39%

	31-Mar-14	31-Dec-14	31-Mar-15
Liquidity Ratios (times)			
Current Ratio	1.91	2.86	2.88
Quick Ratio	0.88	1.61	1.86
Financial Policy Ratios (times)			
DSCR	4.10	1.93	1.59
Interest bearing Debt to Equity	0.77	0.92	0.97
Net Interest bearing Debt to Equity	0.64	0.67	0.55

1/ Profit and Total equity attributable to owners of the Company



Financial Ratios Calculation

▪ EBITDA Margin (%)	=	EBITDA / Revenue from sale of goods and rendering of services
▪ Profit Margin (%)	=	Profit attributable to owners of the Company / Revenue from sale of goods and rendering of services
▪ Return on Equity (%)	=	Profit attributable to owners of the Company (Yearly) / Total Equity attributable to owners of the Company (Average)
▪ Return on Assets (%)	=	EBIT (Yearly) / Total Asset (Average)
▪ Current Ratio (times)	=	Current Asset / Current Liabilities
▪ Quick Ratio (times)	=	(Current Asset – Inventory) / Current Liabilities
▪ DSCR	=	EBITDA (Yearly) / (Paid for long-term debt + Finance cost)
▪ Interest bearing Debt to Equity (times)	=	Interest bearing Debt / Total equity
▪ Net Interest bearing Debt to Equity	=	(Interest bearing Debt – Cash and cash equivalents – Current investments) / Total equity

Note:

1/ Average Total Equity attributable to owners of the Company

- Yearly = (Total Equity attributable to owners of the Company of the year before + Total Equity attributable to owners of the Company of this year) / 2
- Quarterly = (Total Equity attributable to owners of the Company of the quarter of the year before + Total Equity attributable to owners of the Company the quarter this year) / 2

2/ Average Total Assets

- Yearly = (Total Assets of the year before + Total Assets of the Company of this year) / 2
- Quarterly = (Total Assets of the Company of the quarter of the year before + Total Assets of the Company the quarter this year) / 2

3/ The numerator of ROE is defined as the Profit attributable to owners of the Company and have to be annualized.

4/ The numerator of ROA is defined as EBIT and have to be annualized.

5/ Interest Bearing Debt defined as Short-term loans + Long-term loans (including Current portion of long-term loans) + Debentures + Finance lease liabilities (including current portion of finance lease liabilities)



Environment Management Accounting (EMA)

Having the environmental concerns and social responsibilities, the Company has prepared the environmental management accounting report since 2005. The environmental cost accounting helps the Company to keep track with the information which is useful for enhancing the environmental management effectiveness, and resource utilization. The Environmental Cost Accounting report covers refinery business unit, Bangchak and Bang Pa-in Oil distribution Centre.

Unit: Million Baht

	Q1		Δ
	2014	2015	
Material Costs of Product Outputs : Consist of crude oil, ethanol, bio-diesel, chemical, energy and utilities in production	36,549	22,803	-13,745
Material Costs of Non-Product Outputs : Consist of slop and sludge oil, waste water, chemical surplus	28.31	9.91	-18.4
Waste and Emission Control Costs : Consist of maintenance cost of environmental control equipment and depreciation and other fees	46.37	96.75	+50
Prevention and Other Environmental Management Costs : Consist of monitoring and measurement cost, environmental management system expenses	2.64	1.32	-1.32
Total Expenses	36,626	22,911	-13,715
Benefit from by-product and waste recycling : The revenue realization from liquid sulfur, glycerin, waste paper	6.27	5.45	-0.82

In Q1/2015, total Expenses related to environment decreased by Baht 13,715 million which was mainly from a decrease in Material Costs of Product Outputs and Material Costs of Non-Product Outputs due to a reduction of crude oil price. Waste and Emission Control Costs and Prevention were increased by Baht 50 million due to an increase in depreciation of equipment, however, Benefit from by-product and waste recycling was decreased by Baht 0.82 million as a revenue from scrap metal decreased.