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B3

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ENERGY

PTTEP posts
Q3 loss on
impairment

POST REPORTERS B3

PTT Exploration and Production Plc (PTTEP), the only SET-listed upstream oil business, posted a net loss of 8.7 billion baht in the third quarter this year, plummeting from a net profit of 5.4 billion in the same period last year because of an impairment loss from a delayed project in Canada and a drop in production.

The loss caused an 18% drop in profit for the first nine months this year to 11.1 billion baht.

However, plenty of cash on hand means the company will maintain its strong financial status.

President and chief executive Somporn Vongvuthipornchai said if the company excluded the impairment loss from the delay in its Mariana Oil Sands project in Canada, it would have a net profit of 20.4 billion baht in third quarter, compared with 7.5 billion in the second quarter.

PTTEP announced the delay of its Canadian project last month, the third postponement in as many years, which is estimated to cause an asset impairment of 18.2 billion baht, or US\$549 million.

But stock analysts said the company's overall performance is still promising, with plenty of cash on hand.

Mr Somporn said PTTEP has total cash on hand of more than \$4 billion.

In the first nine months this year, the company has total sales of 105.5 billion baht, down slightly from the previous year due to average sales volume falling by 8% to 294,539 barrels of oil equivalent per day.

The reduction was primarily from longer maintenance shutdown activities, lower production from the Malaysia-Thailand Joint Development Area project, lower gas nominations from buyers in the first half of the year and decreased sales volume following the sale of PTTEP Oman Co Ltd in the previous year.

He said PTTEP's financial position remained healthy with a 71% earnings before interest, tax, depreciation and amortisation margin and total assets as of Sept 30 amounting to \$18.6 billion, of which \$4.1 billion was cash on hand and short-term investments.

PTTEP shares closed yesterday on the Stock Exchange of Thailand at 87.75 baht, up two baht, in heavy trade worth 2.29 billion baht.