

AUDITOR'S REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007

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PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007 (UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2006 (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 Reporting”. 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 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, 2006. There was no change in the structures of subsidiaries, associates and joint ventures during the period.

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, 2006 which were prepared in accordance with generally accepted accounting principles except for Note 2.

2. Accounting Changes

2.1 Changes in Accounting Policy

Since January 1, 2007, the Company has changed a method to account for investments in subsidiaries, associates and jointly controlled entities presented in the Company's financial statements from the equity method to the cost method in accordance with the Notification No. 26/2006 issued by the Federation of Accounting Professions regarding the Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1).

These changes in an accounting policy resulted in applying retrospective method to the Company's financial statements for the first quarter of 2006 that presented comparatively. The effects from the changes in accounting policy on the Company's balance sheets as at December 31, 2006 and statements of income for the three-month period ended March 31, 2006 are as follows :

Unit : Million Baht

	<u>The Company</u>
<u>Balance Sheets as at December 31, 2006</u>	
Decrease in investment in subsidiaries, associates and jointly controlled entities	95,769.09
Decrease in allowances for share of net loss over investments	22.87
Decrease in surplus on dilution of investments	2,950.40
Increase in unrealized gain on available-for-sale securities	12.86
Increase in currency translation differences	994.25
Decrease in retained earnings	93,802.93
<u>Statements of Income for the three-month period ended March 31, 2006</u>	
Decrease in share of net income from investments under the equity method	13,467.49
Increase in other income	1,434.37
Decrease in net income	12,033.12
Diluted earnings per share (as stated in Note 14)	4.16

These changes are changes in accounting policy. There is no effect on the preparation of the consolidated financial statements.

2. Accounting Changes (Continued)

2.2 Changes in Accounting Estimations

The Company has changed the accounting estimates for the useful lives of assets by extending of accounting useful lives of gas transmission pipeline systems and gas separation plants, using prospective method since January 1, 2007 as follows :

2.2.1 Extension in the useful lives of transmission pipeline systems from 25 years to 40 years by considering corrosion rates and reserved gas volumes as stated in the purchase and sale agreements between the Company and the manufacturers.

2.2.2 Extension in the useful lives of gas separation plant unit#3 from 15 years to 20 years and gas separation plant unit#4 from 15 years to 20 years by considering technical factors as well as plant design.

The extension of the useful lives of transmission pipeline systems and gas separation plants result in a decrease in depreciation expenses of 2007 amounting to approximately Baht 1,256 million.

3. Cash and Cash Equivalents

Cash and cash equivalents as at March 31, 2007 and December 31, 2006 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Cash on hand	330.10	279.45	297.66	240.64
Deposits held at call with banks	26,864.05	26,488.86	12,278.85	11,268.47
Fixed deposits	11,146.75	19,587.96	300.00	9,300.00
Treasury bills	21,593.75	6,531.87	6,407.20	1,029.73
Promissory notes	26,339.51	29,247.22	7.24	-
Bank of Thailand bonds	17,789.51	4,670.89	17,789.51	4,670.89
Total	<u>104,063.67</u>	<u>86,806.25</u>	<u>37,080.46</u>	<u>26,509.73</u>

Cash and cash equivalents as at March 31, 2007 mainly bear interest at the rates ranging from 0.10% to 5.38% per annum (December 31, 2006: the interest rates ranging from 0.10% to 5.00% per annum).

4. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others as at March 31, 2007 and December 31, 2006 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Trade accounts receivable	81,806.93	83,709.20	71,062.77	69,993.48
Notes receivable	3,642.85	2,390.97	2,541.71	2,390.97
Total	85,449.78	86,100.17	73,604.48	72,384.45
<u>Less</u> Allowance for doubtful accounts	<u>1,800.78</u>	<u>2,449.12</u>	<u>1,662.00</u>	<u>1,670.24</u>
Trade accounts and notes receivable – others, net	<u>83,649.00</u>	<u>83,651.05</u>	<u>71,942.48</u>	<u>70,714.21</u>

Outstanding trade accounts and notes receivable – others as at March 31, 2007 and December 31, 2006 can be analyzed by their age as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Current	70,323.13	70,936.30	59,906.22	59,324.27
Overdue				
- Up to 3 months	2,812.14	2,683.07	1,793.42	1,583.28
- Over 3 – 6 months	641.63	959.95	580.53	912.32
- Over 6 – 12 months	2,200.54	2,257.02	2,104.40	2,157.81
- Over 12 months	9,472.34	9,263.83	9,219.91	8,406.77
Total	85,449.78	86,100.17	73,604.48	72,384.45
<u>Less</u> Allowance for doubtful accounts	<u>1,800.78</u>	<u>2,449.12</u>	<u>1,662.00</u>	<u>1,670.24</u>
Trade accounts and notes receivable - others, net	<u>83,649.00</u>	<u>83,651.05</u>	<u>71,942.48</u>	<u>70,714.21</u>

Trade accounts and notes receivable – others, net as at March 31, 2007 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 24,448.28 million (December 31, 2006: Baht 27,733.79 million), and in the Company's financial statements amounting to Baht 24,255.07 million (December 31, 2006: Baht 27,614.68 million).

5. Related Party Transactions

The following are significant transactions carried out with related parties :

5.1 Trade accounts receivable – related parties as at March 31, 2007 and December 31, 2006

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Subsidiaries	-	-	6,766.32	10,415.53
Associates	37,830.88	32,013.50	37,784.60	30,462.38
Other related parties	1,318.05	474.45	908.42	367.09
Joint ventures	-	-	52.75	94.43
	<u>39,148.93</u>	<u>32,487.95</u>	<u>45,512.09</u>	<u>41,339.43</u>
<u>Less</u> Allowance for doubtful accounts	<u>258.43</u>	<u>254.70</u>	<u>266.85</u>	<u>262.55</u>
Total	<u>38,890.50</u>	<u>32,233.25</u>	<u>45,245.24</u>	<u>41,076.88</u>

Outstanding trade accounts receivable – related parties as at March 31, 2007 and December 31, 2006 can be analyzed by their age as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Current	38,735.22	32,139.61	41,883.13	37,551.51
Overdue				
- Up to 3 months	279.96	107.39	176.85	334.70
- Over 3 – 6 months	46.65	99.46	245.93	96.15
- Over 6 – 12 months	85.78	140.21	927.44	2,050.77
- Over 12 months	1.32	1.28	2,278.74	1,306.30
	<u>39,148.93</u>	<u>32,487.95</u>	<u>45,512.09</u>	<u>41,339.43</u>
<u>Less</u> Allowance for doubtful accounts	<u>258.43</u>	<u>254.70</u>	<u>266.85</u>	<u>262.55</u>
Total	<u>38,890.50</u>	<u>32,233.25</u>	<u>45,245.24</u>	<u>41,076.88</u>

5. Related Party Transactions (Continued)

5.2 Other accounts receivable, advances and short-term loans – related parties as at March 31, 2007 and December 31, 2006

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Other accounts receivable				
Subsidiaries	-	-	3,914.95	185.35
Associates	321.96	1,364.60	250.03	1,363.00
Other related parties	16.63	0.39	10.91	-
Joint ventures	-	-	152.04	132.05
	<u>338.59</u>	<u>1,364.99</u>	<u>4,327.93</u>	<u>1,680.40</u>
<u>Less</u> Allowance for doubtful accounts	<u>141.70</u>	<u>142.60</u>	<u>146.60</u>	<u>146.88</u>
	<u>196.89</u>	<u>1,222.39</u>	<u>4,181.33</u>	<u>1,533.52</u>
Advances				
Subsidiaries	-	-	500.07	500.07
Associates	310.04	308.47	310.04	308.47
Other related parties	183.78	263.39	181.27	259.46
	<u>493.82</u>	<u>571.86</u>	<u>991.38</u>	<u>1,068.00</u>
<u>Less</u> Allowance for doubtful accounts	<u>309.69</u>	<u>308.47</u>	<u>309.69</u>	<u>308.47</u>
	<u>184.13</u>	<u>263.39</u>	<u>681.69</u>	<u>759.53</u>
Short-term loans				
Joint ventures	-	-	908.57	302.21
	<u>-</u>	<u>-</u>	<u>908.57</u>	<u>302.21</u>
Total	<u>381.02</u>	<u>1,485.78</u>	<u>5,771.59</u>	<u>2,595.26</u>

Changes in short-term loans – related parties for the three-month period ended March 31, 2007 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Balance as at December 31, 2006	-	302.21
- Payment for loans granted	-	606.36
Balance as at March 31, 2007	<u>-</u>	<u>908.57</u>

Short-term loans to related parties are unsecured with the interest rates ranging from 6.03% to 6.17% per annum.

5. Related Party Transactions (Continued)

5.3 Other accounts receivable, advances and long-term loans – related parties as at March 31, 2007 and December 31, 2006

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Other accounts receivable				
Associates	975.97	-	975.97	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>975.97</u>	<u>-</u>	<u>975.97</u>	<u>-</u>
Advances				
Subsidiaries	-	-	0.97	1.08
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>-</u>	<u>-</u>	<u>0.97</u>	<u>1.08</u>
Long-term loans				
Subsidiaries	-	-	550.00	240.00
Associates	<u>5,807.69</u>	<u>5,807.69</u>	<u>5,807.69</u>	<u>5,807.69</u>
	<u>5,807.69</u>	<u>5,807.69</u>	<u>6,357.69</u>	<u>6,047.69</u>
Total	<u>6,783.66</u>	<u>5,807.69</u>	<u>7,334.63</u>	<u>6,048.77</u>

Changes in long-term loans – related parties for the three-month period ended March 31, 2007 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Balance as at December 31, 2006	5,807.69	6,047.69
- Payment for loans granted	-	310.00
Balance as at March 31, 2007	<u>5,807.69</u>	<u>6,357.69</u>

Long-term loans to related parties are unsecured with the interest rates ranging from 5.55% to 7.69% per annum.

5. Related Party Transactions (Continued)

5.4 Trade accounts payable – related parties as at March 31, 2007 and December 31, 2006

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Subsidiaries	-	-	7,095.71	8,369.36
Associates	28,258.17	28,793.75	28,220.21	28,162.13
Other related parties	485.70	374.29	227.20	267.00
Joint ventures	-	-	855.41	705.89
Total	<u>28,743.87</u>	<u>29,168.04</u>	<u>36,398.53</u>	<u>37,504.38</u>

5.5 Other accounts payable – related parties as at March 31, 2007 and December 31, 2006

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Subsidiaries	-	-	91.70	233.01
Associates	86.15	449.93	86.15	89.17
Other related parties	304.90	63.16	42.21	48.76
Joint ventures	-	-	8.74	1.69
Total	<u>391.05</u>	<u>513.09</u>	<u>228.80</u>	<u>372.63</u>

5.6 Other long-term accounts payable – related parties as at March 31, 2007 and December 31, 2006

Unit : Million Baht

	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Subsidiaries	-	-	191.18	232.18
Joint ventures	-	-	16.59	16.77
Total	<u>-</u>	<u>-</u>	<u>207.77</u>	<u>248.95</u>

5. Related Party Transactions (Continued)

5.7 Revenue and expense transactions carried out with related parties

For the three-month periods ended March 31, 2007 and 2006

Unit : Million Baht

	Consolidated		The Company	
	2007	2006	2007	2006
Revenues				
Sales :				
Subsidiaries	-	-	8,317.46	45,182.91
Associates	110,203.92	61,900.13	108,666.38	58,634.90
Other related parties	2,459.41	8,797.21	2,459.41	8,797.21
Joint ventures	-	-	215.56	55.73
Interest income :				
Subsidiaries	-	-	55.43	77.74
Associates	81.35	118.39	81.35	118.39
Other related parties	-	0.99	-	0.99
Joint ventures	-	-	8.49	-
Other income :				
Subsidiaries	-	-	3,797.29	569.17
Associates	477.35	500.59	442.07	497.52
Other related parties	14.68	84.72	14.68	84.72
Joint ventures	-	-	6.80	7.48
Expenses				
Purchases :				
Subsidiaries	-	-	18,553.50	55,892.00
Associates	98,166.61	64,760.96	97,512.03	62,691.56
Other related parties	776.41	1,885.43	739.99	1,885.43
Joint ventures	-	-	1,614.65	1,382.92
Other expenses :				
Subsidiaries	-	-	110.88	62.86
Associates	49.50	18.37	10.95	9.81
Other related parties	217.00	149.70	194.67	149.70

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 others except for the selling prices of natural gas between the Company and an associate, which have a special discount for five years from 2002 to 2007 to support the manufacturing expansion of this associate. However, the purchase volume is insignificant.

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

5. Related Party Transactions (Continued)

5.8 Details of commitments to subsidiaries, associates, joint ventures and other related parties are stated in Note 20.1.

5.9 Directors' remuneration

Directors' remuneration for the three-month periods ended March 31, 2007 and 2006 in the consolidated financial statements amounting to Baht 33.58 million (2006: Baht 30.02 million) and in the Company's financial statements amounting to Baht 10.44 million (2006: Baht 9.80 million) comprises directors' meeting allowances and bonuses.

5.10 Crude oil purchase and sale transactions carried out with related parties without the delivery of products, with the objective of maintaining crude oil reserves, were offset in the financial statements for the three-month periods ended March 31, 2007 and 2006. Details are as follows :

	Consolidated		The Company	
	2007	2006	2007	2006
Sales				
Subsidiaries	-	-	-	-
Associates	-	948.76	-	948.76
Other related parties	-	116.81	-	116.81
Purchases				
Subsidiaries	-	-	-	239.94
Associates	-	1,594.06	-	1,594.06
Other related parties	-	116.81	-	116.81

6. Investments in Subsidiaries, Associates and Joint Ventures

6.1 Information of subsidiaries, associates and joint ventures of the Company are as follows :

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2007	December 31, 2006
<u>Subsidiaries</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	66.65	66.13
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	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
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemicals	55.19	55.19
PTT Polymer Marketing Co., Ltd (PTTPM)	Thailand	Polymer marketing	75.00	75.00
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industry	40.00	40.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Information and communication technology services	20.00	20.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics services	100.00	100.00

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.1 Information of subsidiaries, associates and joint ventures of the Company are as follows :
(Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2007	December 31, 2006
<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
Rayong Refinery Public Co., Ltd. (RRC)	Thailand	Refining	48.75	48.75
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	29.75	29.75
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipeline	33.19	34.04
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
Aromatics (Thailand) Public Co., Ltd. (ATC)	Thailand	Petrochemicals	49.67	49.82
IRPC Public Co., Ltd. (Formerly Thai Petrochemical Industry Public Co., Ltd (TPI))	Thailand	Petrochemicals and refining	31.50	31.50
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
<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	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	47.50	47.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.2 Investments accounted for under the equity method in the consolidated financial statements as at March 31, 2007 and December 31, 2006 are as follows :

Consolidated

Unit: Million Baht

Company	Shareholding percentage		March 31, 2007		December 31, 2006		Dividends for the three-month periods ended March 31	
	March 31, 2007	December 31, 2006	Cost method	Equity method	Cost method	Equity method	2007	2006
Associates:								
Refining Business Group								
1 TOP	49.54	49.54	11,483.09	30,965.54	11,483.09	28,093.30	-	-
2 SPRC	36.00	36.00	14,770.48	15,492.93	14,770.48	14,733.04	-	-
3 RRC	48.75	48.75	8,515.39	20,021.68	8,515.39	19,095.76	-	-
4 BCP	29.75	29.75	4,060.18	4,492.37	4,060.18	4,511.24	-	-
Oil Business Group								
5 THAPPLINE	33.19	34.04	2,682.35	-	2,682.35	-	-	-
6 TLBC	48.95	48.95	140.00	125.27	140.00	120.38	-	-
7 PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
8 VLPG	45.00	45.00	87.35	105.62	87.35	96.40	-	-
9 KPL	40.00	40.00	21.49	12.64	21.49	12.56	-	-
10 FST	25.00	25.00	1.13	1.13	1.13	1.10	-	-
Petrochemicals Business Group								
11 ATC	49.67	49.83	4,423.12	6,767.94	4,423.12	5,539.21	-	966.05
12 IRPC (TPI)	31.50	31.50	20,363.81	23,108.27	20,363.81	21,674.38	-	-
13 VNT	24.98	24.98	3,297.39	3,243.42	3,297.39	3,273.54	-	-
14 EFT	22.65	22.65	2.26	7.97	2.26	7.43	-	-
Natural Gas Business Group								
15 IPT	20.00	20.00	400.19	995.31	400.19	915.58	-	-
16 AMATA NGD	50.00	50.00	80.00	141.62	80.00	197.71	70.00	-
17 TP	26.00	26.00	2,304.76	2,069.34	2,304.76	1,961.34	-	91.32
Total			72,764.24	107,551.05	72,764.24	100,232.97	70.00	1,057.37

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.3 Investments accounted for under the cost method in the Company's financial statements as at March 31, 2007 and December 31, 2006 are as follows :

The Company

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the three-month periods ended March 31	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	2007	2006
Subsidiaries :						
1 PTTEP	66.65	66.13	11,249.10	9,615.13	3,278.88	-
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	455.88	377.00
6 PTTLNG	100.00	100.00	50.00	50.00	-	-
7 PTTTPM	75.00	75.00	30.00	30.00	-	-
8 EnCo	50.00	50.00	400.00	400.00	-	-
9 RBA	49.00	49.00	0.49	0.49	-	-
10 PPCL	40.00	40.00	1,080.00	1,080.00	-	-
11 PTTUT	40.00	40.00	1,017.00	1,017.00	-	-
12 PTTCH	55.19	55.19	35,753.32	35,753.32	-	-
13 PTTICT	20.00	20.00	30.00	30.00	-	-
14 PTTPL	100.00	100.00	300.00	300.00	-	-
Associates:						
Refining Business Group						
15 TOP	49.54	49.54	11,483.09	11,483.09	-	-
16 SPRC	36.00	36.00	14,770.48	14,770.48	-	-
17 RRC	48.75	48.75	8,515.39	8,515.39	-	-
18 BCP	29.75	29.75	4,060.18	4,060.18	-	-

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.3 Investments accounted for under the cost method in the Company's financial statements as at March 31, 2007 and December 31, 2006 are as follows : (Continued)

The Company (Continued)

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the three-month periods ended March 31	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	2007	2006
Associates: (Continued)						
Oil Business Group						
19 THAPPLINE	33.19	34.04	2,682.35	2,682.35	-	-
20 TLBC	48.95	48.95	140.00	140.00	-	-
21 PA (Thailand)	35.00	35.00	131.25	131.25	-	-
22 VLPG	45.00	45.00	87.35	87.35	-	-
23 KPL	40.00	40.00	21.49	21.49	-	-
Petrochemicals Business Group						
24 ATC	49.67	49.82	4,423.12	4,423.12	-	966.05
25 IRPC	31.50	31.50	20,363.81	20,363.81	-	-
Natural Gas Business Group						
26 IPT	20.00	20.00	400.19	400.19	-	-
27 TP	26.00	26.00	2,304.76	2,304.76	-	91.32
Joint Ventures :						
Natural Gas Business Group						
28 TTM (T)	50.00	50.00	5,185.00	5,110.00	-	-
29 TTM (M)	50.00	50.00	281.32	281.32	-	-
30 DCAP	35.00	35.00	350.00	350.00	-	-
Petrochemicals Business Group						
31 PTTAC	47.50	47.50	66.50	66.50	-	-
32 HMC	41.44	41.44	9,117.12	9,117.12	-	-
Total			135,868.99	134,160.02	3,734.76	1,434.37

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.4 Share of net assets and results of operations from joint ventures which are included in the consolidated financial statements as at March 31, 2007 and December 31, 2006 are as follows :

Balance Sheets :

As at March 31, 2007 and December 31, 2006

Unit : Million Baht

	March 31, 2007					December 31, 2006				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Current assets	1,913.80	77.07	194.30	11.56	3,912.12	1,535.65	89.12	200.63	13.03	4,149.17
Non-current assets	13,938.33	763.23	972.01	54.66	4,267.11	13,526.64	770.05	986.47	53.56	3,940.60
Current liabilities	(1,897.56)	(15.97)	(144.18)	(0.08)	(803.18)	(1,166.22)	(24.31)	(123.48)	(0.41)	(1,060.29)
Non-current liabilities	(8,608.97)	(573.16)	(733.25)	-	(691.36)	(8,877.34)	(586.59)	(770.00)	-	(708.55)
Net assets	5,345.60	251.17	288.88	66.14	6,684.69	5,018.73	248.27	293.62	66.18	6,320.93

Statements of Income :

For the three-month periods ended March 31, 2007 and 2006

Unit : Million Baht

	2007					2006				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income	615.07	27.32	135.40	0.02	2,247.68	502.34	14.29	29.53	-	-
Expenses	(363.19)	(14.96)	(140.14)	(0.06)	(1,821.98)	(153.48)	(2.28)	(32.07)	-	-
Gain(loss) before taxes	251.88	12.36	(4.74)	(0.04)	425.70	348.86	12.01	(2.54)	-	-
Income taxes	-	(6.22)	-	-	(61.94)	-	(0.25)	-	-	-
Net income(loss)	251.88	6.14	(4.74)	(0.04)	363.76	348.86	11.76	(2.54)	-	-

6. Investments in Subsidiaries, Associates and Joint Ventures (Continued)

6.5 Significant events during the three-month period ended March 31, 2007 are as follows :

PTTEP

In the first quarter of 2007, warrants in PTTEP were exercised under the Employee Stock Ownership Program (ESOP) as detailed in Note 13. The effect from dilution of investments amounting to Baht 21.45 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

In addition, after the exercise of warrants, the Company acquired 17.32 million additional ordinary shares in PTTEP from third parties amounting to Baht 1,633.98 million. Hence, as at March 31, 2007, the Company's shareholding percentage in PTTEP was 66.65%. Goodwill arising from the acquisition was Baht 1,189.18 million.

ATC

As at March 31, 2007, the Company's shareholding percentage in ATC decreased from 49.82% to 49.67%, resulting from the exercise of warrants in ATC under the Employee Stock Ownership Program (ESOP) as detailed in Note 13. The effect from dilution amounting to Baht 0.49 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

TTM(T)

On March 21, 2007, TTM(T) called for payment of additional share capital from shareholders amounting to Baht 150 million. The Company paid for its shareholding percentage of 50% amounting to Baht 75 million.

THAPPLINE

On February 22, 2007, a shareholder of THAPPLINE exercised the right to acquire remaining additional preferred shares in THAPPLINE amounting 2.11 million shares at Baht 100 per share totalling Baht 211 million in accordance with the resolution of THAPPLINE's extraordinary shareholders' meeting No. 1/2005 on September 9, 2005 and No. 2/2005 on September 26, 2005. As a result, as at March 31, 2007, the Company's shareholding percentage in THAPPLINE decreased from 34.04% to 33.19%.

7. Other Long-term Investments

Other long-term investments as at March 31, 2007 and December 31, 2006 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	March 31,2007	December 31, 2006	March 31,2007	December 31, 2006
General investments	1,310.49	1,271.49	376.52	337.52
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	99.86	300.45	-	-
<u>Add</u> Allowance for increase in fair value of investments	660.04	635.78	659.00	635.00
Total	<u>2,991.99</u>	<u>3,129.32</u>	<u>1,957.12</u>	<u>1,894.12</u>

7.1 Information of other long-term investments of the Company is as follows :

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2007	December 31, 2006
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
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management services	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 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

7. Other Long-term Investments (Continued)

7.2 Other long-term investments as at March 31, 2007 and December 31, 2006

Unit : Million Baht

Company	Shareholding percentage		Consolidated		The Company		Dividends for the three-month periods ended March 31	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	2007	2006
<u>General Investments</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	376.50	337.50	376.50	337.50	-	-
7 API	16.67	16.67	290.24	290.24	-	-	-	-
8 ROC	5.91	5.91	643.73	643.73	-	-	191.24	-
9 BAPT	2.07	2.07	18.19	18.19	-	-	-	-
Total investments accounted for under the cost method			1,527.08	1,488.08	574.92	535.92		
<u>Less</u> Allowance for impairment of investments			216.59	216.59	198.40	198.40		
Total general investments			1,310.49	1,271.49	376.52	337.52		
<u>Investments in Available-for-sale Securities</u>								
Investments in Equity Instruments								
10 TIP	13.33	13.33	312.00	312.00	312.00	312.00	-	-
11 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	-	-
Total investments in equity instruments			336.00	336.00	336.00	336.00	-	-
Investments in Debt Securities								
Investments in Mutual Funds								
<u>Add</u> Allowance for increase in fair value of investments			660.04	635.78	659.00	635.00	-	-
Total investments in available-for-sale securities			1,681.50	1,857.83	1,580.60	1,556.60	-	-
Total other long-term investments			2,991.99	3,129.32	1,957.12	1,894.12	191.24	-

7. Other Long-term Investments (Continued)

7.3 Significant events during the three-month period ended March 31, 2007

RPCL

On December 13, 2006 and January 9, 2007, RPCL's ordinary shareholders' meetings passed a resolution to increase the authorized share capital of RPCL from Baht 2,325 million to Baht 3,325 million. On February 5, 2007, RPCL called for the payment from shareholders for additional shares amounting to Baht 260 million. The Company paid for its shareholding percentage of 15% amounting to Baht 39 million.

Investments in Mutual Funds

On March 13, 2007, a mutual fund of a subsidiary was closed because the number of unit trust holders did not comply with the mutual fund's regulations. The mutual fund paid average returns from liquidation to unit trust holders.

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

In the consolidated financial statements, allowance for impairment of investments in associates and other related companies amounting to Baht 216.59 million comprises allowance for impairment of investments in PTT Mart, PA (Huizhou), FPT, PA (Shantou) and BAPT amounting to Baht 78.40, 15.16, 44.00, 60.84 and 18.19 million, respectively, and in the Company's financial statements the allowance amounting to Baht 198.40 million

8. Property, Plant and Equipment, Net

Property, plant and equipment as at March 31, 2007 and December 31, 2006 are as follows :

	Consolidated						Unit : Million Baht
	Land	Buildings and building improvements	Machinery and equipment	Oil and Gas properties	Other assets	Construction in progress	Total
Cost							
As at December 31, 2006	6,586.81	17,344.13	187,622.75	199,055.41	11,977.54	90,646.96	513,233.60
- Additions	73.23	43.89	253.81	8,165.68	149.27	14,147.38	22,833.26
- Borrowing costs	-	-	-	-	-	884.77	884.77
- Reclassification	297.38	597.14	6,109.99	-	(518.64)	(2,376.72)	4,109.15
- Disposal	-	(1.34)	(195.37)	(30.93)	(17.36)	(149.66)	(394.66)
- Currency translation differences	-	(0.19)	(10.09)	(218.06)	(1.00)	(0.34)	(229.68)
As at March 31, 2007	6,957.42	17,983.63	193,781.09	206,972.10	11,589.81	103,152.39	540,436.44
Accumulated Depreciation							
As at December 31, 2006	-	(9,123.27)	(78,099.58)	(79,937.34)	(8,280.57)	-	(175,440.76)
- Additions	-	-	-	-	-	-	-
- Depreciation for the period	-	(205.02)	(1,852.59)	(3,471.37)	(264.69)	-	(5,793.67)
- Reclassification	-	68.73	(691.91)	55.98	498.22	-	(68.98)
- Disposal	-	1.48	193.53	(0.47)	8.86	-	203.40
- Currency translation differences	-	0.06	0.23	-	0.61	-	0.90
As at March 31, 2007	-	(9,258.02)	(80,450.32)	(83,353.20)	(8,037.57)	-	(181,099.11)
Provision on Impairment of Assets							
As at December 31, 2006	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
As at March 31, 2007	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
Net Book Value							
As at December 31, 2006	6,543.94	7,847.73	109,278.21	119,118.07	3,696.97	90,646.96	337,131.88
As at March 31, 2007	6,914.55	8,352.48	113,085.81	123,618.90	3,552.24	103,152.39	358,676.37

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

Unit : Million Baht

	The Company					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As at December 31, 2006	3,865.07	12,622.79	116,966.42	8,023.25	72,118.28	213,595.81
- Additions	-	13.79	205.26	101.04	5,248.09	5,568.18
- Borrowing costs	-	-	-	-	808.29	808.29
- Reclassification	151.50	511.23	5,715.16	(547.55)	(6,682.27)	(851.93)
- Disposal	-	(1.34)	(193.26)	(13.04)	(74.49)	(282.13)
As at March 31, 2007	4,016.57	13,146.47	122,693.58	7,563.70	71,417.90	218,838.22
Accumulated Depreciation						
As at December 31, 2006	-	(7,195.76)	(59,301.45)	(5,854.87)	-	(72,352.08)
- Depreciation for the period	-	(129.13)	(950.54)	(174.70)	-	(1,254.37)
- Reclassification	-	0.41	(583.86)	583.46	-	0.01
- Disposal	-	1.09	193.05	8.84	-	202.98
As at March 31, 2007	-	(7,323.39)	(60,642.80)	(5,437.27)	-	(73,403.46)
Provision on Impairment of Assets						
As at December 31, 2006	(42.87)	(373.13)	(244.96)	-	-	(660.96)
As at March 31, 2007	(42.87)	(373.13)	(244.96)	-	-	(660.96)
Net Book Value						
As at December 31, 2006	3,822.20	5,053.90	57,420.01	2,168.38	72,118.28	140,582.77
As at March 31, 2007	3,973.70	5,449.95	61,805.82	2,126.43	71,417.90	144,773.80

Borrowing costs in the consolidated financial statements amounting to Baht 884.77 million (December 31, 2006 : Baht 2,881.90 million) and in the Company's financial statements amounting to Baht 808.29 million (December 31, 2006 : Baht 2,778.17 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 3.66% to 7.23% (December 31, 2006 from 4.00% to 7.23%)

Buildings, manufacturing plants, machinery and equipment of Baht 19,731.87 million in the consolidated financial statements were used as collateral for long-term loans amounting to Baht 7,990.25 million (the Company's financial statements none).

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

As at March 31, 2007 and December 31, 2006, the other assets included vehicles acquired under finance leases have details as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Cost	1,034.38	851.71	594.19	546.74
<u>Less: Accumulated</u>	<u>269.04</u>	<u>214.84</u>	<u>96.57</u>	<u>73.77</u>
Net book value	<u>765.34</u>	<u>636.87</u>	<u>497.62</u>	<u>472.97</u>

9. Intangible Assets

Intangible assets as at March 31, 2007 and December 31, 2006 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Net book value as at December 31, 2006	22,596.92	3,665.78
- Additions	1,866.59	39.68
- Disposal	(2.63)	(2.63)
- Amortization	(567.47)	(90.57)
- Reclassification	867.16	852.19
- Currency translation differences	(19.41)	-
Net book value as at March 31, 2007	<u>24,741.16</u>	<u>4,464.45</u>

10. Advance Payment for Gas Purchased

Advance payments for gas purchased as at March 31, 2007 and December 31, 2006 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Balance as at December 31, 2006	16,598.18	20,629.67
<u>Less Make-up during the period</u>	<u>600.52</u>	<u>759.54</u>
Balance as at March 31, 2007	<u>15,997.66</u>	<u>19,870.13</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 1999-2001, according to the established minimum volumes in the Export Gas Sales Agreements (Take-or-Pay). The Company had the right to take certain volumes of prepaid gas (Make-up) in subsequent years, with no maturity period.

11. Long-term Loans

Long-term loans as at March 31, 2007 and December 31, 2006 are as follows :

Current Portion of Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Loans – Baht currency	4,687.48	12,258.15	4,000.00	11,000.00
Loans – Foreign currencies	568.71	391.85	380.01	391.85
Bonds – Baht currency	1,757.14	1,750.58	-	-
Bonds – Foreign currencies	6,784.32	7,002.59	-	-
Liabilities from finance leases	222.78	208.97	110.65	101.18
Total	14,020.43	21,612.14	4,490.66	11,493.03

Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Loans – Baht currency	56,550.99	52,940.73	47,400.00	44,400.00
Loans – Foreign currencies	28,886.82	29,315.14	19,318.40	19,852.01
Bonds – Baht currency	85,086.57	72,181.70	80,158.00	70,118.00
Bonds – Foreign currencies	38,502.36	43,327.16	25,872.01	30,309.76
Liabilities from finance leases	599.79	574.58	404.84	386.67
Total	209,626.53	198,339.31	173,153.25	165,066.44

As at March 31, 2007, long-term loans amounting to Baht 45,670.73 million (December 31, 2006: Baht 46,741.52 million) in the Company's financial statements were secured by the Ministry of Finance.

As at March 31, 2007, the Group's long-term loans amounting to Baht 7,990.25 million (December 31, 2006: Baht 7,637.46 million) in the consolidated financial statements were secured by machinery, buildings, manufacturing plants and structures. In addition, the Group had commitments to comply with various conditions stipulated in the loan agreements.

On March 23, 2007, the Company entered into a loan agreement amounting to Baht 6,000 million with a maturity period of 10 years, bearing a floating interest rate at maximum interest rate of six-month fixed deposit plus 1.125% per annum, payable every six months. The principal is repayable in installments of Baht 500 million every six months from September 2011 to March 2017.

11. Long-term Loans (Continued)

11.1 Loans

Movements of loans in Baht currency and foreign currencies as at March 31, 2007 and December 31, 2006 are as follows :

	Consolidated			Unit : Million
	Currency			Total equivalent in Baht
	Baht	US Dollar	Yen	
Balance as at December 31, 2006	64,230.09	655.67	23,000.00	94,905.87
- Additions	7,101.05	-	-	7,101.05
- Repayments	(10,092.68)	(10.18)	-	(10,461.49)
- Gain on exchange rate	-	-	-	(851.43)
- Current portion	(4,687.48)	(16.19)	-	(5,256.19)
Balance as at March 31, 2007	<u>56,550.98</u>	<u>629.30</u>	<u>23,000.00</u>	<u>85,437.81</u>

	The Company			Unit : Million
	Currency			Total equivalent in Baht
	Baht	US Dollar	Yen	
Balance as at December 31, 2006	55,400.00	364.63	23,000.00	75,643.86
- Additions	6,000.00	-	-	6,000.00
- Repayments	(10,000.00)	-	-	(10,000.00)
- Gain on exchange rate	-	-	-	(545.45)
- Current portion	(4,000.00)	(10.82)	-	(4,380.01)
Balance as at March 31, 2007	<u>47,400.00</u>	<u>353.81</u>	<u>23,000.00</u>	<u>66,718.40</u>

11. Long-term Loans (Continued)

11.2 Bonds

Bonds as at March 31, 2007 and December 31, 2006 are as follows :

	Unit : Million			
	Consolidated			
	March 31, 2007		December 31, 2006	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	1,290.45	45,286.68	1,390.67	50,329.75
- Baht currency	-	86,843.71	-	73,932.28
<u>Less</u> Current portion				
- USD currency	(193.28)	(6,790.88)	(193.28)	(7,002.59)
- Baht currency	-	(1,750.58)	-	(1,750.58)
Total	<u>1,097.17</u>	<u>123,588.93</u>	<u>1,197.39</u>	<u>115,508.86</u>

	Unit : Million			
	The Company			
	March 31, 2007		December 31, 2006	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	736.35	25,872.01	836.57	30,309.76
- Baht currency	-	80,158.00	-	70,118.00
Total	<u>736.35</u>	<u>106,030.01</u>	<u>836.57</u>	<u>100,427.76</u>

The Company and the Group issued bonds and entered into cross currency and interest rate swap contracts for some bonds. Details are as follows :

On June 20, 2005, the Company issued unsecured unsubordinated bonds for sale to financial institutional investors amounting to Baht 4,040 million with a redemption period of 10 years at a fixed interest rate of 4.75% per annum. However, the Company entered into a cross currency swap contract to swap Baht bonds for USD bonds amounting to USD 100 million at a fixed interest rate of 4.55% per annum, to be redeemed on June 20, 2015. In addition, on January 16 and January 18, 2007, the Company entered into an agreement with financial institution for cancellation of commitments in accordance with a cross currency swap contract to swap Baht currency amounting to Baht 4,040 million at an interest rate of 4.75% per annum for USD currency of USD 100 million at a fixed interest rate of 4.55% per annum. In canceling the agreement, the company received compensation from financial institution amounting to Baht 450 million. Consequently, the Company has commitments in Baht currency as before.

On March 20, 2007, the Company issued unsecured unsubordinated bonds for sale to financial institutional investors amounting to Baht 6,000 million with a redemption period of 8 years at a

11. Long-term Loans (Continued)

fixed interest rate of 4.86% per annum, payable every six months, to be redeemed on March 20, 2015.

On March 27, 2003, PTTEP issued 2,500,000 unsecured unsubordinated bonds at a face value of Baht 1,000 per unit totalling Baht 2,500 million with a redemption period of 15 years. The bonds bear interest at a rate of 4.625% per annum, payable every six months on March 27 and September 27 of every year, to be redeemed on March 27, 2018. However, PTTEP entered into a cross currency swap contract to swap Baht bonds for the USD currency of USD 60.82 million at an interest rate of 3.85% per annum.

On February 12, 2007, PTTEP issued 3,500,000 unsecured unsubordinated bonds at a face value of Baht 1,000 per unit totalling Baht 3,500 million with a redemption period of 3 years. The bonds bear interest at a rate of 4.88% per annum, payable every six months on February 12 and August 12 of every year, to be redeemed on February 12, 2010.

11.3 Liabilities from Finance Leases

Liabilities from finance leases as at March 31, 2007 and December 31, 2006 are as follows :

	Consolidated		Unit : Million Baht The Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Liabilities from finance leases				
- Not later than 1 year	267.65	252.66	143.07	132.49
- Later than 1 year and not later than 5 years	644.87	620.73	437.77	420.86
Future finance charges on finance leases	(89.95)	(89.84)	(65.35)	(65.50)
Present value of liabilities from finance leases	<u>822.57</u>	<u>783.55</u>	<u>515.49</u>	<u>487.85</u>
Present value of liabilities from finance leases				
- Current liabilities (Not later than 1 year)	222.78	208.97	110.65	101.18
- Non-current liabilities (Later than 1 year and not later than 5 years)	<u>599.79</u>	<u>574.58</u>	<u>404.84</u>	<u>386.67</u>
Total	<u>822.57</u>	<u>783.55</u>	<u>515.49</u>	<u>487.85</u>

12. Provision for Decommissioning Costs

The Group recognized provision for liabilities as at March 31, 2007 and December 31, 2006 for decommissioning costs expected to be incurred in the future amounting to Baht 10,415.44 million and Baht 10,712.39 million, respectively. The provision was estimated based on existing technology and current prices by the Group's engineers and management's judgment.

13. Share Capital

As at March 31, 2007, the Company had authorized share capital of 2,857,245,725 ordinary shares (as at December 31, 2006: Baht 2,857,245,725 ordinary shares) with a par value of Baht 10 each. The issued and fully paid-up share capital was 2,805,112,825 ordinary shares (as at December 31, 2006: Baht 2,804,925,625 ordinary shares). Details are as follows :

13. Share Capital (Continued)

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht per 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>
September 1, 2005	183	1 : 1	7.87	32.13	August 31, 2010
September 29, 2006	234	1 : 1	-	20.00	September 28, 2011
			<u>7.87</u>	<u>52.13</u>	

14. 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 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 these warrants resulted in net income of the Group, recognized in the Company's financial statements, adjusted by decreases in shareholding proportions. The number of diluted shares was calculated by using a market price (an 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 in the consolidated financial statements for the three-month periods ended March 31, 2007 and 2006 are calculated as follows:

Consolidated

	<u>Basic Earnings per Share</u>		<u>Diluted Earnings per Share</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net income attributable to ordinary shareholders (Baht)	22,580,779,423	23,722,791,817	22,580,779,423	23,722,791,817
Adjustment of net income (Baht)	-	-	(1,004,313)	(19,423,067)
Net income for calculation of earnings per share (Baht)	22,580,779,423	23,722,791,817	22,579,775,110	23,703,368,750
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,804,992,185	2,797,245,725	2,808,456,349	2,807,605,780
Earnings per share (Baht/share)	8.05	8.48	8.04	8.44

14. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share in the Company's financial statements for the three-month periods ended March 31, 2007 and 2006 are calculated as follows :

The Company

	Basic Earnings per Share		Diluted Earnings per Share	
	2007	2006	2007	2006
Net income attributable to ordinary shareholders (Baht)	12,549,030,171	11,689,672,365	12,549,030,171	11,689,672,365
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,804,992,185	2,797,245,725	2,808,456,349	2,807,605,780
Earnings per share (Baht/share)	4.47	4.18	4.47	4.16

The adjustment of net income resulted from the issue of name registered and non-transferable warrants by the Company and the Group to their directors, management and employees.

The Company issued warrants under the Employee Stock Ownership Plan (ESOP) as detailed in Note 13.

PTTEP

PTTEP had registered share capital of 3,322 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,322 million. On February 13, 2007, PTTEP registered for the change in its issued and fully paid-up capital to be 3,286.35 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,286.35 million.

PTTEP has reserved ordinary shares for the exercise of warrants under the Employee Stock Ownership Plan (ESOP) for 5 years consecutively, totalling 62 million ordinary shares. As at March 31, 2007, the employees had exercised warrants for 26.35 million ordinary shares. Therefore, the remaining reserved shares were 35.65 million shares. 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 exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
August 1, 2002	22.2	1 : 5	9.71	0.29	July 31, 2007
August 1, 2003	23.4	1 : 5	7.14	2.86	July 31, 2008
August 1, 2004	36.6	1 : 5	6.50	7.50	July 31, 2009
August 1, 2005	55.6	1 : 5	3.00	11.00	July 31, 2010
August 1, 2006	91.2	1 : 5	-	14.00	July 31, 2011
			<u>26.35</u>	<u>35.65</u>	

14. Earnings per Share (Continued)

ATC

ATC 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 exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
February 2, 2004	10	1 : 1	14.38	0.22	November 23, 2007

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 exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
September 29, 2006	66.50	1 : 1	-	29	September 28, 2011

15. Other Income

Other income for the three-month periods ended March 31, 2007 and 2006 are as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2007	2006	2007	2006
Interest income	1,055.00	783.35	478.90	437.31
Penalty income	165.88	123.49	165.74	147.25
Transportation income	797.86	895.70	829.28	1,380.47
Dividend income	191.24	-	3,734.76	1,434.37
Compensation for loan interest of advance payment for gas purchased	-	483.91	-	483.91
Gain on foreign exchange	1,652.82	4,986.98	861.25	2,273.43
Others	938.23	669.15	912.60	376.13
Total	4,801.03	7,942.58	6,982.53	6,532.87

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 (IPPs) to absorb interest on loans raised by the Company for advance payment for gas purchased.

16. Share of Net Income from Investments under Equity Method

Share of net income from investments under the equity method for the three-month periods ended March 31, 2007 and 2006 include share of gain (loss) on foreign exchange as follows :

	Unit : Million Baht	
	Consolidated	
	2007	2006
Share of net income before gain (loss) on foreign exchange	6,313.83	2,092.79
<u>Add</u> Share of gain (loss) on foreign exchange	863.57	1,439.00
Total	<u>7,177.40</u>	<u>3,531.79</u>

17. Segment Information

The Company presented 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.

Consolidated

For the three-month period ended March 31, 2007

	Unit : Million Baht						
	Exploration, production and natural gas						
	Oil	Natural gas	Petroleum exploration and production	Petro-chemicals	Others	Elimination	Total
Sales - others	230,317.72	51,617.16	4,086.19	14,938.16	-	-	300,959.23
- related parties	1,363.04	10,559.50	16,471.29	6.86	-	(28,400.69)	-
Petroleum royalties and remuneration	-	-	(2,680.07)	-	-	-	(2,680.07)
Net sales	<u>231,680.76</u>	<u>62,176.66</u>	<u>17,877.41</u>	<u>14,945.02</u>	<u>-</u>	<u>(28,400.69)</u>	<u>298,279.16</u>
Gross margin	3,779.52	11,036.00	12,916.71	3,882.60	-	(185.20)	31,429.63
EBITDA	2,559.25	11,187.19	15,285.24	4,139.25	(497.98)	(8.61)	32,664.34
Depreciation and amortization	499.10	1,089.89	3,587.39	797.03	37.33	350.89	6,361.63
EBIT	2,060.15	10,097.30	11,697.85	3,342.22	(535.31)	(359.50)	26,302.71
Share of net income (loss) from investments under equity method	0.05	13.92	(2.37)	(10.22)	13,766.51	(6,590.49)	7,177.40
Interest-net							(1,518.70)
Other income							920.35
Gain on foreign exchange							1,652.81
Income taxes							(8,382.22)
Minority interests							(3,571.57)
Net Income							<u>22,580.78</u>

17. Segment Information (Continued)

Consolidated

For the three-month period ended March 31, 2006

Unit : Million Baht

	Exploration, production and natural gas			Refining	Petro- chemicals	Others	Elimi- nation	Total
	Oil	Natural gas	Petroleum exploration and production					
Sales - others	202,445.05	42,876.03	5,141.34	7,657.25	15,331.48	-	-	273,451.15
- 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	235,021.34	56,187.42	18,396.83	44,499.09	17,614.92	-	(101,465.48)	270,254.12
Gross margin	4,159.94	10,417.74	13,819.03	2,478.42	5,425.50	-	104.69	36,405.32
EBITDA	2,627.08	10,481.05	15,626.70	2,924.10	5,552.12	(234.47)	(210.64)	36,765.94
Depreciation and amortization	515.32	1,186.63	3,197.70	444.52	644.56	9.77	63.41	6,061.91
EBIT	2,111.76	9,294.42	12,429.00	2,479.58	4,907.56	(244.24)	(274.05)	30,704.03
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								817.06
Gain on foreign exchange								4,986.98
Income taxes								(9,561.64)
Minority interests								(4,751.49)
Net Income								23,722.79

Pricing among business segments 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, are applied.

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

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

17. Segment Information (Continued)

The Group categorizes segments for major businesses 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 fuel oil and lubricant products through retail, commercial and international markets
2. International oil trading : importing and exporting crude oil, fuel oil products, raw materials and petrochemical products.

Exploration, Production and Natural Gas Business

The Group conducts a fully integrated exploration, production and natural gas business, which can be categorized by business operations as follows :

1. Natural gas business : The Group conducts natural gas business including procurement, natural gas pipeline transmission, and natural gas separation and distribution in both domestic and overseas markets.
2. Petroleum exploration and production business : The Group conducts petroleum exploration and production business in both domestic and overseas markets. The Group is the operator and jointly invests with the 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.

Refining Business

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

Petrochemical Business

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

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

18. Reclassification

For comparative purposes, the Group has reclassified certain items in the consolidated and the Company's financial statements for the three-month period ended March 31, 2006 to ensure consistency with the presentation in the consolidated and the Company's financial statements for the three-month period ended March 31, 2007. The reclassifications do not affect the reported net income.

19. 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 project, the Sainoi-South Bangkok Power Plant gas pipeline project, the third gas offshore and onshore pipeline project, the Song-khla Power Plant gas pipeline project, the District Cooling and Cogeneration at Future Park Rangsit project, the Ethane Separation Plant project, the Suvarnabhumi-Phayathai NGV gas distribution pipeline project, and the distribution gas pipelines to the Rojana Industrial Park project. The promotional privileges include exemption from import duties on the machinery approved from BOI and corporate income tax exemption on net income from promotional business for eight years starting from the date on which the first sale is realized.

20. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows :

- 20.1 Commitments to subsidiaries, associates, joint ventures and other related companies are as follows :

According to a condition with a financial institution, 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. The Company has obligations under the arrangements in forms of an extended credit for raw materials and/or advance product payments. As at March 31, 2007, the commercial credit lines were not used.

The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in a form of an extended credit for raw materials at a credit limit of USD 100 million. As at March 31, 2007, the subsidiary had used the commercial credit line of USD 95.23 million. The remaining commercial credit line was USD 4.77 million or approximately Baht 167.60 million.

The Company entered into Sponsor Support Agreements with two joint ventures at a credit limit equal to the loan obligations of the two joint ventures to a financial institution. As at March 31, 2007, the Company had the remaining commitment of USD 262.15 million or approximately Baht 9,210.75 million.

As at March 31, 2007, the Group and the Company had obligations under various Shareholder Agreements to pay for ordinary shares totalling Baht 10,630.47 million in the consolidated financial statements and Baht 4,000.47 million in the Company's financial statements.

- 20.2 As at March 31, 2007, the Group and the Company had contingent liabilities in a form of letters of guarantee amounting to Baht 1,206.59 million in the consolidated financial statements and Baht 161.36 million in the Company's financial statements.

- 20.3 On August 31, 2006, the Foundation for Consumers and a group of five individuals (the "Claimants") filed a complaint to the Supreme Administration Court, naming the Prime Minister, the Cabinet and the Minister of Energy as respondents (the "Respondents"), seeking the court to order to revoke two Royal Decrees issued under the Corporatization Act B.E. 2542 (A.D. 1999) in relation to the privatization of the Petroleum Authority of Thailand to PTT Public Company Limited. The two Royal Decrees were the Royal Decree Determining the Powers, Rights and Benefits of PTT Public Company Limited B.E. 2544 (A.D. 2001) and the Royal Decree Determining the Time for Repealing the Laws Governing the Petroleum Authority of Thailand B.E. 2544 (A.D. 2001). On September 4, 2006, the Supreme Administration Court issued an order to accept this complaint. The Respondents made a statement to the court, and the Claimants prepared a dispute over the Respondents' statement and submitted it to the court in accordance with the procedures of the Administration Court. On January 22, 2007, the Respondents prepared and submitted an additional statement to the court.

However, the Company filed a petition to act as a litigant in the lawsuit. On November 28, 2006, the Supreme Administration Court issued an order to permit the Company to act as a litigant. On December 29, 2006, the Company, as the 4th Respondent, submitted a statement to the court, on February 26, 2007, the Claimants filed a dispute over the Company's statement. On April 4, 2007, the Company prepared and submitted an additional statement to the court. The lawsuit is currently under the consideration of the Supreme Administration Court.

21. Subsequent Events

- 21.1 On April 19, 2007, the board of directors of the Company signed the Share Sale and Purchase Agreement with ConocoPhillips Company (COP) for the acquisition of COP's retail petroleum business in Thailand. Upon the acquisition, the Company will establish a wholly-owned subsidiary to acquire total shares of COP's four subsidiaries carrying out such business, namely Conoco (Thailand) Company Limited, JET /Jiffy Shops limited, Siam Conoco Terminal Limited and its subsidiary namely Siam Conoco Land Limited. The total value of the transaction is approximately USD 275 million. The transaction is subject to the fulfillment of customary conditions, including but not limited to the warranties being true and correct and the receipt of corporate approval for the transaction by PTT and COP. The transaction is expected to be completed by midyear 2007.
- 21.2 On April 30, 2007, the annual general of the Company's shareholders approved the dividend payments for the year 2006, at Baht 10.50 per share, amounting to Baht 29,452.75 million or represents 31% of net income. On September 22, 2006, the Company paid the interim dividends for the operating results of the first-half of 2006 at Baht 5 per share amounting to Baht 14,024.63 million. The remaining dividends of Baht 5.50 per share amounting to Baht 15,428.12 million will be paid on May 15,2007.
- 21.3 The Audit Committee of the Company approved these financial statements for public issuance on May 9, 2007.
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