

(TRANSLATION)

AUDITOR'S REPORT AND FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(UNAUDITED BUT REVIEWED)

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PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
(UNAUDITED BUT REVIEWED)

1. General Information

PTT Public Company Limited (“the Company”) is incorporated as a public limited company in Thailand, and is listed on the Stock Exchange of Thailand. The address of its incorporated and registered office is as follows.

The Head Office of the Company is located at 555 Vibhavadi-Rangsit Road, Chatuchak, Bangkok, Thailand.

The Company’s principal business is the operation of its petroleum business. The Company has invested in subsidiaries, jointly controlled entities and associates (“the Group”), which are engaged in upstream petroleum, downstream petroleum, coal business and other related businesses.

2. Basis of Preparation of the Interim Financial Statements

2.1 Purpose of the Interim Financial Statements

These interim financial statements are prepared in order to provide additional information other than that included in the most recent annual financial statements. Accordingly, these interim financial statements focus on the reporting of new activities, events and circumstances so as not to repeat information previously reported. These interim financial statements should therefore be read in conjunction with the most recent annual financial statements.

2.2 Basis for Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, and with generally accepted accounting principles under the Accounting Act, B.E. 2543 (2000) being those Thai Accounting Standards under the Accounting Profession Act, B.E. 2547 (2004), guidelines promulgated by the Federation of Accounting Profession, and applicable rules and regulations of the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535 (1992). The content of the interim financial statements comprise the statements of financial position, statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows. Notes presented only significant items.

2.3 Summary of Significant Accounting Policies

Except for those new accounting policies adopted by the Company as described in Note 2.4, the Group has prepared these interim financial statements based on the same accounting policies and computation methods, as were applied in the financial statements for the year ended December 31, 2010 which was prepared in accordance with generally accepted accounting principles.

2. Basis of Preparation of the Interim Financial Statements (Continued)

2.4 New and Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Financial Reporting Interpretations, Interpretation and Framework

During 2010, the Federation of Accounting Professions (FAP) announced new and revised Accounting Standards, Financial Reporting Standards, Financial Reporting Interpretations and Framework in the Royal Thai Government Gazette as follows:

Effective on or after May 26, 2010

- ◆ Framework (revised 2009)

Effective for accounting periods on or after January 1, 2011

- | | |
|----------------------------------------------------------|-----------------------------------------------------------------|
| ◆ Thai Accounting Standard No. 1 (revised 2009) | Presentation of Financial Statements |
| ◆ Thai Accounting Standard No. 2 (revised 2009) | Inventories |
| ◆ Thai Accounting Standard No. 7 (revised 2009) | Statement of Cash Flows |
| ◆ Thai Accounting Standard No. 8 (revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| ◆ Thai Accounting Standard No. 10 (revised 2009) | Events after the Reporting Period |
| ◆ Thai Accounting Standard No. 11 (revised 2009) | Construction Contracts |
| ◆ Thai Accounting Standard No. 16 (revised 2009) | Property, Plant and Equipment |
| ◆ Thai Accounting Standard No. 17 (revised 2009) | Leases |
| ◆ Thai Accounting Standard No. 18 (revised 2009) | Revenue |
| ◆ Thai Accounting Standard No. 19 | Employee Benefits |
| ◆ Thai Accounting Standard No. 23 (revised 2009) | Borrowing Costs |
| ◆ Thai Accounting Standard No. 24 (revised 2009) | Related Party Disclosures |
| ◆ Thai Accounting Standard No. 26 | Accounting and Reporting by Retirement Benefit Plans |
| ◆ Thai Accounting Standard No. 27 (revised 2009) | Consolidated and Separate Financial Statements |
| ◆ Thai Accounting Standard No. 28 (revised 2009) | Investments in Associates |
| ◆ Thai Accounting Standard No. 29 | Financial Reporting in Hyperinflationary Economies |
| ◆ Thai Accounting Standard No. 31 (revised 2009) | Interests in Joint Ventures |
| ◆ Thai Accounting Standard No. 33 (revised 2009) | Earnings per Share |
| ◆ Thai Accounting Standard No. 34 (revised 2009) | Interim Financial Reporting |
| ◆ Thai Accounting Standard No. 36 (revised 2009) | Impairment of Assets |
| ◆ Thai Accounting Standard No. 37 (revised 2009) | Provisions, Contingent Liabilities and Contingent Assets |
| ◆ Thai Accounting Standard No. 38 (revised 2009) | Intangible Assets |
| ◆ Thai Accounting Standard No. 40 (revised 2009) | Investment Property |
| ◆ Thai Financial Reporting Standard No. 2 | Share-based Payment |
| ◆ Thai Financial Reporting Standard No. 3 (revised 2009) | Business Combinations |
| ◆ Thai Financial Reporting Standard No. 5 (revised 2009) | Non-current Assets Held for Sale and Discontinued Operations |
| ◆ Thai Financial Reporting Standard No. 6 | Exploration for and Evaluation of Mineral Resources |
| ◆ Thai Financial Reporting Interpretation No. 15 | Agreements for the Construction of Real Estate |

2. Basis of preparation of the interim financial statements (Continued)

2.4 New and Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Financial Reporting Interpretations, Interpretation and Framework (Continued)

Effective for accounting periods on or after January 1, 2013

- ◆ Thai Accounting Standard No. 12 Income Taxes
- ◆ Thai Accounting Standard No. 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance
- ◆ Thai Accounting Standard No. 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

On February 25, 2011, FAP issued new Thai Financial Reporting Interpretations which were published in the Royal Thai Government Gazette as follows:

Effective for accounting periods on or after January 1, 2011

- ◆ Thai Standing Interpretations Committee No. 31 Revenue – Barter Transactions Involving Advertising Services

Effective for accounting periods on or after January 1, 2013

- ◆ Thai Standing Interpretations Committee No. 10 Government Assistance – No Specific Relation to Operating Activities
- ◆ Thai Standing Interpretations Committee No. 21 Income Taxes – Recovery of Revalued Non – Depreciable Assets
- ◆ Thai Standing Interpretations Committee No. 25 Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

The Group adopted and applied the new and revised accounting standards, financial reporting standards, financial reporting interpretations, and interpretation and framework in accordance with the effective date excepting for Thai Accounting Standard No.12 – Income Taxes that has been adopted and applied before the effective date.

The adoption of the new and revised TFRSs, which is effective for accounting periods beginning on or after January 1, 2011, has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in Note 3.

3. Changes in accounting policies

3.1 Overview

From January 1, 2011, consequent to the adoption of new and revised TFRSs as set out in Note 2.4, the Group has changed its accounting policies in the following areas:

- Presentation of Financial Statements
- Accounting for Property, Plant and Equipment
- Accounting for Investment Properties
- Accounting for Employee Benefits
- Accounting for Share-based Payment
- Accounting for Business Combination
- Accounting for the Change in Reporting Currency of Domestic Subsidiary

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in Notes 3.2 to 3.8. The impact of the changes on the 2010 financial statements is summarized as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
<u>Statement of financial position</u>		
Equity at January 1, 2010 – as reported	498,090.59	281,177.91
Changes as a result of the adoption retrospectively of:		
-Employee benefit obligations	(4,063.48)	(1,496.46)
-Provision for decommissioning costs	(122.47)	-
-Change in reporting currency of a domestic subsidiary	3,573.19	-
Equity at January 1, 2010 - restated	<u>497,477.83</u>	<u>279,681.45</u>
Equity at December 31, 2010 – as reported	571,312.57	315,383.17
Changes as a result of the adoption retrospectively of:		
-Employee benefit obligations	(4,539.81)	(1,616.13)
-Provision for decommissioning costs	(135.64)	-
-Change in reporting currency of a domestic subsidiary	(9,223.26)	-
Equity at December 31, 2010 - restated	<u>557,413.86</u>	<u>313,767.04</u>

3. Changes in accounting policies (Continued)

3.1 Overview (Continued)

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
<u>Statement of income for the three-month period ended September 30, 2010</u>		
Income (Loss) before income tax – as reported	35,770.91	23,688.24
Changes before tax as a result of the adoption retrospectively of:		
-Employee benefit obligations	(223.57)	(55.30)
-Provision for decommissioning costs	(3.26)	-
-Change in reporting currency of a domestic subsidiary	(3,816.59)	-
Income (Loss) before income tax - restated	31,727.49	23,632.94
Income tax expense – as reported	(9,748.18)	(4,113.74)
Changes to income tax expense as a result of the adoption retrospectively of:		
-Employee benefit obligations	72.31	16.58
-Change in reporting currency of a domestic subsidiary	4,031.38	-
Income tax expense - restated	(5,644.49)	(4,097.16)
Income (Loss) - restated	26,083.00	19,535.78
Increase (Decrease) in earnings per share (Baht):		
- Basic earnings per share	-	(0.01)
- Diluted earnings per share	-	(0.02)

3. Changes in accounting policies (Continued)

3.1 Overview (Continued)

Unit: Million Baht

	Consolidated financial statements	Separate financial statements
<u>Statement of income for the nine-month period ended September 30, 2010</u>		
Income (Loss) before income tax – as reported	104,697.98	56,616.92
Changes before tax as a result of the adoption retrospectively of:		
-Employee benefit obligations	(649.48)	(258.98)
-Provision for decommissioning costs	(9.78)	-
-Change in reporting currency of a domestic subsidiary	(4,162.74)	-
Income (Loss) before income tax - restated	99,875.98	56,357.94
Income tax expense – as reported	(30,617.16)	(11,501.97)
Changes to income tax expense as a result of the adoption retrospectively of:		
-Employee benefit obligations	249.17	77.69
-Change in reporting currency of a domestic subsidiary	4,887.71	-
Income tax expense - restated	(25,480.28)	(11,424.28)
Income (Loss) - restated	74,395.70	44,933.66
Increase (decrease) in earnings per share (Baht):		
- Basic earnings per share	0.03	(0.06)
- Diluted earnings per share	0.03	(0.06)

3.2 Presentation of Financial Statements

From January 1, 2011, the Group has applied Thai Accounting Standard No. 1 (revised 2009) – Presentation of Financial Statements. Under the revised accounting standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the financial statements

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it is also in conformity with the revised accounting standard. Since the change in accounting policy only impacts presentation aspects.

3. Changes in accounting policies (Continued)

3.3 Property, Plant and Equipment

From January 1, 2011, the Group has applied Thai Accounting Standard No. 16 (revised 2009) – Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised Thai Accounting Standard No. 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively.

3.4 Investment Properties

From January 1, 2011, the Group has applied Thai Accounting Standard No. 40 (revised 2009) – Investment Property.

Under the revised accounting standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using the cost model.

The Group has selected the cost model for accounting for its investment properties under the revised accounting standard. The change in accounting policy has been applied retrospectively and the financial statements for the three-month and nine-month periods ended 30 September 2010, which are included in the Group's interim financial statements for comparative purposes, have been adjusted to reclassify investment properties from 'Property, plant and equipment' to present separately under 'Investment properties'. The cost and accumulated depreciation as at January 1, 2010, September 30, 2010 and December 31, 2010 of the Group's investment properties previously included in property, plant and equipment, have been reclassified to present separately under 'Investment properties'. Apart from this reclassification, the change in policy has no impact on the 2010 financial statements. Details of investment properties are disclosed in Note 9.

3. Changes in accounting policies (Continued)

3.5 Employee benefits

From January 1, 2011, the Group has applied Thai Accounting Standard No. 19 – Employee Benefits.

Under the new policy, the Group's obligation in respect of post-employment benefits, provision for employee pension, is recognized in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this obligation was recognized as and when payments were made. The Group has opted to recognize profit (loss) from change in actuarial science estimates in the statement of income in that period.

The change in this accounting policy has been applied retrospectively and the Group's 2010 financial statements have been restated for comparative purposes of the Group's 2011 financial statements. Details of employee benefit obligations are disclosed in Note 16.

3.6 Share-based payments

From January 1, 2011, the Group has applied Thai Financial Reporting Standard No. 2 – Share-based Payment.

Under Thai Financial Reporting Standard No. 2, share-based payment awards granted to employees are recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The Group has not applied the above accounting policy for share-based payment awards granted before January 1, 2011 in accordance with transitional provisions of Thai Financial Reporting Standard No. 2. The adoption of this standard has had no material impact on the financial statements of the Group. Details of share-based payment awards granted before January 1, 2011 are disclosed in Note 20.

3. Changes in accounting policies (Continued)

3.7 Business Combination

From January 1, 2011, the Group has adopted Thai Financial Reporting Standard No.3 (revised 2009) – Business Combinations and Thai Accounting Standard No.27 (revised 2009) – Consolidated and Separate Financial Statements.

Under the revised standard, for acquisitions on or after January 1, 2011, the Group measures goodwill at the acquisition date as:

- The fair value of any consideration transferred *plus*
- The recognized amount of any non-controlling interest in the acquiree, *plus*
- If the business combination achieved in stages, the fair value of the existing equity interest in the acquiree, *less*
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those associated with the registration and issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based of the acquiree's awards and the extent to which replacement awards relating to past and/or future service.

3. Changes in accounting policies (Continued)

3.8 The change in reporting currency of a domestic subsidiary

From January 1, 2011, a subsidiary of the Company (PTT Exploration and Production Public Co., Ltd. (PTTEP)) has changed the reporting currency from Thai Baht currency to USD currency so that the financial statements of PTTEP are more appropriately and relevantly presented regarding the effects of trading transactions and other situations which impact financial position, operating results and cash flows of the company. The change above was considered as a change in accounting policy; therefore, PTTEP made the restatement. The Group prepared the consolidation financial statements by using the Thai Baht currency translated version of PTTEP's financial statements. Details of the impact are as follows:

	Unit: Million Baht
	Consolidated financial statements
	Increase (Decrease)
	<hr/>
Statement of financial position as at December 31, 2010	
- Total assets	(20,710.60)
- Total liabilities	(11,487.34)
- Total shareholders' equity	(9,223.26)
Statement of comprehensive income for the three-month period ended September 30, 2010	
- Total income	(4,645.76)
- Cost of sales and total expenses	(829.18)
- Income tax expense	(4,031.38)
- Net income for the period	214.80
Statement of comprehensive income for the nine-month period ended September 30, 2010	
- Total income	(6,637.18)
- Cost of sales and total expenses	(2,474.45)
- Income tax expense	(4,887.71)
- Net income for the period	724.98

4. Cash and Cash Equivalents

Cash and cash equivalents as at September 30, 2011 and December 31, 2010 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Cash on hand	404.24	270.97	205.21	223.38
Deposits held at call with banks	63,319.90	95,355.88	23,603.73	25,571.39
Fixed deposits	6,016.65	13,286.58	2,100.00	9,925.29
Treasury bills	14,797.55	-	-	-
Promissory notes	635.02	1,296.65	385.02	-
Bank of Thailand Bonds	11,866.75	25,590.96	11,866.75	25,590.96
Total	97,040.11	135,801.04	38,160.71	61,311.02

Cash and cash equivalents as at September 30, 2011 mainly bear interest at rates ranging from 0.25% to 6.00% per annum (December 31, 2010: interest rates ranging from 0.03% to 5.00% per annum).

5. Accounts Receivable – Others

5.1 Trade accounts and notes receivable – others, net as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Trade accounts receivable	109,642.05	84,417.86	82,018.37	68,776.04
Notes receivable	998.08	1,154.32	998.08	1,154.32
Total	110,640.13	85,572.18	83,016.45	69,930.36
<u>Less</u> Allowance for doubtful accounts	<u>(1,989.95)</u>	<u>(2,125.76)</u>	<u>(907.45)</u>	<u>(983.53)</u>
Trade accounts and notes receivable – others, net	<u>108,650.18</u>	<u>83,446.42</u>	<u>82,109.00</u>	<u>68,946.83</u>

Aging analysis is as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Within credit terms	106,765.02	80,327.97	81,171.23	66,466.07
Overdue				
- Within 3 months	1,473.48	1,623.47	851.77	839.67
- Over 3 - 6 months	79.08	975.92	58.38	855.84
- Over 6 - 12 months	286.56	973.67	55.65	938.52
- Over 12 months	2,035.99	1,671.15	879.42	830.26
Total	110,640.13	85,572.18	83,016.45	69,930.36
<u>Less</u> Allowance for doubtful accounts	<u>(1,989.95)</u>	<u>(2,125.76)</u>	<u>(907.45)</u>	<u>(983.53)</u>
Trade accounts and notes receivable - others, net	<u>108,650.18</u>	<u>83,446.42</u>	<u>82,109.00</u>	<u>68,946.83</u>

Trade accounts and notes receivable – others, net as at September 30, 2011 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 15,778.60 million (December 31, 2010: Baht 16,005.50 million), and in the separate financial statements amounting to Baht 15,667.85 million (December 31, 2010: Baht 15,839.89 million).

5. Accounts Receivable – Others (Continued)

5.2 Other accounts receivable and short-term loans – others, net as at September 30, 2011 and December 31, 2010 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Other accounts receivable	8,036.08	6,374.36	2,167.70	2,050.59
<u>Less</u> Allowance for doubtful accounts	<u>(556.31)</u>	<u>(528.99)</u>	<u>(550.54)</u>	<u>(523.22)</u>
Other accounts receivable, net	7,479.77	5,845.37	1,617.16	1,527.37
Refund receivable from Oil Stabilization Fund	13,355.26	7,239.97	13,355.26	7,239.97
Short-term loans	<u>197.01</u>	<u>284.03</u>	<u>79.37</u>	<u>174.89</u>
Other accounts receivable and short-term loans – others, net	<u><u>21,032.04</u></u>	<u><u>13,369.37</u></u>	<u><u>15,051.79</u></u>	<u><u>8,942.23</u></u>

The refund receivable from the Oil Stabilization Fund represents compensation for locally manufactured oil and cooking gas, imported oil and cooking gas and subsidies from the Oil Stabilization Fund from exported oil or oil sold to outbound transportation barges, including compensation for Natural gas for Vehicle (NGV) prices. The compensation and refund rates are determined by the Committee of Energy Policy Administration.

6. Related Party Transactions

The following are significant transactions carried out with related parties.

6.1 Trade accounts receivable – related parties, net as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Subsidiaries	-	-	10,705.10	22,131.99
Jointly controlled entities	-	-	1,050.92	490.63
Associates	66,115.65	53,653.95	66,016.82	53,468.93
Other related parties	6,824.06	3,601.50	6,622.60	3,488.66
Total	72,939.71	57,255.45	84,395.44	79,580.21
<u>Less</u> Allowance for doubtful accounts	(354.08)	(353.40)	(354.08)	(353.40)
Trade accounts receivable – related parties, net	72,585.63	56,902.05	84,041.36	79,226.81

Aging analysis is as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Within credit terms	72,432.86	56,928.18	80,301.34	76,279.58
Overdue				
- Within 3 months	139.05	195.15	357.50	172.63
- Over 3 - 6 months	141.10	87.07	413.32	306.73
- Over 6 - 12 months	162.34	44.19	162.12	544.96
- Over 12 months	64.36	0.86	3,161.16	2,276.31
Total	72,939.71	57,255.45	84,395.44	79,580.21
<u>Less</u> Allowance for doubtful accounts	(354.08)	(353.40)	(354.08)	(353.40)
Trade accounts receivable – related parties, net	72,585.63	56,902.05	84,041.36	79,226.81

6. Related Party Transactions (Continued)

6.2 Other accounts receivable, advances and short-term loans – related parties, net as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
<u>Other accounts receivable</u>				
Subsidiaries	-	-	137.60	630.93
Jointly controlled entities	-	-	16.97	19.86
Associates	553.44	700.11	552.67	569.61
Other related parties	335.03	168.84	163.97	166.11
Total	888.47	868.95	871.21	1,386.51
<u>Less</u> Allowance for doubtful accounts	(135.37)	(135.37)	(135.37)	(135.37)
Other accounts receivable, net	753.10	733.58	735.84	1,251.14
<u>Advances</u>				
Subsidiaries	-	-	189.45	262.52
Associates	2.67	0.02	2.48	-
Other related parties	40.31	255.92	39.43	255.12
Advances	42.98	255.94	231.36	517.64
<u>Short-term loans</u>				
Subsidiaries	-	-	444.62	500.00
Associates	4,823.82	-	4,823.82	-
Short-term loans	4,823.82	-	5,268.44	500.00
Total	5,619.90	989.52	6,235.64	2,268.78

Movements in short-term loans – related parties are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	-	90.10	500.00	20,791.01
- Payment for loans granted	-	43.73	34.62	1,013.19
- Receipt from loans granted	(226.23)	(4.12)	(2,064.26)	-
- Current portion of long term loans	5,050.05	-	6,798.08	310.00
Balance as at September 30	4,823.82	129.71	5,268.44	22,114.20

Short-term loans to related parties as at September 30, 2011 are unsecured and bear interest at rates ranging from 1.00% to 7.25% per annum (December 31, 2010: interest rates ranging from 1.00% to 6.87% per annum).

6. Related Party Transactions (Continued)

6.3 Other accounts receivable, advances and long-term loans – related parties, net as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
<u>Other accounts receivable</u>				
Associates	-	1,877.99	-	1,877.99
<u>Long-term loans</u>				
Subsidiaries	-	-	52,239.16	49,562.21
Associates	7.71	5,753.88	-	5,740.05
Long-term loans	7.71	5,753.88	52,239.16	55,302.26
Total	7.71	7,631.87	52,239.16	57,180.25

Movements in long-term loans – related parties:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	5,753.88	5,489.44	55,302.26	24,916.50
- Payment for loans granted	-	270.55	4,424.98	8,110.55
- Receipt from loans granted	(696.39)	(3.88)	(690.00)	-
- Currency translation differences	0.27	(2.02)	-	-
- Current portion of long-term loans	(5,050.05)	-	(6,798.08)	(310.00)
Balance as at September 30	7.71	5,754.09	52,239.16	32,717.05

Long-term loans to related parties as at September 30, 2011 are unsecured and bear interest at rates ranging from 3.46% to 6.88% per annum (December 31, 2010: interest rates ranging from 3.03% to 7.25% per annum).

6. Related Party Transactions (Continued)

6.4 Trade accounts payable – related parties as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Subsidiaries	-	-	11,426.52	12,611.56
Jointly controlled entities	-	-	2,631.30	3,997.20
Associates	40,926.62	32,908.67	39,133.30	31,347.20
Other related parties	3,575.93	3,219.07	202.01	147.96
Total	44,502.55	36,127.74	53,393.13	48,103.92

6.5 Other accounts payable and short-term loans – related parties as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
<u>Other accounts payable</u>				
Subsidiaries	-	-	1,304.79	1,545.32
Jointly controlled entities	-	-	5.12	7.49
Associates	834.70	934.87	716.42	899.88
Other related parties	94.74	107.37	89.99	107.26
Other accounts payable	929.44	1,042.24	2,116.32	2,559.95
<u>Short-term loans</u> *				
Subsidiaries	-	-	3,193.15	2,564.78
Total	929.44	1,042.24	5,309.47	5,124.73

* The Company's liquidity management policy uses the cash pooling method. Inter-company loans are used in form of short-term financial management of cash surpluses or deficits in each affiliate. The interests were calculated by referring to market interest rates.

6. Related Party Transactions (Continued)

6.6 Other long-term accounts payable – related parties as at September 30, 2011 and December 31, 2010

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Subsidiaries	-	-	0.22	0.33
Jointly controlled entities	-	-	13.33	13.87
Associates	17.64	18.94	17.64	18.94
Other related parties	662.45	686.29	662.45	686.29
Total	<u>680.09</u>	<u>705.23</u>	<u>693.64</u>	<u>719.43</u>

6. Related Party Transactions (Continued)

6.7 Revenue and expense transactions carried out with related parties

For the three-month periods ended September 30, 2011 and 2010

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	22,047.47	24,443.01
Jointly controlled entities	-	-	1,534.10	680.58
Associates	235,554.94	146,338.52	235,531.12	146,007.71
Other related parties	12,573.10	9,112.61	11,689.21	8,831.03
<u>Interest income:</u>				
Subsidiaries	-	-	748.00	706.97
Jointly controlled entities	-	-	-	25.32
Associates	88.36	67.81	88.36	67.81
<u>Dividend income:</u>				
Subsidiaries	-	-	5,657.18	5,527.13
Jointly controlled entities	-	-	1,655.98	-
Associates	-	-	5,869.28	3,231.69
Other related parties	219.00	201.48	219.00	201.48
<u>Other income:</u>				
Subsidiaries	-	-	133.35	176.89
Jointly controlled entities	-	-	16.91	19.99
Associates	798.45	884.83	797.83	884.32
Other related parties	17.71	14.58	15.77	14.43
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	35,194.74	30,527.74
Jointly controlled entities	-	-	8,420.79	7,287.57
Associates	154,553.19	116,382.59	150,663.21	112,034.10
Other related parties	12,940.18	8,323.62	1,134.40	1,327.60
<u>Interest expense:</u>				
Subsidiaries	-	-	19.72	3.10
<u>Other expenses:</u>				
Subsidiaries	-	-	282.47	159.48
Jointly controlled entities	-	-	-	0.23
Associates	233.70	271.14	214.87	259.45
Other related parties	277.09	192.08	258.84	189.06

6. Related Party Transactions (Continued)

6.7 Revenue and expense transactions carried out with related parties (Continued)

For the nine-month periods ended September 30, 2011 and 2010

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	88,884.36	62,498.57
Jointly controlled entities	-	-	5,131.21	1,542.92
Associates	655,021.85	488,123.56	654,154.57	486,708.88
Other related parties	37,516.43	22,438.57	36,218.77	21,924.35
<u>Interest income:</u>				
Subsidiaries	-	-	2,161.49	1,938.31
Jointly controlled entities	-	-	-	74.89
Associates	266.18	177.05	266.18	177.05
<u>Dividend income:</u>				
Subsidiaries	-	-	11,086.28	8,136.95
Jointly controlled entities	-	-	1,774.27	24.22
Associates	-	-	10,921.66	8,664.27
Other related parties	528.03	514.28	436.96	514.28
<u>Other income:</u>				
Subsidiaries	-	-	617.89	558.11
Jointly controlled entities	-	-	48.87	66.86
Associates	3,778.94	2,831.64	3,776.32	2,828.86
Other related parties	53.63	58.54	51.24	57.98
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	118,314.75	87,700.07
Jointly controlled entities	-	-	22,723.02	20,902.31
Associates	444,668.64	358,105.58	432,433.00	345,216.85
Other related parties	38,656.30	20,962.66	4,220.37	4,678.61
<u>Interest expense:</u>				
Subsidiaries	-	-	52.53	3.10
<u>Other expenses:</u>				
Subsidiaries	-	-	891.53	556.06
Jointly controlled entities	-	-	3.70	0.23
Associates	1,047.98	1,007.13	990.31	969.91
Other related parties	636.73	581.87	612.70	575.70

6. Related Party Transactions (Continued)

6.7 Revenue and expense transactions carried out with related parties (Continued)

The aforementioned related party transactions exclude transactions carried out with government agencies and state enterprises.

Stipulation prices between the Company and its related parties are based on the normal prices used in the same types of business in transactions with other non-related parties. Goods purchased from subsidiaries are charged at the normal prices determined by the subsidiaries with reference to global market prices.

6.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 28.1.

6. Related Party Transactions (Continued)

- 6.9 Crude oil and refined product purchase and sale transactions carried out with related parties without the physical delivery, with the objectives of maintaining crude oil and refined products reserves, were offset in the financial statements.

For the three-month periods ended September 30, 2011 and 2010 are as follow:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2011	2010	2011	2010
<u>Sales</u>				
Associates	687.26	379.00	687.26	379.00
Other related parties	668.32	-	668.32	-
<u>Purchases</u>				
Associates	687.26	379.00	687.26	379.00
Other related parties	668.32	-	668.32	-

For the nine-month periods ended September 30, 2011 and 2010 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2011	2010	2011	2010
<u>Sales</u>				
Subsidiaries	-	-	-	8.12
Associates	4,622.68	1,350.34	4,622.68	1,350.34
Other related parties	914.44	-	914.44	-
<u>Purchases</u>				
Subsidiaries	-	-	-	8.12
Associates	4,622.68	1,350.34	4,622.68	1,350.34
Other related parties	914.44	-	914.44	-

6. Related Party Transactions (Continued)

6.10 Executives' remunerations

For the three-month periods ended September 30, 2011 and 2010 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Directors' remunerations</u>				
Meeting remuneration and bonuses	19.07	19.61	10.54	10.45
<u>Management's remunerations</u>				
Salaries, bonuses, and other short-term employee benefits	117.95	110.57	26.47	21.28
Post-employment benefits	1.21	0.82	1.00	0.65
Total	<u>138.23</u>	<u>131.00</u>	<u>38.01</u>	<u>32.38</u>

For the nine-month periods ended September 30, 2011 and 2010 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Directors' remunerations</u>				
Meeting remuneration and bonuses	66.85	57.38	31.22	30.80
<u>Management's remunerations</u>				
Salaries, bonuses, and other short-term employee benefits	395.03	454.69	76.16	80.57
Post-employment benefits	3.18	4.13	2.55	3.61
Total	<u>465.06</u>	<u>516.20</u>	<u>109.93</u>	<u>114.98</u>

Management are those persons who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates

7.1 Details of subsidiaries, jointly controlled entities and associates of the Company

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2011	December 31, 2010
<u>Subsidiaries:</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.29	65.34
PTT (Cambodia) Limited (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	49.00	49.00
PTT International Trading Pte Ltd (PTTT)	Singapore	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd (PTTPM)	Thailand	Petrochemical marketing	50.00	50.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Real estate development for rent	50.00	50.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics services	100.00	100.00
PTT Retail Business Co., Ltd. (PTTRB)	Thailand	Management services and oil marketing	100.00	100.00
Combined Heat and Power Producing Co., Ltd. (CHPP)	Thailand	Generation and supply of electricity and chilled water	100.00	100.00
PTT International Co., Ltd. (PTTI)	Thailand	International investment	100.00	100.00
PTT Green Energy Pte Ltd (PTTGE)	Singapore	Investment in palm oil	100.00	100.00
Business Services Alliance Co., Ltd. (BSA)	Thailand	Management services	25.00	25.00
PTT Tank Terminal Co., Ltd. (PTT TANK)	Thailand	Terminal and warehouse	100.00	100.00
Thai Lube Blending Co., Ltd. (TLBC) (The Company and PTTRB held 48.95% and 51.05%, respectively. As a result, TLBC is a subsidiary of the Company)	Thailand	Blending and bottling of lube oil	48.95	48.95

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.1 Details of subsidiaries, jointly controlled entities and associates of the Company (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2011	December 31, 2010
<u>Jointly controlled entities:</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co., Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	48.50	48.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
PTT MCC Biochem Co., Ltd. (PMBC)	Thailand	Petrochemicals	50.00	-
<u>Associates:</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.10	49.10
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	27.22	28.29
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipelines	33.19	33.19
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and sale of LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and sale of LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	38.52	39.02
Independent Power (Thailand) Co., Ltd (IPT)	Thailand	Electricity generation	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemicals	49.14	48.68
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industries	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
PTT Aromatics and Refining Public Co., Ltd. (PTTAR)	Thailand	Petrochemicals and refining	48.45	48.60
PTT Maintenance & Engineering Co., Ltd. (PTTME)	Thailand	Factory maintenance and engineering services	40.00	40.00
B.Grimm BIP Power Co., Ltd. (B.Grimm BIP)	Thailand	Generation and supply of electricity	23.00	23.00

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.1 Details of subsidiaries, jointly controlled entities and associates of the Company (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2011	December 31, 2010
<u>Associates (Continued):</u>				
Nava Nakorn Electricity Generating Co., Ltd. (NNEG)	Thailand	Generation and supply of electricity	30.00	-
PTT Energy Solutions Co., Ltd. (PTTES)	Thailand	Technical and operational services	40.00	-
Bangpa-in Cogeneration Limited (BIC)	Thailand	Generation and supply of electricity and steam	25.00	-

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)**7.2 Investments in associates in the consolidated financial statements as at September 30, 2011 and December 31, 2010**

Unit: Million Baht

Company	Shareholding percentage		September 30, 2011		December 31, 2010		Dividends for the nine-month periods ended September 30	
	September 30, 2011	December 31, 2010	Cost method	Equity Method	Cost method	Equity method	2011	2010
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	38,185.38	11,380.83	34,481.73	2,704.45	2,103.46
2. SPRC	36.00	36.00	14,770.48	21,126.68	14,770.48	18,613.23	-	812.39
3. BCP	27.22	28.29	4,645.78	8,119.94	4,060.18	6,562.57	426.69	432.80
4. PTTAR	48.45	48.60	13,045.88	32,207.05	12,820.01	30,472.62	2,600.03	1,802.48
5. IRPC	38.52	39.02	28,467.24	30,953.53	28,467.24	30,339.10	1,416.55	1,309.22
<u>Oil Business Group</u>								
6. THAPPLINE	33.19	33.19	2,682.35	1,541.75	2,682.35	1,174.33	-	-
7. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
8. V LPG	45.00	45.00	87.35	111.42	87.35	102.89	-	-
9. KPL	40.00	40.00	21.49	-	21.49	(0.96)	-	-
10. FST	25.00	25.00	1.13	1.44	1.13	1.40	-	-
<u>Petrochemical Business Group</u>								
11. PTTCH	49.14	48.68	36,479.18	64,439.42	33,520.89	57,129.11	3,759.94	2,152.83
12. PPCL	40.00	40.00	3,340.48	5,050.19	3,340.48	3,967.24	-	-
13. PTTME	40.00	40.00	66.40	188.42	66.40	174.63	27.20	27.80
<u>Natural Gas Business Group</u>								
14. IPT	20.00	20.00	400.19	1,598.51	400.19	1,526.18	-	-
15. TP	26.00	26.00	2,304.76	2,200.63	2,304.76	2,136.92	73.06	73.06
16. PTTUT	40.00	40.00	2,743.60	2,803.32	2,743.60	2,617.27	-	-
17. EMG	25.00	25.00	16,544.61	13,316.86	16,544.61	14,063.82	-	-
18. B.Grimm BIP	23.00	23.00	31.17	30.88	4.95	4.91	-	-
19. NNEG	30.00	-	0.60	0.60	-	-	-	-
20. XPCL	25.00	-	250.00	243.33	-	-	-	-
21. BIC	25.00	-	113.75	113.73	-	-	-	-
<u>Coal Business Group</u>								
22. RIM	33.50	33.50	1,267.73	1,499.67	1,267.73	1,538.42	-	-
<u>Other Business Group</u>								
23. PTTICT	20.00	20.00	60.00	119.94	60.00	73.42	-	-
24. PTTES	40.00	-	47.50	46.39	-	-	-	-
25. ShoreAir	50.00	50.00	16.88	86.92	16.88	83.86	-	-
			138,900.63	223,986.00	134,692.80	205,062.69		
<u>Less: Allowance for impairment</u>			(131.25)	-	(131.25)	-		
Total			138,769.38	223,986.00	134,561.55	205,062.69	11,007.92	8,714.04

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at September 30, 2011 and December 31, 2010

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month periods ended September 30	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	2011	2010
Subsidiaries:						
1. PTTEP	65.29	65.34	11,131.33	11,131.33	11,032.58	8,128.13
2. PTTT	100.00	100.00	2.50	2.50	-	-
3. PTTCL	100.00	100.00	0.23	0.23	-	-
4. SBECL	100.00	100.00	1,154.81	1,154.81	-	-
5. PTTNGD	58.00	58.00	418.14	418.14	-	-
6. PTTLNG	100.00	100.00	3,448.86	1,638.25	-	-
7. PTTTPM	50.00	50.00	20.00	20.00	-	-
8. EnCo	50.00	50.00	900.00	900.00	-	-
9. RBA	49.00	49.00	0.49	0.49	46.00	-
10. PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
11. PTTRB	100.00	100.00	5,100.00	5,100.00	-	-
12. CHPP	100.00	100.00	270.00	270.00	-	-
13. PTTI	100.00	100.00	33,157.00	13,524.00	-	-
14. PTTGE	100.00	100.00	10,106.06	7,044.58	-	-
15. BSA	25.00	25.00	0.50	0.50	-	-
16. PTT TANK	100.00	100.00	2,500.37	2,500.37	-	-
17. TLBC	48.95	48.95	140.00	140.00	7.70	8.82
Total investments in subsidiaries			69,550.29	45,045.20	11,086.28	8,136.95
Jointly Controlled Entities:						
<i>Natural Gas Business Group</i>						
18. TTM (T)	50.00	50.00	5,666.80	5,666.80	-	-
19. TTM (M)	50.00	50.00	281.32	281.32	-	-
20. DCAP	35.00	35.00	584.50	428.75	-	-
<i>Petrochemicals Business Group</i>						
21. PTTAC	48.50	48.50	6,909.41	6,573.63	-	-
22. HMC	41.44	41.44	9,117.12	9,117.12	1,774.27	24.22
23. PMBC	50.00	-	180.12	-	-	-
Total investments in jointly controlled entities			22,739.27	22,067.62	1,774.27	24.22

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at September 30, 2011 and December 31, 2010 (Continued)

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month periods ended September 30	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	2011	2010
<i>Associates:</i>						
<i>Refining Business Group</i>						
24. TOP	49.10	49.10	11,380.83	11,380.83	2,704.45	2,103.46
25. SPRC	36.00	36.00	14,770.48	14,770.48	-	812.39
26. BCP	27.22	28.29	4,645.78	4,060.18	426.69	432.80
27. PTTAR	48.45	48.60	13,045.88	12,820.01	2,600.03	1,802.48
28. IRPC	38.52	39.02	28,467.24	28,467.24	1,416.55	1,309.22
<i>Oil Business Group</i>						
29. THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
30. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
31. VLPG	45.00	45.00	87.35	87.35	-	-
32. KPL	40.00	40.00	21.49	21.49	-	-
<i>Petrochemicals Business Group</i>						
33. PTTCH	49.14	48.68	35,037.71	32,079.42	3,673.68	2,103.06
34. PPCL	40.00	40.00	3,340.48	3,340.48	-	-
35. PTTME	40.00	40.00	66.40	66.40	27.20	27.80
<i>Natural Gas Business Group</i>						
36. IPT	20.00	20.00	400.19	400.19	-	-
37. TP	26.00	26.00	2,304.76	2,304.76	73.06	73.06
38. PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
39. B. Grimm BIP	23.00	23.00	31.17	4.95	-	-
40. NNEG	30.00	-	0.60	-	-	-
41. BIC	25.00	-	113.75	-	-	-
<i>Other Business Group</i>						
42. PTTICT	20.00	20.00	30.00	30.00	-	-
43. PTTES	40.00	-	47.50	-	-	-
Total investments in associates			119,348.81	115,390.98		
<u>Less</u> Allowance for impairment			(131.25)	(131.25)		
Total investments in associates, net			119,217.56	115,259.73	10,921.66	8,664.27
Total			211,507.12	182,372.55	23,782.21	16,825.44

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.4 The share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at September 30, 2011 and December 31, 2010 are as follows:

Statements of financial position:

As at September 30, 2011 and December 31, 2010

Unit: Million Baht

	September 30, 2011						December 31, 2010					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC
Current assets	2,823.11	99.77	118.36	1,623.37	3,514.62	177.16	2,625.16	90.53	155.96	2,039.69	4,041.78	-
Non-current assets	13,332.86	616.15	1,068.78	11,667.78	12,411.69	1.62	13,935.19	635.97	837.00	10,564.51	11,782.46	-
Current liabilities	(924.61)	(79.31)	(109.47)	(912.09)	(1,713.40)	(1.29)	(1,242.57)	(82.15)	(62.24)	(559.28)	(1,227.56)	-
Non-current liabilities	(8,140.52)	(351.74)	(633.90)	(5,665.86)	(5,013.61)	-	(8,607.73)	(390.75)	(598.84)	(5,382.54)	(5,300.30)	-
Net assets	<u>7,090.84</u>	<u>284.87</u>	<u>443.77</u>	<u>6,713.20</u>	<u>9,199.30</u>	<u>177.49</u>	<u>6,710.05</u>	<u>253.60</u>	<u>331.88</u>	<u>6,662.38</u>	<u>9,296.38</u>	<u>-</u>

Statements of income:

For the three-month periods ended September 30, 2011 and 2010

Unit: Million Baht

	2011						2010					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC
Income*	665.67	20.08	150.80	(70.54)	3,575.22	1.17	931.93	45.89	149.98	233.80	1,900.56	-
Expenses	(417.84)	(22.65)	(177.93)	(49.13)	(2,760.70)	(3.90)	(424.38)	(23.55)	(156.88)	(45.62)	(1,597.82)	-
Income (loss) before taxes	247.83	(2.57)	(27.13)	(119.67)	814.52	(2.73)	507.55	22.34	(6.90)	188.18	302.74	-
Income taxes	-	-	-	0.08	(214.09)	-	-	-	-	(45.15)	(61.54)	-
Net income (loss)	<u>247.83</u>	<u>(2.57)</u>	<u>(27.13)</u>	<u>(119.59)</u>	<u>600.43</u>	<u>(2.73)</u>	<u>507.55</u>	<u>22.34</u>	<u>(6.90)</u>	<u>143.03</u>	<u>241.20</u>	<u>-</u>

Statements of income:

For the nine-month periods ended September 30, 2011 and 2010

Unit: Million Baht

	2011						2010					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC
Income*	1,714.83	102.03	441.47	(149.54)	9,903.89	2.11	2,167.99	111.89	439.40	290.70	5,607.64	-
Expenses	(1,334.02)	(70.25)	(485.33)	(135.35)	(7,663.88)	(4.61)	(1,242.60)	(77.72)	(449.36)	(125.87)	(4,772.21)	-
Income (loss) before taxes	380.81	31.78	(43.86)	(284.89)	2,240.01	(2.50)	925.39	34.17	(9.96)	164.83	835.43	-
Income taxes	-	-	-	(0.06)	(518.91)	-	-	0.33	-	(45.01)	(165.81)	-
Net income (loss)	<u>380.81</u>	<u>31.78</u>	<u>(43.86)</u>	<u>(284.95)</u>	<u>1,721.10</u>	<u>(2.50)</u>	<u>925.39</u>	<u>34.50</u>	<u>(9.96)</u>	<u>119.82</u>	<u>669.62</u>	<u>-</u>

* including gain (loss) on foreign exchange rate

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.5 Significant events during the nine-month period ended September 30, 2011

PTTEP

On February 25, 2011, PTTEP established PTTEP Canada International Finance Limited with registered capital of CAD 50,000 comprising 50,000 ordinary shares at a par value of CAD 1 each. PTTEP Netherlands Coöperatie U.A. had a 100% shareholding in PTTEP Canada International Finance Limited.

On August 1, 2011, PTTEP established PTTEP MEA Limited with registered capital of USD 50,000 comprising 50,000 ordinary shares at a par value of USD 1 each. PTTEP had a 100% shareholding in PTTEP MEA Limited.

During the period, PTTEP's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 19. This event resulted in the decrease in the Company's ownership interest in the subsidiary, recorded under shareholders' equity in the statement of financial position amounting to Baht 70.92 million. Consequently, as at September 30, 2011, the Company's shareholding in PTTEP was 65.29%.

IRPC

During the period, IRPC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 19. The loss from this exercise right of Baht 98.34 million was recorded in the statements of income. Consequently, as at September 30, 2011, the Company's shareholding in IRPC was 38.52%.

PTTAR

During the period, PTTAR's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 19. The profit from this exercise right of Baht 15.06 million was recorded in the statements of income.

The Company purchased 5.30 million shares from the dissenting shareholders of PTTAR and PTTCH amounting to Baht 225.87 million, which incurred goodwill of Baht 106.25 million. Consequently, the Company's shareholding in PTTAR as at September 30, 2011 was 48.45%.

PTTCH

During the period, PTTCH's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 19. The loss from this exercise right of Baht 96.84 million was recorded in the statements of income.

The Company sold 12.77 million shares of PTTCH in the SET which resulted in gain from disposal of investments in consolidated financial statements and separate financial statements amounting to Baht 994.00 million and Baht 1,412.51 million, respectively.

The Company purchased 21.32 million shares from the dissenting shareholders of PTTAR and PTTCH amounting to Baht 3,513.63 million, which incurred goodwill of Baht 1,888.41 million. Consequently, the Company's shareholding in PTTCH as at September 30, 2011 was 49.14%.

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.5 Significant events during the nine-month period ended September 30, 2011 (Continued)

BCP

During the period, the holders of convertible debenture warrants exercised their rights to convert to ordinary shares as detailed in Note 19. The gain of Baht 30.87 million resulting from this event was recorded in the statements of income. In addition, the Company exercised totally 58,560 units of convertible subordinated debentures to convert to 41,828,571 ordinary shares. Consequently, as at September 30, 2011, the Company's shareholding in BCP was 27.22%.

PTTI

On February 4, 2011, PTTI's extraordinary shareholders' meeting No. 1/2011 passed a resolution to increase the authorized share capital by Baht 19,445 million from Baht 16,600 million to Baht 36,045 million by issuing 1,944.50 million ordinary shares at a par value of Baht 10 each. PTTI called for the first 25% payment of the additional authorized share capital of Baht 4,861.25 million. The Company paid for these shares on February 15, 2011.

On February 17, 2011, PTTI called for the second payment of the second additional authorized share capital of Baht 12,681.44 million and the Company paid for these shares on March 2, 2011.

On February 24, 2011, PTTI called for the seventh payment of the first additional authorized share capital of Baht 214.99 million and the Company paid for these shares on March 9, 2011.

On March 15, 2011, PTTML, a subsidiary of PTTI, acquired 100% shareholding of International Coal Holdings Limited (ICH), which operates investing business as a holding company, for the total amount of AUD 544.11 million or approximately Baht 16,831.22 million. The acquisition refers to a resolution of PTTI's board of director meeting No.9/2010 held on October 14, 2010.

On March 1, 2011, Natee Synergy Co., Ltd. (NSC), a subsidiary of PTTI, agreed to jointly invest in Xayaburi Power Co., Ltd. (XPCL) with CH. Karnchang Public Company Limited, Electricity Generating Public Company Limited, and P.T. Construction & Irrigation Co., Ltd. for development of the Hydroelectric Power Project in the Lao People's Democratic Republic with the authorized share capital amounting to Baht 800 million. NSC had 25% shareholding in XPCL amounting to Baht 200 million. Subsequently, XPCL issued the additional authorized share capital amounting from Baht 800 million to Baht 1,000 million. NSC paid for the additional shares amounting to Baht 50 million on April 22, 2011.

On September 23, 2011, PTTI called for the third payment of the second additional authorized share capital of Baht 1,875.32 million and the Company paid for these shares on September 30, 2011.

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.5 Significant events during the nine-month period ended September 30, 2011 (Continued)

PTTGE

On January 20, 2011, PTTGE called for the payment of additional authorized share capital of USD 40 million or approximately Baht 1,237.59 million. The Company paid for these shares on February 9, 2011.

On May 26, 2011, PTTGE called for the second payment of additional authorized share capital of USD 60 million or approximately Baht 1,823.89 million. The Company paid for these shares on June 10, 2011. As a result, the paid-up share capital of PTTGE was USD 308.85 million or approximately Baht 10,106.06 million.

PTTAC

On February 24, 2011, PTTAC called for the third payment (the last call) of additional authorized share capital of 335.78 million and the Company paid for these shares on March 3, 2011.

PMBC

On February 11, 2011, the Company's extraordinary Board of Directors' meeting No. 2/2011 passed a resolution to jointly invest at a portion of 50% shareholding in PTT MCC BioChem Co., Ltd. (PMBC) with Mitsubishi Chemical Corporation (MCC) for the Polybutylene Succinate (PBS) project with the authorized share capital amounting to USD 12 million or approximately Baht 360 million. On March 29, 2011, the Company made a payment of Baht 180 million for these shares.

PTTLNG

PTTLNG's Board of Directors' meeting No. 3/2011 on March 31, 2011 and No. 8/2011 on July 27, 2011 passed resolutions to call for the payments of additional authorized share capital of Baht 1,200 million and Baht 610.61 million. The Company paid for these shares on May 31, 2011 and September 30, 2011, respectively.

B.Grimm BIP

On April 4, 2011, B.Grimm BIP's shareholders' meeting No. 1/2011 passed a resolution to increase the authorized share capital by Baht 114 million from Baht 21.50 million to Baht 135.50 million by issuing the additional share of 1.14 million shares at Baht 100 each. The Company paid for these additional shares in accordance with shareholding percentage amounting to Baht 26.22 million on April 12, 2011.

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.5 Significant events during the nine-month period ended September 30, 2011 (Continued)

NNEG

On April 29, 2011, the Company's Board of Directors' meeting No. 4/2011 passed a resolution to jointly invest in the Nava Nakorn Electricity Generating Co., Ltd. (NNEG) for the purpose of investing 30% in the combined heat power plant project in Nava Nakorn Industrial Estate. The authorized share capital of NNEG was Baht 2 million comprising 200,000 ordinary shares at a par value of Baht 10 each. The Company paid for these shares in accordance with shareholding percentage amounting to Baht 0.60 million on May 30, 2011.

DCAP

On April 19 and 25, 2011, DCAP called for the second payment of additional authorized share capital of Baht 31.65 million and the third payment for Baht 124.10 million. The Company paid for these shares on April 22, 2011 and May 6, 2011, respectively.

PTTES

On February 11, 2011, the Company's extraordinary Board of Directors' meeting No. 2/2011 passed a resolution to establish PTT Energy Solutions Co., Ltd. (PTTES) by 40% jointly investing with the companies within the Group in order to provide engineering technique consulting services. The authorized share capital of PTTES was Baht 150 million comprising 1.5 million ordinary shares at a par value of Baht 100 each. PTTES called for the first payment of Baht 75 per share. The Company paid for these shares in accordance with shareholding percentage amounting to Baht 47.50 million on June 9, 2011.

RBA

On June 28, 2011, RBA's extraordinary shareholders' meeting No. 1/2011 passed a resolution to terminate the company and appoint one of the Board of Directors to liquidate the company.

On June 30, 2011, RBA registered to terminate the company with the Ministry of Commerce. Currently, the liquidation is on the process.

BIC

On May 27, 2011, the Company's Board of Directors' meeting No. 5/2011 passed a resolution to invest in 25% of shareholding of the Bangpa-in Cogeneration Limited (BIC), which operates a cogeneration power plant project at Bangpa-in Industrial Estate. The authorized share capital of BIC was Baht 1,370 million comprising 137 million ordinary shares at a par value of Baht 10 each. The Company paid for these shares in accordance with shareholding percentage amounting to Baht 113.75 million on August 18, 2011.

7. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

7.6 Additional information in respect of associates

- 7.6.1 The Company has not recognized its share of gain (loss) from some associates for the three-month period ended September 30, 2011 amounting to Baht (4.41) million (2010: Baht 0.47 million) and for the nine-month period ended September 30, 2011 amounting to Baht (6.34) million (2010: Baht 3.16 million) because the Company had an unrealized allowance for its share of loss from these associates as at September 30, 2011 amounting to Baht 70.64 million (December 31, 2010: Baht 63.62 million).
- 7.6.2 The fair value of investments in associates (only those with equity securities traded in the Stock Exchange of Thailand (SET)) was calculated based on current bid prices at the statement of financial position dates. Details are as follows:

<u>Associates</u>	<u>September 30, 2011</u>	Unit: Million Baht
		<u>December 31, 2010</u>
BCP	6,183.35	6,125.73
IRPC	27,386.54	50,759.53
TOP	50,833.61	78,378.92
PTTAR	35,458.65	55,156.02
PTTCH	73,526.43	108,473.84

8. Other Long-term Investments, Net

8.1 Other long-term investments, net as at September 30, 2011 and December 31, 2010 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
General investments	2,060.64	2,179.35	1,106.12	1,106.12
Investments in available-for-sale securities				
- Investments in equity securities	557.79	557.79	336.00	336.00
- Investments in debt securities	-	585.60	-	585.60
- Investments in mutual funds	6,804.89	6,804.89	6,804.89	6,804.89
- Currency translation differences	(15.52)	67.83	-	-
- Allowance for changes in value of investments	3,006.94	5,574.49	2,947.58	5,496.81
Total	12,414.74	15,769.95	11,194.59	14,329.42

8.2 Details of other long-term investments of the Company are as follows:

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2011	December 31, 2010
General investments				
Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Oil marketing	25.00	25.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil transmission pipelines	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling services	16.67	16.67
Ratchaburi Power Co., Ltd. (RPCL)	Thailand	Electricity generation	15.00	15.00
Colour Vision International Co., Ltd. (Corpus)	Thailand	Finished yarn production	0.48	0.48

8. Other Long-term Investments, Net (Continued)

8.2 Details of other long-term investments of the Company are as follows (Continued):

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2011	December 31, 2010
Investments in available-for-sale securities				
<u>Investments in equity securities</u>				
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Services Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling services	7.06	7.06
<u>Investments in debt securities</u>				
Convertible subordinated debenture of Bangchak Petroleum Public Co., Ltd.	Thailand	Refining		
<u>Investments in mutual funds</u>				
MFC Energy Fund	Thailand	Mutual fund	32.57	32.57
Finansa Asset Management - Energy and Petrochemical Index Fund (FAM EPIF)	Thailand	Mutual fund		

8. Other Long-term Investments, Net (Continued)

8.3 Other long-term investments, net as at September 30, 2011 and December 31, 2010 are as follows:

Unit: Million Baht

Company	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividends for the nine-month periods ended September 30	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	2011	2010
General Investments								
1. PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2. FPT	2.76	2.76	44.00	44.00	44.00	44.00	-	-
3. IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
4. RPCL	15.00	15.00	1,098.75	1,098.75	1,098.75	1,098.75	345.00	435.00
5. ROC	5.91	5.91	643.73	643.73	-	-	91.07	-
6. BAPT	2.07	2.07	18.19	18.19	-	-	-	-
7. PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
8. PA (Sanshui)	25.00	25.00	6.06	6.06	6.06	6.06	-	-
9. KOT	10.00	10.00	117.93	117.93	-	-	-	-
10. KIF	10.00	10.00	48.84	48.84	-	-	-	-
11. K I	10.00	10.00	245.39	245.39	-	-	-	-
12. K II	10.00	10.00	65.52	65.52	-	-	-	-
13. Corpus	0.48	0.48	0.60	0.60	0.60	0.60	-	-
Total investments accounted for under the cost method			2,319.02	2,319.02	1,179.42	1,179.42		
Currency translation differences			(37.34)	(48.18)	-	-		
Less Allowance for impairment of investments			(221.04)	(91.49)	(73.30)	(73.30)		
Total general investments			2,060.64	2,179.35	1,106.12	1,106.12		
Investments in Available-for-sale Securities								
<u>Investments in Equity Securities</u>								
14. TIP	13.33	13.33	312.00	312.00	312.00	312.00	70.00	62.00
15. BAFS	7.06	7.06	24.00	24.00	24.00	24.00	21.96	17.28
16. XML	12.72	12.72	221.79	221.79	-	-	-	-
Total investments in equity securities			557.79	557.79	336.00	336.00		
<u>Investments in Debt Securities</u>			-	585.60	-	585.60		
<u>Investments in Mutual Funds</u>								
MFC Energy Fund	32.57	32.57	504.89	504.89	504.89	504.89	-	-
FAM EPIF			6,300.00	6,300.00	6,300.00	6,300.00	71.83	-
Total investments in mutual funds			6,804.89	6,804.89	6,804.89	6,804.89		
Total investments in available-for-sale securities before changes in value of investments and currency translation differences			7,362.68	7,948.28	7,140.89	7,726.49		
Currency translation differences			(15.52)	67.83	-	-		
Allowance for changes in value of investments			3,006.94	5,574.49	2,947.58	5,496.81		
Total investments in available-for-sale securities			10,354.10	13,590.60	10,088.47	13,223.30		
Total other long-term investments, net			12,414.74	15,769.95	11,194.59	14,329.42	599.86	514.28

8. Other Long-term Investments, Net (Continued)

8.4 Significant events during the nine-month period ended September 30, 2011

PA (Shantou)

On January 27, 2010, the Company's Board of Directors' meeting No. 1/2010 passed a resolution to sell 15% of its shares in Petro Asia (Shantou) Co., Ltd. (PA(Shantou)) to one company (the Buyer), amounting to Baht 19.74 million. Due to the loss of communication with the Buyer, the Company's Board of Directors' meeting No. 9/2011 on September 23, 2011 passed a resolution to seek a new buyer.

9. Investment Properties, Net

Investment properties, net are as follows:

Unit: Million Baht

	Consolidated financial statements			
	Land	Buildings and building improvements	Construction in progress	Total
Cost				
As at January 1, 2011	4,422.64	5,649.19	-	10,071.83
- Additions	-	7.52	19.01	26.53
- Reclassification	(0.96)	29.94	(17.76)	11.22
- Disposals	-	(38.77)	-	(38.77)
As at September 30, 2011	4,421.68	5,647.88	1.25	10,070.81
Accumulated Depreciation				
As at January 1, 2011	-	(1,339.90)	-	(1,339.90)
- Depreciation for the period	-	(212.86)	-	(212.86)
- Reclassification	-	(0.02)	-	(0.02)
- Disposals	-	37.53	-	37.53
As at September 30, 2011	-	(1,515.25)	-	(1,515.25)
Net Book Value				
As at December 31, 2010	4,422.64	4,309.29	-	8,731.93
As at September 30, 2011	4,421.68	4,132.63	1.25	8,555.56

9. Investment Properties, Net (Continued)

Investment Properties, net are as follows (Continued):

Unit : Million Baht

	Separate financial statements			Total
	Land	Buildings and building improvements	Construction in progress	
Cost				
As at January 1, 2011	4,422.64	1,842.98	-	6,265.62
- Additions	-	0.52	19.01	19.53
- Reclassification	(0.96)	29.17	(17.76)	10.45
- Disposals	-	(38.78)	-	(38.78)
As at September 30, 2011	4,421.68	1,833.89	1.25	6,256.82
Accumulated Depreciation				
As at January 1, 2011	-	(1,126.11)	-	(1,126.11)
- Depreciation for the period	-	(55.71)	-	(55.71)
- Reclassification	-	(0.02)	-	(0.02)
- Disposals	-	37.54	-	37.54
As at September 30, 2011	-	(1,144.30)	-	(1,144.30)
Net Book Value				
As at December 31, 2010	4,422.64	716.87	-	5,139.51
As at September 30, 2011	4,421.68	689.59	1.25	5,112.52

10. Property, Plant and Equipment, Net

Property, plant and equipment, net are as follows:

Unit: Million Baht

	Consolidated financial statements						Total
	Land	Buildings and building improvements	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	
Cost							
As at January 1, 2011	6,464.86	33,082.91	274,477.07	350,950.33	12,364.56	78,888.77	756,228.50
- Business acquisition (Note 26)	141.49	1.01	288.44	43,168.72	-	-	43,599.66
- Additions	296.23	479.85	1,282.04	50,748.69	1,802.11	23,359.23	77,968.15
- Borrowing costs	-	-	-	-	-	1,029.10	1,029.10
- Reclassification	(1,171.97)	8,960.86	59,239.10	(3,100.16)	270.97	(72,252.16)	(8,053.36)
- Disposals	-	(190.18)	(396.00)	-	(1,582.98)	(0.34)	(2,169.50)
- Currency translation differences	9.55	99.59	267.77	13,953.42	82.32	64.56	14,477.21
As at September 30, 2011	5,740.16	42,434.04	335,158.42	455,721.00	12,936.98	31,089.16	883,079.76
Accumulated Depreciation							
As at January 1, 2011	-	(11,957.71)	(90,070.35)	(149,057.49)	(7,713.07)	-	(258,798.62)
- Business acquisition (Note 26)	(4.68)	(0.03)	(9.54)	(1,427.60)	-	-	(1,441.85)
- Depreciation for the period	-	(1,471.20)	(9,723.18)	(23,516.28)	(935.02)	-	(35,645.68)
- Reclassification	-	12.25	238.67	(69.65)	366.00	-	547.27
- Disposals	-	156.35	361.49	-	1,513.41	-	2,031.25
- Currency translation differences	-	(287.31)	126.57	(5,600.73)	(10.42)	-	(5,771.89)
As at September 30, 2011	(4.68)	(13,547.65)	(99,076.34)	(179,671.75)	(6,779.10)	-	(299,079.52)
Allowance for Impairment of Assets							
As at January 1, 2011	(81.27)	(12.20)	(290.21)	(385.54)	-	-	(769.22)
- Impairment losses	-	-	(3.12)	(225.29)	-	-	(228.41)
- Reversal of impairment losses	-	2.58	-	-	-	-	2.58
- Currency translation differences	-	-	(1.19)	(18.38)	-	-	(19.57)
As at September 30, 2011	(81.27)	(9.62)	(294.52)	(629.21)	-	-	(1,014.62)
Net Book Value							
As at December 31, 2010	6,383.59	21,113.00	184,116.51	201,507.30	4,651.49	78,888.77	496,660.66
As at September 30, 2011	5,654.21	28,876.77	235,787.56	275,420.04	6,157.88	31,089.16	582,985.62

(TRANSLATION)

10. Property, Plant and Equipment, Net (Continued)

Property, plant and equipment, net are as follows (Continued):

	Separate financial statements					Unit : Million Baht
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	Total
Cost						
As at January 1, 2011	3,621.56	23,242.46	233,105.50	10,065.78	37,002.17	307,037.47
- Additions	-	111.14	628.21	432.96	13,753.15	14,925.46
- Borrowing costs	-	-	-	-	204.87	204.87
- Reclassification	94.17	2,296.62	30,843.98	150.89	(34,391.67)	(1,006.01)
- Disposals	-	(77.01)	(256.38)	(1,463.34)	-	(1,796.73)
As at September 30, 2011	3,715.73	25,573.21	264,321.31	9,186.29	16,568.52	319,365.06
Accumulated Depreciation						
As at January 1, 2011	-	(9,217.49)	(77,970.58)	(6,519.34)	-	(93,707.41)
- Depreciation for the period	-	(889.45)	(7,516.16)	(751.75)	-	(9,157.36)
- Reclassification	-	15.81	0.50	403.00	-	419.31
- Disposals	-	68.51	254.66	1,407.87	-	1,731.04
As at September 30, 2011	-	(10,022.62)	(85,231.58)	(5,460.22)	-	(100,714.42)
Allowance for Impairment of Assets						
As at January 1, 2011	(81.27)	(12.20)	(255.11)	-	-	(348.58)
- Reversal of impairment losses	-	2.58	-	-	-	2.58
As at September 30, 2011	(81.27)	(9.62)	(255.11)	-	-	(346.00)
Net Book Value						
As at December 31, 2010	3,540.29	14,012.77	154,879.81	3,546.44	37,002.17	212,981.48
As at September 30, 2011	3,634.46	15,540.97	178,834.62	3,726.07	16,568.52	218,304.64

Borrowing costs in the consolidated financial statements amounting to Baht 1,029.10 million (December 31, 2010: Baht 2,042.11million) and in the separate financial statements amounting to Baht 204.87 million (December 31, 2010: Baht 886.78 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 1.63% to 5.58% (December 31, 2010: 1.67% to 7.25%).

10. Property, Plant and Equipment, Net (Continued)

As at September 30, 2011 and December 31, 2010, the other assets include vehicles acquired under finance leases. Details are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Cost	1,013.15	981.36	860.33	844.84
<u>Less Accumulated depreciation</u>	<u>(259.96)</u>	<u>(204.58)</u>	<u>(170.07)</u>	<u>(142.26)</u>
Net book value	<u>753.19</u>	<u>776.78</u>	<u>690.26</u>	<u>702.58</u>

11. Intangible Assets, Net

Intangible assets, net are as follows:

Unit: Million Baht

	Consolidated financial statements				
	Computer software	Right of use	Resource exploration and evaluation assets	Other intangible assets	Total
Cost					
As at January 1, 2011	3,063.34	18,504.51	5,204.29	1,422.41	28,194.55
- Business acquisition (Note 26)	-	-	34,389.67	319.00	34,708.67
- Additions	582.38	24.35	4,793.70	330.41	5,730.84
- Reclassification	171.13	41.17	(8,962.94)	1,252.49	(7,498.15)
- Disposals	(656.07)	(0.02)	(2,430.87)	(0.08)	(3,087.04)
- Currency translation differences	37.43	8.64	446.79	50.71	543.57
As at September 30, 2011	3,198.21	18,578.65	33,440.64	3,374.94	58,592.44
Accumulated Amortization					
As at January 1, 2011	(1,825.24)	(5,083.30)	-	(573.55)	(7,482.09)
- Amortization for the period	(261.35)	(379.51)	-	(176.00)	(816.86)
- Reclassification	0.28	32.33	-	(243.03)	(210.42)
- Disposals	656.04	0.01	-	-	656.05
- Currency translation differences	(20.75)	(5.41)	-	(11.18)	(37.34)
As at September 30, 2011	(1,451.02)	(5,435.88)	-	(1,003.76)	(7,890.66)
Allowance for Impairment of Assets					
As at January 1, 2011	-	-	-	-	-
- Impairment losses of assets	-	-	(269.45)	-	(269.45)
- Reversal of impairment losses	-	-	(5.10)	-	(5.10)
As at September 30, 2011	-	-	(274.55)	-	(274.55)
Net Book Value					
As at December 31, 2010	1,238.10	13,421.21	5,204.29	848.85	20,712.45
As at September 30, 2011	1,747.19	13,142.77	33,166.09	2,371.18	50,427.23

11. Intangible Assets, Net (Continued)

Intangible assets, net are as follows (Continued):

Unit: Million Baht

	Separate financial statements			Total
	Computer software	Right of use	Other intangible assets	
Cost				
As at January 1, 2011	1,722.67	18,241.50	51.55	20,015.72
- Additions	198.56	-	-	198.56
- Reclassification	162.13	23.86	-	185.99
- Disposals	(656.08)	(0.02)	-	(656.10)
As at September 30, 2011	1,427.28	18,265.34	51.55	19,744.17
Accumulated Amortization				
As at January 1, 2011	(1,026.55)	(4,941.35)	(51.55)	(6,019.45)
- Amortization for the period	(163.28)	(357.62)	-	(520.90)
- Reclassification	0.89	30.41	-	31.30
- Disposals	656.04	0.01	-	656.05
As at September 30, 2011	(532.90)	(5,268.55)	(51.55)	(5,853.00)
Net Book Value				
As at December 31, 2010	696.12	13,300.15	-	13,996.27
As at September 30, 2011	894.38	12,996.79	-	13,891.17

12. Mining Properties, Net

Mining properties, net are as follows:

Unit: Million Baht

Cost	
As at January 1, 2011	36,245.46
- Additions	805.81
- Reclassification	436.56
- Currency translation differences	<u>744.65</u>
As at September 30, 2011	<u>38,232.48</u>
Accumulated Amortization	
As at January 1, 2011	(3,504.40)
- Amortization for the period	(990.14)
- Reclassification	-
- Currency translation differences	<u>(120.99)</u>
As at September 30, 2011	<u>(4,615.53)</u>
Allowance for Impairment of Assets	
As at January 1, 2011	(41.76)
- Currency translation differences	<u>(0.22)</u>
As at September 30, 2011	<u>(41.98)</u>
Net Book Value	
As at December 31, 2010	<u>32,699.30</u>
As at September 30, 2011	<u>33,574.97</u>

13. Goodwill, Net

Movements of goodwill, net are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2011	2010
Net book value as at January 1	17,541.83	17,625.99
- Business acquisition	-	158.86
- Additions (Note 26)	10,275.60	1,110.33
- Reclassification (Note 26)	(70.51)	(37.24)
- Impairment losses	(29.15)	(22.07)
- Currency translation differences	(17.61)	(737.19)
Net book value as at September 30	<u>27,700.16</u>	<u>18,098.68</u>

14. Advance Payments for Gas Purchased

Movements of advance payments for gas purchased are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	8,304.60	16,735.19	9,743.47	19,343.93
- Make-up right	(2,503.53)	(2,196.63)	(2,812.05)	(2,832.31)
Balance as at September 30	<u>5,801.07</u>	<u>14,538.56</u>	<u>6,931.42</u>	<u>16,511.62</u>

The Company paid in advance for the committed gas according to the established minimum volume in the Export Gas Sales Agreements (Take-or-Pay). The Company has the right to take certain volumes of prepaid gas (Make-up right) in subsequent years, with no maturity period.

As at September 30, 2011, the remaining advance payments for gas purchased from Yadana and Yetagun gas fields in the Union of Myanmar, were irrespective of take-up in 2000-2001.

15. Long-term Loans

Long-term loans as at September 30, 2011 and December 31, 2010 are as follows:

Current Portion of Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Loans – Baht currency	6,021.80	9,975.85	5,000.00	9,500.00
Loans – Baht currency – EPPO	214.08	211.64	214.08	211.64
Loans – Foreign currency	4,036.47	3,512.16	2,748.71	2,651.91
Debentures – Baht currency	56,650.63	11,356.50	34,856.50	11,356.50
Debentures – Foreign currency	3,396.26	3,286.60	3,396.26	3,286.60
Liabilities under finance leases	202.69	219.52	173.62	188.61
Total	70,521.93	28,562.27	46,389.17	27,195.26

Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Loans – Baht currency	32,277.72	36,002.44	23,500.00	27,500.00
Loans – Baht currency – EPPO	351.10	504.71	351.10	504.71
Loans – Foreign currencies	62,912.97	43,854.43	22,364.41	22,436.28
Debentures – Baht currency	146,526.85	197,809.40	119,304.20	148,804.20
Debentures – Foreign currency	93,898.11	63,788.49	47,512.62	39,933.29
Liabilities under finance leases	510.85	507.31	461.50	451.96
Total	336,477.60	342,466.78	213,493.83	239,630.44

The Company's loans as at September 30, 2011 amounting to Baht 10,400.67 million (December 31, 2010: Baht 18,575.61 million) were secured by the Ministry of Finance.

15. Long-term Loans (Continued)

15.1 Loans

Movements of loans in Baht currency and foreign currencies for the nine-month period ended September 30, 2011 are as follows:

Unit: Million

	Consolidated financial statements			
	Currency			Total in Baht equivalent
	THB	USD	JPY	
Balance as at January 1, 2011	46,694.63	1,284.24	23,000.00	94,061.23
- Additions	1,343.29	625.00	-	20,688.14
- Repayments	(9,173.22)	(72.20)	-	(11,363.33)
- Loss on exchange rates	-	-	-	2,411.73
- Currency translation differences	-	-	-	3.07
- Others	-	(0.43)	-	13.30
- Current portion	(6,235.88)	(118.48)	-	(10,272.35)
Balance as at September 30, 2011	<u>32,628.82</u>	<u>1,718.13</u>	<u>23,000.00</u>	<u>95,541.79</u>

Unit: Million

	Separate financial statements			
	Currency			Total in Baht equivalent
	THB	USD	JPY	
Balance as at January 1, 2011	37,716.35	544.00	23,000.00	62,804.54
- Additions	8.28	-	-	8.28
- Repayments	(8,659.45)	(43.70)	-	(9,983.44)
- Loss on exchange rates	-	-	-	1,348.92
- Current portion	(5,214.08)	(87.80)	-	(7,962.79)
Balance as at September 30, 2011	<u>23,851.10</u>	<u>412.50</u>	<u>23,000.00</u>	<u>46,215.51</u>

15. Long-term Loans (Continued)

15.1 Loans (Continued)

Loans – Baht currency from Energy Policy and Planning Office (EPPO)

On March 25, 2011, the Company drew down the fifth loan installment amounting to Baht 8.28 million with a maturity period of five years, bearing interest at a fixed rate of 0.50% per annum in order to conserve the energy in accordance with the working capital for NGV (natural gas for vehicle) project. The interest is payable every three months and the principal is payable in the installments of Baht 0.42 million every three months totaling 20 installments. The first principal repayment is due in June 2011 and the last repayment is due in March 2016.

Loans – Baht currencies

On August 23, 2011, a subsidiary entered into a loan agreement with a financial institution amounting to Baht 1,300 million with a maturity period of five years, bearing interest at a fixed rate. The interest and the principal are payable every three months. The first payment is due on November 30, 2011.

Loans – Foreign currencies

On May 23, 2011, another party of an interest rate swap contract of the Company, for some USD loan amounting to USD 100 million, exercised the right to change from a floating interest rate at LIBOR plus fixed rate per annum to a fixed interest rate of 2.756% per annum, which was effective on May 25, 2011 until the last payment is due on May 25, 2015.

PTTEP entered into an unsecured loan contract with a financial institution with a credit limit of USD 50 million and a maturity period of five years. During the period, PTTEP drew down the loan in full amount.

PTTEP Offshore Investment Company Limited (PTTEPO) entered into unsecured loan contracts with four financial institutions with total credit limit of USD 575 million and a maturity period of five years. The loans were fully guaranteed by PTTEP. During the period, PTTEPO drew down the loans in full amount.

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15. Long-term Loans (Continued)

15.2 Debentures

Debentures as at September 30, 2011 and December, 31, 2010 are as follows:

Unit: Million

	Consolidated financial statements			
	September 30, 2011		December 31, 2010	
	THB	USD	THB	USD
Unsecured unsubordinated debentures				
- USD currency	94,319.54	3,018.93	64,147.91	2,126.57
- THB currency	203,177.48	-	209,165.90	-
Secured unsubordinated debentures				
- USD currency	2,974.83	96.62	2,927.18	96.50
Current portion	(60,046.89)	(108.48)	(14,643.10)	(108.48)
Total	<u>240,424.96</u>	<u>3,007.07</u>	<u>261,597.89</u>	<u>2,114.59</u>

Unit: Million

	Separate financial statements			
	September 30, 2011		December 31, 2010	
	THB	USD	THB	USD
Unsecured unsubordinated debentures				
- USD currency	50,908.88	1,626.11	43,219.89	1,426.57
- THB currency	154,160.70	-	160,160.70	-
Current portion	(38,252.76)	(108.48)	(14,643.10)	(108.48)
Total	<u>166,816.82</u>	<u>1,517.63</u>	<u>188,737.49</u>	<u>1,318.09</u>

On September 21 and 26, 2011, the Company entered into cross currency swap contracts with two financial institutions to swap some of the debentures of Baht 6,000 million, bearing a fixed interest rate at 3.2% per annum, for USD 198 million, bearing a fixed interest rate at 1.375% per annum. The interest rates are effective from September 23 and 28, 2011 until the principal payment on December 14, 2014.

15. Long-term Loans (Continued)

15.2 Debentures (Continued)

On March 30, 2011, PTTEP Canada International Finance Co., Ltd. (PTTEP CIF), a subsidiary of PTTEP, issued and offered unsecured unsubordinated debentures amounting to USD 700 million to foreign institutional investors with a tenor period of ten years, bearing a fixed interest rate at 5.692% per annum. The debentures will mature on April 5, 2021 and are fully guaranteed by PTTEP.

During the period, PTTEP entered into cross currency swap contracts with financial institutions to swap most of the debentures in Baht for USD.

15.3 Liabilities under Finance Leases

Liabilities under finance leases as at September 30, 2011 and December 31, 2010 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Liabilities under finance leases				
- Within 1 year	227.48	245.30	195.56	210.50
- Over 1 year but not over 5 years	538.42	541.71	486.84	482.95
Future finance charges on finance leases	<u>(52.36)</u>	<u>(60.18)</u>	<u>(47.28)</u>	<u>(52.88)</u>
Present value of liabilities under finance leases	<u>713.54</u>	<u>726.83</u>	<u>635.12</u>	<u>640.57</u>
Present value of liabilities under finance leases				
- Current (within 1 year)	202.69	219.52	173.62	188.61
- Non-current (over 1 year but not over 5 years)	<u>510.85</u>	<u>507.31</u>	<u>461.50</u>	<u>451.96</u>
Total	<u>713.54</u>	<u>726.83</u>	<u>635.12</u>	<u>640.57</u>

16. Employee benefit obligations

Employees will receive retirement benefits under Thai labour law or labour law of other countries that the Group is incorporated or when employees have completed their terms in according with the agreement between employees and the Group. Employee benefit liability is a defined benefit obligation which calculated by using projected unit credit method on actuarial basis. This basis determines the present value of its future payment by discounting the future cash flows using the yields on government bonds with currency and term similar to the estimated term of benefit obligation. Actuarial gains or losses are recognized as profit or loss in the period in which they arise. Any expenses related to benefits are recognized in profit or loss in order to attribute benefits to periods of service.

Movements in the present value of the defined benefit obligations are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Beginning balance	-	-	-	-
Restatement	5,147.73	4,566.44	2,314.50	2,144.28
Beginning balance (restated)	5,147.73	4,566.44	2,314.50	2,144.28
Current service costs	317.66	447.58	105.05	123.68
Interest on obligation	149.13	184.55	69.06	97.40
Actuarial (gains) losses	(0.30)	93.66	-	93.64
Currency translation differences	(57.39)	-	-	-
Actual payment	(115.16)	(144.50)	(58.92)	(144.50)
Ending balance	<u>5,441.67</u>	<u>5,147.73</u>	<u>2,429.69</u>	<u>2,314.50</u>

Since January 1, 2011, the Group has recognized employee retirement benefit expenses as liabilities. The amount of which is recorded by using the evaluation resulted from an actuary (actuarial valuation) calculated based on assumptions of employee salaries, turnover rates, ages to retirement, mortality rates, service years and other factors. The Group has adopted and applied the new standard retrospectively.

16. Employee benefit obligations (Continued)

Expenses recognized in the statements of income for three-month periods ended September 30, 2011 and 2010 are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2011	2010	2011	2010
Current service costs	113.96	86.73	35.02	30.95
Interest on obligation	51.29	48.10	23.02	24.35
Actuarial (gains) losses	(0.10)	-	-	-
Total	165.15	134.83	58.04	55.30

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2011	2010	2011	2010
Cost of sales	33.56	13.54	7.60	6.54
Selling expenses	10.62	9.08	10.35	9.08
Administrative expenses	119.75	111.39	39.09	39.03
Management remuneration	1.22	0.82	1.00	0.65
Total	165.15	134.83	58.04	55.30

Expenses recognized in the statements of income for nine-month periods ended September 30, 2011 and 2010 are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2011	2010	2011	2010
Current service costs	317.66	275.52	105.05	92.30
Interest on obligation	149.13	140.76	69.06	73.05
Actuarial (gains) losses	(0.30)	93.63	-	93.63
Total	466.49	509.91	174.11	258.98

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2011	2010	2011	2010
Cost of sales	76.46	84.77	22.80	51.65
Selling expenses	32.04	18.06	31.06	18.06
Administrative expenses	354.81	402.95	117.70	185.66
Management remuneration	3.18	4.13	2.55	3.61
Total	466.49	509.91	174.11	258.98

16. Employee benefit obligations (Continued)Principal actuarial assumptions

- Financial assumptions of the Group

	Annual percentage (%)
Discount rate	3.60 - 4.80
Inflation rate	2.00 - 3.00

- Demographic assumptions of the Group

Assumptions regarding future mortality are based on published statistics and mortality tables B.E. 2540 (1997) (Thailand TMO97) announced by Office of Insurance Commission. The TMO97 comprised data from Thailand insurance company surveys which are provided assurance about these figure that reflects actual mortality rates of Thai citizen.

17. Provision for Decommissioning Costs

Provision for decommissioning costs as at September 30, 2011 and December 31, 2010 were Baht 27,659.49 million and Baht 25,905.15 million, respectively. The provision for decommissioning costs are reviewed and estimated by engineers and the management of the Group.

18. Share Capital**18.1 Share Capital – Authorized Share Capital**

	Par Value (Baht per share)	Number of authorized shares (Shares)	Value of authorized shares (Baht)
As at December 31, 2010	10	2,857,245,725	28,572,457,250
As at September 30, 2011	10	2,857,245,725	28,572,457,250

18.2 Share Capital – Issued and Paid – up Share Capital

	Number of issued and fully paid-up shares (Shares)	Value of issued and fully paid-up shares (Baht)	Premium on share capital (Baht)	Total (Baht)
As at January 1, 2011	2,849,042,025	28,490,420,250	27,585,429,566	56,075,849,816
Additions	7,257,600	72,576,000	1,625,702,400	1,698,278,400
As at September 30, 2011	2,856,299,625	28,562,996,250	29,211,131,966	57,774,128,216

The Company issued and offered warrants as follows:

Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
September 1, 2005*	183	1 : 1	39.41	0.59	August 31, 2010
September 29, 2006*	234	1 : 1	19.65	0.35	September 28, 2011
			59.06	0.94	

* As at September 30, 2011, the remaining balance of unexercised warrants of the Company issued and offered on September 1, 2005 amounting to 0.59 million units and September 29, 2006 amounting to 0.35 million units, were expired.

19. Earnings per Share

Basic earnings per share is calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares which are held by third parties during the period.

19. Earnings per Share (Continued)

For the calculation of diluted earnings per share, the Company assumes that all warrants of the Group given to directors, management and employees that can be exercised are converted to ordinary shares. The exercise of those warrants results in adjustments to the net income of the Group recognized in the separate financial statements, with the reductions in shareholding portion. The number of diluted shares is calculated using a market price (the average price of the Company's ordinary shares during the period) and the exercised prices. This calculation is prepared to determine the number of ordinary shares to be added to the ordinary shares held by third parties for the calculation of diluted earnings per share.

The calculation of basic earnings per share and diluted earnings per share for the three-month periods ended September 30, 2011 and 2010 are as follows:

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders of the Company (Baht)	21,599,343,613	21,695,814,874	21,599,343,613	21,695,814,874
Adjustment of net income (Baht)	-	-	(1,055,419)	(19,057,412)
Net income for calculation of earnings per share (Baht)	<u>21,599,343,613</u>	<u>21,695,814,874</u>	<u>21,598,288,194</u>	<u>21,676,757,462</u>
Weighted average number of basic ordinary shares (Shares)	2,854,445,039	2,840,244,053	2,854,445,039	2,840,244,053
Effect of the exercise of the warrants (Shares)			<u>606,448</u>	<u>2,569,487</u>
Weighted average number of dilutive potential ordinary shares (Shares)			<u>2,855,051,487</u>	<u>2,842,813,540</u>
Earnings per share (Baht/share)	7.57	7.64	7.56	7.63

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders (Baht)	24,890,176,973	19,535,780,125	24,890,176,973	19,535,780,125
Weighted average number of basic ordinary shares (Shares)	2,854,445,039	2,840,244,053	2,854,445,039	2,840,244,053
Effect of the exercise of the warrants (Shares)			<u>606,448</u>	<u>2,569,487</u>
Weighted average number of dilutive potential ordinary shares (Shares)			<u>2,855,051,487</u>	<u>2,842,813,540</u>
Earnings per share (Baht/share)	8.72	6.88	8.72	6.87

19. Earnings per Share (Continued)

The calculation of basic earnings per share and diluted earnings per share for the nine-month periods ended September 30, 2011 and 2010 are as follows (Continued):

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders of the Company (Baht)	88,651,422,938	61,494,518,008	88,651,422,938	61,494,518,008
Adjustment of net income (Baht)	-	-	(15,738,433)	(88,145,311)
Net income for calculation of earnings per share (Baht)	88,651,422,938	61,494,518,008	88,635,684,505	61,406,372,697
Weighted average number of basic ordinary shares (Shares)	2,851,906,050	2,836,976,850	2,851,906,050	2,836,976,850
Effect of the exercise of the warrants (Shares)			1,452,793	2,409,925
Weighted average number of dilutive potential ordinary shares (Shares)			2,853,358,843	2,839,386,775
Earnings per share (Baht/share)	31.08	21.68	31.06	21.63

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders (Baht)	64,406,056,735	44,933,664,094	64,406,056,735	44,933,664,094
Weighted average number of basic ordinary shares (Shares)	2,851,906,050	2,836,976,850	2,851,906,050	2,836,976,850
Effect of the exercise of the warrant (Shares)			1,452,793	2,409,925
Weighted average number of dilutive potential ordinary shares (Shares)			2,853,358,843	2,839,386,775
Earnings per share (Baht/share)	22.58	15.84	22.57	15.83

Diluted earnings resulted from the issue of name registered non-transferable warrants to purchase ordinary shares by the Company and the Group to their directors, management and employees.

The Company issued warrants to its directors, management and employees under the Employee Stock Ownership Plan (ESOP) according to Note 18.

19. Earnings per Share (Continued)**PTTEP**

PTTEP issued and offered warrants under the Employee Stock Ownership Plan (ESOP) to its employees as follows:

Date of issue and offer of warrants	Exercised price (Baht per share)	Exercised right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of warrants
August 1, 2002*	22.20	1 : 5	9.78	0.22	July 31, 2007
August 1, 2003*	23.40	1 : 5	9.72	0.28	July 31, 2008
August 1, 2004*	36.60	1 : 5	13.61	0.39	July 31, 2009
August 1, 2005*	55.60	1 : 5	13.53	0.47	July 31, 2010
August 1, 2006*	91.20	1 : 5	13.35	0.65	July 31, 2011
			59.99	2.01	

* As at September 30, 2011, the remaining balance of unexercised warrants of PTTEP issued and offered on August 1, 2002 amounting to 0.04 million units, August 1, 2003 amounting to 0.06 million units, August 1, 2004 amounting to 0.08 million units, August 1, 2005 amounting to 0.09 million units and August 1, 2006 amounting to 0.04 million units, were expired.

PTTAR

PTTAR issued and offered warrants under the Employee Stock Ownership Plan (ESOP) to its employees as follows:

Date of issue and offer of warrants	Exercised price (Baht per share)	Exercised right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of warrants
October 15, 2007	23.22	1 : 0.52	23.29	6.90	October 15, 2012

PTTCH

PTTCH issued and offered warrants under the Employee Stock Ownership Plan (ESOP) to its employees as follows:

Date of issue and offer of warrants	Exercised price (Baht per share)	Exercised right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of warrants
September 29, 2006*	66.50	1 : 1	28.96	0.04	September 28, 2011

* As at September 30, 2011, the remaining balance of unexercised warrants of PTTCH issued and offered on September 29, 2006 amounting to 0.04 million units, were expired.

19. Earnings per Share (Continued)**IRPC**

IRPC issued and offered warrants under the Employee Stock Ownership Plan (ESOP) to its employees as follows:

Date of issue and offer of warrants	Exercised price (Baht per share)	Exercised right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of warrants
June 29, 2007*	2.88	1 : 1	898.66	9.21	June 28, 2011
September 28, 2007*	2.88	1 : 1	35.76	2.34	September 27, 2011
			<u>934.42</u>	<u>11.55</u>	

*As at September 30, 2011, the remaining balance of unexercised warrants of IRPC issued and offered on June 29, 2007 amounting to 9.21 million units and September 28, 2007 amounting to 2.34 million units, were expired.

BCP

BCP issued and offered convertible debentures to institutional investors and companies as follows:

Date of issue and offer of convertible debentures	Exercised price (Baht per share)	Exercised right (convertible debenture per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of convertible debentures
January 29, 2004	14.30	1 : 699	279.67	-	September 30, 2013
May 16, 2006	14.00	1 : 714	41.81	-	May 15, 2016
			<u>321.48</u>	<u>-</u>	

BCP issued and offered warrants to its shareholders as follows:

Date of issue and offer of warrants	Exercised price (Baht per share)	Exercised right (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercised date of warrants
May 15, 2006*	18.00	1 : 1	63.86	5.23	May 14, 2011

*As at September 30, 2011, the remaining balance of unexercised warrants of BCP issued and offered on May 15, 2006 amounting to 5.23 million units, were expired.

20. Share-Based Payment

The Company issued two warrant arrangements, which are described below.

	<u>Warrant 1</u>	<u>Warrant 2</u>
Date of grant	April 12, 2005	April 11, 2006
Date of issue	September 1, 2005	September 29, 2006
Number granted (warrant)	40,000,000	20,000,000
Exercise price (Baht per share)	183	234
Exercise right (warrant per ordinary share)	1 : 1	1 : 1
Contractual life	5 years from the date of issue	5 years from the date of issue
Last exercise date	August 31, 2010	September 28, 2011
Vesting condition	Each warrant was granted to directors, managing director, management and employees of the Company or secondments from related companies who had been working for the Company not less than six months. Each warrant was divided into four parts or 25%. The first exercise dates of each part started on the mature dates of year 1, year 2, year 3 and year 4, respectively from the issue dates. Thereafter, the warrants are exercisable on the last working day of every three months after the first exercise dates throughout the contractual lives.	

Details of the warrant arrangement movements are as follows:

For the three-month period ended September 30, 2011

Unit: Million units

Arrangement	Balance at the beginning of period	Number of exercised	Balance at the end of period	Exercisable at the end of period
Warrant 2	2.27	1.92	0.35	-

For the three-month period ended September 30, 2010

Unit: Million units

Arrangement	Balance at the beginning of period	Number of exercised	Balance at the end of period	Exercisable at the end of period
Warrant 1	3.98	3.39	0.59	-
Warrant 2	14.20	3.36	10.84	10.84
	<u>18.18</u>	<u>6.75</u>	<u>11.43</u>	<u>10.84</u>

20. Share-Based Payment (Continued)

Details of the warrant arrangement movements are as follows (Continued):

For the nine-month period ended September 30, 2011

Arrangement	Unit: Million units			
	Balance at the beginning of period	Number of exercised	Balance at the end of period	Exercisable at the end of period
Warrant 2	7.61	7.26	0.35	-

For the nine-month period ended September 30, 2010

Arrangement	Unit: Million units			
	Balance at the beginning of period	Number of exercised	Balance at the end of period	Exercisable at the end of period
Warrant 1	8.14	7.55	0.59	-
Warrant 2	15.32	4.48	10.84	10.84
	<u>23.46</u>	<u>12.03</u>	<u>11.43</u>	<u>10.84</u>

The weighted average share price at the date of exercise during the three-month period ended September 30, 2011 for warrant 2 exercised was Baht 271. (September 30, 2010: Warrant 1 and warrant 2 were Baht 265 and Baht 297, respectively.)

The weighted average share prices at the date of exercise during the nine-month period ended September 30, 2011 for warrant 2 exercised was Baht 326. (September 30, 2010: Warrant 1 and warrant 2 were Baht 254 and Baht 285, respectively.)

As at September 30, 2011, the warrant 2 expired.

As at September 30, 2010, the warrant 1 expired and the weighted average remaining of the contractual life of warrant 2 was one year, which would expire on September 28, 2011.

21. Other Income

Other income for the three-month periods ended September 30, 2011 and 2010 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Transportation income	1,145.62	1,160.10	1,161.68	1,175.45
Dividend income	219.00	201.48	13,401.44	8,960.30
Interest income	874.47	726.31	1,283.88	1,036.06
Compensation for loan interest on advance payments for gas purchase	65.55	124.12	65.55	124.12
Others	1,225.46	1,807.30	594.43	777.55
Total	3,530.10	4,019.31	16,506.98	12,073.48

Other income for the nine-month periods ended September 30, 2011 and 2010 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Transportation income	3,131.26	3,378.58	3,200.55	3,433.09
Dividend income	599.86	514.28	24,291.00	17,339.72
Interest income	2,692.45	1,871.27	3,567.75	2,729.53
Compensation for loan interest on advance payments for gas purchase	204.06	342.83	204.06	342.83
Others	5,758.01	3,796.74	4,282.91	2,265.24
Total	12,385.64	9,903.70	35,546.27	26,110.41

Compensation for loan interest on advance payments for gas purchased (Take-or-Pay) represents the Company's compensation received from the Electricity Generating Authority of Thailand (EGAT) and Independent Power Plants (IPPs) to absorb interest on loans entered into by the Company for advance payments for gas purchased.

22. Expenses by nature

Expenses by nature for the three-month periods ended September 30, 2011 and 2010 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Change in finished goods and work in process	592.95	1,193.12	(21.21)	789.90
Goods purchased and raw materials used	569,270.97	396,893.77	555,714.80	401,068.12
Staff costs	1,285.52	4,199.85	1,691.05	1,624.68
Outsourcing	1,473.07	1,314.03	1,247.61	1,151.78
Transportation	3,838.37	3,807.33	1,857.42	1,907.62
Depreciation and amortization	12,759.96	12,443.37	3,363.45	2,673.34
Repairment	635.77	1,391.14	1,138.02	550.07
Utilities	2,875.37	2,491.46	2,567.79	2,148.34

Expenses by nature for the nine-month periods ended September 30, 2011 and 2010 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Change in finished goods and work in process	(10,780.06)	(975.81)	(9,920.45)	(1,376.26)
Goods purchased and raw materials used	1,606,981.91	1,220,182.75	1,587,934.07	1,233,085.34
Staff costs	8,842.16	10,408.62	4,922.66	4,783.67
Outsourcing	4,538.43	3,248.66	3,525.16	2,925.39
Transportation	11,268.34	9,673.07	5,671.69	5,658.84
Depreciation and amortization	39,306.99	35,635.29	9,988.72	7,418.63
Repairment	3,173.41	3,780.63	2,385.61	1,776.81
Utilities	9,126.01	6,198.56	8,090.71	5,337.40

23. Share of Net Income from Investments in Associates

The share of net income from investment in associates for the three-month periods ended September 30, 2011 and 2010 includes gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2011	2010
Share of net income before gain on foreign exchange	4,215.81	920.37
Gain on foreign exchange	252.83	2,358.13
Total	<u>4,468.64</u>	<u>3,278.50</u>

The share of net income from investment in associates for the nine-month periods ended September 30, 2011 and 2010 includes gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2011	2010
Share of net income before gain on foreign exchange	25,705.88	7,270.58
Gain on foreign exchange	414.21	3,903.10
Total	<u>26,120.09</u>	<u>11,173.68</u>

24. Segment Information

The Company presents financial information by business segments, rather than by geographical segments because the geographical segments other than Thailand report less than 10% of the consolidated revenues, operating results and total assets.

Consolidated financial statements

For the three-month period ended September 30, 2011

	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Unit: Million Baht	
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals				Refining	Total
Sales - others	7,195.51	103,783.29	139,431.47	372,779.65	17,730.59	-	7,100.27	344.78	-	648,365.56
- related parties	35,216.03	5,766.56	2,894.88	21,431.15	2.15	-	-	341.79	(65,652.56)	-
Net sales	42,411.54	109,549.85	142,326.35	394,210.80	17,732.74	-	7,100.27	686.57	(65,652.56)	648,365.56
Gross Margin*	36,859.13	19,803.31	5,062.98	54.06	1,230.73	-	2,698.70	195.32	(368.30)	65,535.93
EBITDA	29,379.36	16,832.45	3,235.63	(42.79)	1,191.57	-	2,020.54	158.43	90.73	52,865.92
Depreciation and amortization	7,988.94	3,194.65	580.44	3.26	318.18	-	377.45	297.62	(0.58)	12,759.96
EBIT	21,390.42	13,637.80	2,655.19	(46.05)	873.39	-	1,643.09	(139.19)	91.31	40,105.96
Share of net income (loss) from investments under the equity method	5,176.33	(394.94)	208.21	(757.80)	3,279.44	2,133.78	647.31	(350.35)	(5,473.34)	4,468.64
Interest income										874.49
Other income (expenses)										(184.92)
Loss on foreign exchange										(5,231.21)
Finance costs										(4,571.56)
EBT										35,461.40
Income taxes										(10,377.62)
Net income for the period										<u>25,083.78</u>
Attributable to:										
Equity holders of the Company										21,599.34
Non-controlling interests										<u>3,484.44</u>
Net income for the period										<u>25,083.78</u>

* Gross margin excludes depreciation and amortization in cost of sales.

24. Segment Information (Continued)Consolidated financial statements

For the three-month period ended September 30, 2010

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Unit: Million Baht
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals	Refining				Total
Sales - others	5,151.20	87,734.88	113,091.56	236,070.02	12,649.28	-	6,152.36	221.08	-	461,070.38
- related parties	30,168.30	5,319.40	1,086.99	14,374.35	1.14	-	-	302.75	(51,252.93)	-
Net sales	35,319.50	93,054.28	114,178.55	250,444.37	12,650.42	-	6,152.36	523.83	(51,252.93)	461,070.38
Gross Margin*	31,360.85	13,070.78	4,649.05	1,430.24	616.34	-	2,178.46	159.17	(265.75)	53,199.14
EBITDA	24,826.38	11,093.17	2,952.44	1,334.57	293.11	-	1,441.32	248.03	48.32	42,237.34
Depreciation and amortization	8,847.60	2,456.21	540.07	2.64	87.59	-	280.80	229.04	(0.58)	12,443.37
EBIT	15,978.78	8,636.96	2,412.37	1,331.93	205.52	-	1,160.52	18.99	48.90	29,793.97
Share of net income (loss) from investments under the equity method	7,055.28	554.70	240.70	338.41	1,551.69	2,168.40	158.83	(1,143.56)	(7,645.95)	3,278.50
Interest income										726.31
Other income (expenses)										(710.04)
Gain on foreign exchange										3,082.27
Finance costs										(4,443.52)
EBT										31,727.49
Income taxes										(5,644.50)
Net income for the period										<u>26,082.99</u>
Attributable to:										
Equity holders of the Company										21,695.81
Non-controlling interests										<u>4,387.18</u>
Net income for the period										<u>26,082.99</u>

* Gross margin excludes depreciation and amortization in cost of sales.

24. Segment Information (Continue)Consolidated financial statements

For the nine-month period ended September 30, 2011

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals	Refining				
Sales - others	18,669.60	290,937.53	411,014.87	1,033,240.94	56,631.91	-	21,192.55	1,112.01	-	1,832,799.41
- related parties	105,324.04	16,860.94	6,132.44	57,617.51	3.87	-	-	962.77	(186,901.57)	-
Net sales	123,993.64	307,798.47	417,147.31	1,090,858.45	56,635.78	-	21,192.55	2,074.78	(186,901.57)	1,832,799.41
Gross Margin*	109,968.21	60,362.49	15,698.61	2,145.51	3,959.51	-	8,761.44	662.84	(999.90)	200,558.71
EBITDA	85,538.29	52,315.46	10,349.88	1,752.07	3,162.82	-	6,075.64	340.98	237.65	159,772.79
Depreciation and amortization	25,232.72	9,330.60	1,832.75	9.88	706.52	-	1,352.74	843.52	(1.74)	39,306.99
EBIT	60,305.57	42,984.86	8,517.13	1,742.19	2,456.30	-	4,722.90	(502.54)	239.39	120,465.80
Share of net income (loss) from investments under the equity method	20,117.63	143.61	948.56	(453.46)	11,227.56	16,501.93	1,435.23	(1,418.59)	(22,382.38)	26,120.09
Interest income										2,692.46
Other income (expenses)										3,111.88
Loss on foreign exchange										(1,575.26)
Finance costs										(13,447.60)
EBT										137,367.37
Income taxes										(35,595.22)
Net income for the period										<u>101,772.15</u>
Attributable to:										
Equity holders of the Company										88,651.42
Non-controlling interests										<u>13,120.73</u>
Net income for the period										<u>101,772.15</u>

* Gross margin excludes depreciation and amortization in cost of sales.

24. Segment Information (Continued)Consolidated financial statements

For the nine-month period ended September 30, 2010

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Unit: Million Baht
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals	Refining				Total
Sales - others	14,573.89	251,892.67	353,258.45	734,068.01	32,989.99	-	18,078.28	568.13	-	1,405,429.42
- related parties	90,529.93	14,829.75	3,154.97	49,502.20	2.82	-	-	814.15	(158,833.82)	-
Net sales	105,103.82	266,722.42	356,413.42	783,570.21	32,992.81	-	18,078.28	1,382.28	(158,833.82)	1,405,429.42
Gross Margin*	93,663.35	41,005.50	14,638.67	3,194.43	1,555.30	-	6,322.67	370.45	(849.47)	159,900.90
EBITDA	75,836.58	35,505.72	9,364.02	2,838.50	733.60	-	3,967.65	115.56	166.01	128,527.64
Depreciation and amortization	25,351.23	6,619.31	1,787.39	7.72	227.00	-	959.70	684.70	(1.76)	35,635.29
EBIT	50,485.35	28,886.41	7,576.63	2,830.78	506.60	-	3,007.95	(569.14)	167.77	92,892.35
Share of net income (loss) from investments under the equity method	21,211.60	1,074.11	578.11	491.41	5,204.03	6,701.63	447.47	(2,297.36)	(22,237.32)	11,173.68
Interest income										1,871.27
Other income										542.37
Gain on foreign exchange										5,902.01
Finance costs										(12,505.70)
EBT										99,875.98
Income taxes										(25,480.28)
Net income for the period										<u>74,395.70</u>
Attributable to:										
Equity holders of the Company										61,494.52
Non-controlling interests										<u>12,901.18</u>
Net income for the period										<u>74,395.70</u>

* Gross margin excludes depreciation and amortization in cost of sales.

24. Segment Information (Continued)

Pricing among business groups is based on normal market prices except for pricing among business groups within the Company, for which net market prices, after deducting management fees of petroleum terminals and operating fees, are applied.

EBITDA means earnings before finance costs, income taxes, depreciation and amortization, including other expenses and income which are not relevant to the operations.

EBIT means earnings before finance costs, income taxes, as well as other expenses and income which are not relevant to the operations.

The Group categorizes segments for major businesses as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:

The Group conducts petroleum exploration and production business both domestically and overseas. The Group is the operator and jointly invests with the leading petroleum exploration and production companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects cover the Asia Pacific and Middle East regions.

2. Natural gas business:

The Group conducts natural gas business including procurement, natural gas pipeline transmission, distribution, and natural gas separation. Products from the natural gas separation plants are used as feedstock for the petrochemical industry and as fuel in the household, transportation and industry sectors.

Downstream Petroleum Business Group

1. Oil business:

The Group conducts marketing of petroleum and lube oil in both domestic and overseas markets under an efficient operating system of procurement, storage, and distribution of products as well as the retail business at service stations.

2. International trading business:

The Group conducts international trading business including importing and exporting petroleum and petrochemical products as well as other related products. The business also covers the management of possible risks arising from oil trading as well as from the procurement and distribution of petroleum and petrochemical products in international markets.

3. Petrochemical business:

The Group conducts petrochemical business including the production and distribution of the main petrochemical products and by products for both domestic and overseas markets to serve the demand of industry and consumer groups.

4. Refining business:

The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers. In addition, the Group conducts petrochemical business, which utilizes products from refinery as raw materials.

Coal Business Group

The Group conducts coal mining business, involving exploration, production and distribution overseas.

Other operations of the Group are included in other segments, none of which constitute separately reportable segments.

25. Dividend Payment

On April 20, 2011, the annual shareholders' meeting of the Company approved the dividend payments for the year 2010 of Baht 10.25 per share, approximately amounting to Baht 29,169 million. On September 24, 2010, the Company paid the interim dividends for the operating results of the first half of 2010 at Baht 4.75 per share for 2,841,960,601 shares, amounting to Baht 13,499.31 million. The remaining dividends were paid as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
For the year 2010	July 1, 2010 – December 31, 2010	5.50	2,848,651,651	15,667.58	May 13, 2011

On August 25, 2011, the Board of Directors' meeting of the Company approved the interim dividend payment for the first half of the year 2011 as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
Interim	January 1, 2011 – June 30, 2011	6.00	2,854,189,126	17,125.13	September 23, 2011

26. Business Acquisitions

According to the 30% additional shareholding acquisition of Amata Natural Gas Distribution Co., Ltd. (AMATA NGD) by PTTNGD from the former shareholder on August 3, 2010, which resulted in the increase in shareholding percentage of PTTNGD in AMATA NGD from 50% to 80%, PTTNGD reviewed the fair value of net assets and revised the allocation of the initial purchasing price as shown below.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (cash paid)	504.00
Fair value of net assets acquired	<u>(377.68)</u>
Goodwill	<u>126.32</u>

The assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	207.04
Trade accounts receivable- others, net	106.67
Materials and supplies	18.43
Property, plant and equipment, net	383.64
Intangible assets (Note 11)	979.10
Other assets, net	24.70
Accounts payable- related parties	(88.89)
Other accounts payable - others	(15.64)
Deferred tax liabilities	(300.01)
Other liabilities	(56.10)
Non-controlling interests	<u>(251.79)</u>
Net shareholders' equity	1,007.15
<u>Less: Fair value of investment as at the acquisition date</u>	<u>(629.47)</u>
Fair value of net assets acquired	377.68
Goodwill	<u>126.32</u>
Total purchase consideration	504.00
<u>Less: Cash and cash equivalents in the subsidiary</u>	<u>(207.04)</u>
Cash outflow on the acquisition	<u>296.96</u>

The goodwill decreased by Baht 70.51 million (Note 13) from Baht 196.83 million as at December 31, 2010 due to the revision of fair value of net assets acquired. Consequently, the goodwill as at September 30, 2011, was Baht 126.32 million.

26. Business Acquisitions (Continued)

On October 14, 2010, PTTI's Board of Directors' meeting No. 9/2010 had a resolution for PTTML, a subsidiary of PTTI, to acquire 100% shareholding in coal business of Straits Resources Limited (SRL), a listed company in the Australian Securities Exchange. After that, SRL demerged its coal business from other mining businesses. On February 11, 2011, the SRL's coal business changed its name from SRL to International Coal Holdings Limited (ICH) operating as a holding company. ICH had 40% shareholding of PTTAPM.

On March 15, 2011, PTTML acquired 100% shareholding of ICH amounting to AUD 544.11 million or approximately Baht 16,831.22 million.

Details of net assets acquired and the decrease in shareholders' equity from the acquisition of additional investment in the subsidiary are as follows:

	Unit: Million Baht
Purchase consideration (cash paid)	16,831.22
Fair value of net assets acquired	<u>(5,865.45)</u>
Decrease in shareholders' equity from the acquisition of additional investment in the subsidiary	10,965.77
Currency translation differences	<u>1.96</u>
Decrease in shareholders' equity from the acquisition of additional investment in the subsidiary as at the end of the period	<u><u>10,967.73</u></u>

The assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	2,201.27
Other current assets	6.63
Other accounts payable – others	(604.68)
Tax payable	(36.61)
Other current liabilities	(4.84)
Non-controlling interests	<u>4,303.68</u>
Fair value of net assets acquired	5,865.45
Decrease in shareholders' equity from the acquisition of additional investment in the subsidiary	10,967.73
Currency translation differences	<u>(1.96)</u>
Total purchase consideration	16,831.22
<u>Less:</u> Cash and cash equivalents in the subsidiary	<u>(2,201.27)</u>
Cash outflow on the acquisition	<u><u>14,629.95</u></u>

26. Business Acquisitions (Continued)

On November 22, 2010, PTTEP entered into the Partnership Unit Sale Agreement with Statoil Canada Co., Ltd. and Statoil Canada Holdings Corp., a subsidiary of Statoil ASA (Statoil), to acquire 40% shareholding of Statoil Canada Partnership (SCP). The Partnership Unit Sale Agreement came into effect on January 21, 2011. The 40% shareholding was retrospectively effective from January 1, 2011. During the period of 2011, PTTEP obtained additional information from Statoil Canada Ltd. regarding the decrease in tax benefit of USD 8.82 million which resulted in the increase in deferred tax liabilities from business acquisition and goodwill of USD 2.20 million or approximately Baht 66.52 million. Moreover, PTTEP and Statoil Canada Ltd. agreed to reduce purchasing price by USD 0.6 million or Baht 18.21 million. As a result, goodwill increased by USD 1.6 million or Baht 48.31 million.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (cash paid)	68,649.63
Fair value of net assets acquired	<u>(58,374.03)</u>
Goodwill (Note 13)	<u>10,275.60</u>

The assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	1,365.19
Trade accounts receivable	28.33
Accounts receivable from joint venture	32.83
Inventories	139.76
Other current assets	15.02
Property, plant and equipment, net (Note 10)	42,157.81
Intangible assets (Note 11)	34,389.67
Trade accounts payable	(658.30)
Accounts payable from joint venture	(464.97)
Deferred tax liabilities	(18,432.23)
Provision for decommissioning costs	<u>(199.08)</u>
Fair value of net assets acquired	58,374.03
Goodwill (Note 13)	<u>10,275.60</u>
Total purchase consideration	68,649.63
<u>Less:</u> Cash and cash equivalents in the subsidiary	(1,365.19)
Deposit of the purchase of partnership units	<u>(10,311.74)</u>
Cash outflow on the acquisition	<u><u>56,972.70</u></u>

27. Proceeding regarding to the Central Administrative Court's Ordering Temporary Suspension of Projects in the Map Ta Phut Area

On June 19, 2009, the Stop Global Warming Association and 43 persons filed a complaint with the Central Administrative Court (the Court) for the Case No. Black 908/2552, against eight government agencies, together with a motion seeking the Court injunction to temporarily suspend all operations and activities of 76 industrial projects in the Map Ta Phut area in Rayong province.

On September 29, 2009, the Court ordered the temporary injunction by requiring the eight accused government agencies to issue the order to temporarily suspend the 76 projects until the final judgment had been made or ordered had been amended, except for projects or activities which had received the permits before the effective date of the Constitution B.E.2550 (2007) or projects which were not required to submit the Environmental Impact Assessment (EIA) reports pursuant to the Notification of the Ministry of Natural Resources and Environment dated June 16, 2009. The 25 projects of the suspended projects belonged to the Group, three of which belonged to the Company.

On October 16, 2009, the Group, as an interested person, submitted an appeal objecting to the Court injunction to the Supreme Administrative Court.

On December 2, 2009, the Supreme Administrative Court issued an order No. 592/2552 amending the injunction of the Court by requiring the eight accused government agencies to order the temporary suspension of the projects or activities listed in the complaint except for 11 projects, which would apparently not cause severe impact since they are merely intended to control or minimize the pollution or install additional equipment. From these 11 projects, seven projects belonged to the Group, comprising one project of the Company and six projects of other companies in the Group. Currently, two projects of the Company are under the temporary injunction.

On December 18, 2009, the public prosecutor submitted an answer refusing all allegations in the complaint.

On June 7 and 24, 2010, the Company submitted a letter to the public prosecutors requesting for providing additional facts to the Court in order to support the Court's judgment. The Court ordered that June 25, 2010 was the last date of fact findings for this case.

On September 2, 2010, the Court rendered a judgment to withdraw permits which were issued to projects in the list attached to the petition those may cause severe impacts to the local community and have not fully complied with Section 67 Paragraph Two of the Constitution. This withdrawal shall be effective from the date the Court rendered the judgment. One project of the Group is in the scope.

On October 1, 2010, the 43 prosecutors filed an appeal to the Supreme Administrative Court regarding the Court's judgment on September 2, 2010. On December 7, 2010, the eight accused government agencies by the public prosecutors filed a defence of the appeal. Currently, the appeal is on the proceedings of the Supreme Administrative Court.

28. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

28.1 Commitments to subsidiaries, jointly controlled entities, associates and other related companies are as follows:

28.1.1 The Group has provided loans to its subsidiaries and associates with a credit limit of Baht 61,431.72 million. On September 30, 2011, the Group made payments in respect of these loans totalling Baht 58,053 million. The remaining commitment was Baht 3,378.72 million (December 31, 2010: Baht 6,841 million).

28.1.2 The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in form of an extended credit for raw materials with a credit limit of USD 100 million. On September 30, 2011, the subsidiary used USD 99.81million of the commercial credit. The remaining commercial credit line was USD 0.19 million or approximately Baht 5.95 million (December 31, 2010: USD 0.19 million or approximately Baht 5.76 million).

28.1.3 The Company entered into the Sponsor Support Agreements with three jointly controlled entities with a credit limit equal to the loan obligations with financial institution of the three jointly controlled entities. On September 30, 2011, the Company had a commitment of USD 435.51 million or approximately Baht 13,634.60 million (December 31, 2010: USD 224.60 million or approximately Baht 6,804.55 million).

28.1.4 The Company entered into the Sponsor Support Agreement with an associate with a credit limit equal to the loan obligations with a financial institution of the associated company. On September 30, 2011, the Company had a commitment under this agreement of Baht 1,028 million (December 31, 2010: None).

28.1.5 The Company has obligations under the Shareholder Agreements to pay for ordinary shares in accordance with the shareholding percentages. On September 30, 2011, the Company had remaining obligations amounting to Baht 6,701.48 million (December 31, 2010: Baht 10,541.51 million).

28.2 Commitment under operating leases – the Group as a lessee

The future minimum lease payments for the uncancellable operating leases as at September 30, 2011 and December 31, 2010 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Within 1 year	2,868.91	4,731.09	216.72	220.76
Over 1 year but not over 5 years	5,364.39	5,928.36	401.19	427.39
Over 5 years	5,082.49	5,153.56	888.25	773.01
Total	<u>13,315.79</u>	<u>15,813.01</u>	<u>1,506.16</u>	<u>1,421.16</u>

28. Commitments and Contingent Liabilities (Continue)

28.3 On September 30, 2011, the Group had obligations in form of unused letter of credit of Baht 42,831.38 million in the consolidated financial statements (December 31, 2010: Baht 21,712.80 million) and Baht 33,635 million in the separate financial statements (December 31, 2010: Baht 17,561.84 million).

28.4 On September 30, 2011, the Group had contingent liabilities in form of letter of guarantee of Baht 3,627.08 million in the consolidated financial statements (December 31, 2010: Baht 3,452.32 million) and Baht 102.43 million in the separate financial statements (December 31, 2010: Baht 101.12 million).

28.5 An associate entered into a product sale agreement with the Company for the Company to sell the product further to a listed company. The term of the agreement is 15 years which will expire on January 31, 2012. The associate notified not to renew the agreement with the Company. Consequently, it was necessary for the Company to submit an advance notice to the listed company in accordance with the agreement advising that the Company would not renew the agreement. On December 3, 2009 the listed company submitted a claim with the Thai Arbitration Institute (the "Institute") requesting the Company and the associate as a seller and a supplier respectively to comply with the agreement by continuing to sell the product to the listed company or by mutually paying for an indemnity.

On February 10, 2010, the associate submitted a petition with the Institute to dismiss the claim against it from the case-list. Subsequently, the arbitrator ordered in favour of the associate dismissing the claim on its part from the case-list.

The Company submitted the case to the Office of the Attorney General to file a statement of defence with the Institute. On April 28, 2010, the public prosecutor filed the statement of defence with the Institute for the Company. Currently, the case is on the proceedings of the Institute.

28.6 On May 26, 2010 and September 8, 2010, a contractor of the natural gas pipeline construction project submitted claims to the Thai Arbitration Institute (the "Institute") seeking damages from the Company on the ground of the Company's breach of the contract. The Company, however, considered that the contractor's submission of the claims was not in accordance with the dispute resolution procedure agreed upon under the contract and the contractor was, in fact, in breach of the contract. Therefore, the Company rejected all of the contractor's claims and submitted counterclaims seeking damages from the contractor. At present, in one case, the Company has appointed its arbitrators and the case is in the process of the Institute. In another case, the Civil Court has appointed the Umpire (the chairperson of the arbitration tribunal) according to the motions submitted by the contractor's and the Company's arbitrators. The Company is now considering protesting the appointment of the Umpire.

28.7 On September 22, 2011, the Thailand Watch foundation and six individuals filed a suit with the Central Administrative Court (the Court) against the Company and the Ministry of Finance alleging that the Company's privatization, the share distribution and the asset evaluation were in violation of the law. Therefore, they asked the Court to order that the sale of the Company's shares be null and void and be redistributed. They also asked that the shares of oil refineries plants owned by the Company be returned to the state's ownership or be sold to the public in order to cease the Company's monopoly in oil refinery industry. In addition, they sought the Court's order of the confiscation of the Company's properties, which had obtained by the operation of the law or the force-sale of the Company's gas separation plants to discontinue the monopoly. In response, the Company rejected all allegations and submitted the case to the Office of the Attorney General to file an answer with the Court.

28. Commitments and Contingent Liabilities (Continue)

28.8 On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter from the Government of Indonesia claiming for compensation in relation to the oil and gas leak incident in the Montara area under the PTTEP Australasia's project. Subsequently, on September 1, 2010, PTTEP AA submitted a letter rejecting the claim for compensation because the evidence provided by the Government of Indonesia was considered unproven and unsubstantiated. No verifiable scientific evidence was provided to support the claim. In December 2010, PTTEP AA and the Indonesian Government agreed to provide each other additional documents and to conduct a joint survey to verify the Government of Indonesia's data on the claimed damage on the fishery sector. Currently, the compensation regarding this matter has not been finalized.

29. Proceeding Regarding to the Offshore Natural Gas Pipeline Leakage Incident

According to the offshore natural gas pipeline leakage incident suffered by the Company on June 25, 2011, the natural gas transmission pipeline system was completely repaired by a natural gas transmission pipeline contractor, contractors and the Company and resumed normal operation on August 15, 2011. Currently, the Company is collecting claims for damages against the contractors.

30. Events after the Statements of Financial Position Date

30.1 On October 19, 2011, PTT Global Chemical Public Company Limited (PTTGC), the amalgamated company resulting from the amalgamation of PTT Chemical Public Company Limited (PTTCH) and PTT Aromatics and Refining Public Company Limited (PTTAR), registered to the Public Company Limited Registrar, Ministry of Commerce, which resulted in the termination of PTTCH and PTTAR. The Company as shareholders of PTTCH and PTTAR received an allocation of 48.92% of shares in PTTGC.

30.2 The impact of the flood situation that has temporarily affected PTT's partial operations in procurement, production, storage, transportation and distribution of natural gas and petroleum products is as follow:

- Natural gas sales volume has reduced by 13 percent from normal operation.
- Oil sales volume has reduced by 12 percent from normal operation.
- The Bang Pa-In terminal at Ayutthaya province and the Lumlukka terminal at Pathumthanee province have suspended their distributions which are being substituted by other terminals.
- 8 percent of all of PTT's gas service stations have been suspended.
- 11 percent of all of PTT's NGV service stations have been suspended.

The majority of the companies in the Group are located in non-flooded provinces. Although some of companies have oil terminals in flooded areas which have resulted in operations being suspended, they can be substituted by other terminals. However, it has been necessary for some terminals to reduce their production capacity because of the impact of transportation and customers in the flooded areas.

The Company is currently executing the plan to protect, resolve and remedy operations to minimize the impact to customers and the Thailand economy. The Company's Head Office and other operations are still functioning with the secondary workplace being organized in order to ensure business continuity. In addition, the Company has already taken all-risks insurance coverage which includes damage from flooding for all assets. However, the Company is unable to estimate the impact to the financial statements.

30.3 Audit Committee of the Company approved these financial statements for public issuance on November 10, 2011.