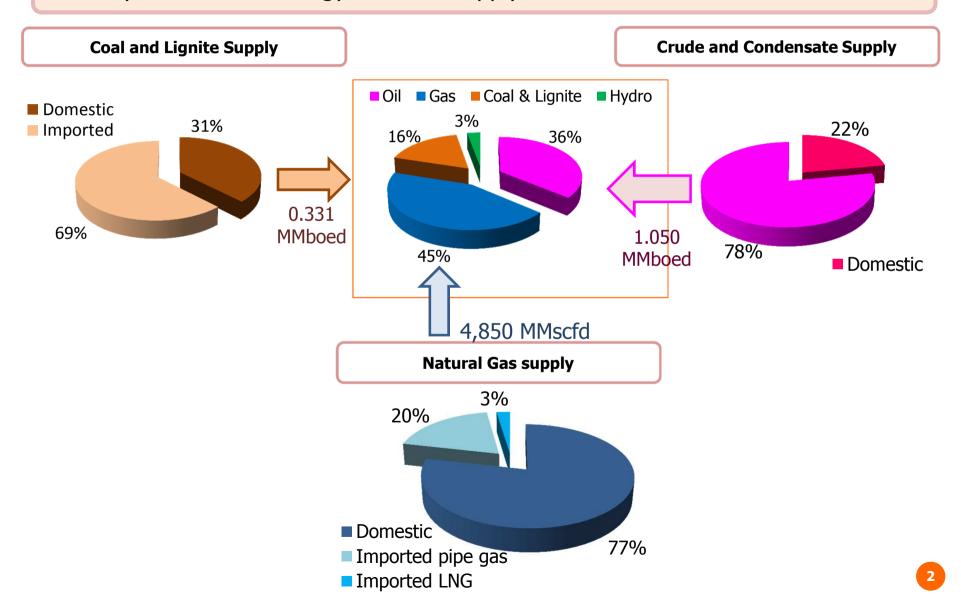
Thailand's Upstream Petroleum Business Overview





กระทรวงพลังงาน Thailand Energy Situation: Consumption and Supply

Primary Commercial Energy in 2012: Supply



Policy

MOEN Strategy 2012-2016

DMF Strategy 2011-2015

- 1. promote the energy industry to generate revenue
- **2.** Enhance national energy security
- **3.** Regulate energy prices
- **4.** Promote alternative energy
- **5.** Promote energy-saving and efficiency

Strategy 1

Enhance Energy Security

Strategy 2

Energy conservation and efficient energy consumption

Strategy 3

Develop substitute energy

Strategy 4

Regulate energy affairs and prices

Strategy 5

Promote income generation by the energy industry

Strategy 6

Organizational development.

Strategy 1

Enhance Energy Security through Domestic and Import Mineral Fuels Supply Management

Strategy 2

Promote Health, Safety and Environment Policy in E&P Activities

Strategy 3

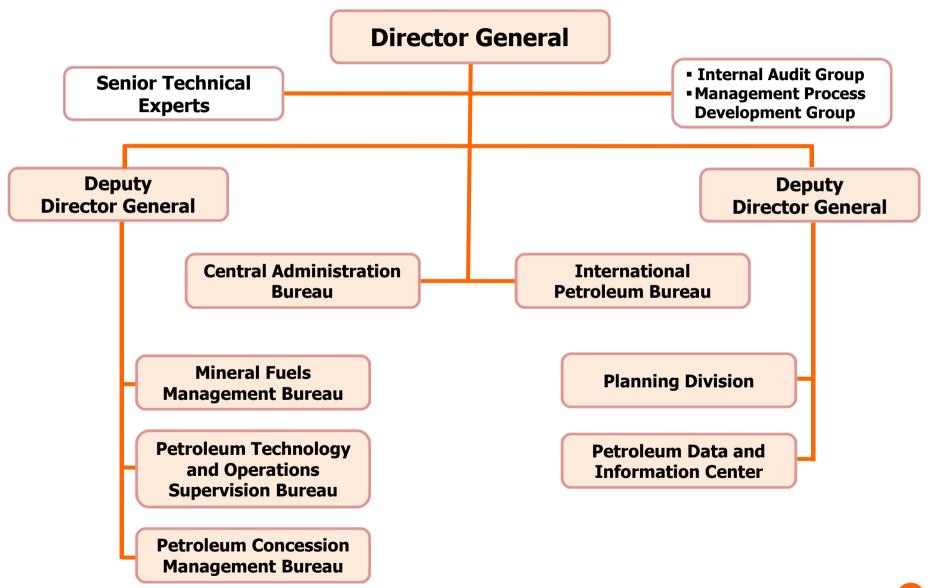
Aim to be a High Performance Organization with High Standard, Quality and Efficiency in Regulating E&P Activities

Strategy 4

Enhance Image and Gain Trust and Cooperation from all Sectors







Thailand Petroleum Laws and Regimes

- Petroleum Act B.E.2514 (1971AD)
- Petroleum Income Tax Act B.E.2514 (1971AD)

• Thailand I Regime : 1971-1989

• Thailand III Regime: 1989 - present

<u>Thai I</u>

Exploration Period (yrs) 3 + 5 + (4 ext.)

Thai III

3 + 3 + (3 ext.)

Production Period (yrs)

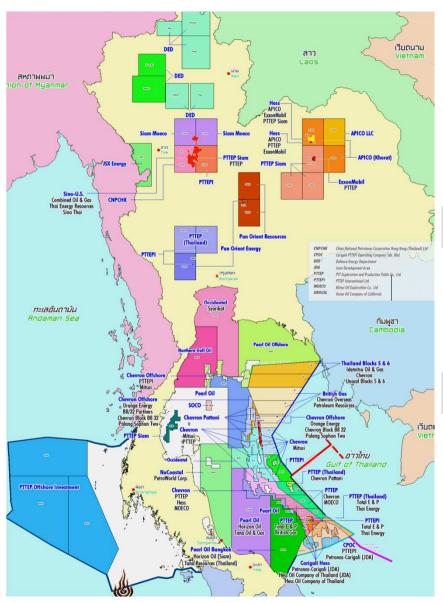
30 +10 (Ext.)

20 +10 (Ext.)

Government Take

- Royalty 12.5%
- Petroleum Income Tax 50%
- Royalty 5-15%
- Petroleum Income Tax 50%
- SRBs 0-75% on Windfall Profit

Present status of Thailand's Petroleum Concessions



- No. Bidding Round to date = 20 (since 2514 B.E.)
- **□** 53 Concessions 67 Blocks

*Including 6 inactive blocks

| | Production | Exploration |
|---------|------------|-------------|
| Onshore | 15 | 26 |
| GoT | 16 | 18 |
| Andaman | - | 2 |
| Total | 31 | 36 |

(GoT = Gulf of Thailand)



Thailand – Malaysia Joint Authority Act B.E. 2533 (1990AD)

Royalty : 10 %

Cost Recovery : 50 %

Profit Split : 50:50 (MTJA : Contractors)

Research Cess: 0.5 % (of Cost Recovery)

+ Contractor Profit Share)

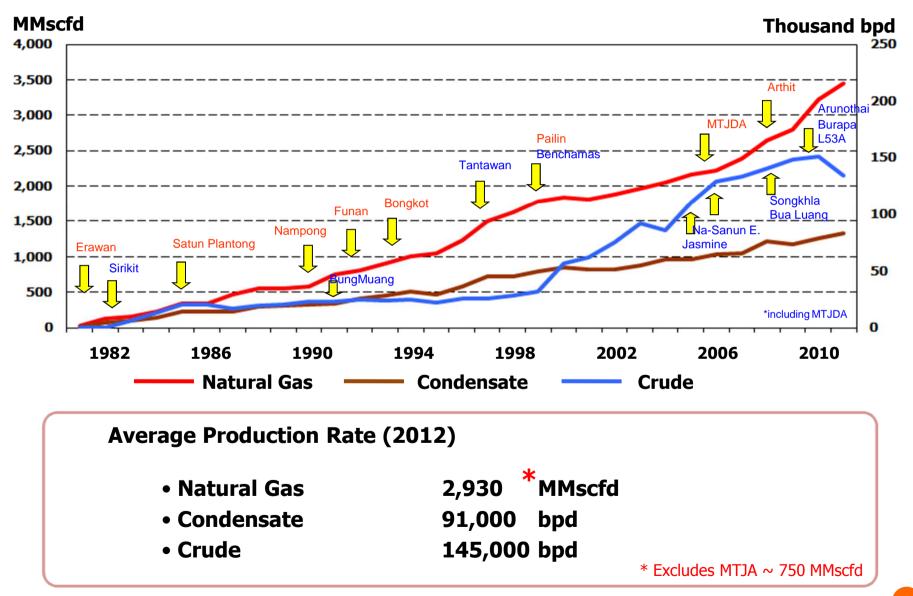
Export Duty
10 % (of Contractor Profit Oil Share)

Petroleum Income Tax

1st 8 yrs of production: 0 %Next 7 yrs of production: 10 %Subsequent yrs: 20 %

PSC Contract : up to 35 yrs.

Petroleum E&P Development in Thailand



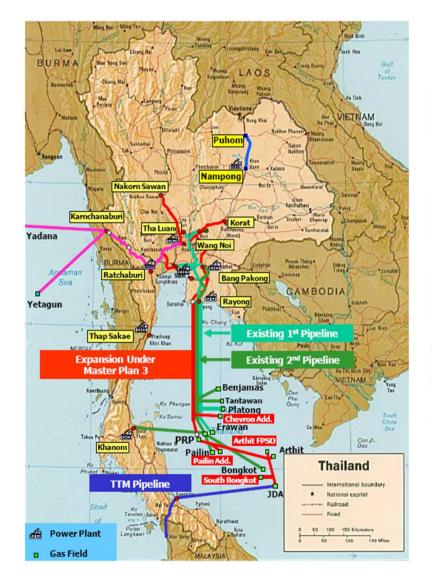


| TYPES | Proved Reserves (P1) | Probable Reserves (P2) | Total 2P (P1+P2) |
|---------------------------------|----------------------------|------------------------------|---------------------|
| Natural Gas | 10.06 | 10.79 | 20.85 |
| Condensate (Million Barrels) | 239 | 306 | 545 |
| Crude Oil (Million Barrels) | 215 | 383 | 598 |

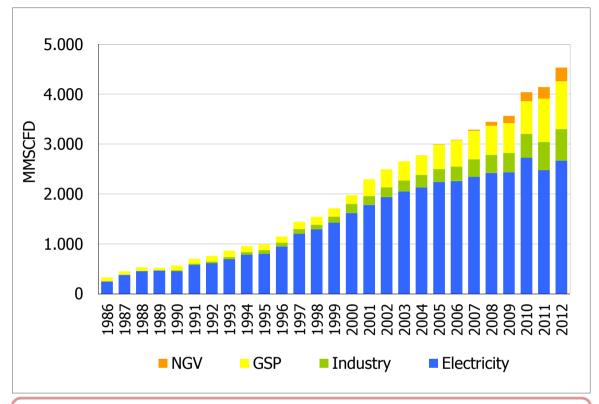
@ Dec 2011

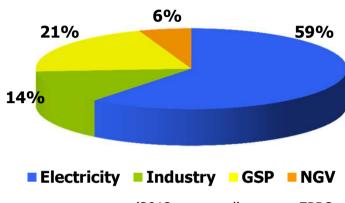






| Existing network (3,508 km.) | | | | | | |
|-------------------------------|-------|-------|-------|--|--|--|
| MMcfd | East | West | Total | | | |
| Capacity | 3,080 | 1,300 | 4,380 | | | |
| Trans Thai-Malaysia (363 km.) | | | | | | |
| Capacity | | | 1,020 | | | |
| Future Network (756 km.) | | | | | | |
| Capacity | 2,600 | 7,00 | 3,300 | | | |
| Total (4,264 km.) | | | | | | |
| Capacity | 5,680 | 2,000 | 8,700 | | | |





(2012 averaged) source: EPPO

Natural Gas utilization by sector (1986 – 2012)









THANK YOU



www.dmf.go.th