

AUDITOR'S REVIEW REPORT AND FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
(UNAUDITED BUT REVIEWED)

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(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 activity 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, natural gas, downstream petroleum, coal and other related businesses as described in Note 24 “Segment Information”.

2. Basis of Interim Financial Statement Preparation

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 latest 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 latest annual financial statements.

2.2 Basis of Interim Financial Statement Preparation

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. These are Thai Accounting Standards under the Accounting Profession Act, B.E. 2547, including interpretations and 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. The content of the interim financial statements comprises the statements of financial position, statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows in the same format as that used for the annual financial statements and condensed notes.

This English translation of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3. Accounting Policies

3.1 Accounting Policies

In preparing the interim financial statements, the Group applied the same accounting policies and computation based as for the financial statements for the year ended December 31, 2011.

3.2 New and Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), and Interpretations which is effective for accounting periods beginning on or after January, 1, 2013 as follows:

◆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
◆Thai Standing Interpretations No.10	Government Assistance – No Specific Relation to Operating Activities
◆Thai Standing Interpretations No.21	Income Taxes – Recovery of Revalued Non – Depreciable Assets
◆Thai Standing Interpretations No.25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
◆Thai Financial Reporting Standard No.8	Operating Segments

The management of the Group has assessed and determined the potential impact of adopting these new and revised standards and interpretations, which are effective on or after January 1, 2013, except for Thai Accounting Standard No.12 - Income Taxes that has been adopted and applied before the effective date, and concluded that they will have no material impact on the consolidated and the separate financial statements except for the Thai Accounting Standard No.21 (revised 2009) - The Effects of Changes in Foreign Exchange Rates. Currently, the management of the Group is considering the functional currency and its effects to the Group. These are expected to be completed within December 2012. However, there are two of subsidiaries of the Group, which are PTT Exploration and Production Public Co., Ltd (PTTEP) and PTT International Co., Ltd (PTTI), have adopted and applied before the effective date since January 1, 2011 and January 1, 2012, respectively. Details are disclosed in Note 3.3.

3. Accounting Policies (continued)

3.3 Change in Functional Currency of a Domestic Subsidiary

Since January 1, 2012, PTT International Co., Ltd. (PTTI), a subsidiary of the Company, has changed its functional currency from Baht to USD, based on the main denomination of its operating income and expense transactions. The change above is considered as a change in accounting policy and PTTI; therefore, restated its financial statements. The Group prepared its consolidation financial statements using the Baht translated version of PTTI's financial statements. Details of the impact on the consolidated financial statements are as follows:

	Unit: million Baht
	Consolidated financial statements
	Increase (Decrease)
	<hr/>
Statement of financial position as at January 1, 2011	
- Total assets	(2,752.73)
- Total liabilities	(444.59)
- Total equity	(2,308.14)
Statement of financial position as at December 31, 2011	
- Total assets	(566.02)
- Total liabilities	(330.82)
- Total equity	(235.20)
Statement of income / comprehensive income for the three-month period ended June 30, 2011	
- Total income	(111.73)
- Cost of sales and total expenses	9.83
- Gain from foreign exchange rates	(129.85)
- Income taxes	(0.22)
- Income for the period	(251.19)
- Other comprehensive income, net of income taxes	(5,392.31)
- Total comprehensive income for the period	(5,643.50)
Statement of income / comprehensive income for the six-month period ended June 30, 2011	
- Total income	(10.30)
- Cost of sales and total expenses	(3.46)
- Gain from foreign exchange rates	153.83
- Income for the period	146.99
- Other comprehensive income, net of income taxes	(962.54)
- Total comprehensive income for the period	(815.55)

4. Cash and Cash Equivalents

Cash and cash equivalents as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cash on hand	1,988.51	453.47	316.83	213.95
Deposits held at call with banks	71,107.13	68,058.06	38,269.90	21,892.01
Fixed deposits	8,060.75	19,649.05	6,736.99	15,600.00
Treasury bills	250.01	13,066.89	-	-
Promissory notes	8,550.00	5,770.00	7,500.00	4,500.00
Bank of Thailand bonds	6,147.25	9,134.65	6,147.25	9,134.65
Total	96,103.65	116,132.12	58,970.97	51,340.61

Cash and cash equivalents as at June 30, 2012 mainly bear the interest at rates ranging from 0.01% to 6.75% per annum (December 31, 2011: interest rates range from 0.10% to 6.00% per annum).

5. Trade Accounts Receivable

Trade accounts receivable as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trade accounts receivable – others	162,784.37	107,875.52	128,180.72	81,012.79
Notes receivable	872.14	1,037.59	872.14	1,037.59
	163,656.51	108,913.11	129,052.86	82,050.38
<u>Less</u> Allowance for doubtful accounts	<u>(1,919.61)</u>	<u>(1,850.13)</u>	<u>(753.11)</u>	<u>(724.45)</u>
Trade accounts receivable – others	161,736.90	107,062.98	128,299.75	81,325.93
Trade accounts receivable – related	67,658.85	64,643.44	86,143.58	76,076.49
<u>Less</u> Allowance for doubtful accounts	<u>(342.99)</u>	<u>(344.88)</u>	<u>(342.99)</u>	<u>(344.88)</u>
Trade accounts receivable – related (Note 8.1)	67,315.86	64,298.56	85,800.59	75,731.61
Total	229,052.76	171,361.54	214,100.34	157,057.54

Aging analysis is as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within credit terms	218,305.91	168,337.87	201,318.09	151,499.13
Overdue				
- Within 3 months	7,599.15	2,222.92	6,925.13	1,903.45
- Over 3 - 6 months	2,253.63	638.46	2,138.11	437.52
- Over 6 - 12 months	1,039.22	492.93	865.51	331.90
- Over 12 months	2,117.45	1,864.37	3,949.60	3,954.87
	231,315.36	173,556.55	215,196.44	158,126.87
<u>Less</u> Allowance for doubtful accounts	<u>(2,262.60)</u>	<u>(2,195.01)</u>	<u>(1,096.10)</u>	<u>(1,069.33)</u>
Total	229,052.76	171,361.54	214,100.34	157,057.54

Trade accounts receivable as at June 30, 2012 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 36,422.95 million (December 31, 2011: Baht 15,525.16 million), and in the separate financial statements amounting to Baht 36,117.70 million (December 31, 2011: Baht 15,362.08 million).

6. Other Accounts Receivable

Other accounts receivable as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Other accounts receivable	11,019.10	12,315.98	3,478.28	3,085.77
<u>Less Allowance for doubtful accounts</u>	<u>(328.76)</u>	<u>(341.68)</u>	<u>(321.85)</u>	<u>(334.92)</u>
Other accounts receivable	10,690.34	11,974.30	3,156.43	2,750.85
Refund receivable from the Oil Stabilization Fund	14,510.06	11,657.36	14,510.06	11,627.05
Advances	4,895.34	6,163.78	577.24	570.00
Accrued interest income and others	<u>2,112.47</u>	<u>1,623.27</u>	<u>323.61</u>	<u>233.85</u>
Other accounts receivable – others	32,208.21	31,418.71	18,567.34	15,181.75
Other accounts receivable – related (Note 8.2)	<u>5,173.45</u>	<u>1,206.26</u>	<u>5,404.46</u>	<u>1,562.34</u>
Total	<u>37,381.66</u>	<u>32,624.97</u>	<u>23,971.80</u>	<u>16,744.09</u>

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

7. Loans

7.1 Short-term loans as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Short-term loans – others	145.70	182.36	103.80	119.52
Short-term loans – related (Note 8.2)	4,823.82	4,823.82	5,522.93	5,420.99
Total	4,969.52	5,006.18	5,626.73	5,540.51

Short-term loans – others are loans provided to transport operators to use as working capital for NGV instalation, conversion or modification, including purchases of new natural gas vehicles under the Krungthep Fha Sai project which aims to support the use of NGV as alternative source of energy. The loan interest rate as at June 30, 2012 is 0.50% per annum. (December 31, 2011: the loan interest rate is 0.50% per annum)

7.2 Long-term loans as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Long-term loans – others	375.32	139.94	98.31	139.94
Long-term loans – related (Note 8.3)	-	5.82	52,598.37	52,697.71
Total	375.32	145.76	52,696.68	52,837.65

Long-term loans – others of the Company are loans under the Krungthep Fha Sai project of which details are disclosed in Note 7.1.

8. Related Party Transactions

The followings are significant transactions carried out with related parties:

8.1 Trade accounts receivable – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Subsidiaries	-	-	17,708.76	10,991.18
Jointly controlled entities	-	-	1,215.81	751.86
Associates	60,780.69	59,798.70	60,605.92	59,651.81
Other related parties	6,878.16	4,844.74	6,613.09	4,681.64
Total	67,658.85	64,643.44	86,143.58	76,076.49
<u>Less</u> Allowance for doubtful accounts	<u>(342.99)</u>	<u>(344.88)</u>	<u>(342.99)</u>	<u>(344.88)</u>
Trade accounts receivable – related parties	67,315.86	64,298.56	85,800.59	75,731.61

Aging analysis is as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within credit terms	66,657.58	64,141.37	81,594.66	72,427.41
Overdue				
- Within 3 months	548.79	108.14	895.82	107.89
- Over 3 - 6 months	146.48	135.24	189.78	133.70
- Over 6 - 12 months	148.82	175.11	143.49	174.91
- Over 12 months	157.18	83.58	3,319.83	3,232.58
Total	67,658.85	64,643.44	86,143.58	76,076.49
<u>Less</u> Allowance for doubtful accounts	<u>(342.99)</u>	<u>(344.88)</u>	<u>(342.99)</u>	<u>(344.88)</u>
Trade accounts receivable – related parties	67,315.86	64,298.56	85,800.59	75,731.61

8. Related Party Transactions (Continued)

8.2 Other accounts receivable, advances and short-term loans – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<u>Other accounts receivable</u>				
Subsidiaries	-	-	155.65	414.76
Jointly controlled entities	-	-	17.91	22.82
Associates	4,891.67	624.53	4,890.66	623.11
Other related parties	53.46	245.42	43.68	46.16
	4,945.13	869.95	5,107.90	1,106.85
<u>Less</u> Allowance for doubtful accounts	(16.09)	(16.09)	(16.09)	(16.09)
Total	4,929.04	853.86	5,091.81	1,090.76
<u>Advances</u>				
Subsidiaries	-	-	89.92	153.98
Associates	0.69	0.68	-	-
Other related parties	243.72	351.72	222.73	317.60
Total	244.41	352.40	312.65	471.58
Total other accounts receivable	5,173.45	1,206.26	5,404.46	1,562.34
<u>Short-term loans</u>				
Subsidiaries	-	-	699.11	597.17
Associates	4,823.82	4,823.82	4,823.82	4,823.82
Total	4,823.82	4,823.82	5,522.93	5,420.99

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

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	4,823.82	-	5,420.99	500.00
- Receipt from loans granted	-	-	-	(358.03)
- Gain (Loss) on exchange rate	-	-	(0.56)	-
- Current portion of long-term loans	-	226.23	102.50	1,966.23
Balance as at June 30	4,823.82	226.23	5,522.93	2,108.20

Short-term loans to related parties are unsecured and the interest rates as at June 30, 2012 range from 5.37% to 6.13% per annum (December 31, 2011: the interest rates range from 4.00% to 7.25% per annum).

8. Related Party Transactions (Continued)

8.3 Other accounts receivable, advances and long-term loans – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<u>Long-term loans</u>				
Subsidiaries	-	-	52,060.48	52,697.71
Jointly controlled entities	-	-	537.89	-
Associates	-	5.82	-	-
Total	-	5.82	52,598.37	52,697.71

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

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	5.82	5,753.88	52,697.71	55,302.26
- Payment for loans granted	-	-	1,003.64	3,512.62
- Receipt from loans granted	(5.72)	(692.80)	(1,111.49)	(690.00)
- Gain (Loss) on exchange rate	(0.10)	0.23	111.01	-
- Current portion of long-term loans	-	(226.23)	(102.50)	(1,966.23)
Balance as at June 30	-	4,835.08	52,598.37	56,158.65

Long-term loans to related parties are unsecured and the interest rates as at June 30, 2012 range from 2.74% to 5.46% per annum (December 31, 2011: the interest rates range from 3.46% to 5.58% per annum).

8. Related Party Transactions (Continued)

8.4 Trade accounts payable – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Subsidiaries	-	-	19,678.25	13,381.95
Jointly controlled entities	-	-	6,022.84	5,093.66
Associates	40,484.90	40,834.31	39,006.66	39,028.26
Other related parties	5,172.89	4,450.62	375.55	337.42
Total	<u>45,657.79</u>	<u>45,284.93</u>	<u>65,083.30</u>	<u>57,841.29</u>

8.5 Other accounts payable and short-term loans – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<u>Other accounts payable</u>				
Subsidiaries	-	-	1,371.57	1,313.44
Jointly controlled entities	-	-	8.75	4.02
Associates	582.42	747.94	327.70	589.66
Other related parties	100.43	117.96	98.39	116.51
Total	<u>682.85</u>	<u>865.90</u>	<u>1,806.41</u>	<u>2,023.63</u>
<u>Short-term loans*</u>				
Subsidiaries	-	-	3,800.37	6,094.30

* The Company's liquidity management policies within the Group include the use of the cash pooling method. Inter-company loans were used for short-term financial management of cash surpluses or deficits of each affiliate. Interests on these were calculated using market interest rates.

8.6 Other long-term accounts payable – related parties as at June 30, 2012 and December 31, 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Subsidiaries	-	-	0.35	0.17
Jointly controlled entities	-	-	12.79	13.15
Associates	16.86	17.21	16.86	17.21
Other related parties	638.60	654.50	638.60	654.50
Total	<u>655.46</u>	<u>671.71</u>	<u>668.60</u>	<u>685.03</u>

8. Related Party Transactions (Continued)

8.7 Revenue and expense transactions carried out with related parties

For the three-month periods ended June 30, 2012 and 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	37,063.21	42,270.53
Jointly controlled entities	-	-	2,292.70	1,896.46
Associates	230,831.84	241,173.07	230,512.41	240,793.39
Other related parties	15,841.24	13,687.55	15,102.95	13,494.62
<u>Interest income:</u>				
Subsidiaries	-	-	728.05	725.18
Jointly controlled entities	-	-	1.68	-
Associates	73.67	87.16	73.67	87.16
<u>Dividend income:</u>				
Subsidiaries	-	-	437.22	53.70
Jointly controlled entities	-	-	621.13	28.03
Associates	-	-	11,830.15	5,052.38
Other related parties	24.40	144.03	24.40	52.96
<u>Other income:</u>				
Subsidiaries	-	-	125.65	147.63
Jointly controlled entities	-	-	14.32	15.15
Associates	414.71	1,361.25	412.05	1,360.28
Other related parties	12.48	13.49	11.64	13.17
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	54,447.25	44,707.62
Jointly controlled entities	-	-	9,336.88	7,667.43
Associates	162,310.36	154,805.25	157,883.75	150,590.35
Other related parties	13,165.33	13,046.14	1,841.22	1,812.97
<u>Interest expense:</u>				
Subsidiaries	-	-	31.50	18.39
<u>Other expenses:</u>				
Subsidiaries	-	-	778.81	335.54
Associates	651.27	376.02	630.50	347.43
Other related parties	279.00	264.05	277.09	218.43

8. Related Party Transactions (Continued)

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

For the six-month periods ended June 30, 2012 and 2011

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	77,147.82	66,836.89
Jointly controlled entities	-	-	4,033.60	3,597.11
Associates	498,706.71	419,466.91	497,943.38	418,623.45
Other related parties	30,016.72	25,189.45	29,074.41	24,775.68
<u>Interest income:</u>				
Subsidiaries	-	-	1,456.11	1,413.49
Jointly controlled entities	-	-	1.68	-
Associates	150.94	177.82	150.94	177.82
<u>Dividend income:</u>				
Subsidiaries	-	-	6,485.97	5,429.10
Jointly controlled entities	-	-	1,046.14	118.29
Associates	-	-	11,830.15	5,052.38
Other related parties	76.90	309.03	76.90	217.96
<u>Other income:</u>				
Subsidiaries	-	-	284.42	484.54
Jointly controlled entities	-	-	32.27	31.96
Associates	1,781.33	2,980.49	1,761.15	2,978.49
Other related parties	29.63	35.92	27.77	35.47
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	93,865.84	83,120.01
Jointly controlled entities	-	-	17,351.38	14,302.23
Associates	320,059.57	290,115.45	311,017.76	281,769.79
Other related parties	26,764.46	25,962.24	3,616.39	3,332.09
<u>Interest expense:</u>				
Subsidiaries	-	-	66.43	32.81
<u>Other expenses:</u>				
Subsidiaries	-	-	1,574.03	609.06
Jointly controlled entities	-	-	-	3.70
Associates	943.73	814.28	901.42	775.44
Other related parties	553.15	359.64	550.90	353.86

8. Related Party Transactions (Continued)

8.7 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 normal prices for the same types of business transactions carried out with non-related parties. Goods purchased from subsidiaries are charged at the normal prices determined by the subsidiaries with reference to global market prices.

8.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 30.1.

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

For the three-month periods ended June 30, 2012 and 2011, these transactions are as follows:

	Unit: million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2012	2011	2012	2011
<u>Sales</u>				
Associates	2,033.24	739.25	2,033.24	739.25
Other related parties	356.34	-	356.34	-
<u>Purchases</u>				
Associates	2,033.24	739.25	2,033.24	739.25
Other related parties	356.34	-	356.34	-

For the six-month periods ended June 30, 2012 and 2011, these transactions are as follows:

	Unit: million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2012	2011	2012	2011
<u>Sales</u>				
Associates	3,229.23	3,935.42	3,229.23	3,935.42
Other related parties	356.34	-	356.34	-
<u>Purchases</u>				
Associates	3,229.23	3,935.42	3,229.23	3,935.42
Other related parties	356.34	-	356.34	-

8. Related Party Transactions (Continued)

8.10 Executive remunerations

For the three-month periods ended June 30, 2012 and 2011, remunerations are as follows:

Unit: million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Director remunerations</u>				
Meeting remuneration and bonuses	34.85	26.57	10.32	9.85
<u>Management remunerations</u>				
Salaries, bonuses, and other short-term employee benefits	114.77	134.35	29.01	25.76
Post-employment benefits	0.89	1.20	0.68	1.00
Total	<u>150.51</u>	<u>162.12</u>	<u>40.01</u>	<u>36.61</u>

For the six-month periods ended June 30, 2012 and 2011, remunerations are as follows:

Unit: million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Director remunerations</u>				
Meeting remuneration and bonuses	65.89	47.78	20.99	20.68
<u>Management remunerations</u>				
Salaries, bonuses, and other short-term employee benefits	300.34	277.08	55.12	49.69
Post-employment benefits	1.84	1.97	1.41	1.55
Total	<u>368.07</u>	<u>326.83</u>	<u>77.52</u>	<u>71.92</u>

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

9. Investments in Subsidiaries, Jointly Controlled Entities and Associates

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

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2012	December 31, 2011
<u>Subsidiaries:</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.29	65.29
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
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	Petrochemicals 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
<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

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

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

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2012	December 31, 2011
<u>Jointly controlled entities:</u> (Continued)				
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. (PTTMCC)	Thailand	Petrochemicals	50.00	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	27.22
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	38.51	38.51
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 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 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
Nava Nakorn Electricity Generating Co., Ltd. (NNEG)	Thailand	Generation and supply of electricity	30.00	30.00
PTT Energy Solutions Co., Ltd. (PTTES)	Thailand	Technical and operational services	40.00	40.00
Bangpa-in Cogeneration Limited (BIC)	Thailand	Generation and supply of electricity and steam	25.00	25.00
PTT Global Chemical Public Co., Ltd. (PTTGC)	Thailand	Petrochemicals and refining	48.91	48.92

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

9.2 Investments in associates in the consolidated financial statements as at June 30, 2012 and December 31, 2011

Unit: million Baht

Company	Shareholding (%)		June 30, 2012		December 31, 2011		Dividends for the six-month periods ended June 30	
	June 30, 2012	December 31, 2011	Cost method	Equity Method	Cost method	Equity method	2012	2011
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	37,768.71	11,380.83	39,274.55	2,003.29	1,402.31
2. SPRC	36.00	36.00	14,770.48	15,321.58	14,770.48	21,573.08	6,057.67	-
3. BCP	27.22	27.22	5,585.26	8,484.43	5,585.26	8,249.06	374.75	183.11
4. IRPC	38.51	38.51	28,467.24	28,859.05	28,467.24	30,366.79	314.79	786.97
<u>Oil Business Group</u>								
5. THAPLINE	33.19	33.19	2,682.35	1,960.44	2,682.35	1,659.74	-	-
6. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
7. V LPG	45.00	45.00	87.35	89.77	87.35	119.12	33.75	-
8. KPL	40.00	40.00	21.49	-	21.49	-	-	-
9. FST	25.00	25.00	0.88	1.57	0.84	1.42	-	-
<u>Petrochemicals Business Group</u>								
10. PPCL	40.00	40.00	3,340.48	4,941.59	3,340.48	4,940.00	-	-
11. PTME	40.00	40.00	66.40	186.98	66.40	205.98	28.40	27.20
12. PTTGC	48.91	48.92	49,562.99	107,576.52	49,562.99	104,910.14	2,910.56	2,608.02*
<u>Natural Gas Business Group</u>								
13. IPT	20.00	20.00	400.19	1,663.17	400.19	1,648.32	-	-
14. TP	26.00	26.00	2,304.76	2,173.76	2,304.76	2,258.96	146.12	73.06
15. PTTUT	40.00	40.00	2,743.60	2,954.74	2,743.60	2,773.36	5.76	-
16. EMG	25.00	25.00	15,559.20	12,522.36	15,493.25	12,474.48	-	-
17. B.Grimm BIP	23.00	23.00	65.67	65.22	31.17	30.86	-	-
18. NNEG	30.00	30.00	48.60	46.92	24.60	23.59	-	-
19. XPCL	25.00	25.00	440.20	414.47	260.19	246.72	-	-
20. BIC	25.00	25.00	205.25	204.24	113.75	113.44	-	-
<u>Coal Business Group</u>								
21. RIM	-	33.50	-	-	1,642.72	1,541.56	-	-
<u>Other Business Group</u>								
22. PTTICT	40.00	40.00	60.00	189.34	60.00	144.41	-	-
23. PTTES	40.00	40.00	62.50	65.50	62.50	63.06	-	-
24. ShoreAir	50.00	50.00	15.28	128.15	15.21	94.02	-	-
			138,002.25	225,618.51	139,248.90	232,712.66		
<u>Less Allowance for impairment</u>			(12,109.37)	(8,919.78)	(8,019.54)	(4,859.14)		
Total			125,892.88	216,698.73	131,229.36	227,853.52	11,875.09	5,080.67

* This amount includes dividend incomes from PTTAR and PTTCH, which were Baht 1,384.31 million and 1,223.71 million, respectively.

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

9.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at June 30, 2012 and December 31, 2011

Unit: million Baht

Company	Shareholding (%)		Cost method		Dividends for the six-month periods ended June 30	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	2012	2011
<u>Subsidiaries:</u>						
1. PTTEP	65.29	65.29	11,131.33	11,131.33	6,047.33	5,375.40
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	426.30	-
6. PTTLNG	100.00	100.00	6,403.00	6,403.00	-	-
7. PTTPM	50.00	50.00	20.00	20.00	-	-
8. EnCo	50.00	50.00	900.00	900.00	-	-
9. PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
10. PTTTB	100.00	100.00	5,100.00	5,100.00	-	-
11. CHPP	100.00	100.00	316.22	316.22	-	-
12. PTTI	100.00	100.00	33,316.00	33,157.00	-	-
13. PTTGE	100.00	100.00	11,750.64	10,834.08	-	-
14. BSA	25.00	25.00	0.50	0.50	1.42	-
15. PTT TANK	100.00	100.00	2,500.37	2,500.37	-	-
16. TLBC	48.95	48.95	140.00	140.00	10.92	7.70
Total investments in subsidiaries			74,353.74	73,278.18	6,485.97	5,383.10
<u>Jointly Controlled Entities:</u>						
<i>Natural Gas Business Group</i>						
17. TTM(T)	50.00	50.00	5,666.80	5,666.80	425.01	-
18. TTM(M)	50.00	50.00	281.32	281.32	-	-
19. DCAP	35.00	35.00	584.50	584.50	-	-
<i>Petrochemicals Business Group</i>						
20. PTTAC	48.50	48.50	6,909.41	6,909.41	-	-
21. HMC	41.44	41.44	9,117.12	9,117.12	621.13	118.29
22. PTTMCC	50.00	50.00	180.12	180.12	-	-
Total investments in jointly controlled entities			22,739.27	22,739.27	1,046.14	118.29

Note: During a six-month period ended June 30, 2011, RBA made a dividend payment amounting to Baht 46.00 million. Also, RBA registered for closing the company and finished the liquidation process on November 22, 2011.

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

9.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at June 30, 2012 and December 31, 2011 (Continued)

Unit: million Baht

Company	Shareholding (%)		Cost method		Dividends for the six-month periods ended June 30	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	2012	2011
<i>Associates:</i>						
<i>Refining Business Group</i>						
23. TOP	49.10	49.10	11,380.83	11,380.83	2,003.29	1,402.31
24. SPRC	36.00	36.00	14,770.48	14,770.48	6,057.67	-
25. BCP	27.22	27.22	5,585.26	5,585.26	374.75	183.11
26. IRPC	38.51	38.51	28,467.24	28,467.24	314.79	786.97
<i>Oil Business Group</i>						
27. THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
28. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
29. VLPG	45.00	45.00	87.35	87.35	33.75	-
30. KPL	40.00	40.00	21.49	21.49	-	-
<i>Petrochemicals Business Group</i>						
31. PPCL	40.00	40.00	3,340.48	3,340.48	-	-
32. PTTME	40.00	40.00	66.40	66.40	28.40	27.20
33. PTTGC	48.91	48.92	48,121.52	48,121.52	2,865.61	2,579.73*
<i>Natural Gas Business Group</i>						
34. IPT	20.00	20.00	400.19	400.19	-	-
35. TP	26.00	26.00	2,304.76	2,304.76	146.12	73.06
36. PTTUT	40.00	40.00	2,743.60	2,743.60	5.76	-
37. B. Grimm BIP	23.00	23.00	65.67	31.17	-	-
38. NNEG	30.00	30.00	48.60	24.60	-	-
39. BIC	25.00	25.00	205.25	113.75	-	-
<i>Other Business Group</i>						
40. PTTICT	20.00	20.00	30.00	30.00	-	-
41. PTES	40.00	40.00	62.50	62.50	-	-
Investments in associates			120,515.22	120,365.22		
<u>Less</u> Allowance for impairment			(152.74)	(152.74)		
Total investments in associates			120,362.48	120,212.48	11,830.14	5,052.38
Total			217,455.49	216,229.93	19,362.25	10,553.77

* This amount includes dividend incomes from PTTAR and PTTCH, which were Baht 1,384.31 million and 1,195.42 million, respectively.

(TRANSLATION)

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

9.4 Shares of net assets and results of operations from jointly controlled entities, which are included in the consolidated financial statements as at June 30, 2012 and December 31, 2011, are as follows:

Statements of financial position:

As at June 30, 2012 and December 31, 2011

Unit: million Baht

	June 30, 2012						December 31, 2011					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC
Current assets	3,697.26	169.52	204.83	1,192.60	3,915.14	150.05	3,318.28	122.56	115.76	1,597.05	3,922.08	170.83
Non-current assets	12,728.60	607.51	1,353.33	12,687.53	12,474.49	22.90	13,146.17	622.59	1,302.00	12,333.11	12,511.04	8.55
Current liabilities	(1,239.47)	(93.31)	(279.09)	(1,975.36)	(1,796.92)	(1.95)	(1,232.54)	(85.72)	(207.22)	(1,950.21)	(1,567.74)	(3.42)
Non-current liabilities	(8,368.69)	(360.35)	(849.65)	(5,646.01)	(4,785.47)	(0.01)	(8,298.64)	(358.17)	(794.26)	(5,420.67)	(5,055.13)	-
Net assets	<u>6,817.70</u>	<u>323.37</u>	<u>429.42</u>	<u>6,258.76</u>	<u>9,807.24</u>	<u>170.99</u>	<u>6,933.27</u>	<u>301.26</u>	<u>416.28</u>	<u>6,559.28</u>	<u>9,810.25</u>	<u>175.96</u>

Statements of income:

For the three-month periods ended June 30, 2012 and 2011

Unit: million Baht

	2012						2011					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC
Income*	450.13	23.08	250.07	0.76	3,197.00	1.04	463.06	37.27	149.25	(64.66)	3,037.22	0.94
Expenses	(409.05)	(26.64)	(227.27)	(339.76)	(2,761.54)	(4.25)	(418.77)	(22.79)	(157.99)	(40.88)	(2,384.80)	(0.71)
Gain (Loss) before taxes	41.08	(3.56)	22.80	(339.00)	435.46	(3.21)	44.29	14.48	(8.74)	(105.54)	652.42	0.23
Income taxes	-	-	-	0.08	(40.54)	-	-	-	-	(0.22)	(166.42)	-
Net income (loss)	<u>41.08</u>	<u>(3.56)</u>	<u>22.80</u>	<u>(338.92)</u>	<u>394.92</u>	<u>(3.21)</u>	<u>44.29</u>	<u>14.48</u>	<u>(8.74)</u>	<u>(105.76)</u>	<u>486.00</u>	<u>0.23</u>

*including gain (loss) on foreign exchange rate

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

- 9.4 Shares of net assets and results of operations from jointly controlled entities, which are included in the consolidated financial statements as at June 30, 2012 and December 31, 2011, are as follows:
(Continued)

Statements of income:

For the six-month periods ended June 30, 2012 and 2011

Unit: million Baht

	2012						2011					
	<u>TTM (T)</u>	<u>TTM (M)</u>	<u>DCAP</u>	<u>PTTAC</u>	<u>HMC</u>	<u>PTTMCC</u>	<u>TTM (T)</u>	<u>TTM (M)</u>	<u>DCAP</u>	<u>PTTAC</u>	<u>HMC</u>	<u>PTTMCC</u>
Income*	1,107.91	69.28	423.07	223.76	6,284.17	2.27	1,049.15	81.95	290.67	(79.01)	6,328.66	0.94
Expenses	(798.45)	(46.24)	(409.92)	(524.44)	(5,577.92)	(7.24)	(916.18)	(47.59)	(307.40)	(86.22)	(4,903.18)	(0.71)
Gain (Loss) before taxes	309.46	23.04	13.15	(300.68)	706.25	(4.97)	132.97	34.36	(16.73)	(165.23)	1,425.48	0.23
Income taxes	-	-	-	0.16	(87.63)	-	-	-	-	(0.14)	(304.83)	-
Net income (loss)	<u>309.46</u>	<u>23.04</u>	<u>13.15</u>	<u>(300.52)</u>	<u>618.62</u>	<u>(4.97)</u>	<u>132.97</u>	<u>34.36</u>	<u>(16.73)</u>	<u>(165.37)</u>	<u>1,120.65</u>	<u>0.23</u>

*including gain (loss) on foreign exchange rate

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

9.5 Significant events during the period ended June 30, 2012

BIC

On January 27, 2012, BIC called for the second payment of its additional authorized share capital, amounting to Baht 15.25 million. The Company made the share payment on February 24, 2012.

On February 27, 2012, BIC called for the third payment of its additional authorized share capital, amounting to Baht 30.50 million. The Company made the share payment on March 28, 2012.

On April 5, 2012, BIC called for the fourth payment of its additional authorized share capital, amounting to Baht 45.75 million. The Company made the share payment on May 16, 2012.

PTTGE

On February 27, 2012, PTTGE called for payment of additional authorized share capital of USD 30 million or approximately Baht 916.56 million. The Company made the share payment on February 29, 2012.

RIM

On March 2, 2012, PTT Asia Pacific Mining Pty Ltd (PTTAPM), a subsidiary of PTTI, increased its shareholding in RIM by 66.50% from 33.50% to 100%. As a result, the status of RIM changed from an associate to a subsidiary. Details are disclosed in Note 27 'Business acquisition'.

B.Grimm BIP

On March 27, 2012, B.Grimm BIP's shareholders' meeting No.1/2012 passed a resolution to increase its authorized share capital by Baht 150 million, from Baht 135.50 million to Baht 285.50 million, by issuing 1.50 million additional shares with a par value of Baht 100 each. Furthermore, B.Grimm BIP called for the full payment of the additional authorized share capital. The Company paid Baht 34.50 million for these additional shares on March 28, 2012, in proportion to its shareholding.

PTTGC

During the period, PTTGC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 21. This resulted in a gain of Baht 6.89 million, which was recorded in the statement of income, and decreased in the Company's shareholding in PTTGC to 48.91% as at 30 June 2012.

NNEG

On March 14, 2012, NNEG's Board of Directors in Meeting No. 1/2012 passed a resolution to increase its authorized share capital by Baht 80 million, from Baht 82 million to Baht 162 million, by issuing 8 million additional shares with a par value of Baht 10 each. Furthermore, NNEG called for the full payment of the additional authorized share capital. The Company paid Baht 24 million for these additional shares on April 30, 2012, in proportion to its shareholding.

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

9.5 Significant events during the period ended June 30, 2012 (Continued)

PTTI

On April 30, 2012, PTTI made an additional assessment of impairment loss on investment in East Mediterranean Gas Company (EMG) because Egyptian General Petroleum Corporation (EGPC) and Egyptian Natural Gas Holding Company (EGAS), which are engaged in the business of exporting natural gas from Egypt to Israel, notified EMG that they were terminating the Gas Supply and Purchase Agreement (the Source GSPA) between EGPC/EGAS and EMG. As a result, EMG is unable to deliver gas to its customers. PTTI reviewed impairment and accounted for the impairment loss on investment of Baht 3,972.32 million and the allowance for impairment loss on investment in EMG as at June 30, 2012 was Baht 8,919.78 million in the consolidated financial statements.

On June 13, 2012, PTTI called for payment of additional authorized share capital of Baht 159 million. The Company made the share payment on June 20, 2012.

XPCL

On June 27, 2011, XPCL's extraordinary shareholders' meeting No.1/2011 passed a resolution to increase its authorized share capital by Baht 5,750 million, from Baht 1,000 million to Baht 6,750 million, by issuing 575 million additional shares with a par value of Baht 10 each. On April 20, 2011, XPCL called for the payment of the additional authorized share capital of Baht 0.12 each. Natee Synergy Co., Ltd. (NSC), a subsidiary of PTTI, paid Baht 17.25 million for these additional shares on May 21, 2012.

On May 18, 2012, XPCL called for the additional payment of the authorized share capital of Baht 1.11 each. NSC paid Baht 159.56 million for these shares on June 18, 2012.

SPRC

On June 5, 2012, SPRC's extraordinary shareholders' meeting No.3/2012 passed a resolution to change SPRC's status from Star Petroleum Refining Company Limited to Star Petroleum Refining Public Company Limited, under the Public Company Act 2535 (1992). SPRC registered to change its status to a public company on June 7, 2012.

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

9.6 Additional information in respect of associates

9.6.1 The Company has not recognized its shares of gain (loss) from some associates for the three-month period ended June 30, 2012 amounting to Baht 1.92 million (2011: Baht 0.95 million) and for the six-month period ended June 30, 2012 amounting to Baht 1.41 million (2011: Baht (1.93) million) because the Company had an unrealized allowance for its share of loss from these associates amounting to Baht 70.80 million as at June 30, 2012 (December 31, 2011: Baht 72.29 million).

9.6.2 The fair value of investments in associates (only those with equity securities traded on 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>June 30, 2012</u>	Unit: Million Baht
		<u>December 31, 2011</u>
BCP	8,431.84	7,045.27
IRPC	28,173.51	32,108.35
TOP	57,594.73	58,596.38
PTTGC	122,339.70	134,463.45

10. Available-for-sale Investments

10.1 Details of available-for-sale investments

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2012	December 31, 2011
<u>Available-for-sale investments of the Company:</u>				
<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 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		

Company	Country of Incorporation	Business	Share held by	Shareholding (%)	
				June 30, 2012	December 31, 2011
<u>Available-for-sale investments of PTTI:</u>					
<u>Investments in equity securities</u>					
Xanadu Mines Ltd. (XML)	Mongolia	Mineral exploration	SET	13.18	13.18

10. Available-for-sale Investments (Continued)

10.2 Details of available-for-sale investments as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends for the six-month periods ended June 30	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	2012	2011
<u>Investments in Equity Securities</u>								
TIP	13.33	13.33	312.00	312.00	312.00	312.00	10.00	40.00
BAFS	7.06	7.06	24.00	24.00	24.00	24.00	14.40	12.96
XML	13.18	13.18	233.56	232.57	-	-	-	-
Total investments in equity securities			569.56	568.57	336.00	336.00		
<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	71.83
Total investments in mutual funds			6,804.89	6,804.89	6,804.89	6,804.89		
Total available-for-sale investments before changes in value of investments			7,374.45	7,373.46	7,140.89	7,140.89		
Allowance for changes in value of investments			4,313.06	4,306.96	4,400.50	4,280.62		
Total			11,687.51	11,680.42	11,541.39	11,421.51	96.23	124.79

11. Other Long-term Investments

11.1 Details of other long-term investments are as follows:

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2012	December 31, 2011
<u>Other long-term investments of the Company:</u>				
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
<u>Other long-term investments of subsidiaries and jointly controlled entities:</u>				
<u>Other long-term investments of PTTT:</u>				
KIC Oil Terminals Sdn Bhd (KOT)	Malaysia	Logistics services	10.00	10.00
Kadriah Integrated Facilities Sdn Bhd (KIF)	Malaysia	Logistics services	10.00	10.00
Kadriah I Ltd (K I)	Malaysia	Logistics services	10.00	10.00
Kadriah II Sdn Bhd (K II)	Malaysia	Logistics services	10.00	10.00
<u>Other long-term investments of HMC:</u>				
Rayong Olefins Co., Ltd. (ROC)	Thailand	Petrochemicals	5.91	5.91
Basell Advanced Polyolefins (Thailand) Co., Ltd. (BAPT)	Thailand	Petrochemicals	2.07	2.07

11. Other Long-term Investments (Continued)

11.2 Details of other long-term investments as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends for the six-months periods ended June 30	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011	2012	2011
Other long-term 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	52.50	165.00
5. ROC	5.91	5.91	710.26	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	111.83	111.36	-	-	-	-
10. KIF	10.00	10.00	46.34	46.15	-	-	-	-
11. K I	10.00	10.00	232.93	231.94	-	-	-	-
12. K II	10.00	10.00	62.26	61.99	-	-	-	-
13. Corpus	0.48	0.48	0.60	0.60	0.60	0.60	-	-
Total investments accounted for under the cost method			2,361.23	2,292.78	1,179.42	1,179.42		
Less Allowance for impairment of investments			(544.85)	(542.93)	(73.30)	(73.30)		
Total			1,816.38	1,749.85	1,106.12	1,106.12	52.50	256.07

11.3 Significant events during the period ended June 30, 2012

ROC

On April 3, 2012, HMC made an additional investment in ROC for 6,421,156 shares at Baht 100 per share, totaling Baht 642 million. HMC will make gradual payments for these shares. On April 30, 2012, HMC made a payment for the 25% shareholdings amounting to Baht 161 million. The Company recognized the investments of Baht 66.53 million according to its percentage of the investment.

12. Investment Properties

Details of investment properties are as follows:

Unit: million Baht

	Consolidated financial statements			Total
	Land	Buildings and building improvements	Construction in progress	
Cost				
As at January 1, 2012	4,421.68	5,490.53	-	9,912.21
- Additions	-	3.49	3.96	7.45
- Reclassifications	-	(26.80)	(2.34)	(29.14)
- Disposals	-	(11.96)	-	(11.96)
As at June 30, 2012	4,421.68	5,455.26	1.62	9,878.56
Accumulated depreciation				
As at January 1, 2012	-	(1,566.92)	-	(1,566.92)
- Depreciation for the period	-	(131.00)	-	(131.00)
- Reclassifications	-	28.63	-	28.63
- Disposals	-	10.55	-	10.55
As at June 30, 2012	-	(1,658.74)	-	(1,658.74)
Net book value				
As at December 31, 2011	4,421.68	3,923.61	-	8,345.29
As at June 30, 2012	4,421.68	3,796.52	1.62	8,219.82

12. Investment Properties (Continued)

Details of investment properties are as follows: (Continued)

Unit: million Baht

	Separate financial statements			Total
	Land	Buildings and building improvements	Construction in progress	
Cost				
As at January 1, 2012	4,421.68	1,837.69	-	6,259.37
- Additions	-	0.29	3.97	4.26
- Reclassifications	-	(28.30)	(2.33)	(30.63)
- Disposals	-	(11.69)	-	(11.69)
As at June 30, 2012	4,421.68	1,797.99	1.64	6,221.31
Accumulated depreciation				
As at January 1, 2012	-	(1,160.07)	-	(1,160.07)
- Depreciation for the period	-	(29.91)	-	(29.91)
- Reclassifications	-	28.63	-	28.63
- Disposals	-	10.55	-	10.55
As at June 30, 2012	-	(1,150.80)	-	(1,150.80)
Net book value				
As at December 31, 2011	4,421.68	677.62	-	5,099.30
As at June 30, 2012	4,421.68	647.19	1.64	5,070.51

13. Property, Plant and Equipment

Details of property, plant and equipment 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, 2012	5,823.25	43,726.53	338,681.25	481,626.47	14,761.89	34,550.88	919,170.27
- Business acquisition (Note 27)	-	-	8.96	-	-	-	8.96
- Additions	855.73	122.56	916.89	38,271.35	1,208.88	8,214.99	49,590.40
- Borrowing costs	-	-	-	-	-	260.25	260.25
- Reclassifications	12.07	1,269.92	6,355.21	-	291.93	(8,103.76)	(174.63)
- Disposals	(36.36)	(51.74)	(119.75)	(1,786.31)	(309.35)	(2.04)	(2,305.55)
- Currency translation differences	(15.78)	7.98	55.80	2,426.44	(74.47)	1.13	2,401.10
As at June 30, 2012	6,638.91	45,075.25	345,898.36	520,537.95	15,878.88	34,921.45	968,950.80
Accumulated depreciation							
As at January 1, 2012	-	(14,117.11)	(105,027.54)	(190,770.15)	(6,937.86)	-	(316,852.66)
- Business acquisition (Note 27)	-	-	(4.87)	-	-	-	(4.87)
- Depreciation for the period	-	(1,074.15)	(7,062.77)	(18,416.70)	(629.45)	-	(27,183.07)
- Reclassifications	-	(44.51)	(54.21)	-	17.36	-	(81.36)
- Disposals	-	47.78	82.16	1,110.85	130.00	-	1,370.79
- Currency translation differences	-	6.23	1.88	240.30	2.66	-	251.07
As at June 30, 2012	-	(15,181.76)	(112,065.35)	(207,835.70)	(7,417.29)	-	(342,500.10)
Allowance for impairment of assets							
As at January 1, 2012	(81.27)	(9.59)	(255.24)	(634.05)	-	-	(980.15)
- Impairment losses	-	-	-	(3,223.62)	-	-	(3,223.62)
- Reversal of impairment losses	-	-	-	204.24	-	-	204.24
- Currency translation differences	-	-	-	0.77	-	-	0.77
As at June 30, 2012	(81.27)	(9.59)	(255.24)	(3,652.66)	-	-	(3,998.76)
Net book value							
As at December 31, 2011	5,741.98	29,599.83	233,398.47	290,222.27	7,824.03	34,550.88	601,337.46
As at June 30, 2012	6,557.64	29,883.90	233,577.77	309,049.59	8,461.59	34,921.45	622,451.94

13. Property, Plant and Equipment (Continued)

Details of property, plant and equipment are as follows (Continued):

Unit: million Baht

	Separate financial statements					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As at January 1, 2012	3,788.62	26,412.10	269,436.61	9,320.10	16,651.12	325,608.55
- Additions	51.92	69.70	484.65	126.54	6,953.47	7,686.28
- Borrowing costs	-	-	-	-	215.86	215.86
- Reclassifications	7.34	242.12	3,143.95	952.30	(3,564.30)	781.41
- Disposals	-	(47.08)	(67.29)	(34.44)	-	(148.81)
As at June 30, 2012	3,847.88	26,676.84	272,997.92	10,364.50	20,256.15	334,143.29
Accumulated depreciation						
As at January 1, 2012	-	(10,306.07)	(90,247.25)	(5,549.23)	-	(106,102.55)
- Depreciation for the period	-	(545.90)	(5,211.57)	(498.81)	-	(6,256.28)
- Reclassifications	-	(30.37)	(9.22)	11.08	-	(28.51)
- Disposals	-	46.57	66.63	24.34	-	137.54
As at June 30, 2012	-	(10,835.77)	(95,401.41)	(6,012.62)	-	(112,249.80)
Allowance for impairment of assets						
As at January 1, 2012	(81.27)	(9.60)	(255.11)	-	-	(345.98)
As at June 30, 2012	(81.27)	(9.60)	(255.11)	-	-	(345.98)
Net Book Value						
As at December 31, 2011	3,707.35	16,096.43	178,934.25	3,770.87	16,651.12	219,160.02
As at June 30, 2012	3,766.61	15,831.47	177,341.40	4,351.88	20,256.15	221,547.51

Borrowing costs amounting to Baht 260.25 million in the consolidated financial statements (December 31, 2011: Baht 1,137.23 million) and amounting to Baht 215.86 million in the separate financial statements (December 31, 2011: Baht 301.16 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 1.87% to 4.54% (December 31, 2011: 1.63% to 5.58%).

13. Property, Plant and Equipment (Continued)

As at June 30, 2012 and December 31, 2011, other assets include vehicles acquired under finance leases. Details are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cost	1,119.81	996.40	863.18	825.21
<u>Less Accumulated depreciation</u>	<u>(299.99)</u>	<u>(254.10)</u>	<u>(208.96)</u>	<u>(157.68)</u>
Net book value	<u>819.82</u>	<u>742.30</u>	<u>654.22</u>	<u>667.53</u>

During the second quarter 2012, PTTEP Australasia Pty Ltd (PTTEP AA) recognized the impairment loss of USD 109 million or approximately Baht 3,455.13 million because there were indications of an increase in the Montara project costs, and production was rescheduled and is expected to begin late in the fourth quarter of 2012. Net realizable value is calculated from the net of fair value less cost to sales, discounted based on project lives. The cash flow projections are based on a proved and probable reserve production profile and various estimates and assumptions such as the oil prices, exchange rates, discount rates, and capital expenditures.

14. Intangible Assets

Details of intangible assets are as follows:

Unit: million Baht

	Consolidated financial statements				Total
	Computer software	Right of use	Exploration & Evaluation assets	Other Intangible assets	
Cost					
As at January 1, 2012	3,740.34	18,648.76	35,097.72	3,487.46	60,974.28
- Additions	352.39	0.17	1,976.86	52.25	2,381.67
- Reclassifications	58.65	25.59	-	304.18	388.42
- Disposals	(0.36)	(18.18)	(1,192.97)	-	(1,211.51)
- Currency translation differences	13.01	12.11	255.62	13.81	294.55
As at June 30, 2012	4,164.03	18,668.45	36,137.23	3,857.70	62,827.41
Accumulated amortization					
As at January 1, 2012	(1,551.34)	(5,568.30)	-	(1,070.83)	(8,190.47)
- Amortization for the period	(188.37)	(255.41)	-	(124.43)	(568.21)
- Reclassifications	0.09	(18.64)	-	-	(18.55)
- Disposals	0.30	15.99	-	-	16.29
- Currency translation differences	(3.72)	7.92	-	(2.52)	1.68
As at June 30, 2012	(1,743.04)	(5,818.44)	-	(1,197.78)	(8,759.26)
Allowance for impairment of assets					
As at January 1, 2012	-	-	(110.51)	(59.70)	(170.21)
- Impairment losses	-	-	-	(11.95)	(11.95)
- Currency translation differences	-	-	(0.47)	(0.50)	(0.97)
As at June 30, 2012	-	-	(110.98)	(72.15)	(183.13)
Net book value					
As at December 31, 2011	2,189.00	13,080.46	34,987.21	2,356.93	52,613.60
As at June 30, 2012	2,420.99	12,850.01	36,026.25	2,587.77	53,885.02

14. Intangible Assets (Continued)

Details of intangible assets are as follows (Continued):

Unit: million Baht

	Separate financial statements			Total
	Computer software	Right of use	Other Intangible assets	
Cost				
As at January 1, 2012	1,521.76	18,330.62	51.55	19,903.93
- Additions	23.05	-	-	23.05
- Reclassifications	56.65	9.55	-	66.20
As at June 30, 2012	1,601.46	18,340.17	51.55	19,993.18
Accumulated amortization				
As at January 1, 2012	(595.30)	(5,391.11)	(51.55)	(6,037.96)
- Amortization for the period	(129.25)	(239.78)	-	(369.03)
- Reclassifications	(0.10)	-	-	(0.10)
As at June 30, 2012	(724.65)	(5,630.89)	(51.55)	(6,407.09)
Net book value				
As at December 31, 2011	926.46	12,939.51	-	13,865.97
As at June 30, 2012	876.81	12,709.28	-	13,586.09

15. Mining properties

Movements of mining properties are as follows:

	Unit: million Baht
	<u>Consolidated financial statement</u>
Cost	
As at January 1, 2012	41,970.17
- Business acquisition (Note 27)	4,245.73
- Additions	1,458.47
- Disposals	(321.56)
- Currency translation differences	<u>402.31</u>
As at June 30, 2012	<u>47,755.12</u>
Accumulated amortization	
As at January 1, 2012	(8,790.33)
- Amortization for the period	(1,533.23)
- Currency translation differences	<u>(69.47)</u>
As at June 30, 2012	<u>(10,393.03)</u>
Net book value	
As at December 31, 2011	<u>33,179.84</u>
As at June 30, 2012	<u>37,362.09</u>

16. Goodwill

Movements of goodwill are as follows:

	Unit: million Baht	
	<u>Consolidated financial statements</u>	
	<u>2012</u>	<u>2011</u>
Net book value as at January 1	28,432.57	17,541.83
- Additions (Note 27)	827.69	10,293.81
- Reclassifications	-	(70.51)
- Impairment losses	(321.48)	(19.11)
- Currency translation differences	<u>47.56</u>	<u>472.24</u>
Net book value as at June 30	<u><u>28,986.34</u></u>	<u><u>28,218.26</u></u>

17. Advance Payments for Gas Purchases

Movements of advance payments for gas purchases are as follows:

	Unit: million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance as at January 1	7,346.23	8,304.60	8,495.57	9,743.47
- Make-up right	<u>(779.86)</u>	<u>(710.80)</u>	<u>(659.57)</u>	<u>(790.74)</u>
Balance as at June 30	<u><u>6,566.37</u></u>	<u><u>7,593.80</u></u>	<u><u>7,836.00</u></u>	<u><u>8,952.73</u></u>

The Company made advance payments for committed gas purchases according to the established minimum volumes in the 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 June 30, 2012, advanced payments for gas purchases comprised the balance of advance payments made for gas purchases from the Yadana and the Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 2000 to 2001.

18. Long-term Loans

Details of long-term loans as at June 30, 2012 and December 31, 2011 are as follows:

Current portion of long-term loans

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Loans – Baht currency	4,663.09	5,025.33	3,500.00	4,000.00
Loans – Baht currency – EPPO	210.32	214.35	210.32	214.35
Loans – foreign currencies	5,399.97	4,246.05	2,397.39	2,593.25
Debentures – Baht currency	13,521.60	45,296.32	8,500.00	23,500.00
Liabilities under finance leases	228.37	196.72	173.95	164.52
Total	24,023.35	54,978.77	14,781.66	30,472.12

Long-term loans

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Loans – Baht currency	30,286.68	32,251.00	22,000.00	23,500.00
Loans – Baht currency – EPPO	194.40	297.42	194.40	297.42
Loans – foreign currencies	71,227.76	62,231.56	20,110.58	21,422.30
Debentures – Baht currency	173,493.72	146,521.98	154,304.20	119,304.20
Debentures – foreign currencies	111,776.20	95,513.07	48,539.20	48,321.77
Liabilities under finance leases	516.77	509.09	418.28	453.95
Total	387,495.53	337,324.12	245,566.66	213,299.64

As at June 30, 2012, Baht 8,500.00 million of the Company's loans are secured by the Ministry of Finance (December 31, 2011: Baht 10,205.86 million).

(TRANSLATION)

18. Long-term Loans (Continued)

18.1 Loans

Movements of loans in Baht currency and foreign currencies for the six-month period ended June 30, 2012 are as follows:

Unit: million

	Consolidated financial statements				Total in Baht equivalent
	Currency				
	Baht	USD	JPY	CAD	
Balance as at January 1, 2012	37,788.10	1,807.38	23,000.00	-	104,265.71
- Additions	120.75	16.97	-	375.00	11,805.54
- Repayments	(2,554.97)	(56.93)	-	-	(4,361.43)
- Loss on exchange rates	-	-	-	-	146.83
- Currency translation differences	-	-	-	-	116.37
- Others	0.61	0.29	-	-	9.20
Balance as at June 30, 2012	35,354.49	1,767.71	23,000.00	375.00	111,982.22
- Current portion	(4,873.41)	(169.43)	-	-	(10,273.38)
Long-term loans	<u>30,481.08</u>	<u>1,598.28</u>	<u>23,000.00</u>	<u>375.00</u>	<u>101,708.84</u>

Unit: million

	Separate financial statements				Total in Baht equivalent
	Currency				
	Baht	USD	JPY		
Balance as at January 1, 2012	28,011.77	456.47	23,000.00		52,027.32
- Repayments	(2,107.05)	(43.97)	-		(3,506.60)
- Gain on exchange rates	-	-	-		(108.03)
Balance as at June 30, 2012	25,904.72	412.50	23,000.00		48,412.69
- Current portion	(3,710.32)	(75.00)	-		(6,107.71)
Long-term loans	<u>22,194.40</u>	<u>337.50</u>	<u>23,000.00</u>		<u>42,304.98</u>

18. Long-term Loans (Continued)

18.1 Loans (Continued)

Loans – Baht currency

On June 27, 2012, a contract party of an interest rate swap contract for a Baht loan amounting to Baht 5,000 million exercised its right to change an interest rate from a floating interest rate of 6M THBFIX plus a fixed interest rate per annum to a fixed interest rate of 4.355% per annum. The change is effective from June 30, 2012 to the loan repayment date on March 30, 2019.

During the period, a jointly control entity drew down a loan from a financial institution amounting to Baht 345 million. The Company recognized the loan of Baht 120.75 million according to its percentage of the investment. The loan has a maturity of ten years and bears an interest rate of 6M THBFIX plus a fixed rate per annum.

Loans – foreign currency

On January 27, 2012, the Company terminated an interest rate swap contract for USD loans of USD 50 million with a contract party. As a result, the interest rate on these loans changed from a fixed rate of 2.989% per annum to the former floating rate of LIBOR plus a fixed rate. On the same day, the Company entered into an interest rate swap contract with a new contract party to swap the floating interest rate of LIBOR plus a fixed rate for a fixed interest rate of 1.585% per annum. The contract is effective from February 7, 2012 to the repayment date on May 28, 2015.

In March and April 2012, PTTEP Canada International Finance Limited (PTTEP CIF) entered into five-year unsecured loan agreements with financial institutions, granting facilities totaling CAD 300 million and CAD 75 million, respectively. The loans are fully guaranteed by PTTEP. PTTEP CIF fully utilized these loans in May 2012.

On March 30, 2012, a jointly controlled entity entered into Shareholder Loan Agreement with its shareholders totaling USD 70 million with the interest rate of LIBOR plus a fixed rate per annum. The loan will be fully repaid within November, 2020. On May 21, 2012, the jointly controlled entity partially drew down the loan amounting to USD 35 million. The Company recognized the loan amounting to USD 16.97 million according to its percentage of the investment.

18. Long-term Loans (Continued)

18.2 Debentures

Details of debentures as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million

	Consolidated financial statements			
	June 30, 2012		December 31, 2011	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	108,687.78	3,408.42	92,472.15	2,911.17
- Baht currency	187,015.32	-	191,818.30	-
Secured unsubordinated debentures				
- USD currency	3,088.42	96.62	3,040.92	96.62
Total	298,791.52	3,505.04	287,331.37	3,007.79
Current portion	(13,521.60)	-	(45,296.32)	-
Long-term debentures	<u>285,269.92</u>	<u>3,505.04</u>	<u>242,035.05</u>	<u>3,007.79</u>

Unit: million

	Separate financial statements			
	June 30, 2012		December 31, 2011	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	48,539.20	1,518.51	48,321.77	1,518.03
- Baht currency	162,804.20	-	142,804.20	-
Total	211,343.40	1,518.51	191,125.97	1,518.03
Current portion	(8,500.00)	-	(23,500.00)	-
Long-term debentures	<u>202,843.40</u>	<u>1,518.51</u>	<u>167,625.97</u>	<u>1,518.03</u>

18. Long-term Loans (Continued)

18.2 Debentures (Continued)

On January 27, 2012, the Company issued and offered two tranches of unsecured unsubordinated debentures No.1/2012 amounting to Baht 20,000 million to general investors, the details of the debentures are as follows:

Condition	Tranche 1	Tranche 2
Offering price (million Baht)	1,950.53	18,049.47
Tenor (years)	3 years 8 months 20 days	6 years 9 months 19 days
Fixed interest rate (% per annum)	3.80	Year 1 - 4 : 4.00 Year 5 - 6 : 4.40 Remaining periods : 5.50
Interest instalments	Semi-annual interest payment On February 15 and August 15 (The first instalment on August 15, 2012)	
Issue date	January 27, 2012	
Maturity date	October 17, 2015	November 15, 2018

On May 21, 2012, the Company issued and offered unsecured unsubordinated debentures No.2/2012 amounting to Baht 15,000 million to general investors, the details of the debentures are as follows:

Condition	Details
Offering price (million Baht)	15,000.00
Tenor (years)	6 years 11 months 24 days
Fixed interest rate (% per annum)	Year 1 - 4 : 4.10 Remaining periods : 5.10
Interest instalments	Semi-annual interest payment On May 15 and November 15 (The first instalment on November 15, 2012)
Issue date	May 21, 2012
Maturity date	May 15, 2019

18. Long-term Loans (Continued)

18.2 Debentures (Continued)

On June 8, 2012, PTTEP Canada International Finance Limited (PTTEP CIF) issued and offered the 30-year unsecured and unsubordinated debentures with a fixed interest rate of 6.35% per annum in the amount of USD 500 million. This debenture is fully guaranteed by PTTEP.

18.3 Liabilities under finance leases

Details of liabilities under finance leases as at June 30, 2012 and December 31, 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Liabilities under finance leases				
- Within 1 year	238.25	222.30	173.95	186.38
- Over 1 year - 5 years	563.69	535.58	457.60	477.24
Future finance charges on finance leases	(56.80)	(52.07)	(39.32)	(45.15)
Present value of liabilities under finance leases	<u>745.14</u>	<u>705.81</u>	<u>592.23</u>	<u>618.47</u>
Present value of liabilities under finance leases				
- Current liabilities	228.37	196.72	173.95	164.52
- Non-current liabilities	<u>516.77</u>	<u>509.09</u>	<u>418.28</u>	<u>453.95</u>
Total	<u>745.14</u>	<u>705.81</u>	<u>592.23</u>	<u>618.47</u>

19. Employee Benefit Obligations

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

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
As at January 1	5,500.02	5,147.73	2,387.40	2,314.50
Current service costs	217.20	223.57	71.98	70.03
Interest on obligations	106.55	97.86	47.63	46.04
Actuarial (gains) losses	0.35	(0.20)	-	-
Currency translation differences	1.57	(0.06)	-	-
Actual payment	(80.07)	(47.24)	(54.60)	(33.07)
As at June 30	<u>5,745.62</u>	<u>5,421.66</u>	<u>2,452.41</u>	<u>2,397.50</u>

Expenses recognized in the statements of income for the three-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service costs	107.81	118.82	35.99	35.02
Interest on obligations	53.55	48.82	23.82	23.02
Actuarial (gains) losses	0.27	(0.20)	-	-
Total	<u>161.63</u>	<u>167.44</u>	<u>59.81</u>	<u>58.04</u>
Cost of sales	28.30	37.66	8.33	7.61
Selling expenses	11.43	11.03	10.79	10.48
Administrative expenses	121.01	117.55	40.01	38.95
Management remuneration	0.89	1.20	0.68	1.00
Total	<u>161.63</u>	<u>167.44</u>	<u>59.81</u>	<u>58.04</u>

19. Employee Benefit Obligations (Continued)

Expenses recognized in the statements of income for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service costs	217.20	223.57	71.98	70.03
Interest on obligations	106.55	97.86	47.63	46.04
Actuarial (gains) losses	0.35	(0.20)	-	-
Total	<u>324.10</u>	<u>321.23</u>	<u>119.61</u>	<u>116.07</u>
Cost of sales	58.78	62.78	16.36	15.20
Selling expenses	22.47	21.41	21.55	20.71
Administrative expenses	241.01	235.07	80.29	78.61
Management remuneration	1.84	1.97	1.41	1.55
Total	<u>324.10</u>	<u>321.23</u>	<u>119.61</u>	<u>116.07</u>

20. Provision for Decommissioning Costs

Movements in the provision for decommissioning costs are as follows:

	Unit: million Baht Consolidated financial statements
As at January 1, 2012	24,941.52
- Additions	1,768.68
- Currency translation differences	68.44
- Actual payment	(3,088.06)
- Reversal of provision	<u>(263.86)</u>
As at June 30, 2012	23,426.72
- Current portion	<u>(540.95)</u>
- Long-term provision	<u>22,885.77</u>

21. Earnings per Share

Basic earnings per share and diluted earnings per share for the three-month periods ended June 30, 2012 and 2011 are calculated as follows:

Consolidated financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	8,513,661,519	32,277,001,233	8,513,661,519	32,277,001,233
Adjustment of net income (Baht)	-	-	(1,366,989)	(108,039,991)
Net income for calculation of earnings per share (Baht)	8,513,661,519	32,277,001,233	8,512,294,530	32,168,961,242
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,852,137,965	2,856,299,625	2,852,137,965
Effect from exercised warrants (shares)			-	1,450,628
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,853,588,593
Earnings per share (Baht/share)	2.98	11.32	2.98	11.27

Separate financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	25,215,550,276	19,888,316,085	25,215,550,276	19,888,316,085
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,852,137,965	2,856,299,625	2,852,137,965
Effect from exercised warrants (shares)			-	1,450,628
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,853,588,593
Earnings per share (Baht/share)	8.83	6.97	8.83	6.97

21. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share for the six-month periods ended June 30, 2012 and 2011 are calculated as follows:

Consolidated financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	45,899,444,360	67,199,299,624	45,899,444,360	67,199,299,624
Adjustment of net income (Baht)	-	-	(6,952,817)	(24,971,427)
Net income for calculation of earnings per share (Baht)	45,899,444,360	67,199,299,624	45,892,491,543	67,174,328,197
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,850,615,514	2,856,299,625	2,850,615,514
Effect from exercised warrants (shares)			-	2,043,793
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,852,659,307
Earnings per share (Baht/share)	16.07	23.57	16.07	23.55

Separate financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	47,225,402,126	39,515,879,763	47,225,402,126	39,515,879,763
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,850,615,514	2,856,299,625	2,850,615,514
Effect from exercised warrants (shares)			-	2,043,793
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,852,659,307
Earnings per share (Baht/share)	16.53	13.86	16.53	13.85

21. Earnings per Share (Continued)

PTTGC

Details of issue and offer of warrants for PTTGC's employees are as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant : ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
October 19, 2011	46.32	1 : 0.2590478	1.35	2.11	October 19, 2016

22. Other Income

Details of other income for the three-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Transportation income	1,122.04	1,008.55	1,148.87	1,030.71
Dividend income	24.40	124.79	12,912.90	5,258.90
Interest income	821.76	939.26	1,321.85	1,170.91
Compensation for loan interest on advance payments for gas purchases	64.84	64.83	64.84	64.83
Others	3,939.48	2,475.05	1,221.43	2,009.55
Total	<u>5,972.52</u>	<u>4,612.48</u>	<u>16,669.89</u>	<u>9,534.90</u>

Details of other income for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Transportation income	2,587.80	1,985.63	2,649.01	2,038.87
Dividend income	148.73	380.86	19,510.99	10,889.56
Interest income	1,649.96	1,817.97	2,707.99	2,283.87
Compensation for loan interest on advance payments for gas purchases	129.67	138.52	129.67	138.52
Others	5,996.05	4,515.41	1,838.72	3,688.47
Total	<u>10,512.21</u>	<u>8,838.39</u>	<u>26,836.38</u>	<u>19,039.29</u>

Compensation for loan interests on advance payments for gas purchases (Take-or-Pay) represents the compensation, which the Company received from the Electricity Generating Authority of Thailand (EGAT) and Independent Power Plants (IPPs) in order to absorb the interests on these loans.

23. Expenses by Nature

Details of expenses by nature for the three-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Changes in finished goods and work in process	2,735.99	(11,004.07)	3,602.07	(9,200.28)
Goods purchased and raw materials used	592,561.38	570,612.85	590,534.95	578,833.96
Staff costs	3,682.90	3,794.16	1,826.24	1,636.03
Outsourcing	1,555.12	1,589.66	1,355.15	1,269.23
Transportation	4,512.40	4,085.54	2,042.23	1,939.10
Depreciation and amortization	15,542.72	12,907.16	3,419.59	3,460.69
Repairment	1,104.52	1,604.57	593.04	719.58
Utilities	4,169.11	3,222.05	3,354.56	2,875.85
Loss on impairment of assets*	3,511.51	9.29	-	-
Loss on impairment of investments*	3,972.32	43.12	-	-

Details of expenses by nature for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: million Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Changes in finished goods and work in process	3,023.17	(11,373.01)	3,569.88	(9,899.24)
Goods purchased and raw materials used	1,199,746.02	1,037,710.94	1,200,931.30	1,032,219.27
Staff costs	7,427.28	7,555.92	3,614.60	3,231.61
Outsourcing	3,117.56	3,064.58	2,737.08	2,277.55
Transportation	9,049.19	7,429.97	4,381.30	3,814.27
Depreciation and amortization	30,828.36	26,546.70	6,822.72	6,625.28
Repairment	2,266.11	2,537.63	1,141.35	1,247.59
Utilities	7,540.76	6,250.63	6,444.19	5,522.92
Loss on impairment of assets* (Note 13, 14 &16)	3,555.78	19.11	-	-
Loss on impairment of investments* (Note 9.5)	3,972.32	86.65	-	-

* Other expenses in the statements of income

24. Segment Information

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

Consolidated financial statements

For the three-month period ended June 30, 2012

	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	10,073.65	119,771.98	154,970.60	370,042.46	19,661.60	-	7,421.18	875.79	-	682,817.26
- related parties	40,039.53	6,503.89	2,313.49	22,529.07	6.63	-	-	472.19	(71,864.80)	-
Net sales	50,113.18	126,275.87	157,284.09	392,571.53	19,668.23	-	7,421.18	1,347.98	(71,864.80)	682,817.26
Gross margin (loss)*	45,349.61	17,565.18	6,432.00	(535.78)	1,244.62	-	2,966.67	196.21	(221.43)	72,997.08
EBITDA	36,599.77	14,975.68	4,555.87	(344.45)	801.46	-	2,587.60	183.67	194.84	59,554.44
Depreciation and amortization expenses	(9,978.82)	(3,349.86)	(574.70)	(3.27)	(248.53)	-	(1,052.75)	(335.38)	0.59	(15,542.72)
EBIT	26,620.95	11,625.82	3,981.17	(347.72)	552.93	-	1,534.85	(151.71)	195.43	44,011.72
Share of net income (loss) from associates	-	118.96	155.29	-	665.61	(5,405.46)	73.15	38.24	-	(4,354.21)
Interest income										821.76
Other expenses, net										(6,031.19)
Loss on foreign exchange rates										(2,302.02)
Finance costs										(4,793.59)
EBT										27,352.47
Income taxes										(15,695.28)
Net income for the period										<u>11,657.19</u>
Attributable to:										
Equity holders of the Company										8,513.66
Non-controlling interests										<u>3,143.53</u>
Net income for the period										<u><u>11,657.19</u></u>

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

24. Segment Information (Continued)**Consolidated financial statements**

For the three-month period ended June 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	6,684.23	99,521.34	139,664.48	370,882.76	19,271.30	-	7,205.58	346.98	-	643,576.67
- related parties	37,284.99	5,481.47	1,903.80	17,889.50	1.41	-	-	349.82	(62,910.99)	-
Net sales	43,969.22	105,002.81	141,568.28	388,772.26	19,272.71	-	7,205.58	696.80	(62,910.99)	643,576.67
Gross margin (loss)*	39,162.25	21,334.06	5,344.66	(281.92)	1,402.73	-	2,971.24	204.31	(403.06)	69,734.27
EBITDA	30,085.97	18,843.57	3,531.81	(386.99)	1,000.94	-	1,836.08	118.39	13.47	55,043.24
Depreciation and amortization expenses	(8,151.45)	(3,239.61)	(582.42)	(3.39)	(225.33)	-	(438.20)	(267.34)	0.58	(12,907.16)
EBIT	21,934.52	15,603.96	2,949.39	(390.38)	775.61	-	1,397.88	(148.95)	14.05	42,136.08
Share of net income (loss) from associates	-	109.52	143.04	-	4,761.85	5,271.80	(2.50)	9.72	-	10,293.43
Interest income										939.26
Other income, net										1,779.34
Gain on foreign exchange rates										933.84
Finance costs										(4,479.70)
EBT										51,602.25
Income taxes										(14,489.60)
Net income for the period										<u>37,112.65</u>
Attributable to:										
Equity holders of the Company										32,277.00
Non-controlling interests										<u>4,835.65</u>
Net income for the period										<u>37,112.65</u>

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

24. Segment Information (Continued)**Consolidated financial statements**

For the six-month period ended June 30, 2012

	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	22,558.44	232,193.03	305,170.35	761,552.17	38,844.72	-	13,248.98	1,354.39	-	1,374,922.08
- related parties	76,092.83	11,880.59	4,327.05	48,132.50	11.88	-	-	870.48	(141,315.33)	-
Net sales	98,651.27	244,073.62	309,497.40	809,684.67	38,856.60	-	13,248.98	2,224.87	(141,315.33)	1,374,922.08
Gross margin (loss)*	89,011.73	35,987.13	13,332.85	(435.34)	2,164.99	-	4,977.21	386.68	(687.41)	144,737.84
EBITDA	72,241.58	30,940.87	9,349.07	(60.02)	1,341.09	-	3,786.91	364.19	256.44	118,220.13
Depreciation and amortization expenses	(20,011.24)	(6,727.56)	(1,145.67)	(6.56)	(503.30)	-	(1,777.73)	(657.47)	1.17	(30,828.36)
EBIT	52,230.34	24,213.31	8,203.40	(66.58)	837.79	-	2,009.18	(293.28)	257.61	87,391.77
Share of net income (loss) from associates	-	171.20	305.20	-	5,661.04	(282.03)	-	79.57	-	5,934.98
Interest income										1,649.96
Other expenses, net										(6,021.91)
Gain on foreign exchange rates										630.19
Finance costs										(9,261.79)
EBT										80,323.20
Income taxes										(25,126.01)
Net income for the period										<u>55,197.19</u>
Attributable to:										
Equity holders of the Company										45,899.44
Non-controlling interests										<u>9,297.75</u>
Net income for the period										<u><u>55,197.19</u></u>

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

24. Segment Information (Continued)Consolidated financial statements

For the six-month period ended June 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	11,474.09	187,154.24	271,583.40	660,461.29	38,901.32	-	14,092.28	767.23	-	1,184,433.85
- related parties	70,108.01	11,094.38	3,237.56	36,186.36	1.72	-	-	620.98	(121,249.01)	-
Net sales	81,582.10	198,248.62	274,820.96	696,647.65	38,903.04	-	14,092.28	1,388.21	(121,249.01)	1,184,433.85
Gross margin*	73,109.08	40,560.60	10,635.63	2,091.45	2,728.78	-	6,062.74	467.52	(631.60)	135,024.20
EBITDA	56,158.93	35,482.95	7,114.25	1,794.86	1,971.25	-	4,036.01	183.10	146.92	106,888.27
Depreciation and amortization expenses	(17,243.78)	(6,135.95)	(1,252.31)	(6.62)	(388.34)	-	(975.31)	(545.55)	1.16	(26,546.70)
EBIT	38,915.15	29,347.00	5,861.94	1,788.24	1,582.91	-	3,060.70	(362.45)	148.08	80,341.57
Share of net income (loss) from associates	-	183.21	280.82	-	10,277.88	10,938.48	(42.07)	19.97	-	21,658.29
Interest income										1,817.97
Other income, net										3,298.24
Gain on foreign exchange rates										3,809.77
Finance costs										(8,872.88)
EBT										102,052.96
Income taxes										(25,217.60)
Net income for the period										<u>76,835.36</u>
Attributable to:										
Equity holders of the Company										67,199.30
Non-controlling interests										<u>9,636.06</u>
Net income for the period										<u>76,835.36</u>

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

25. Subordinated capital debentures

On June 15, 2012, PTTEP issued and offered 5 million subordinated capital debentures, with a value of Baht 5,000 million, which are perpetual long-term, unsecured and unconvertible with no final maturity date. The principle payment will be paid upon liquidation or early redemption by PTTEP, subject to certain restrictions under the agreement. The subordinated capital debentures bear a step-up fixed interest starting from 5.85% to 7.85% per annum. The interest is paid on a quarterly basis. PTTEP can defer the interest payment at its sole discretion. All deferred interest will be accumulated, but not bear any interests. If PTTEP deferred the interest payment, PTTEP shall not declare or make any dividend payment, make any interest payment or distribution of any sort of any instrument or security issued by PTTEP which ranks pari passu or junior to this subordinated capital debentures. In addition, PTTEP shall not redeem, reduce, cancel, buy-back or acquire for any consideration on any instrument or security issued by PTTEP which rank pari passu or junior to this subordinated capital debentures. The debentures are recognized by the Company as a part of non-controlling interests in the statement of financial position.

26. Dividend Payment

On April 10, 2012, the 2012 annual shareholders' meeting of the Company approved dividend payments for the year 2011 of Baht 13.00 per share, approximately amounting to Baht 37,119.13 million. On September 23, 2011, the Company paid an interim dividend for the operating results of the first half of 2011 at Baht 6.00 per share for 2,854,189,126 shares, amounting to Baht 17,125.13 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 2011	July 1, 2011 – December 31, 2011	7.00	2,855,074,343	19,985.52	April 30, 2012

27. Business Acquisition

On November 15, 2011, PTTGE Services Netherlands BV (PTTGE BV) acquired a 75% shareholding in seven companies of the PT Kalpataru Investama (PT KPI) group, operating in Palm oil business in Indonesia.

Details of net assets acquired and goodwill are as follows:

	Unit: million Baht
Purchase consideration (cash paid)	1,458.97
Fair value of net assets acquired	<u>(1,160.91)</u>
Goodwill	<u>298.06</u>

Assets and liabilities arising from the acquisition are as follows:

	Unit: million Baht
Cash and cash equivalents	0.76
Property, plant and equipment	1,137.84
Advance payment	13.79
Other current assets	23.59
Other accounts payable	(11.90)
Other current liabilities	<u>(3.17)</u>
Fair value of net assets acquired	1,160.91
Goodwill	<u>298.06</u>
Total purchase consideration	1,458.97
<u>Less:</u> Cash and cash equivalents	<u>(0.76)</u>
Cash outflow on the acquisition	<u>1,458.21</u>

As at June 30, 2012, PTTGE BV is reviewing the fair value of net assets acquired. The aforementioned fair value of the net assets will be revised when the initial purchase price allocation is completed.

27. Business Acquisition (Continued)

On March 2, 2012 PTT Asia Pacific Mining Pty Ltd. (PTTAPM), a subsidiary company of PTTI, made additional investment in Red Island Mineral Limited (RIM) by acquiring a further 66.50% interest to increase its shareholding in RIM from 33.50% to 100%. This event changed the status of RIM from an associate to a subsidiary. RIM is a company incorporating in Australia and operates an exploration and development of coal mining business under a partnership with the Madagascan government.

PTTAPM paid USD 44.86 million, or approximately Baht 1,361.09 million, for the additional shares in RIM.

The details of net assets acquired and goodwill are as follows:

	Unit: million Baht
Net book value of equity before increasing in shareholder	1,514.83
Gain on revaluation on net book value of equity	274.34
	<hr/> 1,789.17
Cash paid	885.38
Expected purchase consideration	447.42
Fair value of purchase consideration	<hr/> <hr/> 3,121.97

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

	Unit: million Baht
Cash and cash equivalents	3.41
Account receivable and other account receivable	9.39
Property, plant and equipment (Note 13)	4.09
Mining properties (Note 15)	4,245.73
Other assets	0.09
Account payable and other accounts payable	(39.10)
Loan	(355.87)
Deferred tax liabilities	(878.29)
Fair value of net assets acquired	<hr/> 2,989.45
<u>Less:</u> Non-controlling interest	(578.80)
<u>Add:</u> Goodwill (Note 16)	711.32
Value of net assets acquired	<hr/> <hr/> 3,121.97

27. Business Acquisition (Continued)

Cash paid for changing in the ownership interests in subsidiaries

	Unit: million Baht
Cash paid	885.38
Expected purchase consideration	447.42
Premium on expected purchase consideration	31.70
	<hr/> 1,364.50
<u>Less</u> Cash and cash equivalent of subsidiaries	<hr/> (3.41)
Cash paid for changing in the ownership interests in subsidiaries	<hr/> <u>1,361.09</u>

As at June 30, 2012, PTTAPM is reviewing the fair value of net assets acquired. The aforementioned fair value of the net assets will be revised when the initial purchase price allocation is completed.

During the period, Sakari Resources Ltd (SAR), a subsidiary of PTTI, made a payment for a mining business amounting to USD 3.68 million. There was goodwill of USD 3.66 million or approximately to Baht 116.37 million, which came from the purchase considerations less fair value of net assets.

28. Proceeding regarding the Central Administrative Court's Ordering Temporary Suspension of Projects in 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, 2010. 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. The two projects of the Company are still under the Court's order to suspend.

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

On September 2, 2010, the Court rendered a judgment to withdraw permits which were issued to projects in the list attached to the petition that 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 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.

29. Proceeding regarding the Offshore Natural Gas Pipeline Leakage Incident

The Company outsourced construction of a natural gas pipeline construction contracting company (the Contractor). The Contractor breached the contract, causing damages to the Company. The Company gathered the various relevant facts and submitted them to the office of the Attorney General to claim compensation from damages from the Contractor. Prosecutors are now considering the facts in order to prepare a lawsuit to be lodged with to the court.

30. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

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

30.1.1 The Group has provided loans to its subsidiaries and associates with credit limits totaling Baht 59,694.11 million. As at June 30, 2012, the Group made payments in respect of these loans totaling Baht 58,906.82 million. The remaining credit limits were Baht 787.29 million. (December 31, 2011: Baht 1,664.47 million)

30.1.2 The Company has obligations under a commercial credit agreement with an overseas subsidiary that provide an extended credit term for purchases of raw materials under a credit limit of USD 100 million. As at June 30, 2012, the subsidiary has drawn down USD 99.81 million of the commercial credit. The remaining commercial credit line was USD 0.19 million or approximately Baht 6.07 million. (December 31, 2011: USD 0.19 million or approximately Baht 6.05 million)

30.1.3 The Company entered into the Sponsor Support Agreements with three jointly controlled entities with credit limits equal to the sum of the loan obligations to financial institutions of the three jointly controlled entities. Under these agreements, as at June 30, 2012, the Company had commitments of USD 400.57 million or approximately Baht 12,804.26 million. (December 31, 2011: USD 435.51 million or approximately Baht 13,863.11 million)

30.1.4 The Company entered into the Sponsor Support Agreement with an associate, with a credit limit equal to the sum of the loan obligations of the associate to financial institutions. Under the agreement, as at June 30, 2012, the Company had a commitment of Baht 1,028 million (December 31, 2011: Baht 1,028 million).

30.1.5 The Company had obligations under the Shareholder Agreements to pay for ordinary shares in proportion to its shareholding. As at June 30, 2012, the Company had remaining obligations amounting to Baht 3,435.61 million (December 31, 2011: Baht 3,686.11 million).

30. Commitments and Contingent Liabilities (Continued)

30.2 Commitments under operating leases – the Group as a lessee

The future minimum lease payments under uncancellable operating leases as at June 30, 2012 and December 31, 2011 are as follows:

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within 1 year	2,754.71	2,376.22	213.05	225.23
Over 1 year - 5 years	4,529.87	4,829.45	403.01	406.52
Over 5 years	4,550.01	5,062.27	852.69	872.26
Total	<u>11,834.59</u>	<u>12,267.94</u>	<u>1,468.75</u>	<u>1,504.01</u>

30.3 As at June 30, 2012, the Group had obligations in the form of unused letter of credit amounting to Baht 27,312.95 million in the consolidated financial statements (December 31, 2011: Baht 37,222.42 million) and Baht 21,280.23 million in the separate financial statements (December 31, 2011: Baht 23,500 million).

30.4 As at June 30, 2012, the Group had contingent liabilities in the form of letter of guarantee amounting to Baht 2,720.67 million in the consolidated financial statements (December 31, 2011: 2,669.92 million) and Baht 114.67 million in the separate financial statements (December 31, 2011: Baht 102.24 million).

30.5 An associate entered into a product sales agreement with the Company whereby the Company is to resell products to a listed company. The term of the agreement is 15 years, expiring on January 31, 2012. Before the expiration date, the associate notified the Company not to renew the agreement. Consequently, the Company had to submit an advance notice to the listed company in order to comply with a condition on prior notice stipulated in 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 that the Company and the associate, as the seller and the supplier, respectively, comply with the agreement by continuing to sell the product to the listed company or by mutually paying an indemnity to it.

On February 10, 2010, the associate submitted a petition with the Institute to dismiss the claim against it from the case-list. Subsequently, the Institute 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.

30. Commitments and Contingent Liabilities (Continued)

30.6 On May 26, 2010 the contractor for an on-shore natural gas pipeline construction project (the “Contractor”) submitted claims to the Thai Arbitration Institute (the “Institute”) seeking overdue payment and damages from the Company for the work performed in connection with the project. The Company, however, considered that the submission of the claims was incompliant with the dispute resolution procedure agreed upon under the contract. Therefore, the Company filed an opposition to the Contractor’s claim submission with the Institute and reserved right to protest such contractually incompliant claim submission in the arbitration procedure. After the claim submission, the Central Bankruptcy Court ordered the Contractor be under an absolute receivership which rendered the official receiver to have sole power in any litigation pertaining to the Contractor’s assets. Subsequently, the Contractor’s official receiver has petitioned the Institute to substitute the Contractor in the dispute against the Company. In contention against the alleged claims, the Company submitted the defense together with counterclaims seeking damages from the Contractor. Currently, the tribunal has been appointed and the case is now under the consideration of the tribunal. Regarding the Contractor’s bankruptcy case, the Company submitted, as a creditor, a motion for receiving a debt payment in accordance with the law.

On September 8, 2010, the Contractor by the its official receiver submitted the claims to the Institute seeking overdue payment and damages from the Company for the work performed in connection with another pipeline construction project. The Company, however, considered that the submission of the claims was incompliant with the dispute resolution procedure agreed upon under the contract. Therefore, the Company filed an opposition to the Contractor’s claim submission with the Institute and reserved the right to protest such contractually incompliant claim submission in the arbitration procedure. In contention against the alleged claims, the Company submitted the defense together with counterclaims seeking damages from the Contractor. Currently, the dispute is in the Institute’s process of appointing the umpire of the tribunal to commence the arbitration proceeding.

30.7 On September 22, 2011, the Thailand Watch Foundation and six individuals filed a law 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 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 in oil refinery plants owned by the Company be returned to state ownership or be sold to the public in order to cease the Company’s monopoly in the oil refinery industry. In addition, they sought the Court’s order of the confiscation of the Company’s properties, which had been obtained by operation of public 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 testimony of defence.

30.8 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 from the Government of Indonesia because no verifiable scientific evidence provided by the Government of Indonesia to support the claim. In December 2010, PTTEP AA and the Indonesian Government agreed to provide each other with additional facts and to conduct a joint survey to verify the Government of Indonesia’s data on the claimed damage on the fishery sector. Currently, the discussion with the Indonesian Government is on-going and the compensation regarding this matter has not been finalized.

31. Events after the Reporting Period

- 31.1 On July 4, 2012, a fire broke out at the Kerosene Stripper in Crude Distillation Unit 3, at the refinery of Bangchak on Sukhumvit 64 Rd. The stripper had a production capacity of 80,000 barrels per day. Currently, assessment of the effect and damages has not been completed. However, Bangchak Petroleum Public Co., Ltd (BCP) had insurance coverage for property damage and business interruption.
- 31.2 As at July 31, 2012 the Company issued and offered unsecured unsubordinated debentures amounting to Baht 10,000 million to general investors, the details of the debentures are as follow:

Condition	Details
Offering price (million Baht)	10,000.00
Tenor (years)	6 years 9 months 15 days
Fixed interest rate (% per annum)	Year 1 - 4 : 4.10 Remaining periods : 5.10
Interest instalments	Semi-annual interest payment On May 15 and November 15 (The first instalment on November 15, 2012)
Issue date	July 31, 2012
Maturity date	May 15, 2019

- 31.3 On July 20, 2012, the Board of Directors of the Company in Meeting No. 7/2012 passed a resolution to approve the purchase of up to 403,395,000 newly issued ordinary shares of PTTEP to maintain its existing shareholding in PTTEP at approximately 65.29% prior to the allocation of newly issued ordinary shares to the over-allotment agent.
- 31.4 The Audit Committee of the Company approved these financial statements for public issuance on August 8, 2012.