





## Cell: 19

## Comment: Rick Heede:

Petronas.com: "PETRONAS, the acronym for Petroliam Nasional Berhad, was incorporated on 17 August 1974 under the Companies Act 1965. It is wholly-owned by the Malaysian government and is vested with the entire ownership and control of the petroleum resources in Malaysia through the Petroleum Development Act 1974.

Over the years, PETRONAS has grown to become a fully-integrated oil and gas corporation and is ranked among FORTUNE Global 500's largest corporations in the world. PETRONAS has four subsidiaries listed on the Bursa Malaysia and has ventured globally into more than 32 countries worldwide in its aspiration to be a leading oil and gas multinational of choice.

Petronas is a national oil company with a broad portfolio of investments and production ventures both offshore eastern Malay Peninsula, the South China Sea, and offshore Eastern Malaysia on Borneo. The company has pursued shared production agreements (PSAs) with IOCs rather than nationalization, although the 1974 legislation that established Petronas also made the company the sole custodian of Malaysia's hydrocarbon reserves and the regulator of the national oil and gas sector.

Specific information on Petronas' ownership share or working interest in the many PSAs are not available to us, however, and we base Petronas production on a combination of Oil & Gas Journal estimates and on Petronas annual reports.

Shell and Esso /Exxon had to surrender their concessions in Malaysia and negotiate production sharing agreements, the details of which we do not have access and are not reported by Petronas. Lopez (2012, page 815-ff) reports some contractual information regarding the minority interests taken by Petronas Carigali (the exploration arm of Petronas); the first PSA (with Shell, signed in 1976) accorded a cost recovery of 20 percent (25% for gas), 10 percent royalty, and the 70 percent remainder split 70:30 in Petronas favor. Carigali was typically "grafted on" as a minority partner, with the IOCs (chiefly Shell and Exxon) until the late 1990s when Petronas was able to negotiate more favorable contracts with higher equity participation.

Lopez, Leslie (2012) Petronas: reconciling tensions between company and state, in Victor et al, eds, Oil and Governance, pp. 809-835.

Bowie, Paddy (2001) A Vision Realised: The Transformation of a National Oil Corporation, Orillia Corporation Sdn Bhd, Kuala Lumpur, 425 pp.

von der Mehden, Fred, & Al Troner (2007) "Petronas of Malaysia," in: The Changing Role of National Oil Companies in International Energy Markets, James Baker III Institute for Public Policy, Rice University, 2 March 2007.

## Cell: M9

## Comment: Rick Heede:

Petronas was founded on 17Aug1974. Wholly owned by the Government of Malaysia, the corporation is vested with the entire oil and gas resources in Malaysia. Wiki, Apr12.

Petronas has, since its founding, pursued a strategy of signiing production sharing agreements rather than outright nationalization.

See Lopez, 2012, for Petronas history. Lopez, Leslie (2012) Petronas: reconciling tensions between company and state, in Victor et al, eds, Oil and Governance, pp. 809-835.

## Cell: E12

## Comment: Rick Heede:

Total net worldwide crude oil plus natural gas liquids produced by each company or state-owned enterprise. Where data is available, we list gross production (before royalty production is netted out). More often, however, oil companies report production net of royalty production. Crude production includes natural gas liquids (NGL) unless noted.

## Cell: 112

### Comment: Rick Heede:

Natural gas is typically reported as dry gas; natural gas liquids are reported under crude oil. Carbon dioxide is normally removed from the gas flow at the production site (see "Vented Carbon Dioxide"). "SCM/d" = standard cubic meters per day. "cf/d" = cubic feet per day.

Net production typically excludes a number of diverted gas streams. Quantities and fractions vary; ExxonMobil's exclusions are probably typical of the industry: "Net production available for sale quantities are the volumes

withdrawn from ... natural gas reserves, excluding royalties and volumes due to others when produced, and excluding gas purchased from others, gas consumed in producing operations, field processing plant losses volumes used for gas lift, gas injections and cycling operations, quantities flared, and volume shrinkage due to the removal of condensate or natural gas liquids production." ExxonMobil Corporation (2004) 2003 Financial and Operating Review, www.exxonmobil.com, p. 55.

### Cell: F25

# Comment: Rick Heede:

US Bureau of Mines (1971) International Petroleum Encyclopedia, p. 37, shows oil production for 1959-1969, in million bbl per year.

# Cell: D34

# Comment: Rick Heede:

Energy Information Administration International Energy Statistics, World Production of Crude Oil, Lease Condensate, & NGPL, 1980-2010.

EIA, Crude Oil production (excluding NGL, and other liquids), for 1970-1980.

# Cell: E36

# Comment: Rick Heede:

FIA annual oil, condensate, and NGPI's for 1980-2010 converted to million bbl per year.

# Cell: F38

# Comment: Rick Heede

See cell H62 for calculation of Petronas' average oil production of Malaysia's total from 1987 to 2010 (90.35 percent). While international oil companies produce oil in Malaysia, Petronas also produces oil outside the country. This percentage is applied to total Malaysian oil production for 1974 (when Petronas was established) to 1986. After 1986 we ue Oil & Gas Journal estimates of Petronas production

# Cell: B40

# Comment: Rick Heede:

Petronas was formed on 17 August 1974 as a national oil company whollyowned by the government of Malaysia.

## Cell: 140 Comment: Rick Heede:

U.S. Bureau of Mines (1976) Minerals Yearbook 1976, Natural gas, Koelling, Gordon W.; Fanelli, Leonard L. pp. 847-888. Table 26, page 888. Data for 1974-1976. Gas data not available for 1977-1979.

# Comment: Rick Heede (Jan10):

Energy Information Administration International Energy Statistics for 1980 to 2005, Crude Oil, Lease Condensate, & NGPLs, (Thousand Barrels per Day) for Malaysia. Details reproduced on page 2.

# Cell: F53

## Comment: Rick Heede:

Petronas oil production 1987-2005 from Oil & Gas Journal, OGJ1000, various years.

# Cell: G53

# Comment: Rick Heede:

This is the calculated percentage of Petronas' oil production of Malaysia's total production (EIA data). However, this is not a significant indicator in Petronas' case inasmuch as the company produces ~40 percent of its oil abroad in Kazakhstan, Iran, and Iraq, Sudan, and elsewhere.

## Cell: J64

# Comment: Rick Heede:

Discontinuity in OGJ100 reports not explained.

## Comment: Rick Heede:

2010 AR pdf pg 36 shows Petronas domestic production of oil & condensates for 2006-2010 in k bbl /d. (see pg 35 for Malaysia's prodn, also shown in column M at right.).

CMS adds international oil production (incl condensates) from Petronas Annual Report 2010, page 38. International production has risen from 27.1 percent of total in FY2006 to 36.5 percent in FY2010. 2010 crude + condensates: 449.0 k bbl /d (domestic) + 264.5 k bbl /d (international) = 713.5 k bbl /d = 260.4 million bbl.

# Cell: F72

## Comment: Rick Heede:

CMS cites Petronas AnnRpt data for 2006-2010. Estimates for 1987-2005 are from OGJ 100, various years

Petronas AnnRpt 2010 page 35 states that Petronas produces 68.2 percent of Malaysian total oil in FY2010 (and 70.4 percent in 2009).

CMS has not adjusted prior years' OGJ estimates, since we do not have supporting data.

Note also that the production data for 2008 cited in Hults & Thurber, 2012, (see bleow, page 2) for "working interest production" is 195 million bbl. Compare Petronas' own production report of 282 million bbl. We do not have access to the Hults & Thurber cited data from Wood Mackenzie, and can only assume it includes Petronas domestic and foreign production, as well as crude plus NGLs, but we cannot confirm this.

## Cell: H72

## Comment: Rick Heede:

2010 AR pdf pg 36 shows Petronas domestic production of natural gas for 2006-2010 in k BOE/day.

OilGasOxy\_Shell.xls

CMS adds international oil production (incl condensates) from Petronas Annual Report 2010, page 38.

2010 natural gas: 662 k BOE /d (domestic) + 375.1 k BOE /d (international) = 1,037 k BOE /d = 2,271 Bcf. CMS uses 6,000 cf per bbl.

Cell: P72

# Comment: Rick Heede:

2010 AR pdf pg 35; average production per day, thousand boe per day

Cell: F73

# Comment: Rick Heede:

World Bank, 2008b page 95, reports Petronas oil production as 1,682,000 bbl per day (614 million bbl) in 2007. "For the fiscal year ended 3/31/07 Petronas reported proven domestic reserves of 5.4 million barrels of oil and 86 TCF of gas reserves which represents 100% of Malaysia's reserves. Petronas reported domestic production of 1.1 MMB0E/D for 2007 down 3% from 2006. 55% of its domestic production is natural gas. Petronas accounts for 77% of Malaysia's oil production and 65% of its gas production. Foreign and private companies operate pursuant to production sharing contracts (PSAs) negotiated and administered by Petronas. ExxonMobil is the largest oil producer of the private/foreign companies. Exploration activities are currently focusing on offshore deepwater prospects. Petronas is a net exporter of oil and gas focusing on Asian markets. For fiscal 2007, Petronas reported international reserves of 2.6 million barrels of oil and 22 TCF of gas representing 33% and 20% of the company's oil and gas reserves respectively. International production for fiscal 2007 was 582 MBDE/D up 35% from 2006. International production accounts for 34% of Petronas' total production. Petronas operates in more than 20 countries including Vietnam, Myanmar, Indonesia, Sudan, Iran, Chad, Egypt, Pakistan, Thailand, Russia, India and Turkmenistan. Most international investment is carried out by Petronas Carigali and has an upstream focus."

World Bank (2008b) A Citizen's Guide to National Oil Companies, Part B: Data Directory, World Bank, Washington, & Center for Energy Economics, Bureau of Economic Geology Jackson School of Geosciences University of Texas, Austin, 764 pp.

THe World Bank reported production (Petronas data) conflicts with Petronas' reported production in its annual reports. CMS relies on Petronas data. Note also that the WB data conflicts with Wood Mackenzie "working interest production" for 2008 (195 million bbl); see cell E84 for details.

Cell: J73

# Comment: Rick Heede:

World Bank, 2008b, page 95, reports Petronas gas production as 1.3 Tcf (domestic) and 709 Bcf (international).

Cell: M73

## Comment: Rick Heede:

AR2010 pdf pg 35; thousand boe per day "Malaysia average production," crude oil+condensates. Petronas prodn on pdf pg 36, listed in column D.

Cell: 075

# Comment: Rick Heede:

Oil & Gas Journal OGJ100 3Oct2011, page 48, for 2009-2010.

CMS note: OGJ apparently only shows Petronas domestic production and ignores substantial international production.

Cell: D76

## Comment: Rick Heede

Higher LNG sales volume of 26.1 million tonnes, with 22.8 million tonnes contributed by the PETRONAS LNG Complex and 1.9 million tonnes contributed by Egyptian LNG, while an additional 1.4 million tonnes were from trading activities. Produced 9.7 million tonnes of petrochemical products, a 5% increase from the 9.2 million tonnes produced in the previous year, resulting from the first fullyear operation of our Mega Methanol plant as well as improved operational performance. Attained a total production of 1.75 million boe per day, amid a higher contribution from international acreages, which accounted for 639.6 thousand boe per day or 36.5% of the Group's total production, Petronas (2011) Annual report 2010, page 26.

PETRONAS' share of Malaysia's production for the year, inclusive of PETRONAS Carigali's domestic production, amounted to 1.1 million boe per day or 68.2% of total average national production, a decrease from the previous year's share of 70.4%. This reflected lower production entitlements due to higher cost recovery by Product Sharing Contractors amid lower average oil prices for the year in review. Petronas (2011) Annual report 2010, page 35.

2010 AR pdf pg 36 shows Petronas domestic production of oil & condensates for 2006-2010 in k bbl /d. (see pg 35 for Malaysia's prodn, also shown in column M at right.). CMS adds international oil production (incl condensates) from Petronas Annual Report 2010, page 38. International production has risen from 27.1 percent of total in FY2006 to 36.5 percent in FY2010. 2010 crude + condensates: 449.0 k bbl /d (domestic) + 264.5 k bbl /d (international) = 713.5 k bbl /d = 260.4 million bbl.

Cell: M80

# Comment: Rick Heede:

Petronas AnnRpt 2015 only provides combined entitlement production of Oil and natural gas. Thus we calculate the oil share of entitlement production in 2016 (from AnnRpt 2017) and apply this factor -- 37.2% -- to 2014 and 2015 combined O&G entitlement production.

Cell: D82

## Comment: Rick Heede:

Petronas AnnRpt 2017, page 8; production 2016 totaled 939 kbpd, of which 668 kbpd entitlement.

Cell: H82

# Comment: Rick Heede:

Petronas AnnRpt 2017, page 8; production 2016 totaled 1.424 kboepd, of which 1.126 koeppd entitlement.

Cell: D84

# Comment: Rick Heede:

PETRONAS Group (2019) Financial Results Announcement, Q4 and Year Ended FY2018, slide 5. https://www.petronas.com/ws/sites/default/files/downloads/Financial Operational Report Year Ended 31 December 2018 (FY2018).pdf

Cell: H84

# Comment: Rick Heede:

PETRONAS Group (2019) Financial Results Announcement, Q4 and Year Ended FY2018, slide 5. "entitlement natural gas production (1,092 kboepd) converted to Bcf at 6,000 cf per bbl.

Cell: K171 Comment: Rick Heede

Source: U.S. Geological Survey (~1997) Maps Showing Geology, Oil and Gas Fields, and Geologic Provinces of the Asia Pacific Region, Compiled by Douglas W. Steinshouer, Jin Qiang, Peter J. McCabe, & Robert T. Ryder, Open- File Report 97-470F, U.S. Dept of Interior, Reston. pubs.usgs.gov/of/1997/ofr-97-470/OF97-470F/aspac.PDF

Cell: D280

# Comment: Rick Heede:

Wako, Yoshiaki (2007) "The Secrets of Petronas' Success," Nippon Oil Research Institute; in: The Changing Role of National Oil Companies in International Energy Markets, Baker Institute for Public Policy, Rice Univ., 2 March.

Cell: P291

Comment: Rick Heede:

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