Management's Discussion and Analysis of Financial Condition and Results of Operations

For Quarter 2/2025 and 6 months of 2025

Star Petroleum Refining Public Company Limited

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1. Executive Summary

Summary of Consolidated Financial Statements

(US$ Million)	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Total Revenue	1,758	1,884	(126)	1,931	(172)	3,642	3,903	(260)
EBITDA	(3)	54	(57)	39	(43)	50	205	(154)
Gain on foreign exchange	7	5	2	5	3	12	10	2
Net income (loss)	(24)	21	(45)	9	(33)	(3)	120	(123)
Net income (loss) (US$ per share)	(0.01)	0.00	(0.01)	0.00	(0.01)	(0.00)	0.03	(0.03)

(Baht Million)	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Total Revenue	58,509	64,297	(5,789)	71,186	(12,677)	122,806	141,811	(19,005)
EBITDA	(141)	1,846	(1,987)	1,444	(1,585)	1,705	7,374	(5,669)
Gain on foreign exchange	248	175	73	172	76	423	380	42
Net income (loss)	(812)	714	(1,526)	346	(1,158)	(99)	4,289	(4,388)
Net income (loss) (Baht per share)	(0.19)	0.16	(0.35)	0.08	(0.27)	(0.02)	0.99	(1.01)

Key Performance

	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Crude intake (Thousand barrels/day)	156.6	165.9	(9.3)	157.6	(1.0)	161.2	162.5	(1.3)
Crude intake Utilization	89%	95%	(6%)	90%	(1%)	92%	93%	(1%)
Enterprise Sale Volume (Thousand barrels)	16,837	17,070	(233)	16,844	(7)	33,907	34,473	(566)
Enterprise Margin (US$/barrel)	6.33	5.45	0.88	3.19	3.14	5.88	6.26	(0.38)
Bottom-Line improvement Program (BLIP) (US$/barrel)	0.92	0.62	0.30	0.63	0.29	0.77	0.61	0.16
Net Stock gain (loss) (US$/barrel)	(3.44)	0.46	(3.90)	1.41	(4.84)	(1.44)	1.97	(3.41)
Net Stock gain (loss) (US$ million)	(48.9)	6.9	(55.8)	20.2	(69.1)	(42.1)	58.1	(100.2)

In Q2/25, SPRC had a net loss of US$24 million (Baht 812 million) compared with net profit of US$21 million (Baht 714 million) in Q1/25. The decrease in SPRC's EBITDA, EBIT, and net loss was mainly driven by stock losses due to falling oil prices, despite improved refinery product cracks. Crude intake utilization was 157 thousand barrels per day, equivalent to 89% in Q2/25, compared to 95% in Q1/25, to accommodate plant reliability activities. The impact was partially mitigated by higher gain on exchange rate.

Comparing Q2/25 with Q2/24, earnings in Q2/25 declined mainly due to a stock loss, while Q2/24 recorded a stock gain, along with a slight drop in utilization rate. However, transportation costs in Q2/25 were lower due to the resumption of SPM operations since July 2024, and key product cracks remained relatively stable compared to the same quarter last year.

Compared 6M/25 with 6M/24, EBITDA, EBIT declined and net loss in 6M/25, mainly due to stock losses in 6M/25 versus stock gains in 6M/24, along with a weaker enterprise margin from a lower refinery margin and a slightly lower crude utilization rate. The resumption of SPM operations in July 2024 helped reduce transportation costs in 6M/25. In contrast, other incomes declined because there was a one-time insurance claim recorded in 6M/24. The number of service stations increased from 446 in 6M/24 to 531 in 6M/25, contributing to higher retail sales.

Crude prices dropped significantly in Q2/2025 to US$66.88/bbl, pressured by global economic uncertainties from tariffs and expectations of increased supply. Despite this, key product cracks, particularly gasoline and fuel oil, improved due to seasonal demand with gasoline supported by the summer driving season and fuel oil boosted by stronger power generation needs. As a result, SPRC's enterprise margin was US$6.33/bbl in Q2/25, driven by stronger product cracks and continued efforts to optimize the value chain through integration of refinery and fuel businesses. The Bottom-Line Improvement Program (BLIP) also contributed US$0.92/bbl in the quarter, primarily from crude and product optimization and higher retail volumes, along with export avoidance. This brought 6M/25 BLIP contribution to US$0.77/bbl.

2. Key significant events in Q2/25 and subsequent events

Interim dividend payment

At the Board of Director Meeting No. 3/2025 held on 8th August 2025, the Board approved a resolution to declare interim dividend payment from the retained earnings for Baht 0.15 per share, totalling Baht 650 million or US$20 million.

The date of determining the names of the shareholders entitled to the interim dividend payment (Record Date) is on 22nd August 2025. The dividend is scheduled to be paid to shareholders on 5th September 2025.

3. Market Condition

Oil Market Overview

Crude Oil and Singapore Pricing

Crude/Products (US$/barrel)	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)
Dubai crude oil	66.88	76.91	(10.03)	85.28	(18.40)
Light Naphtha (MOPJ)	64.01	73.08	(9.07)	76.44	(12.43)
Gasoline (premium)	78.39	84.63	(6.24)	98.41	(20.02)
Jet Fuel	81.11	90.08	(8.97)	98.56	(17.45)
Diesel	82.69	91.18	(8.49)	100.09	(17.40)
Fuel Oil	68.63	74.88	(6.25)	80.11	(11.48)

Crack Spread over Dubai by Products

Products (US$/barrel)	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)
Light Naphtha (MOPJ)	(2.87)	(3.83)	0.96	(8.84)	5.97
Gasoline (premium)	11.51	7.72	3.79	13.13	(1.62)
Jet Fuel	14.23	13.17	1.06	13.28	0.95
Diesel	15.81	14.27	1.54	14.81	1.00
Fuel Oil	1.75	(2.03)	3.78	(5.17)	6.92

The average Dubai price in Q2/25 dropped to US$66.88 /bbl from US$76.91 /bbl in Q1/25. The sharp decline was driven by the announcement of new U.S. tariffs on several countries, intensifying trade tensions and raising concerns over slower global economic growth and weaker oil demand in April. On the supply side, OPEC+ accelerated the unwinding of production cuts in April and May, boosting supply amid subdued demand growth that further pressured prices. Additionally, while the Iran-Israel conflict in mid-June briefly spiked prices, then it quickly fell back to pre-conflict levels by the end of the month.

The spread between refined products and Dubai price

- **Naphtha spread over Dubai** in Q2/25 increased to US$-2.87/bbl from US$-3.83/bbl in Q1/25 supported by lower crude prices and steady demand from China, driven by new cracker startups and reduced domestic supply amid teapot refinery maintenance. Supply was further tightened by seasonal refinery outages in Asia, the Middle East, and Europe. However, the Asian naphtha market remained under pressure from weak petrochemical demand, ample supply, and narrow olefin margins.
- **Gasoline spread over Dubai** in Q2/25 elevated to US$11.51/bbl from US$7.72/bbl in Q1/25 mainly driven by strong seasonal demand during the summer driving season. The gain was supported by lower exports from South Korea and China, despite some refinery capacity returning from turnarounds and stable U.S. stock levels. However, reduced import demand from Australia and Indonesia capped further gains.
- **Jet spread over Dubai** in Q2/25 rose to US$14.23/bbl from US$13.17/bbl in Q1/25 supported by low inventories in ARA and the U.S. and stockpiling ahead of the summer travel season. This offset the impact of higher South Korean exports and reduction of Australian imports. However, heightened Middle East tensions and airspace closures slightly dampened demand, limiting further gains.
- **Diesel spread over Dubai** in Q2/25 increased to US$15.81/bbl from US$14.27/bbl in Q1/25 driven by low inventories in the U.S. and ARA, as well as heightened geopolitical tensions in the Middle East, which added risk premiums due to potential supply disruptions to Europe. Additionally, reduced exports from China and South Korea further supported the crack spread.
- **Fuel oil spread over Dubai** in Q2/25 bolstered to US$1.75/bbl from US$-2.03/bbl in Q1/25 supported by strong seasonal power generation demand in the Middle East and reduced Russian exports amid refinery maintenance. Easing US - China trade tensions also boosted sentiment for bunker demand. However, increased OPEC+ production of medium and heavy crudes added supply pressure, limiting further gains.

SPRC margin in Q2/25 strengthened from Q1/25 due to strong refined product cracks influenced by seasonal demand of driving season increases and heightened uncertainty in global oil supply stemming from ongoing geopolitical tensions between Iran and Israel. However, In Q2/25, SPRC continued to perform feedstock and products optimization such as optimizing freight cost, replacing heavy crude with alternative crude and process optimization via the Bottom-Line Improvement Program (BLIP) to consistently enhance cost-effectiveness and operational performance.

Commercial Market Overview

Retail Segment: In Q2/25, the consumer business segment achieved moderate growth, with volume reaching 2.6 million barrels in total up 10% year-over-year and 3% quarter-over-quarter driven by network expansion following site renovations in partnership with Pure Thai. However, Same Store Sales (SSS) declined 7% compared to Q2/24, reflecting ongoing challenges in organic growth amid declining diesel and mogas consumption due to rising EV adoption, high household debt, weaker agricultural prices, and reduced Chinese tourism. Competitive pressures also intensified from aggressive B2C and B2B promotions, though loyalty ecosystems remain crucial for customer retention. The business continues to focus on improving site performance, expanding ratable customer segments via StarCard and Caltex Rewards, implementing cost-saving initiatives, and enhancing operational efficiency through local marketing activations and digital applications.

Commercial and Industrial Segment: In Q2/25, the C&I segment sustained strong momentum, with a total volume of 2.8 million barrels, an 8% increase year-over-year. Key wins included contract extension to the offshore segment as well as spot supply of fuel oil products. The business continues to focus on high-grading portfolio and infrastructure capacity expansion to support customer's demand in various locations.

Aviation Segment: The aviation segment recorded a total volume of 1.4 million barrels in Q2/25, maintaining its position as the highest sales record since SPRC acquired the fuel commercial business in Thailand back in early 2024. Despite this, the business faced significant headwinds including the Israel conflict which may further impact sales to the region. On the upside, the business has secured volume with key airline customers.

Asphalt Segment: The asphalt segment experienced mixed performance in Q2/25. April saw a slowdown due to high market supply, while May rebounded with tight supply and a market price hike and June was slightly impacted by the rainy season, slowing road paving activities. The monthly average sales volume stood at 9.5 KT, supported by refinery alignment and proactive cargo management. The business successfully managed to meet production schedules and is closely monitoring cost pressures from rising Middle East tensions. Strategically, SPRC is focusing on expanding its asphalt portfolio through partnerships, expanding product portfolios, and exploring export opportunities to Indochina.

4. Financial Performance

4.1 Financial Results for Q2/2025 and 6M/2025

Consolidated Financial Results

	US$ Million			US$ Million		US$ Million		
	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Total Revenue	1,758	1,884	(126)	1,931	(172)	3,642	3,903	(260)
Cost of sales	(1,772)	(1,839)	67	(1,900)	127	(3,612)	(3,740)	128
Gross profit (loss)	**(14)**	**45**	**(59)**	**31**	**(45)**	**31**	**163**	**(132)**
Share of profit from investment in associate	1	1	(0)	1	0	2	2	0
Other income	1	2	(1)	1	0	4	22	(18)
Gain on exchange rate	7	5	2	5	3	12	10	2
Administrative and other expenses	(24)	(25)	1	(23)	(1)	(49)	(42)	(7)
Finance costs	(2)	(2)	0	(3)	1	(4)	(6)	2
Income tax	6	(5)	12	(2)	8	1	(29)	30
Net income (loss)	**(24)**	**21**	**(45)**	**9**	**(33)**	**(3)**	**120**	**(123)**

	Baht Million			Baht Million		Baht Million		
	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Total Revenue	58,509	64,297	(5,789)	71,186	(12,677)	122,806	141,811	(19,005)
Cost of sales	(59,005)	(62,755)	3,749	(70,052)	11,047	(121,760)	(135,966)	14,206
Gross profit (loss)	**(497)**	**1,542**	**(2,039)**	**1,134**	**(1,631)**	**1,045**	**5,845**	**(4,799)**
Share of profit from investment in associate	36	46	(10)	39	(3)	83	87	(4)
Other income	49	72	(23)	53	(4)	121	789	(668)
Gain on exchange rate	248	175	73	172	76	423	380	42
Administrative and other expenses	(796)	(864)	67	(862)	66	(1,660)	(1,529)	(131)
Finance costs	(68)	(72)	4	(113)	45	(140)	(231)	91
Income tax	215	(187)	402	(77)	292	29	(1,052)	1,081
Net income (loss)	**(812)**	**714**	**(1,526)**	**346**	**(1,158)**	**(99)**	**4,289**	**(4,388)**

Key Performance

	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Enterprise Performance								
Enterprise Sale Volume (Thousand barrels)								
Retail	2,580	2,493	87	2,320	260	5,074	4,721	352
C&I	2,752	3,198	(446)	2,809	(57)	5,949	5,431	519
Aviation	1,346	1,308	38	1,167	179	2,655	2,304	351
Asphalt	186	197	(11)	77	109	383	105	278
Bulk sales	6,111	6,012	100	6,081	31	12,123	12,606	(482)
Specialty & Export	3,862	3,861	0	4,390	(528)	7,723	9,306	(1,584)
Total Enterprise Sale Volume	**16,837**	**17,070**	**(233)**	**16,844**	**(7)**	**33,907**	**34,473**	**(566)**
Enterprise Margin (US$/barrel)	6.33	5.45	0.88	3.16	3.17	5.88	6.26	(0.38)
BLIP (US$/barrel)	0.92	0.62	0.30	0.63	0.29	0.77	0.61	0.16
Net Stock gain(loss) (US$/barrel)	(3.44)	0.46	(3.90)	1.41	(4.84)	(1.44)	1.97	(3.41)
Net Stock gain (loss) (US$ million)	(48.9)	6.9	(55.8)	20.2	(69.1)	(42.1)	58.1	(100.2)
Enterprise OPEX[(1)] (US$/barrel)	2.94	2.86	0.08	3.02	-0.08	2.90	2.72	0.18
Crude								
Crude intake (thousand barrels/day)	156.6	165.9	(9.3)	157.6	(1.0)	161.2	162.5	(1.3)
Crude intake Utilization	89%	95%	(6%)	90%	(1%)	92%	93%	(1%)
Caltex Performance								
Number of Caltex service stations	531	529	2	446	85	531	446	85

Remark: (1)OPEX excludes depreciation, project OPEX and T&I project.

Revenue

The Company's total revenue for Q2/25 decreased by 7% compared to Q1/25 due to lower average selling price and lower sales volume from the lower utilization rate and low demand from the rainy season. Crude intake decreased to 157 thousand barrels per day, or equivalent to 89% from 166 thousand barrels per day, or equivalent to 95% in Q1/25 to accommodate plant reliability activities.

The Company's total revenue for Q2/25 declined by 9% compared to Q2/24, mainly due to a lower average selling price, while total sales volume remained stable. However, sales volumes in the retail and aviation segments increased compared to Q2/24, supported by the expansion of retail stations and improved aviation demand.

Similarly, sales revenue for 6M/25 declined by 7% compared to 6M/24, mainly due to lower average selling price and a decrease in sales volume from 34.5 million barrels in 6M/24 to 33.9 million barrels in 6M/25 driven by a lower utilization rate.

Cost of Sale

The cost of sales in Q2/25 was lower than in Q1/25 by 4% mainly due to a lower average crude price offset with a stock loss in Q2/25, compared to a stock gain in Q1/25.

Comparing Q2/25 to Q2/24, Cost of sales in Q2/25 was lower by 7% primarily due to a lower average crude price offset with a stock loss recorded in Q2/25, compared to a stock gain in Q2/24.

Similarly, cost of sales for 6M/25 was 3% lower than in 6M/24, mainly due to lower crude prices, reduced transportation costs from the resumption of SPM operations starting from Jul 24, partly offset with a net stock loss recorded in 6M/25, compared to a net stock gain in 6M/24.

Gain / (loss) on Foreign Exchange

In Q2/25, SPRC had a higher net foreign exchange gain of US$7 million, compared to US$5 million in Q1/25. The increase was primarily driven by the appreciation of the Thai Baht against the US Dollar, which resulted in higher US Dollar-equivalent values of Baht-denominated receivables.

SPRC recorded a higher net foreign exchange gain of US$7 million in Q2/25, compared to US$5 million in Q2/24. The gain in Q2/24 occurred despite the depreciation of the Thai Baht, mainly due to an increase in Baht-denominated liabilities, including borrowings and payables. Conversely, the gain in Q2/25 was driven by the strengthening of the Baht, which enhanced the US Dollar equivalent of Baht-denominated receivables.

Comparing 6M/25 to 6M/24, the Thai Baht continued to appreciate, resulting in a net foreign exchange gain of US$12 million, compared to US$10 million in the same period of the prior year, despite the strengthening of the US Dollar. The variance in gains, despite the opposite exchange rate movement between the two periods, was primarily driven by a net Baht-denominated receivables position in 6M/25 during Baht's appreciation, whereas in 6M/24, SPRC held a net Baht liability position during the Baht's depreciation.

Administrative and Other Expenses

Administrative and other expenses in Q2/25 remained broadly in line with Q1/25 and Q2/24.

Comparing 6M/25 to 6M/24, administrative expenses increased to US$49 million in 6M/25 from US$42 million in 6M/24 mainly due to higher service and rental expenses, as well as marketing programs associated with the expansion of retail stations and timing of expenses. The company continued to strengthen its operating cost-saving initiatives and pursued ongoing efforts to enhance cost-effectiveness.

Net Profit (loss)

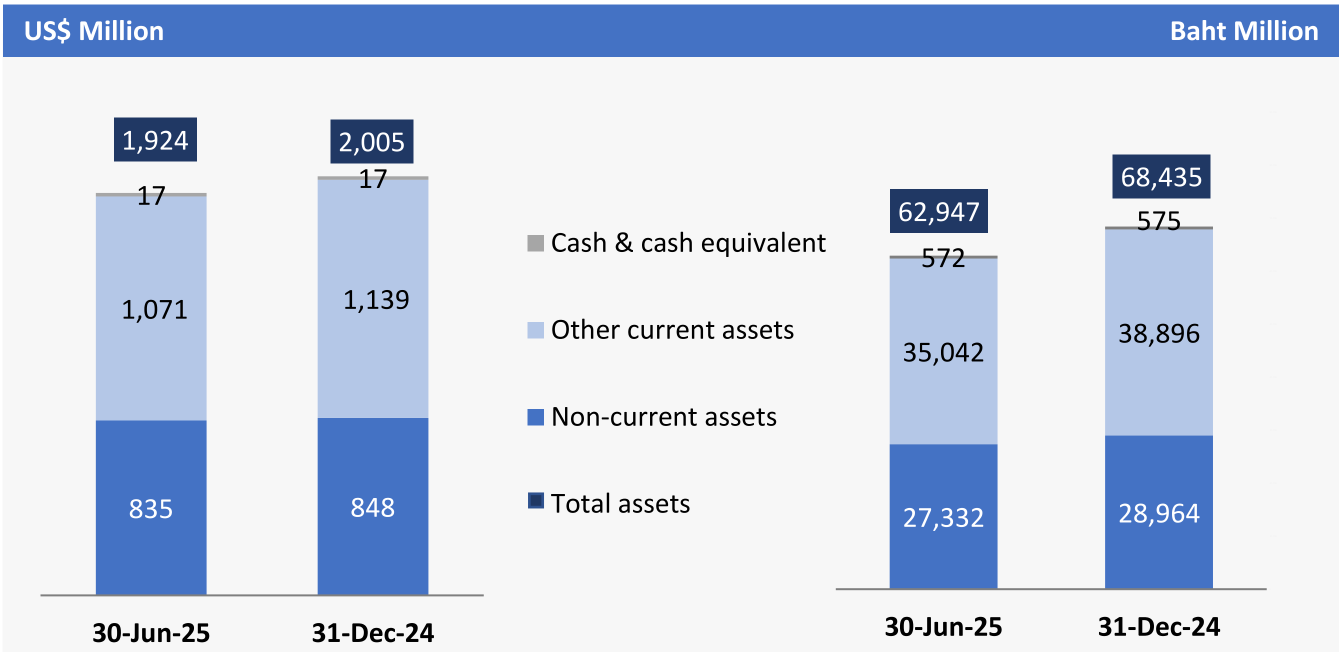
In Q2/25, SPRC reported a net loss of US$24 million (Baht 812 million), decreased from a net gain of US$21 million (Baht 714 million) in Q1/25. The decline was primarily driven by a stock loss due to falling oil prices, despite improved enterprise margins supported by higher market refining margins. SPRC continued to enhance margins by maximizing domestic sales, crude optimization and reducing operating expenses.

Comparing Q2/25 with Q2/24, SPRC's net loss in Q2/25 decreased from net profit of US$9 million (Baht 346 million) in Q2/24. This was mainly due to a net stock loss in Q2/25, in contrast to a stock gain in Q2/24. Nonetheless, enterprise margin improved in Q2/25, supported by stronger market refining margins and enhanced optimization through feedstock management and product channel contributions. The increase in the number of retail stations year on year also contributed to export avoidance benefits.

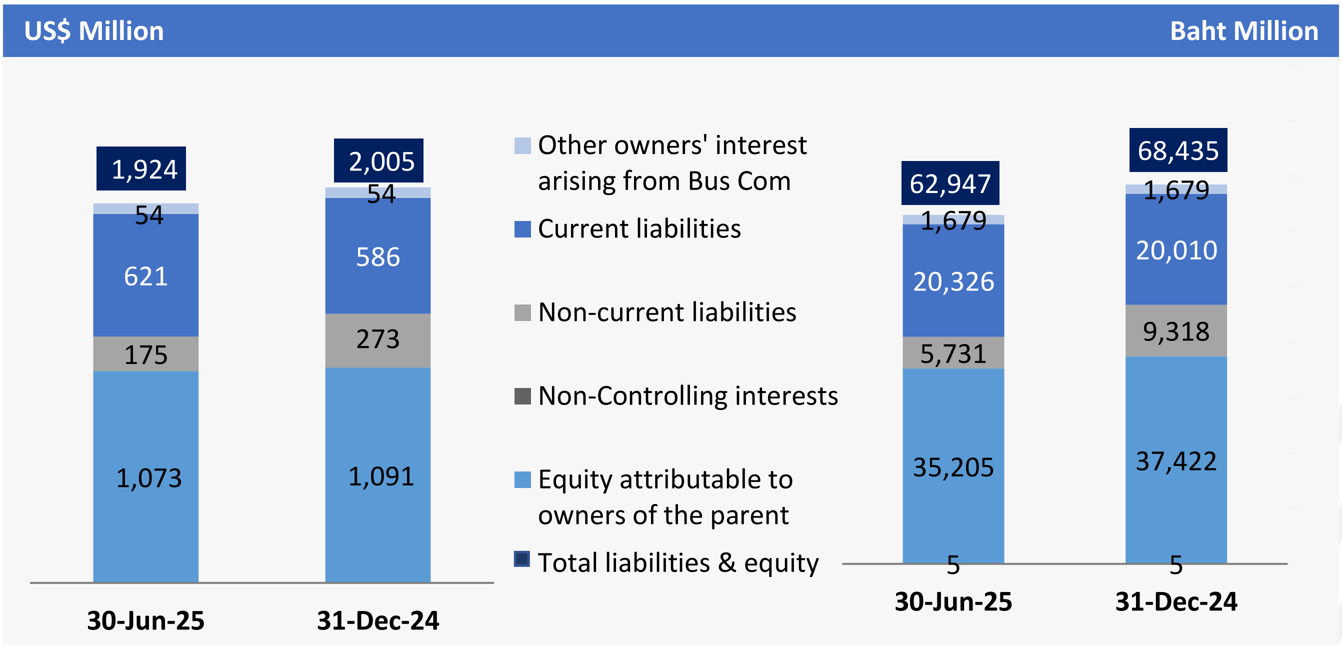
Comparing 6M/25 with 6M/24, SPRC reported net loss of US$3 million (Baht 99 million) in 6M/25 in contrast to a net profit of US$120 million (Baht 4,289 million) in 6M/24. This was primarily driven by a net stock loss in 6M/25, compared to a stock gain and a one-time insurance claim recorded in 6M/24. In addition, market refining margins declined year on year from softer products crack, despite lower crude costs following the resumption of SPM operations in July 2024. Nevertheless, SPRC continued to enhance margins in 6M/25 through its Bottom-Line Improvement Program, focusing on feedstock and product optimization, sales channel management, and retail expansion.

4.2 Analysis of Financial Position

Asset Breakdown



Liabilities & Equity



Assets

Total consolidated assets as of 30 June 2025 decreased by US$81 million (Baht 5,488 million) from 31 December 2024. The decrement was mainly from:

- A decrease in trade and other receivables of US$72 million (Baht 2,978 million), primarily due to lower average selling prices and sales volume in June 2025 compared to December 2024, as the rainy season dampened oil demand. The decrease was also supported by a VAT refund received.
- Non-current assets decreased by US$13 million (Baht 1,632 million). This was mainly due to a decrease in property, plant, and equipment of US$18 million (Baht 1,529 million) due to depreciation expenses over in 6M/25. This was partially offset by an increase in deferred assets related to the long-term retail business of US$6 million (Baht 90 million), but partly offset by
- Other current assets increased by US$5 million (Baht 133 million) mainly due to an advance payment for catalyst.

Liabilities

Total consolidated liabilities as of 30 June 2025 decreased by US$63 million (Baht 3,271 million) from 31 December 2024. The decrement was mainly from:

- Net balance in S-T and L-T borrowing decreased US$38 million (Baht 1,574 million) led by cash generated from earnings and net working capital movement with a decrease in trade and other receivables and inventory, partially offset by a decline in trade and other payables and excise tax payable.
- A decrease in trade and other account payables of US$28 million (Baht 1,597 million) mainly due to lower crude costs, despite an increase in crude purchase volume compared to December 2024.
- A decrease in Excise tax payable of US$10 million (Baht 404 million) resulting from a shorter number of outstanding days for excise tax payments between June 25 and December 24.

Shareholders' Equity

Consolidated shareholders' equity as of 30 June 2025 increased by US$18 million (Baht 2,217 million) from 31 December 2024 mainly driven by

- The net loss in 6M/25 of US$3 million (Baht 129 million) and dividend payments of US$19 million (Baht 650 million), partly offset by
- An increase in other components of equity of US$4 million (Baht 1,468 million) resulting from currency translation differences.

4.3 Statement of Cash Flow

6M/2025	US$ Million	Baht Million
Net cash generated from operating activities	74	2,516
Net cash used in investing activities	(8)	(274)
Net cash used in financing activities	(66)	(2,260)
Net increase (decrease) in cash and cash equivalents	**0**	**(18)**
Cash and cash equivalents at the beginning of the period	**17**	**575**
Adjustments from foreign exchange translation	0	16
Cash and cash equivalents at the end of the period	**17**	**572**

SPRC cash and cash equivalents were US$17 million at the end of June 2025, compared with US$17 million at the end of December 2024.

Details of cash flow activities in 6M/25 are as follows:

Cashflow activities	Details
Net cash generated from operating activities US$74 million (Baht 2,516 million)	• 6M/25 net loss before tax of US$4 million (Baht 127 million), impacted from stock loss due to reduction of crude price, • Cash generated from operating assets was US$59 million (Baht 1,989 million), primarily driven by a decrease in trade and other receivables of US$70 million (Baht 2,344 million) due to lower average selling prices, but partly offset • A decrease in trade and other current payables of US$26 million (Baht 883 million)
Net cash used in investing activities was US$8 million (Baht 274 million)	• Primarily driven by project investments in software, the refinery upgrading project, and right-of-use assets. • Increased from dividends received from associate US$5 million (Baht 157 million)
Net cash used in financing activities was US$66 million (Baht 2,260 million)	• Repayment of Long term borrowing of US$106 million (Baht 3,631 million), but partly offset with net proceeds of short term borrowing of US$63 million (Baht 2,145 million)

4.4 Financial Ratios

		Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Current Ratio	(Time)	1.8	2.0	(0.3)	2.0	(0.2)	1.8	2.0	(0.2)
Gross Profit Margin	(%)	(0.8)	2.4	(3.2)	1.6	(2.4)	0.8	4.2	(3.3)
Net Profit Margin	(%)	(1.4)	1.1	(2.5)	0.5	(1.8)	(0.1)	3.0	(3.1)
Debt to Equity ratio	(Time)	0.7	0.6	0.1	0.8	(0.1)	0.7	0.8	(0.1)
Net Interest-Bearing Debt to Equity ratio	(Time)	0.2	0.2	0.0	0.2	(0.0)	0.2	0.2	(0.0)
Interest Coverage ratio	(Time)	(13.9)	13.4	(27.2)	4.7	(18.6)	0.0	24.4	(24.4)

Note:

Current Ratio	= Current assets / current liabilities	(Time)
Gross Profit Margin	= Gross Profit (Loss) / Sales Revenue	(%)
Net Profit Margin	= Quarter (Net Profit (Loss) / Total Revenue	(%)
Debt to Equity ratio	= Total liabilities / total shareholders' equity	(Time)
Net Interest-Bearing Debt to Equity ratio	= Interest Bearing Debt - Cash / Total Shareholders' Equity	(Time)
Interest Coverage ratio (Accrual basis)	= Earnings (Loss) before interest and taxes (EBIT) / interest expenses	(Time)

5. Market Outlook

Oil Market Outlook

The outlook Asian oil demand is forecast to grow by over 500,000 b/d year-on-year in Q3/25, driven by improved economic conditions, seasonal travel in Southeast Asia, and looser monetary policies. China's petrochemical demand will rise on easing US LPG tariffs and tighter ethane supply, boosting naphtha use. Southeast Asia and India will contribute over 75% of the growth, adding 198,000 b/d and 180,000 b/d, respectively. Refinery crude throughput is also set to increase, reaching 30.7 million b/d, led by China and India. Naphtha demand has been revised up by 104,000 b/d, driven by increased usage in China due to reduced competitiveness of alternative feedstocks and new cracker start-ups. Jet/kerosene demand is set to rise by 119,000 b/d, supported by growing air travel in Southeast and Northeast Asia. Gasoline demand is projected to grow by over 100,000 b/d in Q3, led by India and Southeast Asia, though growth is slowing due to EV adoption and improved fuel efficiency. Diesel demand is expected to increase by 33,000 b/d in 2025 amid improved manufacturing following a trade truce, while fuel oil demand is forecast to fall by 60,000 b/d due to weaker bunker demand amid global trade uncertainties.

The Near-term outlook for refined products

- **Naphtha crack** is forecasted to soften in Q3/25 as market fundamentals ease with ample supply availability despite softening crude prices. Moreover, weak demand from the downstream petrochemical sector amid recession fears continues to weigh on the Asian naphtha market. Upside risk may come from increased demand from new cracker startups in China and Indonesia along with escalating geopolitical tensions in the Middle East may raise supply concerns, as the region is a key exporter to Asia, will limit the cracks decline.
- **Gasoline crack** is expected to gradually weaken in Q3/25 as seasonal demand wanes despite a slight decline in Chinese exports may tighten supply. Subdued gasoline demand growth outlook in China and weaker demand from Indonesia due to country-of-origin preferences poses a downside risk. However, a major holiday in South Korea will support demand and limit the declines in cracks
- **Jet/kerosene cracks** are expected to stay firm in Q3/25 due to summer air travel and elevated risk premiums amid Middle East tensions. Downside risks are potential from disruption to air travel from regional conflict and trade policy uncertainty which may lead to inflation and weaken consumer spending. Nevertheless, the upcoming Golden Week in China and the Chuseok holiday in South Korea in early October are expected to support air travel demand, improving cracks in last quarter of the year.
- **Diesel crack spreads** are expected to remain firm in Q3/25, owing to the conclusion of trade deals between the US and many Asian countries supporting demand amid the monsoon season and subdued manufacturing activity. The potential secondary tariffs set by the US on Russia will provide an upside risk to the cracks, as Russian diesel exports will be reduced. However, a steeper jet-diesel regrade is likely to encourage higher diesel output, pressure cracks despite low inventories in the U.S. and ARA.
- **Fuel oil cracks spreads** are expected to soften in Q3/25, due to increased supply from returning Russian refinery exports and lower demand. Additional pressure may come from higher medium-heavy crude supply by OPEC+. However, peak summer power demand in the Middle East and Egypt could offer some support.

Commercial Outlook

Retail Segment: Thailand retail fuels market in 2025 continues to show signs of cautious optimism, though it faces a complex mix of growth drivers and structural challenges. The market is increasingly shaped by the rise of electric vehicles (EVs), with new battery EV registrations. SPRC has responded by expanding partnership to establish EV charging infrastructure to 72 fuel service stations nationwide. However, the EV market faces headwinds from price wars and high spare part costs, which have dampened consumer sentiment. From a macro perspective, fuel demand is projected to peak around 2035-45, driven by growing EV car ownership and freight activity. Post-peak, demand for carbon-based fuels is expected to decline due to fleet electrification, with hybrid and EVs forecasted to comprise 62% of Thailand's car fleet by 2050. Fuel marketers are leveraging digital platforms, loyalty ecosystems, and non-fuel retail innovations to differentiate themselves. While the Thai fuel retail sector is poised for continued growth in 2025, it must navigate evolving consumer preferences, regulatory shifts, and technological disruptions. Strategic investments in digital enhancements, and diversified retail offerings will be critical to sustaining competitiveness and long-term viability.

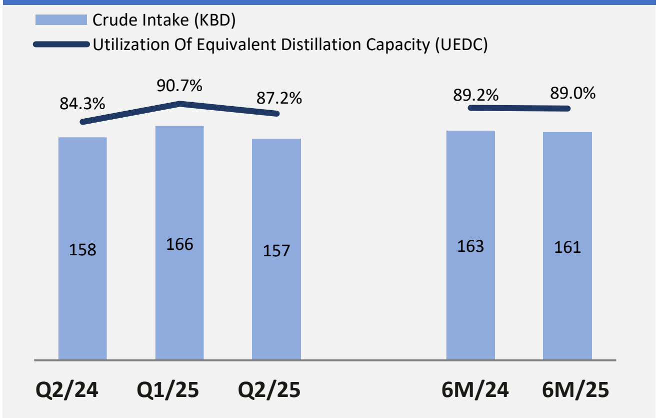
Commercial and Industrial Segment: In 2025, Thailand's fuel market across commercial and industrial segments is experiencing steady yet complex growth, shaped by both domestic developments and global energy dynamics. Industrial fuel demand remains strong, driven by infrastructure expansion and manufacturing recovery, though it faces cost pressures from global oil price volatility and geopolitical tensions. The agricultural segment is seeing fluctuating demand due to seasonal factors and delayed government budgets, but rural infrastructure programs and LPG usage in processing are providing support. Offshore fuel consumption is rebounding with renewed exploration and production activity though logistical constraints and environmental compliance remain challenges. Meanwhile, the wholesale segment is adapting to infrastructure delays by shifting volumes and expanding LPG sales. Across all segments, regulatory shifts, sustainability goals, and supply chain optimization are central to maintaining competitiveness and ensuring long-term growth.

Aviation Segment: Thailand's aviation fuels market in 2025 is experiencing robust growth, underpinned by a strong rebound in air travel and strategic expansions across the aviation sector. This surge is driven by increased flight activity, expanded airport capacities, and the return of international tourism, particularly from visa-free entry policies and the gradual reopening of key markets. Despite this momentum, the sector faces challenges from geopolitical tensions, supply chain disruptions in aircraft parts and a drop in jet fuel consumption due to the absence of Chinese travelers. The segment is also advancing its sustainability agenda, with efforts underway to certify Sustainable Aviation Fuel (SAF) infrastructure under ISCC CORSIA standards for future implementation. Looking ahead, the Civil Aviation Authority of Thailand (CAAT) forecasts full recovery of passenger traffic by the end of 2025, with expectations of reaching 165 million passengers annually. Jet fuel demand is projected to continue growing beyond 2050, positioning Thailand as a likely net importer by the mid-2030s.

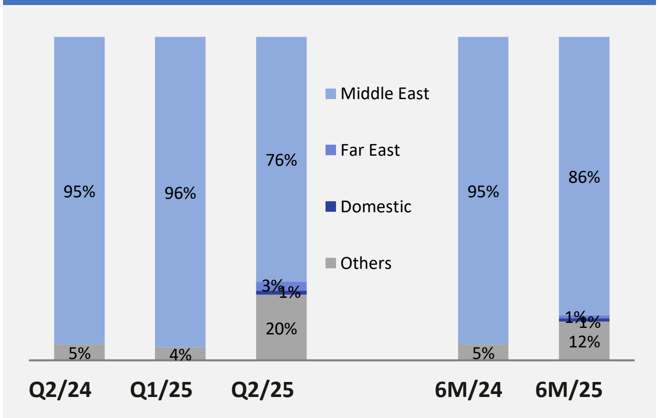
Asphalt Segment: Thailand's asphalt market in 2025 is on a steady growth trajectory, driven by robust infrastructure investments and strategic urban development. The market is projected to grow at an annual rate of 8.4% through 2031. This expansion is fueled by large-scale government projects such as road construction, highway extensions, and the development of airports and seaports, particularly within the Eastern Economic Corridor (EEC) and regional trade routes. Challenges persist, including fluctuating crude and fuel oil market, government construction projects, thin regional trading that pressures demand, and global trade risks. Sustainable construction practices such as recycled asphalt and polymer-modified solutions are gaining traction, aligning with Thailand's environmental goals.

6. Appendix

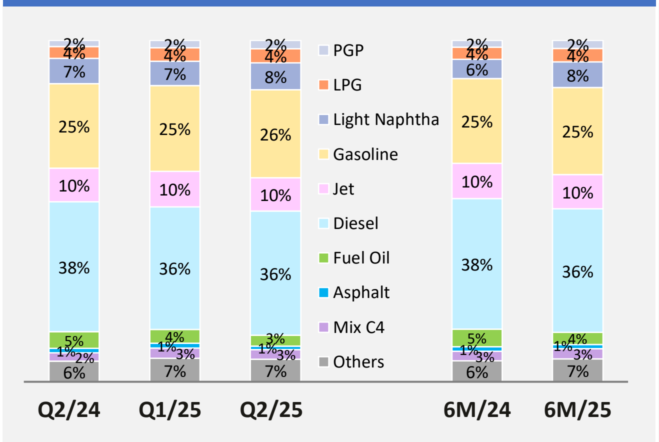
Crude intake



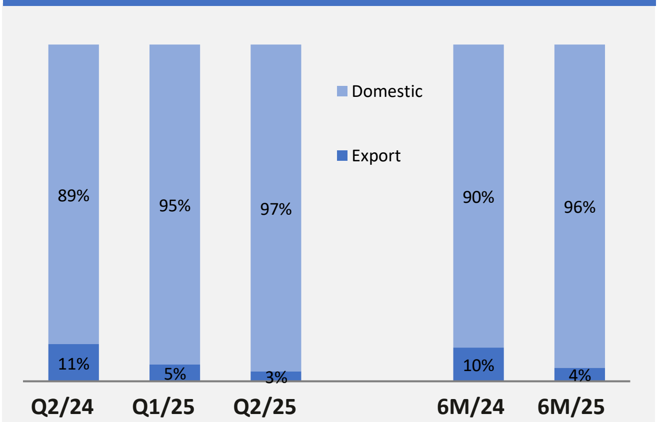
Crude Sources



Production Volumes



Domestic / Export Sales



Remarks: % of products sales only

Refinery production volume

	Q2/25	Q1/25	+/(-)	Q2/24	+/(-)	6M/25	6M/24	+/(-)
Production Breakdown (Thousands barrels)								
Polymer Grade Propylene	387	357	30	277	110	743	624	119
Liquefied Petroleum Gas	664	625	39	547	117	1,290	1,151	139
Light Naphtha	1,269	1,149	120	1,146	123	2,418	2,304	114
Gasoline	4,133	4,060	73	3,849	284	8,193	7,896	297
Jet Fuel	1,570	1,674	-104	1,535	35	3,244	3,279	-35
Diesel	5,838	5,802	36	5,926	-88	11,640	12,161	-521
Fuel Oil	507	658	-151	766	-259	1,165	1,645	-480
Asphalt	173	215	-42	198	-25	388	437	-49
Mix C4	453	497	-44	385	68	950	901	49
Other (1)	1,057	1,107	-50	935	122	2,164	1,941	223
Total production	**16,050**	**16,145**	**-95**	**15,565**	**485**	**32,195**	**32,338**	**-143**

Remark: (1) Includes sulfur and reformate and products sold pursuant to our cracker feed exchange.