

AUDITOR'S REVIEWED REPORT AND INTERIM FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2006

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2006**

NOTES	CONTENTS
1	General Information
2	Cash and Cash Equivalents
3	Trade Accounts and Notes Receivable – Others, Net
4	Related Party Transactions
5	Investments Accounted for under Equity Method
6	Other Long-term Investments
7	Property, Plant and Equipment, Net
8	Intangible Assets
9	Advance Payment for Gas Purchased
10	Long-term Loans
11	Provision for Decommissioning Costs
12	Share Capital
13	Earnings per Share
14	Other Income
15	Share of Net Income from Investments under Equity Method
16	Segmented Financial Information
17	Reclassification
18	Promotional Privileges
19	Commitments and Contingent Liabilities
20	Subsequent Events

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2006 (UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2005 (AUDITED)

1. General Information

1.1 Purpose of the Interim Financial Statements

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

1.2 Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 41 “Interim Financial Statements”. The content of the interim financial statements comprises the balance sheets, statements of income, changes in shareholders’ equity and cash flows, as presented in the most recent annual financial statements, together with the selected significant explanatory notes.

1.3 Basis of Preparation

PTT Public Company Limited (“the Company”) and subsidiaries are collectively “the Group”.

These consolidated financial statements have been prepared under the same basis as the consolidated financial statements for the year ended December 31, 2005. During the period, there has been no change in the structures of subsidiaries, associates and joint ventures.

1.4 Summary of Significant Accounting Policies

The Company has prepared these interim financial statements based on the same accounting policies and computation methods as applied in the financial statements for the year ended December 31, 2005 which were prepared in accordance with generally accepted accounting principles.

2. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2006 and December 31, 2005 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Cash on hand	187.86	509.21	165.82	229.68
Deposits held at call with banks	35,776.04	25,978.08	9,350.67	4,798.32
Fixed deposits	18,276.24	11,976.80	1,500.00	6,500.00
Treasury bills	25,944.50	19,577.43	12,076.10	113.57
Promissory notes	9,768.66	6,887.39	4,851.66	730.99
Bank of Thailand bonds	997.71	8,511.91	997.71	8,511.91
Total	<u>90,951.01</u>	<u>73,440.82</u>	<u>28,941.96</u>	<u>20,884.47</u>

Cash and cash equivalents as of March 31, 2006 mainly bear interest rates ranging from 0.25%-4.80% per annum (December 31, 2005: the interest rates ranging from 0.25%-5.75% per annum).

3. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others as of March 31, 2006 and December 31, 2005 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Trade accounts receivable	73,663.19	66,694.60	59,860.80	53,921.88
Notes receivable	2,887.63	3,206.47	2,887.63	3,206.47
Total	76,550.82	69,901.07	62,748.43	57,128.35
<u>Less</u> Allowance for doubtful accounts	<u>2,439.75</u>	<u>2,382.37</u>	<u>1,589.37</u>	<u>1,510.05</u>
Trade accounts and notes receivable – others, net	<u>74,111.07</u>	<u>67,518.70</u>	<u>61,159.06</u>	<u>55,618.30</u>

3. Trade Accounts and Notes Receivable – Others, Net (Continue)

Aging trade accounts and notes receivable – others as of March 31, 2006 and December 31, 2005 can be analyzed as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Current	61,386.71	55,448.25	51,777.27	46,451.30
Overdue				
- Up to 3 months	4,935.73	4,818.75	1,733.23	2,079.64
- Over 3 – 6 months	942.71	1,444.45	906.06	1,380.87
- Over 6 – 12 months	2,131.24	1,519.06	2,091.28	1,476.47
- Over 12 months	7,154.43	6,670.56	6,240.59	5,740.07
Total	76,550.82	69,901.07	62,748.43	57,128.35
<u>Less Allowance for doubtful accounts</u>	<u>2,439.75</u>	<u>2,382.37</u>	<u>1,589.37</u>	<u>1,510.05</u>
Trade accounts and notes receivable - others, net	<u>74,111.07</u>	<u>67,518.70</u>	<u>61,159.06</u>	<u>55,618.30</u>

Trade accounts and notes receivable – others, net as of March 31, 2006 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 26,179.90 million (December 31, 2005: Baht 19,046.78 million), and in the Company's financial statements amounting to Baht 26,029.64 million (December 31, 2005: Baht 18,881.51 million).

4. Related Party Transactions

The following are significant transactions carried out with related parties :

4.1 Trade accounts receivable – related parties as of March 31, 2006 and December 31, 2005

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Subsidiaries	-	-	22,238.06	20,077.16
Associates	24,085.51	19,822.83	21,170.88	18,154.13
Other related parties	2,910.08	2,244.18	2,910.08	2,244.18
Joint ventures	-	-	35.15	0.84
	26,995.59	22,067.01	46,354.17	40,476.31
<u>Less Allowance for doubtful accounts</u>	<u>259.72</u>	<u>268.14</u>	<u>269.88</u>	<u>276.42</u>
Total	<u>26,735.87</u>	<u>21,798.87</u>	<u>46,084.29</u>	<u>40,199.89</u>

4. Related Party Transactions (Continue)

4.1 Trade accounts receivable – related parties (Continue)

Aging trade accounts receivable – related parties as of March 31, 2006 and December 31, 2005 can be analyzed as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Current	26,709.43	21,899.84	41,417.75	35,492.97
Overdue				
- Up to 3 months	204.64	-	1,369.53	231.32
- Over 3 – 6 months	62.90	99.45	64.96	709.47
- Over 6 – 12 months	17.31	58.26	25.01	60.37
- Over 12 months	1.31	9.46	3,476.92	3,982.18
	<u>26,995.59</u>	<u>22,067.01</u>	<u>46,354.17</u>	<u>40,476.31</u>
<u>Less Allowance for</u> doubtful accounts	<u>259.72</u>	<u>268.14</u>	<u>269.88</u>	<u>276.42</u>
Total	<u>26,735.87</u>	<u>21,798.87</u>	<u>46,084.29</u>	<u>40,199.89</u>

4. Related Party Transactions (Continue)

4.2 Other accounts receivable, advances and short-term loans – related parties as of March 31, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Other accounts receivable				
Subsidiaries	-	-	601.56	577.58
Associates	1,921.54	1,173.15	1,918.13	1,170.44
Other related parties	12.39	20.62	12.39	12.24
Joint ventures	-	-	124.83	130.86
	<u>1,933.93</u>	<u>1,193.77</u>	<u>2,656.91</u>	<u>1,891.12</u>
<u>Less</u> Allowance for doubtful accounts	<u>141.71</u>	<u>141.71</u>	<u>142.09</u>	<u>142.02</u>
	<u>1,792.22</u>	<u>1,052.06</u>	<u>2,514.82</u>	<u>1,749.10</u>
Advances				
Subsidiaries	-	-	483.43	3.43
Associates	161.96	250.01	-	-
Other related parties	<u>284.31</u>	<u>397.22</u>	<u>183.45</u>	<u>270.13</u>
	<u>446.27</u>	<u>647.23</u>	<u>666.88</u>	<u>273.56</u>
Short-term loans				
Subsidiaries	-	-	-	12,000.25
Associates	<u>2,899.88</u>	<u>3,487.14</u>	<u>2,899.88</u>	<u>3,487.14</u>
	<u>2,899.88</u>	<u>3,487.14</u>	<u>2,899.88</u>	<u>15,487.39</u>
Total	<u>5,138.37</u>	<u>5,186.43</u>	<u>6,081.58</u>	<u>17,510.05</u>

Changes in short-term loans – related parties for the three-month period ended March 31, 2006 are as follows :

Unit : Million Baht

	Consolidated	The Company
Balance as of December 31, 2005	3,487.14	15,487.39
- Receipt from loans granted	<u>(587.26)</u>	<u>(12,587.51)</u>
Balance as of March 31, 2006	<u>2,899.88</u>	<u>2,899.88</u>

Short-term loans to related parties are unsecured with the interest rates ranging from 6.69%-6.94% per annum.

4. Related Party Transactions (Continue)

4.3 Advances and long-term loans – related parties as of March 31, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Advances				
Subsidiaries	-	-	1.40	1.51
Associates	305.67	304.86	305.67	304.86
	<u>305.67</u>	<u>304.86</u>	<u>307.07</u>	<u>306.37</u>
<u>Less</u> Allowance for doubtful accounts	<u>305.67</u>	<u>304.86</u>	<u>305.67</u>	<u>304.86</u>
	<u>-</u>	<u>-</u>	<u>1.40</u>	<u>1.51</u>
Long-term loans				
Subsidiaries	-	-	25.00	25.00
Associates	5,807.69	5,807.69	5,807.69	5,807.69
Other related parties	-	185.18	-	185.18
	<u>5,807.69</u>	<u>5,992.87</u>	<u>5,832.69</u>	<u>6,017.87</u>
Total	<u>5,807.69</u>	<u>5,992.87</u>	<u>5,834.09</u>	<u>6,019.38</u>

Changes in long-term loans – related parties for the three-month period ended March 31, 2006 are as follows :

Unit : Million Baht

	Consolidated	The Company
Balance as of December 31, 2005	5,992.87	6,017.87
- Receipt from loans granted	(185.18)	(185.18)
Balance as of March 31, 2006	<u>5,807.69</u>	<u>5,832.69</u>

Long-term loans to related parties are unsecured with the interest rates ranging from 3.10%-6.00% per annum.

4.4 Trade accounts payable – related parties as of March 31, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Subsidiaries	-	-	15,620.57	12,920.87
Associates	17,089.14	17,826.54	15,453.87	17,441.24
Other related parties	795.92	800.09	636.75	800.09
Joint ventures	-	-	491.35	559.94
Total	<u>17,885.06</u>	<u>18,626.63</u>	<u>32,202.54</u>	<u>31,722.14</u>

4. Related Party Transactions (Continue)

4.5 Other accounts payable – related parties as of March 31, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Subsidiaries	-	-	36.52	29.53
Associates	529.19	309.70	158.92	103.16
Other related parties	26.96	24.94	26.15	24.94
Joint ventures	-	-	8.01	0.51
Total	<u>556.15</u>	<u>334.64</u>	<u>229.60</u>	<u>158.14</u>

4.6 Other long-term payable – related parties as of March 31, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Subsidiaries	-	-	322.63	360.81
Total	<u>-</u>	<u>-</u>	<u>322.63</u>	<u>360.81</u>

4. Related Party Transactions (Continue)

4.7 Revenue and expense transactions carried out with related parties.

For the three-month periods ended March 31, 2006 and 2005

Unit : Million Baht

	Consolidated		The Company	
	2006	2005	2006	2005
Revenues				
Sales :				
Subsidiaries	-	-	45,182.91	26,887.11
Associates	62,360.00	52,792.19	59,094.77	51,841.10
Other related parties	8,914.02	7,341.49	8,914.02	7,341.49
Joint ventures	-	-	55.73	9.03
Interest income :				
Subsidiaries	-	-	77.74	359.48
Associates	118.39	58.08	118.39	58.08
Other related parties	0.99	7.68	0.99	7.68
Joint ventures	-	-	-	1.35
Other income :				
Subsidiaries	-	-	569.17	1,071.72
Associates	500.59	533.59	497.52	533.59
Other related parties	84.72	20.25	84.72	20.25
Joint ventures	-	-	7.48	18.77
Expenses				
Purchases :				
Subsidiaries	-	-	54,832.86	36,068.06
Associates	66,355.02	45,077.03	64,285.62	43,628.65
Other related parties	2,002.24	2,052.82	2,002.24	2,052.82
Other expenses :				
Subsidiaries	-	-	62.86	51.13
Associates	18.37	7.70	9.81	7.70
Other related parties	149.70	150.77	149.70	150.77

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

Stipulation prices between the Company and its related parties are based on the normal prices used in the same type of business in transactions with third parties. With respect to the selling prices of natural gas between the Company and an associate, the Company has provided a special discount for five years from 2002 to 2007 to support the manufacturing expansion of the associate. However, the purchase volume was insignificant.

Goods purchased from a subsidiary are at normal selling prices determined by the subsidiary with reference to the world market prices.

4.8 Details of commitments to subsidiaries, associates, joint ventures and other related parties are stated in Note 19.1.

5. Investments Accounted for under Equity Method

5.1 Information of subsidiaries, associates and joint ventures of the Company is as follows :

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2006	December 31, 2005
<u>Subsidiaries :</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	66.31	66.32
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 service and oil marketing	49.00	49.00
PTT International Trading Pte., Ltd. (PTTT)	Singapore	Oil international 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
Bangkok Polyethylene Public Co., Ltd. (BPE)	Thailand	Petrochemical	50.00	50.00
PTT Polyethylene Co., Ltd. (PTTPE)	Thailand	Petrochemical	50.00	50.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemical	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemical	50.03	50.03
PTT Polymer Marketing Co., Ltd. (PTTPM)	Thailand	Polymer marketing	50.00	50.00
Rayong Refinery Public Co., Ltd. (RRC)	Thailand	Refining	100.00	100.00
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generate and supply electricity, steam and water for industries	40.00	40.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00

5. Investments Accounted for under Equity Method (Continue)

5.1 Information of subsidiaries, associates and joint ventures of the Company is as follows :
(Continue)

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2006	December 31, 2005
<u>Associates :</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.54	49.54
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd (THAPPLINE)	Thailand	Oil pipeline	34.04	34.04
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Oil marketing	25.00	25.00
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
Aromatics (Thailand) Public Co., Ltd. (ATC)	Thailand	Petrochemical	49.84	49.99
Thai Petrochemical Industrial Public Co., Ltd. (TPI)	Thailand	Petrochemical and refining	31.50	31.50
Independent Power (Thailand) Co., Ltd. (IPT)	Thailand	Power producer	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generate and supply electricity	26.00	26.00
<u>Joint Ventures :</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	Generate and supply electricity and chilled water	35.00	35.00

5. Investments Accounted for under Equity Method (Continue)

5.2 Investments accounted for under equity method as of March 31, 2006 and December 31, 2005 are as follows :

Consolidated

Unit : Million Baht

Company	Shareholding percentage		March 31, 2006			December 31, 2005			Dividend for the three-month periods ended March 31	
	March 31, 2006	December 31, 2005	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2006	2005
Associates :										
Refining Business Group										
1 TOP	49.54	49.54	11,483.09	26,419.47	-	11,483.09	23,927.80	-	-	-
2 SPRC	36.00	36.00	14,770.48	13,217.75	-	14,770.48	12,509.94	-	-	-
Oil Business Group										
3 THAPPLINE	34.04	34.04	2,682.35	-	-	2,682.35	-	-	-	-
4 TLBC	48.95	48.95	140.00	106.10	-	140.00	97.75	-	-	-
5 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
6 PA (Sanshui)	25.00	25.00	7.17	6.07	-	7.17	6.07	-	-	-
7 V LPG	45.00	45.00	87.35	107.35	-	87.35	114.00	-	-	-
8 KPL	40.00	40.00	21.49	11.41	-	21.49	11.27	-	-	-
9 FST	25.00	25.00	1.13	1.02	-	1.13	0.94	-	-	-
Petrochemical Business Group										
10 ATC	49.84	49.99	4,423.12	3,035.15	-	4,423.12	3,851.99	-	966.05	-
11 TPI	31.50	31.50	20,364.91	20,364.91	-	20,364.91	20,364.91	-	-	-
12 VNT	24.98	23.02	3,297.39	3,374.85	-	3,070.87	3,127.28	-	-	-
13 EFT	22.65	22.65	2.26	7.15	-	2.26	6.88	-	-	-
Natural Gas Business Group										
14 IPT	20.00	20.00	400.19	640.45	-	400.19	556.84	-	-	-
15 AMATA NGD	50.00	50.00	80.00	194.19	-	80.00	177.47	-	-	-
16 TP	26.00	26.00	2,304.76	1,791.66	-	2,304.76	1,824.01	-	91.33	-
Total			60,196.94	69,277.53	-	59,970.42	66,577.15	-	1,057.38	-

5. Investments Accounted for under Equity Method (Continue)

5.2 Investments accounted for under equity method as of March 31, 2006 and December 31, 2005 are as follows : (Continue)

The Company

Unit : Million Baht

Company	Shareholding percentage		March 31, 2006			December 31, 2005			Dividend for the three-month periods ended March 31	
	March 31, 2006	December 31, 2005	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2006	2005
Subsidiaries :										
1 PTTEP	66.31	66.32	9,483.34	56,614.05	-	9,483.34	51,724.45	-	-	-
2 PTTT	100.00	100.00	2.50	151.13	-	2.50	53.81	-	-	-
3 PTTCL	100.00	100.00	0.23	-	(36.42)	0.23	-	(58.16)	-	-
4 SBECL	100.00	100.00	0.41	-	(710.33)	0.41	-	(1,016.57)	-	-
5 PTTNGD	58.00	58.00	418.14	545.93	-	418.14	819.30	-	377.00	324.80
6 PTTLNG	100.00	100.00	50.00	40.14	-	13.25	9.53	-	-	-
7 BPE	50.00	50.00	1,694.06	1,523.19	-	1,694.06	1,531.64	-	-	-
8 PTTPE	50.00	50.00	1,150.00	1,122.06	-	900.00	875.74	-	-	-
9 PTTPM	50.00	50.00	20.00	10.95	-	20.00	24.79	-	-	-
10 RRC	100.00	100.00	13,862.35	22,716.85	-	13,862.35	20,406.00	-	-	-
11 EnCo	50.00	50.00	400.00	397.14	-	400.00	397.86	-	-	-
12 RBA	49.00	49.00	0.49	20.37	-	0.49	15.92	-	-	-
13 PPCL	40.00	40.00	320.00	299.73	-	320.00	303.45	-	-	-
14 PTTUT	40.00	40.00	563.00	548.88	-	563.00	552.63	-	-	-
15 PTTCH	50.03	50.03	15,714.28	28,164.57	-	15,714.28	26,327.08	-	-	-
Associates :										
Refining Business Group										
16 TOP	49.54	49.54	11,483.09	26,419.47	-	11,483.09	23,927.80	-	-	-
17 SPRC	36.00	36.00	14,770.48	13,217.75	-	14,770.48	12,509.94	-	-	-
Oil Business Group										
18 THAPPLINE	34.04	34.04	2,682.35	-	-	2,682.35	-	-	-	-
19 TLBC	48.95	48.95	140.00	106.10	-	140.00	97.75	-	-	-
20 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
21 PA (Sanshui)	25.00	25.00	7.17	6.07	-	7.17	6.07	-	-	-
22 V LPG	45.00	45.00	87.35	107.35	-	87.35	114.00	-	-	-
23 KPL	40.00	40.00	21.49	11.41	-	21.49	11.27	-	-	-
Petrochemical Business Group										
24 ATC	49.84	49.99	4,423.12	3,246.63	-	4,423.12	4,065.98	-	966.05	-
25 TPI	31.50	31.50	20,364.91	20,364.91	-	20,364.91	20,364.91	-	-	-
Natural Gas Business Group										
26 IPT	20.00	20.00	400.19	640.45	-	400.19	556.84	-	-	-
27 TP	26.00	26.00	2,304.76	2,272.41	-	2,304.76	2,304.76	-	91.33	-
Joint Ventures:										
Natural Gas Business Group										
28 TTM (T)	50.00	50.00	4,240.00	3,367.41	-	4,240.00	3,018.55	-	-	-
29 TTM (M)	50.00	50.00	281.32	242.18	-	281.32	237.88	-	-	-
30 DCAP	35.00	35.00	350.00	330.67	-	350.00	333.21	-	-	-
Total			105,366.28	182,487.80	(746.75)	105,079.53	170,591.16	(1,074.73)	1,434.38	324.80

5. Investments Accounted for under Equity Method (Continue)

5.3 Share of net assets and results of operation from joint ventures included in the consolidated financial statements as of March 31, 2006 and December 31, 2005 are as follows :

Balance Sheets :

As of March 31, 2006 and December 31, 2005

	March 31, 2006			December 31, 2005		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
	Current assets	711.67	52.73	60.99	941.24	128.29
Non-current assets	13,022.08	836.17	1,011.07	12,539.88	797.22	835.86
Current liabilities	(783.94)	(13.58)	(174.39)	(826.62)	(18.69)	(55.26)
Non- current liabilities	(9,582.40)	(633.14)	(567.00)	(9,635.95)	(668.94)	(505.75)
Net assets	<u>3,367.41</u>	<u>242.18</u>	<u>330.67</u>	<u>3,018.55</u>	<u>237.88</u>	<u>333.21</u>

Unit : Million Baht

Statements of Income :

For the three-month periods ended March 31, 2006 and 2005

	2006			2005		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
	Income	502.34	14.29	29.53	1.22	1.62
Expenses	(153.48)	(2.28)	(32.07)	(104.71)	(1.03)	(3.02)
Income(Loss) before taxes	348.86	12.01	(2.54)	(103.49)	0.59	(1.72)
Income taxes	-	(0.25)	-	-	(0.15)	-
Net income(loss)	<u>348.86</u>	<u>11.76</u>	<u>(2.54)</u>	<u>(103.49)</u>	<u>0.44</u>	<u>(1.72)</u>

Unit : Million Baht

5.4 Significant changes occurred during the three-month period ended March 31, 2006 are as follows :

PTTEP

As of March 31, 2006, the Company's shareholding in PTTEP decreased from 66.32% to 66.31% as a result of the exercise of warrants to purchase ordinary shares of PTTEP under its Employee Stock Ownership Plan (ESOP) as detailed in Note 13. The effect from dilution of investments of Baht 1.58 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

ATC

As of March 31, 2006, the Company's shareholding in ATC decreased from 49.99% to 49.84% as a result of the exercise of warrants to purchase ordinary shares of ATC under its Employee Stock Ownership Plan (ESOP) as detailed in Note 13. The effect from dilution of investments of Baht 5.74 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

5. Investments Accounted for under Equity Method (Continue)

Significant changes occurred during the three-month period ended March 31, 2006 are as follows :
(Continue)

PTTLNG

On January 19, 2006, PTTLNG called for payment of total remaining unpaid shares from the Company amounting to Baht 36.75 million. The Company paid for these shares on February 28, 2006.

PTTPE

On January 25, 2006, PTTPE called for payment of total remaining unpaid shares from existing shareholders amounting to Baht 500 million, representing the Company's portion of Baht 250 million. The Company paid for these shares on February 22, 2006.

PPCL

PPCL's extraordinary shareholders' meetings No. 1/2006 on February 15, 2006 and No. 2/2006 on March 2, 2006, respectively passed and confirmed a resolution to increase the authorized share capital of PPCL by Baht 3,200 million from Baht 800 million to Baht 4,000 million by issuing 32 million additional ordinary shares at a par value of Baht 100 each. PPCL called for the first payment of 37.50%, representing the Company's portion of Baht 480 million. The Company made the payment on March 8, 2006. However, PPCL registered the increase in share capital with the Ministry of Commerce on April 10, 2006. As of March 31, 2006, the Company accounted for this payment as advance payment for stock purchase.

VNT (An associate of PTTCH)

During the first quarter of 2006, PTTCH had acquired 59 million shares of VNT from third parties amounting to Baht 226.52 million. As a result, PTTCH's shareholding in VNT increased from 23.02% to 24.98%.

6. Other Long-term Investments

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2006	December 31, 2005
PetroAsia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
PetroAsia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	In the process of liquidation	49.00	49.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil pipeline	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling service	16.67	16.67
Ratchaburi Power Company Limited (RPCL)	Thailand	Electricity generation	15.00	15.00
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Service Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling service	7.06	7.06
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Oil refining	7.60	7.60

6. Other Long-term Investments (Continue)

6.2 Other long-term investments as of March 31, 2006 and December 31, 2005

Unit : Million Baht

Company	Shareholding percentage		Consolidated		The Company		Dividend for the three-month periods ended March 31	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	2006	2005
<u>Investments Accounted for under Cost Method</u>								
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	256.25	249.75	256.25	249.75	-	-
7 API	16.67	16.67	290.24	290.24	-	-	-	-
Total investments accounted for under cost method			744.91	738.41	454.67	448.17		
Less Allowance for impairment of investments			198.40	198.40	198.40	198.40		
Total investments accounted for under cost method, net			546.51	540.01	256.27	249.77		
<u>Investments Accounted for at Fair Value</u>								
Other Companies - Available-for-sale securities:								
8 TIP	13.33	13.33	312.00	312.00	312.00	312.00	-	-
9 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	-	-
10 BCP	7.60	7.60	105.32	105.32	105.32	105.32	-	-
Total investments – available-for-sale securities			441.32	441.32	441.32	441.32		
Add Allowance for adjustment in fair value of investments			1,180.31	1,107.99	1,180.31	1,107.99		
Total investments accounted for at fair value			1,621.63	1,549.31	1,621.63	1,549.31		
Total other long-term investments			2,168.14	2,089.32	1,877.90	1,799.08	-	-

6. Other Long-term Investments (Continue)

6.3 Significant changes occurred during the three-month period ended March 31, 2006 are as follows :

RPCL

On February 16, 2006, RPCL called for additional payment of 0.51% of authorized share capital amounting to USD 1.1 million, representing the Company's portion of USD 0.17 million or equivalent to Baht 6.50 million. The Company paid for this share capital on February 21, 2006.

BCP

On March 16, 2006, the Company's board of directors' meeting No. 3/2006 approved the acquisition of additional ordinary shares and convertible bonds of BCP totalling USD 120 million. The Company and BCP are in the process of discussion regarding details of the acquisition according to the Share Subscription Agreement.

The Company accounted for investments in certain associates under the cost method, adjusted by allowance for impairment of investments, since the Company intended to dispose of these investments.

Allowance for impairment of investments in associates and other related companies totalling Baht 198.40 million comprises allowance for impairment of investments in PTT Mart, PA (Huizhou), FPT and PA (Shantou) amounting to Baht 78.40, 15.16, 44.00 and 60.84 million, respectively.

7. Property, Plant and Equipment, Net

Property, plant and equipment as of March 31, 2006 and December 31, 2005 is as follows :

	Unit : Million Baht						
	Consolidated						
	Land	Buildings and building improvements	Machinery and equipment	Oil and Gas properties	Other assets	Construction in progress	Total
Cost							
As of December 31, 2005	4,897.20	17,799.72	201,859.78	162,761.20	10,665.53	74,565.91	472,549.34
- Additions	113.63	51.05	850.47	8,162.48	128.67	7,186.37	16,492.67
- Borrowing costs	-	-	499.79	-	-	606.89	1,106.68
- Reclassification	99.89	14.09	3,984.52	-	6.65	(4,983.95)	(878.80)
- Disposals	-	(0.91)	(86.15)	(0.06)	(21.45)	(3.73)	(112.30)
- Currency translation differences	-	(0.09)	(0.38)	(452.20)	(0.15)	(21.56)	(474.38)
As of March 31, 2006	5,110.72	17,863.86	207,108.03	170,471.42	10,779.25	77,349.93	488,683.21
Accumulated Depreciation							
As of December 31, 2005	-	(8,632.76)	(84,747.13)	(65,668.32)	(7,253.28)	-	(166,301.49)
- Additions	-	-	-	-	(0.97)	-	(0.97)
- Depreciation for the period	-	(190.70)	(2,265.00)	(3,112.53)	(214.32)	-	(5,782.55)
- Reclassification	-	24.82	(23.29)	-	3.18	-	4.71
- Disposals	-	(5.18)	10.39	6.98	1.76	-	13.95
- Currency translation differences	-	-	0.30	98.52	(2.02)	-	96.80
As of March 31, 2006	-	(8,803.82)	(87,024.73)	(68,675.35)	(7,465.65)	-	(171,969.55)
Allowance for Impairment of Assets							
As of December 31, 2005	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
As of March 31, 2006	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
Net Book Value							
As of December 31, 2005	4,854.33	8,793.83	116,867.69	97,092.88	3,412.25	74,565.91	305,586.89
As of March 31, 2006	5,067.85	8,686.91	119,838.34	101,796.07	3,313.60	77,349.93	316,052.70

7. Property, Plant and Equipment, Net (Continue)

Unit : Million Baht

	The Company					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As of December 31, 2005	2,684.44	12,270.45	108,454.72	7,450.01	46,058.79	176,918.41
- Additions	17.00	44.61	506.17	54.22	3,806.38	4,428.38
- Borrowing costs	-	-	-	-	606.89	606.89
- Reclassification	-	50.85	3,030.04	-	(3,280.04)	(199.15)
- Disposals	-	(0.91)	(7.43)	(15.13)	-	(23.47)
As of March 31, 2006	2,701.44	12,365.00	111,983.50	7,489.10	47,192.02	181,731.06
Accumulated Depreciation						
As of December 31, 2005	-	(6,684.68)	(54,282.95)	(5,340.97)	-	(66,308.60)
- Depreciation for the period	-	(126.71)	(1,249.87)	(164.39)	-	(1,540.97)
- Disposals	-	0.91	6.61	9.81	-	17.33
As of March 31, 2006	-	(6,810.48)	(55,526.21)	(5,495.55)	-	(67,832.24)
Allowance for Impairment of Assets						
As of December 31, 2005	(42.87)	(373.13)	(244.96)	-	-	(660.96)
As of March 31, 2006	(42.87)	(373.13)	(244.96)	-	-	(660.96)
Net Book Value						
As of December 31, 2005	2,641.57	5,212.64	53,926.81	2,109.04	46,058.79	109,948.85
As of March 31, 2006	2,658.57	5,181.39	56,212.33	1,993.55	47,192.02	113,237.86

Borrowing costs of Baht 686.70 million in the consolidated financial statements and Baht 606.89 million in the Company's financial statements were capitalized as part of costs of property, plant and equipment (December 31, 2005 : Baht 1,346.02 million). The Group used capitalization rates ranging from 4.00%-6.60% (December 31, 2005: 5.91%)

In the consolidated financial statements, buildings, manufacturing plants, machinery and equipment of Baht 13,659 million were used as collaterals for long-term loans amounting to Baht 8,968.53 million (in the Company's financial statements : none).

7. Property, Plant and Equipment, Net (Continue)

As of March 31, 2006 and December 31, 2005, net book value of other assets includes vehicles acquired under finance leases. Details are as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Cost	449.77	163.20	168.14	162.21
<u>Less: Accumulated depreciation</u>	<u>163.71</u>	<u>45.96</u>	<u>55.44</u>	<u>45.42</u>
Net book value	<u>286.06</u>	<u>117.24</u>	<u>112.70</u>	<u>116.79</u>

8. Intangible Assets

Intangible assets as of March 31, 2006 and December 31, 2005 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Net book value as of December 31, 2005	11,320.08	3,175.96
- Additions	161.76	35.67
- Disposals	(0.44)	-
- Amortization	(255.27)	(91.05)
- Reclassification	189.79	189.79
- Currency translation differences	89.59	-
Net book value as of March 31, 2006	<u>11,505.51</u>	<u>3,310.37</u>

9. Advance Payment for Gas Purchased

Advance payments for gas purchased as of March 31, 2006 and December 31, 2005 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Balance as of December 31, 2005	19,746.62	24,574.67
<u>Less Make-up during the period</u>	<u>244.63</u>	<u>327.09</u>
Balance as of March 31, 2006	<u>19,501.99</u>	<u>24,247.58</u>

The Company paid in advance the committed gas volume from Yadana and Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 1999-2001, in accordance with the established minimum volume in the Export Gas Sales Agreements (Take-or-Pay). The Company has the right to take the prepaid gas (Make-up) in subsequent years, without expiry.

10. Long-term Loans

Long-term loans as of March 31, 2006 and December 31, 2005 are as follows :

Current Portion of Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Loans – Baht currency	17,351.52	8,356.35	17,000.00	8,000.00
Loans – Foreign currencies	1,031.13	671.13	408.15	431.56
Bonds – Baht currency	3,257.15	4,257.14	-	-
Bonds – Foreign currencies	7,787.78	8,234.09	-	-
Liabilities from finance leases	106.08	108.03	51.30	52.94
Total	29,533.66	21,626.74	17,459.45	8,484.50

Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Loans – Baht currency	59,017.35	68,569.63	45,400.00	55,400.00
Loans – Foreign currencies	25,017.96	22,259.54	2,516.72	10,895.95
Bonds – Baht currency	53,185.71	53,814.29	50,000.00	50,000.00
Bonds – Foreign currencies	58,004.71	53,119.79	36,487.53	30,366.98
Liabilities from finance leases	224.90	220.09	79.89	80.14
Total	195,450.63	197,983.34	134,484.14	146,743.07

As of March 31, 2006, long-term loans amounting to Baht 8,968.53 million (December 31, 2005: Baht 6,571.43 million) in the consolidated financial statements are the Group's long-term loans secured by machinery, buildings, manufacturing plants and structures. In addition, the Group has commitments to comply with various conditions stipulated in the loan agreement.

As of March 31, 2006, long-term loans amounting to Baht 54,324.88 million (December 31, 2005: Baht 55,492.59 million) in the Company's financial statements are secured by the Ministry of Finance.

10. Long-term Loans (Continue)

10.1 Loans

Movements of loans in Baht currency and foreign currencies as of March 31, 2006 and December 31, 2005 are as follows :

	Consolidated		
	Currency		Total Equivalent in Baht
	Baht	US Dollar	
Balance as of December 31, 2005	76,925.97	373.27	91,621.73
- Additions	491.75	312.00	12,881.08
- Repayment	(1,048.86)	-	(1,048.86)
- Gain from exchange rate	-	-	(1,035.99)
- Current portion	(17,351.52)	(26.48)	(18,382.65)
Balance as of March 31, 2006	59,017.34	658.79	84,035.31

	The Company		
	Currency		Total Equivalent in Baht
	Baht	US Dollar	
Balance as of December 31, 2005	63,400.00	75.11	66,492.59
- Repayment	(1,000.00)	-	(1,000.00)
- Gain from exchange rate	-	-	(167.72)
- Current portion	(17,000.00)	(10.48)	(17,408.15)
Balance as of March 31, 2006	45,400.00	64.63	47,916.72

10.2 Bonds

Bonds as of March 31, 2006 and December 31, 2005 are as follows :

	Consolidated			
	March 31, 2006		December 31, 2005	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	1,691.08	65,792.50	1,491.62	61,353.87
- Baht currency	-	56,442.86	-	58,071.43
<u>Less</u> Current portion	-	(11,044.94)	-	(12,491.23)
Total	<u>1,691.08</u>	<u>111,190.42</u>	<u>1,491.62</u>	<u>106,934.07</u>

10. Long-term Loans (Continue)

10.2 Bonds (Continue)

Unit : Million

	The Company			
	March 31, 2006		December 31, 2005	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	936.98	36,487.53	737.52	30,366.98
- Baht currency	-	50,000.00	-	50,000.00
Total	<u>936.98</u>	<u>86,487.53</u>	<u>737.52</u>	<u>80,366.98</u>

The Group and the Company have entered into various cross currency and interest rate swap agreements for some of their bonds. Details are as follows :

The Company issued unsecured unsubordinated bonds for sale to financial institution investors with a principal amount of Baht 4,040 million and a redemption period of ten years at a fixed interest rate of 4.75% per annum. However, the Company entered into a cross currency swap agreement to swap Baht bonds for USD bonds amounting to USD 100 million at a fixed interest rate of 4.55% per annum.

The Company issued unsecured unsubordinated Baht bonds for sale to financial institution investors with a principal amount of Baht 4,118 million and a redemption period of 15 years at a fixed interest rate of 5.95% per annum. However, the Company entered into a cross currency swap agreement to swap Baht bonds for USD bonds amounting to USD 100 million at a fixed interest rate of 5.48% per annum.

PTTEP issued 230 unsecured unsubordinated bonds with a face value of Yen 100 million per unit, totalling Yen 23 billion. The bonds bear interest at a rate of 3.35% per annum with a redemption period of ten years, to be redeemed on September 19, 2007. On the date of bond issuance, PTTEP entered into a cross currency and interest rate swap agreement with a financial institution in Japan to swap Yen for USD 193.28 million at an interest rate of 7.86% per annum, payable every six months.

10. Long-term Loans (Continue)

10.3 Liabilities from Finance Leases

Liabilities from finance leases as of March 31, 2006 and December 31, 2005 are as follows :

	Consolidated		Unit : Million Baht The Company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Liabilities from finance leases				
- Not later than 1 year	114.31	119.78	58.20	60.28
- Later than 1 year and not later than 5 years	246.41	241.14	86.66	87.51
Future finance charges on finance leases	(29.74)	(32.80)	(13.68)	(14.70)
Present value of liabilities from finance leases	<u>330.98</u>	<u>328.12</u>	<u>131.18</u>	<u>133.09</u>
Present value of liabilities from finance leases				
- Current (Not later than 1 year)	106.08	108.03	51.30	52.95
- Non-current (Later than 1 year and not later than 5 years)	224.90	220.09	79.88	80.14
Total	<u>330.98</u>	<u>328.12</u>	<u>131.18</u>	<u>133.09</u>

11. Provision for Decommissioning Costs

The Group recognized provision for liabilities as of March 31, 2006 and December 31, 2005 for decommissioning costs expected to incur in the future amounting to Baht 6,638.70 million and Baht 7,019.36 million, respectively. The provision has been estimated using existing technology at current prices by the Group's engineers and managerial judgment.

12. Share Capital

As of March 31, 2006 and December 31, 2005, the Company had authorized share capital of 2,837,245,725 ordinary shares with a par value of Baht 10 per share. The issued and fully paid-up share capital was 2,797,245,725 ordinary shares with a par value of Baht 10 per share.

On September 1, 2005, the Company allocated warrants of lot No.1/2005 to purchase the Company's shares under the ESOP scheme to the managing director, management, employees of the Company and employees of the Company's affiliates who worked for the Company. Details are as follows :

Date of issue and offer of warrants	Exercise price (Baht/Share)	Exercise right (warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
September 1, 2005	183	1 : 1	-	40	August 31, 2010

13. Earnings per Share

Basic earnings per share is calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares 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 these warrants results in net income of the Group, recognized in the Company's financial statements, adjusted by decreases in shareholding proportions. The number of convertible shares is calculated by using a market price (average market prices of 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 in the consolidated and the Company's financial statements for the three-month periods ended March 31, 2006 and 2005 are as follows :

	Basic Earnings per Share		Diluted Earnings per Share	
	2006	2005	2006	2005
Net income attributable to ordinary shareholders before extraordinary items (Baht)	23,722,791,817	20,579,107,166	23,722,791,817	20,579,107,166
Adjustment of net income (Baht)	-	-	(19,423,067)	(14,667,798)
Income before extraordinary items for calculation of earnings per share (Baht)	23,722,791,817	20,579,107,166	23,703,368,750	20,564,439,368
Extraordinary items (Baht)	-	5,416,796,542	-	5,416,796,542
Net income for calculation of earnings per share (Baht)	23,722,791,817	25,995,903,708	23,703,368,750	25,981,235,910
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,797,245,725	2,797,245,725	2,807,605,780	2,797,245,725
Income before extraordinary items (Baht/share)	8.48	7.35	8.44	7.35
Extraordinary items (Baht/share)	-	1.94	-	1.94
Earnings per share (Baht/share)	8.48	9.29	8.44	9.29

The adjustment of net income resulted from the registered and non-transferable warrants issued by the Company and the Group, to their directors, management and employees. Details are as follows :

Information regarding the issue of the warrants to purchase ordinary shares to the Company's employees is stated in Note 12.

13. Earnings per Share (Continue)

PTTEP

PTTEP has issued and offered warrants to purchase ordinary shares to its directors, management and employees for five consecutive years, totalling 12.40 million ordinary shares. As of March 31, 2006, warrants were exercised to purchase 2.99 million ordinary shares. Therefore, the remaining balance of reserved shares was 9.41 million shares which comprised 2.80 million shares for non-issued and non-offered warrants and 6.61 million shares for issued and offered warrants. Details are as follows :

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht/Share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of exercised warrants (Million units)</u>	<u>The number of unexercised warrants (Million units)</u>	<u>Last exercise date of warrants</u>
August 1, 2002	111	1 : 1	1.42	0.58	July 31, 2007
August 1, 2003	117	1 : 1	0.94	1.06	July 31, 2008
August 1, 2004	183	1 : 1	0.63	2.17	July 31, 2009
August 1, 2005	278	1 : 1	-	2.80	July 31, 2010
			<u>2.99</u>	<u>6.61</u>	

ATC

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht/Share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of exercised warrants (Million units)</u>	<u>The number of unexercised warrants (Million units)</u>	<u>Last exercise date of warrants</u>
February 2, 2004	10	1 : 1	11.14	3.46	November 23, 2007

14. Other Income

Other income for the three-month periods ended March 31, 2006 and 2005 is as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Interest income	748.38	411.25	402.34	571.11
Penalty income	121.80	92.21	145.56	91.77
Transportation income	895.70	832.62	1,380.47	1,346.94
Compensation for loan interest of advance payment for gas purchased	483.91	502.07	483.91	502.07
Gain on foreign exchange	4,986.98	784.05	2,273.43	316.15
Others	705.81	206.91	412.79	672.09
Total	<u>7,942.58</u>	<u>2,829.11</u>	<u>5,098.50</u>	<u>3,500.13</u>

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

15. Share of Net Income from Investments under Equity Method

Share of net income from investments under equity method for the three-month periods ended March 31, 2006 and 2005 includes share of gain on foreign exchange as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Share of net income before gain on foreign exchange	2,092.79	5,642.32	10,067.88	17,202.02
<u>Add</u> Share of gain on foreign exchange	<u>1,439.00</u>	<u>123.24</u>	<u>3,399.61</u>	<u>553.31</u>
Total	<u>3,531.79</u>	<u>5,765.56</u>	<u>13,467.49</u>	<u>17,755.33</u>

16. Segmented Financial Information

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

Consolidated

For the three-month period ended March 31, 2006

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro chemical	Others	Elimination	Total
	Unit : Million Baht							
Sales - others	202,561.86	42,876.03	5,141.34	7,657.25	15,331.48	-	-	273,567.96
- related parties	32,576.29	13,311.39	16,452.52	36,841.84	2,283.44	-	(101,465.48)	-
Petroleum royalties and remuneration	-	-	(3,197.03)	-	-	-	-	(3,197.03)
Net sales	235,138.15	56,187.42	18,396.83	44,499.09	17,614.92	-	(101,465.48)	270,370.93
Gross margin	4,229.60	10,429.66	13,819.03	2,478.42	5,425.50	-	104.69	36,486.90
EBITDA	2,627.09	10,481.14	15,730.22	2,924.10	5,552.12	(234.47)	(314.16)	36,766.04
Depreciation and amortization	515.32	1,186.63	3,197.70	444.52	644.56	9.77	63.41	6,061.91
EBIT	2,111.77	9,294.51	12,532.52	2,479.58	4,907.56	(244.24)	(377.57)	30,704.13
Share of net income (loss) from investments under equity method	0.06	16.72	(0.72)	-	(12.13)	13,467.49	(9,939.63)	3,531.79
Interest-net								(2,003.94)
Other income								816.96
Gain on foreign exchange								4,986.98
Income taxes								(9,561.64)
Minority interests								(4,751.49)
Net Income								<u>23,722.79</u>

16. Segmented Financial Information (Continue)

Consolidated

For the three-month period ended March 31, 2005

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro chemical	Others	Elimination	Total
	Unit : Million Baht							
Sales - others	139,695.32	41,320.42	1,357.15	7,588.87	1,711.48	-	-	191,673.24
- related parties	23,026.69	5,594.78	11,765.24	24,087.53	-	-	(64,474.24)	-
Petroleum royalties	-	-	(1,550.79)	-	-	-	-	(1,550.79)
Net sales	162,722.01	46,915.20	11,571.60	31,676.40	1,711.48	-	(64,474.24)	190,122.45
Gross margin	3,025.56	9,635.96	8,737.23	3,655.06	71.67	-	151.47	25,276.95
EBITDA	2,089.07	9,879.24	10,032.37	3,346.13	20.56	(111.01)	(361.93)	24,894.43
Depreciation and amortization	506.82	1,161.09	2,028.02	7.98	62.68	3.57	(95.54)	3,674.62
EBIT	1,582.25	8,718.15	8,004.35	3,338.15	(42.12)	(114.58)	(266.39)	21,219.81
Share of net income from investments under equity method	0.02	10.15	30.83	-	-	17,755.33	(12,030.77)	5,765.56
Interest-net								(1,815.88)
Other income								72.52
Gain on foreign exchange								784.05
Income taxes								(3,975.30)
Minority interests								(1,471.66)
Extraordinary items								5,416.80
Net Income								25,995.90

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

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

EBIT means Earnings before interest expenses, finance costs, income taxes, including other expenses and income not relevant to operations.

The Group categorizes segments for major business as follows :

Oil Business

The Group conducts oil business in both domestic and overseas which can be categorized into two income generating activities as follows :

1. Oil marketing : marketing of petroleum and lubricant products through retail, commercial and international marketing.
2. Oil trading : international trading, import and export of crude oil, petroleum products, raw materials and petrochemical products.

16. Segmented Financial Information (Continue)

Natural Gas Business

The Group conducts natural gas business including procurement, natural gas pipeline transmission, natural gas separation and distribution in both domestic and overseas.

Exploration and Production Petroleum Business

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

Petrochemical Business

The Group conducts petrochemical business including procurement of petroleum feedstock for petrochemical plants, and production and distribution of main petrochemical products and by products for both domestic and overseas markets.

Refining Business

The Group conducts refining business including production and distribution of finished oil products for both domestic and overseas customers.

Other operations of the Group mainly consist of other segments, none of which constitute a separately reportable segment.

17. Reclassification

The Group has reclassified certain items in the consolidated and the Company's financial statements for the three-month period ended March 31, 2005 to ensure consistency in the presentation of the consolidated and the Company's financial statements for the three-month period ended March 31, 2006. The reclassifications do not affect the reported net income.

18. Promotional Privileges

The Company received promotional privileges from the Board of Investments (BOI) under the Investment Act, B.E. 2520 (1977) for the Gas Separation Plant Unit #5, the third main transmission pipeline project, the Sainoi-South Bangkok Power Plant gas pipeline project, the NGV-Suwanabhum-Phayathai gas pipeline project and the distribution gas pipelines to the Rojana Industrial Park. The promotional privileges include exemption on import duties as approved by BOI and corporate income tax exemption on net income generated from promotional business for 8 years starting from the date of initial recognition of operating revenue. With the receipt of promotional privileges from BOI, the Company must comply with all conditions and regulations for the promotional operations as stated in the Promotional Certificates.

19. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows :

19.1 Commitments to subsidiaries, associates, joint ventures and other related companies

The Company entered into two Shareholder's Commercial Support Arrangements with its subsidiaries and associates at credit limits of USD 100 million and USD 90 million respectively, according to a condition with a financial institution. The Company had obligations under these arrangements in the forms of extended credit for raw materials and/or advance product payments. As of March 31, 2006, the subsidiaries and associates had not used the commercial credit lines.

19. Commitments and Contingent Liabilities (Continue)

19.1 Commitments to subsidiaries, associates, joint ventures and other related companies (Continue)

The Company had an obligation in the form of extended commercial credit for raw materials to a foreign subsidiary with a credit limit of USD 100 million. As of March 31, 2006, the foreign subsidiary had used a commercial credit line of USD 87.07 million; the remaining commercial credit line was USD 12.93 million.

The Company entered into agreements of financial support (Sponsor Support Agreement) with two joint ventures at total credit limit equal to loan obligations of these two joint ventures to a financial institution. As of March 31, 2006, the Company had the remaining commitment of USD 262.15 million under this agreement.

The Group and the Company had obligations under various Shareholder Agreements with respect to capital injections according to the Company's interests. As of March 31, 2006, the Group and the Company had total remaining obligations of Baht 6,478.29 million in the consolidated financial statements and Baht 3,502.29 million in the Company's financial statements.

- 19.2 As of March 31, 2006, the Group and the Company had contingent liabilities in the form of Letters of Guarantee amounting to Baht 1,445.20 million in the consolidated financial statements and Baht 67.63 million in the Company's financial statements.

20. Subsequent Events

- 20.1 On April 3, 2006, PTTEP was granted approval to be the operator in petroleum exploration and production of block 58 in Oman with 100% participation interest.

- 20.2 On April 5, 2006, PTTEP's general shareholders' meeting approved the issue and offer of 2.8 million warrants (one warrant provides the right to purchase five ordinary shares) to management and employees with an exercise price of 456 Baht per unit. The meeting also approved to reserve additional share capital of 14 million ordinary shares for the exercise of these warrants.

- 20.3 On April 5, 2006, the Company obtained a loan amounting to Yen 23,000 million at a maturity of 30 years which principal is repayable at maturity. Interest is charged in USD and is payable every six months at a rate of 4.45% per annum. On the same day, the Company entered into a Participating SWAP (P-SWAP) contract to swap Yen for USD, equivalent to USD 196.94 million with P-SWAP's premium of approximately 1% per annum of the USD principal.

- 20.4 As of April 11, 2006, the Company's annual general shareholders' meeting passed the following resolutions :

- 20.4.1 The payment of dividends for the year 2005 at Baht 9.25 per share for 2,797,245,725 shares, totalling Baht 25,874.52 million. The Company paid the dividends to shareholders on April 25, 2006.

- 20.4.2 The issue and offer of 20,000,000 warrants of lot No.2 (PTT W-2) to purchase PTT's ordinary shares to the managing director, management, employees of the Company and employees of the Company's affiliates who worked for the Company.

20. Subsequent Events (Continue)

- 20.4 As of April 11, 2006, the Company's annual general shareholders' meeting passed the following resolutions : (Continue)

The increase in the Company's authorized share capital by Baht 200 million from Baht 28,372.46 million to Baht 28,572.46 million by issuing 20,000,000 additional ordinary shares at a par value of Baht 10 each. As a result, the number of authorized ordinary shares will increase from 2,837,245,725 shares to 2,857,245,725 shares.

- 20.5 On April 21, 2006, the Company and BCP signed a Share Subscription Agreement of BCP's shares. The agreement is for subscription of the additional ordinary shares at a price of Baht 14 per share, and convertible bonds at a conversion price of Baht 14 per share. The acquisition is expected to complete in May 2006, with the acquisition value limited at USD 120 million. After this acquisition, the Company's shareholding in BCP will increase from 7.60% to approximately 30% of authorized and paid-up share capital.
- 20.6 On April 26, 2006, the Central Bankruptcy Court issued an order to cancel the Rehabilitation Plan of TPI and its subsidiaries. On April 27, 2006, TPI's annual general shareholders' meeting No.1/2006 approved an appointment of a representative from the Company to participate in the management and determination of financial and operating policies of TPI.
- 20.7 The Audit Committee of the Company will approve the financial statements for public issuance on May 9, 2006.
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