

**AUDITOR'S INTERIM FINANCIAL INFORMATION REVIEW REPORT
AND FINANCIAL STATEMENTS
OF
PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014**

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014
(UNAUDITED BUT REVIEWED)

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PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2014
(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 Operating Segments.

2. Basis of Interim Financial Statements 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 2012) "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 same accounting policies and computation methods used in the financial statements for the year ended December 31, 2013 are applied, except for the following changes in accounting policies and new accounting policies adopted by the Group from January 1, 2014.

3.1.1 Employee Benefits

The Group recognizes actuarial gains and losses on post-employment benefits in other comprehensive income, rather than recognizing them immediately in the statements of income, and it recognizes the accumulated amounts in retained earnings in shareholder's equity, in compliance with International Accounting Standards. Nevertheless, this change in accounting policy has no material impact on the consolidated and separate financial statements.

3.1.2 Determining whether an Arrangement contains a Lease

Since January 1, 2014, the Group has adopted the Thai Financial Reporting Interpretation No.4 - Determining whether an Arrangement contains a Lease. This interpretation states that to determine whether an arrangement is, or contains, a lease, the substance of the arrangement should be considered. The impact of the adoption of this interpretation presented in Note 3.3; determining whether arrangements of the Company and domestic jointly controlled entities and associates contain a lease.

3.1.3 Customer Loyalty Programmes

Since January 1, 2014, the Group has adopted the Thai Financial Reporting Interpretation No.13 - Customer Loyalty Programmes. This interpretation sets the requirements in cases where an entity grants loyalty award credits to its customers as part of a sales transaction or rendering of services. It requires that the considerations received from the customers must be allocated to each component of the sale based on their fair value. Nevertheless, the adoption of this interpretation has no material impact on the consolidated and separate financial statements.

3.1.4 Income Tax

The Group offsets deferred tax assets and deferred tax liabilities for presentation in the Statement of Financial Position, rather than presenting them separately. The Group reclassified deferred tax asset and deferred tax liability items in the financial statements for the year ended December 31, 2013 in order to conform to the presentation in the financial statements for the three-month and six-month periods ended June 30, 2014.

3.2 Details of Thai Financial Reporting Standards (TFRS), effective for future accounting periods, are as follows:

Effective for accounting periods on or after January 1, 2016

◆Thai Financial Reporting Standard No.4 Insurance Contracts

The management of the Group has assessed and determined that the adoption of this standard, which will become effective for the accounting period beginning on or after January 1, 2016 as mentioned above, will have no material impact on the consolidated and separate financial statements.

3. Accounting Policies (Continued)**3.3 Determining whether arrangements of the Company and domestic jointly controlled entities and associates contain a lease.**

Since January 1, 2014, the Group has determined whether an arrangement contains a lease based on considering the fulfilment of the arrangement regarding the use of a specific asset and the right granted to use such asset, and found that some agreements meet the conditions in Thai Financial Reporting Interpretation No.4. As the change above is considered a change in accounting policy, the Company and domestic jointly controlled entities and associates have restated their financial statements accordingly and the Group used the adjusted financial statements in preparing the consolidated financial statements. Details of the impact on the consolidated financial statements and separate financial statements are summarized as follows:

	Unit: Million Baht	
	Consolidated financial statements Increase (Decrease)	Separate financial statements Increase (Decrease)
Statement of financial position as at January 1, 2013		
• Total assets	10,251.58	7,523.33
• Total liabilities	7,462.59	6,241.67
• Total equity	2,788.99	1,281.66
Statement of financial position as at December 31, 2013		
• Total assets	4,431.71	7,077.18
• Total liabilities	3,250.89	6,322.70
• Total equity	1,180.82	754.48
Statements of income/comprehensive income for the three-month period ended June 30, 2013		
• Total income	(199.14)	(7.28)
• Cost of sales and total expenses	(23.33)	(4.55)
• Income taxes	3.27	(0.54)
• Gain on foreign exchange rates	(411.72)	(412.77)
• Income for the period	(590.80)	(414.96)
• Other comprehensive income for the period, net of taxes	18.08	-
• Total comprehensive income for the period	(572.72)	(414.96)
Statements of income/comprehensive income for the six-month period ended June 30, 2013		
• Total income	(803.02)	(14.45)
• Cost of sales and total expenses	(50.08)	(10.74)
• Income taxes	3.07	(0.74)
• Gain on foreign exchange rates	(136.50)	(136.50)
• Income for the period	(892.51)	(139.47)
• Other comprehensive income for the period, net of taxes	(239.02)	-
• Total comprehensive income for the period	(1,131.53)	(139.47)

4. Cash and Cash Equivalents

Cash and cash equivalents as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Cash on hand	2,789.29	4,741.83	267.23	320.98
Deposits held at call with banks	148,743.99	124,089.08	48,988.07	60,103.26
Fixed deposits	31,844.87	26,946.49	16,940.91	3,502.53
Treasury bills	1,082.78	1,423.70	-	-
Promissory notes	485.00	482.39	-	-
Bank of Thailand bonds	2,999.67	-	2,999.67	-
Total	187,945.60	157,683.49	69,195.88	63,926.77

Deposits held at call with banks, fixed deposits, treasury bills, promissory notes, and Bank of Thailand bonds as at June 30, 2014 bear the interest at rates ranging from 0.03% to 4.57% per annum (December 31, 2013: interest rates range from 0.03% to 4.57% per annum).

5. Trade Accounts Receivable

Trade accounts receivable as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Trade accounts receivable - others	147,493.72	187,771.90	100,869.07	120,453.55
Notes receivable	429.39	489.98	429.39	489.98
	147,923.11	188,261.88	101,298.46	120,943.53
<u>Less</u> Allowance for doubtful accounts	(1,756.06)	(1,743.86)	(599.15)	(606.78)
Trade accounts receivable - others	146,167.05	186,518.02	100,699.31	120,336.75
Trade accounts receivable - related parties	83,549.56	91,496.08	96,548.33	120,606.11
<u>Less</u> Allowance for doubtful accounts	(302.61)	(301.88)	(302.61)	(301.88)
Trade accounts receivable - related parties (Note 8.1)	83,246.95	91,194.20	96,245.72	120,304.23
Total	229,414.00	277,712.22	196,945.03	240,640.98

Aging analysis is as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Within credit terms	218,773.44	264,262.78	187,107.96	218,097.63
Overdue				
- Within 3 months	6,086.78	10,055.55	3,273.90	16,405.46
- Over 3 - 6 months	1,058.47	895.46	825.06	861.96
- Over 6 - 12 months	693.15	322.81	585.09	229.37
- Over 12 months	4,860.83	4,221.36	6,054.78	5,955.22
	231,472.67	279,757.96	197,846.79	241,549.64
<u>Less</u> Allowance for doubtful accounts	(2,058.67)	(2,045.74)	(901.76)	(908.66)
Total	229,414.00	277,712.22	196,945.03	240,640.98

Trade accounts receivable as at June 30, 2014 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 22,740.13 million (December 31, 2013: Baht 28,604.71 million), and in the separate financial statements amounting to Baht 22,562.17 million (December 31, 2013: Baht 28,363.91 million).

6. Other Accounts Receivable

Other accounts receivable as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Other accounts receivable	14,009.60	13,383.35	4,806.54	5,649.81
<u>Less</u> Allowance for doubtful accounts	(259.06)	(286.90)	(256.20)	(284.05)
Other accounts receivable	13,750.54	13,096.45	4,550.34	5,365.76
Refund receivable from the Oil Stabilization Fund	12,530.00	13,301.40	12,530.00	13,301.40
Advances	3,051.49	3,060.59	934.76	296.94
Accrued interest income and others	3,825.12	3,003.42	485.67	189.50
Other accounts receivable - others	33,157.15	32,461.86	18,500.77	19,153.60
Other accounts receivable - related parties (Note 8.2)	642.96	946.43	786.82	1,116.83
Total	<u>33,800.11</u>	<u>33,408.29</u>	<u>19,287.59</u>	<u>20,270.43</u>

The refund receivable from the Oil Stabilization Fund represents compensation for local 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, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Current portion of financial lease receivable - related parties (Note 8.2)	31.85	30.98	31.85	30.98
Short-term loans - others	355.54	344.83	11.09	52.36
Short-term loans - related parties (Note 8.2)	-	-	8,630.94	9,678.33
Total	387.39	375.81	8,673.88	9,761.67

Short-term loans - others of the Company are loans provided to transport operators to use as working capital for NGV installation, 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, 2014 is 0.50% per annum (December 31, 2013: 0.50% per annum).

7.2 Long-term loans as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Long-term financial lease receivable - related parties (Note 8.3)	1,193.14	1,209.29	1,193.14	1,209.29
Long-term loans - others	3,518.27	3,477.49	-	0.01
Long-term loans - related parties	17.69	12.07	72,019.41	74,249.00
<u>Less Allowance for doubtful accounts</u>	-	-	(16,259.07)	-
Long-term loans - related parties (Note 8.3)	17.69	12.07	55,760.34	74,249.00
Total	4,729.10	4,698.85	56,953.48	75,458.30

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, 2014 and December 31, 2013

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Subsidiaries	-	-	11,198.83	38,826.54
Jointly controlled entities	-	-	2,908.48	3,361.84
Associates	79,335.25	85,966.59	78,335.23	73,148.24
Other related parties	4,214.31	5,529.49	4,105.79	5,269.49
Total	83,549.56	91,496.08	96,548.33	120,606.11
<u>Less</u> Allowance for doubtful accounts	(302.61)	(301.88)	(302.61)	(301.88)
Trade accounts receivable - related parties (Note 5)	<u>83,246.95</u>	<u>91,194.20</u>	<u>96,245.72</u>	<u>120,304.23</u>

Aging analysis is as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Within credit terms	82,608.55	90,463.66	92,708.59	108,295.88
Overdue				
- Within 3 months	193.91	280.66	54.43	8,493.43
- Over 3 - 6 months	19.65	24.16	0.31	6.54
- Over 6 - 12 months	7.47	49.26	10.94	44.12
- Over 12 months	719.98	678.34	3,774.06	3,766.14
Total	83,549.56	91,496.08	96,548.33	120,606.11
<u>Less</u> Allowance for doubtful accounts	(302.61)	(301.88)	(302.61)	(301.88)
Trade accounts receivable - related parties	<u>83,246.95</u>	<u>91,194.20</u>	<u>96,245.72</u>	<u>120,304.23</u>

8. Related Party Transactions (Continued)

8.2 Other accounts receivable, advances and short-term loans - related parties as at June 30, 2014 and December 31, 2013

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Other accounts receivable</u>				
Subsidiaries	-	-	284.06	415.65
Jointly controlled entities	-	-	28.59	22.09
Associates	444.09	333.96	323.72	222.46
Other related parties	20.67	81.63	19.85	32.73
	464.76	415.59	656.22	692.93
<u>Less Allowance for doubtful accounts</u>	(16.09)	(16.09)	(16.09)	(16.09)
Total	448.67	399.50	640.13	676.84
<u>Advances</u>				
Subsidiaries	-	-	1.69	0.28
Associates	2.63	0.44	-	-
Other related parties	191.66	546.49	145.00	439.71
Total	194.29	546.93	146.69	439.99
Total other accounts receivable (Note 6)	642.96	946.43	786.82	1,116.83

8. Related Party Transactions (Continued)

8.2 Other accounts receivable, advances and short-term loans - related parties as at June 30, 2014 and December 31, 2013 (Continued)

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Current portion of financial lease receivable</u>				
Associates (Note 7.1)	31.85	30.98	31.85	30.98
<u>Short-term loans</u>				
Subsidiaries	-	-	7,435.42	9,678.33
Jointly controlled entities	-	-	1,195.52	-
Total short-term loans (Note 7.1)	-	-	8,630.94	9,678.33

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

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance as at January 1	-	-	9,678.33	2,024.45
- Payment for loans granted	-	-	1,753.80	601.53
- Receipt from loans granted	-	-	(3,454.18)	-
- Gain (Loss) on exchange rate	-	-	(159.51)	53.37
- Current portion of long-term loans (Note 8.3)	-	-	812.50	136.00
Balance as at June 30	-	-	8,630.94	2,815.35

Short-term loans to related parties are unsecured and the interest rates as at June 30, 2014 range from 1.33% to 5.31% per annum (December 31, 2013: the interest rates range from 1.50% to 5.31% per annum).

8. Related Party Transactions (Continued)**8.3 Other long-term accounts receivable and long-term loans - related parties as at June 30, 2014 and December 31, 2013**

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Other long-term accounts receivable</u>				
Jointly controlled entities	-	-	73.82	44.62
Associates*	4,113.67	4,113.67	4,113.67	4,113.67
Total	4,113.67	4,113.67	4,187.49	4,158.29
<u>Long-term financial lease receivable</u>				
Associates (Note 7.2)	1,193.14	1,209.29	1,193.14	1,209.29
<u>Long-term loans</u>				
Subsidiaries	-	-	69,513.46	71,714.63
Jointly controlled entities	-	-	2,505.95	2,534.37
Associates	17.69	12.07	-	-
Total	17.69	12.07	72,019.41	74,249.00
<u>Less Allowance for doubtful accounts**</u>	-	-	(16,259.07)	-
Total Long-term loans (Note 7.2)	17.69	12.07	55,760.34	74,249.00

* The Company has recorded accrued dividends from an associate amounting to Baht 4,113.67 million which were declared on May 29, 2012. The dividend payment will be made when the associate lists its shares on the Stock Exchange of Thailand (SET) or the associate is able to borrow from a bank for loan repayment, depending on which event occurs first.

** The Company set up allowance for doubtful accounts for a long-term loan to a subsidiary amounting to Baht 16,259.07 million. The subsidiary used this loan to invest in its foreign associate; subsequently, the associate encountered the operational problems. Therefore, the Company recognized allowance for doubtful accounts by assessing the recoverable amount of a long-term loan to a subsidiary.

8. Related Party Transactions (Continued)**8.3 Other long-term accounts receivable and long-term loans - related parties as at June 30, 2014 and December 31, 2013 (Continued)**

Details of financial lease receivable - related parties as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Financial lease receivable				
- Within 1 year	99.29	99.29	99.29	99.29
- Over 1 year but not over 5 years	397.15	397.15	397.15	397.15
- Over 5 years	1,580.33	1,629.98	1,580.33	1,629.98
Future finance incomes	(851.78)	(886.15)	(851.78)	(886.15)
Total financial lease receivable	<u>1,224.99</u>	<u>1,240.27</u>	<u>1,224.99</u>	<u>1,240.27</u>

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

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance as at January 1	12.07	-	74,249.00	74,232.56
- Payment for loans granted	5.75	-	774.70	1,042.30
- Receipt from loans granted	-	-	(1,618.87)	(664.91)
- Gain (Loss) on exchange rate	-	-	(572.92)	786.84
- Currency translation differences	(0.13)	-	-	-
- Current portion of long-term loans (Note 8.2)	-	-	(812.50)	(136.00)
- Allowance for doubtful accounts	-	-	(16,259.07)	-
Balance as at June 30	<u>17.69</u>	<u>-</u>	<u>55,760.34</u>	<u>75,260.79</u>

Long-term loans to related parties are unsecured and the interest rates as at June 30, 2014 range from 1.70% to 5.31% per annum (December 31, 2013: the interest rates range from 1.73% to 5.31% per annum).

8. Related Party Transactions (Continued)

8.4 Trade accounts payable - related parties as at June 30, 2014 and December 31, 2013

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Subsidiaries	-	-	26,721.64	27,360.04
Jointly controlled entities	-	-	2,953.46	6,973.75
Associates	45,064.43	56,704.78	30,664.66	40,116.35
Other related parties	1,320.25	1,885.91	457.29	1,207.19
Total	46,384.68	58,590.69	60,797.05	75,657.33

8.5 Other accounts payable and short-term loans - related parties as at June 30, 2014 and December 31, 2013

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Other accounts payable</u>				
Subsidiaries	-	-	1,360.34	1,459.96
Jointly controlled entities	-	-	11.02	31.93
Associates	1,148.10	1,487.13	966.65	1,106.02
Other related parties	53.43	55.22	45.08	48.90
Total	1,201.53	1,542.35	2,383.09	2,646.81
<u>Current portion of financial lease liability</u>				
Jointly controlled entities	-	-	378.51	381.04
<u>Short-term loans*</u>				
Subsidiaries	-	-	2,903.57	2,270.47

* 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 by using market interest rates.

8. Related Party Transactions (Continued)

8.6 Other long-term accounts payable - related parties as at June 30, 2014 and December 31, 2013

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Subsidiaries	-	-	0.32	0.34
Jointly controlled entities	-	-	11.34	11.70
Associates	28.11	26.67	28.11	26.67
Other related parties	575.00	590.90	575.00	590.90
Total	603.11	617.57	614.77	629.61

8.7 Long-term financial lease liabilities - related parties as at June 30, 2014 and December 31, 2013

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Jointly controlled entities	-	-	5,605.85	5,863.08

Details of financial lease liabilities - related parties as at June 30, 2014 and December 31, 2013 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Financial lease liabilities				
- Within 1 year	-	-	453.32	458.20
- Over 1 year but not over 5 years	-	-	1,814.51	1,834.04
- Over 5 years	-	-	4,312.11	4,585.73
Future finance charges	-	-	(595.58)	(633.85)
Total financial lease liabilities	-	-	5,984.36	6,244.12

8. Related Party Transactions (Continued)

8.8 Revenue and expense transactions carried out with related parties

For the three-month periods ended June 30, 2014 and 2013

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenues				
<u>Sales</u>				
Subsidiaries	-	-	39,758.78	36,466.75
Jointly controlled entities	-	-	3,835.58	2,229.13
Associates	245,359.15	206,031.65	231,712.77	205,870.94
Other related parties	8,210.01	11,485.96	7,287.04	10,954.43
<u>Interest income</u>				
Subsidiaries	-	-	595.79	696.88
Jointly controlled entities	-	-	18.63	7.72
Associates	10.44	17.55	17.13	17.55
<u>Dividend income</u>				
Subsidiaries	-	-	723.21	478.13
Jointly controlled entities	-	-	310.84	827.69
Associates	-	-	6,568.15	10,584.82
Other related parties	85.20	38.36	85.20	38.36
<u>Other income</u>				
Subsidiaries	-	-	146.39	166.18
Jointly controlled entities	-	-	26.60	15.96
Associates	607.52	410.57	591.60	401.36
Other related parties	1,816.87	1,397.17	1,816.71	1,395.59
Expenses				
<u>Cost of goods purchased and service</u>				
Subsidiaries	-	-	66,650.14	55,579.68
Jointly controlled entities	-	-	8,557.44	9,000.33
Associates	138,276.29	150,117.24	133,060.00	122,935.53
Other related parties	3,739.49	13,649.75	1,998.77	2,370.05
<u>Interest expenses</u>				
Subsidiaries	-	-	16.94	13.85
Jointly controlled entities	-	-	19.23	20.70
<u>Other expenses</u>				
Subsidiaries	-	-	356.67	845.14
Associates	281.66	593.16	258.10	651.66
Other related parties	285.86	306.98	278.32	276.85

8. Related Party Transactions (Continued)

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

For the six-month periods ended June 30, 2014 and 2013

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenues				
<u>Sales</u>				
Subsidiaries	-	-	90,713.12	75,687.47
Jointly controlled entities	-	-	8,068.72	5,574.36
Associates	517,590.02	437,824.54	475,088.43	437,008.78
Other related parties	15,998.80	24,141.36	15,025.75	23,354.04
<u>Interest income</u>				
Subsidiaries	-	-	1,208.09	1,363.17
Jointly controlled entities	-	-	34.56	13.44
Associates	34.37	35.20	34.37	35.20
<u>Dividend income</u>				
Subsidiaries	-	-	8,512.58	8,259.98
Jointly controlled entities	-	-	310.84	1,366.04
Associates	-	-	6,580.15	10,599.82
Other related parties	115.20	98.36	115.20	98.36
<u>Other income</u>				
Subsidiaries	-	-	357.86	352.95
Jointly controlled entities	-	-	41.46	30.57
Associates	1,451.86	1,345.01	1,382.59	1,316.76
Other related parties	1,838.12	1,408.79	1,837.81	1,405.73
Expenses				
<u>Cost of goods purchased and service</u>				
Subsidiaries	-	-	123,429.60	104,240.64
Jointly controlled entities	-	-	17,681.22	18,876.84
Associates	312,241.26	295,297.73	271,090.32	263,600.79
Other related parties	7,617.92	30,275.43	3,988.85	4,240.51
<u>Interest expenses</u>				
Subsidiaries	-	-	31.40	25.94
Jointly controlled entities	-	-	38.26	41.50
<u>Other expenses</u>				
Subsidiaries	-	-	798.38	1,479.62
Jointly controlled entities	-	-	0.01	0.01
Associates	646.48	886.41	599.15	830.69
Other related parties	612.58	393.10	569.00	334.74

8. Related Party Transactions (Continued)

8.8 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.

8.9 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 31.1.

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

For the three-month periods ended June 30, 2014 and 2013, these transactions are as follow:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Sales</u>				
Subsidiaries	-	-	-	515.44
Associates	1,561.34	3,604.29	1,561.34	3,604.29
Other related parties	-	-	-	-
<u>Purchases</u>				
Subsidiaries	-	-	-	515.44
Associates	1,561.34	3,604.29	1,561.34	3,604.29
Other related parties	-	-	-	-

For the six-month periods ended June 30, 2014 and 2013, these transactions are as follow:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Sales</u>				
Subsidiaries	-	-	-	515.44
Associates	2,147.64	3,915.93	2,147.64	3,915.93
Other related parties	129.72	242.59	129.72	242.59
<u>Purchases</u>				
Subsidiaries	-	-	-	515.44
Associates	2,147.64	3,915.93	2,147.64	3,915.93
Other related parties	129.72	242.59	129.72	242.59

8. Related Party Transactions (Continued)

8.11 Executive remunerations

For the three-month periods ended June 30, 2014 and 2013, details of remunerations are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Directors remuneration</u>				
Meeting remuneration and bonuses	48.18	52.26	15.22	15.22
<u>Managements remuneration</u>				
Salaries, bonuses, and other short-term employee benefits	91.05	122.76	31.84	30.70
Post-employment benefits	1.32	0.96	1.16	0.68
Total	140.55	175.98	48.22	46.60

For the six-month periods ended June 30, 2014 and 2013, details of remunerations are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Directors remuneration</u>				
Meeting remuneration and bonuses	90.40	89.59	30.56	29.80
<u>Managements remuneration</u>				
Salaries, bonuses, and other short-term employee benefits	219.72	245.68	62.24	59.46
Post-employment benefits	2.64	1.81	2.31	1.36
Total	312.76	337.08	95.11	90.62

Managements 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, 2014	December 31, 2013
<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
PTT Energy Resources Co., Ltd. (PTTER) (Former: 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) (The Company holds 100% ordinary shares giving the Company has power to govern the financial and operating policies. As a result, BSA is a subsidiary of the Company)	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 hold 48.95% and 51.05% shareholding, respectively. As a result, TLBC is a subsidiary of the Company)	Thailand	Blending and bottling of lube oil	48.95	48.95
PTT PMMA Co., Ltd. (PTTPMMA)	Thailand	Manufacturing and distribution of Poly Methyl Methacrylate	100.00	100.00
PTT Oil Myanmar Co., Ltd. (PTTOM)	Myanmar	Business services	100.00	100.00
PTT Regional Treasury Center Pte. Ltd. (PTTRTC)	Singapore	Treasury services	100.00	100.00
<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, 2014	December 31, 2013
<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 Public 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	36.44	36.44
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
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
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
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
Nava Nakorn Electricity Generating Co., Ltd. (NNEG)**	Thailand	Generation and supply of electricity	-	30.00
PTT Energy Solutions Co., Ltd. (PTTES)	Thailand	Technical and operational services	40.00	40.00
PTT Global Chemical Public Co., Ltd. (PTTGC)	Thailand	Petrochemicals and refining	48.89	48.89
Global Power Synergy Co., Ltd. (GPSC)	Thailand	Generation and supply of electricity, steam and water for industries	30.10	30.10

* VLPG was sold to PetroVietnam Southern Gas Joint Stock Company on February 26, 2014.

** NNEG was sold to GPSC on February 7, 2014.

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

9.2 Investments in associates in the consolidated financial statements as at June 30, 2014 and December 31, 2013

Unit: Million Baht

Company	Shareholding (%)		June 30, 2014		December 31, 2013		Dividends for the six-month periods ended June 30	
	June 30, 2014	December 31, 2013	Cost method	Equity method	Cost method	Equity method	2014	2013
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	45,744.63	11,380.83	44,874.47	1,502.47	2,203.63
2. SPRC	36.00	36.00	14,770.48	18,756.68	14,770.48	19,000.41	-	1,606.24
3. BCP	27.22	27.22	5,585.26	10,141.24	5,585.26	9,640.18	281.06	337.27
4. IRPC	38.51	38.51	28,467.24	29,565.89	28,467.24	30,245.17	786.97	629.58
<u>Oil Business Group</u>								
5. THAPPLINE	36.44	36.44	2,719.47	3,171.47	2,719.47	2,827.39	-	-
6. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
7. VLPG	-	45.00	-	-	87.35	86.53	-	-
8. KPL	40.00	40.00	21.49	-	21.49	-	-	-
9. FST	25.00	25.00	0.87	1.67	0.86	1.61	-	-
<u>Petrochemicals Business Group</u>								
10. PPCL	-	-	-	-	-	-	-	252.00
11. PTTME	40.00	40.00	66.40	174.01	66.40	191.71	-	9.40
12. PTTGC	48.89	48.89	49,562.99	126,670.32	49,562.99	125,357.73	3,985.23	5,485.29
13. PTTES	40.00	40.00	62.50	72.66	62.50	74.78	3.60	-
<u>Natural Gas Business Group</u>								
14. TP	26.00	26.00	2,304.76	2,519.24	2,304.76	2,447.81	36.53	146.12
15. EMG	25.00	25.00	15,866.65	12,769.80	16,041.97	12,910.90	-	-
16. NNEG	-	30.00	-	-	120.60	104.91	-	-
17. GPSC	30.10	30.10	4,949.93	7,136.18	4,949.93	7,299.53	33.83	-
<u>Petroleum Exploration and Production Business Group</u>								
18. UAQ	30.00	30.00	0.01	0.01	0.01	0.01	-	-
<u>Other Business Group</u>								
19. PTTICT	40.00	40.00	60.00	309.26	60.00	287.41	24.00	30.00
20. Mungalalu (Former : ShoreAir)	50.00	50.00	48.60	195.13	49.14	182.82	-	-
			135,998.73	257,228.19	136,382.53	255,533.37		
<u>Less</u> Allowance for impairment			(12,345.64)	(9,096.04)	(12,480.36)	(9,196.55)		
Total			123,653.09	248,132.15	123,902.17	246,336.82	6,653.69	10,699.53

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, 2014 and December 31, 2013

Unit: Million Baht

Company	Shareholding (%)		Cost method		Dividends for the six-month periods ended June 30	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	2014	2013
Subsidiaries:						
1. PTTEP	65.29	65.29	71,390.42	71,390.42	7,775.58	7,775.58
2. PTTCL	100.00	100.00	0.23	0.23	-	-
3. SBECL	100.00	100.00	1,154.81	1,154.81	-	-
4. PTTT	100.00	100.00	2.50	2.50	-	-
5. PTTNGD	58.00	58.00	418.14	418.14	580.00	406.00
6. PTTLNG	100.00	100.00	8,008.00	6,403.00	-	-
7. PTTPM	50.00	50.00	20.00	20.00	45.00	-
8. EnCo	50.00	50.00	900.00	900.00	27.47	-
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. PTTTER	100.00	100.00	33,316.00	33,316.00	-	-
12. PTTGE	100.00	100.00	11,750.64	11,750.64	-	-
13. BSA	25.00	25.00	0.50	0.50	13.79	6.27
14. PTT TANK	100.00	100.00	2,500.37	2,500.37	60.80	60.23
15. TLBC	48.95	48.95	140.00	140.00	9.94	11.90
16. PTTMMA	100.00	100.00	165.00	165.00	-	-
17. PTTOM	100.00	100.00	16.15	9.56	-	-
18. PTTRTC	100.00	100.00	31.40	31.40	-	-
Total investments in subsidiaries			136,114.16	134,502.57	8,512.58	8,259.98
Jointly Controlled Entities:						
<i>Natural Gas Business Group</i>						
19. TTM(T)	50.00	50.00	5,666.80	5,666.80	-	538.34
20. TTM(M)	50.00	50.00	1,001.31	1,001.31	-	-
21. DCAP	35.00	35.00	584.50	584.50	-	-
<i>Petrochemicals Business Group</i>						
22. PTTAC	48.50	48.50	6,909.41	6,909.41	-	-
23. HMC	41.44	41.44	9,117.12	9,117.12	310.84	827.70
24. PTTMCC	50.00	50.00	930.13	890.13	-	-
Total investments in jointly controlled entities			24,209.27	24,169.27	310.84	1,366.04

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, 2014 and December 31, 2013 (Continued)

Unit: Million Baht

Company	Shareholding (%)		Cost method		Dividends for the six-month periods ended June 30	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	2014	2013
<i>Associates:</i>						
<i>Refining Business Group</i>						
25. TOP	49.10	49.10	11,380.83	11,380.83	1,502.47	2,203.63
26. SPRC	36.00	36.00	14,770.48	14,770.48	-	1,606.24
27. BCP	27.22	27.22	5,585.26	5,585.26	281.06	337.27
28. IRPC	38.51	38.51	28,467.24	28,467.24	786.97	629.58
<i>Oil Business Group</i>						
29. THAPPLINE	36.44	36.44	2,719.47	2,719.47	-	-
30. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
31. VLPG	-	45.00	-	87.35	-	-
32. KPL	40.00	40.00	21.49	21.49	-	-
<i>Petrochemicals Business Group</i>						
33. PPCL	-	-	-	-	-	252.00
34. PTTME	40.00	40.00	66.40	66.40	-	9.40
35. PTTGC	48.89	48.89	48,121.52	48,121.52	3,923.69	5,400.58
36. PTTES	40.00	40.00	62.50	62.50	3.60	-
<i>Natural Gas Business Group</i>						
37. TP	26.00	26.00	2,304.76	2,304.76	36.53	146.12
38. NNEG	-	30.00	-	120.60	-	-
39. GPSC	30.10	30.10	4,949.93	4,949.93	33.83	-
<i>Other Business Group</i>						
40. PTTICT	20.00	20.00	30.00	30.00	12.00	15.00
Investments in associates			118,611.13	118,819.08		
<u>Less</u> Allowance for impairment			(152.74)	(152.74)		
Total investments in associates			118,458.39	118,666.34	6,580.15	10,599.82
Total			278,781.82	277,338.18	15,403.57	20,225.84

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

9.4 Shares of net assets and results of operations from jointly controlled entities, in proportion to the Company's shareholding, which are included in the consolidated financial statements as at June 30, 2014 and December 31, 2013, are as follows:

Statements of financial position:

As at June 30, 2014 and December 31, 2013

	June 30, 2014						December 31, 2013					
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC
Current assets	4,383.21	837.02	313.06	2,368.95	4,551.23	45.92	3,645.65	206.15	250.85	1,998.98	4,635.20	381.22
Non-current assets	9,460.67	1,993.75	1,119.66	12,414.11	12,357.37	973.85	9,900.66	1,317.10	1,174.20	12,625.60	12,443.02	511.76
Current liabilities	(1,325.78)	(1,369.10)	(212.50)	(3,375.22)	(1,736.09)	(177.61)	(1,341.25)	(116.26)	(196.66)	(3,118.88)	(2,289.67)	(69.16)
Non-current liabilities	(7,036.92)	(291.57)	(614.80)	(6,317.91)	(3,696.40)	(0.35)	(7,111.85)	(283.39)	(680.16)	(6,722.81)	(3,998.59)	(0.20)
Net assets	<u>5,481.18</u>	<u>1,170.10</u>	<u>605.42</u>	<u>5,089.93</u>	<u>11,476.11</u>	<u>841.81</u>	<u>5,093.21</u>	<u>1,123.60</u>	<u>548.23</u>	<u>4,782.89</u>	<u>10,789.96</u>	<u>823.62</u>

Unit: Million Baht

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

9.4 Shares of net assets and results of operations from jointly controlled entities, in proportion to the Company's shareholding, which are included in the consolidated financial statements as at June 30, 2014 and December 31, 2013, are as follows: (Continued)

Statements of income:

For the three-month periods ended June 30, 2014 and 2013

Unit: Million Baht

	2014						2013					
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC
Income*	498.71	36.11	279.17	2,184.75	3,907.18	0.99	432.88	29.55	271.41	709.82	2,984.86	2.16
Expenses	(288.13)	(21.76)	(248.84)	(2,058.85)	(3,349.20)	(11.31)	(159.58)	(25.00)	(240.16)	(1,499.38)	(2,909.21)	(7.07)
Profit (loss) before taxes	210.58	14.35	30.33	125.90	557.98	(10.32)	273.30	4.55	31.25	(789.56)	75.65	(4.91)
Income taxes	(22.90)	(7.04)	-	0.14	(59.44)	-	(158.88)	(4.87)	-	0.06	10.28	-
Net profit (loss)	<u>187.68</u>	<u>7.31</u>	<u>30.33</u>	<u>126.04</u>	<u>498.54</u>	<u>(10.32)</u>	<u>114.42</u>	<u>(0.32)</u>	<u>31.25</u>	<u>(789.50)</u>	<u>85.93</u>	<u>(4.91)</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, in proportion to the Company's shareholding, which are included in the consolidated financial statements as at June 30, 2014 and December 31, 2013, are as follows: (Continued)

Statements of income:

For the six-month periods ended June 30, 2014 and 2013

Unit: Million Baht

	2014						2013					
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	PTTMCC
Income*	996.18	81.03	547.79	4,075.10	7,771.04	3.50	890.93	62.69	503.90	2,218.38	6,189.89	2.94
Expenses	(522.59)	(44.05)	(490.66)	(3,768.66)	(6,652.05)	(25.31)	(377.22)	(45.37)	(455.78)	(2,808.30)	(5,669.77)	(11.73)
Profit (loss) before taxes	473.59	36.98	57.13	306.44	1,118.99	(21.81)	513.71	17.32	48.12	(589.92)	520.12	(8.79)
Income taxes	(26.40)	(9.52)	-	0.60	(119.68)	-	474.80	(22.77)	-	0.14	(4.63)	-
Net profit (loss)	<u>447.19</u>	<u>27.46</u>	<u>57.13</u>	<u>307.04</u>	<u>999.31</u>	<u>(21.81)</u>	<u>988.51</u>	<u>(5.45)</u>	<u>48.12</u>	<u>(589.78)</u>	<u>515.49</u>	<u>(8.79)</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, 2014

VLPG

On January 31, 2014, at the Board of Directors Meeting No. 1/2014 of the Company, the Board passed a resolution to approve the sales of the Company's 45% shareholdings in Vietnam LPG Co., Ltd. (VLPG), totaling Baht 87.35 million, to PetroVietnam Southern Gas Joint Stock Company for USD 3.85 million. The Company received the full payment for the shares on February 26, 2014. The Company recognized a gain on disposal of the investment in the consolidated financial statements and the separate financial statements amounting to Baht 38.98 million and Baht 34.64 million, respectively.

NNEG

On September 27, 2013, at the Board of Directors Meeting No. 9/2013 of the Company, the Board passed a resolution to approve the sales of the Company's 30% shareholdings in Nava Nakorn Electricity Generating Co., Ltd. (NNEG), totaling 12.06 million shares, to Global Power Synergy Co., Ltd. (GPSC) for Baht 144 million. The Company received the full payment for the shares on February 7, 2014. The Company recognized a gain on disposal of the investment in the consolidated financial statements and the separate financial statements amounting to Baht 27.97 million and Baht 23.40 million, respectively.

PTTLNG

On April 24, 2014, at the Annual Shareholders Meeting of PTT LNG Co., Ltd. (PTTLNG), the shareholders passed a resolution to increase its authorized share capital by Baht 6,420 million, from Baht 6,403 million to Baht 12,823 million, by issuing 642 million additional shares with a par value of Baht 10 each. PTTLNG called for the first payment of authorized share capital, at Baht 2.50 per share, amounting to Baht 1,605 million. The Company made the share payment on June 6, 2014.

PTTOM

On January 17, 2014, at the Extraordinary General Meeting of the shareholders of PTT Oil Myanmar Co., Ltd. (PTTOM), the shareholders passed a resolution to increase authorized share capital by USD 200,000, from USD 300,000 to USD 500,000, by issuing 200,000 additional shares with a par value of USD 1 each or equivalent to Baht 6,590,820. Furthermore, PTTOM called for the full amount of the additional authorized share capital. The Company made the share payment on February 3, 2014.

PTTMCC

On December 26, 2013, at the Extraordinary General Meeting of the shareholders of PTT MCC Biochem Co., Ltd. (PTTMCC), the shareholders passed a resolution to increase its authorized share capital by Baht 360 million, from Baht 1,500 million to Baht 1,860 million, by issuing 36 million additional shares with a par value of Baht 10 each. The Company paid totaling Baht 40 million for these remaining share capital in proportion to its shareholding on May 26, 2014.

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 from some associates for the three-month periods ended June 30, 2014 amounting to Baht 8.02 million (2013: Baht 6.61 million) and for the six-month periods end June 30, 2014 amounting to Baht 7.42 million (2013 : Baht 7.60 million) because, as at June 30, 2014, the Company had an unrealized allowance for its share of losses from these associates amounting to Baht 71.78 million (December 31, 2013: Baht 78.58 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>	Unit: Million Baht	
	<u>June 30, 2014</u>	<u>December 31, 2013</u>
BCP	10,867.71	10,399.27
IRPC	26,599.57	25,655.20
TOP	52,085.67	56,092.26
PTTGC	148,240.45	173,590.11

10. Available-for-sale Investments

10.1 Details of available-for-sale investments

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2014	December 31, 2013
<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>				
Core Flexible Fund (CORE) (Former : MFC Energy Fund)	Thailand	Mutual fund	32.57	32.57
Finansa Asset Management - Energy and Petrochemical Index Fund (FAM EPIF)	Thailand	Mutual fund		
Vayupak fund 1 (VAYU1)	Thailand	Mutual fund		

Company	Country of Incorporation	Business	Share held by	Shareholding (%)	
				June 30, 2014	December 31, 2013
<u>Available-for-sale investments of PTTEP:</u>					
<u>Investments in equity securities</u>					
Wentworth Resources Limited (WRL)	Canada	Oil and gas exploration	Cove	2.42	2.42
<u>Available-for-sale investments of PTTER:</u>					
<u>Investments in equity securities</u>					
Xanadu Mines Ltd. (XML)	Mongolia	Mineral exploration	SET	10.20	12.31

10. Available-for-sale Investments (Continued)

10.2 Details of available-for-sale investments as at June 30, 2014 and December 31, 2013 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, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	2014	2013
<u>Investments in Equity Securities</u>								
TIP	13.33	13.33	312.00	312.00	312.00	312.00	60.00	20.00
BAFS	7.06	7.06	24.00	24.00	24.00	24.00	25.20	18.36
WRL	2.42	2.42	46.97	45.83	-	-	-	-
XML	10.20	12.31	238.17	240.80	-	-	-	-
Total investments in equity securities			621.14	622.63	336.00	336.00		
<u>Investments in Mutual Funds</u>								
CORE	32.57	32.57	499.90	503.65	499.90	503.65	-	-
FAM EPIF			6,300.00	6,300.00	6,300.00	6,300.00	71.83	71.83
VAYU1			14.52	14.52	10.00	10.00	-	-
Total investments in mutual funds			6,814.42	6,818.17	6,809.90	6,813.65		
Total available-for-sale investments before changes in value of investments			7,435.56	7,440.80	7,145.90	7,149.65		
Allowance for changes in value of investments			6,587.47	5,197.42	6,750.58	5,355.27		
<u>Less</u> Allowance for impairment loss on investments			(38.35)	(38.78)	-	-		
Total			13,984.68	12,599.44	13,896.48	12,504.92	157.03	110.19

11. Other Long-term Investments

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

Company	Country of Incorporation	Business	Shareholding (%)	
			June 30, 2014	December 31, 2013
<u>Other long-term investments of the Company:</u>				
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	-	-
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling services	16.67	16.67
Ratchaburi Power Co., Ltd. (RPCL)**	Thailand	Electricity generation	-	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

*As at June 30, 2014 and December 31, 2013 the Company holds 0.00024% of shareholding.

** RPCL was sold to GPSC on June 25, 2014.

11. Other Long-term Investments (Continued)

11.2 Details of other long-term investments as at June 30, 2014 and December 31, 2013 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, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	2014	2013
Other long-term investments								
1. FPT*	-	-	0.02	0.02	0.02	0.02	-	-
2. IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
3. RPCL	-	15.00	-	1,098.75	-	1,098.75	30.00	60.00
4. ROC	5.91	5.91	1,094.35	1,094.35	-	-	-	-
5. BAPT	2.07	2.07	18.19	18.19	-	-	-	-
6. PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
7. PA (Sanshui)	25.00	25.00	6.06	6.06	6.06	6.06	-	-
8. KOT	10.00	10.00	114.04	115.30	-	-	-	-
9. KIF	10.00	10.00	47.26	47.78	-	-	-	-
10. K I	10.00	10.00	237.53	240.16	-	-	-	-
11. K II	10.00	10.00	63.49	64.19	-	-	-	-
12. Corpus	0.48	0.48	0.60	0.60	0.60	0.60	-	-
Total investments under the cost method			1,596.39	2,700.25	21.53	1,120.28		
Less Allowance for impairment loss on investments			(494.65)	(499.76)	(14.14)	(14.14)		
Total			1,101.74	2,200.49	7.39	1,106.14	30.00	60.00

* As at June 30, 2014 and December 31, 2013, the Company holds 0.00024% of shareholding, totaling 66 shares, amounting to Baht 22,220.

11. Other Long-term Investments (Continued)

11.3 Significant events during the period ended June 30, 2014

RPCL

On September 27, 2013, at the Board of Directors Meeting No. 9/2013 of the Company, the Board passed a resolution to approve the sales of the Company's 15% shareholdings in Ratchaburi Power Co., Ltd. (RPCL), totaling 10.99 million shares, to Global Power Synergy Co., Ltd. (GPSC) for Baht 1,098.75 million. The Company received the full payment for the shares on June 25, 2014. The Company recognized a gain on disposal of the investment in the consolidated financial statements and the separate financial statements amounting to Baht 921.43 million and Baht 1,318.25 million, respectively.

12. Investment Properties

Details of investment properties are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Land	Buildings and building improvements	Construction in progress	Total
Cost				
As at January 1, 2014	3,594.26	3,581.81	-	7,176.07
- Additions	-	2.23	11.75	13.98
- Reclassifications	-	3.01	(10.00)	(6.99)
As at June 30, 2014	3,594.26	3,587.05	1.75	7,183.06
Accumulated depreciation				
As at January 1, 2014	-	(904.18)	-	(904.18)
- Depreciation for the period	-	(97.23)	-	(97.23)
- Reclassifications	-	(0.03)	-	(0.03)
As at June 30, 2014	-	(1,001.44)	-	(1,001.44)
Net book value				
As at December 31, 2013	3,594.26	2,677.63	-	6,271.89
As at June 30, 2014	3,594.26	2,585.61	1.75	6,181.62

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, 2014	3,594.26	323.55	-	3,917.81
- Additions	-	2.00	11.75	13.75
- Reclassifications	-	1.22	(10.00)	(8.78)
As at June 30, 2014	3,594.26	326.77	1.75	3,922.78
Accumulated depreciation				
As at January 1, 2014	-	(172.68)	-	(172.68)
- Depreciation for the period	-	(6.04)	-	(6.04)
As at June 30, 2014	-	(178.72)	-	(178.72)
Net book value				
As at December 31, 2013	3,594.26	150.87	-	3,745.13
As at June 30, 2014	3,594.26	148.05	1.75	3,744.06

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	Exploration and producing properties	Other assets	Construction in progress	
Cost							
As at January 1, 2014	11,493.53	52,024.26	361,422.91	708,574.37	17,656.78	44,325.73	1,195,497.58
- Business acquisition (Note 27)	-	1.19	22.05	32,428.79	-	-	32,452.03
- Additions	52.56	299.69	868.98	37,332.31	482.60	12,269.71	51,305.85
- Borrowing costs	-	-	-	-	-	488.21	488.21
- Reclassifications	644.05	707.83	3,501.92	163.74	133.28	(5,219.06)	(68.24)
- Disposals	-	(73.11)	(951.25)	(1,485.41)	(414.95)	(18.53)	(2,943.25)
- Restructuring of the ownership interests in KKD project	(160.55)	(6.80)	(106.28)	(64,600.95)	-	-	(64,874.58)
- Currency translation differences	(19.47)	(45.25)	(167.72)	(9,020.86)	10.20	21.56	(9,221.54)
As at June 30, 2014	12,010.12	52,907.81	364,590.61	703,391.99	17,867.91	51,867.62	1,202,636.06
Accumulated depreciation							
As at January 1, 2014	-	(19,064.29)	(129,102.93)	(291,293.77)	(9,343.06)	-	(448,804.05)
- Business acquisition (Note 27)	-	(0.06)	(15.88)	(13,377.09)	-	-	(13,393.03)
- Depreciation for the period	-	(1,124.01)	(7,855.09)	(36,543.24)	(803.52)	-	(46,325.86)
- Reclassifications	-	(10.56)	205.25	-	(10.68)	-	184.01
- Disposals	-	60.57	729.14	-	277.29	-	1,067.00
- Restructuring of the ownership interests in KKD project	-	0.33	65.54	3,833.69	-	-	3,899.56
- Currency translation differences	-	16.51	104.43	3,180.98	108.72	-	3,410.64
As at June 30, 2014	-	(20,121.51)	(135,869.54)	(334,199.43)	(9,771.25)	-	(499,961.73)
Allowance for impairment of assets							
As at January 1, 2014	(23.13)	(4.69)	(16.54)	(6,864.14)	-	-	(6,908.50)
- Currency translation differences	-	-	-	75.03	-	-	75.03
As at June 30, 2014	(23.13)	(4.69)	(16.54)	(6,789.11)	-	-	(6,833.47)
Net book value							
As at December 31, 2013	11,470.40	32,955.28	232,303.44	410,416.46	8,313.72	44,325.73	739,785.03
As at June 30, 2014	11,986.99	32,781.61	228,704.53	362,403.45	8,096.66	51,867.62	695,840.86

As at June 30, 2014, the Group had pledged assets amounting to Baht 9,956.28 million.

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, 2014	6,472.97	31,231.40	287,373.70	11,529.93	40,097.08	376,705.08
- Additions	-	72.87	611.95	122.87	9,957.36	10,765.05
- Borrowing costs	-	-	-	-	453.10	453.10
- Reclassifications	645.37	457.67	3,098.29	(70.85)	(4,470.72)	(340.24)
- Disposals	-	(37.46)	(555.58)	(380.55)	-	(973.59)
As at June 30, 2014	7,118.34	31,724.48	290,528.36	11,201.40	46,036.82	386,609.40
Accumulated depreciation						
As at January 1, 2014	-	(13,502.63)	(110,319.25)	(7,479.40)	-	(131,301.28)
- Depreciation for the period	-	(614.36)	(5,913.53)	(505.37)	-	(7,033.26)
- Reclassifications	-	(0.04)	0.09	-	-	0.05
- Disposals	-	32.32	547.20	251.66	-	831.18
As at June 30, 2014	-	(14,084.71)	(115,685.49)	(7,733.11)	-	(137,503.31)
Allowance for impairment of assets						
As at January 1, 2014	(23.13)	(4.70)	(16.42)	-	-	(44.25)
As at June 30, 2014	(23.13)	(4.70)	(16.42)	-	-	(44.25)
Net book value						
As at December 31, 2013	6,449.84	17,724.07	177,038.03	4,050.53	40,097.08	245,359.55
As at June 30, 2014	7,095.21	17,635.07	174,826.45	3,468.29	46,036.82	249,061.84

Borrowing costs amounting to Baht 488.21 million in the consolidated financial statements (December 31, 2013: Baht 1,220.36 million) and amounting to Baht 453.10 million in the separate financial statements (December 31, 2013: Baht 1,219.25 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates 1.33% to 4.49% (December 31, 2013: 2.00% to 3.89%).

13. Property, Plant and Equipment (Continued)

As at June 30, 2014 and December 31, 2013, other assets include vehicles and natural gas pipeline acquired under finance leases. Details are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Cost	9,881.41	10,158.56	9,653.50	9,932.32
<u>Less Accumulated depreciation</u>	<u>(2,591.83)</u>	<u>(2,497.07)</u>	<u>(2,492.16)</u>	<u>(2,408.29)</u>
Net book value	<u>7,289.58</u>	<u>7,661.49</u>	<u>7,161.34</u>	<u>7,524.03</u>

14. Intangible Assets

Details of intangible assets are as follows:

	Unit: Million Baht				
	Consolidated financial statements				
	Computer software	Right of use	Exploration & Evaluation assets	Other Intangible assets	Total
Cost					
As at January 1, 2014	8,702.95	18,941.84	104,090.11	4,244.90	135,979.80
- Business acquisition (Note 27)	-	-	11,353.88	-	11,353.88
- Additions	244.66	0.72	3,236.60	10.59	3,492.57
- Increase from restructuring of the ownership interests in KKD project	-	-	50,694.10	-	50,694.10
- Reclassifications	87.39	(51.67)	(163.74)	133.19	5.17
- Disposals	(5.42)	-	(5.20)	(34.54)	(45.16)
- Decrease from restructuring of the ownership interests in KKD project	-	-	(7,423.26)	-	(7,423.26)
- Currency translation differences	(50.26)	1.34	(441.51)	(12.65)	(503.08)
As at June 30, 2014	8,979.32	18,892.23	161,340.98	4,341.49	193,554.02
Accumulated amortization					
As at January 1, 2014	(2,836.74)	(6,576.28)	-	(1,579.98)	(10,993.00)
- Amortization for the period	(487.33)	(254.73)	-	(128.11)	(870.17)
- Reclassifications	0.05	-	-	-	0.05
- Disposals	5.41	-	-	29.15	34.56
- Currency translation differences	11.80	(1.02)	-	6.41	17.19
As at June 30, 2014	(3,306.81)	(6,832.03)	-	(1,672.53)	(11,811.37)
Allowance for impairment of assets					
As at January 1, 2014	-	-	-	(89.70)	(89.70)
- Impairment losses	-	-	-	(1.84)	(1.84)
- Currency translation differences	-	-	-	0.98	0.98
As at June 30, 2014	-	-	-	(90.56)	(90.56)
Net book value					
As at December 31, 2013	5,866.21	12,365.56	104,090.11	2,575.22	124,897.10
As at June 30, 2014	5,672.51	12,060.20	161,340.98	2,578.40	181,652.09

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, 2014	3,494.61	18,355.24	51.55	21,901.40
- Additions	20.21	-	-	20.21
- Reclassifications	83.89	0.45	-	84.34
As at June 30, 2014	3,598.71	18,355.69	51.55	22,005.95
Accumulated amortization				
As at January 1, 2014	(1,425.99)	(6,355.57)	(51.55)	(7,833.11)
- Amortization for the period	(250.41)	(239.19)	-	(489.60)
As at June 30, 2014	(1,676.40)	(6,594.76)	(51.55)	(8,322.71)
Net book value				
As at December 31, 2013	2,068.62	11,999.67	-	14,068.29
As at June 30, 2014	1,922.31	11,760.93	-	13,683.24

15. Mining properties

Movements of mining properties are as follows:

	Unit: Million Baht
	<u>Consolidated financial statement</u>
Cost	
As at January 1, 2014	54,462.22
- Additions	748.24
- Disposals	(32.48)
- Currency translation differences	(601.16)
As at June 30, 2014	<u>54,576.82</u>
Accumulated amortization	
As at January 1, 2014	(19,157.22)
- Amortization for the period	(2,258.49)
- Disposals	5.15
- Currency translation differences	216.66
As at June 30, 2014	<u>(21,193.90)</u>
Allowance for impairment of assets	
As at January 1, 2014	(85.80)
- Currency translation differences	0.94
As at June 30, 2014	<u>(84.86)</u>
Net book value	
As at December 31, 2013	<u>35,219.20</u>
As at June 30, 2014	<u>33,298.06</u>

16. Goodwill

Movements of goodwill are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2014	2013
Net book value as at January 1	51,851.23	46,501.14
- Additions (Note 27)	14,331.82	292.97
- Reclassifications	-	(56.43)
- Decrease from restructuring of the ownership interests in KKD Project	(9,856.25)	-
- Currency translation differences	(539.58)	(5.02)
Net book value as at June 30	<u>55,787.22</u>	<u>46,732.66</u>

17. Advance Payments for Gas Purchases

Movements of advance payments for gas purchases are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance as at January 1	4,690.55	5,688.54	5,634.01	6,780.11
- Make-up Right	(16.09)	(437.22)	0.01	(492.87)
Balance as at June 30	<u>4,674.46</u>	<u>5,251.32</u>	<u>5,634.02</u>	<u>6,287.24</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, 2014, advance payments for gas purchases comprised the balance of advance payments made for gas purchases from the Yadana gas fields in Republic of the Union of Myanmar, irrespective of take-up in 2000.

18. Long-term Loans

Details of long-term loans as at June 30, 2014 and December 31, 2013 are as follows:

Current portion of long-term loans

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Loans - Baht currency	2,270.06	3,770.11	1,000.00	2,500.00
Loans - Baht currency - EPPO	29.01	116.76	29.01	116.76
Loans - foreign currencies	15,897.94	4,552.18	9,779.58	-
Debentures - Baht currency	12,986.20	14,645.00	12,986.20	2,946.20
Debentures - foreign currencies	22,317.60	22,550.75	22,317.60	22,550.75
Liabilities under finance leases	404.23	497.79	551.38	640.70
Total	53,905.04	46,132.59	46,663.77	28,754.41

Long-term loans

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Loans - Baht currency	24,198.05	25,433.05	18,500.00	19,000.00
Loans - Baht currency - EPPO	101.55	28.32	101.55	28.32
Loans - foreign currencies	61,704.64	75,394.58	17,541.45	27,364.12
Debentures - Baht currency	173,841.28	164,304.64	146,768.00	156,808.00
Debentures - foreign currencies	155,575.10	157,167.46	75,255.07	76,057.30
Liabilities under finance leases	3,008.99	2,933.98	5,762.96	6,033.23
Total	418,429.61	425,262.03	263,929.03	285,290.97

As at June 30, 2014, Baht 4,500.00 million of the Company's loans are secured by the Ministry of Finance (December 31, 2013: Baht 6,000.00 million).

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, 2014 are as follows:

Unit: Million

	Consolidated financial statements				Total in Baht equivalent
	Currency				
	Baht	USD	JPY	CAD	
Balance as at January 1, 2014	29,348.24	1,780.81	23,000.00	475.00	109,295.00
- Additions	-	3.37	-	-	109.50
- Repayments	(2,750.37)	(57.13)	-	-	(4,619.75)
- Gain on exchange rates	-	-	-	-	(224.67)
- Currency translation differences	-	-	-	-	(359.63)
- Others	0.80	-	-	-	0.80
Balance as at June 30, 2014	26,598.67	1,727.05	23,000.00	475.00	104,201.25
- Current portion	(2,299.07)	(480.12)	-	-	(18,197.01)
Long-term loans	<u>24,299.60</u>	<u>1,246.93</u>	<u>23,000.00</u>	<u>475.00</u>	<u>86,004.24</u>

Unit: Million

	Separate financial statements				Total in Baht equivalent
	Currency				
	Baht	USD	JPY		
Balance as at January 1, 2014	21,645.08	610.00	23,000.00		49,009.20
- Repayments	(2,014.52)	-	-	-	(2,014.52)
- Gain on exchange rates	-	-	-	-	(43.09)
Balance as at June 30, 2014	19,630.56	610.00	23,000.00		46,951.59
- Current portion	(1,029.01)	(300.00)	-	-	(10,808.59)
Long-term loans	<u>18,601.55</u>	<u>310.00</u>	<u>23,000.00</u>		<u>36,143.00</u>

18. Long-term Loans (Continued)

18.1 Loans (Continued)

Loans - foreign currency

On August 8, 2013, a jointly controlled entity of a subsidiary entered into loan agreements with three financial institutions amounting to USD 86.80 million. The first repayment of loan principal is due in April 2018 and the final repayment is due in 2029, with a quarterly interest payment. The loan bears an interest rate of LIBOR plus a fixed rate of 4.25% to 4.50% per annum. As at June 30, 2014, the jointly controlled entity has the loan less deferred charge amounting to USD 8.44 million or equivalent to Baht 273.75 million. The Company recognized the loan amounting to Baht 109.50 million according to its percentage of the investment.

18. Long-term Loans (Continued)

18.2 Debentures

Details of debentures as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million			
	Consolidated financial statements			
	June 30, 2014		December 31, 2013	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	174,861.42	5,373.46	176,714.22	5,373.01
- Baht currency	186,827.48	-	178,949.64	-
Secured unsubordinated debentures				
- USD currency	3,031.28	93.40	3,003.99	91.55
Total	364,720.18	5,466.86	358,667.85	5,464.56
Current portion	(35,303.80)	(684.62)	(37,195.75)	(684.41)
Long-term debentures	329,416.38	4,782.24	321,472.10	4,780.15

	Unit: Million			
	Separate financial statements			
	June 30, 2014		December 31, 2013	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	97,572.67	2,993.16	98,608.05	2,992.72
- Baht currency	159,754.20	-	159,754.20	-
Total	257,326.87	2,993.16	258,362.25	2,992.72
Current portion	(35,303.80)	(684.62)	(25,496.95)	(684.41)
Long-term debentures	222,023.07	2,308.54	232,865.30	2,308.31

18. Long-term Loans (Continued)

18.2 Debentures (Continued)

Debentures - Baht currency

On June 6, 2014, PTTEP issued and offered two tranches of unsecured unsubordinated debentures to institutional investors and high net worth investors. The first tranche, amounting to Baht 8,200 million, has a tenor of 5 years and a fixed interest rate of 3.91% per annum. The second tranche, amounting to Baht 11,400 million, has a tenor of 15 years and a fixed interest rate of 4.82% per annum.

Debentures - foreign currency

On June 24, 2014, the Company entered into an Interest Rate Swap contract for USD debentures amounting to USD 100 million for 5 years, to swap a fixed interest rate to a floating interest rate of 6M LIBOR plus a fixed rate of 2.40% per annum. The contract is effective from October 25, 2014 to October 25, 2019.

18. Long-term Loans (Continued)

18.3 Liabilities under finance leases

Details of liabilities under finance leases as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Liabilities under finance leases				
- Within 1 year	458.27	556.25	636.22	730.30
- Over 1 year but not over 5 years	1,120.07	1,162.00	1,979.90	2,011.62
- Over 5 years	2,180.23	2,074.16	4,312.11	4,585.73
Future finance charges	(345.35)	(360.64)	(613.89)	(653.72)
Present value of liabilities under finance leases	<u>3,413.22</u>	<u>3,431.77</u>	<u>6,314.34</u>	<u>6,673.93</u>
Present value of liabilities under finance leases				
- Current liabilities	404.23	497.79	551.38	640.70
- Non-current liabilities	<u>3,008.99</u>	<u>2,933.98</u>	<u>5,762.96</u>	<u>6,033.23</u>
Total	<u>3,413.22</u>	<u>3,431.77</u>	<u>6,314.34</u>	<u>6,673.93</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	
	2014	2013	2014	2013
As at January 1	6,234.51	5,821.29	2,424.62	2,375.24
Current service costs	283.99	304.22	98.60	74.37
Interest on obligations	129.28	110.97	59.86	49.12
Actuarial loss	478.90	16.51	463.02	-
Actual payment	(174.04)	(112.22)	(46.88)	(35.01)
Currency translation differences	2.02	1.03	-	-
As at June 30	<u>6,954.66</u>	<u>6,141.80</u>	<u>2,999.22</u>	<u>2,463.72</u>

Expenses recognized in the statements of income and comprehensive income for the three-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs	139.84	122.55	49.30	37.19
Interest on obligations	64.00	55.81	29.93	24.56
Actuarial loss	1.32	16.35	0.13	-
Total	<u>205.16</u>	<u>194.71</u>	<u>79.36</u>	<u>61.75</u>

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales and services	22.74	22.64	11.03	8.06
Selling expenses	7.39	5.85	6.79	5.26
Administrative expenses	173.11	165.25	60.38	47.76
Management remuneration	1.32	0.97	1.16	0.67
Other comprehensive loss	0.60	-	-	-
Total	<u>205.16</u>	<u>194.71</u>	<u>79.36</u>	<u>61.75</u>

19. Employee Benefit Obligations (Continued)

Expenses recognized in the statements of income and comprehensive income for the six-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs	283.99	304.22	98.60	74.37
Interest on obligations	129.28	110.97	59.86	49.12
Actuarial loss	478.90	16.51	463.02	-
Total	892.17	431.70	621.48	123.49
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales and services	56.24	46.56	24.56	16.12
Selling expenses	15.76	12.10	14.53	10.86
Administrative expenses	351.69	371.22	129.53	95.16
Management remuneration	2.64	1.82	2.31	1.35
Other comprehensive loss	465.84	-	450.55	-
Total	892.17	431.70	621.48	123.49

20. Provision for Decommissioning Costs

Movements in the provision for decommissioning costs are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
As at January 1, 2014	39,873.85
- Additions	2,831.23
- Use during the period	(9.63)
- Reversal of non-occurred provision	(368.84)
- Currency translation differences	<u>(439.73)</u>
As at June 30, 2014	41,886.88
- Current portion	<u>-</u>
- Long-term portion	<u><u>41,886.88</u></u>

21. Earnings per Share

Basic earnings per share for the three-month periods ended June 30, 2014 and 2013 are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit attributable to owners of the parent (Baht)	30,437,862,459	11,687,398,311	3,561,423,202	16,732,590,646
Adjustment of profit (Baht)	(38,709,504)	(47,850,727)	-	-
Profit for calculation of earnings per share (Baht)	30,399,152,955	11,639,547,584	3,561,423,202	16,732,590,646
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,856,299,625	2,856,299,625	2,856,299,625
Earnings per share (Baht/share)	10.64	4.08	1.25	5.86

Basic earnings per share for the six-month periods ended June 30, 2014 and 2013 are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit attributable to owners of the parent (Baht)	57,885,825,899	47,491,140,324	25,147,351,654	37,375,737,970
Adjustment of profit (Baht)	(76,515,407)	(95,381,079)	-	-
Profit for calculation of earnings per share (Baht)	57,809,310,492	47,395,759,245	25,147,351,654	37,375,737,970
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,856,299,625	2,856,299,625	2,856,299,625
Earnings per share (Baht/share)	20.24	16.59	8.80	13.09

22. Other Income

Details of other income for the three-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Transportation income	1,430.51	1,016.77	1,495.11	1,047.18
Dividend income	85.20	38.36	7,687.40	11,929.01
Interest income	575.81	682.22	982.64	1,082.16
Compensation for loan interest on advance payments for gas purchases	(0.45)	(6.53)	(0.45)	(6.53)
Gain (loss) on disposal of investments	920.12	(17.86)	1,316.94	1,262.94
Revenue from product sales of KKD project (Note 28)	1,815.83	-	-	-
Gain from restructuring of the ownership interests in KKD project (Note 28)	819.43	-	-	-
Others	2,210.40	1,137.30	1,203.42	791.36
Total	7,856.85	2,850.26	12,685.06	16,106.12

22. Other Income (Continued)

Details of other income for the six-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Transportation income	2,783.26	2,170.00	2,898.30	2,249.75
Dividend income	187.03	170.19	15,590.60	20,396.03
Interest income	1,350.92	1,395.96	2,134.03	2,033.32
Compensation for loan interest on advance payments for gas purchases	(0.90)	(6.22)	(0.90)	(6.22)
Gain (loss) on disposal of investments	1,032.96	(17.86)	1,374.98	1,262.94
Revenue from product sales of KKD project (Note 28)	1,815.83	-	-	-
Gain from restructuring of the ownership interests in KKD project (Note 28)	819.43	-	-	-
Others	3,212.55	2,766.43	1,923.22	1,622.53
Total	11,201.08	6,478.50	23,920.23	27,558.35

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 (IPP) in order to absorb the interests on loans. The Company obtains the loans to make advance payments for gas purchases.

23. Expenses by Nature

Details of expenses by nature for the three-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in finished goods and work in process	1,299.39	1,039.11	988.82	(77.78)
Goods purchased and raw materials used	615,749.58	584,710.75	581,993.84	582,044.43
Staff costs	4,740.95	4,282.36	2,163.19	1,999.89
Outsourcing	1,790.23	1,806.66	1,763.21	1,889.09
Transportation	2,240.69	1,931.43	1,348.35	839.21
Depreciation and amortization	26,290.30	17,274.95	3,893.58	3,677.26
Repairment	2,697.05	1,600.62	966.77	803.61
Utilities	4,525.21	4,166.84	3,779.35	3,631.96
Doubtful accounts	20.40	7.35	16,259.63	7.65
Loss on impairment of asset*	-	74.42	-	-
Cash call for KKD project (Note 28)	1,337.67	-	-	-
Others	9,259.00	8,801.76	2,675.19	3,003.65

Details of expenses by nature for the six-month periods ended June 30, 2014 and 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in finished goods and work in process	4,191.25	(1,242.85)	5,600.24	(895.88)
Goods purchased and raw materials used	1,234,829.32	1,203,584.00	1,172,443.47	1,192,262.03
Staff costs	9,272.31	8,201.77	4,120.57	3,918.69
Outsourcing	3,349.10	3,056.84	3,363.51	3,204.40
Transportation	4,988.59	4,377.60	2,521.03	1,778.10
Depreciation and amortization	48,818.62	34,921.98	7,690.26	7,306.03
Repairment	4,651.44	3,042.44	1,657.77	1,416.48
Utilities	8,445.94	8,413.47	7,061.82	7,240.02
(Reversal of) Doubtful accounts	(14.92)	(10.91)	16,224.32	(10.19)
Loss on impairment of asset*	-	74.42	-	-
Cash call for KKD project (Note 28)	1,337.67	-	-	-
Others	19,738.42	16,150.49	4,581.29	4,883.05

* Other expenses in the statements of income

24. Operating Segments

These operating segments are consistent with the internal management reports provided to the Chief Operating Decision Maker (CODM), who makes decisions related to the allocation of resources to the segments and assesses their performance.

For management purposes, the Group is organized into business units based on types of products and services. The major segments of the Group are as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:
The Group conducts petroleum exploration and production business both domestically and overseas. The Group is the operator and jointly invests with leading petroleum exploration and production companies. Most domestic projects are located in the Gulf of Thailand, while overseas projects are located in Asia Pacific, North America, Africa and the Middle East.
2. Natural gas business:
The Group conducts natural gas business including procurement, natural gas pipeline transmission, distribution, and natural gas separation. Products from the natural gas separation plants are used as feedstock for the petrochemical industry and as fuel in the household, transportation and industry sectors.

Downstream Petroleum Business Group

1. Oil business:
The Group conducts marketing of petroleum and lube oil in both domestic and overseas markets under an efficient operating system of procurement, storage, and distribution of products as well as the retail business at service stations.
2. International trading business:
The Group conducts international trading business including the import and export of petroleum and petrochemical products as well as other related products. The business also covers the management of possible risks arising from oil trading as well as from the procurement and distribution of petroleum and petrochemical products in international markets.
3. Petrochemical business:
The Group conducts petrochemical business including the production and distribution of the main petrochemical products and by-products in both domestic and overseas markets to serve the demands of industry and consumer groups.
4. Refining business:
The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers. In addition, the Group conducts petrochemical business, which utilizes refining products as raw materials.

Coal Business

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

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

24. Operating Segments (Continued)Consolidated financial statements

For the three-month period ended June 30, 2014

	Unit: Million Baht									
	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals	Refining				
Sales - others	10,410.63	138,012.34	164,184.06	369,196.78	29,460.62	-	4,897.26	530.03	-	716,691.72
- related parties	53,844.39	7,230.87	1,224.02	27,138.51	10.15	-	120.15	528.93	(90,097.02)	-
Net sales	64,255.02	145,243.21	165,408.08	396,335.29	29,470.77	-	5,017.41	1,058.96	(90,097.02)	716,691.72
Gross profit *	57,555.30	17,269.16	6,750.04	1,512.84	1,584.06	-	1,633.48	207.64	(335.47)	86,177.05
EBITDA	47,215.33	14,093.97	3,639.09	1,222.84	1,077.10	-	1,036.29	380.45	(37.75)	68,627.32
Depreciation and amortization expenses	20,055.05	3,546.60	695.35	4.19	317.88	-	1,210.63	461.17	(0.57)	26,290.30
EBIT	27,160.28	10,547.37	2,943.74	1,218.65	759.22	-	(174.34)	(80.72)	(37.18)	42,337.02
Share of income from investments in associates	-	265.01	171.96	-	2,680.01	1,803.28	-	39.41	-	4,959.67
Interest income										575.81
Other income-net										2,234.02
Gain on exchange rate										1,896.74
Finance costs										(5,622.07)
EBT										46,381.19
Income taxes										(9,260.04)
Profit for the period										<u>37,121.15</u>
Attributable to:										
Owners of the parent										30,437.86
Non-controlling interests										<u>6,683.29</u>
Profit for the period										<u>37,121.15</u>

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

24. Operating Segments (Continued)Consolidated financial statements

For the three-month period ended June 30, 2013

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petrochemicals	Refining				
Sales - others	11,452.42	124,967.98	151,826.55	354,634.11	20,634.37	-	5,554.34	472.90	-	669,542.67
- related parties	42,943.43	6,346.84	1,167.86	21,611.71	5.13	-	-	502.97	(72,577.94)	-
Net sales	54,395.85	131,314.82	152,994.41	376,245.82	20,639.50	-	5,554.34	975.87	(72,577.94)	669,542.67
Gross profit *	48,400.21	13,157.83	6,494.22	567.87	600.22	-	1,976.09	206.98	(486.76)	70,916.66
EBITDA	40,016.22	9,779.79	3,824.54	392.83	223.73	-	1,213.16	200.38	222.71	55,873.36
Depreciation and amortization expenses	11,217.68	3,396.02	646.96	2.34	304.93	-	1,289.64	417.96	(0.58)	17,274.95
EBIT	28,798.54	6,383.77	3,177.58	390.49	(81.20)	-	(76.48)	(217.58)	223.29	38,598.41
Share of income (loss) from investments in associates	-	(63.99)	127.88	-	2,301.09	(1,227.91)	-	29.81	-	1,166.88
Interest income										682.22
Other expense-net										(163.54)
Loss on exchange rate										(3,884.48)
Finance costs										(5,081.66)
EBT										31,317.83
Income taxes										(15,502.88)
Profit for the period										<u>15,814.95</u>
Attributable to:										
Owners of the parent										11,687.40
Non-controlling interests										<u>4,127.55</u>
Profit for the period										<u>15,814.95</u>

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

24. Operating Segments (Continued)Consolidated financial statements

For the six-month period ended June 30, 2014

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemicals	Refining				
Sales - others	21,673.04	261,590.56	329,677.39	751,910.24	56,172.32	-	11,276.98	961.88	-	1,433,262.41
- related parties	101,774.38	14,769.07	2,436.98	55,739.02	19.98	-	120.15	981.67	(175,841.25)	-
Net sales	123,447.42	276,359.63	332,114.37	807,649.26	56,192.30	-	11,397.13	1,943.55	(175,841.25)	1,433,262.41
Gross profit *	107,491.10	34,426.18	14,222.49	2,009.82	3,126.61	-	3,879.38	311.97	(768.62)	164,698.93
EBITDA	88,951.24	28,582.10	8,687.61	1,533.21	2,226.71	-	2,388.37	647.61	102.30	133,119.15
Depreciation and amortization expenses	36,350.37	7,002.13	1,378.96	8.16	645.70	-	2,518.12	916.33	(1.15)	48,818.62
EBIT	52,600.87	21,579.97	7,308.65	1,525.05	1,581.01	-	(129.75)	(268.72)	103.45	84,300.53
Share of income from investments in associates	-	386.36	340.36	-	5,442.07	3,312.07	-	61.73	-	9,542.59
Interest income										1,350.92
Other income-net										2,237.89
Gain on exchange rate										4,586.95
Finance costs										(11,016.07)
EBT										91,002.81
Income taxes										(22,327.52)
Profit for the period										<u>68,675.29</u>
Attributable to:										
Owners of the parent										57,885.83
Non-controlling interests										<u>10,789.46</u>
Profit for the period										<u>68,675.29</u>

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

24. Operating Segments (Continued)Consolidated financial statements

For the six-month period ended June 30, 2013

	Unit: Million Baht									
	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petrochemicals	Refining				
Sales - others	21,331.61	250,228.30	306,610.23	734,996.43	44,057.70	-	11,243.62	939.08	-	1,369,406.97
- related parties	87,750.65	12,772.85	2,085.01	43,652.02	12.65	-	-	990.94	(147,264.12)	-
Net sales	109,082.26	263,001.15	308,695.24	778,648.45	44,070.35	-	11,243.62	1,930.02	(147,264.12)	1,369,406.97
Gross profit (loss) *	97,569.90	27,298.33	13,368.13	(1,382.53)	1,779.90	-	4,021.65	429.14	(886.30)	142,198.22
EBITDA	80,340.16	21,552.32	8,239.32	(1,376.24)	969.75	-	2,459.67	564.00	459.38	113,208.36
Depreciation and amortization expenses	22,847.92	6,749.05	1,287.12	5.17	610.29	-	2,585.20	838.39	(1.16)	34,921.98
EBIT	57,492.24	14,803.27	6,952.20	(1,381.41)	359.46	-	(125.53)	(274.39)	460.54	78,286.38
Share of income from investments in associates	-	182.31	290.56	-	8,164.47	2,041.52	-	55.62	-	10,734.48
Interest income										1,395.96
Other income-net										70.10
Gain on exchange rate										3,134.41
Finance costs										(10,031.27)
EBT										83,590.06
Income taxes										(25,012.80)
Profit for the period										<u>58,577.26</u>
Attributable to:										
Owners of the parent										47,491.14
Non-controlling interests										<u>11,086.12</u>
Profit for the period										<u>58,577.26</u>

*Gross profit (loss) excludes depreciation and amortization expenses in cost of sales.

24. Segment Information (Continued)Consolidated financial statements

As at June 30, 2014

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petrochemicals	Refining				
Segment assets	707,826.30	361,684.94	117,345.14	133,998.39	41,531.08	-	52,639.56	125,246.12	-	1,540,271.53
Inter-company assets	21,413.59	4,029.14	923.17	7,178.62	427.43	-	120.17	35,477.23	(69,569.35)	-
Investments in associates	0.01	13,329.17	3,173.15	-	126,917.00	104,208.43	-	504.39	-	248,132.15
Total segment assets	729,239.90	379,043.25	121,441.46	141,177.01	168,875.51	104,208.43	52,759.73	161,227.74	(69,569.35)	1,788,403.68
Non-allocated assets										11,988.95
Total assets										<u>1,800,392.63</u>

As at December 31, 2013

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petrochemicals	Refining				
Segment assets	665,634.90	375,087.78	118,563.62	169,720.65	42,001.61	-	55,543.41	118,966.43	-	1,545,518.40
Inter-company assets	28,554.93	2,980.23	904.45	4,833.85	543.08	-	-	32,422.64	(70,239.18)	-
Investments in associates	0.01	13,566.61	2,915.53	-	125,624.21	103,760.23	-	470.23	-	246,336.82
Total segment assets	694,189.84	391,634.62	122,383.60	174,554.50	168,168.90	103,760.23	55,543.41	151,859.30	(70,239.18)	1,791,855.22
Non-allocated assets										13,185.92
Total assets										<u>1,805,041.14</u>

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

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

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

25. Subordinated capital debentures

On June 18, 2014, PTTEP issued and offered subordinated capital debentures, with a value of USD 1,000 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 fixed interest rate of 4.875% per annum for the first five years and the rate of return from the sixth year onwards are based on terms and conditions. The interest is paid on a semi-annual basis. PTTEP can defer the interest payments at its sole discretion. All deferred interest will be accumulated, but not bear any interests after the interest is deferred for 12 months. 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 these subordinated capital debentures. In addition, PTTEP shall not redeem, reduce, cancel, acquire or buy-back for any consideration on any instrument or security issued by PTTEP which rank pari passu or junior to these subordinated capital debentures. These 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, 2014, at the 2014 Annual Shareholders' Meeting of the Company, the shareholders approved dividend payments for the year 2013 of Baht 13.00 per share, approximately amounting to Baht 37,128.42 million. On October 4, 2013, the Company paid an interim dividend for the operating results of the first half of 2013 at Baht 5.00 per share for 2,855,950,233 shares, amounting to Baht 14,279.75 million. The remaining dividends were paid as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividend (million Baht)	Payment date
For the year 2013	July 1, 2013 - December 31, 2013	8.00	2,856,084,152	22,848.67	April 23, 2014

27. Business Acquisition

On November 30, 2013, PTTEP Netherlands Coöperatie U.A. (PTTEP NH), a subsidiary of PTTEP, and Pertamina Hulu Energi Oil and Gas Co., Ltd., a subsidiary of Pertamina, jointly signed Share Purchase Agreements to acquire Natuna 2 B.V., a subsidiary of Hess Corporation which holds 23% interest in the Natuna Sea A Project located in an offshore Indonesia. PTTEP NH and Pertamina Hulu Energi Oil and Gas hold 50% and 50% interest in Natuna 2 B.V., respectively.

On December 6, 2013, PTTEP NH and Pertamina Hulu Energi Oil and Gas Co., Ltd. finished the acquisition process of Natuna 2 B.V.; consequently, Natuna 2 B.V. becomes a jointly controlled entity of PTTEP. As a result, PTTEP has an indirect 11.50% shareholding in the Natuna Sea A Project.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	8,590.57
Fair value of net assets acquired	<u>(4,961.02)</u>
Goodwill	<u><u>3,629.55</u></u>

Assets and liabilities arising from the business acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	809.56
Trade accounts receivable and other accounts receivable	600.58
Other current assets	144.30
Property, plant and equipment	8,776.91
Intangible assets	943.94
Other non-current assets	62.08
Trade accounts payable	(223.90)
Short-term loans	(2,002.21)
Other current liabilities	(363.14)
Deferred tax liabilities	(2,360.89)
Provision for decommissioning costs	(1,160.82)
Other non-current liabilities	<u>(265.39)</u>
Fair value of net assets	4,961.02
<u>Add</u> Goodwill	<u>3,629.55</u>
Total purchase consideration transferred	8,590.57
<u>Less</u> Cash and cash equivalents	<u>(809.56)</u>
Cash outflow on the business acquisition	<u><u>7,781.01</u></u>

The goodwill from the business acquisition of Baht 3,629.55 million resulted primarily from the recognition of deferred tax liabilities of Baht 2,141.91 million. These were derived from the differences between the fair values of net assets acquired assumed in a business combination and their tax bases, which have not been adjusted to reflect fair value. The remaining goodwill of Baht 1,487.64 million represents the future benefits that PTTEP expects to gain from acquiring the Project, conforming to PTTEP's strategy to increase productivity.

None of the goodwill recognized is expected to be deductible for income tax purposes of PTTEP.

27. Business Acquisition (Continued)

On April 22, 2014, PTTEP Offshore Investment Company Limited (PTTEPO) and PTTEP International Limited (PTTEPI), subsidiaries of PTTEP, have entered into the Share Purchase agreement (SPA) to acquire 100% equity stakes in Hess Thailand Holdings II Limited (HTH) and Hess Exploration Thailand Company Limited (HETCL), subsidiaries of Hess Corporation.

The transaction of HTH was completed on April 22, 2014. As a result, PTTEP's participating interests in Block B12/27 of Contract 4 Project and Block EU-1 and Block E5 North of Sinphuhorm Project increased by 15% and 35%, respectively. Also, the transaction of HETCL was completed on May 28, 2014, therefore PTTEP owned the increasing of 15% participating interest in Block G7/50 of Contract 4 project, while PTTEP has become the operator of Sinphuhorm project after the acquisition.

Hess Thailand Holdings II Limited (HTH)

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	32,483.82
Fair value of net assets acquired	<u>(18,160.63)</u>
Goodwill	<u>14,323.19</u>

Assets and liabilities arising from the business acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	6,265.29
Trade accounts receivable and other accounts receivable	2,030.01
Other current assets	310.90
Property, plant and equipment (Note 13)	19,059.00
Intangible assets (Note 14)	11,333.93
Other non-current assets	2.57
Trade accounts payable and other accounts payable	(1,401.88)
Income tax payable	(3,896.01)
Other current liabilities	(63.79)
Deferred tax liabilities	(13,783.39)
Provision for decommissioning costs	<u>(1,696.00)</u>
Fair value of net assets	18,160.63
<u>Add</u> Goodwill (Note 16)	<u>14,323.19</u>
Total purchase consideration transferred	32,483.82
<u>Less</u> Cash and cash equivalents	<u>(6,265.29)</u>
Cash outflow on the business acquisition	<u>26,218.53</u>

27. Business Acquisition (Continued)

Hess Exploration Thailand Company Limited (HETCL)

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	47.02
Fair value of net assets acquired	<u>(38.39)</u>
Goodwill	<u><u>8.63</u></u>

Assets and liabilities arising from the business acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	16.09
Other current assets	2.54
Intangible assets (Note 14)	19.95
Other accounts payable	<u>(0.19)</u>
Fair value of net assets	38.39
<u>Add</u> Goodwill (Note 16)	<u>8.63</u>
Total purchase consideration transferred	47.02
<u>Less</u> Cash and cash equivalents	<u>(16.09)</u>
Cash outflow on the business acquisition	<u><u>30.93</u></u>

The goodwill from the business acquisition HTH of Baht 14,323.19 million resulted primarily from the recognition of deferred tax liabilities of Baht 11,794.20 million. These were derived from the differences between the fair values of net assets acquired assumed in a business combination and their tax bases, which have not been adjusted to reflect fair value. The remaining goodwill of Baht 2,528.99 million represents the future benefits that PTTEP expects to gain from acquiring the Project, conforming to PTTEP's strategy to increase productivity.

The goodwill from the business acquisition HETCL of Baht 8.63 million represents the future benefits that PTTEP expects to gain from acquiring the Project, conforming to PTTEP's strategy to increase productivity.

None of the goodwill recognized is expected to be deductible for income tax purposes of PTTEP.

28. Restructuring of the ownership interests in Canada Oil Sands KKD project

On January 30, 2014, PTTEP Canada Limited (PTTEP CA), a subsidiary of PTTEP, had signed into a Partnership Units Redemption Agreement (PURA) with Statoil Canada Limited, a joint venture partner of Canada Oil Sands KKD (KKD) project, to restructure the ownership interests of the five areas of the KKD project, whereby PTTEP CA exchanged its 40% participating interests in Leismer and Corner (L&C) areas with the 60% participating interests in Thornbury, Hangingstone and South Leisner (THSL) areas.

On May 28, 2014, PTTEP CA had fulfilled all the terms and conditions as prescribed in the PURA and the government of Canada had approved the transaction, therefore PTTEP became the owner of 100% participating interests and the sole operator in THSL areas, and received cash of USD 200 million or equivalent to Baht 6,558.23 million and net cash of USD 219 million or equivalent to Baht 7,194.93 million derived from the price adjustment to reflect the exchange value of the ownership interests.

The Company recognized the intangible assets of USD 1,546 million or equivalent to Baht 50,693.97 million from the acquisition of 60% participating interests in THSL areas and recognized gain from restructuring of the ownership interests in KKD project of USD 25 million or equivalent to Baht 819.43 million as other income in the consolidated financial statements. During the second quarter of 2014, The Company also recognized revenue from product sales of USD 56 million or equivalent to Baht 1,815.83 million and cash call for KKD project of USD 41 million or equivalent to Baht 1,337.67 million, as parts of other income and administrative expenses, respectively.

29. 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 a group of individuals totaling 43 parties (the Petitioners) filed a complaint with the Central Administrative Court (the Court) as the black case No. 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 all 76 projects pending the Court's judgment or order otherwise, except for those projects or activities which received the permits before the effective date of the Constitution of Kingdom of Thailand B.E. 2550 or which were not required to prepare the Environmental Impact Assessment (EIA) reports pursuant to the Ministerial Announcement of Ministry of Natural Resources and Environment dated June 16, 2009. 25 projects of the Group were under the suspension order, and three of those 25 projects belonged to the Company.

On October 16, 2009, the Group, as an interested person, submitted a motion to appeal the Court's order to the Supreme Administrative Court.

On December 2, 2009, the Supreme Administrative Court issued an order No. 592/2552 amending the Court's injunction by requiring the eight accused government agencies to order the temporary suspension of all projects or activities listed in the complaint except for 11 projects, which clearly, according to the Supreme Administrative Court, did not severely affect the community but were projects intended to mitigate pollution or only additional installation to the existing projects. Among those 11 projects, seven of them belonged to the Group, comprising one project of the Company and six projects of the other companies in the Group. Two projects of the Company were still under the Court's order to suspend.

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

On September 2, 2010, the Court rendered a judgment revoking the permit of the projects listed in the complaint which, according to the law, were categorized as project that might severely affect the community and did not comply with the procedures set forth in Section 67 paragraph 2 of the Constitution. The revocation was effective as of the date of the judgment. One project of the Group is within the scope of the judgment.

On October 1, 2010, the 43 prosecutors appealed the Court's judgment to the Supreme Administrative Court. On December 7, 2010, the eight accused government agencies by the public prosecutors submitted a reply to the appeal. The appeal is currently under the consideration of the Supreme Administrative Court.

30. Proceeding regarding the Offshore Natural Gas Pipeline Leakage Incident

The Company hired a pipeline construction contractor for the construction of offshore pipeline project situated in the Gulf of Thailand. On June 25, 2011, during the construction, the contractor committed wrongful act and breach of contract causing damage to the Company. Subsequently, the Company forwarded relevant evidence to the Office of the Attorney General to consider filing lawsuit with the court seeking damages from the contractor. On June 22, 2012, after considering the evidence, the public prosecutor assigned to the case submitted the complaint with the Civil Court. At present, the case is in the Civil Court's proceedings.

On March 27, 2013, the contractor filed a new lawsuit against the Company with the Civil Court asserted that they were not responsible for the Pipeline Leakage Incident and the Company was owed them the payment of the Pipeline Construction Project. Thus, the contractor requested the payments of the pipeline-repair costs and the outstanding payment of the Pipeline Construction Project. Subsequently on July 30, 2013, the Company, by the public prosecutor, submitted with the Civil Court the answer denying all assertions. At present, the case is in the Civil Court's proceedings.

31. Commitments and Contingent Liabilities

Details of significant changes in commitments and contingent liabilities are as follows:

31.1 Details of commitments to subsidiaries, jointly controlled entities, associates and other related companies are as follows:

31.1.1 The Group has provided loans to its subsidiaries and jointly controlled entities with credit limits totaling Baht 101,158.43 million. As at June 30, 2014, the Group made payments in respect of these loans totaling Baht 81,230.34 million. The remaining credit limits were Baht 19,928.09 million.

31.1.2 The Company has obligations under a commercial credit agreement with an overseas subsidiary and a jointly controlled entity that provide an extended credit term for purchases of raw materials under a credit limit of USD 150 million. As at June 30, 2014, the subsidiary and the jointly controlled entity have drawn down USD 144.52 million of the commercial credit. The remaining commercial credit line was USD 5.48 million or equivalent to Baht 178.64 million.

31.1.3 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, 2014, the Company had commitments of USD 330.51 million or equivalent to Baht 10,774.16 million.

31.1.4 The Company had obligations under the Shareholder Agreements to pay for ordinary shares in proportion to its shareholding. As at June 30, 2014, the Company had remaining obligations amounting to Baht 8,064.26 million.

31. Commitments and Contingent Liabilities (Continued)

31.2 Commitments under operating leases - the Group as a lessee

The future minimum lease payments under uncancellable operating leases as at June 30, 2014 and December 31, 2013 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Within 1 year	2,261.10	2,812.10	78.69	131.02
Over 1 year but not over 5 years	3,114.84	3,265.29	286.11	287.63
Over 5 years	3,948.41	4,500.68	792.92	791.82
Total	<u>9,324.35</u>	<u>10,578.07</u>	<u>1,157.72</u>	<u>1,210.47</u>

31.3 As at June 30, 2014, the Group had capital commitments of Baht 5,940.90 million in the consolidated financial statements. This amount included Baht 229.13 million relating to the Group's interest in the jointly controlled entities.

31.4 As at June 30, 2014, the Group had outstanding letters of credit of Baht 34,531.10 million in the consolidated financial statements and Baht 24,418.63 million in the separate financial statements.

31.5 As at June 30, 2014, the Group had contingent liabilities in the form of letter of guarantee amounting to Baht 1,339.85 million in the consolidated financial statements and Baht 128.81 million in the separate financial statements.

31.6 An associate entered into a contract to sell a product to the Company and the Company entered into a contract to resell the same product to a listed company. The term of the two contracts was 15 years, expiring on January 31, 2012. Before the expiration of the contract, the associate notified the Company that the contract would not be renewed. Consequently, without product to resell, the Company had to notify the listed company that the contract would also not be renewed. The Company's notice was served to the listed company in accordance with the terms and conditions set forth in the contract. On December 3, 2009, the listed company submitted claims with the Thai Arbitration Institute (the Institute) requesting that the Company and the associate, as the seller and the supplier, respectively, comply with the contracts by continuing to sell the product to the listed company or be jointly liable to pay damages.

On February 10, 2010, the associate submitted motion to the Institute asking to dismiss the claims against it from the case list. The Institute issued an order to dismiss the claims relating to the associate.

The Company forwarded the case to the Office of the Attorney General to submit a defense to the Institute. On April 28, 2010, the public prosecutor submitted the defense with the Institute for the Company. Currently, the case is under the consideration of the Institute.

31. Commitments and Contingent Liabilities (Continued)

31.7 On May 26, 2010, the contractor for an onshore 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 non-compliant 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 non-compliant 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. Regarding the Contractor’s bankruptcy case, the Company submitted, as a creditor, a motion for receiving a debt payment in accordance with the law. With respect to the arbitration process, the Company submitted the defense together with counterclaims seeking damages from the Contractor. Subsequently, the arbitral tribunal rendered an award ordering the Company to partially pay for the Contractor’s claims. However, the Company considered that the arbitral award is materially erroneous both in fact and in law, in which case, the Company has a right to protest against such award with the Court of competent jurisdiction requesting for the revocation of the award. Currently, the Company is in the process of filing the motion to revoke the arbitral award.

On September 8, 2010, the Contractor by 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 non-compliant 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 non-compliant 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 arbitral tribunal has been appointed and the case is now under the consideration of the tribunal.

31.8 On September 22, 2011, six petitioners, led by the Thailand Watch Foundation filed, a lawsuit against the Company and the Ministry of Finance with the Central Administrative Court (the Court) alleging that the Company’s privatization, the share distribution and the asset evaluation were in violation of law, and therefore, asked for the Court’s judgment that the sale of the Company’s shares be null and void and the shares be resold. The petitioners 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, the petitioners 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 the Company by the public prosecutor submitted the answer and additional answer with the Court. Currently, the case is under the consideration of the Court.

31.9 On February 25, 2014, the contractor for an on-shore natural gas pipeline construction project (the “Contractor”) filed a lawsuit against the Company with the Civil Court on the grounds of wrongful termination and breach of contract and claimed for outstanding payment of the work and damages. On the contrary, the Company considered that all of the Company’s actions have been in accordance with the terms and conditions of the contract. Therefore, the Company forwarded the case to the Office of The Attorney General for consideration to arguing the case for the Company. Currently, the prosecutor is in preparation to submit the answer with the court.

31. Commitments and Contingent Liabilities (Continued)

31.10 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 Indonesian Government because of no verifiable scientific evidence provided by the Indonesian Government to support the claim. Currently, the discussion with the Indonesian Government is on-going and the compensation regarding this matter has not been finalized.

32. Other Events

32.1 On 27 July 2013, leakage in the flexible hose was found at Single point Mooring near Map Ta Phut seaport while discharging crude oil from a vessel to the Refinery. The leakage resulted in oil spilling into the sea. Remediation efforts were carried out by PTTGC, government authorities and private sector to clean up the oil slick. Currently, the oil slick has been eliminated. PTTGC also has established several short, medium and long term rehabilitation plans to help the environment and assist the local communities affected.

Although the provision recognized is currently the most reliable estimate of expenditures required to settle certain present obligations there might be additional future expenditures. PTTGC will recognize liabilities for these obligations when they meet the relevant criteria and can be reliably measured.

As at 30 June 2014, the Management and insurance company are in the process of negotiation of the additional reimbursement claim covered by insurance of PTTGC.

32.2 According to the request of the State Railway of Thailand (SRT) for the rental fee on the renewal of the land lease contract, the contract between the Company and SRT related to the land on which PTT headquarter is located and which was expired in March 31, 2013 was actually the contract for granting right of superficies. The terms and conditions provided in the contract stated that SRT agreed to renew the contract for every 30 years without any rental fee and other compensation.

32.3 On 9 June 2014, one of the plants of IRPC located in Choengnern District, Rayong Province, got fired at the unit of VGOHT : Vacuum Gas Oil Hydro Treating Unit. This unit has produced fuel oil to further feed to Cracker unit to further produce propylene. From such event, the unit of VGOHT and the plant nearby has temporarily ceased the operations. However, the refinery plant and all other petrochemical plants have still continued their normal operations, except for the unit of VGOHT that has ceased its operations for repairs and replacement of certain equipment. The cessation is expected to be approximately 10 months due to the lead time of the replaced equipment.

As at 30 June 2014, IRPC has provided an allowance for assets impairment of Baht 62 million. The management of IRPC, insurers and surveyors are assessing the damages of which has not been finalized yet at the report date. IRPC has insurance coverage of USD 1,200 million.

33. Events after the Reporting Period

33.1 During July 2014, the number of people in Rayong filed for Civil Court against PTTGC to claim the extra compensation from oil spill incident on 27 July 2013, approximately Baht 60 million, plus interest of 7.50% per annum. The Civil Court fixes the day for settlement of dispute on 1 September 2014 and due to PTTGC's process of defending against the Plaintiffs' allegation.

33.2 The Audit Committee of the Company approved these financial statements for public issuance on August 13, 2014.