FY 2017 Analysts and Investors Briefing

Pilipinas Shell Petroleum Corporation

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FY17 results in line with key strategies

Robust financial performance

- EBITDA adjusted for COSA: **+19%** y/y to **PHP 12.1B**
- Cash flow from operations: **+29%** y/y to **PHP 10.9B**

World-class fuels and effective marketing strategies

- Retail network sales volume **+4%**
  - V-Power sales: **+17%** in Diesel, **+7%** in Gasoline
- **27%** Premium Fuel Penetration
- Double digit growth in Non-Fuels Retailing business
- Commercial sales volume **+1.2%**

Leverage on a reliable and efficient E2E supply chain

- **NMIF cost savings** reaches $9M vs $5-6M estimate

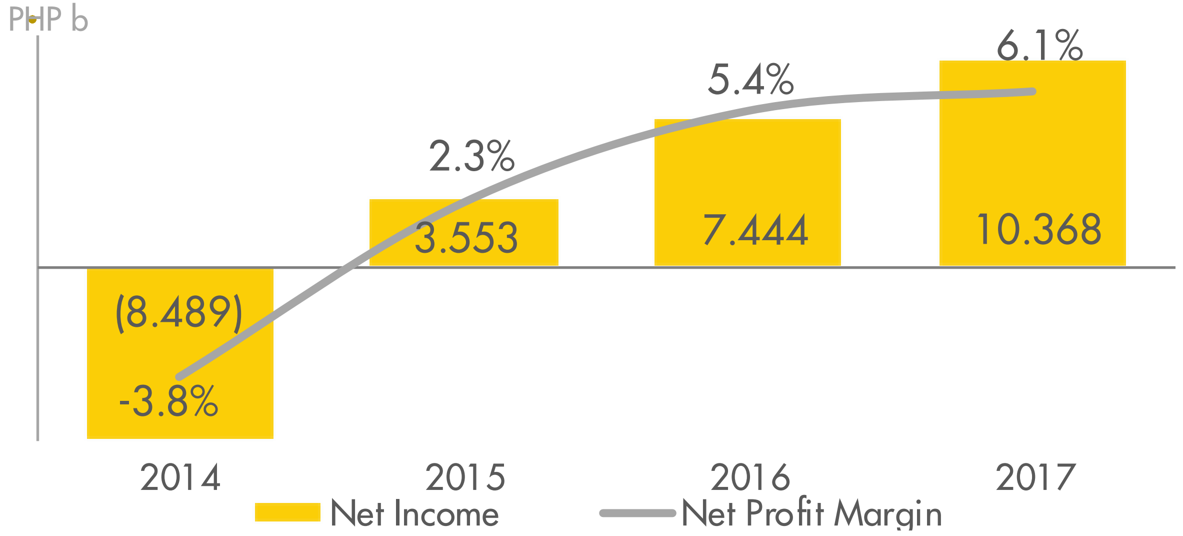
Leading Corporate Governance & World class talent development

- Shell ACTS (A Community That Shares)

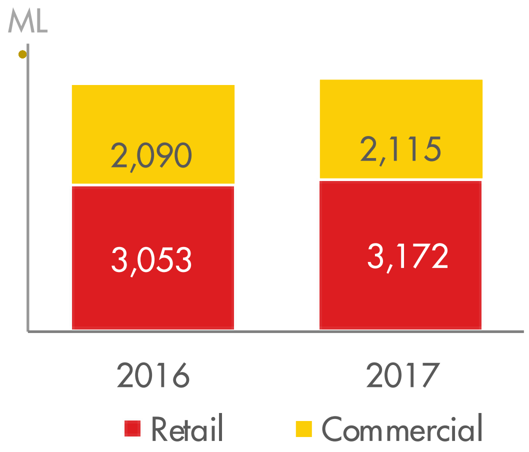
Net income surges by 39% vs PY; demonstrates strong recovery from planned refinery turnaround

Marketing Volumes delivers 2.8% growth in FY17 rebounding from 4% decline in 1Q17

Continuous upside trend on net income and net profit margin



Marketing Sales Volume up by 2.8%

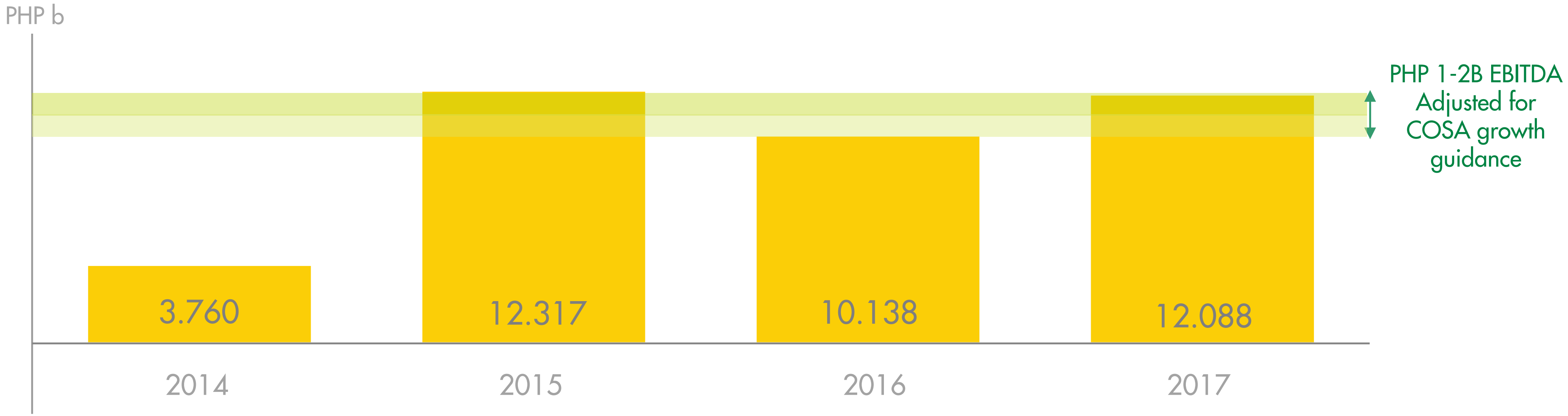


Delivery from Marketing Businesses
- Retail volume +4%; premium fuel penetration at 27%
- Commercial grows Wholesale and Aviation sectors

Delivery from an efficient supply chain
- Refinery captured high GRM despite planned turnaround
- NMIF reaped cost savings >50% FY estimate

Delivery from Corporate
- Won abandonment case, reverses P1B provision
- Enjoyed c.P847M income tax holiday benefit from Euro 4 upgrade

EBITDA adjusted for COSA up by 19% vs PY; meets earnings growth guidance



2014
- ↑ Retail sales volume growth
- ↑ Commercial sales volume growth
- ↓ Increased logistics and transshipment costs due to public infrastructure damage caused by Typhoon Glenda

2015
- ↑ Retail sales volume growth
- ↑ Improved margins from network rationalization
- ↑ Strong refining margins
- ↓ Refinery EURO 4 upgrade

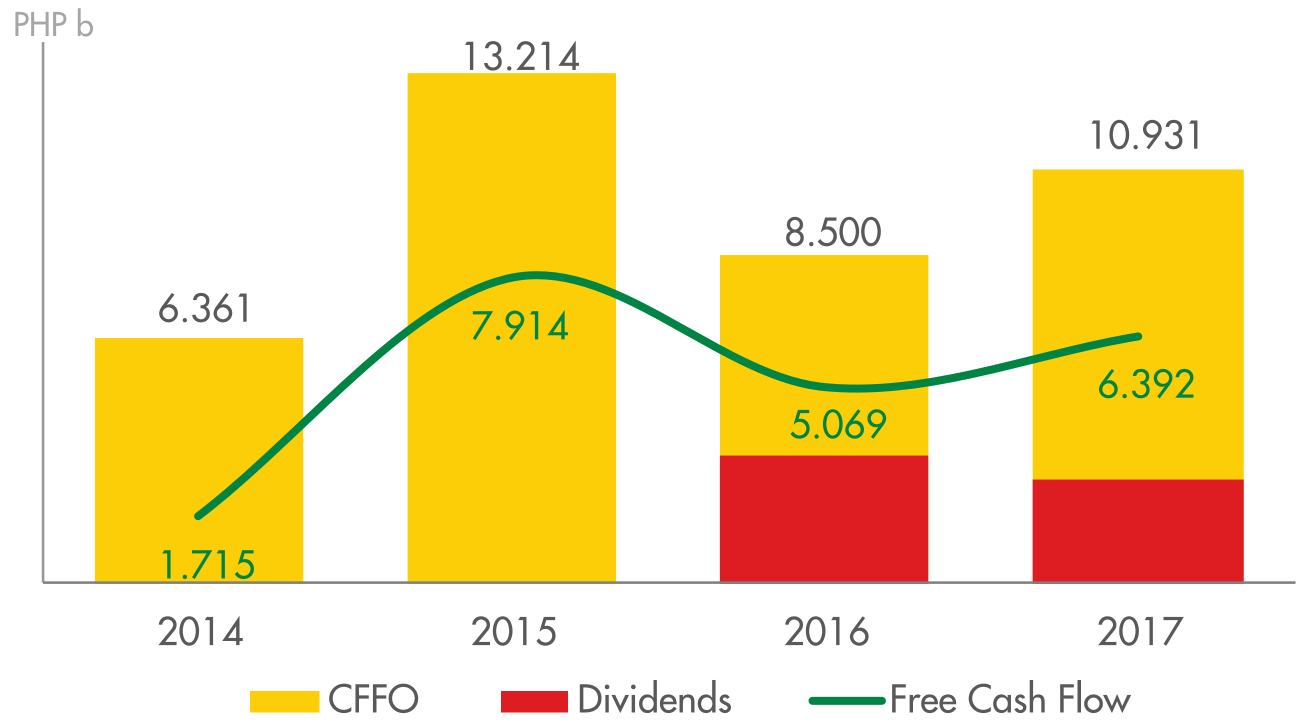
2016
- ↑ Increase in premium fuel penetration; network growth
- ↓ Unplanned refinery shutdown
- ↓ Weaker refining margins

2017
- ↑ Retail sales volume growth; premium fuel penetration
- ↑ Strong refinery margins
- ↑ Crude abandonment provision reversal
- ↓ Planned refinery preventive maintenance shutdown

Prospective investors are cautioned that Cost of Sales Adjustment (COSA)and EBITDA (and any adjustments thereto) are in all cases not measurements of financial performance under PFRS and investors should not consider them in isolation or as an alternative to profit or loss for the year, income or loss from operations, or as an indicator of the Company's operating performance or as a measure of liquidity or any other measures of performance under PFRS. Although other oil refiners use similar measures, prospective investors are cautioned that there are various calculation methods, and the Company's presentation of COSA may not be comparable to similarly titled measures used by other companies.

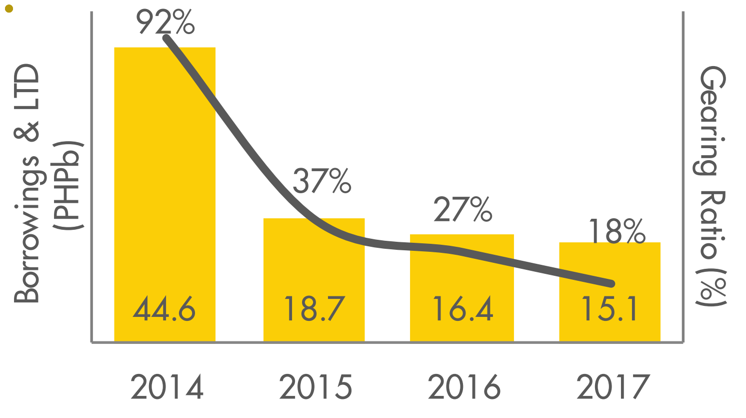
Increase in NIAT and CFFO contributes to 18% gearing

CFFO increased by P2.4B - more than sufficient to cover capex and dividend payments



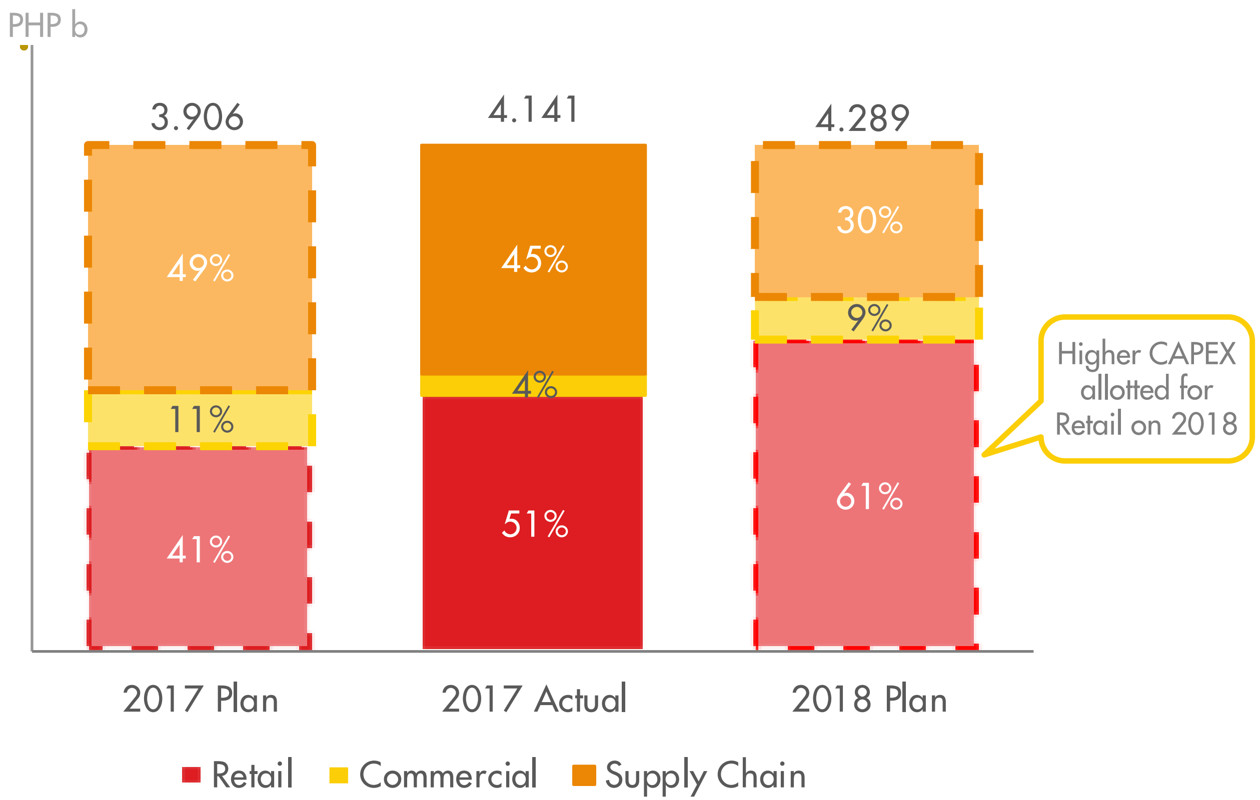
Note: Dividends for 1H16 was declared and paid in the second half of 2016. Dividends for 2H16 was declared and paid in the first half of 2017.

Net debt down to P8.9b; brings gearing further down



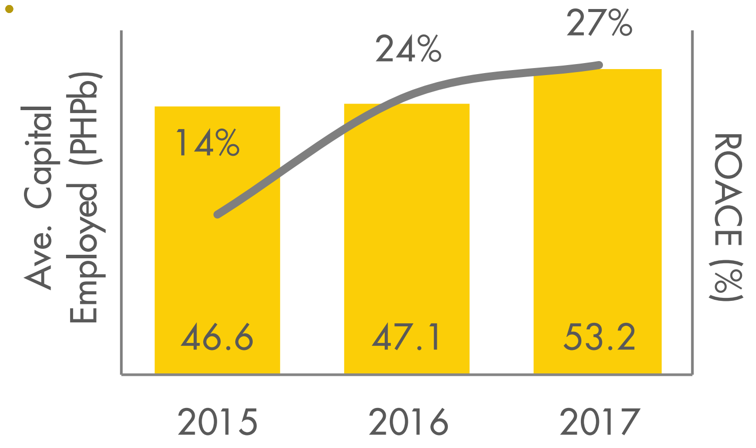
Profitable investments boosted ROACE to 27%

2017 total CAPEX spend aligned with plan; higher CAPEX allocated to the Retail business as Refinery finds more cost-effective optimization alternatives



Note: The percentage CAPEX allocation includes CAPEX costs re-allocated to the businesses that benefited from such investments.

ROACE rose to 27% due to higher earnings coming from more profitable investments



Note: Return on average capital employed is defined as EBIT as a percentage of the average capital employed for the period. Capital employed consists of short-term borrowings and loans payable, and total equity. Average capital is calculated as the mean of the opening and closing balances of capital employed for that period.

V-Power and NFR continues to drive the Retail business

Retail Key Performance Drivers

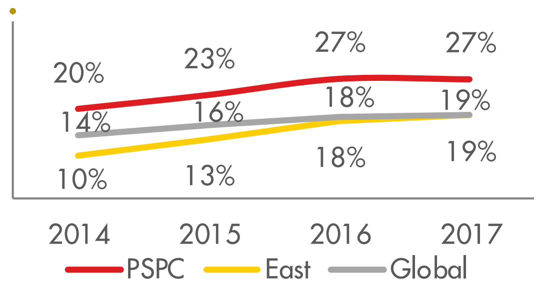
Volume up by 4% vs FY16 despite >10% increase in pump prices

V-Power Diesel (+17%) and Gasoline (+7%) uptake up vs FY16

Convenience retailing continues to enjoy double-digit growth

Opened 66 new retail stations in FY17
Total of 1,044 retail stations in FY17
15 solar-powered Sites

27% V-Power Premium Fuel Penetration



2x Network Efficiency vs Competition

NFR store count growth

37 new Shell Select stores
Total of 102

35 new Shell Lube Bays
Total of 262

22 sites have Deli2Go offer
Total of 41

33 new Co-locators
Total of 171

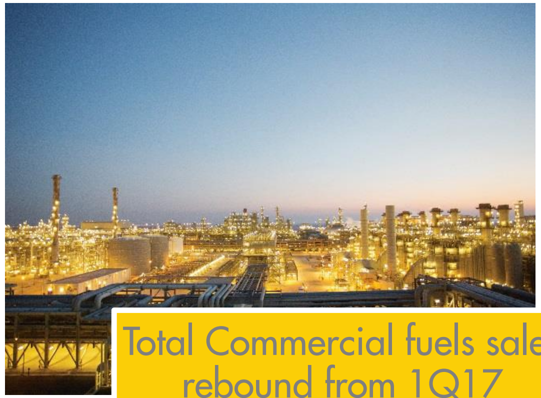
Commercial business successfully closed sales volume gap with 1.2% y/y increase vs 11% gap in 1Q17

Grew other segments to address structural demand decline in the power sector

37 Deals Won/ Renewed

in the Commercial Fuels Business

11 Power
9 Manufacturing
6 Wholesale and Reseller
6 Construction
3 Marine
2 Mining



Total Commercial fuels sales rebound from 1Q17

Won contracts from power and other sectors

Strong wholesale segment sales volume contribution

Growth from Aviation Sector

Aviation sales volume grew by 7% y/y

Note: Commercial volumes include commercial fuels, lubricants and specialties sales.

Planned refinery turnaround completed successfully

Captured strong refining margins in 2017

Safety first

5,000,000 Man-hours Lost-Time Injury-Free

No Fatalities or Catastrophic events

Operational Excellence

1st tank cleaning without man entry compliant with HSSE Control Framework

FO Plus In-line blending facility completed

North Mindanao Import Facility exceeds expectations in cost savings

Safety first

NO
Injury
Process Safety and Product Quality Incidents
Spills

Cost savings

Delivers $9mn cost savings vs $5-6mn estimate

Supply reliability and resiliency

87% increase in supply availability in Visayas and Mindanao vs. 2016

Product liftings

Actual lifting **17%** higher than plan

Strong 2017 performance translates to 7.4% dividend yield[1] or P5.14 dividend per share

SHLPH will continuously be positioned as a high dividend yielding stock delivering 5.6% yield in PY

Dividend commitment

PHP 7.78 B

75% of PY Audited Net Income

FY17 Dividend Payout

PHP 8.29 B

80% of PY Audited Net Income

Weighted Average Dividend per Share

PHP 5.14

vs total of PHP3.73/sh for FY16

Dividend Yield

9.4%

Based on March 13 closing share price (PHP54.65)

7.4%

Based on 2017 weighted average price (PHP69.19)

7.7%

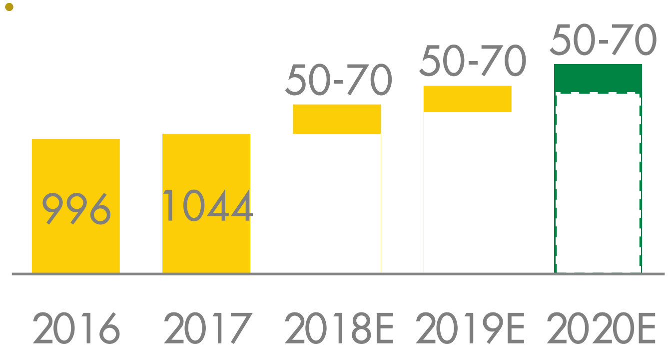
Based on IPO price (PHP67)

Note: (1) Dividend yield based on 2017 weighted average share price of PHP69.19/share

Retail strategies for the next 3 years

A

Grow the retail network by **50 - 70 new** sites per year



B

Sales volume **in line with industry/GDP growth**

- Revitalize loyalty programs

C

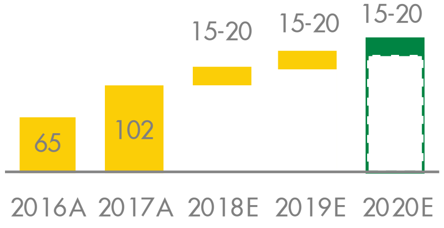
Grow the premium fuels uptake

- **Sustain high** premium fuel penetration

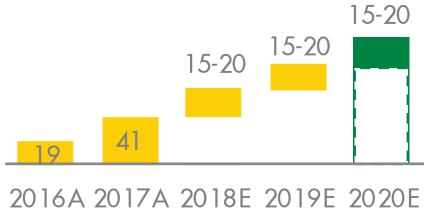
D

Grow the non-fuel retailing business

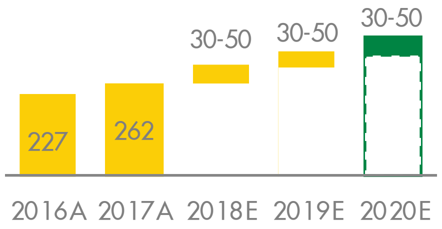
- **15-20** new Shell Select stores



- **15-20** new Deli2Go stores



- **30-50** new Lube Bays



NFR to contribute **~20-30%** of Retail Gross Income by 2020

Commercial and Supply Chain strategies

A

Commercial Fuels

- Highlight and further push differentiated fuels
- Grow business outside of power alongside GDP for industries

C

Aviation

- Develop more competitive and value-adding packages
- Champion operational excellence
- Increase pipeline for business growth

E

Refinery

- Leverage on the Bitumen Production Facility
- Develop and mature the Hydrogen Optimization Project

B

Lubricants

- Accelerate penetration of premium lubricants
- Grow lubricants volumes aligned with GDP growth
- Increase channel penetration

D

Bitumen

- Drive premium segment growth
- Sustain advocacy efforts to support the government with its Build-Build-Build initiatives

E

Supply and distribution

- Enhance bottom loading facility capability by 50%
- Enhance road transport system
- Leverage on JET tanks in Cebu to support aviation growth

Update on our key strategies

Growth in Non-Fuel Retail Business

Bitumen Production

Aviation Supply Points Expansion

Premium Fuel Penetration and Network Expansion

North Mindanao Import Facility

PSPC delivered on IPO promises

PSPC priorities

- Maximizing cash generation while maintaining competitive returns
- Disciplined expansion and capital allocation
- Attractive dividend policy – annual dividends of not less than 75% of audited net income after tax of previous year[1]

Strategy

Selectively pursue profitable fuel opportunities
- Grow retail network; 50-70 retail stations until 2020
- Target 30% premium fuel penetration by 2020
- Target commercial sales volume growth

Maintain competitive advantage through a reliable and efficient manufacturing, supply and distribution chain
- Achieve cost savings of US$5-6mm per year[2]
- Upgrade refinery to produce bitumen, increase turnaround cycle and minimize unplanned downtime

Capture non-fuel related growth opportunities

Maintain industry leading position for corporate governance and world class talent development
- Focus on talent development
- Goal Zero HSSE and "no harm and no leaks"

2017 Delivery

- CFFO up by 29%, delivered PHP 10.9B
- ROACE rises to 27% from 24% in FY16
- Provided 80% Dividend Payout Ratio for FY16 and FY17 Audited Net Income

- Closed FY17 with 1,044 retail stations ; opened 66 new stations and closed18 tail-end stations
- 27% premium fuel penetration
- Commercial sales volume grew by1.2% y/y

- Realized $9mn NMIF cost savings; >50% initial estimates
- Successfully completed the planned refinery turnaround
- Bitumen Production Facility mechanically complete in 1Q18 pending final clarification from BIR on tax treatment of bitumen

- NFR enjoyed double-digit growth; total of 102 Shell Select, 41 sites Deli2Go, 262 Shell Lube Bays, and 171 Co-locators

- Awarded 'Company of the Year' in the KAPATID Awards;
- "Best in IPO LSI Programme" in the PSE 2017 Bell Awards;
- Recognized Globally in the Shell Global Retail Smiling Stars Awards in NYC

Note: 1 Policy effective from 2H16. The Company can give no assurance that it will pay any dividends in the future. Subject to compliance with the requirements of applicable laws and regulations and subject to investment plans and financial condition. The amount of dividends will be reviewed periodically by the Board in light of the Company's earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Company can operate on a standalone basis; 2 Nexant expects that the newly commissioned NMIF enables PSPC to capture freight advantages by importing refined products directly to the southern Philippines which are estimated to be US$5-6 million per year