



(TRANSLATION)
AUDITOR'S REPORT

TO: THE SHAREHOLDERS OF PTT PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has audited the accompanying consolidated and separate balance sheets of PTT Public Company Limited and its subsidiaries as at December 31, 2009 and 2008, and the related consolidated and separate statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits and other auditors' reports. The financial statements of subsidiaries abroad, subsidiaries arising from jointly invested between PTT Public Company Limited and subsidiaries or others, jointly controlled entities which are jointly invested between PTT Public Company Limited and others, and jointly invested between subsidiaries and others were audited by other auditors and included in the consolidated financial statements. The Office of the Auditor General of Thailand received other auditors' reports and used them as a basis in auditing and expressing an opinion on the consolidated financial statements. As at December 31, 2009, assets and liabilities of the above subsidiaries and jointly controlled entities included in the consolidated financial statements constitute 23.95% and 12.63% and as at December 31, 2008 constitute 21.07% and 9.26%, respectively.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Office of the Auditor General of Thailand believes that the audits together with other auditors' reports as above - mentioned provide a reasonable basis for the opinion.



In the opinion of the Office of the Auditor General of Thailand based on the audits and the other auditors' reports, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the financial position of PTT Public Company Limited and its subsidiaries as at December 31, 2009 and 2008, and the results of operations, the changes in shareholders' equity and the cash flows for the years then ended in accordance with generally accepted accounting principles.

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Inspector General

(Signed) *Janya Pengpreecha*
(Janya Pengpreecha)
Acting Director of Audit Office

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008 (Restated)	2009	2008 (Restated)
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	3	104,055,909,064	90,818,703,116	42,768,035,920	38,150,065,625
Current investments	4	8,802,924,494	1,218,022,917	8,041,743,335	1,002,954,363
Trade accounts and notes receivable - others, net	5.1	85,898,364,829	66,879,456,945	66,707,536,835	55,739,064,784
Trade accounts receivable - related parties, net	6.1	42,918,365,875	31,211,604,812	54,214,177,049	39,227,561,022
Other accounts receivable, advances and short-term loans - related parties, net	6.2	1,002,120,492	800,619,203	22,814,871,715	21,428,801,103
Other accounts receivable and short-term loans -others, net	5.2	19,504,242,475	20,082,002,332	11,671,241,406	13,862,799,790
Inventories	7	13,118,686,962	14,687,585,362	6,357,047,383	10,155,987,385
Materials and supplies, net	8	11,404,241,450	9,003,800,322	2,897,160,514	2,393,447,266
Other current assets	9	7,909,822,154	8,711,891,201	2,785,552,176	4,637,512,846
Total Current Assets		294,614,677,795	243,413,686,210	218,257,366,333	186,598,194,184
Non-current Assets					
Investments in associates	10.3, 10.4	194,073,417,946	179,286,625,855	112,588,161,989	112,290,517,821
Investments in subsidiaries	10.4	-	-	41,499,663,713	24,150,577,113
Investments in jointly controlled entities	10.4	-	-	19,949,493,037	18,122,943,037
Other long-term investments, net	11.1	10,504,068,248	7,784,740,062	9,230,291,118	6,643,230,433
Other accounts receivable, advances and long-term loans - related parties, net	6.3	7,138,570,128	6,500,339,781	26,570,832,355	19,005,780,581
Property, plant and equipment, net	12	474,586,637,994	374,614,107,653	204,475,563,989	168,515,483,949
Intangible assets, net	13	19,634,199,952	16,057,715,407	14,174,294,615	14,383,898,370
Mining properties, net	14	34,007,251,077	-	-	-
Goodwill, net	15	17,964,044,426	12,107,218,932	-	-
Deferred tax assets	16.2	10,063,537,926	1,550,910,747	1,468,709,559	1,544,507,731
Advance payments for gas purchased	17	16,735,195,112	24,055,928,196	19,343,932,390	26,590,360,944
Other non-current assets	18	24,268,122,187	19,821,507,426	17,110,117,805	11,697,271,383
Total Non-current Assets		808,975,044,996	641,779,094,059	466,411,060,570	402,944,571,362
Total Assets		1,103,589,722,791	885,192,780,269	684,668,426,903	589,542,765,546

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

		Unit : Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Notes</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
		(Restated)		(Restated)	
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions	19	4,144,874,528	6,201,731,242	-	-
Trade accounts payable - others		69,459,027,949	72,319,265,824	61,374,072,538	63,291,335,687
Trade accounts payable - related parties	6.4	32,522,647,036	15,395,794,997	41,728,250,584	28,642,353,686
Other accounts payable - related parties	6.5	651,906,148	417,907,174	2,626,728,942	385,170,439
Other accounts payable - others		9,843,321,705	11,587,262,570	6,074,102,370	7,610,053,746
Current portion of long-term loans	21	33,934,492,782	10,774,759,569	16,113,225,356	10,039,406,554
Short-term loans		2,814,771,131	3,819,163,821	-	-
Income tax payable		26,438,062,903	26,478,174,379	5,746,472,475	238,415,556
Accrued expenses		38,251,540,924	29,537,889,443	11,298,655,158	11,306,976,083
Current portion of long-term provision for decommissioning costs	22	661,198,822	-	-	-
Other current liabilities	20	3,960,138,810	3,514,302,026	2,678,267,762	2,492,486,115
Total Current Liabilities		222,681,982,738	180,046,251,045	147,639,775,185	124,006,197,866
Non-current Liabilities					
Other long-term accounts payable - related parties	6.6	738,750,432	772,269,336	763,107,926	798,723,797
Long-term loans	21	320,953,645,998	228,350,572,062	241,602,219,402	196,710,765,012
Deferred tax liabilities	16.2	29,272,143,786	19,924,960,086	5,270,194,680	4,321,910,385
Long-term provision for decommissioning costs	22	22,894,700,562	16,309,665,236	-	-
Deposits on LPG cylinders		5,480,863,503	5,042,493,793	5,480,863,503	5,042,493,793
Other non-current liabilities	23	3,477,043,726	4,211,066,608	2,734,358,750	3,676,130,572
Total Non-current Liabilities		382,817,148,007	274,611,027,121	255,850,744,261	210,550,023,559
Total Liabilities		605,499,130,745	454,657,278,166	403,490,519,446	334,556,221,425

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT DECEMBER 31, 2009 AND DECEMBER 31, 2008

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008 (Restated)	2009	2008 (Restated)
Liabilities and Shareholders' Equity (Continued)					
Shareholders' Equity					
Share capital					
Authorized share capital					
2,857,245,725 ordinary shares of Baht 10 each	24.1	28,572,457,250	28,572,457,250	28,572,457,250	28,572,457,250
Issued and paid-up share capital					
2,833,784,825 ordinary shares of Baht 10 each	24.2	28,337,848,250		28,337,848,250	
2,824,056,625 ordinary shares of Baht 10 each	24.2		28,240,566,250		28,240,566,250
Premium on share capital					
Premium on ordinary shares	24.2	24,552,672,966	22,801,956,166	24,552,672,966	22,801,956,166
Surplus on dilution of investments in subsidiaries and associates		3,874,472,799	3,862,091,917	-	-
Unrealized gain(loss) on available-for-sale securities		1,289,186,137	(398,161,828)	1,153,380,990	(509,353,021)
Currency translation differences		(1,341,442,169)	(817,508,878)	-	-
Retained earnings					
Appropriated					
Legal reserve	25.1	2,857,245,725	2,857,245,725	2,857,245,725	2,857,245,725
Reserve for self-insurance fund	25.2	988,613,104	963,259,666	988,613,104	963,259,666
Unappropriated					
		368,621,344,561	326,069,102,279	223,288,146,422	200,632,869,335
Total parent's shareholders' equity		429,179,941,373	383,578,551,297	281,177,907,457	254,986,544,121
Minority interests		68,910,650,673	46,956,950,806	-	-
Total Shareholders' Equity		498,090,592,046	430,535,502,103	281,177,907,457	254,986,544,121
Total Liabilities and Shareholders' Equity		1,103,589,722,791	885,192,780,269	684,668,426,903	589,542,765,546

Notes to financial statements form an integral part of these financial statements.

(Signed) Prasert Bunsumpun
(Prasert Bunsumpun)
Chief Executive Officer & President

(Signed) Tevin Vongvanich
(Tevin Vongvanich)
Chief Financial Officer

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
			(Restated)		(Restated)
Sales and services	27	1,586,174,455,553	2,000,815,834,055	1,466,999,581,525	1,885,647,082,698
Cost of sales and services	29	1,438,463,906,465	1,829,820,839,386	1,411,692,919,090	1,822,228,567,935
Gross Margin		147,710,549,088	170,994,994,669	55,306,662,435	63,418,514,763
Other income	28	12,454,047,196	19,081,993,571	27,225,743,263	44,532,905,487
Income before Expenses		160,164,596,284	190,076,988,240	82,532,405,698	107,951,420,250
Selling expenses	29	12,637,811,778	16,302,675,846	11,975,623,241	15,712,541,200
Administrative expenses	29	22,322,701,854	18,190,838,311	13,258,367,095	11,179,050,362
Executive remuneration	30	508,339,218	389,389,822	120,699,667	118,302,196
Petroleum exploration expenses		7,377,274,117	8,273,388,955	-	-
Petroleum royalties and remuneration	31	15,458,429,872	17,328,157,956	-	-
Other expenses	40	9,085,875,964	-	-	-
(Gain) loss on foreign exchange		(4,682,721,605)	1,982,181,844	(4,995,186,748)	1,225,301,558
Operating Income		97,456,885,086	127,610,355,506	62,172,902,443	79,716,224,934
Share of net income (loss) from investments					
in associates	32	18,766,827,008	(6,250,682,954)	-	-
Income before Finance Costs & Taxes		116,223,712,094	121,359,672,552	62,172,902,443	79,716,224,934
Finance costs	33	14,218,997,769	11,476,841,409	11,193,202,954	9,799,373,159
Income before Taxes		102,004,714,325	109,882,831,143	50,979,699,489	69,916,851,775
Income taxes	16.1	33,314,763,557	43,347,571,409	11,329,078,799	9,923,142,960
Net Income		68,689,950,768	66,535,259,734	39,650,620,690	59,993,708,815
Attributable to:					
Equity holders of the Company		59,547,585,885	51,704,800,180	39,650,620,690	59,993,708,815
Minority interests		9,142,364,883	14,830,459,554	-	-
		68,689,950,768	66,535,259,734	39,650,620,690	59,993,708,815
Basic earnings per share attributable to the equity holders of the Company	26	21.06	18.33	14.03	21.27
Diluted earnings per share attributable to the equity holders of the Company	26	20.95	18.26	14.02	21.21

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
CONSOLIDATED FINANCIAL STATEMENTS

Unit : Baht

Notes	Total parent's shareholders' equity										
	Issued and paid-up share capital	Premium on share capital	Surplus on dilution of investments	Unrealized gain(loss) on available-for-sale securities	Currency translation differences	Retained earnings			Total parent's shareholders' equity	Minority interests	Total equity
						Legal reserve	Reserve for Self-insurance Fund	Unappropriated			
Balance as at January 1, 2008	28,173,881,250	21,624,238,766	3,851,325,364	671,702,449	(914,236,846)	2,857,245,725	928,759,399	304,303,841,805	361,496,757,912	37,154,760,927	398,651,518,839
Cumulative effect of the changes in accounting policy	-	-	-	-	-	-	-	5,344,813,641	5,344,813,641	-	5,344,813,641
Balance after adjustment	28,173,881,250	21,624,238,766	3,851,325,364	671,702,449	(914,236,846)	2,857,245,725	928,759,399	309,648,655,446	366,841,571,553	37,154,760,927	403,996,332,480
Currency translation differences	-	-	-	-	96,727,968	-	-	-	96,727,968	11,950,104	108,678,072
Unrealized loss on available-for-sale securities	-	-	-	(1,069,864,277)	-	-	-	-	(1,069,864,277)	-	(1,069,864,277)
Surplus on dilution of investments in subsidiaries and associates	-	-	10,766,553	-	-	-	-	-	10,766,553	(150,111,057)	(139,344,504)
Total revenues (expenses) recognized in equity	-	-	10,766,553	(1,069,864,277)	96,727,968	-	-	-	(962,369,756)	(138,160,953)	(1,100,530,709)
Reserve for self-insurance fund	-	-	-	-	-	-	34,500,267	(34,500,267)	-	-	-
Net income	-	-	-	-	-	-	-	51,704,800,180	51,704,800,180	14,830,459,554	66,535,259,734
Total revenues (expenses) recognized in the period	-	-	10,766,553	(1,069,864,277)	96,727,968	-	34,500,267	51,670,299,913	50,742,430,424	14,692,298,601	65,434,729,025
Dividends paid	-	-	-	-	-	-	-	(35,249,853,080)	(35,249,853,080)	(5,524,770,165)	(40,774,623,245)
Issued and paid-up share capital	66,685,000	-	-	-	-	-	-	-	66,685,000	21,164,100	87,849,100
Premium on share capital	-	1,177,717,400	-	-	-	-	-	-	1,177,717,400	613,497,343	1,791,214,743
Balance as at December 31, 2008	28,240,566,250	22,801,956,166	3,862,091,917	(398,161,828)	(817,508,878)	2,857,245,725	963,259,666	326,069,102,279	383,578,551,297	46,956,950,806	430,535,502,103
Balance as at January 1, 2009	28,240,566,250	22,801,956,166	3,862,091,917	(398,161,828)	(817,508,878)	2,857,245,725	963,259,666	326,069,102,279	383,578,551,297	46,956,950,806	430,535,502,103
Currency translation differences	-	-	-	-	(523,933,291)	-	-	-	(523,933,291)	(996,666,596)	(1,520,599,887)
Unrealized gain on available-for-sale securities	-	-	-	1,687,347,965	-	-	-	-	1,687,347,965	-	1,687,347,965
Surplus on dilution of investments in subsidiaries and associates	-	-	12,380,882	-	-	-	-	-	12,380,882	(91,462,989)	(79,082,107)
Total revenues (expenses) recognized in equity	-	-	12,380,882	1,687,347,965	(523,933,291)	-	-	-	1,175,795,556	(1,088,129,585)	87,665,971
Reserve for self-insurance fund	25.2	-	-	-	-	-	25,353,438	(25,353,438)	-	-	-
Net income	-	-	-	-	-	-	-	59,547,585,885	59,547,585,885	9,142,364,883	68,689,950,768
Total revenues (expenses) recognized in the period	-	-	12,380,882	1,687,347,965	(523,933,291)	-	25,353,438	59,522,232,447	60,723,381,441	8,054,235,298	68,777,616,739
Dividends paid	36	-	-	-	-	-	-	(16,969,990,165)	(16,969,990,165)	(4,810,387,103)	(21,780,377,268)
Issued and paid-up share capital	24.2	97,282,000	-	-	-	-	-	-	97,282,000	25,978,925	123,260,925
Premium on share capital	24.2	-	1,750,716,800	-	-	-	-	-	1,750,716,800	361,559,560	2,112,276,360
Business acquisitions	-	-	-	-	-	-	-	-	-	18,322,313,187	18,322,313,187
Balance as at December 31, 2009	28,337,848,250	24,552,672,966	3,874,472,799	1,289,186,137	(1,341,442,169)	2,857,245,725	988,613,104	368,621,344,561	429,179,941,373	68,910,650,673	498,090,592,046

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008
SEPARATE FINANCIAL STATEMENTS

Unit : Baht

Notes	Issued and paid-up share capital	Premium on share capital	Unrealized gain(loss) on available-for-sale securities	Retained earnings			Total equity
				Legal reserve	Reserve for Self-insurance Fund	Unappropriated	
Balance as at January 1, 2008	28,173,881,250	21,624,238,766	531,097,724	2,857,245,725	928,759,399	175,923,513,867	230,038,736,731
Unrealized loss on available-for-sale securities	-	-	(1,040,450,745)	-	-	-	(1,040,450,745)
Total revenues (expenses) recognized in equity	-	-	(1,040,450,745)	-	-	-	(1,040,450,745)
Reserve for self-insurance fund	-	-	-	-	34,500,267	(34,500,267)	-
Net income	-	-	-	-	-	59,993,708,815	59,993,708,815
Total revenues (expenses) recognized in the period	-	-	(1,040,450,745)	-	34,500,267	59,959,208,548	58,953,258,070
Dividends paid	-	-	-	-	-	(35,249,853,080)	(35,249,853,080)
Issued and paid-up share capital	66,685,000	-	-	-	-	-	66,685,000
Premium on share capital	-	1,177,717,400	-	-	-	-	1,177,717,400
Balance as at December 31, 2008	28,240,566,250	22,801,956,166	(509,353,021)	2,857,245,725	963,259,666	200,632,869,335	254,986,544,121
Balance as at January 1, 2009	28,240,566,250	22,801,956,166	(509,353,021)	2,857,245,725	963,259,666	200,632,869,335	254,986,544,121
Unrealized gain on available-for-sale securities	-	-	1,662,734,011	-	-	-	1,662,734,011
Total revenues (expenses) recognized in equity	-	-	1,662,734,011	-	-	-	1,662,734,011
Reserve for self-insurance fund	25.2	-	-	-	25,353,438	(25,353,438)	-
Net income	-	-	-	-	-	39,650,620,690	39,650,620,690
Total revenues (expenses) recognized in the period	-	-	1,662,734,011	-	25,353,438	39,625,267,252	41,313,354,701
Dividends paid	36	-	-	-	-	(16,969,990,165)	(16,969,990,165)
Issued and paid-up share capital	24.2	97,282,000	-	-	-	-	97,282,000
Premium on share capital	24.2	-	1,750,716,800	-	-	-	1,750,716,800
Balance as at December 31, 2009	28,337,848,250	24,552,672,966	1,153,380,990	2,857,245,725	988,613,104	223,288,146,422	281,177,907,457

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008 (Restated)	2009	2008 (Restated)
Cash Flows from Operating Activities				
Net income attributable to the equity holders of the Company	59,547,585,885	51,704,800,180	39,650,620,690	59,993,708,815
Adjustment of net income to net cash provided by				
(used in) operating activities :				
Depreciation, depletion and amortization	43,149,762,484	32,169,926,635	9,776,000,167	7,388,139,470
(Reversal of) Loss on impairment of assets	(409,705,108)	69,608,549	(459,214,818)	(285,695,935)
(Gain) loss on disposal of assets	4,552,418,516	34,321,073	(4,063,707)	(60,290,096)
(Gain) loss on disposal of investment	-	1,029,726	-	(48,388,956)
Write-off fixed assets	383,807,747	(223,496,355)	370,657,226	(223,496,355)
Share of net (income) loss from investments				
in associates	(18,766,827,008)	6,250,682,954	-	-
Income attributable to minority interests	9,142,364,883	14,830,459,554	-	-
(Gain) loss on foreign exchange	(4,500,363,918)	4,680,125,235	(3,080,751,147)	3,830,223,929
(Reversal of) doubtful accounts	6,426,366	(46,856,547)	2,033,197	(69,338,903)
Amortization of exploration costs	5,671,138,123	6,306,832,353	-	-
Amortization of bond issue expenses	-	4,380,455	-	-
Amortization of bond discounts	27,546,380	27,546,380	27,546,380	27,546,380
Amortization of deferred interest from finance leases	21,635,862	34,103,979	19,719,643	32,932,964
(Reversal of) allowance for loss on decline in value of inventories	(784,978,425)	889,841,890	(544,422,313)	531,064,518
Dividends received	(53,679,977)	(66,919,999)	(14,546,865,862)	(27,682,422,980)
Income taxes	33,314,763,557	43,347,571,409	11,329,078,799	9,923,142,960
Interest income	(3,551,917,456)	(4,527,762,020)	(3,061,423,534)	(3,462,713,803)
Interest expenses	15,220,032,292	12,208,823,925	10,629,939,010	8,875,566,555
Crude oil and natural gas leak incident cost	3,105,525,354	-	-	-
Others	(5,971,560)	(445,078,846)	208,194	778,743
Net income from operating activities before				
changes in operating assets and liabilities	146,069,563,997	167,249,940,530	50,109,061,925	58,770,757,306

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008 (Restated)	2009	2008 (Restated)
Changes in operating assets (increase) decrease				
Trade accounts and notes receivable - others	(17,662,313,936)	49,654,085,440	(10,917,258,162)	45,605,537,557
Trade accounts receivable - related parties	(11,370,002,949)	45,603,234,688	(14,944,820,646)	48,967,870,349
Other accounts receivable, advances and short-term loans - related parties	(81,145,951)	2,088,020,728	713,756,197	170,010,388
Other accounts receivable and short-term loans - others, net	2,547,847,512	(4,939,207,523)	2,864,168,412	(5,688,351,446)
Inventories	1,611,639,435	(2,065,448,568)	2,664,050,934	(1,732,553,633)
Materials and supplies	(2,579,106,359)	(2,391,747,474)	(519,484,092)	(189,197,889)
Other current assets	2,994,053,009	(4,170,848,128)	1,758,371,406	679,235,832
Advance payments for gas purchased	(9,076,132,564)	(2,180,005,781)	(9,150,437,094)	(1,654,775,268)
Other long-term accounts receivable and advances - related parties	(18,445,966)	62,632,956	259,994,834	63,063,739
Other non-current assets	(3,490,272,002)	299,225,290	(5,065,652,565)	2,944,782,464
Changes in operating liabilities increase (decrease)				
Trade accounts payable - others	12,959,874,511	(53,443,447,298)	14,102,954,661	(55,945,396,917)
Trade accounts payable - related parties	17,089,345,609	(29,295,181,736)	13,066,961,753	(27,952,373,959)
Other accounts payable - related parties	(205,971,245)	(1,131,980,040)	1,513,975,885	(1,549,987,959)
Other accounts payable - others	341,000,436	4,059,666,362	1,257,778,148	2,410,806,275
Accrued expenses	811,764,965	(60,543,419)	(1,953,224,010)	(1,923,435,883)
Other current liabilities	1,794,083,223	(3,491,605,163)	196,527,692	(603,727,396)
Deposits on LPG cylinders	438,369,710	394,831,300	438,369,710	394,831,300
Other long-term accounts payable - related parties	(37,166,704)	(153,644,951)	(35,184,987)	(51,165,898)
Deferred tax liabilities	(3,415,190,019)	-	-	-
Other non-current liabilities	(1,918,620,327)	(1,663,513,013)	(942,072,672)	(1,555,536,102)
	(9,266,389,612)	(2,825,476,330)	(4,691,224,596)	2,389,635,554
Interest received	641,659,919	1,262,196,171	217,405,224	408,467,420
Interest paid	(958,926,280)	(375,536,930)	-	-
Income tax paid	(40,836,428,285)	(39,833,478,877)	(5,538,691,569)	(16,016,465,608)
Net cash provided by operating activities	95,649,479,739	125,477,644,564	40,096,550,984	45,552,394,672

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008 (Restated)	2009	2008 (Restated)
Cash Flows from Investing Activities				
Proceeds from disposals of property, plant and equipment	16,796,802	631,778,374	8,156,588	610,659,837
Payment of property, plant and equipment	(125,308,224,310)	(84,806,308,606)	(43,383,441,010)	(23,766,360,523)
Advance payment of property, plant and equipment	(115,038,345)	(788,003,447)	-	-
Payment of intangible assets	(4,550,941,811)	(317,311,946)	(58,922,374)	(53,114,843)
Payment of mining properties development	(2,163,165,594)	-	-	-
Payment of long-term contracts on land and building	(744,161,431)	(1,296,329,482)	(744,161,431)	(214,425,187)
Long-term loans to others	(107,139,945)	(431,422,911)	(107,139,945)	(431,422,911)
Long-term loans to related parties	(434,187,773)	-	(10,139,450,000)	(12,387,000,000)
Short-term loans to others	(85,055,725)	(180,594,938)	-	-
Short-term loans to related parties	(91,307,682)	-	(32,342,345,864)	(18,642,171,423)
Payment of investments in subsidiaries	(9,708,619,297)	-	(17,209,586,600)	(9,035,084,400)
Payment of investments in jointly controlled entitie:	-	-	(1,826,550,000)	(2,959,500,000)
Payment of investments in associates	(624,732,374)	(7,030,843,630)	(568,894,168)	(6,965,443,087)
Payment of long-term investments	(211,726,384)	(6,081,515,798)	(211,726,384)	(5,603,836,319)
Proceeds from disposal of long-term investments	-	61,447,427	-	61,447,427
Proceeds from long-term loans to related parties	-	-	2,500,000,000	1,880,000,000
Proceeds from short-term loans to related parties	-	757,637,586	30,868,873,659	27,785,571,999
Proceeds from cancellation of leasehold in gas stations	8,530,120	22,994,086	8,530,120	22,994,086
(Increase) decrease in current investments	(7,301,201,310)	5,023,714,890	(7,039,206,794)	4,818,009,888
Interest received	2,634,751,622	2,877,256,040	2,558,210,164	2,704,600,846
Dividends received	5,888,794,137	17,392,800,222	14,546,865,862	27,682,422,980
Net cash used in investing activities	(142,896,629,300)	(74,164,702,133)	(63,140,788,177)	(14,492,651,630)

Notes to financial statements form an integral part of these financial statements.

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008 (Restated)	2009	2008 (Restated)
Cash Flows from Financing Activities					
Proceeds from issuing ordinary shares		1,339,405,397	639,427,760	97,282,000	66,685,000
Proceeds from premium on share capital		1,750,716,800	1,177,717,400	1,750,716,800	1,177,717,400
Proceeds from long-term loans		24,509,203,969	4,127,976,753	14,583,097,013	266,761,160
Proceeds from issuing bonds		89,950,119,444	18,000,000,000	50,000,000,000	18,000,000,000
Proceeds from short-term loans		1,824,683,929	3,170,555,870	3,100,000,000	-
Proceeds from promissory notes		-	750,000,000	-	750,000,000
Payment of short-term loans		(6,033,346,714)	-	(3,100,000,000)	-
Payment of long-term loans		(4,824,968,816)	(440,137,696)	(906,624,241)	(380,637,696)
Payment of notes payable		-	(2,250,000,000)	-	(2,250,000,000)
Repayment of short-term loans		(9,400,000,000)	(8,000,000,000)	(9,400,000,000)	(8,000,000,000)
Payment of finance lease installments		(207,402,500)	(201,781,096)	(180,660,074)	(183,068,031)
Increase in bank overdrafts and short-term loans from financial institutions		676,277,500	1,850,671,870	-	-
Payment of loan acquirement fees		(95,462,896)	-	-	-
Interest received		3,359,367	1,797,847	-	-
Interest paid		(15,843,063,910)	(13,533,470,937)	(11,312,554,191)	(10,267,896,045)
Dividends paid		(23,246,889,900)	(40,755,517,839)	(16,969,990,164)	(35,261,260,173)
Net cash provided (used in) by financing activities		60,402,631,670	(35,462,760,068)	27,661,267,143	(36,081,698,385)
Effects of exchange rates on cash and cash equivalents		(198,578,330)	210,564,784	940,345	(12,586,075)
Currency translation differences		280,302,169	(200,334,343)	-	-
Net increase(decrease) in cash and cash equivalents		13,237,205,948	15,860,412,804	4,617,970,295	(5,034,541,418)
Cash and cash equivalents at beginning of periods		90,818,703,116	74,958,290,312	38,150,065,625	43,184,607,043
Cash and cash equivalents at end of periods	3	104,055,909,064	90,818,703,116	42,768,035,920	38,150,065,625

Notes to financial statements form an integral part of these financial statements.

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

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, downstream petroleum, coal business and other related businesses as described in Note 34 “Segment Information”.

As at December 31, 2009 and 2008, the Group was operating in 24 countries.

2. Accounting Policies

The significant accounting policies adopted in the preparation of these consolidated and the separate financial statements are set out below.

2.1 Basis for Preparation of Financial Statements

The consolidated and the separate financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act, B.E. 2543 (2000) being those Thai Accounting Standards under the Accounting Profession Act, B.E. 2547 (2004), and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535 (1992).

The Company has presented the financial statements in compliance with the notification of the Department of Commercial Registration “Definition of the abbreviated components required in the financial statements, B.E. 2552 (2009)”, dated January 30, B.E. 2552 (2009), under the third paragraph of section 11 of the Accounting Act, B.E. 2543 (2000).

The consolidated and the separate financial statements have been prepared based on the assumption that users of the financial statements have an understanding of Thai generally accepted accounting principles and practices. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries. The accompanying consolidated and the separate financial statements are, therefore, not intended to present the financial position, the results of operations and cash flows in accordance with generally accepted accounting principles adopted in other countries.

The consolidated and the separate financial statements have been prepared under the historical cost convention with the exception of certain amounts, which are accounted for using the fair value method as disclosed in the accounting policies.

The significant transactions arising between the Company, subsidiaries and jointly controlled entities are eliminated in the consolidated financial statements.

2. Accounting Policies (Continued)

2.1 Basis for Preparation of Financial Statements (Continued)

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

The Group has complied with International Accounting Standard (IAS) No.12 “Income taxes” and International Financial Reporting Standard (IFRS) No.6 “Exploration for and Evaluation of Mineral Resources”. No Thai Accounting Standard refers to these matters.

During the period, the Group has begun to include two subsidiaries named PTT Tank Terminal Co., Ltd. (PTT TANK) and Thai Lube Blending Co., Ltd. (TLBC) in the consolidated financial statements.

2.2 New Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS), including Amendments to Accounting Standards

The Federation of Accounting Professions (FAP) announced the amendments to Thai Accounting Standards which were announced in a Ratchakitchanubeksa and were effective for accounting periods beginning on or after January 1, 2009 as follows:

- | | |
|---|--|
| ◆Thai Accounting Standard No.36 (revised 2007) | Impairment of Assets |
| ◆Thai Financial Reporting Standard No.5 (revised 2007) (No.54, formerly) | Non-current Assets Held for Sale and Discontinued Operations |
| ◆Accounting Framework (revised 2007) has been effective since June 26, 2009 | |

The compliance with these accounting standards do not have a significant effect on the consolidated and the separate financial statements.

During 2009, the Federation of Accounting Professions (FAP) announced the renumbering of Thai Accounting Standards to follow International Financial Reporting standards which are divided into Accounting Standards and Financial Reporting Standards. As a result, the numbers of Thai Accounting Standards were changed. In addition, the FAP announced new Accounting Standards and the amendments which are effective for accounting periods beginning on or after January 1, 2011 and January 1, 2012. The Group has not early adopted these standards before the effective date. The standards are as follows:

Effective for accounting periods on or after January 1, 2011

- | | |
|---|---------------------------|
| ◆Thai Accounting Standard No.24 (revised 2007) (No.47, formerly) | Related Party Disclosures |
| ◆Thai Accounting Standard No.40 | Investment Property |

Effective for accounting periods on or after January 1, 2012

- | | |
|---------------------------------|--|
| ◆Thai Accounting Standard No.20 | Accounting for Government Grants and Disclosure of Government Assistance |
|---------------------------------|--|

Management of the Group has reviewed and expected that the above standards have no significant effect on the Group’s financial statements.

2. Accounting Policies (Continued)

2.3 Investments in Subsidiaries

Subsidiaries are those companies controlled by the parent company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the compensation from the Group plus costs directly attributable to the acquisition. The excess of the acquisition cost over the fair value of the Group's share of the identifiable net assets and liabilities from the subsidiaries acquired is recorded as goodwill. The accounting policy in respect of goodwill is discussed in Note 2.17.

Inter-company transactions, balances and unrealized gains or losses on transactions among companies in the Group are fully eliminated except for realized losses which are considered by the Group to show impairment indications. Minority interests are presented separately in the consolidated balance sheets and statements of income.

Investments in subsidiaries have been presented in the separate financial statements under the cost method.

A list of subsidiaries of the Group is set out in Note 10.1.

2.4 Investments in Associates

Associates are those companies in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses from associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. Unrealized gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates unless the transactions provide evidence of impairment of the transferred assets.

Investments in associates have been recognized initially at cost and using the equity method in presentation of the consolidated financial statements. The Group has recognized investments in associates including goodwill arising from business acquisitions.

The share of gains or losses from associates of the Group arising after acquisitions has been included in the profit and loss statements and the movement in gains on fair value after the acquisitions has been included in a surplus on equity account.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognize further losses, unless the Group has incurred collateral or constructive obligations or made payments on behalf of the associates.

A list of associates of the Group is set out in Note 10.1.

2. Accounting Policies (Continued)

2.5 Investments in Jointly Controlled Entities

Established by contractual agreement, jointly controlled entities are those entities over which the Group has joint control. Investments in jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. Under this method, the Group includes its share of the jointly controlled entities' revenues, expenses, assets, liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements, from the date that joint control commences until the date that joint control ceases.

The Group recognizes the portion of gains or losses on sales of assets by the Group to the jointly controlled entities that is attributable to other ventures. The Group does not recognize its share of gains or losses from the jointly controlled entities that results from the purchase of assets by the Group from the jointly controlled entities until it sells the assets to an independent party. However, if a loss on the transaction evidences a reduction in the net realizable value of current assets or an impairment loss, the loss is recognized immediately.

Investments in jointly controlled entities are presented in the separate financial statements under the cost method.

Investments in jointly controlled assets are accounted for by proportionate consolidation in the consolidated financial statements. Under this method, the Group includes its share of the joint ventures' individual expenses, assets and liabilities in the relevant components of the financial statements based on the Joint Operating Agreements.

A list of jointly controlled entities of the Group is set out in Note 10.1

2.6 Other Investments

Investments other than investments in subsidiaries, associates and jointly controlled entities are classified as trading, available-for-sale securities, investments in debt securities and general investments.

Investments in equity securities and mutual funds which are marketable equity securities are classified as available-for-sale securities and carried at fair value in the balance sheet. Increase/decrease in the carrying amounts are credited/charged against unrealized gains/losses on investments in available-for-sale securities in shareholders' equity.

Investments in non-marketable equity securities which are classified as general investments are carried at cost in the balance sheet and adjusted for investment impairment to recognize the unrealized losses on investments if the value of the investments decreases substantially. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment losses are recognized in the statement of income immediately.

Upon the disposal of investments, the differences between the net disposal proceeds and the carrying amounts are charged or credited immediately to the statement of income.

When disposing of a part of the Group's particular investment in debt or equity securities, the carrying amount of the disposed of part is determined by reference to the weighted average carrying amount of the total holding of the investment.

2. Accounting Policies (Continued)

2.7 Related Parties

Related parties of the Company are those enterprises or individuals that control or are controlled, directly or indirectly by the Company, or are under common control with the Company including holding companies, subsidiaries and fellow subsidiaries. They include associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, directors or employees of the Company.

In considering each possible related party relationship, attention is directed more to the substance of the relationship than to the legal form.

2.8 Foreign Currency Translations

Foreign currency transactions are translated into Baht by the Group at the exchange rates prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income immediately.

Monetary assets and liabilities of integrated foreign operation are translated into Baht using the closing rate at the balance sheet date. Non-monetary assets and liabilities are translated into Baht using the historical rates. Revenues and expenses are translated into Baht using the average rate during the period. Differences arising from currency translations are recognized as revenues or expenses in the statement of income.

The Group translates assets and liabilities of overseas jointly controlled entities and self-sustaining foreign entities into Baht using the closing rate at the balance sheet date, whereas the income statement is translated using the average rate during the period. Differences arising from currency translations have been shown under “currency translation differences” in shareholders’ equity.

Upon the disposal of self-sustaining foreign entities, accumulated currency translation differences under shareholders’ equity are recognized by the Group as gains or losses on disposal.

2.9 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. They comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments which have original maturities within three months. Bank overdrafts and short-term loans from financial institutions are included in current liabilities in the balance sheet.

2.10 Trade Accounts and Notes Receivable

Trade accounts receivable are carried at net realizable value. An estimate is made for doubtful accounts receivable based on percentages according to the aging of outstanding receivables at the balance sheet date and expected non-collectible amounts estimated from the amount of outstanding receivables at the balance sheet date, the receivables’ repayment history and their current financial status. The bad debt occurred is realized as selling and administrative expenses in the statement of income.

2. Accounting Policies (Continued)**2.11 Advance Payments for Gas Purchased under Take-or-Pay-Agreement**

The Company has entered into gas purchase agreement with natural gas producers, under which the Company is required to take delivery of natural gas at annual minimum quantities. During each contract year, if the Company cannot accept natural gas according to the minimum quantities under the agreements, it is required to pay for the natural gas which it can not actually take in the next contract year (Take-or-Pay). After the end of each contract year, the Company and the natural gas producers have to agree on and accept in the volume of gas that should be taken into the calculation for Take-or-Pay of that contract year, subject to the basis and conditions in the agreements. Under the agreements, the Company can take certain volumes of prepaid gas (Make-up) in subsequent years after complete taking delivery of natural gas at the minimum quantities for that given contract year. The Company recognizes its obligations under the agreements as advance payments for gas purchased.

2.12 Inventories

Inventories are stated at the lower of the cost of acquisition or net realizable value. Cost is determined using the weighted average cost method. The cost of imported petroleum products comprises various import expenses and levies, surveyors' fees and contributions to or compensation from the Oil Stabilization Fund as the case may be. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and related selling expenses. Allowance is recognized for obsolete, slow-moving and defective inventories.

2.13 Materials and Supplies

Materials and supplies are stated at cost. Cost is determined by using the weighted average cost method. Allowance is made in full for obsolete or defective and unserviceable items.

2.14 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost less accumulated depreciation and allowance for impairment.

Repair and maintenance are recognized in the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits exceeding the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

General Properties

Depreciation is accounted for as expenses in the income statement and is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvement	10 – 30 years
Machinery and equipment	10 – 40 years
Other assets	5 – 10 years

2. Accounting Policies (Continued)

2.14 Property, Plant and Equipment (Continued)

The Group reviewed an impairment of asset whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, where the carrying amount of an asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use, its carrying amount is written down immediately to its recoverable amount. The written down amount is recorded in the statement of income. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from sales with the carrying amounts on the disposal dates, and are included in operating profits or losses.

The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted-average interest rate applicable to the outstanding borrowings during the year. Where funds are borrowed specifically for the construction or the production of property, plant and equipment, the amount of borrowing costs for capitalization is determined from the actual borrowing costs during the period less any income on the temporary investment of those borrowings.

Oil and Gas Exploration and Production Properties

The petroleum exploration and production business accounts for its oil and gas exploration and production properties in accordance with the successful efforts method for which the accounting policies are as follows:

Cost of Properties

Cost of properties comprises the total acquisition costs of concession rights in petroleum products or the portion of costs applicable to properties as well as decommissioning costs.

If exploratory wells establish proved reserves, and are included in the plan for development in the near future, exploratory drilling costs are initially capitalized otherwise, the related costs are charged as expenses.

Exploratory costs comprising geological and geophysical costs as well as area reservation fees during the exploration stage, are charged as expenses in the statement of income as incurred.

Development costs, irrespective of whether they relate to development wells or unsuccessful development wells are capitalized.

Depreciation

The capitalized acquisition costs of concession rights are depleted and amortized using the unit of production method, which is based on estimated proved recoverable reserves. Depreciation, depletion and amortization of exploratory wells, development, equipment and the operating costs of support equipment as well as decommissioning costs, with the exception of costs of unsuccessful projects are calculated using the unit of production method, which is based on estimated proved recoverable reserves and proved development reserves. Changes in reserve estimates are recognized prospectively.

Proved reserves and proved development reserves are calculated by the Group's own engineers and based on information from the jointly controlled entities.

2. Accounting Policies (Continued)

2.14 Property, Plant and Equipment (Continued)

Carried Cost under Petroleum Sharing Contract

The petroleum exploration and production business has accounted for the carried cost under petroleum sharing contracts using the following accounting policies.

Under Petroleum Sharing Contracts in which the government has participating interest, some contracts require the contractor parties excluding the government to fund the costs of all exploration operations until determination of the first development area (carried cost). The carried costs are funded by the contractor parties at the proportion as agreed among parties. When the project commences production, the carried costs will be fully recouped without interest among the contractor parties under the agreed procedures in the form of petroleum product sharing. The Group has recorded the carried costs according to types of petroleum operations under the successful efforts method. Most of them are recorded as oil and gas properties in the balance sheet and exploration expenses in the statement of income as detailed in Note 12.

2.15 Intangible Assets

Intangible assets are initially recognized at cost less accumulated amortization and impairment.

Intangible assets include computer software licenses, assets rights such as gas transmission pipelines, other operating rights, patents and probable reserves.

Probable reserves are valuation of reserves that a petroleum exploration and production business assesses when making a business acquisition. These reserves are included in exploration and production properties when they are transferred to proved reserves and amortized using the unit of production method.

Amortization is calculated using the straight-line method over the contract period ranging from 5-30 years.

The Group reviewed an allowance for impairment of an intangible asset when an event or a circumstance indicated that the carrying amount of an asset is higher than the net realizable value. The Group will review and write down the asset not to exceed its net realizable value.

2.16 Mining Properties

The coal business accounts for coal exploration and production properties including coal mining property rights and deferred mining exploration and development expenditures as follows:

Coal Mining Property Rights

Coal mining property rights comprise the total acquisition costs of concession rights in coal mining including coal mining exploration and development expenditures.

Deferred Mining Exploration and Development Expenditures

Exploration expenditures account as cost of properties (deferred exploration expenditures) according to interest areas. These expenditures comprise net direct costs such as license, geology and geophysics expenditures excluding general overheads and administrative expenditures not directly attributable to a particular area of interest with the following conditions.

- a) Such costs are expected to be recovered when the areas are successfully developed and start mining operation, or from the sales of the areas.

2. Accounting Policies (Continued)

2.16 Mining Properties (Continued)

Deferred Mining Exploration and Development Expenditures (Continued)

- b) Exploration activities in the areas of interest have not reached the stage of reasonable assessment of commercial recoverable reserves and continuous operation of exploration activities.

Recoverable amount of exploration expenditures is dependent upon successful development and receivable economic benefit. When the economic benefit is expected to be minimal or none, deferred exploration is written off as expenses in the statement of income immediately.

Development expenditures and costs of area development prior to commencement of operations are capitalized (deferred costs) as long as they meet the criteria and are highly probable that they can create future economic benefits.

Amortization

Amortization of coal mining property is calculated using the unit of production method.

The amortization of deferred mining exploration and development expenditures commences when commercial activities in coal production are incurred, by using the unit of production method.

The volume of proportional production and useful lives of coal mining concessions will be estimated and reviewed by the Group.

2.17 Goodwill

Goodwill represents the excess of the costs of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiaries, jointly controlled entities or associates at the acquisition dates. The Group will carry out a test for impairment of goodwill at least once a year or when there is a factor indicating that an investment might be impaired. In case that the carrying amount exceeds its recoverable amount, impairment loss is recognized in statement of income. In addition, goodwill is presented at cost less accumulated impairment losses.

The allowance for an impairment of goodwill recognized will not be reversed.

Negative goodwill represents the excess of the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiaries, jointly controlled entities or associates over the costs of acquisition at the acquisition dates. The Group must reassess the seller's identification and measurement of assets and liabilities and identifiable contingent liabilities including the acquisition costs. In case that share of buyer in fair value of equity exceeds costs of acquisition at the acquisition dates. The differences will be recognized as revenue in statement of income immediately.

2.18 Finance Leases – where the Group is the lessee

Leases of property, plant and equipment, where the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are capitalized at the lower of the estimated net present value of the underlying minimum lease payments or fair value. Each minimum lease payment is allocated between liabilities and finance charges in order to achieve a constant interest rate on the remaining balance of the liabilities. The finance leases' liabilities less finance charges are recognized as long-term loans. Interest expenses are charged in the statement of income over the lease period. Depreciation is charged over the shorter of the estimated useful life of the relevant category of assets or the lease period.

2. Accounting Policies (Continued)

2.19 Operating Leases – where the Group is the lessee

Leases of property, plant and equipment where the lessor assumes a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the statement of income using the straight-line method over the period of the lease.

The expenses incurred to terminate the operating lease agreements before their maturity, such as, the compensation paid to the lessor for such termination, are recognized as expenses in the period in which the termination takes place.

2.20 Provision for Decommissioning Costs

The Group records provision for decommissioning costs whenever it is probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated.

The Group recognizes provision for decommissioning costs, which is provided at the onset of completion of the project, based on an estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the oil and gas properties and are amortized based on proved reserves on the unit of production basis. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's own engineers and management's judgment.

2.21 Pension Fund and Provident Fund

The Company established a Provident Fund under the name of "The Registered Provident Fund of PTT Public Company Limited and Affiliates". All employees joining the Company on or after October 1, 1993 are required to be members of the Provident Fund. Employees joining prior to October 1, 1993 may elect to be members of either the Pension Fund or the Provident Fund. This fund has four investment policies. The employees have rights to choose one of them according to their needs.

The Company contributes on a monthly basis to the Pension Fund at the rate of 10% of its employees' salaries, and also contributes an additional amount to provide an adequate reserve at the rate of 100% of the obligation due at the end of each accounting period. Contributions are included in other non-current liabilities in the balance sheet. Interests earned from the assets of the Pension Fund are recognized as income, while the contributions to the fund are recognized as expenses in the statement of income.

2.22 Income Taxes

Current Income Taxes

The Group is taxed on its non-promoted businesses pursuant to the Revenue Code of Thailand, the Petroleum Income Tax Act, B.E. 2514 (1971) and Amendment, B.E. 2532 (1989) and the Corporate Income Taxes regulations of the Southeast Asian countries in which the Group has invested.

Current income taxes are taxes expected to be paid and are calculated on taxable profit for the year applying tax enacted at the balance sheet date adjust with taxes adjustments on previous year transactions.

2. Accounting Policies (Continued)

2.22 Income Taxes (Continued)

Deferred income taxes

Deferred income taxes are provided in full using the liability method in the balance sheet on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from the allowance for doubtful accounts, accumulated depreciation of plant and equipment and amortization of decommissioning costs, including the previous tax losses carried forward and the differences between the fair value of derived assets and their tax bases.

The tax rates enacted at the balance sheet dates are used to determine deferred income taxes.

Deferred tax assets are recognized to the extent that it is probable that the Group's future taxable profit will be available against which the temporary differences can be utilized and will be diluted as much as taxable profit be had a chance to use.

Deferred income tax assets and liabilities are offset when related to the same legal tax authority.

2.23 Revenue Recognition

The Group recognizes sales revenues upon delivery of products or when significant risks and rewards of ownership are transferred to the customer. Service revenues are recognized when the services rendered. These revenues are recognized net of trade discount.

Other revenues are recognized on the following bases:

Interest income - on a time proportion basis using the effective yields of interest bearing assets.

Royalty income - on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income - when the right to receive payments established.

Revenues other than those mentioned above are recognized on an accrual basis.

2.24 Earnings per Share

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

For the diluted earnings per share, the Group adjusts net income for the year attributable to ordinary shares. The weighted average number of ordinary shares held by third parties in issue during the year is adjusted by the Group to assume the conversion of all potential diluted ordinary shares.

2.25 Financial Instruments

Financial assets carried in the balance sheet include cash and cash equivalents, current investments, trade accounts and notes receivable-others, trade accounts receivable-related parties, other accounts receivable, advances, short-term loans to related parties, other accounts receivable and short-term loans-others and long-term loans to related parties. Financial liabilities carried in the balance sheet include bank overdrafts and short-term loans from financial institutions, trade accounts payable-others, trade accounts payable - related parties, other accounts payable - related parties, short-term and long-term loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2. Accounting Policies (Continued)

2.25 Financial Instruments (Continued)

The Group utilizes financial instruments to reduce its exposure to risk associated with fluctuations in foreign currency exchange rates, interest rates and oil market prices. These instruments primarily comprise of:

Forward Foreign Exchange Contracts

Forward foreign exchange contracts protect the Group from movements in exchange rates by establishing the rates at which foreign currency assets will be realized or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognized in the financial statements on inception. The premium or discount on the establishment of each agreement is amortized over the contract period.

Cross-currency and Interest Rate Swap Contracts

Cross-currency and interest rate swap contracts protect the Group from fluctuations in exchange rates and interest rates. Foreign monetary assets and liabilities at the balance sheet dates protected by cross-currency contracts are translated using the rates determined in the contracts. Gains or losses on early termination of contracts or on repayment of the borrowings before maturity are taken to the statement of income.

Futures Oil Contracts

The Company has entered into futures oil contracts to hedge risk arising from fluctuations in oil prices in accordance with the oil purchase and sale agreements by determining the future prices and has recognized gains or losses from these contracts in the statement of income at the end of the contracts.

The risk management policy is described in Note 35: Disclosure of Financial Instruments.

2.26 Use of Estimates and Significant Assumptions

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses together with the significant assumptions and source of contingent estimates resulted in carrying amount of assets and liabilities presented in the financial statements. The details are as follows:

Provisions

The Group recognizes the provisions in the balance sheet when the Group has a present commitment resulting from past circumstances and it is probable that the Group will lose economic benefit through payment of this commitment and the amount can be estimated reliably.

The Group records the provisions for decommissioning costs when it is probable that a commitment will arise as a result of past circumstances and the amount can be estimated reliably. The Group recognizes the provisions for decommissioning costs based on an estimated amount of decommissioning costs with completed construction and ready to use, these costs are included as part of oil and gas exploration and production properties and are amortized using the unit of production method based on estimated proved recoverable reserves. The provisions for decommissioning costs are reviewed and estimated by the Group's own engineers and based on management's judgment.

2. Accounting Policies (Continued)

2.26 Use of Estimates and Significant Assumptions (Continued)

Provisions (Continued)

The provisions depend on present circumstances such as rules, technologies and price levels so the actual result will be different from the estimations and assumptions set.

Income Taxes

The Group is responsible for payment of tax in various countries; when deferred tax liabilities are estimated, the Group must use significant judgment because of a number of transactions and calculations arising from its operations.

The Group recognizes deferred tax liabilities using estimated tax incremental payments. The difference between actual taxes paid and the estimation will affect income taxes and deferred tax in the period of estimation.

A deferred tax asset will be recognized when it is probable that the Group will have sufficient net income against which to utilize the temporary difference. The assumption of future net taxable income is uncertain and will be changed to reflect in the recognition of deferred tax asset.

Estimation of Petroleum Reserves

The petroleum reserves are an important fundamental for investment assessment in various projects of exploration and production petroleum businesses, including a test of impairment. The change in proved reserves will affect the present value based on net cash inflow and depreciation expenses calculated using the unit of production method.

The proved reserves are the volume of commercial petroleum production with high probability under current economic conditions, production method and government's rules. The proved reserves will be checked and assessed annually by geologist and reservoir engineer of the Group.

Exploration Costs

The petroleum exploration and production businesses have drilling costs that are accounted as assets. When they are aged over 12 months, they will be amortized as expenses in statement of income except for (1) discovery of proved reserves (2) discovery of adequate reserves commercially and having future exploration & assessment plans. The decision to amortize drilling petroleum costs recorded as assets and aged over 12 months should be made by using the assumptions to assess under current circumstances. In case those assumptions are changed in the accounting periods thereafter, the petroleum drilling costs capitalized as assets will be written off as expenses in that accounting period.

Impairment of Assets

The Group considers recording an allowance for impairment of assets when an event or a circumstance indicates that the carrying amount of an asset is higher than its net realizable value. If the carrying amount of an asset is higher than its net realizable value which is the higher of the anticipated discounted cash flows from the continuous use of the asset or the amount obtainable from the sale of the asset less any disposal costs, it is written down immediately to its net realizable value. The decrease is recorded in the statement of income. Thus, the loss on impairment of assets excluding goodwill recognized in the prior period will be reversed, if the estimation for indicated net realizable value changes.

2. Accounting Policies (Continued)

2.26 Use of Estimates and Significant Assumptions (Continued)

Impairment of Assets (Continued)

The Group estimates the expected amount of future production petroleum (exploration and production business) as the factors for impairment test because the Group believes these to be the most reasonable indicators for estimating future cash flows, including the future proved reserves.

The estimation of discounted future cash flows depends on various factors such as the expected amount of future production, future selling prices, demand and supply in the market, risk and gross margin. Discounted rates used in the calculation of present value of future cash flows depend on cost of capital of the asset unit.

2.27 Capital Risk Management

The capital management objective of the Group is to create returns for shareholders and stakeholders and to maintain a reasonable capital structure to decrease the cost of capital.

2.28 Segment Information

The Group has presented its financial information by business segments, not by geographical segments. The reason is that geographical segments other than Thailand reported less than 10% of the consolidated revenues, operating results and total assets.

3. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2009	2008	2009	2008
Cash on hand	310.96	389.34	217.37	243.15
Deposits held at call with banks	36,572.58	32,844.75	15,305.88	16,012.25
Fixed deposits	21,011.37	17,235.31	2,000.00	6,000.00
Treasury bills	22,333.69	23,288.95	2,392.92	386.32
Promissory notes	7,554.99	6,052.00	6,579.54	4,500.00
Bank of Thailand bonds	16,272.32	11,008.35	16,272.32	11,008.35
Total	104,055.91	90,818.70	42,768.03	38,150.07

Cash and cash equivalents as at December 31, 2009 mainly bear interest at rates ranging from 0.22% to 3.97% per annum (December 31, 2008: interest rates ranging from 0.50% to 4.00% per annum).

4. Current Investments

Current investments as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2009	2008	2009	2008
Fixed deposits	412.30	39.60	30.99	39.60
Treasury bills	2,663.25	-	2,663.25	-
Bonds	5,305.66	752.49	4,947.50	752.49
Promissory notes	421.71	425.93	400.00	210.86
Total	8,802.92	1,218.02	8,041.74	1,002.95

Current investments as at December 31, 2009 mainly bear interest at rates ranging from 1.13% to 3.00% per annum (December 31, 2008: interest rates ranging from 2.25% to 4.50% per annum).

5. Accounts Receivable – Others

5.1 Trade accounts and notes receivable – others, net as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Trade accounts receivable	85,705.55	67,914.73	66,428.03	55,906.18
Notes receivable	2,173.88	1,404.82	1,400.33	1,404.82
Total	87,879.43	69,319.55	67,828.36	57,311.00
<u>Less Allowance for doubtful accounts</u>	<u>1,981.07</u>	<u>2,440.09</u>	<u>1,120.82</u>	<u>1,571.94</u>
Trade accounts and notes receivable – others, net	<u>85,898.36</u>	<u>66,879.46</u>	<u>66,707.54</u>	<u>55,739.06</u>

Outstanding trade accounts and notes receivable – others, net as at December 31, 2009 and 2008 can be aged as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current	81,719.47	60,623.54	63,711.91	51,665.22
Overdue				
- Not over 3 months	1,369.87	3,199.95	714.41	1,498.18
- Over 3 months but not over 6 months	845.48	1,455.05	812.19	1,326.93
- Over 6 months but not over 12 months	1,333.69	1,339.37	1,305.75	1,319.27
- Over 12 months	2,610.92	2,701.64	1,284.10	1,501.40
Total	87,879.43	69,319.55	67,828.36	57,311.00
<u>Less Allowance for doubtful accounts</u>	<u>1,981.07</u>	<u>2,440.09</u>	<u>1,120.82</u>	<u>1,571.94</u>
Trade accounts and notes receivable - others, net	<u>85,898.36</u>	<u>66,879.46</u>	<u>66,707.54</u>	<u>55,739.06</u>

Trade accounts and notes receivable – others, net as at December 31, 2009 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 15,684.25 million (2008: Baht 16,161.61 million), and in the separate financial statements amounting to Baht 15,513.30 million (2008: Baht 15,945.10 million).

5. Accounts Receivable – Others (Continued)

5.2 Other accounts receivable and short-term loans – others, net as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Other accounts receivable	8,730.54	10,622.72	1,827.61	4,398.98
<u>Less</u> Allowance for doubtful accounts	<u>520.06</u>	<u>563.73</u>	<u>514.10</u>	<u>558.90</u>
Other accounts receivable, net	8,210.48	10,058.99	1,313.51	3,840.08
Refund receivable from Oil Stabilization Fund	10,032.14	9,777.54	10,023.81	9,777.25
Short-term loans	<u>1,261.62</u>	<u>245.47</u>	<u>333.92</u>	<u>245.47</u>
Other accounts receivable and short-term loan – others, net	<u>19,504.24</u>	<u>20,082.00</u>	<u>11,671.24</u>	<u>13,862.80</u>

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

6. Related Party Transactions

The following are significant transactions carried out with related parties:

6.1 Trade accounts receivable – related parties, net as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Subsidiaries	-	-	10,954.81	7,970.58
Jointly controlled entities	-	-	456.44	117.54
Associates	40,288.03	29,472.11	40,230.30	29,407.27
Other related parties	2,870.44	2,000.20	2,812.74	2,000.00
Total	43,158.47	31,472.31	54,454.29	39,495.39
<u>Less</u> Allowance for doubtful accounts	240.11	260.71	240.11	267.83
Trade accounts receivable – related parties, net	<u>42,918.36</u>	<u>31,211.60</u>	<u>54,214.18</u>	<u>39,227.56</u>

Outstanding trade accounts receivable – related parties, net as at December 31, 2009 and 2008 can be aged as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Current	42,734.79	27,844.57	50,596.59	32,327.99
Overdue				
- Not over 3 months	152.83	62.56	222.48	345.55
- Over 3 months but not over 6 months	153.43	3,267.27	1,030.79	3,280.93
- Over 6 months but not over 12 months	-	293.03	1,988.05	317.92
- Over 12 months	117.42	4.88	616.38	3,223.00
Total	43,158.47	31,472.31	54,454.29	39,495.39
<u>Less</u> Allowance for doubtful accounts	240.11	260.71	240.11	267.83
Trade accounts receivable – related parties, net	<u>42,918.36</u>	<u>31,211.60</u>	<u>54,214.18</u>	<u>39,227.56</u>

(TRANSLATION)

6. Related Party Transactions (Continued)

6.2 Other accounts receivable, advances and short-term loans – related parties, net as at December 31, 2009 and 2008.

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2009	2008	2009	2008
Other accounts receivable				
Subsidiaries	-	-	464.97	1,032.60
Jointly controlled entities	-	-	286.89	283.88
Associates	574.22	550.54	570.57	545.62
Other related parties	228.13	144.07	227.06	143.23
Total	802.35	694.61	1,549.49	2,005.33
<u>Less</u> Allowance for doubtful accounts	135.37	141.67	135.37	141.75
Other accounts receivable, net	666.98	552.94	1,414.12	1,863.58
Advances				
Subsidiaries	-	-	364.73	-
Associates	0.30	354.50	0.30	354.50
Other related parties	244.74	247.25	244.71	247.25
Total	245.04	601.75	609.74	601.75
<u>Less</u> Allowance for doubtful accounts	-	354.07	-	354.07
Advances, net	245.04	247.68	609.74	247.68
Short-term loans				
Subsidiaries	-	-	18,935.61	17,632.25
Jointly controlled entities	-	-	1,855.40	1,685.29
Associates	90.10	-	-	-
Short-term loans	90.10	-	20,791.01	19,317.54
Total	1,002.12	800.62	22,814.87	21,428.80

Changes in short-term loans – related parties for the year ended December 31, 2009 are as follows:

	Unit: Million Baht	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Balance as at December 31, 2008	-	19,317.54
- Payment for loans granted	90.10	32,342.34
- Receipt from loans granted	-	(30,868.87)
Balance as at December 31, 2009	90.10	20,791.01

Short-term loans to related parties as at December 31, 2009 and 2008 are unsecured and bear interest at rates ranging from 1.13% to 7.25% per annum (December 31, 2008: interest rates ranging from 3.23% to 7.25% per annum).

6. Related Party Transactions (Continued)

6.3 Other accounts receivable, advances and long-term loans – related parties as at December 31, 2009 and 2008.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Other accounts receivable				
Subsidiaries	-	-	-	278.44
Associates	1,653.23	1,450.07	1,653.23*	1,450.07
	1,653.23	1,450.07	1,653.23	1,728.51
Advances				
Associates	1.10	0.22	1.10	0.22
	1.10	0.22	1.10	0.22
Long-term loans				
Subsidiaries	-	-	19,447.00	12,227.00
Associates	5,484.24	5,050.05	5,469.50	5,050.05
	5,484.24	5,050.05	24,916.50	17,277.05
Total	7,138.57	6,500.34	26,570.83	19,005.78

* The accrued interest income from an associate is due after the associate makes redemption of its debentures.

Changes in long-term loans – related parties for the year ended December 31, 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	Balance as at December 31, 2008	5,050.05		17,277.05
- Payment for loans granted	434.19		10,139.45	
- Receipt from loans granted	-		(2,500.00)	
Balance as at December 31, 2009	5,484.24		24,916.50	

Long-term loans to related parties as at December 31, 2009 and 2008 are unsecured and bear interest at rates ranging from 3.25% to 7.25% per annum (December 31, 2008: interest rates ranging from 4.88% to 7.69% per annum).

6. Related Party Transactions (Continued)

6.4 Trade accounts payable – related parties as at December 31, 2009 and 2008.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Subsidiaries	-	-	10,086.28	10,538.81
Jointly controlled entities	-	-	3,035.81	4,491.19
Associates	30,002.75	14,327.19	28,219.14	13,382.84
Other related parties	2,519.90	1,068.60	387.02	229.51
Total	32,522.65	15,395.79	41,728.25	28,642.35

6.5 Other accounts payable – related parties as at December 31, 2009 and 2008.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Subsidiaries	-	-	1,053.43	72.43
Jointly controlled entities	-	-	951.13	1.76
Associates	565.24	235.64	535.50	223.25
Other related parties	86.67	182.27	86.67	87.73
Total	651.91	417.91	2,626.73	385.17

6.6 Other long-term accounts payable – related parties as at December 31, 2009 and 2008.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Subsidiaries	-	-	9.76	11.13
Jointly controlled entities	-	-	14.60	15.32
Associates	20.66	22.38	20.66	22.38
Other related parties	718.09	749.89	718.09	749.89
Total	738.75	772.27	763.11	798.72

6. Related Party Transactions (Continued)

6.7 Revenue and expense transactions carried out with related parties.

For the years ended periods December 31, 2009 and 2008

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Revenues				
Sales:				
Subsidiaries	-	-	65,098.03	49,044.09
Jointly controlled entities	-	-	1,589.00	1,191.76
Associates	574,910.86	843,753.69	574,357.71	843,608.12
Other related parties	19,353.71	19,161.01	19,252.08	19,160.83
Interest income:				
Subsidiaries	-	-	2,317.20	1,912.60
Jointly controlled entities	-	-	98.02	84.42
Associates	264.22	324.99	264.22	324.99
Other related parties	-	0.91	-	0.91
Dividend income:				
Subsidiaries	-	-	8,756.70	10,340.78
Jointly controlled entities	-	-	27.81	121.07
Associates	-	-	5,708.68	17,153.65
Other related parties	53.68	66.92	53.68	66.92
Other income:				
Subsidiaries	-	-	606.69	465.80
Jointly controlled entities	-	-	85.27	224.35
Associates	3,919.19	8,059.37	3,916.42	8,058.27
Other related parties	102.33	56.65	101.94	56.01
Expenses				
Purchases:				
Subsidiaries	-	-	97,446.15	116,307.81
Jointly controlled entities	-	-	27,612.20	27,964.71
Associates	408,801.86	531,152.82	391,710.15	517,879.97
Other related parties	19,919.24	17,112.57	7,662.38	5,642.29
Other expenses:				
Subsidiaries	-	-	636.89	1,157.06
Jointly controlled entities	-	-	0.23	0.24
Associates	1,764.08	1,063.22	1,738.61	1,049.82
Other related parties	897.06	826.00	896.62	825.30

The related party transactions as stated above exclude transactions carried out with government agencies and state enterprises.

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

6. Related Party Transactions (Continued)

- 6.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 42.1
- 6.9 Crude oil and refined products purchase and sale transactions carried out with related parties without the delivery of products, with the objective of maintaining crude oil and refined products reserves, were offset in the financial statements comprising:

For the years ended periods December 31, 2009 and 2008 as follow;

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2009	2008	2009	2008
Sales				
Associates	3,828.45	12,567.07	3,828.45	12,567.07
Purchases				
Associates	3,828.45	12,567.07	3,828.45	12,567.07

7. Inventories

Inventories as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2009	2008	2009	2008
Oil products	9,596.99	11,607.58	4,831.74	7,747.12
Gas products	909.58	856.66	907.61	855.86
Petrochemical products	759.94	483.34	3.53	-
Others	1,852.18	1,740.01	614.17	1,553.00
Total	<u>13,118.69</u>	<u>14,687.59</u>	<u>6,357.05</u>	<u>10,155.98</u>

During the year 2009, the Group has recognized a decrease in inventory value equal to net realizable value in the consolidated financial statements amounting to Baht 18.98 (2008 : Baht 308.70) million and in the separate financial statements amounting to Baht 15.60 million (2008 : Baht 178.42).

Inventories as stated above exclude the legal reserve, which is presented as other non-current assets as discussed in Note 18.

8. Materials and Supplies, Net

Materials and supplies as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Spare parts, equipment and others	11,544.62	9,130.43	2,957.82	2,452.19
<u>Less</u> Allowance for obsolescence	<u>140.38</u>	<u>126.63</u>	<u>60.66</u>	<u>58.74</u>
Materials and supplies, net	<u><u>11,404.24</u></u>	<u><u>9,003.80</u></u>	<u><u>2,897.16</u></u>	<u><u>2,393.45</u></u>

9. Other Current Assets

Other current assets as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Prepaid expenses	2,765.20	4,839.80	1,022.86	3,285.56
Accrued interest income and others	911.16	424.50	666.70	275.68
Deferred input value added tax	1,324.64	1,352.45	1,070.25	966.01
Others	<u>2,908.82</u>	<u>2,095.14</u>	<u>25.74</u>	<u>110.26</u>
Total	<u><u>7,909.82</u></u>	<u><u>8,711.89</u></u>	<u><u>2,785.55</u></u>	<u><u>4,637.51</u></u>

10. Investments in Subsidiaries, Jointly Controlled Entities and Associates

10.1 Details of subsidiaries, jointly controlled entities and associates of the Company.

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Subsidiaries:</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.43	65.54
PTT (Cambodia) Co., Ltd. (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	49.00	49.00
PTT International Trading Pte. Ltd. (PTTT)	Singapore	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd (PTTPM)	Thailand	Polymer marketing	50.00	50.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics services	100.00	100.00
PTT Retail Business Co., Ltd. (PTTRB)	Thailand	Management services and oil marketing	100.00	100.00
Combined Heat and Power Producing Co., Ltd. (CHPP)	Thailand	Generation and supply of electricity and chilled water	100.00	100.00
PTT International Co., Ltd. (PTT INTER)	Thailand	International investment	100.00	100.00
PTT Green Energy Pte. Ltd. (PTTGE)	Singapore	Investment in palm oil	100.00	100.00
Business Services Alliance Co., Ltd. (BSA)	Thailand	Management services	25.00	25.00
PTT Tank Terminal Co., Ltd. (PTT TANK)	Thailand	Terminal and warehouse	100.00	-
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	48.95	-

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

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Jointly controlled entities:</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co, Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	48.50	48.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
<u>Associates:</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.10	49.10
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	28.46	29.75
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	-	48.95
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipelines	33.19	33.19
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and selling LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and selling LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	36.68	36.77
Independent Power (Thailand) Co., Ltd (IPT)	Thailand	Electricity generation	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemicals	49.16	49.30
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industries	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
PTT Aromatics and Refining Public Co., Ltd. (PTTAR)	Thailand	Petrochemicals and refining	48.65	48.66
PTT Maintenance & Engineering Co., Ltd. (PTTME) (Formerly Alliance Plant Service Co., Ltd. (APS))	Thailand	Factory maintenance and engineering services	40.00	40.00

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries.

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Subsidiaries of PTTEP:</u>				
PTTEP International Co., Ltd. (PTTEPI)	Thailand	Petroleum	100.00	100.00
PTTEP Offshore Investment Co., Ltd. (PTTEPO)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Siam Co., Ltd. (PTTEPS)	Thailand	Petroleum	100.00	100.00
PTTEP Services Co., Ltd. (PTTEP Services)	Thailand	Service operation	100.00	100.00
PTTEP Kim Long Vietnam Co., Ltd. (PTTEP KV)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Southwest Vietnam Co., Ltd. (PTTEP SV)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Hoan – Vu Co., Ltd. (PTTEP HV)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Hoang – Long Co., Ltd. (PTTEP HL)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Oman Co., Ltd. (PTTEP OM)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Algeria Co., Ltd. (PTTEP AG)	Cayman Islands	Petroleum	100.00	100.00
PTTEP (Thailand) Co., Ltd. (PTTEP T)	Thailand	Petroleum	100.00	100.00
PTTEP Iran Co., Ltd. (PTTEP IR)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Merangin Co., Ltd. (PTTEPM)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Bahrain Co., Ltd. (PTTEP BH)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Holding Co., Ltd. (PTTEPH)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Indonesia Co., Ltd. (PTTEP ID)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Bengara I Co., Ltd. (PTTEPB)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Thai Projects Co., Ltd. (PTTEP TP)	Thailand	Petroleum	100.00	100.00
PTTEP Andaman Co., Ltd. (PTTEPA)	Thailand	Petroleum	100.00	100.00
PTTEP Egypt Co., Ltd. (PTTEP EG)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Rommana Co., Ltd. (PTTEPR)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Sidi Abd El Rahman Co., Ltd. (PTTEP SAER)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Australia Pty Limited (PTTEP AU)	Australia	Petroleum	100.00	100.00
PTTEP Australia Offshore Pty Limited (PTTEP AO)	Australia	Petroleum	100.00	100.00
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	100.00	100.00

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Subsidiaries of PTTEP: (Continued)</u>				
PTTEP Myanmar Limited (PTTEP MYA)	Cayman Islands	Petroleum	100.00	100.00
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	100.00	100.00
PTTEP Australia Perth Pty Limited (PTTEP AP)	Australia	Petroleum	100.00	100.00
Andaman Transportation Limited (ATL)	Cayman Islands	Petroleum	100.00	-
PTTEP West Africa Co., Ltd.(PTTEP WA)	Cayman Islands	Petroleum	100.00	-
<u>Subsidiary of PTCL:</u>				
Houakhong Trading Co., Ltd.(Houakhong)	Lao People's Democratic Republic	Oil marketing	100.00	100.00
<u>Subsidiaries of SBECL:</u>				
PTT Philippines Trading Corporation (PTTTC)	Philippines	Oil marketing	100.00	100.00
PTT Philippines Corporation (PTTPC)	Philippines	Oil marketing	100.00	100.00
<u>Subsidiaries of PTTT:</u>				
PTT International Trading DMCC (PTTT DMCC)	United Arab Emirates	Oil International trading	100.00	100.00
<u>Subsidiaries of PTTPM:</u>				
Polymer Marketing DMCC Co., Ltd. (PM DMCC)	United Arab Emirates	Polymer marketing	100.00	-
<u>Subsidiaries of PTTRB:</u>				
PTT Retail Management Co., Ltd. (PTTRM)	Thailand	Management of petrol stations and convenience stores	100.00	100.00
PTT Retail Service Co., Ltd. (PTTRS)	Thailand	Employee management service	100.00	100.00
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	51.05	-
PTT Saraburi Terminal Co., Ltd. (PTTST)	Thailand	Investment in land	-	100.00
PTT Network Development Co., Ltd. (PTTND)	Thailand	Investment in land	-	100.00

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
Subsidiaries of PTT INTER:				
PTT Mining Limited (PTTML) (Formerly Lints Limited (Lints))	Hong Kong	Investment in other companies	100.00	100.00
PTT International (Singapore) (PTT Inter(Sing))	Singapore	Investment in other companies	100.00	-
PTT Asia Pacific Mining Pty. Ltd.(PTTAPM) (Formerly Straits Bulk and Industrial Pty. Ltd. (SBI)	Australia	Investment in mining	60.00	-
Straits Asia Resources Limited (SAR)	Singapore	Investment in coal mining	45.60	-
Yannarie Solar Pty.,Ltd.(YSP)	Australia	Salt mining	100.00	-
Straits Global Trading Pte.,Ltd.(SGT)	Singapore	Marketing of coal mining	100.00	-
SAR Resources (Australia Pty.Ltd.(SARA)	Australia	Human resource management	100.00	-
Sebuka Investments Ltd. (SIL)	Isle of Man	Investment in other companies	100.00	-
PT Bahari Perdana Persada (BPPD)	Indonesia	Investment in other companies	100.00	-
PT Bahari Cakrawala Sebuka (BCS)	Indonesia	Coal mining	100.00	-
PT Bahari Putra Perdana (BPPN)	Indonesia	Investment in other companies	100.00	-
PT Reyka Wahana Digdjaya (RWD)	Indonesia	Investment in other companies	100.00	-
PT Bumi Borneo Metalindo (BBM)	Indonesia	Coal mining	100.00	-
PT Citra Pertiwi Nusantara (CPN)	Indonesia	Coal mining	100.00	-
PT Borneo Citrapertiwi Nusantara (BCN)	Indonesia	Investment in other companies	100.00	-
PT Separi Energy (SE)	Indonesia	Investment in other companies	100.00	-
PT Jembayan Muarabara (JMB)	Indonesia	Coal mining	100.00	-
PT Kemilau Rindang Abadi (KRA)	Indonesia	Coal mining	100.00	-
PT Arzara Baraindo Energitama (ABE)	Indonesia	Coal mining	100.00	-
PT Bumiborneo Pertiwi Nusantara (BPN)	Indonesia	Investment in other companies	100.00	-
PT Karbon Mahakam (KMM)	Indonesia	Coal mining	100.00	-
PT Metalindo Bumi Raya (MBR)	Indonesia	Coal mining	100.00	-
PT Kuda Perdana Pertewi (KPP)	Indonesia	Coal mining	100.00	-
Straits Asia Energy Pte Ltd (SAEnergy)	Singapore	Investment in other companies	100.00	-
Straits Energy Trading Pte Ltd (SET)	Singapore	Investment in other companies	100.00	-
Straits Marine & Infrastructure Pte Ltd (SMI)	Singapore	Marine engineering	100.00	-
Straits Asia Engineering Pte Ltd (SAE)	Singapore	Investment in other companies	100.00	-
PT Indo Straits (PTIS)	Indonesia	Marine engineering	100.00	-
PT Straits Consultancy Services (SCS)	Indonesia	Management services	100.00	-

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Subsidiaries of PTTGE:</u>				
Kalimantan Thai Palm Pte., Ltd. (KTP)	Singapore	Investment in other companies	100.00	100.00
Sabran Brothers Pte., Ltd.	Singapore	Investment	100.00	100.00
PT.Mitra Aneka Rezeki (PT Mar)	Indonesia	Palm oil	95.00	95.00
PT.Az.Zhara	Indonesia	Palm oil	95.00	95.00
PT Taringin Perkasa (TP)	Indonesia	Palm oil	95.00	95.00
PT Sawit Mandiri Sampuraga (SMS)	Indonesia	Palm oil	95.00	95.00
PT Sawit Mandiri Sejahtera Kobar (SMSK)	Indonesia	Palm oil	95.00	95.00
PT Mirza Pratama Putra (MPP)	Indonesia	Palm oil	95.00	95.00
PT Landen Roslia Mandiri (LRM)	Indonesia	Palm oil	95.00	95.00
PT Lamandau Sawit Lestari (LSL)	Indonesia	Palm oil	95.00	95.00
PTT Green Energy (Thailand) Co.,Ltd.	Thailand	Management services	97.00	-
<u>Jointly Controlled Entities of PTTEP:</u>				
Carigali - PTTEPI Operating Company Sdn. Bhd. (CPOC)	Malaysia	Petroleum	50.00	50.00
Moattama Gas Transportation Company (MGTC)	Bermuda	Natural gas transmission pipelines	25.50	25.50
Taninthayi Pipeline Company LLC. (TPC)	Cayman Islands	Natural gas transmission pipelines	19.3178	19.3178
Orange Energy Limited (Orange)	Thailand	Petroleum	53.9496	53.9496
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	25.0009	25.0009
<u>Jointly Controlled Entities of PTT INTER:</u>				
FEE (Bru) Pte.,Ltd.	Brunei	Coal mining	35.00	-

Projects of PTT Exploration and Production Public Co., Ltd. (PTTEP)

Project	Country	Operator	Shareholding Percentage	
			2009	2008
Bongkot	Thailand	PTT Exploration and Production Public Co.,Ltd.	44.4445	44.4445
Arthit	Thailand	PTT Exploration and Production Public Co.,Ltd.	80.00	80.00
Arthit North	Thailand	PTT Exploration and Production Public Co.,Ltd.	100.00	100.00
Pailin	Thailand	Chevron Thailand Exploration and Production, Ltd.	45.00	45.00
Sinphuhorm (Block E 5 North)	Thailand	Hess (Thailand) Co., Ltd.	20.00	20.00
S 1	Thailand	PTTEP Siam Co.,Ltd.	25.00	25.00
Unocal III	Thailand	Chevron Thailand Exploration and Production Co., Ltd.	5.00	5.00
E 5	Thailand	Exxon Mobil Exploration and Production Khorat Inc.	20.00	20.00

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Projects of PTTEP International Co., Ltd. (PTTEPI)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagan	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.3178	19.3178
PTTEP 1	Thailand	PTTEP International Company Limited	100.00	100.00
G 4/43	Thailand	Chevron Offshore (Thailand) Co.,Ltd.	21.375	21.375
G 9/43	Thailand-Cambodia	PTTEP International Company Limited	100.00	100.00
L 22/43	Thailand	PTTEP International Company Limited	100.00	100.00
Cambodia B	Cambodia	PTTEP International Company Limited	33.333334	33.333334
Myanmar M9&M11	Myanmar	PTTEP International Company Limited	100.00	100.00
Myanmar M3, M4 &M7	Myanmar	PTTEP International Company Limited	100.00	100.00
Joint Development Areas Thailand – Malaysia - B17	Thailand - Malaysia	Carigali – PTTEPI Operating Company Sendirian Berhad	50.00	50.00

Projects of PTTEP Offshore Investment Co., Ltd. (PTTEPO)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
B8/32 & 9A*	Thailand	Chevron Offshore (Thailand) Co.,Ltd.	25.0010	25.0010
New Zealand Great South	New Zealand	OMV New Zealand Limited	-	36.00

Projects of PTTEP Southwest Vietnam Co., Ltd. (PTTEP SV)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7.00	7.00

Projects of PTTEP Kim Long Vietnam Co., Ltd. (PTTEP KV)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Vietnam B & 48/95	Vietnam	Chevron Vietnam (Block B), Ltd.	8.50	8.50

Projects of PTTEP Hoang-Long Co., Ltd. (PTTEP HL)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Vietnam 16-1	Vietnam	Hoang Long Joint Operating Company	28.50	28.50

Projects of PTTEP Hoan-Vu Co., Ltd. (PTTEP HV)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	25.00	25.00

* PTTEPO held shares in Orange Energy Limited and B8/32 Partners Limited which were concession holders in this project.

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Projects of PTTEP Oman Co., Ltd. (PTTEP OM)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Oman 44	Oman	PTTEP Oman Co., Ltd.	100.00	100.00
Oman 58	Oman	PTTEP Oman Co., Ltd.	100.00	100.00

Projects of PTTEP Algeria Co., Ltd. (PTTEP AG)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Algeria 433a & 416b	Algeria	Petro Vietnam Exploration Production Corporation	35.00	35.00

Projects of PTTEP (Thailand) Co., Ltd. (PTTEPT)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Bongkot (Block G12/48)	Thailand	PTTEP (Thailand) Co., Ltd.	44.4445	44.4445
Arthit (Block G9/48)	Thailand	PTTEP (Thailand) Co., Ltd.	80.00	84.00
L 53/43 & L 54/43	Thailand	PTTEP (Thailand) Co., Ltd.	100.00	100.00
G 4/48	Thailand	Chevron Pattani Co., Ltd.	5.00	-

Projects of PTTEP Siam Co., Ltd. (PTTEPS)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Sinphuhorm (Block EU-1)	Thailand	Hess (Thailand) Co., Ltd.	20.00	20.00
B6/27 * ³ (Formerly Nang Nuan)	Thailand	PTTEP Siam Co., Ltd.	60.00	100.00
S1	Thailand	PTTEP Siam Co., Ltd.	75.00	75.00
L21, 28 & 29/48	Thailand	PTTEP Siam Co., Ltd.	70.00	70.00
A4, 5 & 6/48	Thailand	PTTEP Siam Co., Ltd.	100.00	100.00

Projects of PTTEP Iran Co., Ltd. (PTTEP IR)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Iran Saveh	Iran	PTTEP Iran Co., Ltd.	100.00	100.00

Projects of PTTEP Merangin Co., Ltd. (PTTEPM)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Indonesia Merangin-1	Indonesia	PT Medco E&P Merangin	-	40.00

* On July 27, 2009, the government approved to transfer 40% interest to Nippon Oil Exploration Limited (NOEX).

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Projects of PTTEP Bengara I Co., Ltd. (PTTEPB)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Indonesia Bengara-1	Indonesia	PT Medco E&P Bengara	40.00	40.00

Projects of PTTEP Thai Projects Co., Ltd. (PTTEP TP)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Unocal III (G 6/50)	Thailand	Chevron Petroleum Thailand Co., Ltd.	5.00	5.00
Pailin (G 7/50)	Thailand	Chevron Petroleum Thailand Co., Ltd.	45.00	45.00
Arthit (G 8/50)	Thailand	PTTEP Thai Projects Co., Ltd.	80.00	80.00

Projects of PTTEP Australia Offshore Pty. (PTTEP AO)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Australia AC/P 36	Australia	Murphy Australia Oil Pty Ltd.	20.00	20.00
Australia WA 423	Australia	Murphy Australia Oil Pty Ltd.	30.00	30.00

Projects of PTTEP Bangladesh Limited (PTTEP BD)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Bangladesh 17 & 18	People's Republic of Bangladesh	Total E&P Bangladesh	-	30.00

Projects of PTTEP Rommana Co., Ltd. (PTTEPR)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Rommana	Egypt	Sipetrol International S.A.	30.00	30.00

Projects of PTTEP Bahrain Co., Ltd. (PTTEP BH)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Bahrain 2	Bahrain	PTTEP Bahrain Co., Ltd.	100.00	100.00

Projects of PTTEP Sidi Abd EI Rahman Co., Ltd. (PTTEP SAER)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Sidi Abd EI Rahman offshore	Egypt	Edison International SPA	30.00	30.00

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Projects of PTTEP Semai II Limited (PTTEP SEMAI II LIMITED)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd.	33.33	33.33

Projects of PTTEP New Zealand Limited (PTTEP NZ)

<u>Project</u>	<u>Country</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
New Zealand Great South	New Zealand	OMV New Zealand Limited	36.00	-

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

10.2 Details of the subsidiaries, jointly controlled entities and associates of subsidiaries. (Continued)

Projects of PTTEP Australia Perth Pty Limited

<u>Project</u>	<u>Country</u>
PTTEP Australia Perth Pty Limited	Australia

Details of operators and shareholding percentage in projects of PTTEP Australia are as follows.

<u>Project</u>	<u>Operator</u>	<u>Shareholding Percentage</u>	
		<u>2009</u>	<u>2008</u>
AC/L7, AC/L8, AC/P34 & AC/P40	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	-
AC/L1, AC/L2, AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Ltd	89.6875	-
AC/RL7	PTTEP Australasia (Ashmore Cartier) Pty Ltd	80.00	-
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	60.00	-
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	75.00	-
AC/LR4, AC/RL5(Tenacious) AC/RL6(Audacious), AC/P4, AC/RL4, AC/RL5, AC/RL6 & AC/P17	PTTEP Australasia (Ashmore Cartier) Pty Ltd	50.00	-
AC/P32	PTTEP Australasia (Ashmore Cartier) Pty Ltd	35.00	-
WA378P, WA396P & WA397P	Woodside Energy Limited	20.00	-

<u>Company</u>	<u>Country of Incorporation</u>	<u>Business</u>	<u>Shareholding Percentage</u>	
			<u>2009</u>	<u>2008</u>
<u>Associates of PTTEP:</u>				
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
ShoreAir Pty Ltd. (ShoreAir)	Australia	Services	50.00	-
<u>Associate of SBECL:</u>				
FST Aviation Services Limited (FST)	Hong Kong	Aircraft refueling service	25.00	25.00
<u>Associate of PTTNGD:</u>				
Amata Natural Gas Distribution Co., Ltd. (AMATA NGD)	Thailand	Natural gas	50.00	50.00
<u>Associates of PTT INTER:</u>				
East Mediterranean Gas Company S.A.E. (EMG)	Egypt	Natural gas transmission pipelines-overseas	25.00	25.00
Red Island Mineral (RIM)	Australia	Coal Mining	33.50	-

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

10.3 Investments accounted for under the equity method in the consolidated financial statements as at December 31, 2009 and 2008.

Consolidated financial statements

Unit: Million Baht

Company	Shareholding percentage		2009		2008		Dividends	
	2009	2008	Cost method	Equity Method	Cost method	Equity method	2009	2008
Associates:								
Refining Business Group								
1 TOP	49.10	49.10	11,380.83	33,023.81	11,380.83	29,143.05	2,053.38	4,507.41
2 SPRC	36.00	36.00	14,770.48	17,330.86	14,770.48	15,608.94	-	1,624.77
3 BCP	28.46	29.75	4,060.18	6,236.42	4,060.18	4,639.40	499.38	99.88
4 PTTAR	48.65	48.66	12,820.01	29,395.46	12,820.01	26,414.04	720.99	3,604.97
5 IRPC	36.68	36.77	25,946.99	27,241.02	25,853.29	26,062.15	1,161.59	2,016.51
Oil Business Group								
6 THAPPLINE	33.19	33.19	2,682.35	779.42	2,682.35	349.17	-	-
7 TLBC *	-	48.95	-	-	140.00	144.95	-	-
8 PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
9 V LPG	45.00	45.00	87.35	106.29	87.35	97.31	-	-
10 KPL	40.00	40.00	21.49	9.10	21.49	27.73	-	-
11 FST	25.00	25.00	1.13	1.34	1.13	1.30	-	-
Petrochemical Business Group								
12 PTTCH	49.16	49.30	33,520.89	54,486.37	33,520.89	52,293.47	1,208.61	5,287.65
13 PPCL	40.00	40.00	3,194.10	2,756.58	2,756.80	2,448.44	-	-
14 PTTNE (Formerly APS)	40.00	40.00	66.40	137.35	28.51	37.05	-	-
Natural Gas Business Group								
15 IPT	20.00	20.00	400.19	1,527.58	400.19	1,436.96	18.06	61.63
16 AMATA NGD	50.00	50.00	80.00	212.12	80.00	247.21	98.50	80.00
17 TP	26.00	26.00	2,304.76	2,132.78	2,304.76	2,060.44	73.06	73.06
18 PTTUT	40.00	40.00	2,743.60	2,486.85	2,743.60	2,478.11	-	-
19 EMG	25.00	25.00	16,544.61	14,526.21	16,544.61	15,703.79	-	-
Coal Business Group								
20 RIM	33.50	-	1,267.73	1,516.15	-	-	-	-
Other Business Group								
21 PTTICT	20.00	20.00	60.00	89.19	60.00	93.12	-	-
22 ShoreAir	50.00	-	16.88	78.52	-	-	-	-
			132,101.22	194,073.42	130,387.72	179,286.63		
Allowance for impairment			(131.25)	-	-	-		
Total			131,969.97	194,073.42	130,387.72	179,286.63	5,833.57	17,355.88

* The status of TLBC has changed from an associate to a subsidiary since August 31, 2009 as PTTRB, a subsidiary of the Company, acquired 51.05% of TLBC shares from its existing shareholders. As a result, when combined with 48.95% shareholding by the Company, the status of TLBC was changed from an associate to a subsidiary.

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

10.4 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at December 31, 2009 and 2008.

Separate financial statements

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends	
	2009	2008	2009	2008	2009	2008
Subsidiaries:						
1 PTTEP	65.43	65.54	11,131.33	11,131.33	8,756.70	9,818.78
2 PTTT	100.00	100.00	2.50	2.50	-	-
3 PTTCL	100.00	100.00	0.23	0.23	-	-
4 SBECL	100.00	100.00	1,154.81	1,154.81	-	-
5 PTTNGD	58.00	58.00	418.14	418.14	-	522.00
6 PTTLNG	100.00	100.00	1,638.25	1,638.25	-	-
7 PTTTPM	50.00	50.00	20.00	20.00	-	-
8 EnCo	50.00	50.00	900.00	400.00	-	-
9 RBA	49.00	49.00	0.49	0.49	-	-
10 PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
11 PTTTRB	100.00	100.00	5,100.00	5,100.00	-	-
12 CHPP	100.00	100.00	270.00	270.00	-	-
13 PTT INTER	100.00	100.00	12,967.00	100.00	-	-
14 PTTGE	100.00	100.00	5,906.05	2,714.33	-	-
15 BSA	25.00	25.00	0.50	0.50	-	-
16 PTT TANK	100.00	-	650.36	-	-	-
17 TLBC	48.95	-	140.00	-	1.54	-
Total investment in subsidiaries			41,499.66	24,150.58	8,758.24	10,340.78
Jointly Controlled Entities:						
Natural Gas Business Group						
18 TTM(T)	50.00	50.00	5,666.80	5,320.00	-	-
19 TTM(M)	50.00	50.00	281.32	281.32	-	-
20 DCAP	35.00	35.00	350.00	350.00	-	-
Petrochemical Business Group						
21 PTTAC	48.50	48.50	4,534.25	3,054.50	-	-
22 HMC	41.44	41.44	9,117.12	9,117.12	27.81	121.07
Total investment in jointly controlled entities:			19,949.49	18,122.94	27.81	121.07

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

10.4 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at December 31, 2009 and 2008 (Continued).

Separate financial statements (Continued)

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends	
	2009	2008	2009	2008	2009	2008
Associates:						
Refining Business Group						
23 TOP	49.10	49.10	11,380.83	11,380.83	2,053.38	4,507.41
24 SPRC	36.00	36.00	14,770.48	14,770.48	-	1,624.77
25 BCP	28.46	29.75	4,060.18	4,060.18	499.38	99.88
26 PTTAR	48.65	48.66	12,820.01	12,820.01	720.99	3,604.97
27 IRPC	36.68	36.77	25,946.99	25,853.29	1,161.59	2,016.51
Oil Business Group						
28 THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
29 TLBC	-	48.95	-	140.00	-	-
30 PA (Thailand)	35.00	35.00	131.25	131.25	-	-
31 VLPG	45.00	45.00	87.35	87.35	-	-
32 KPL	40.00	40.00	21.49	21.49	-	-
Petrochemical Business Group						
33 PTTCH	49.16	49.30	32,079.42	32,079.42	1,180.67	5,165.42
34 PPCL	40.00	40.00	3,194.10	2,756.80	-	-
35 APS (Formerly NPTC)	40.00	40.00	66.41	28.51	-	-
Natural Gas Business Group						
36 IPT	20.00	20.00	400.19	400.19	18.06	61.63
37 TP	26.00	26.00	2,304.76	2,304.76	73.06	73.06
38 PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
Other Business Group						
39 PTTICT	20.00	20.00	30.00	30.00	-	-
Total			112,719.41	112,290.51	5,707.13	17,153.65
Allowance for impairment			(131.25)	-		
Total investment in associates			112,588.16	112,290.51		
Total			174,037.31	154,564.03	14,493.18	27,615.50

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

10.5 Movements in investments in the consolidated and the separate financial statements

10.5.1 Movements in investments accounted for under the equity method in the consolidated financial statements are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
Balance as at December 31, 2008	179,286.63
- Share of net income from investments in associates	18,766.83
- Dividends received	(5,833.57)
- Reclassification	(144.95)
- Additional investments	568.89
- Business Acquisition (Note 37)	1,284.61
- Unrealized gain on available-for-sale securities	24.61
- Surplus on dilution of investments	(78.35)
- Currency translation differences	192.82
- Write-off negative goodwill	<u>5.90</u>
Balance as at December 31, 2009	<u><u>194,073.42</u></u>

10.5.2 Movements in investments in subsidiaries, jointly controlled entities and associates accounted for under the cost method in the separate financial statements for the year ended December 31, 2009 are as follows:

	Unit: Million Baht
	<u>Separate financial statements</u>
Balance as at December 31, 2008	154,564.04
- Additional investments	19,604.52
- Impairment of investment	<u>(131.25)</u>
Balance as at December 31, 2009	<u><u>174,037.31</u></u>

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

10.6 The share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at December 31, 2009 and 2008 are as follows:

Balance Sheets:

As at December 31, 2009 and 2008

Unit: Million Baht

	2009					2008				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Current assets	3,221.71	95.78	169.84	740.57	2,202.05	2,458.49	109.52	195.56	1,622.33	2,175.17
Non-current assets	13,746.86	659.92	803.40	7,021.33	11,178.83	14,016.55	711.09	863.43	1,704.76	9,990.82
Current liabilities	(3,151.38)	(48.65)	(151.31)	(652.67)	(871.20)	(3,100.28)	(50.50)	(138.56)	(272.40)	(664.49)
Non-current liabilities	(7,038.53)	(485.80)	(560.00)	(2,590.08)	(4,119.21)	(7,982.04)	(540.76)	(637.00)	(4.62)	(3,939.56)
Net assets	<u>6,778.66</u>	<u>221.25</u>	<u>261.93</u>	<u>4,519.15</u>	<u>8,390.47</u>	<u>5,392.72</u>	<u>229.35</u>	<u>283.43</u>	<u>3,050.07</u>	<u>7,561.94</u>

Statements of Income:

For the years ended December 31, 2009 and 2008

Unit: Million Baht

	2009					2008				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income	2,571.08	96.46	567.68	99.85	7,113.24	1,330.26	54.84	578.48	27.72	8,685.55
Expenses	(1,531.94)	(96.81)	(589.18)	(110.02)	(6,022.30)	(1,422.59)	(89.19)	(583.49)	(29.24)	(7,887.20)
Gain(loss) before taxes	1,039.14	(0.35)	(21.50)	(10.17)	1,090.94	(92.33)	(34.35)	(5.01)	(1.52)	798.35
Income taxes	-	-	-	-	(219.38)	-	0.11	-	-	(158.00)
Net income(loss)	<u>1,039.14</u>	<u>(0.35)</u>	<u>(21.50)</u>	<u>(10.17)</u>	<u>871.56</u>	<u>(92.33)</u>	<u>(34.24)</u>	<u>(5.01)</u>	<u>(1.52)</u>	<u>640.35</u>

10.7 Significant events during the year ended December 31, 2009

PTTEP

During the period, PTTEP's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) as detailed in Note 26. The effect arising from the dilution of investments amounting to Baht 91.46 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity in the balance sheet. Hence, the Company's shareholding in PTTEP was 65.43% as at December 31, 2009.

PTTEP Australasia (Operations) Pty Ltd. (PTTEP AAO), a subsidiary of PTTEP, invested the sum of Baht 16.88 million in ShoreAir Pty Ltd., a company registered in Australia, reflecting its shareholding of 50%.

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

10.7 Significant events during the year ended December 31, 2009

PTTGE

On January 21, 2009, PTTGE's board of directors' meeting passed a resolution to increase the authorized share capital by USD 91 million or approximately Baht 3,191.72 million from Baht 2,714.33 million to Baht 5,906.05 million by issuing 91 million ordinary shares at a par value of USD 1 each. The Company made payment for these shares on February 10, 2009. As a result, on December 31, 2009, PTTGE had authorized share capital totalling 173.85 million shares.

TTM(T)

On January 7, 2009, a resolution from TTM(T)'s extraordinary shareholders' meeting No. 1/2009 was passed to increase the authorized share capital by Baht 693.60 million from Baht 10,640 million to Baht 11,333.60 million by issuing 69.36 million ordinary shares at a par value of Baht 10 each. TTM(T) called for payment of these additional shares amounting to Baht 340 million. Accordingly, on March 25, 2009, the Company made payment of Baht 170 million reflecting its shareholding of 50%.

On August 11, 2009, TTM(T) called for payment of additional shares amounting to Baht 353.60 million. Accordingly, on August 19, 2009, the Company made payment of Baht 176.80 million reflecting its shareholding of 50%.

PPCL

On January 21, 2009, a resolution from PPCL's board of directors' meeting No. 1/2009 was passed to have its shareholders pay for the remaining unpaid shares amounting to Baht 108 million. Accordingly, on February 12, 2009, the Company made payment of Baht 43.20 million reflecting its shareholding of 40%.

On February 20, 2009, a resolution from PPCL's extraordinary shareholders' meeting No. 2/2009 was passed to increase the authorized share capital by Baht 2,252 million from Baht 7,000 million to Baht 9,252 million by issuing 22.52 million ordinary shares at a par value of Baht 100 each. PPCL called for payment of 25% amounting to Baht 563 million. Consequently, on March 13, 2009, the Company made payment of Baht 225.20 million reflecting its shareholding of 40%.

On September 16, 2009, a resolution from PPCL's board of directors' meeting No.5/2009 was passed to call for payment from shareholders according to their interest totalling Baht 422.25 million. Hence, on October 5, 2009, the Company made payment for its 40% interest amounting to Baht 168.90 million.

PTT TANK

On September 19, 2008, a resolution from the Company's board of directors' meeting No. 9/2008 was passed to establish PTT Tank Terminal Co., Ltd. (PTT TANK) to develop the terminal area and liquid product warehouses. PTT TANK was registered on March 6, 2009 with an authorized share capital of Baht 1,000 million comprising ten million ordinary shares of Baht 100 each. The Company has a 100% shareholding. PTT TANK called for payment of 25% of the shares amounting to Baht 250 million. Consequently, on February 25, 2009, the Company made payment for these shares. The consultant fee of PTT TANK establishment amounting to Baht 0.36 million was accounted as cost of investment.

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

10.7 Significant events during the year ended December 31, 2009 (Continued)

PTT TANK (Continued)

On August 27, 2009, a resolution from PTT TANK's board of directors' meeting No. 4/2009 was passed to call for payment of 40% additional authorized share capital amounting to Baht 400 million. On September 18, 2009, the Company made payment for these shares.

IRPC

During the period, IRPC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) as detailed in Note 26. The effect arising from the dilution of investments amounting to Baht 36.43 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity in the balance sheet.

In addition, the Company acquired 27 million IRPC ordinary shares from third parties totalling Baht 93.70 million. The negative goodwill of Baht 5.90 million has arisen. Hence, on December 31, 2009, the Company's shareholding in IRPC was 36.89%.

PTT INTER

On April 1, 2009, a resolution from PTT INTER's ordinary shareholders' meeting was passed to increase the authorized share capital by Baht 16,500 million from Baht 100 million to Baht 16,600 million by issuing 1,650 million ordinary shares at a par value of Baht 10 each. PTT INTER called for the first payment of 25%, amounting to Baht 4,125 million. On April 7, 2009, the Company made payment for these shares. On April 20, 2009, PTT INTER called for the second payment of Baht 4,457 million. On April 24, 2009, the Company made payment for these shares. On June 26, 2009 PTT INTER called for the third payment of Baht 405 million. On July 2, 2009, the Company made payment for these shares.

On April 28, 2009, Lints Limited, Hong Kong (Lints), a subsidiary of PTT INTER, acquired 60% interest in Straits Bulk and Industrial Pty Limited (SBI) from Straits Resources Limited (SRL), made the first payment of USD 219.87 million or approximately Baht 7,822 million and received the transferred SBI shares on the acquisition date. As SBI holds 47.1% interest in Straits Asia Resources (SAR), a company listed with the Singapore Exchange Securities Trading Limited (SGX), the acquisition of the 60% interest in SBI by Lints triggered a mandatory general offer of SAR. As a result, Lints was required to make a purchase offer for all of the remaining SAR shares on the SGX at SGD 0.807 per share.

On June 15, 2009, Lints completed the offer for all the remaining SAR shares and received acceptance of the offer totalling 2,563,098 shares representing 0.23% of all SAR shares. The offer was not complied with the terms of the offer. Therefore, the relevant number of the accepted shares by SAR shareholders was transferred back to the respective securities accounts of each accepting shareholder. As a result, the total numbers of SAR shares under control by Lints and parties acting in concert with Lints remained at 514,679,220 shares, representing 47.1% of all the SAR shares.

On April 28, 2009, an investment in Red Island Mineral (RIM) arose from the acquisition of SBI by Lints, a subsidiary of PTT INTER. SBI had 33.50% shareholding in RIM, which operated a venture capital business with the Madagascar government for the exploration and development of coal mining.

On June 29, 2009, SBI registered a change in name from Straits Bulk and Industrial Pty Limited to PTT Asia Pacific Mining Pty Ltd (PTTAPM).

On September 18, 2009, Lints registered a change in name from Lints Limited to PTT Mining Limited (PTTML).

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

10.7 Significant events during the year ended December 31, 2009 (Continued)

PTT INTER (Continued)

On October 13, 2009, PTT INTER called for the forth payment for additional ordinary shares amounting to Baht 3,880 million. On October 22, 2009, the Company made payment for these shares.

PTTAC

On February 27, 2009, a resolution from PTTAC's board of directors' meeting No. 2/2009 was passed to call for the third payment of 25% additional authorized share capital amounting to Baht 1,479.75 million. On May 25, 2009, the Company made payment for these shares.

PTTME (APS)

On April 21, 2009, a resolution from PTTME's annual ordinary shareholders' meeting was passed to increase the authorized share capital by Baht 157.88 million from Baht 42.12 million to Baht 200 million by issuing 1,578,774 million ordinary shares at a par value of Baht 100 each. PTTME called for the first payment of 60%. Hence, on April 30, 2009, the Company made payment for these shares amounting to Baht 37.89 million reflecting its shareholding of 40%.

On June 18, 2009, APS registered a change in name from Alliance Plant Service Co., Ltd.(APS) to PTT Maintenance and Engineering Co., Ltd.(PTTME).

ENCO

On April 22, 2009, a resolution from ENCO's annual ordinary shareholders' meeting was passed to increase the authorized share capital by Baht 1,000 million from Baht 800 million to Baht 1,800 million by issuing 100 million ordinary shares at a par value of Baht 10 each. ENCO called for full payment in respect of this additional capital. Hence, on May 25, 2009, the Company made payment for these shares amounting to Baht 500 million reflecting its shareholding of 50%.

PTTRB

On August 31, 2009, PTTRB signed the Share Sales and Purchase Agreement (SPA) of Thai Lube Blending Company Limited (TLBC) from TOTAL Oil (Thailand) Company Limited (TOTAL) and other shareholders for 51.05% shareholding, representing 14.60 million shares at Baht 10.75 per share totalling Baht 157.30 million. The payment and share transfer are made on the same date.

BCP

During the period, the convertible bond holders exercised their rights to convert bonds to ordinary shares as detailed in Note 26. The effect arising from the dilution of investments amounting to Baht 32.11 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity in the balance sheet. Hence, on December 31, 2009, the Company's shareholding in BCP was 28.46%.

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

10.7 Significant events during the year ended December 31, 2009 (Continued)

PTTCH

During the period, PTTCH's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) as detailed in Note 26. The effect arising from the dilution of investments amounting to Baht 4.12 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity in the balance sheet. Hence, on December 31, 2009, the Company's shareholding in PTTCH was 49.16%.

10.8 Additional information in respect of Associates

10.8.1 The share of net assets and results of operations from associates presented by business group as at December 31, 2009 and 2008 are as follows:

Balance Sheets:

As at December 31, 2009 and 2008

Unit: Million Baht

	2009					2008				
	Gas	Oil	Petro-chemical	Refinery	Others	Gas	Oil	Petro-chemical	Refinery	Others
Current assets	3,084.98	1,010.28	16,968.76	92,745.46	162.44	3,069.11	1,078.75	18,835.62	68,235.66	144.25
Non-current assets	11,620.02	2,347.81	69,791.80	128,421.62	26.60	9,817.26	2,476.04	62,367.07	132,305.37	23.72
Current liabilities	(2,310.14)	(390.32)	(8,477.42)	(44,041.25)	(137.91)	(2,310.95)	(480.72)	(7,177.57)	(39,214.52)	(118.55)
Non-current liabilities	(5,604.86)	(2,113.65)	(25,804.20)	(62,308.41)	(1.97)	(4,011.93)	(2,535.27)	(24,235.60)	(58,331.75)	(2.86)
Net assets	6,790.00	854.12	52,478.94	114,817.42	49.16	6,563.49	538.80	49,789.52	102,994.76	46.56

Statements of Income:

For the years ended December 31, 2009 and 2008

Unit: Million Baht

	2009					2008				
	Gas	Oil	Petro-chemical	Refinery	Others	Gas	Oil	Petro-chemical	Refinery	Others
Income	8,316.56	1,842.02	46,638.57	405,982.94	186.41	6,969.00	1,830.10	42,347.10	510,077.44	189.44
Expenses	(7,913.28)	(1,283.59)	(42,184.61)	(385,867.62)	(179.66)	(6,810.24)	(1,457.04)	(35,658.91)	(525,577.67)	(168.61)
Gain(loss) before taxes	403.28	558.43	4,453.96	20,115.32	6.75	158.76	373.06	6,688.19	(15,500.23)	20.83
Income taxes	(140.45)	(114.22)	(1,163.36)	(4,434.84)	(3.97)	(59.44)	(7.08)	(1,165.96)	3,805.66	(6.31)
Net Profit (Loss)	262.83	444.21	3,290.60	15,680.48	2.78	99.32	365.98	5,522.23	(11,694.57)	14.52

10.8.2 The Company has not recognized the share of gain from some associates for the year ended December 31, 2009 amounting to Baht 0.79 million (2008: Baht 2.01 million) because the Company had unrealized allowance for share of net loss from investments as at December 31, 2009 amounting to Baht 67.27 million (December 31, 2008: Baht 68.06 million).

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

10.8 Additional information in respect of Associates (Continued)

10.8.3 The fair value of investments in associates (only those with equity securities traded in the Stock Exchange of Thailand (SET)) was calculated based on current bid price at the balance sheet date. Details are as follows:

The fair value of investments in associates (only those with equity securities traded in the Stock Exchange of Thailand (SET)) as at December 31, 2009 and 2008

<u>Associates</u>	<u>2009</u>	Unit: Million Baht
		<u>2008</u>
PTTCH	54,605.88	23,244.39
BCP	4,960.51	2,580.13
IRPC	31,857.78	15,652.35
TOP	42,820.43	23,638.88
PTTAR	36,410.18	14,131.48

10.8.4 The share of investments in subsidiaries, jointly controlled entities and associates which have differences between voting rights and ownerships are as follows:

<u>Company</u>	<u>Voting rights</u>	Unit: Percentage
		<u>Ownerships</u>
Subsidiary		
RBA	79.35	49.00
BSA	57.14	100.00
Jointly Controlled Entity		
HMC	42.10	41.44
Associate		
THAPPLINE	35.20	33.15

11. Other Long-term Investments, Net

11.1 Other long-term investments, net as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
General investments	2,379.89	2,247.63	1,106.12	1,106.12
Investments in available-for-sale securities				
- Investments in equity instruments	336.00	336.00	336.00	336.00
- Investments in debt securities	585.60	585.60	585.60	585.60
- Investments in mutual funds	5,554.89	5,343.16	5,554.89	5,343.16
Allowance for changes in value of investments	1,647.68	(727.65)	1,647.68	(727.65)
Total	10,504.06	7,784.74	9,230.29	6,643.23

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
Petro Asia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Oil marketing	25.00	25.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management services	49.00	49.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil transmission pipelines	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling services	16.67	16.67
Ratchaburi Power Co., Ltd. (RPCL)	Thailand	Electricity generation	15.00	15.00
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

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

11.3 Details of other long-term investments of the subsidiaries and jointly controlled entities are as follows:

Company	Country of Incorporation	Business	Shareholding Percentage	
			2009	2008
<u>Other long-term investments of PTTT:</u>				
KIC Oil Terminals Sdn Bhd. (KOT)	Malaysia	Logistics services	10.00	10.00
Kadriah Integrated Facilities Sdn Bhd. (KIF)	Malaysia	Logistics services	10.00	10.00
Kadriah I Ltd. (K I)	Malaysia	Logistics services	10.00	10.00
Kadriah II Sdn Bhd. (K II)	Malaysia	Logistics services	10.00	10.00
<u>Other long-term investments of HMC:</u>				
Rayong Olefins Co., Ltd. (ROC)	Thailand	Petrochemicals	5.91	5.91
Basell Advanced Polyolefins (Thailand) Co., Ltd. (BAPT)	Thailand	Petrochemicals	2.07	2.07

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

11.4 Other long-term investments, net as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

Company	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividends	
	2009	2008	2009	2008	2009	2008	2009	2008
General Investments								
1 PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2 PTT Mart	49.00	49.00	78.40	78.40	78.40	78.40	-	-
3 FPT	2.76	2.76	44.00	44.00	44.00	44.00	-	-
4 IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
5 PA (Shantou)	15.00	15.00	60.84	60.84	60.84	60.84	-	-
6 RPCL	15.00	15.00	1,098.75	1,098.75	1,098.75	1,098.75	-	-
7 ROC	5.91	5.91	643.73	643.73	-	-	-	-
8 BAPT	2.07	2.07	18.19	18.19	-	-	-	-
9 PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
10 PA (Sanshui)	25.00	25.00	6.06	6.06	6.06	6.06	-	-
11 KOT	10.00	10.00	117.93	117.93	-	-	-	-
12 KIF	10.00	10.00	48.84	48.84	-	-	-	-
13 K I	10.00	10.00	245.39	245.39	-	-	-	-
14 K II	10.00	10.00	65.52	65.52	-	-	-	-
15 XML (Note 37)	15.50	-	161.82	-	-	-	-	-
Total investments accounted for under the cost method			2,619.48	2,457.66	1,318.06	1,318.06		
Currency translation differences			(9.46)	20.10	-	-		
Allowance for impairment of investments			(230.13)	(230.13)	(211.94)	(211.94)		
Total general investments			2,379.89	2,247.63	1,106.12	1,106.12		
Investments in Available-for-sale Securities								
Investments in Equity Instruments								
16 TIP	13.33	13.33	312.00	312.00	312.00	312.00	40.00	50.00
17 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	13.68	16.92
Total investments in equity instruments			336.00	336.00	336.00	336.00		
Investments in Debt Securities								
Investments in Mutual Funds								
MFC Energy Fund	32.57	32.57	504.89	293.16	504.89	293.16	-	-
FAM EPIF			5,050.00	5,050.00	5,050.00	5,050.00	-	-
			6,476.49	6,264.76	6,476.49	6,264.76		
Allowance for changes in value of investments			1,647.68	(727.65)	1,647.68	(727.65)		
Total investments in available-for-sale securities			8,124.17	5,537.11	8,124.17	5,537.11		
Total other long-term investments, net			10,504.06	7,784.74	9,230.29	6,643.23	53.68	66.92

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

11.4 Other long-term investments, net as at December 31, 2009 and 2008 are as follows (Continued):

In the consolidated financial statements, allowance for impairment of investments in other related companies amounting to Baht 230.13 million comprises the allowance for impairment of investments in PTT Mart, PA (Huizhou), FPT, PA (Shantou), PA (Maoming), PA (Sanshui) and BAPT amounting to Baht 78.40, 15.16, 44.00, 60.84, 7.48, 6.06 and 18.19 million, respectively, and in the separate financial statements the allowance amounts to Baht 211.94 million.

11.5 Movements in other long-term investments, net are as follows:

	Unit : Million Baht	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Balance as at December 31, 2008	7,784.74	6,643.23
- Additional investments	253.42	211.73
- Acquisitions (Note 37)	120.13	-
- Allowance for changes in value of investments	2,375.33	2,375.33
- Currency translation differences	(29.56)	-
	<hr/>	<hr/>
Balance as at December 31, 2009	10,504.06	9,230.29

11.6 Significant events during the year ended December 31, 2009

PTT INTER

On April 28, 2009, a long-term investment in Xanadu Mines Ltd (XML) arose from the acquisition of shares in Straits Bulk and Industrial Pty Limited (SBI) (now known as PTT Asia Pacific Mining (PTTAPM)) by Lints, a subsidiary of PTT INTER. A subsidiary of PTTAPM held 13% interest in XML with an investment amount of USD 3.38 million or approximately Baht 120.13 million. XML operated a mining exploration business in the Republic of Mongolia. During the period, PTT INTER has increase its investment in XML by 2.50%, representing an investment of USD 1.25 million or approximately Baht 41.68 million. As a result, on December 31, 2009, PTT INTER's shareholding in XML was 15.50%.

MFC Energy Fund

On December 4, 2009, MFC Energy Fund called for the forth payment for unit trusts amounting to Baht 650 million. Accordingly, on December 22, 2009, the Company made payment of Baht 211.73 million reflecting its shareholding of 32.57%.

12. Property, Plant and Equipment, Net

Property, plant and equipment, net as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	Consolidated financial statements						Total
	Land	Buildings and building improvements	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	
Cost							
As at December 31, 2008	8,758.43	22,290.59	204,893.79	283,616.19	9,442.25	53,031.61	582,032.86
- Business acquisition (Note 37)	643.02	214.31	4,338.93	19,719.09	1,015.78	2,129.46	28,060.59
- Additions	493.32	712.69	5,747.13	56,965.77	1,053.26	59,540.99	124,513.16
- Borrowing costs	-	-	-	-	-	2,238.49	2,238.49
- Reclassification	413.13	5,822.81	20,709.69	110.83	1,173.15	(29,566.42)	(1,336.81)
- Disposals	(13.98)	(91.11)	(717.61)	(7,857.45)	(1,602.69)	(995.04)	(11,277.88)
- Currency translation differences	(44.64)	(2.64)	(182.59)	(319.47)	(37.28)	(94.52)	(681.14)
As at December 31, 2009	10,249.28	28,946.65	234,789.34	352,234.96	11,044.47	86,284.57	723,549.27
Accumulated Depreciation							
As at December 31, 2008	-	(10,745.63)	(71,077.59)	(118,115.88)	(6,365.68)	-	(206,304.78)
- Business acquisition (Note 37)	-	(42.62)	(1,139.21)	-	(598.66)	-	(1,780.49)
- Depreciation for the period	-	(1,387.82)	(8,856.02)	(29,624.33)	(1,116.68)	-	(40,984.85)
- Reclassification	-	(249.34)	28.78	-	(15.66)	-	(236.22)
- Disposals	-	27.02	319.11	24.86	686.08	-	1,057.07
- Currency translation differences	-	0.33	55.78	72.34	30.89	-	159.34
As at December 31, 2009	-	(12,398.06)	(80,669.15)	(147,643.01)	(7,379.71)	-	(248,089.93)
Allowance for Impairment of Assets							
As at December 31, 2008	(53.53)	(259.64)	(242.73)	(558.07)	-	-	(1,113.97)
- Loss on impairment	(60.72)	(7.4)	(0.13)	(3.66)	-	-	(71.91)
- Reversal of loss on impairment	53.53	259.65	-	-	-	-	313.18
As at December 31, 2009	(60.72)	(7.39)	(242.86)	(561.73)	-	-	(872.70)
Net Book Value							
As at December 31, 2008	8,704.90	11,285.32	133,573.47	164,942.24	3,076.57	53,031.61	374,614.11
As at December 31, 2009	10,188.56	16,541.20	153,877.33	204,030.22	3,664.76	86,284.57	474,586.64

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

Unit : Million Baht

	Separate financial statements					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As at December 31, 2008	7,395.92	16,018.02	182,678.93	7,815.14	32,665.46	246,573.47
- Additions	117.16	149.98	2,893.42	205.51	40,710.54	44,076.61
- Borrowing costs	-	-	-	-	1,433.05	1,433.05
- Reclassification	239.93	5,658.67	16,812.42	534.89	(24,081.69)	(835.78)
- Disposals	-	(64.08)	(69.49)	(128.00)	-	(261.57)
As at December 31, 2009	7,753.01	21,762.59	202,315.28	8,427.54	50,727.36	290,985.78
Accumulated Depreciation						
As at December 31, 2008	-	(8,312.25)	(63,840.33)	(5,349.51)	-	(77,502.09)
- Depreciation for the period	-	(940.94)	(6,969.86)	(811.38)	-	(8,722.18)
- Reclassification	-	(247.74)	43.26	(0.25)	-	(204.73)
- Disposals	-	59.95	66.16	103.52	-	229.63
As at December 31, 2009	-	(9,440.98)	(70,700.77)	(6,057.62)	-	(86,199.37)
Allowance for Impairment of Assets						
As at December 31, 2008	(53.53)	(259.64)	(242.73)	-	-	(555.90)
- Loss on impairment	(60.72)	(7.40)	-	-	-	(68.12)
- Reversal of loss on impairment	53.53	259.64	-	-	-	313.17
As at December 31, 2009	(60.72)	(7.40)	(242.73)	-	-	(310.85)
Net Book Value						
As at December 31, 2008	7,342.39	7,446.13	118,595.87	2,465.63	32,665.46	168,515.48
As at December 31, 2009	7,692.29	12,314.21	131,371.78	2,369.92	50,727.36	204,475.56

Borrowing costs in the consolidated financial statements amounting to Baht 2,238.49 million (December 31, 2008: Baht 1,958.67 million) and in the separate financial statements amounting to Baht 1,433.05 million (December 31, 2008: Baht 1,602.04 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 3.32% - 7.25% (December 31, 2008: 5.29% - 7.25%).

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

As at December 31, 2009 and 2008, the net book value of other assets included vehicles acquired under finance leases. The details are as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Cost	800.22	863.07	674.76	766.48
<u>Less</u> Accumulated depreciation	<u>467.08</u>	<u>373.10</u>	<u>414.25</u>	<u>345.71</u>
Net book value	<u>333.14</u>	<u>489.97</u>	<u>260.51</u>	<u>420.77</u>

As at December 31, 2009, the assets under finance leases of Baht 11,385.56 million, which were included in oil and gas properties, had increased during the period as detailed in Note 21.3.

As at December 31, 2009, PTTEP had carried cost reimbursement for the government, which is presented as oil and gas properties and other non-current assets in the balance sheet and petroleum exploration expenses in the statement of income for various projects as follows:

Project	Unit: Million Baht Carried cost reimbursement for the government		
	Oil and gas properties	Other non-current assets	Petroleum exploration expenses (Accumulated from year 2002 to December 31, 2009)
Vietnam 52/97	-	33.67	-
Vietnam B and 48/95	-	35.23	-
Vietnam 16-1	922.87	-	1,305.74
Vietnam 9-2	1,185.03	-	811.23
Algeria 433A and 416 B	329.41	-	446.64

13. Intangible Assets, Net

Intangible assets, net as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements			
	Computer software	Rights to use	Other operating rights	Total
Cost				
As at December 31, 2008	2,247.68	19,255.02	591.77	22,094.47
- Business acquisition (Note 37)	3,384.48	-	168.92	3,553.40
- Additions	185.79	56.10	355.22	597.11
- Reclassification	220.59	219.74	(3.53)	436.80
- Disposals	(0.23)	(0.96)	-	(1.19)
- Currency translation differences	(0.08)	(6.49)	(5.98)	(12.55)
As at December 31, 2009	6,038.23	19,523.41	1,106.40	26,668.04
Accumulated Amortization				
As at December 31, 2008	(1,447.14)	(4,122.05)	(467.57)	(6,036.76)
- Business acquisition (Note 37)	(0.22)	-	-	(0.22)
- Amortization for the period	(239.50)	(572.57)	(87.53)	(899.60)
- Reclassification	-	(103.01)	-	(103.01)
- Disposals	0.28	0.64	-	0.92
- Currency translation differences	0.08	3.35	1.40	4.83
As at December 31, 2009	(1,686.50)	(4,793.64)	(553.70)	(7,033.84)
Net Book Value				
As at December 31, 2008	800.54	15,132.97	124.20	16,057.71
As at December 31, 2009	4,351.73	14,729.77	552.70	19,634.20

(TRANSLATION)

13. Intangible Assets, Net (Continued)

Unit: Million Baht

	Separate financial statements			
	Computer software	Rights to use	Other operating rights	Total
Cost				
As at December 31, 2008	1,010.19	18,021.28	51.55	19,083.02
- Additions	56.42	0.14	-	56.56
- Reclassification	220.40	193.39	-	413.79
- Disposals	(0.08)	-	-	(0.08)
As at December 31, 2009	<u>1,286.93</u>	<u>18,214.81</u>	<u>51.55</u>	<u>19,553.29</u>
Accumulated Amortization				
As at December 31, 2008	(742.03)	(3,907.69)	(49.40)	(4,699.12)
- Amortization for the period	(127.87)	(478.27)	(2.15)	(608.29)
- Reclassification	-	(71.66)	-	(71.66)
- Disposals	0.07	-	-	0.07
As at December 31, 2009	<u>(869.83)</u>	<u>(4,457.62)</u>	<u>(51.55)</u>	<u>(5,379.00)</u>
Net Book Value				
As at December 31, 2008	<u>268.16</u>	<u>14,113.59</u>	<u>2.15</u>	<u>14,383.90</u>
As at December 31, 2009	<u>417.10</u>	<u>13,757.19</u>	<u>-</u>	<u>14,174.29</u>

14. Mining properties, Net

Mining properties, net as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
Cost	
As at December 31, 2008	-
- Business acquisition (Note 37)	36,901.18
- Additions	4,943.55
- Reclassification	(3,809.13)
- Currency translation differences	<u>(1,148.30)</u>
As at December 31, 2009	<u>36,887.30</u>
Accumulated Amortization	
As at December 31, 2008	-
- Business acquisition (Note 37)	(1,902.13)
- Amortization for the period	(1,086.07)
- Reclassification	(18.06)
- Currency translation differences	<u>126.21</u>
As at December 31, 2009	<u>(2,880.05)</u>
Net Book Value	
As at December 31, 2008	<u>-</u>
As at December 31, 2009	<u>34,007.25</u>

15. Goodwill, Net

Movements of Goodwill, net are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
Net book value as at December 31, 2008	12,107.22
- Business acquisition (Note 37)	107.48
- Additions (Note 37)	6,573.83
- Currency translation differences	(647.52)
- Loss on impairment	(176.97)
Net book value as at December 31, 2009	<u>17,964.04</u>

16. Income Taxes and Deferred Income Taxes

Applicable tax rates for the Group are as follows:

	<u>Tax rates (%)</u>
Petroleum income tax on petroleum business in Thailand pursuant to the Petroleum Income Tax Act, B.E.2514 (1971) and B.E.2532 (1989)	50
Income tax under the Revenue Code	
- Income tax of the Company	30
- Income tax of subsidiaries and jointly controlled entities	15 – 30
Corporate income tax in foreign countries	5 – 55
Petroleum resource rent tax	40

16.1 Income taxes recognized in the consolidated and the separate statements of income for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Petroleum income tax				
Current income tax	20,150.18	27,432.24	-	-
Deferred income tax	(101.39)	1,106.60	-	-
Total petroleum income tax	<u>20,048.79</u>	<u>28,538.84</u>	<u>-</u>	<u>-</u>
Income tax under the Revenue Code				
Current income tax	12,433.88	6,818.59	11,017.60	5,870.70
Deferred income tax	307.37	4,031.24	311.48	4,052.44
Total income tax under the Revenue Code	<u>12,741.25</u>	<u>10,849.83</u>	<u>11,329.08</u>	<u>9,923.14</u>

16. Income Taxes and Deferred Income Taxes (Continued)

16.1 Income taxes recognized in the consolidated and the separate statements of income for the years ended December 31, 2009 and 2008 are as follows: (Continued)

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Corporate income taxes in foreign countries				
Current income tax	4,519.82	3,996.06	-	-
Deferred income tax	1,146.39	(37.16)	-	-
Total corporate income taxes in foreign countries	5,666.21	3,958.90	-	-
Petroleum resource rent tax in Australia				
Current income tax	(135.53)	-	-	-
Deferred income tax	(5,005.96)	-	-	-
Total Petroleum resource rent tax in Australia	(5,141.49)	-	-	-
Total income tax expenses	33,314.76	43,347.57	11,329.08	9,923.14

In Australia, the petroleum companies have to pay for not only Corporate Income Tax, but also Petroleum Resource Rent Tax (PRRT). The calculation is based on stipulated principles and procedures by applying a rate of 40%. The Group accounts for current and deferred PRRT by using the same accounting policy for the measurement and disclosure as that of Corporate Income Tax. In addition, the Group recognizes deferred tax from the Augmentation, which is the tax benefit that the Australian government allows entrepreneurs to use as additional deductible expenses using a stipulated percentage of investments. Therefore, during 2009 corporate income tax decreased by Baht 619 million.

16.2 Deferred income taxes presented in the consolidated and the separate balance sheets as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Deferred tax assets		
Income tax under the Revenue Code		
As at December 31, 2008	1,544.51	1,544.51
Income tax	(58.42)	(75.80)
As at December 31, 2009	1,486.09	1,468.71

16. Income Taxes and Deferred Income Taxes (Continued)

16.2 Deferred income taxes presented in the consolidated and the separate balance sheets as at December 31, 2009 and 2008 are as follows: (Continued)

	Consolidated financial statements	Unit: Million Baht Separate financial statements
Petroleum income tax		
As at December 31, 2008	-	-
Income tax	172.32	-
As at December 31, 2009	172.32	-
Corporate income tax in foreign countries		
As at December 31, 2008	6.40	-
Income tax	1,712.81	-
As at December 31, 2009	1,719.21	-
Petroleum Resource Rent Tax in Australia		
As at December 31, 2008	-	-
Income tax	6,685.92	-
As at December 31, 2009	6,685.92	-
Total deferred tax assets	10,063.54	1,468.71

	Consolidated financial statements	Unit: Million Baht Separate financial statements
Deferred tax liabilities		
Income tax under the Revenue Code		
As at December 31, 2008	4,298.90	4,321.91
Income tax	1,064.70	948.28
As at December 31, 2009	5,363.60	5,270.19
Petroleum income tax		
As at December 31, 2008	15,625.24	-
Income tax	(1,405.56)	-
As at December 31, 2009	14,219.68	-
Corporate income tax in foreign countries		
As at December 31, 2008	0.82	-
Income tax	9,688.04	-
As at December 31, 2009	9,688.86	-
Total deferred tax liabilities	29,272.14	5,270.19

16. Income Taxes and Deferred Income Taxes (Continued)

16.2 Deferred income taxes presented in the consolidated and the separate balance sheets as at December 31, 2009 and 2008 are as follows: (Continued)

Deferred tax assets mainly comprise allowance for doubtful accounts, allowance for impairment of assets, accumulated depreciation of plant and equipment and deferred income. Deferred tax liabilities mainly comprise accumulated depreciation of plant and equipment, amortization of decommissioning costs, unrealized gain on revaluation of decommissioning costs and refund receivable from the Oil Stabilization Fund.

17. Advance Payments for Gas Purchased

Movements of advance payments for gas purchased are as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Balance as at December 31, 2008	24,055.93	26,590.36
- Additions	25.79	25.79
- Make-up right	<u>(7,346.53)</u>	<u>(7,272.22)</u>
Balance as at December 31, 2009	<u>16,735.19</u>	<u>19,343.93</u>

The Company paid in advance for the committed gas volumes from Yadana and Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 1998-2001, according to the established minimum volume in the Export Gas Sales Agreements (Take-or-Pay). The Company has the right to take certain volumes of prepaid gas (Make-up) in subsequent years, with no maturity period. As at December 31, 2009, the remaining advance payments for gas purchased are for irrespective of take-up gas in 2000-2001.

During the period, the Company paid Baht 25.79 million in advance for the committed gas volumes from the Malaysia-Thailand Joint Development Area (JDA) gas field Block A-18 in Malaysia for take up in 2008. As at December 31, 2009, the Company has not made up any gas from this gas field.

18. Other Non-current Assets

Other non-current assets as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Retention and refundable deposits	238.79	531.28	39.13	39.55
Advances	8,370.25	9,575.58	4,272.38	4,015.77
Inventories - legal reserve	13,241.10	7,905.49	12,510.33	7,282.81
Deferred compensation	978.91	1,038.47	-	-
Others	1,439.07	770.69	288.28	359.14
Total	24,268.12	19,821.51	17,110.12	11,697.27

The Fuel Oil Trading Act B.E. 2543 (2000) categorizes the Company as an oil trader under section 7 of this Act. To protect against and resolve fuel oil shortages, this Act prescribes that oil traders under section 7 must reserve fuel oil according to the categories and volumes set by the Director General of the Department of Energy Business. The Company currently reserves 5% of the planned trading volume as reported to the Director General of the Department of Energy Business, the Ministry of Energy.

In 2009, the Group has not recognized legal reserved for inventory write down equal to net realizable value because its' cost is lower. While in 2008, the Group recognized legal reserved for inventory write down equal to net realizable value amounting to Baht 586.85 million and Baht 381.96 million in the consolidated financial statements and in the separate financial statements respectively.

19. Bank Overdrafts and Short-term Loans from Financial Institutions

As at December 31, 2009, the bank overdrafts and short-term loans from financial institutions in the consolidated financial statements bear interest at rates ranging from 0.55% to 6.45% per annum (December 31, 2008: interest at rates ranging from 2.88% to 8.25% per annum). There is no bank overdrafts and short-term loans from financial institutions in the separate financial statements.

20. Other Current Liabilities

Other current liabilities as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Advances received	116.97	98.73	56.64	35.84
Undue output VAT	2,414.45	2,176.03	2,005.46	1,843.65
Retention (due not later than 1 year)	316.28	440.37	0.99	3.74
Others	1,112.44	799.17	615.18	609.26
Total	3,960.14	3,514.30	2,678.27	2,492.49

21. Long-term Loans

Long-term loans as at December 31, 2009 and 2008 are as follows:

Current Portion of Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Loans – Baht currency	9,577.00	9,473.50	9,500.00	9,400.00
Loans – Baht currency – EPPO	196.73	57.54	196.73	57.54
Loans – Foreign currencies	10,307.39	1,050.32	2,917.25	406.62
Bonds– Baht currency	12,798.73	-	3,300.00	-
Liabilities under finance leases	1,054.64	193.40	199.25	175.24
Total	33,934.49	10,774.76	16,113.23	10,039.40

(TRANSLATION)

21. Long-term Loans (Continued)

Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Loans – Baht currency	44,010.49	34,776.67	37,000.00	33,000.00
Loans – Baht currency – EPPO	653.13	209.22	653.13	209.22
Loans – Foreign currencies	29,364.14	31,898.87	16,587.09	20,579.19
Bonds – Baht currency	191,755.40	114,592.25	142,804.20	96,104.20
Bonds – Foreign currencies	44,474.94	46,543.72	44,474.94	46,543.72
Liabilities under finance leases	10,695.55	329.84	82.86	274.44
Total	<u>320,953.65</u>	<u>228,350.57</u>	<u>241,602.22</u>	<u>196,710.77</u>

The Company's loans as at December 31, 2009, amounting to Baht 28,040.29 million (December 31, 2008: Baht 36,895.51 million) are secured by the Ministry of Finance.

Long-term loans and current portion as at December 31, 2009 and 2008 can be classified by interest rates as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Floating interest rate	62,533.72	36,405.49	30,595.33	18,020.23
Fixed interest rate	<u>292,354.42</u>	<u>202,719.84</u>	<u>227,120.12</u>	<u>188,729.94</u>
Total	<u>354,888.14</u>	<u>239,125.33</u>	<u>257,715.45</u>	<u>206,750.17</u>

(TRANSLATION)

21. Long-term Loans (Continued)

Interest rates charged on long-term loans as at December 31, 2009 and 2008 are as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
PTT bonds	3.85%-7.83%	3.70% - 8.75%	3.85%-7.83%	3.70% - 8.75%
Loans – Baht currency	2.38%-4.75%	3.88%-4.94%	2.38%-4.75%	3.88%
Loans – Baht currency – EPPO	0.50%	0.50%	0.50%	0.50%
Loans – Foreign currencies				
- US Dollar	0.46%-7.51%	2.10% - 6.05%	0.46%-4.57%	2.32% - 5.64%
- Yen	4.45%	4.45%	4.45%	4.45%
Bonds – Baht currency	1.81%-7.40%	2.92% - 7.40%	3.20%-7.40%	4.50% - 7.40%
Bonds – Foreign currencies	4.74%-5.88%	3.38% - 5.88%	4.74%-5.88%	3.38% - 5.88%
Liabilities under finance leases	4.00%-10.34%	4.80% - 8.10%	4.80%-6.69%	4.80% - 8.10%

21.1 Loans

Movements of loans in Baht currency and foreign currencies for the year ended December 31, 2009 are as follows:

	Consolidated financial statements			
	Currency			Total equivalent to Baht
	Baht	USD	JPY	
Balance as at December 31, 2008	44,516.93	683.50	23,000.00	77,466.12
- Additions	20,010.82	99.59	-	23,342.86
- Repayments	(10,090.40)	(99.15)	-	(13,536.51)
- Gain on exchange rate	-	-	-	(1,643.04)
- Business acquisitions	-	250.14	-	9,017.15
- Currency translation differences	-	-	-	(537.70)
- Current portion	(9,773.73)	(305.89)	-	(20,081.12)
Balance as at December 31, 2009	<u>44,663.62</u>	<u>628.19</u>	<u>23,000.00</u>	<u>74,027.76</u>

21. Long-term Loans (Continued)

21.1 Loans (Continued)

Unit: Million

	Separate financial statements			Total equivalent to Baht
	Currency			
	Baht	USD	JPY	
Balance as at December 31, 2008	42,666.76	342.63	23,000.00	63,652.57
- Additions	14,700.00	-	-	14,700.00
- Repayments	(10,016.90)	(11.59)	-	(10,423.52)
- Gain on exchange rate	-	-	-	(1,074.85)
- Current portion	(9,696.73)	(87.04)	-	(12,613.98)
Balance as at December 31, 2009	37,653.13	244.00	23,000.00	54,240.22

Loans – Baht currency

In 2009, the Group has the additional loans as follows:

On April 2, 2009, the Company entered into a long-term loan agreement with a financial institution, amounting to Baht 12,000 million with a maturity period of ten years, bearing interest at a rate of 6M THBFIX¹ + 2.00% per annum. The principal and interest are payable every six months. The last principal repayment will be made in March 2019.

On April 23, 2009, the Company entered into an operating loan agreement with the Islamic Bank of Thailand under the principle of Bai' al-inah, amounting to Baht 2,000 million with a maturity period of three years, bearing interest at the rate of SPRL² – 2.00% per annum. The principal and interest are payable every six months. The last repayment will be made in December 2011.

On April 2, 2009, a subsidiary entered into a long-term loan agreement with a financial institution amounting to Baht 5,000 million with a maturity period of 13 years, bearing interest at the rate of six-month fixed deposits plus 2.50% per annum. The interest is payable every month. The first payment of interest was made in April 2009 and the principal is repayable every three months starting from March 2011.

¹6M THBFIX (six months Thai Baht interest rate fixing) or interest rate of Baht loans for six months, as shown on the Reuters' screen "THBFIX = TH" at 11.00 a.m. (Bangkok time)

²SPRL (Standard profit rate for prime corporate customer with long-term financing) or profit rate and discount for premium major customers of schedule-time credit. SPRL is the interest rate of the Islamic Bank of Thailand.

21. Long-term Loans (Continued)

21.1 Loans (Continued)

Loans from Energy Policy and Planning Office (EPPO)

In 2009, the Company drew down the loan from an Energy Conservation Fund Confirmation Letter in accordance with the Working Capital Fund for the NGV Project at a credit limit of Baht 2,000 million. The details are as follow:

- On March 25, 2009, the Company drew down the third loan amount of Baht 400 million with a maturity period of five years, bearing interest at the fixed rate of 0.50% per annum. The principal and interest are payable every three months and the last payment will be made in March 2014.
- On November 25, 2009, the Company drew down the third loan amount of Baht 300 million with a maturity period of five years, bearing interest at the fixed rate of 0.50% per annum. The principal and interest are payable every three months and the last payment will be made in November 2014.

(TRANSLATION)

21. Long-term Loans (Continued)

21.1 Loans (Continued)

Loans – Foreign currencies

As at December 31, 2009, the Company entered into hedging contracts for hedging its financial risk arising from the fluctuation of interest rate and foreign currency exchange rates for some long-term loans – foreign currency. The details are as follows:

Date	Currencies	Principle (unit: million)	Interest rate (% per annum) in accordance with loans contract	Interest payable	Principle repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contract	Terms of hedging instruments
05/04/2006	JPY	23,000	4.45 Of USD principle which equivalent to USD 196.94 million	Every half year	Maturity on April 7, 2036	In 2008, the Company entered into a participating swap contract for JPY long-term loans to decrease the risk level from exchange rates between USD: JPY. The contract is in the form of a call option for JPY currency amounting to JPY 23,000 million. According to the terms of the contract at current market situation, the Company can purchase such JPY in an equivalent amount of USD 196.94 million. The premium arising from the contract is approximately 1.38% per annum.	Fixed rate approximately 1.38% per annum of USD principle	USD which are used for purchasing JPY depending on exchange rates between USD and JPY
14/11/2006	USD	300	LIBOR+0.265 Of USD principle	Every half year	Maturity on November 30, 2013	- In 2008, the Company entered into an interest rate swap contract to swap floating interest for a fixed interest rate. - In 2009, the Company entered into a basis swap contract on long-term loans amounting to USD 300 million by swapping the interest rate of one-month LIBOR plus the additional 0.265% for interest rate six-month LIBOR. Such a basis swap contract will expire on May 30, 2011.	Fixed rate ranging from 2.85-3.35 of the USD principle	Some such basis swap contracts allow the parties to have one-time right to cancel or change interest rate to floating interest rate at LIBOR-0.265

21. Long-term Loans (Continued)

21.2 Bonds

Bonds as at December 31, 2009 and 2008 are as follows:

Unit: Million

	Consolidated financial statements			
	2009		2008	
	Baht	USD	Baht	USD
Unsecured unsubordinated bonds				
- USD currency	44,474.94	1,326.94	46,543.72	1,326.70
- Baht currency	204,554.13	-	114,592.25	-
- Current portion	(12,798.73)	-	-	-
Total	236,230.34	1,326.94	161,135.97	1,326.70

Unit: Million

	Separate financial statements			
	2009		2008	
	Baht	USD	Baht	USD
Unsecured unsubordinated bonds				
- USD currency	44,474.94	1,326.94	46,543.72	1,326.70
- Baht currency	146,104.20	-	96,104.20	-
- Current portion	(3,300.00)	-	-	-
Total	187,279.14	1,326.94	142,647.92	1,326.70

21. Long-term Loans (Continued)

21.2 Bonds (Continued)

In 2009, the Group has issued bonds for sale. The details are as follows:

On March 6, 2009, the Company issued unsecured unsubordinated bonds for sale to retail and institutional investors No.1/2009 totalling Baht 15,000 million. The details are as follows:

Conditions	Details
Aggregate amount of bonds (million Baht)	15,000
Tenor (years)	15 With put option in 8 th year
Fixed interest rate (% per annum)	Year 1-5: 5.00 Year 6-8: 6.20 Year 9-15: 6.80
Interest instalments	Payable every six months on September 6 and March 6
Issuance date	March 6, 2009
Maturity date	March 6, 2024

On May 29, 2009, PTTEP issued unsecured unsubordinated bonds for sale to retail and institutional investors totalling Baht 40,000 million, two times and two tranches each. The details are as follows:

Conditions	No.1 Tranche 1	No.1 Tranche 2
Aggregate amount of bonds (million Baht)	18,300	11,700
Tenor (years)	3	5
Fixed interest rate (% per annum)	3.25	4.00
Interest instalments	Payable every six months	
Issuance date	May 29, 2009	May 29, 2009
Maturity date	May 29, 2012	May 29, 2014
Offering to	Retail investors	Retail investors

21. Long-term Loans (Continued)

21.2 Bonds (Continued)

Conditions	No.2 Tranche 1	No.2 Tranche 2
Aggregate amount of bonds (million Baht)	5,000	5,000
Tenor (years)	4	10
Fixed interest rate (% per annum)	Year 1-2: 3.00 Year 3-4: 4.00 or 6M THBFIX+ 1.25% with 3.25% floor and 6.00% cap	4.80
Interest instalments	Payable every six months	
Issuance date	May 29, 2009	May 29, 2009
Maturity date	May 29, 2013	May 29, 2019
Offering to	Institutional investors	Institutional investors

On July 31, 2009, the Company issued unsecured unsubordinated bonds for sale to retail and institutional investors No.2/2009 totalling three tranches amounting to Baht 35,000 million. The details are as follows:

Conditions	Tranche 1	Tranche 2	Tranche 3
Aggregate amount of bonds (million Baht)	8,500	17,100	9,400
Tenor (years)	3	7	15 With put option in 10 th year
Fixed interest rate (% per annum)	3.20	Year 1-5: 4.25 Year 6-7: 5.25	Year 1-5: 4.25 Year 6-10: 5.50 Year 11-15: 5.75
Interest instalments	Payable every six months on January 31 and July 31		
Issuance date	July 31, 2009	July 31, 2009	July 31, 2009
Maturity date	July 31, 2012	July 31, 2016	July 31, 2024 With put option in 2019

(TRANSLATION)

21. Long-term Loans (Continued)

21.2 Bonds (Continued)

As at December 31, 2009, the Company entered into hedging contracts for hedging its financial risk arising from the fluctuation of foreign currency exchange rates and interest rates for some loans. The details are as follows:

Date	Currencies	Principle (unit: million)	Interest rate (% per annum) in accordance with loans contract	Interest payable	Principle repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contract	Terms of hedging instruments
2/12/2005	Baht	7,000	6.70 of Baht principle	Every half year	Maturity on December 2, 2011	In 2008, the Company entered into a cross currency swap contract for USD obligation for which the amount is equivalent to USD 208.48 million.	Fixed rate ranging from 5.44-5.68 of the USD principle.	-
22/06/2007	JPY	36,000	2.71 of JPY principle	Every half year	Maturity on June 29, 2017	In 2007, the Company entered into a cross currency swap contract to swap JPY loans for USD loans. The amount is equivalent to USD 290.51 million.	Floating rate at LIBOR +0.2 or fixed rate at 5.5% of the USD principle which depends on LIBOR and fixed rate ranging from 4.98-5.37 of the USD principle	For a fixed interest rate ranging from 4.98-5.37 % per annum. The parties have a one-time right to change such fixed interest rate to a floating interest rate at LIBOR+0.2 or LIBOR+0.65 depending on the terms in each contract.
14/12/2007	Baht	3,053.80	Year 1-3: 5.00 Year 4-7: 5.95 of Baht principle	Every half year	Maturity on December 14, 2014	In 2008, the Company entered into a cross currency swap contract for USD obligations. The amount is equivalent to USD 90 million.	Fixed rate ranging from 4.74-4.75 of the USD principle	-

21. Long-term Loans (Continued)

21.2 Bonds (Continued)

On September 4, 2007, PTTEP entered into an interest rate swap contract to swap Baht 6,000 million bonds at a fixed interest rate of 3.60% per annum to a floating interest rate at six-month fixed deposit plus 0.99% (6MFDR + 0.99%)

On September 27, 2005, PTTEP entered into a cross currency swap contract to swap Baht 2,500 million bonds to USD 60.82 million bonds at an interest rate of 3.85% per annum. Subsequently, on May 2, 2007, PTTEP entered into a cross currency swap contract to swap such USD bonds to Baht bonds with the decrease to 3.30% per annum of an interest rate through maturity.

21.3 Liabilities under Finance Leases

Liabilities under finance leases as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities under finance leases				
- Not later than 1 year	1,447.66	213.67	206.53	194.42
- Later than 1 year but not later than 5 years	13,472.09	339.04	84.23	282.62
Future finance charges on finance leases	<u>(3,169.56)</u>	<u>(29.47)</u>	<u>(8.65)</u>	<u>(27.36)</u>
Present value of liabilities under finance leases	<u>11,750.19</u>	<u>523.24</u>	<u>282.11</u>	<u>449.68</u>
Present value of liabilities under finance leases				
- Current (Not later than 1 year)	1,054.64	193.40	199.25	175.24
- Non-current (Later than 1 year but not later than 5 years)	<u>10,695.55</u>	<u>329.84</u>	<u>82.86</u>	<u>274.44</u>
Total	<u>11,750.19</u>	<u>523.24</u>	<u>282.11</u>	<u>449.68</u>

In 2009, PTTEP has Liabilities under finance leases arising from the use of the Floating Production Storage and Offloading (FPSO) of PTTEP Australasia project. PTTEP recorded the capital expenditure at the lower of the fair value of the leased property or the present value of the minimum lease payments and recorded the liabilities at the lease obligation value, net of finance charges. The costs of finance lease are approximately USD 425.30 million. PTTEP will start making repayments for five years in accordance with the contract when the set up of Floating Production Storage and Offloading (FPSO) is finished and ready for starting petroleum production from Montara field. The incident at Montara field (Note 41) caused the project postponed. PTTEP expects to make the first repayment for the lease in August 2010. The interest rate for the lease is 10.56% per annum. PTTEP recognized the assets from finance leases as "Oil and Gas Properties" under "Property, Plant and Equipment, net" in the balance sheet. As at December 31, 2009, the Liabilities under finance leases amounting to Baht 11,385.56 million are included in the balance sheet.

21. Long-term Loans (Continued)

21.4 Maturities of long-term loans as at December 31, 2009 and 2008 are as follows:

Unit: Million Baht

	Consolidated financial statements						Total
	2009						
	Foreign currency loans	Baht currency loans	Foreign currency bonds	Baht currency bonds	Liabilities under finance leases	Baht currency loans from EPPO	
Not later than 1 year	10,307.39	9,577.00	-	12,798.73	1,054.64	196.73	33,934.49
Later than 1-2 years	3,876.18	9,879.52	6,987.65	8,000.00	2,371.74	197.71	31,312.80
Later than 2-5 years	9,266.63	9,999.89	16,357.53	89,457.02	8,323.81	455.42	133,860.30
Later than 5 years	<u>16,221.33</u>	<u>24,131.08</u>	<u>21,129.76</u>	<u>94,298.38</u>	-	-	<u>155,780.55</u>
Total	<u>39,671.53</u>	<u>53,587.49</u>	<u>44,474.94</u>	<u>204,554.13</u>	<u>11,750.19</u>	<u>849.86</u>	<u>354,888.14</u>

Unit: Million Baht

	Consolidated financial statements						Total
	2008						
	Foreign currency loans	Baht currency loans	Foreign currency bonds	Baht currency bonds	Liabilities under finance leases	Baht currency loans from EPPO	
Not later than 1 year	1,050.32	9,473.50	-	-	193.40	57.54	10,774.76
Later than 1-2 years	3,697.21	9,077.00	-	12,793.86	148.64	57.82	25,774.53
Later than 2-5 years	11,736.13	14,987.42	7,314.05	51,047.74	181.20	151.40	85,417.94
Later than 5 years	<u>16,465.53</u>	<u>10,712.25</u>	<u>39,229.67</u>	<u>50,750.65</u>	-	-	<u>117,158.10</u>
Total	<u>32,949.19</u>	<u>44,250.17</u>	<u>46,543.72</u>	<u>114,592.25</u>	<u>523.24</u>	<u>266.76</u>	<u>239,125.33</u>

21. Long-term Loans (Continued)

21.4 Maturities of long-term loans as at December 31, 2009 and 2008 are as follows: (Continued)

Unit: Million Baht

	Separate financial statements						Total
	2009						
	Foreign currency loans	Baht currency loans	Foreign currency bonds	Baht currency bonds	Liabilities under finance leases	Baht currency loans from EPPO	
Not later than 1 year	2,917.25	9,500.00	-	3,300.00	199.25	196.73	16,113.23
Later than 1-2 years	2,933.81	9,500.00	6,987.65	8,000.00	73.18	197.71	27,692.35
Later than 2-5 years	5,244.28	8,500.00	16,357.53	50,996.20	9.68	455.42	81,563.11
Later than 5 years	8,409.00	19,000.00	21,129.76	83,808.00	-	-	132,346.76
Total	19,504.34	46,500.00	44,474.94	146,104.20	282.11	849.86	257,715.45

Unit: Million Baht

	Separate financial statements						Total
	2008						
	Foreign currency loans	Baht currency loans	Foreign currency bonds	Baht currency bonds	Liabilities under finance leases	Baht currency loans from EPPO	
Not later than 1 year	406.62	9,400.00	-	-	175.24	57.54	10,039.40
Later than 1-2 years	3,053.52	9,000.00	-	3,300.00	145.75	57.82	15,557.09
Later than 2-5 years	8,560.09	14,500.00	7,314.05	47,550.00	128.69	151.40	78,204.23
Later than 5 years	8,965.58	9,500.00	39,229.67	45,254.20	-	-	102,949.45
Total	20,985.81	42,400.00	46,543.72	96,104.20	449.68	266.76	206,750.17

22. Provision for Decommissioning Costs

Provision for liabilities as at December 31, 2009 for decommissioning costs expected to be incurred in the future is as follows:

	Unit: Million Baht
	Consolidated financial statements
Balance as at December 31, 2008	16,309.66
- Additional provision for decommissioning costs	7,071.69
- Business acquisition (Note 37)	69.30
- Exchange rate differences	105.25
- Current portion	(661.20)
Balance as at December 31, 2009	<u>22,894.70</u>

23. Other Non-current Liabilities

Other non-current liabilities as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Retention (due later than 1 year)	1,058.45	762.93	828.39	520.12
Provision for loss on lawsuits	-	14.11	-	14.11
Deferred revenue	369.32	403.61	368.83	402.71
Other advances received	245.80	258.10	245.78	257.31
Pension Fund	6.48	5.97	6.48	5.97
Long-term liability: Make-up	1,284.88	2,475.91	1,284.88	2,475.91
Others	512.11	290.44	-	-
Total	<u>3,477.04</u>	<u>4,211.07</u>	<u>2,734.36</u>	<u>3,676.13</u>

Long-term liability (make-up) arises from the amount of the difference between the natural gas price for the committed gas volumes that the Company paid in advance and the natural gas price as at the date of taking the gas that exceeds the interest paid for the advance payment for untaken-up gas volume (Take or Pay). The Company has to distribute the difference to the parties who paid the Take or Pay interest for the Yadana and Yetagun gas fields.

24. Share Capital

24.1 Share Capital – Authorized Shares

	Par Value (Baht per share)	The number of authorized shares (Shares)	The value of authorized shares (Baht)
As at December 31, 2008	10	2,857,245,725	28,572,457,250
As at December 31, 2009	10	2,857,245,725	28,572,457,250

24.2 Share Capital – Issued and Paid-up Shares

	The number of issued and fully paid-up shares (Shares)	The value of issued and fully paid-up shares (Baht)	Premium on share capital (Baht)	Total (Baht)
As at December 31, 2008	2,824,056,625	28,240,566,250	22,801,956,166	51,042,522,416
Additions	9,728,200	97,282,000	1,750,716,800	1,847,998,800
As at December 31, 2009	2,833,784,825	28,337,848,250	24,552,672,966	52,890,521,216

The Company issued and offered warrants as follows:

Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
September 1, 2005	183	1 : 1	31.86	8.14	August 31, 2010
September 29, 2006	234	1 : 1	4.68	15.32	September 28, 2011
			<u>36.54</u>	<u>23.46</u>	

25. Reserves**25.1 Legal Reserve**

Under the Public Limited Companies Act B.E. 2535 (1992), the Company is required to appropriate not less than 5% of its annual net income as legal reserve until the reserve fund reaches 10% of the authorized share capital. The reserve is non-distributable. In this regard, the reserve has reached 10% of the Company's authorized share capital, as stipulated in the Act.

25.2 Reserve for Self-insurance Fund

Reserves for Self-insurance Fund as at December 31, 2009 and 2008 are detailed as follows:

	Unit : Million Baht	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as at December 31, 2008	963.26	963.26
Appropriated net income for 2009	<u>25.35</u>	<u>25.35</u>
Balance as at December 31, 2009	<u>988.61</u>	<u>988.61</u>

The Self-insurance Fund was set up to provide insurance coverage for the Company's business. The Company appropriates net income from operations and the interest income from the fund each year to the fund each year.

26. Earnings per Share

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

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

Basic earnings per share and diluted earnings per share for the years ended December 31, 2009 and 2008 are calculated as follows:

(TRANSLATION)

26. Earnings per Share (Continued)

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2009	2008	2009	2008
Net income attributable to ordinary shareholders (Baht)	59,547,585,885	51,704,800,180	59,547,585,885	51,704,800,180
Adjustment of net income (Baht)	-	-	(291,218,606)	(44,766,268)
Net income for calculation of earnings per share (Baht)	59,547,585,885	51,704,800,180	59,256,367,279	51,660,033,912
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,826,903,211	2,820,266,032	2,828,935,095	2,828,965,927
Income (Baht/share)	21.06	18.33	20.95	18.26

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2009	2008	2009	2008
Net income attributable to ordinary shareholders (Baht)	39,650,620,690	59,993,708,815	39,650,620,690	59,993,708,815
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,826,903,211	2,820,266,032	2,828,935,095	2,828,965,927
Earnings per share (Baht/share)	14.03	21.27	14.02	21.21

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

The Company issued warrants under the Employee Stock Ownership Plan (ESOP) according to Note 24.

PTTEP

PTTEP had registered share capital comprising 3,322 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,322 million. On November 10, 2009, PTTEP registered a change in its issued and fully paid-up capital to 3,312.56 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,312.56 million.

26. Earnings per Share (Continued)

PTTEP reserved a total of 62 million ordinary shares for the exercise of warrants under the Employee Stock Ownership Plan (ESOP) for five consecutive years. As at December 31, 2009, the employees had exercised warrants for 52.56 million ordinary shares. Therefore, 9.44 million shares remained. The details are as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
August 1, 2002*	22.20	1 : 5	9.78	0.22	July 31, 2008
August 1, 2003*	23.40	1 : 5	9.72	0.28	July 31, 2009
August 1, 2004	36.60	1 : 5	13.61	0.39	July 31, 2009
August 1, 2005	55.60	1 : 5	12.33	1.67	July 31, 2010
August 1, 2006	91.20	1 : 5	7.12	6.88	July 31, 2011
			52.56	9.44	

* As at December 31, 2009, the warrants of PTTEP issued and offered on August 1, 2002, and August 1, 2003, and August 1, 2004, had expired. There were 0.04 million units, 0.06 million units and 0.08 million units of unexercised warrants, respectively.

PTTAR

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
October 15, 2008	23.22	1 : 0.52	0.10	30.09	October 15, 2012

PTTCH

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
September 29, 2006	66.50	1 : 1	10.92	18.08	September 28, 2011

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

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
June 29, 2008	2.88	1 : 1	321.70	586.17	June 28, 2011
September 28, 2008	2.88	1 : 1	7.45	30.65	September 27, 2011
			<u>329.15</u>	<u>616.82</u>	

BCP

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

Date of issue and offer of convertible bonds	Exercise price (Baht per share)	Exercise right (convertible bond per ordinary shares)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of convertible bonds
January 29, 2004	14.30	1 : 699	178.20	101.40	September 30, 2013
May 16, 2006	14.00	1 : 714	-	41.81	May 15, 2016
			<u>178.20</u>	<u>143.21</u>	

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
August 25, 2004*	5.00	1 : 1	-	24.00	August 24, 2009
May 15, 2006	18.00	1 : 1	0.06	69.03	May 14, 2011
			<u>0.06</u>	<u>93.03</u>	

*As at December 31, 2009, the warrants of BCP issued and offered on August 25, 2004 had expired on August 24, 2009. During which time, no warrant holder has exercised the right to purchase BCP's new ordinary shares according to the terms of the warrant. Therefore, 24 million ESOP warrants expired in its entirety.

27. Sales and Services

Sales and services for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Oil products	1,137,519.60	1,562,802.51	1,086,268.96	1,494,906.48
Gas products	341,081.78	328,254.99	336,266.47	327,400.23
Petrochemical products	75,526.30	98,573.12	43,226.07	62,379.59
Mining products	20,200.25	-	-	-
Other products	106.22	-	-	-
Utilities income	681.91	574.41	-	-
Non-core businesses	5,114.21	4,592.51	1,238.08	960.78
Services	5,944.18	6,018.29	-	-
Total	<u>1,586,174.45</u>	<u>2,000,815.83</u>	<u>1,466,999.58</u>	<u>1,885,647.08</u>

Sales and services for the years ended December 31, 2009 and 2008 include sales to government agencies and state enterprises amounting to Baht 111,826.71 million and Baht 114,168.21 million in the consolidated financial statements, as well as Baht 111,512.89 million and Baht 113,142.86 million in the separate financial statements.

28. Other Income

Other income for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Transportation income	5,276.52	8,823.76	5,425.96	8,917.50
Dividend income	53.68	66.92	14,546.87	27,682.42
Interest income	1,920.45	3,083.74	3,127.14	3,629.04
Compensation for loan interest on advance payments for gas purchased	546.34	504.81	546.34	504.81
Others	4,657.06	6,602.76	3,579.43	3,799.14
Total	<u>12,454.05</u>	<u>19,081.99</u>	<u>27,225.74</u>	<u>44,532.91</u>

28. Other Income (Continued)

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

29. Expenses by nature

Expenses by nature for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Change in finished goods and work in process	2,494.23	1,831.06	2,743.66	384.76
Purchase and raw material used	1,370,017.99	1,778,510.48	1,390,546.84	1,808,215.09
Staff costs	12,329.82	9,516.69	5,864.41	5,684.06
Outsourcing	4,367.89	3,578.08	3,804.76	3,182.35
Transportation	11,663.34	14,892.50	7,911.16	9,501.92
Depreciation and amortization	43,149.75	32,169.93	9,776.00	7,388.14
Repair	4,421.21	3,898.38	2,338.00	2,606.85
Utilities	7,148.45	6,222.32	6,276.40	5,434.90

30. Executive Remuneration

Executives' remuneration for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Directors	103.50	102.45	40.23	36.31
Managements*	404.83	286.94	80.47	81.99
Total	508.33	389.39	120.70	118.30

*Managements comprise executive manager, first four managers from executive manager and managers whose titles equivalent to the forth manager exclude accounting or finance managers whose titles higher or equivalent to department manager unless there are equivalent to the forth manager.

31. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the year ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2009	2008
Petroleum royalties	15,037.18	16,186.42
Special remuneration benefits	421.25	1,141.74
Total	<u>15,458.43</u>	<u>17,328.16</u>

32. Share of Net Income (Loss) from Investments in Associates

The share of net income (loss) from investments in associates for the years ended December 31, 2009 and 2008 includes share of gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2009	2008
Share of net income (loss) before gain on foreign exchange	17,912.57	(6,448.14)
<u>Add</u> share of gain on foreign exchange	854.26	197.46
Total	<u>18,766.83</u>	<u>(6,250.68)</u>

33. Finance Costs

Finance costs for the years ended December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Interest expense:				
Loans from financial institutions	2,054.42	2,210.79	1,006.41	1,451.43
Bonds	11,187.82	8,199.97	9,641.13	7,451.68
Liabilities under finance leases	20.67	33.72	18.41	29.91
Others	275.96	83.47	9.95	-
Other finance costs	680.13	948.89	517.30	866.35
Total	<u>14,219.00</u>	<u>11,476.84</u>	<u>11,193.20</u>	<u>9,799.37</u>

34. Segment Information

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

Consolidated financial statements

For the year ended December 31, 2009

	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Unit: Million Baht		
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical				Refining	Total	
Sales - others	22,028.32	292,506.55	394,987.79	823,917.83	32,421.88	-	20,200.26	111.83	-	1,586,174.46	
- related parties	97,281.79	21,231.78	3,698.32	37,979.62	0.90	-	-	719.95	(160,912.36)	-	
Net sales	119,310.11	313,738.33	398,686.11	861,897.45	32,422.78	-	20,200.26	831.78	(160,912.36)	1,586,174.46	
Gross Margin*	107,380.20	47,369.94	19,297.20	2,252.21	1,998.45	-	8,781.60	50.72	(1,025.71)	186,104.61	
EBITDA	81,422.73	41,328.80	11,731.79	2,026.17	1,077.07	-	7,316.66	(2,361.29)	162.34	142,704.27	
Depreciation and amortization	29,852.34	8,407.79	2,731.48	10.46	176.05	-	1,622.96	353.04	(4.37)	43,149.75	
EBIT	51,570.39	32,921.01	9,000.31	2,015.71	901.02	-	5,693.70	(2,714.33)	166.71	99,554.52	
Share of net income (loss) from investments under the equity method	14,634.42	(148.93)	757.56	516.77	4,271.12	15,741.77	755.22	(2,131.19)	(15,629.91)	18,766.83	
Interest income										1,920.45	
Other expenses										(8,700.81)	
Gain on foreign exchange										4,682.72	
Finance cost										(14,219.00)	
EBT										102,004.71	
Income taxes										(33,314.76)	
Net income										<u>68,689.95</u>	
Attributable to:											
Equity holders of the Company										59,547.59	
Minority interests										<u>9,142.36</u>	
Net income										<u>68,689.95</u>	

* Gross margin exclude depreciation and amortization in cost of sales

34. Segment Information (Continued)Consolidated financial statements

For the year ended December 31, 2009 (Continued)

	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Unit: Million Baht	
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical				Refining	Total
Segment assets	279,344.01	293,894.10	90,610.94	76,098.23	25,856.39	-	50,036.82	83,612.28	-	899,452.77
Inter-company assets	11,901.11	128,722.76	5,878.42	24,890.46	1.73	-	-	20,134.69	(191,529.17)	-
Investments under the equity method	98,480.99	31,069.09	10,716.04	582.70	75,282.69	113,227.57	2,169.72	11,383.54	(148,838.93)	194,073.41
Total segment assets	389,726.11	453,685.95	107,205.40	101,571.39	101,140.81	113,227.57	52,206.54	115,130.51	(340,368.10)	1,093,526.18
Non-allocated assets										10,063.54
Total Assets										<u>1,103,589.72</u>
Segment liabilities	138,365.93	164,017.76	37,443.49	86,360.72	11,140.56	-	14,644.52	124,254.01	-	576,226.99
Inter-company liabilities	3,186.23	21,002.87	10,240.39	4,040.07	1,492.25	-	0.90	151,566.46	(191,529.17)	-
Total segment liabilities	141,552.16	185,020.63	47,683.88	90,400.79	12,632.81	-	14,645.42	275,820.47	(191,529.17)	576,226.99
Non-allocated liabilities										29,272.14
Total Liabilities										<u>605,499.13</u>
Capital Expenditure	57,783.55	48,537.81	3,889.81	5.97	9,230.38	-	7,002.71	3,603.60	-	130,053.83

34. Segment Information (Continued)Consolidated financial statements

For the year ended December 31, 2008

	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Unit: Million Baht
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical				Refining
Sales - others	19,604.58	289,109.81	508,558.13	1,147,287.69	36,255.62	-	-	-	2,000,815.83
- related parties	117,147.22	23,712.26	4,592.69	41,235.14	-	-	-	(186,687.31)	-
Net sales	136,751.80	312,822.07	513,150.82	1,188,522.83	36,255.62	-	-	(186,687.31)	2,000,815.83
Gross Margin*	126,223.27	59,655.79	8,203.44	3,774.68	1,545.15	-	-	(260.45)	199,141.88
EBITDA	97,759.76	54,631.68	725.64	4,318.48	695.19	-	(2,174.59)	282.52	156,238.68
Depreciation and amortization	23,117.20	6,125.90	2,446.01	8.85	146.89	-	-	326.36	32,169.93
EBIT	74,642.56	48,505.78	(1,720.37)	4,309.63	548.30	-	(2,500.95)	283.80	124,068.75
Share of net income (loss) from investments under the equity method	27,605.37	(259.65)	(1,272.69)	(233.80)	6,313.83	(11,694.55)	(1,304.02)	(25,405.17)	(6,250.68)
Interest income									3,083.72
Other income									2,440.06
Loss on foreign exchange									(1,982.18)
Finance cost									(11,476.84)
EBT									109,882.83
Income taxes									(43,347.57)
Net income									<u>66,535.26</u>
Attributable to:									
Equity holders of the Company									51,704.80
Minority interests									<u>14,830.46</u>
Net income									<u>66,535.26</u>

* Gross margin exclude depreciation and amortization in cost of sales

34. Segment Information (Continued)Consolidated financial statements

For the year ended December 31, 2008

	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Unit: Million Baht	
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical				Refining	Total
Segment assets	227,079.03	260,679.08	76,689.21	55,850.71	17,351.41	-	-	66,705.80	-	704,355.24
Inter-company assets	10,785.06	144,394.52	101.18	20,284.37	0.37	-	-	13,221.71	(188,787.21)	-
Investments under the equity method	92,679.80	31,130.26	7,031.42	80.48	69,708.33	101,867.57	-	767.74	(123,978.97)	179,286.63
Total segment assets	330,543.89	436,203.86	83,821.81	76,215.56	87,060.11	101,867.57	-	80,695.25	(312,766.18)	883,641.87
Non-allocated assets										1,550.91
Total Assets										<u>885,192.78</u>
Segment liabilities	84,403.47	201,397.93	21,692.56	61,745.78	7,074.69	-	-	58,417.89	-	434,732.32
Inter-company liabilities	3,752.55	12,785.49	10,563.97	2,566.57	7.32	-	-	159,111.31	(188,787.21)	-
Total segment liabilities	88,156.02	214,183.42	32,256.53	64,312.35	7,082.01	-	-	217,529.20	(188,787.21)	434,732.32
Non-allocated liabilities										19,924.96
Total Liabilities										<u>454,657.28</u>
Capital Expenditure	64,239.57	30,318.50	3,676.27	23.69	5,564.14	-	-	5,783.52	-	109,605.69

34. Segment Information (Continued)

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

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

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

The Group categorizes segments for major businesses as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:

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

2. Natural gas business:

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

Downstream Petroleum Business Group

1. Oil business:

The Group conducts marketing of petroleum and lubricant products in both domestic and overseas markets under an efficient operating system of receiving, storage, and distribution of products through to the retail business at service stations.

2. International trading business:

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

3. Petrochemical business:

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

4. Refining business:

The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers.

Coal Business Group

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

Other operations of the Group mainly comprise of other segments, none of which constitute separately reportable segments.

35. Disclosure of Financial Instruments

The principal financial risks faced by the Company are those associated with fluctuations in exchange rates, interest rates, and oil and gas market prices. A certain portions of sales, purchases and borrowing transactions are denominated in foreign currencies. The Company borrows at both fixed and floating interest rates to finance its operations. Accordingly, the Company's management has entered into derivative instrument contracts to cover all these risks. The strategies used for hedging risks are forward foreign exchange contracts, and cross-currency and interest rate swap contracts. Risk exposure relating to oil market prices is managed by forward oil contracts.

The department responsible for managing exposure to exchange rate risks and fluctuations in oil and gas market prices has to report to management the details of the costs and market prices of all financial instruments, including outstanding forward foreign exchange contracts and forward oil and gas contracts. The reported information principally covers risk exposure from:

- foreign exchange rates
- currencies and interest rates
- interest rates
- fluctuations in oil and gas market prices
- credit risks

35.1 Risks from Foreign Exchange Rates

During the year ended December 31, 2009, the Company entered into forward bought foreign exchange contracts to settle the payment for procurement of raw materials and the payment of construction in progress amounting to USD 496.58 million or equivalent to approximately Baht 16,519.60 million, maturing within January and February 2010. The Company entered into forward sold foreign exchange contracts to receive for the export of finished oil amounting to USD 331.69 million or equivalent to approximately Baht 11,044.41 million, maturing in July 2010.

The receivable amounts and exchange rates under the forward foreign exchange contracts as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Forward bought foreign exchange contracts				
At the rate of Baht 33.1978-33.4200 = 1 USD	16,519.60	-	16,519.60	-
At the rate of Baht 33.3970-44.0560 = 1 USD	-	22,181.33	-	20,702.26
At the rate of Baht 43.8155-51.9918 = 1 EUR	-	411.53	-	-
Forward sold foreign exchange contracts				
At the rate of Baht 33.1400-33.4100 = 1 USD	11,058.22	-	11,044.41	-
At the rate of Baht 31.6030-39.3500 = 1 USD	-	4,003.64	-	3,264.61

35. Disclosure of Financial Instruments (Continued)**35.2 Risks from Currencies**

The Company entered into cross-currency swap in the form of participating swap amounting to YEN 23,000 million in order to hedge its risk from foreign currency loans. In current market situation, the terms of such contract as at December 31, 2009 and 2008 detailed as follow:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
- Yen 23,000 million/USD 196.94 million	6,600.90	6,909.24	6,600.90	6,909.24

The maturity of such contract is later than five years

35.3 Risks from Currencies and Interest Rates

The Group entered into cross-currency and interest rate swap contracts. The terms of the outstanding cross-currency and interest rate swap contracts as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
- Yen 36,000 million/USD 290.51 million	9,736.97	10,191.79	9,736.97	10,191.79
- Baht 7,000 million /USD 208.48 million	6,987.65	7,314.04	6,987.65	7,314.04
- Baht 3,053.80 million /USD 90 million	3,016.51	3,157.42	3,016.51	3,157.42
Total	19,741.13	20,663.25	19,741.13	20,663.25

The maturity of contracts can be analyzed as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Later than 1 year but not later than 5 years	10,004.16	7,314.04	10,004.16	7,314.04
Later than 5 years	9,736.97	13,349.21	9,736.97	13,349.21
Total	19,741.13	20,663.25	19,741.13	20,663.25

35. Disclosure of Financial Instruments (Continued)**35.4 Risks from Interest Rates**

The Group entered into interest rate swap contracts. The terms of the outstanding interest rate swap contracts as at December 31, 2009 and 2008 are as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Interest rate swap contracts to swap floating for fixed rate in Baht currency	8,500.00	8,500.00	-	-
Interest rate swap contracts to swap floating for fixed rate in USD currency	16,981.42	16,119.39	10,055.04	10,524.72
Total	25,481.42	24,619.39	10,055.04	10,524.72

The maturity of the contracts can be analyzed as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Current portion	2,542.04	-	2,513.76	-
Later than 1 year but not later than 5 years	17,166.66	19,281.31	7,541.28	10,524.72
Later than 5 years	5,772.72	5,338.08	-	-
Total	25,481.42	24,619.39	10,055.04	10,524.72

35.5 Risks from Fluctuations in Oil Market Prices

As at December 31, 2009, the outstanding forward oil price contracts that the Group entered into had a maturity period within February 2010. The volume of oil according to such contracts is 5.6 million barrels in the consolidated financial statements and 4.38 million barrels in the separate financial statements.

35.6 Credit Risks

Credit risks arise when customers do not comply with the terms and conditions of credit agreements, causing financial losses to the Company. However, the Company has managed risks by adjusting its credit policies according to the current economic situation, focusing on cash sales to retail customers and assessing credit risks for each customer group, and determining procedures for risk prevention and reduction, including credit rating for all trading partners of the Company.

35. Disclosure of Financial Instruments (Continued)**35.7 Fair Value of Financial Instruments**

Most financial assets and liabilities of the Group are classified as short-term. The fair values of financial assets and liabilities approximate their carrying values.

The Group calculates the fair values of fixed interest rate long-term loans and bonds using the discounted cash flow method based on the discounted rates of those with similar borrowing conditions. The fair values of forward foreign exchange contracts, cross-currency and interest rate swap contracts, participating swap contracts and forward oil and gas price contracts are determined by the Group's banks with reference to their quoted market prices as at December 31, 2009 and 2008 as follows:

Unit: Million Baht

	Consolidated financial statements			
	2009		2008	
	Contract price	Fair Value	Contract price	Fair Value
Long-term loans–Baht currency	53,587.49	49,637.76	44,250.17	47,423.92
Long-term loans–Foreign currencies	39,671.53	21,374.23	32,949.19	27,840.65
Unsecured unsubordinated bonds – Baht currency	204,554.14	211,655.36	114,604.20	123,915.29
Unsecured unsubordinated bonds – Foreign currencies	44,474.94	44,289.98	46,543.72	42,485.90
Forward bought foreign exchange contracts	-	50.83	-	(16.86)
Forward sold foreign exchange contracts	-	(11.42)	-	(2.55)
Cross-currency and interest rate swap contracts	-	3,981.86	-	3,056.53
Interest rate swap contracts	-	(354.98)	-	(1,228.61)
Participating swap contracts	-	(178.66)	-	(318.96)
Forward oil contracts	-	(120.49)	-	729.65

35. Disclosure of Financial Instruments (Continued)

Unit: Million Baht

	Separate financial statements			
	2009		2008	
	Contract price	Fair Value	Contract price	Fair Value
Long-term loans – Baht currency	46,500.00	48,187.27	42,400.00	45,573.75
Long-term loans – Foreign currencies	19,504.34	19,400.79	20,985.81	15,877.27
Unsecured unsubordinated bonds – Baht currency	146,104.20	152,826.54	96,104.20	105,429.51
Unsecured unsubordinated bonds – Foreign currencies	44,474.94	44,289.98	46,543.72	42,485.90
Forward bought foreign exchange contracts	-	50.83	-	(15.70)
Forward sold foreign exchange contracts	-	(25.19)	-	(11.15)
Cross-currency and interest rate swap contracts	-	3,981.86	-	3,056.53
Interest rate swap contracts	-	(278.89)	-	(470.33)
Participating swap contracts	-	(178.66)	-	(318.96)
Forward oil price contracts	-	(120.49)	-	729.65

36. Dividend Payment

On April 10, 2009, the annual shareholders' meeting of the Company approved the dividend payments for the year 2008 of Baht 8.00 per share, amounting to Baht 22,592.40 million. On September 12, 2008, the Company paid the interim dividends for the operating results of the first half of 2008 at Baht 6.00 per share for 2,824,047,825 shares, amounting to Baht 16,944.29 million. The remaining dividends were paid as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
For the year 2008	July 1, 2008 – December 31, 2008	2.00	2,824,056,625	5,648.05	April 30, 2009

36. Dividend Payment (Continued)

On August 21, 2009, the Board of directors' meeting of the Company approved the interim dividend payments for the first half of 2009 performance as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
Interim	January 1, 2009 – June 30, 2009	4.00	2,830,485,504	11,321.94	September 18, 2009

37. Business Acquisition

On February 4, 2009, PTTEP acquired 100% ordinary shares of Coogee Resources Limited (CRL) which was later renamed as PTTEP Australasia Limited. CRL was engaged in the investments in and development of oil and gas exploration and production businesses in Australia. Such business acquisition contributed a net loss of Baht 5,497 million to PTTEP for the period from February 4, 2009 to December 31, 2009.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	5,475.05
Fair value of net assets acquired	5,290.23
Goodwill (Note 15)	<u>184.82</u>

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

	Unit: Million Baht
Cash and cash equivalents	361.87
Restricted cash	503.69
Trade accounts receivable	324.43
Inventories	376.76
Materials and supplies	441.75
Property, plant and equipment, net (Note 12)	18,813.07
Intangible assets (Note 13)	3,382.68
Deferred tax assets, net	3,435.84
Trade accounts payable	(1,485.77)
Borrowings	(12,846.43)
Liabilities under finance leases	(8,343.21)
Other assets, net	<u>325.55</u>
Net assets	5,290.23
Goodwill (Note 15)	<u>184.82</u>
Total purchase consideration	5,475.05
<u>Less:</u> Cash and cash equivalents in the subsidiary	<u>361.87</u>
Cash outflow on the acquisition	<u><u>5,113.18</u></u>

37. Business Acquisition (Continued)

On October 22, 2009, PTTEP acquired 100% ordinary shares of OMV Timor Sea Pty Ltd (OMV) which was later renamed as PTTEP Australasia Timor Sea Pty Limited. OMV was engaged in the investments in and development of oil and gas exploration and production businesses in Australia. The acquired business contributed a net loss of Baht 46 million to PTTEP for the period from October 22, 2009 to December 31, 2009.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	586.84
Fair value of net assets acquired	<u>586.84</u>
Goodwill (Note 15)	<u><u>-</u></u>

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

	Unit: Million Baht
Trade accounts receivable	11.20
Inventories	296.66
Other current assets	27.92
Property, plant and equipment, net (Note 12)	951.91
Deferred tax assets, net	43.47
Trade accounts payable	(27.51)
Other non-current liabilities	<u>(716.81)</u>
Net assets	586.84
Goodwill (Note 15)	<u>-</u>
Cash outflow on the acquisition	<u><u>586.84</u></u>

As at December 31, 2009, PTTEP was reviewing the fair value of net assets above. The estimated net fair value will be adjusted when accounting records on the acquisition date are completed.

37. Business Acquisition (Continued)

On April 28, 2009, PTT Mining Limited (PTTML) formerly known as Lints Limited, Hong Kong (Lint), a subsidiary of PTT INTER, acquired 60% ordinary shares in Straits Bulk and Industrial Pty Ltd (SBI) from Straits Resources Limited (SRL). SBI was later renamed as PTT Asia Pacific Mining Pty Ltd (PTTAPM). SBI, incorporated in Australia, is a holding company which invests in shares of various companies. At present, SBI mostly invests in the companies which own the rights to operate coal mining business.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	12,212.10
Fair value of net assets acquired	7,810.97
Goodwill (Note 15)	<u>4,401.13</u>

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

	Unit: Million Baht
Cash and cash equivalents	2,613.60
Trade accounts and notes receivable	1,677.21
Other accounts receivable and short-term loans	2,149.73
Inventories	842.47
Investments in associates (Note 10.3)	1,267.73
Other long-term investments (Note 11.4, 11.6)	120.13
Property, plant and equipment, net (Note 12)	6,108.22
Mining properties, net (Note 14)	34,999.05
Goodwill (Note 15)	107.48
Deferred tax assets	87.47
Trade accounts payable	(1,287.71)
Income tax payable	(423.91)
Accrued expenses	(1,800.36)
Other current liabilities	(3,855.14)
Borrowings	(9,017.15)
Deferred tax liabilities	(7,386.99)
Contingent liabilities (Note 22)	(69.30)
Minority interests	(18,321.56)
Fair value of net acquired assets	<u>7,810.97</u>
Goodwill (Note 15)	4,401.13
Total purchase consideration	<u>12,212.10</u>
<u>Less:</u> Cash and cash equivalents in the subsidiary	<u>2,613.60</u>
Cash outflow on the acquisition	<u>9,598.50</u>

37. Business Acquisition (Continued)

During 2009, SAR, a subsidiary of PTTAPM, made an additional payment for the acquisitions of MBR and KMM located in Indonesia.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	4,222.69
Fair value of net assets acquired	<u>2,559.19</u>
Goodwill (Note 15)	<u><u>1,663.50</u></u>

In 2008, PTTGE acquired 95% shares of PT MAR located in Indonesia through the acquisition of KTP, which was incorporated in Singapore, and acquired 95% shares of PT Az-Zhara group in Indonesia, through the acquisition of Sabran Brother Pte. Ltd., which was incorporated in Singapore.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	726.59
Fair value of net assets acquired	<u>402.21</u>
Goodwill (Note 15)	<u><u>324.38</u></u>

On August 31, 2009, PTTRB signed the Share Sale and Purchase Agreement (SPA) with TOTAL Oil (Thailand) Company Limited (TOTAL) and other shareholders, to purchase 14.60 million shares of Thai Lube Blending Company Limited (TLBC) from TOTAL and other shareholders at Baht 10.75 per share amounting to Baht 162.15 million. Both payment and share transfer are made on the same date.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	162.15
Fair value of net assets acquired	<u>250.86</u>
Negative goodwill (Note 15)	<u><u>(88.71)</u></u>

37. Business Acquisition (Continued)

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

	Unit: Million Baht
Cash and cash equivalents	6.82
Current investments	369.72
Trade accounts receivable	13.25
Other accounts receivable and short-term loans	1.86
Supplies	0.68
Other current assets	1.99
Property, plant and equipment, net (Note 12)	406.90
Intangible assets (Note 13)	170.50
Deferred tax assets	1.10
Other non-current assets	0.80
Other accounts payable	(386.16)
Other current liabilities	(3.37)
Deferred tax liabilities	(78.19)
Other non-current liabilities	(14.50)
Minority interests	(240.54)
Fair value of net acquired assets	<u>250.86</u>
<u>Less: Negative goodwill</u>	<u>88.71</u>
Total purchase consideration	162.15
<u>Less: Cash and cash equivalents in the subsidiary</u>	<u>6.82</u>
Cash outflow on the acquisition	<u><u>155.33</u></u>

38. Reclassification and Adjustment

The Group has reclassified certain items in the consolidated and the separate financial statements for the year ended December 31, 2008 to ensure consistency with the presentation in the consolidated and the separate financial statements for the year ended December 31, 2009 and to align with the “Summary of the set must be in financial year 2009” dated on January 30, 2009, announced by the Department of Business Development which became effective for accounting periods beginning on or after January 1, 2009.

The Group has reclassified advances for operating rights in gas stations from construction in progress included in property, plant and equipment to long-term advanced payment presented as other non-current assets amounting to Baht 1,140.66 million in the consolidated financial statements and the separate financial statements. In addition, it has reclassified land leasehold rights from intangible assets to long-term advanced payment for land lease presented as other non-current assets amounting to Baht 4,414.73 million in the consolidated financial statements and Baht 2,842.18 million in the separate financial statements according to Accounting Standard No.17 “Leases” (revised 2007) (No.29, formerly)

38. Reclassification and Adjustment (Continued)

To ensure consistency with the presentation in the balance sheets as at December 31, 2009, the Company has reclassified the account receivable – subsidy from natural gas producer (Signature bonus) in the balance sheet as at December 31, 2008 from other accounts receivable, advances and long-term loans – related parties to other accounts receivable, advances and short-term loans – related parties amounting to Baht 835.32 million in the separate financial statements and has reclassified from other long term accounts receivable presented as non-current assets to other accounts receivable and short term loans – others amounting to Baht 208.83 million in the consolidated financial statements and the separate financial statements. The Company has also reclassified deferred bond discount from other non-current assets to an off-set account against long-term loans amounting to Baht 11.95 million in the consolidated financial statements.

39. Promotional Privileges

The Company received promotional privileges from the Board of Investment (BOI) under the Investment Act, B.E. 2520 (1977) as follows:

- ◆ the Gas Separation Plant Unit#5 project
- ◆ the Third gas offshore and onshore pipeline project
- ◆ the Sai Noi-South Bangkok Power Plant gas pipeline project
- ◆ the Songkhla Power Plant gas pipeline project
- ◆ the Ethane Separation Plant project
- ◆ the Gas Separation Plant Unit#6 project
- ◆ the gas distribution pipelines to the Rojana Industrial Park project
- ◆ the Power and Steam Production for Bangchak Refinery project
- ◆ the North Bangkok Power Plant gas pipeline project
- ◆ the Rayong-Kangkoi gas pipeline project

The promotional privileges include:

- ◆ import duties exemption on the machinery approved by the BOI
- ◆ corporate income tax exemption on net income from the promoted business for eight years starting from the date on which the first sale is realized. The Company applied such right for the Gas Separation Plant Unit#5 project.

The sales from the promoted and non-promoted businesses for the years ended December 31, 2009 and 2008 are as follows:

	Unit : Million Baht	
	Separate financial statements	
	2009	2008
Promoted business	-	32,985.85
Non-promoted business	1,466,999.58	1,852,661.23
Total	1,466,999.58	1,885,647.08

*All promotional privileges of the Company had been used up in August 2008.

39. Promotional Privileges (Continued)

Some subsidiaries and jointly controlled entities received promotional privileges from the BOI under the Investment Act, B.E. 2520 (1977) as follows:

HMC received promotional privileges for its business with respect to the production of chemicals from petroleum. The promotional privileges include exemption from various taxes and duties approved by the BOI, such as corporate income tax exemption on the net income from promoted business for eight years starting from the date on which the first sale is realized, and 50% corporate income tax exemption on the net income from the promoted business for five years starting from the expiry date of the corporate income tax exemption.

PTTNGD received three issues of promotional privileges for its business with respect to the pipeline transmission business, mass transit systems and transportation of bulk product business. The promotional privileges include exemption from import duties for the machinery approved by the BOI and corporate income tax exemption on the net income from the promoted business for eight years starting from the date on which the first sale is realized.

TTM-T received promotional privileges for its public utility and basic services business Category 7.1, Mass transit systems and transportation of bulk products Category 7.2 and natural gas transmission pipeline business Category 7.7. The promotional privileges include exemption from various taxes and duties approved by the BOI and corporate income tax exemption.

DCAP received promotional privileges for its public utility and basic services business Category 7.1. The promotional privileges include exemption from various taxes and duties approved by the BOI and corporate income tax exemption.

PTTPL received promotional privileges for its international merchandise distribution centre with modern system Category 7.7. The promotional privileges include exemption from import duties for the machinery approved by the BOI and corporate income tax exemption on the net income from the promoted business for five years starting from the date on which the first sale is realized.

As the Group has received promotional privileges from the BOI, it has to comply with all conditions and regulations for the promoted operations as stipulated in the Promotional Certificates.

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

On June 19, 2009, the Stop Global Warming Association and 43 persons filed a complaint with the Central Administrative Court (the Court), asserting eight government agencies of omission of duty, together with a motion seeking the Court injunction to temporarily halt all operations and activities of 76 industrial projects in Map Ta Phut area in Rayong province.

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

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

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

On November 13, 2009, the Prime Minister appointed the committee, which comprised of the representative of the public, government, experts and private entrepreneur, to solve the problem of compliance with Article 67 Paragraph 2 of the Constitution B.E.2550 (2007).

On December 2, 2009, the Supreme Administrative Court issued an order No.592/2552 amending the injunction of the Court by requiring the eight accused government agencies to order the temporary suspension of the projects or activities listed in the complaint except for 11 projects, seven projects of which belong to the Group, and one project belongs to the Company. The Supreme Administrative Court considered those 11 projects would apparently not cause severe impact because they are merely intended to control or minimize the pollution or install additional equipment. As at December 31, 2009, the Company invested a total Baht 22,258.95 million in those projects.

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

On December 28, 2009, the Company, as a stakeholder, submitted the motion to amend or revoke the temporary injunction to the Court.

On December 29, 2009, the Ministry of Natural Resources and Environment issued the Notification of the Ministry of Natural Resources and Environment re: Prescribing the Criteria, Procedures, Regulations, and Guidelines for the Preparation of Environmental Impact Assessment Reports (EIA reports) for Projects or Activities that may have cause severe impact on the Environment, Natural Resources, and Health of a Community, with the Health Impact Assessment (HIA) included.

On January 22, 2010, the Court dismissed the Company's motion to amend or revoke the temporary injunction submitted to the Court. The Court's rulings on each issue are as follows:

◆ Whether the projects or activities are not required to submit the Environmental Impact Assessment (EIA) reports pursuant to the Notification of the Ministry of Natural Resources and Environment dated June 16, 2009, is the fact which the claimants can verify with the Office of Natural Resources and Environmental Policy and Planning.

◆ Whether the projects or activities received the permits before the effective date of the Constitution B.E.2550 (2007) (i.e. August 24, 2007), is the fact which the claimants can verify with the officers who have permission authorities pursuant to the relevant laws.

◆ In case of the projects or activities which would apparently not cause severe impact that the Supreme Administrative Court had provided the guidelines in the order dated December 2, 2009, the Supreme Administrative Court had considered that there are 11 projects in accordance with the guidelines. Hence, the Court deems that such consideration is final and, therefore, this issue cannot be reconsidered.

◆ The Court considered that the facts presented in the motion are the facts which had been presented to the court both in the Court and in the Supreme Administrative Court's hearings. There is no change of facts and, therefore, the Court found no reasonable ground to amend or revoke the injunction.

However, when any of the projects or activities has complied with the rules or regulations issued by the authorities pursuant to Article 67 Paragraph 2 of the Constitution B.E.2550 (2007), the eight accused government agencies or any interested persons may file a motion to the Court to request for the amendment or revocation of the injunction.

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

In this regard, the Group is engaged in the process of preparing an appeal to amend or revoke the temporary injunction to the Supreme Administrative Court to object the Court order that dismissed the Company's motion.

41. The Incident at Montara field of a subsidiary

On August 21, 2009, Montara field's H1 development well in Timor Sea of the PTTEP Australasia project experienced an uncontrolled leakage of oil and gas. PTTEP straightaway implemented its emergency response procedure to control the leakage and deal with the leak. On November 1, 2009, while PTTEP was controlling the oil and gas leakage, a fire broke out on the contractor's West Atlas drilling rig and the Montara Wellhead Platform. PTTEP was able to extinguish the fire and stop the oil and gas leak successfully since November 3, 2009. In addition, Montara field's H1 development well had been closed permanently in January 2010.

As per the aforementioned incident, PTTEP has estimated the overall expenditures. In the third quarter of 2009, PTTEP had recorded the expenses, prior to fire incident, of Baht 5,174 million. And in the fourth quarter of 2009, PTTEP had accounted for the additional expenses of Baht 5,253 million in order to reflect the long term monitoring and the fire in November 2009. The latter expense had already included the damaged well head platform write-off of Baht 3,325 million. As this incident has insurance coverage, PTTEP received an agreement from the insurers to make a payment on account (the interim payment) of 1,341 million baht. In the fourth quarter of 2009, PTTEP recorded the payment in the financial statement, which offset the total incident expenditures. The net expenditure is deductible in tax calculation.

PTTEP has insurance coverage of approximately USD 270 million, equivalent to Baht 9,000 million (including the recognized amount of Baht 1,341 million in the fourth quarter). However, the actual amount ultimately recoverable under the insurance policies is dependent upon costs actually incurred and the terms and conditions of the policies. PTTEP is currently in the claim process with the insurers for the remaining recoverable amounts.

	Unit : Million Baht
Loss from crude oil and natural gas leak and fire incident	7,102 *
Amortization of wellhead platform damage	3,325
<u>Less</u> recoverable amount from the insurers	(1,341)
Total loss from the incident in Montara field	<u>9,086</u>

*As at December 31, 2009, loss from the incident amounting to Baht 212.22 million is classified as short-term provision under current liabilities.

42. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

- 42.1 Commitments to subsidiaries, jointly controlled entities, associates and other related companies are as follows:
- 42.1.1 The Group has provided loans to its subsidiaries and associates at a credit limit of Baht 60,523.05 million. As at December 31, 2009, the Group made payments for these loans totalling Baht 44,342.05 million. The remaining commitment was Baht 16,181 million.
- 42.1.2 According to a condition with a financial institution, the Company entered into Shareholder's Commercial Support Arrangements with its two associates at a total credit limit of USD 190 million. The Company had obligations under the arrangements in the forms of extended credits for raw materials and/or advance product payments. As at December 31, 2009, the two associates had not used the commercial credit line.
- 42.1.3 The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in the form of an extended credit for raw materials at a credit limit of USD 100 million. As at December 31, 2009, the subsidiary had used USD 99.81 million of the commercial credit. The remaining commercial credit line was USD 0.19 million or approximately Baht 6.37 million.
- 42.1.4 The Company entered into Sponsor Support Agreements with two jointly controlled entities at a credit limit equal to the loan obligations of the two jointly controlled entities to a financial institution. As at December 31, 2009, the Company had a remaining commitment of USD 129.20 million or approximately Baht 4,330.37 million.
- 42.1.5 The Company provided a loan to a jointly controlled entity at a credit limit of USD 73.80 million. As at December 31, 2009, the Company had made a payment for this loan totalling USD 52.50 million. The remaining commitment was USD 21.30 million or approximately Baht 713.91 million.
- 42.1.6 The Company had obligations under Shareholder Agreements to pay for ordinary shares in accordance with the shareholding percentages. As at December 31, 2009, the Company had the remaining commitments amounting to Baht 12,660.37 million.

42. Commitments and Contingent Liabilities (Continued)

42.2 Commitment for the operating leases – the Group as a lessee

The future minimum lease payments for the uncancellable operating leases as at December 31, 2009 and 2008 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Not later than 1 year	4,806.15	3,220.76	249.04	40.39
Later than 1 year but not later than 5 years	5,706.37	9,268.99	421.53	103.97
Later than 5 years	5,185.16	1,296.21	422.87	164.34
Total	<u>15,697.68</u>	<u>13,785.96</u>	<u>1,093.44</u>	<u>308.70</u>

42.3 As at December 31, 2009, the Group and the Company had obligations in the form of unused letters of credit amounting to Baht 9,861.61 million in the consolidated financial statements and Baht 8,851.23 million in the separate financial statements.

42.4 As at December 31, 2009, the Group and the Company had contingent liabilities in the form of letters of guarantee amounting to Baht 2,607.97 million in the consolidated financial statements and Baht 97.08 million in the separate financial statements.

42.5 An associate entered into a product sale agreement with the Company for the Company to sell the product further to a listed company. The agreement had a maturity of 15 years which will be due on January 31, 2012. The associate notified not to renew the agreement with the Company. Therefore, it was necessary for the Company to submit an advance notice to the listed company not to renew the agreement which was in compliance with conditions of the agreement. On December 3, 2009 the listed company submitted a complaint to the arbitrators requesting the Company and the associate as a seller and a producer to comply with the agreement by continuing to sell the product to the listed company or by paying for an indemnity. The Company submitted the case to the Office of the Attorney General for objection filing. Currently, the case is under the consideration of the prosecutors to prepare the objection. An arbitration committee will be established for the consideration under the Arbitration Act B.E. 2545.

43. Subsequent Events

- 43.1 In January, 2010, the Company entered into interest rate swap contracts amounting to Baht 4,040 million for some Baht currency bonds which have maturity date on June 20, 2015. The interest rates were swapped from a fixing interest rate at 4.75% per annum to a floating interest rate ranging from 6M THBFIX plus 0.89 to 1.19 per annum. However, some interest rate swap contracts have the term allowing the parties to cancel the contracts prior to the maturity dates.
- 43.2 On January 27, 2010, the Company's board of directors meeting No.1/2010 approved to sell 15% shareholding of Petro Asia (Shantou) to Shenzhen Sailuo Industrial Development Co., Ltd who made a purchase offer.
- 43.3 According to the land lease contract between the Company and PTTEP, the leased land located on Vibhavadi Rd., Chatuchak, Bangkok, came to an end, causing the ownership of the office buildings of PTTEP, which was built on such land, to be transferred to the Company. In accordance with the contract, the Company has to make payment for the buildings purchase at an agreed price based on the condition of the buildings and the market price provided by an independent assessor. The Company will seek the approval from the board of directors of the Company for such matter.
- 43.4 On February 19, 2010, a resolution from the board of directors of the Company was passed to seek approval for the dividend payment of year 2009 from the ordinary shareholders' meeting at a rate of Baht 8.50 per share. On September 18, 2009, the Company paid the interim dividends at a rate of Baht 4 per share as detailed in Note 36. Therefore, the remaining dividends to be paid were at a rate of Baht 4.50 per share amounting to approximately Baht 12,789 million. The payment for such dividends will be made after the approval from ordinary shareholders' meeting of the Company, which will be held on April 9, 2010.
- 43.5 The board of directors of the Company approved these financial statements for public issuance on February 19, 2010.
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