

# PETROLIMEX GROUP OVERVIEW AND LNG PLAN **July 2018**

Prepared by: Ngo Minh Tu (Mr)
Investment & Strategy Division
Board of Management
VietNam National Petroleum Group (Petrolimex)



## PETROLIMEX – GROUP OVERVIEW

#### **KEY MILESTONES**

Establishment of

1995-1997

1999-2005

2010

2011

2014

2016

2017

Oil. Lubricant and **Grease Corporation** 

1956

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

Equitization of 18 indirect petroleum-trading companies and enterprises

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

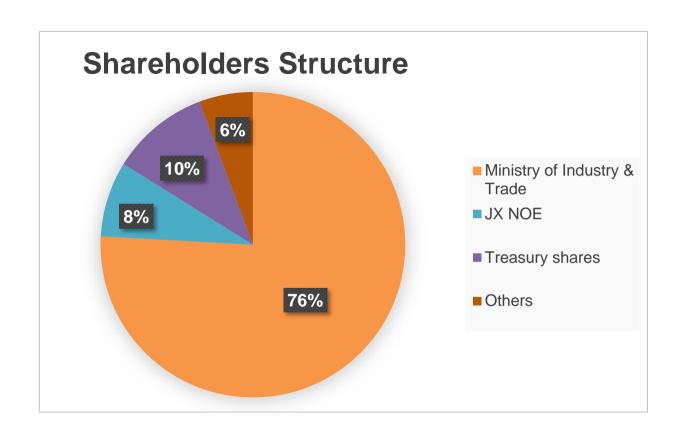
Equitizing and restructuring of Petrolimex to form the Group according to Prime Minister's approval

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

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

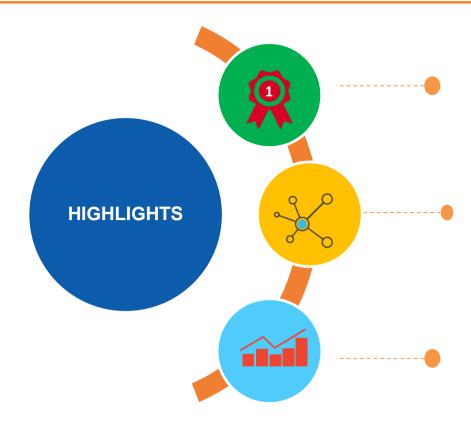
Listed on Ho Chi Minh Stock Exchange (HOSE) and sold 20 million treasury shares

#### **SHAREHOLDERS STRUCTURE**



Over 80 foreign institutional investors are current shareholders after 12 months listed in Hochiminh Stock Exchange (ticker: PLX).

#### **OUR DIFFERENCES**



#### **Market leader position:**

- ✓ No #1: Oil and fuel distribution (> 50% market share)
- √ No #1: Oil and lubricants, asphalt

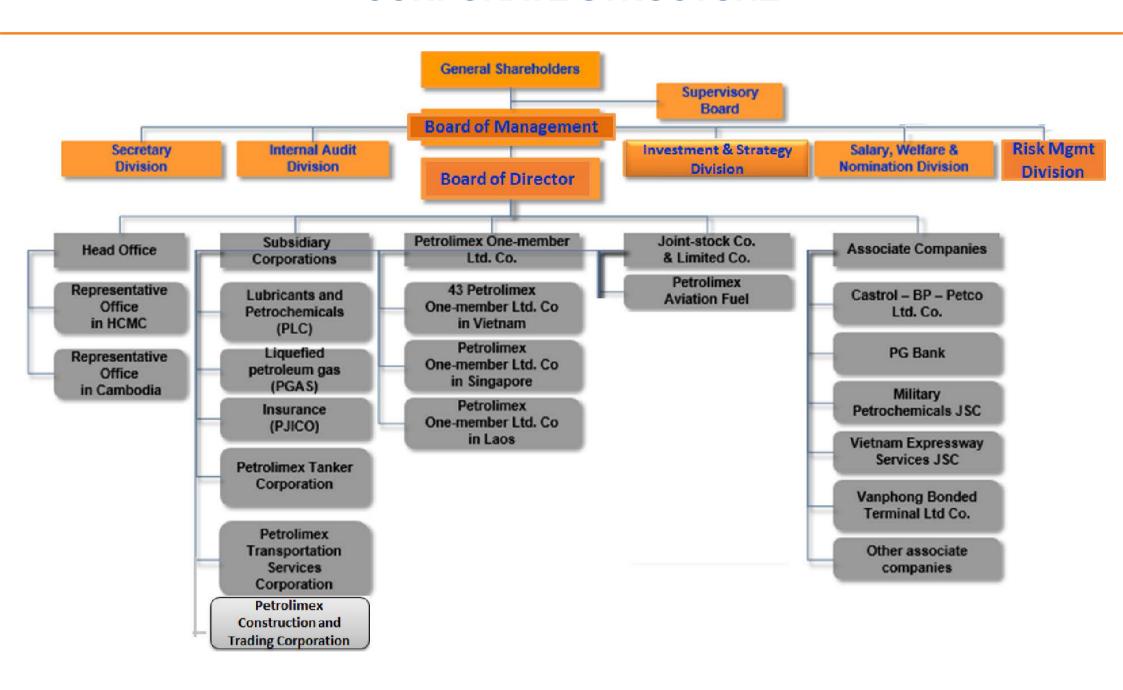
#### Dominant distribution network & facilities:

- ✓ The largest retail network with efficient operation
- ✓ Nationwide storage and port system with large capacity and ideal location
- ✓ Unique pipeline system

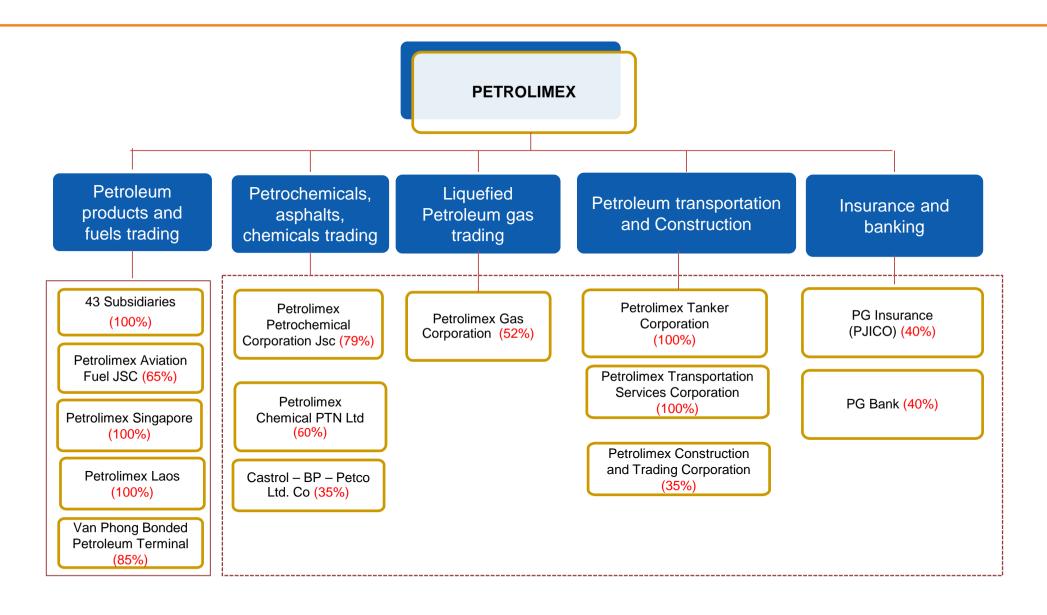
#### **Healthy and profitable financials**



#### **CORPORATE STRUCTURE**



#### **BUSINESS MODEL - SEGMENTS**



#### **BUSINESS MODEL - VALUE CHAIN**

#### **Supply sources**

- PetrolimexSingapore
- 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 companyowned petroleum stations
- 2,800 petroleum station agents



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

**Related products** 

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



seaway, road transport and pipelines from oil terminals to final points.

#### STRATEGIC PARTNER JX

### **JX Nippon Oil & Energy**



- 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



- 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



- 11.000 service stations located across Japan branded ENEOS with 43% market share
- 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%.

#### POSITION IN THE MARKET



**50**%



Total capacity of terminal and storage system:

2.245.000m<sup>3</sup>



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 OF PETROLIMEX

- 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



#### VAN PHONG BONDED PETROLEUM TERMINAL

- A geographically unique advantage:
  - 14km from the main international sea route.
  - 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.





#### 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.

#### TRAINING AGENDA PROPOSAL

- 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

