

**AUDITOR'S REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS**  
**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008**

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008**

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**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008 (UNAUDITED, REVIEWED)**  
**AND FOR THE YEAR ENDED DECEMBER 31, 2007 (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 (revised 2007) “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 its subsidiaries are collectively referred to as “the Group”.

These consolidated financial statements have been prepared under the same basis as the consolidated financial statements for the year ended December 31, 2007. There has been no change in the structures of subsidiaries, jointly controlled entities and associates 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, 2007 which were prepared in accordance with generally accepted accounting principles with the exception of the matter noted in Note 2.

## 1. General Information (Continued)

### 1.5 Amendments to Accounting Standards effective for accounting periods beginning on or after January 1, 2008.

Thai Accounting Standard No.25 (revised 2007)	Cash Flow Statements
Thai Accounting Standard No.29 (revised 2007)	Leases
Thai Accounting Standard No.31 (revised 2007)	Inventories
Thai Accounting Standard No.33 (revised 2007)	Borrowing Costs
Thai Accounting Standard No.35 (revised 2007)	Presentation of Financial Statements
Thai Accounting Standard No.39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
Thai Accounting Standard No.41 (revised 2007)	Interim Financial Reporting
Thai Accounting Standard No.43 (revised 2007)	Business Combinations
Thai Accounting Standard No.49 (revised 2007)	Construction Contracts
Thai Accounting Standard No.51 (revised 2007)	Intangible Assets

These revised accounting standards are effective for accounting periods beginning on or after January 1, 2008 and compliance with these accounting standards does not have significant effect to the consolidated and the Company's financial statements except for as discussed in Note 2.1.

## **2. Accounting Changes**

### **2.1 Changes in Accounting Policies**

The Company has chosen to apply Thai Accounting Standard No.43 (revised 2007) “Business Combinations” that is effective for accounting periods beginning on or after January 1, 2008. Details are as follows:

#### Goodwill

In accordance with this standard, the Company is not allowed to amortize goodwill arising from business combination. A test for impairment is carried out at least once a year or when there is a factor indicating that an investment might be impaired. In case of the carrying amount exceeds its recoverable amount, impairment loss is recognized in statement of income. In addition, goodwill is presented at cost less accumulated impairment losses.

The Company has adopted this standard since January 1, 2008. For goodwill recognized prior to that date, the Company applied a prospective method by not amortizing goodwill and testing for impairment instead. As a result, the carrying amount of goodwill as at January 1, 2008 was presented with balance carried forward from December 31, 2007, amounting to Baht 12,432.05 million and was not amortized during this period. On the contrary, amortization of this goodwill in the first quarter of 2007 was recognized amounting to Baht 418.68 million in the consolidated financial statement. Thus, management considered that there was no impairment in this goodwill as at March 31, 2008.

#### Negative Goodwill

In accordance with this standard, the Company, a buyer, must assess the seller’s identification and measurement of assets and liabilities and identifiable contingent liabilities including the exceed reassessment of carrying value in business combination, when buyer’s equity net fair value of the cost at acquisition date, the differences will be recognized as revenue in statements of income.

The Company has adopted this standard since January 1, 2008, with the prospective requirements. The carry forward of retained earnings as at January 1, 2008, amounting to Baht 5,344.81 Baht was adjusted.

However, these adjustments in goodwill and negative goodwill did not affect the Company’s financial statements.

## 2. Accounting Changes

### 2.2 Correction of Accounting Errors

In 2007, the Company has complied with the judgment of the Supreme Administrative Court (the Court) by separating the assets to the Ministry of Finance. However, the Company still has the right to use these assets.

The Company made corrections to the accounting errors in the previous year's financial statements, by cancelling the accounting for assets separation and recognizing the right to use assets as intangible asset, leading to, the difference between depreciation expenses of assets and amortization expenses of the right. The Company accounted for this change by retrospectively adjusted the financial statements for the first quarter of 2007 that are presented for comparative purposes. The effect of this on the statement of income for the three-month period ended March 31, 2008 in the consolidated and the Company's financial statements were the same in terms of amounts. The details are as follows:

Unit: Million Baht

#### Statement of Income for the three-month period ended March 31, 2007

Increase in cost of sales and services	8.46
Decrease in selling and administrative expenses	0.72
Decrease in net income	7.74

## 3. Cash and Cash Equivalents

Cash and cash equivalents as at March 31, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Cash on hand	433.32	608.80	289.94	437.28
Deposits held at call with banks	24,660.70	16,131.67	9,693.06	4,528.47
Fixed deposits	4,074.12	10,438.23	4,000.00	8,000.00
Treasury bills	1,825.79	18,669.12	1,575.79	1,758.39
Promissory notes	134.99	783.30	134.99	133.30
Bank of Thailand bonds	62,305.76	28,327.17	39,221.16	28,327.17
Total	<u>93,434.68</u>	<u>74,958.29</u>	<u>54,914.94</u>	<u>43,184.61</u>

Cash and cash equivalents as at March 31, 2008 mainly bear interest at rates ranging from 0.13% to 3.80% per annum (December 31, 2007: interest rates ranging from 0.13% to 5.20% per annum).

#### 4. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others as at March 31, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Trade accounts receivable	85,116.94	117,023.10	72,832.90	100,439.60
Notes receivable	2,129.42	2,476.80	2,129.42	2,476.80
Total	87,246.36	119,499.90	74,962.32	102,916.40
<u>Less</u> Allowance for doubtful accounts	<u>2,429.20</u>	<u>2,564.12</u>	<u>1,584.52</u>	<u>1,647.57</u>
Trade accounts and notes receivable – others, net	<u>84,817.16</u>	<u>116,935.78</u>	<u>73,377.80</u>	<u>101,268.83</u>

Outstanding trade accounts and notes receivable – others as at March 31, 2008 and December 31, 2007 can be aged as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Current	79,069.84	105,867.41	68,396.92	91,734.43
Overdue				
- Up to 3 months	2,000.57	6,508.63	1,670.06	5,460.25
- Over 3 – 6 months	1,054.40	2,288.90	918.28	1,920.31
- Over 6 – 12 months	1,959.60	2,027.52	1,661.53	1,994.30
- Over 12 months	3,161.95	2,807.44	2,315.53	1,807.11
Total	87,246.36	119,499.90	74,962.32	102,916.40
<u>Less</u> Allowance for doubtful accounts	<u>2,429.20</u>	<u>2,564.12</u>	<u>1,584.52</u>	<u>1,647.57</u>
Trade accounts and notes receivable - others, net	<u>84,817.16</u>	<u>116,935.78</u>	<u>73,377.80</u>	<u>101,268.83</u>

Trade accounts and notes receivable – others, net as at March 31, 2008 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 17,413.46 million (December 31, 2007: Baht 28,969.72 million), and in the Company's financial statements amounting to Baht 17,202.31 million (December 31, 2007: Baht 28,865.56 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, 2008 and December 31, 2007

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Subsidiaries	-	-	7,317.04	11,156.14
Jointly controlled entities	-	-	100.37	99.66
Associates	80,977.63	76,264.37	80,961.89	76,249.94
Other related parties	2,034.87	2,044.14	2,034.87	2,044.14
Total	83,012.50	78,308.51	90,414.17	89,549.88
<u>Less Allowance for doubtful accounts</u>	<u>255.78</u>	<u>261.07</u>	<u>264.86</u>	<u>269.78</u>
Trade accounts receivable – related parties, net	<u>82,756.72</u>	<u>78,047.44</u>	<u>90,149.31</u>	<u>89,280.10</u>

Outstanding trade accounts receivable – related parties as at March 31, 2008 and December 31, 2007 can be aged as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Current	78,923.91	78,050.35	83,187.51	85,939.67
Overdue				
- Up to 3 months	4,029.62	170.80	4,033.91	501.77
- Over 3 – 6 months	28.77	83.85	370.40	414.69
- Over 6 – 12 months	0.96	1.00	310.40	1.83
- Over 12 months	29.24	2.51	2,511.95	2,691.92
Total	83,012.50	78,308.51	90,414.17	89,549.88
<u>Less Allowance for doubtful accounts</u>	<u>255.78</u>	<u>261.07</u>	<u>264.86</u>	<u>269.78</u>
Trade accounts receivable – related parties, net	<u>82,756.72</u>	<u>78,047.44</u>	<u>90,149.31</u>	<u>89,280.10</u>



## 5. Related Party Transactions (Continued)

### 5.2 Other accounts receivable, advances and short-term loans – related parties as at March 31, 2008 and December 31, 2007

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Other accounts receivable				
Subsidiaries	-	-	4,317.30	401.94
Jointly controlled entities	-	-	204.25	201.85
Associates	602.78	455.81	600.76	449.43
Other related parties	139.05	144.51	138.26	144.04
	<u>741.83</u>	<u>600.32</u>	<u>5,260.57</u>	<u>1,197.26</u>
<u>Less</u> Allowance for doubtful accounts	141.89	141.90	148.89	148.14
	<u>599.94</u>	<u>458.42</u>	<u>5,111.68</u>	<u>1,049.12</u>
Advances				
Subsidiaries	-	-	5,000.00	-
Associates	331.06	326.30	331.06	326.30
Other related parties	133.86	176.40	133.86	176.37
	<u>464.92</u>	<u>502.70</u>	<u>5,464.92</u>	<u>502.67</u>
<u>Less</u> Allowance for doubtful accounts	330.63	325.98	330.63	325.98
	<u>134.29</u>	<u>176.72</u>	<u>5,134.29</u>	<u>176.69</u>
Short-term loans				
Subsidiaries	-	-	16,479.21	26,379.21
Jointly controlled entities	-	-	1,324.10	1,324.10
Associates	-	757.64	-	757.64
	<u>-</u>	<u>757.64</u>	<u>17,803.31</u>	<u>28,460.95</u>
Total	<u>734.23</u>	<u>1,392.78</u>	<u>28,049.28</u>	<u>29,686.76</u>

Changes in short-term loans – related parties for the three-month period ended March 31, 2008 are as follows:

	Unit: Million Baht	
	Consolidated	The Company
Balance as at December 31, 2007	757.64	28,460.95
- Receipt from loans granted	<u>(757.64)</u>	<u>(10,657.64)</u>
Balance as at March 31, 2008	<u>-</u>	<u>17,803.31</u>

Short-term loans to related parties are unsecured and bear interest at rates ranging from 4.88% to 7.00% per annum.

## 5. Related Party Transactions (Continued)

### 5.3 Other accounts receivable, advances and long-term loans – related parties as at March 31, 2008 and December 31, 2007

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Other accounts receivable				
Subsidiaries	-	-	1,004.57	1,076.79
Associates	1,255.33	1,193.04	1,255.33	1,193.04
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>1,255.33</u>	<u>1,193.04</u>	<u>2,259.90</u>	<u>2,269.83</u>
Advances				
Subsidiaries	-	-	-	-
Associates	0.54	0.65	0.54	0.65
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>0.54</u>	<u>0.65</u>	<u>0.54</u>	<u>0.65</u>
Long-term loans				
Subsidiaries	-	-	6,840.00	1,720.00
Associates	<u>5,050.05</u>	<u>5,050.05</u>	<u>5,050.05</u>	<u>5,050.05</u>
	<u>5,050.05</u>	<u>5,050.05</u>	<u>11,890.05</u>	<u>6,770.05</u>
Total	<u>6,305.92</u>	<u>6,243.74</u>	<u>14,150.49</u>	<u>9,040.53</u>

Changes in long-term loans – related parties for the three-month period ended March 31, 2008 are as follows:

Unit: Million Baht

	Consolidated	The Company
Balance as at December 31, 2007	5,050.05	6,770.05
- Payment for loans granted	-	5,880.00
- Receipt from loans granted	-	(760.00)
Balance as at March 31, 2008	<u>5,050.05</u>	<u>11,890.05</u>

Long-term loans - related parties are unsecured and bear interest at rates ranging from 4.88% to 7.69% per annum.

## 5. Related Party Transactions (Continued)

### 5.4 Trade accounts payable – related parties as at March 31, 2008 and December 31, 2007

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Subsidiaries	-	-	8,031.30	11,860.55
Jointly controlled entities	-	-	2,603.25	2,940.80
Associates	38,804.17	44,417.08	37,508.37	42,707.71
Other related parties	1,562.47	1,456.34	308.02	179.42
<b>Total</b>	<b>40,366.64</b>	<b>45,873.42</b>	<b>48,450.94</b>	<b>57,688.48</b>

### 5.5 Other accounts payable – related parties as at March 31, 2008 and December 31, 2007

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Subsidiaries	-	-	145.89	278.54
Jointly controlled entities	-	-	8.74	1.24
Associates	264.44	379.22	261.95	369.63
Other related parties	373.34	1,491.84	373.34	1,489.21
<b>Total</b>	<b>637.78</b>	<b>1,871.06</b>	<b>789.92</b>	<b>2,138.62</b>

### 5.6 Other long-term accounts payable – related parties as at March 31, 2008 and December 31, 2007

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Subsidiaries	-	-	20.65	70.71
Jointly controlled entities	-	-	15.86	16.04
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36.51</b>	<b>86.75</b>

## 5. Related Party Transactions (Continued)

### 5.7 Revenue and expense transactions carried out with related parties

For the three-month periods ended March 31, 2008 and 2007

Unit: Million Baht

	Consolidated		The Company	
	2008	2007	2008	2007
Revenues				
Sales:				
Subsidiaries	-	-	13,089.32	8,332.15
Jointly controlled entities	-	-	271.94	215.56
Associates	214,665.80	109,639.03	214,652.15	108,101.49
Other related parties	3,674.68	2,459.41	3,674.68	2,459.41
Interest income:				
Subsidiaries	-	-	515.92	55.43
Jointly controlled entities	-	-	20.29	8.49
Associates	69.85	81.35	69.85	81.35
Other related parties	-	-	-	-
Dividend income:				
Subsidiaries	-	-	3,619.72	3,734.76
Jointly controlled entities	-	-	-	-
Associates	-	-	1,697.83	-
Other related parties	-	-	-	-
Other income:				
Subsidiaries	-	-	278.83	47.84
Jointly controlled entities	-	-	6.58	6.80
Associates	2,406.99	477.35	2,406.75	442.07
Other related parties	12.85	14.68	12.68	14.68
Expenses				
Purchases:				
Subsidiaries	-	-	20,952.00	18,585.45
Jointly controlled entities	-	-	6,781.46	1,614.65
Associates	139,522.30	97,601.72	135,999.18	96,947.14
Other related parties	3,814.01	776.41	1,233.65	739.99
Other expenses:				
Subsidiaries	-	-	157.83	78.93
Jointly controlled entities	-	-	0.12	-
Associates	79.99	49.50	79.44	10.95
Other related parties	215.92	217.00	215.11	194.67

Related party transactions as stated above excluded transactions carried out with government agencies and state enterprises.

Stipulation prices between the Company and its related parties are based on the normal prices used in the same type of business in transactions with others.

Goods purchased from subsidiaries are at normal prices determined by the subsidiaries with reference to the global market prices.

## 5. Related Party Transactions (Continued)

5.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 22.1.

### 5.9 Directors' remuneration

Directors' remuneration for the three-month periods ended March 31, 2008 and 2007 in the consolidated financial statements amounting to Baht 16.42 million (2007: Baht 33.58 million) and in the Company's financial statements amounting to Baht 10.60 million (2007: Baht 10.44 million) comprises directors' meeting fees 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, 2008 and 2007. Details are as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	2008	2007	2008	2007
Sales				
Subsidiaries	-	-	-	-
Associates	7,568.00	564.89	7,568.00	564.89
Other related parties	-	-	-	-
Purchases				
Subsidiaries	-	-	-	-
Associates	7,568.00	564.89	7,568.00	564.89
Other related parties	-	-	-	-

## 6. Investments in Subsidiaries, Jointly Controlled Entities and Associates

6.1 Investments in Subsidiaries, Jointly Controlled Entities and Associates as at March 31, 2008 and December 31, 2007 are as follow:

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Investments in Subsidiaries	-	-	15,124.99	15,125.00
Investments in Jointly Controlled Entities	-	-	15,163.44	15,163.44
Investments in Associates	203,741.18	189,951.19	107,764.94	105,326.75
<b>Total</b>	<b>203,741.18</b>	<b>189,951.19</b>	<b>138,053.37</b>	<b>135,615.19</b>

6.2 Details of subsidiaries, jointly controlled entities and associates of the Company are as follows:

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2008	December 31, 2007
<u>Subsidiaries:</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.72	65.73
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	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd (PTTPM)	Thailand	Polymer marketing	75.00	75.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics service	100.00	100.00
PTT Retail Business Co., Ltd. (PTTRB)	Thailand	Management service and oil marketing	100.00	100.00
Combined Heat and Power Producing Co., Ltd. (CHPP)	Thailand	Generation and supply of electricity and chilled water	100.00	100.00
PTT International Co., Ltd. (PTT INTER)	Thailand	Petroleum	100.00	100.00
PTT Green Energy Pte. Ltd. (PTTGE)	Singapore	Petroleum	100.00	100.00

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

6.2 Details of subsidiaries, jointly controlled entities and associates of the Company are as follows:  
(Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2008	December 31, 2007
<u>Jointly controlled entities:</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co., Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	47.50	47.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
<u>Associates:</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.10	49.10
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	29.75	29.75
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipeline	33.19	33.19
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and selling LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and selling LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	33.69	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
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemicals	49.30	49.31
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity steam and water for industry	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology service	20.00	20.00
PTT Aromatics and Refining Public Co., Ltd. (PTTAR)	Thailand	Petrochemicals and refining	48.66	48.66
NPTC Maintenance & Engineering Services Co., Ltd. (NPTC)	Thailand	Factory maintenance and engineering service	40.00	40.00

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

6.3 Investments accounted for under the equity method in the consolidated financial statements as at March 31, 2008 and December 31, 2007 are as follows:

### Consolidated

Unit: Million Baht

Company	Shareholding percentage		March 31, 2008		December 31, 2007		Dividends for the three-month periods ended March 31	
	March 31, 2008	December 31, 2007	Cost method	Equity Method	Cost method	Equity method	2008	2007
Associates:								
Refining Business Group								
1 TOP	49.10	49.10	11,380.83	35,375.86	11,380.83	33,291.97	-	-
2 SPRC	36.00	36.00	14,770.48	18,172.05	14,770.48	19,093.28	1,624.77	-
3 BCP	29.75	29.75	4,060.18	5,210.91	4,060.18	4,952.40	-	-
4 PTTAR	48.66	48.66	12,820.01	34,011.93	12,821.69	32,119.50	-	-
Oil Business Group								
5 THAPPLINE	33.19	33.19	2,682.35	102.54	2,682.35	2.00	-	-
6 TLBC	48.95	48.95	140.00	139.98	140.00	134.79	-	-
7 PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
8 VLPG	45.00	45.00	87.35	88.64	87.35	66.39	-	-
9 KPL	40.00	40.00	21.49	30.85	21.49	26.89	-	-
10 FST	25.00	25.00	1.13	1.31	1.13	1.36	-	-
Petrochemicals Business Group								
11 IRPC	33.69	31.50	22,803.63	32,367.15	20,363.81	25,205.08	-	-
12 PTTCH	49.30	49.31	32,491.96	54,366.57	32,491.96	51,527.15	-	-
13 PPCL	40.00	40.00	1,280.88	1,107.97	1,280.88	1,135.32	-	-
14 NPTC	40.00	40.00	28.51	43.04	28.47	28.47	-	-
Natural Gas Business Group								
15 IPT	20.00	20.00	400.19	1,455.83	400.19	1,036.12	-	-
16 AMATA NGD	50.00	50.00	80.00	232.55	80.00	211.71	-	70.00
17 TP	26.00	26.00	2,304.76	1,994.83	2,304.76	2,005.39	73.06	-
18 PTTUT	40.00	40.00	2,743.60	2,591.86	2,743.60	2,615.39	-	-
19 EMG	25.00	25.00	16,539.04	16,383.15	16,498.42	16,433.90	-	-
Other Business Group								
20 PTTICT	20.00	20.00	60.00	64.16	60.00	64.08	-	-
Total			124,827.64	203,741.18	122,348.84	189,951.19	1,697.83	70.00



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

6.4 Investments accounted for under the cost method in the Company's financial statements as at March 31, 2008 and December 31, 2007: (Continued)

The Company

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the three-month periods ended March 31	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007	2008	2007
Subsidiaries:						
1 PTTEP	65.72	65.73	11,131.33	11,131.33	3,619.72	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
6 PTTLNG	100.00	100.00	50.00	50.00	-	-
7 PTTPM	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 PTTPL	100.00	100.00	600.00	600.00	-	-
11 PTTTRB	100.00	100.00	100.00	100.00	-	-
12 CHPP	100.00	100.00	270.00	270.00	-	-
13 PTT INTER	100.00	100.00	25.00	25.00	-	-
14 PTTGE	100.00	100.00	942.50	942.50	-	-
Jointly Controlled Entities:						
Natural Gas Business Group						
15 TTM(T)	50.00	50.00	5,320.00	5,320.00	-	-
16 TTM(M)	50.00	50.00	281.32	281.32	-	-
17 DCAP	35.00	35.00	350.00	350.00	-	-
Petrochemicals Business Group						
18 PTTAC	47.50	47.50	95.00	95.00	-	-
19 HMC	41.44	41.44	9,117.12	9,117.12	-	-

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

6.4 Investments accounted for under the cost method in the Company's financial statements as at March 31, 2008 and December 31, 2007 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, 2008	December 31, 2007	March 31, 2008	December 31, 2007	2008	2007
Associates:						
Refining Business Group						
20 TOP	49.10	49.10	11,380.83	11,380.83	-	-
21 SPRC	36.00	36.00	14,770.48	14,770.48	1,624.77	-
22 BCP	29.75	29.75	4,060.18	4,060.18	-	-
23 PTTAR	48.66	48.66	12,820.01	12,821.69	-	-
Oil Business Group						
24 THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
25 TLBC	48.95	48.95	140.00	140.00	-	-
26 PA (Thailand)	35.00	35.00	131.25	131.25	-	-
27 V LPG	45.00	45.00	87.35	87.35	-	-
28 KPL	40.00	40.00	21.49	21.49	-	-
Petrochemicals Business Group						
29 IRPC	33.69	31.50	22,803.63	20,363.81	-	-
30 PTTCH	49.30	49.31	32,079.42	32,079.42	-	-
31 PPCL	40.00	40.00	1,280.88	1,280.88	-	-
32 NPTC	40.00	40.00	28.51	28.47	-	-
Natural Gas Business Group						
33 IPT	20.00	20.00	400.19	400.19	-	-
34 TP	26.00	26.00	2,304.76	2,304.76	73.06	-
35 PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
Others Business Group						
36 PTTICT	20.00	20.00	30.00	30.00	-	-
<b>Total</b>			<b>138,053.37</b>	<b>135,615.19</b>	<b>5,317.55</b>	<b>3,734.76</b>

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

6.5 Share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at March 31, 2008 and December 31, 2007 are as follows:

### Balance Sheets:

As at March 31, 2008 and December 31, 2007

Unit: Million Baht

	March 31, 2008					December 31, 2007				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Current assets	1,726.29	75.15	175.85	20.16	2,339.11	2,364.78	85.52	200.30	23.99	2,344.75
Non-current assets	13,708.36	723.99	909.32	71.02	6,660.57	13,739.03	751.65	924.90	69.98	5,942.87
Current liabilities	(1,660.08)	(11.74)	(124.23)	(3.86)	(942.19)	(2,316.14)	(21.91)	(140.26)	(2.80)	(1,224.90)
Non-current liabilities	(7,748.41)	(515.32)	(673.75)	-	(735.85)	(8,302.62)	(549.11)	(696.50)	-	(24.35)
Net assets	<u>6,026.16</u>	<u>272.08</u>	<u>287.19</u>	<u>87.32</u>	<u>7,321.64</u>	<u>5,485.05</u>	<u>266.15</u>	<u>288.44</u>	<u>91.17</u>	<u>7,038.37</u>

### Statements of Income:

For the three-month periods ended March 31, 2008 and 2007

Unit: Million Baht

	2008					2007				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income	868.41	36.63	134.61	0.02	2,354.50	615.07	27.32	135.40	0.02	2,247.68
Expenses	(327.29)	(23.10)	(135.87)	(3.87)	(2,015.58)	(363.19)	(14.96)	(140.14)	(0.06)	(1,821.98)
Gain(loss) before taxes	541.12	13.53	(1.26)	(3.85)	338.92	251.88	12.36	(4.74)	(0.04)	425.70
Income taxes	-	-	-	-	(55.65)	-	(6.22)	-	-	(61.94)
Net income(loss)	<u>541.12</u>	<u>13.53</u>	<u>(1.26)</u>	<u>(3.85)</u>	<u>283.27</u>	<u>251.88</u>	<u>6.14</u>	<u>(4.74)</u>	<u>(0.04)</u>	<u>363.76</u>

## **6. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)**

6.6 Significant events during the three-month period ended March 31, 2008 are as follows:

### **PTTEP**

In the first quarter of 2008, warrants in PTTEP were exercised under the Employee Stock Ownership Program (ESOP) as detailed in Note 15. The effect from dilution of investments amounting to Baht 24.87 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity. Hence, as at March 31, 2008, the Company's shareholding in PTTEP was 65.72%.

### **PTTCH**

In the first quarter of 2008, warrants in PTTCH were exercised under the Employee Stock Ownership Program (ESOP) as detailed in Note 15. The effect from dilution of investments amounting to Baht 0.36 million was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity. Hence, as at March 31, 2008, the Company's shareholding in PTTCH was 49.30%.

### **IRPC**

In the first quarter of 2008, the Company acquired 426.15 million additional ordinary shares in IRPC from third parties amounting to Baht 2,439.82 million. Goodwill arising from the acquisition was Baht 363.55 million. Hence, as at March 31, 2008, the Company's shareholding in IRPC was 33.69%.

### **PTTRB**

PTTRB's extraordinary shareholders' meeting No. 1/2008 held on March 6, 2008 and No. 2/2008 held on March 21, 2008 passed a resolution to increase the authorized share capital of PTTRB by issuing 50 million ordinary shares at a par value of Baht 100 amounting to Baht 5,000 million. The increase in share capital was registered with the Ministry of Commerce on April 3, 2008. The Company recognized the increase as advance payment for share subscription.

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

### 6.7 Additional Information in respect of Associates

6.7.1 The Company has not recognized the share of profit from some associates for the three-month period ended March 31, 2008, amounting to Baht 0.22 million (2007: Baht 82.99 million) since as at March 31, 2008, the Company had unrealized accumulated loss carried forward from associates amounting to Baht 69.85 million (December 31, 2007: Baht 70.07 million).

6.7.2 The fair value of investments in associates which have equity securities traded in the Stock Exchange of Thailand (SET) calculated by current bid price at the balance sheet date. Details are as follows:

The fair value of investments in associate as at March 31, 2008 and December 31, 2007

<u>Associates</u>	Unit: Million Baht	
	<u>March 31, 2008</u>	<u>December 31, 2007</u>
PTTCH	77,481.31	91,501.74
BCP	4,461.13	4,660.88
IRPC	37,441.29	39,004.88
TOP	70,115.32	86,642.51
PTTAR	54,435.02	62,091.98

## 7. Other Long-term Investments

7.1 Other long-term investments as at March 31, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
General investments	1,600.60	1,456.60	956.87	812.87
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	33.96	33.96	33.96	33.96
<u>Add</u> Allowance for increase in fair value of investments	733.03	758.70	733.03	758.70
Total	<u>3,289.19</u>	<u>3,170.86</u>	<u>2,645.46</u>	<u>2,527.13</u>

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2008	December 31, 2007
Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
Petro Asia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management service	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 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 service	7.06	7.06

## 7. Other Long-term Investments (Continued)

### 7.3 Other long-term investments as at March 31, 2008 and December 31, 2007

Unit: Million Baht

Company	Shareholding percentage		Consolidated		The Company		Dividends for the three-month periods ended March 31	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007	2008	2007
<b>General Investments</b>								
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	949.50	805.50	949.50	805.50	-	-
7 ROC	5.91	5.91	643.73	643.73	-	-	-	191.24
8 BAPT	2.07	2.07	18.19	18.19	-	-	-	-
9 PA(Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
Total investments accounted for under the cost method			1,824.67	1,680.67	1,162.75	1,018.75		
Less Allowance for impairment of investments			224.07	224.07	205.88	205.88		
Total general investments			1,600.60	1,456.60	956.87	812.87		
<b>Investments in Available-for-sale Securities</b>								
<b>Investments in Equity instruments</b>								
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	-	-
<b>Investments in Debt Securities</b>								
<b>Investments in Mutual Funds</b>								
MFC Energy Fund	-	-	33.96	33.96	33.96	33.96	-	-
Add Allowance for increase in fair value of investments			733.03	758.70	733.03	758.70	-	-
Total investments in available-for-sale securities			1,688.59	1,714.26	1,688.59	1,714.26	-	-
Total other long-term investments			3,289.19	3,170.86	2,645.46	2,527.13	-	191.24

## **7. Other Long-term Investments (Continued)**

### **7.4 Significant events during the three-month period ended March 31, 2008**

#### **RPCL**

On February 22, 2008, RPCL called for payment from shareholders for additional shares amounting to Baht 960.00 million. The Company paid for its shareholding percentage of 15% amounting to Baht 144.00 million.

In the consolidated financial statements, the allowance for impairment of investments in other related companies amounting to Baht 224.07 million comprises the allowance for impairment of investments in PTT Mart, PA (Huizhou), FPT, PA (Shantou), PA (Maoming) and BAPT amounting to Baht 78.40, 15.16, 44.00, 60.84, 7.48 and 18.19 million, respectively, and in the Company's financial statements the allowance amounting to Baht 205.88 million.



## 8. Property, Plant and Equipment, Net

Property, plant and equipment as at March 31, 2008 and December 31, 2007 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
<b>Cost</b>							
As at December 31, 2007	5,424.13	20,382.10	165,536.51	236,241.87	11,473.67	52,764.54	491,822.82
- Additions	21.35	31.19	290.08	10,201.25	63.25	5,291.55	15,898.67
- Borrowing costs	-	-	-	-	-	532.64	532.64
- Reclassification	113.69	56.61	2,538.94	11.05	(2,267.26)	(578.47)	(125.44)
- Disposals	-	(4.49)	(16.18)	(431.68)	(27.94)	(7.60)	(487.89)
- Currency translation differences	-	(2.09)	(36.61)	(457.51)	(5.67)	(0.82)	(502.70)
As at March 31, 2008	5,559.17	20,463.32	168,312.74	245,564.98	9,236.05	58,001.84	507,138.10
<b>Accumulated Depreciation</b>							
As at December 31, 2007	-	(9,894.57)	(62,998.81)	(95,254.12)	(7,586.77)	-	(175,734.27)
- Additions	-	-	-	-	-	-	-
- Depreciation for the period	-	(215.79)	(1,369.75)	(4,670.66)	(261.67)	-	(6,517.87)
- Reclassification	-	0.10	(1,829.89)	(0.02)	1,829.85	-	0.04
- Disposals	-	2.79	7.18	144.67	22.95	-	177.59
- Currency translation differences	-	0.13	8.62	-	4.03	-	12.78
As at March 31, 2008	-	(10,107.34)	(66,182.65)	(99,780.13)	(5,991.61)	-	(182,061.73)
<b>Allowance for Impairment of Assets</b>							
As at December 31, 2007	(53.53)	(259.64)	(242.73)	(389.54)	-	-	(945.44)
As at March 31, 2008	(53.53)	(259.64)	(242.73)	(460.82)	-	-	(1,016.72)
<b>Net Book Value</b>							
As at December 31, 2007	5,370.60	10,227.89	102,294.97	140,598.21	3,886.90	52,764.54	315,143.11
As at March 31, 2008	5,505.64	10,096.34	101,887.36	145,324.03	3,244.44	58,001.84	324,059.65

## 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	
<b>Cost</b>						
As at December 31, 2007	4,517.72	14,464.47	146,567.16	7,318.94	45,087.79	217,956.08
- Additions	-	23.12	231.07	47.07	3,909.19	4,210.45
- Borrowing costs	-	-	-	-	473.23	473.23
- Reclassification	113.69	57.50	44.74	175.45	(522.84)	(131.46)
- Disposals	-	(3.14)	(1.20)	(9.38)	(7.60)	(21.32)
As at March 31, 2008	4,631.41	14,541.95	146,841.77	7,532.08	48,939.77	222,486.98
<b>Accumulated Depreciation</b>						
As at December 31, 2007	-	(7,739.66)	(58,688.30)	(4,700.10)	-	(71,128.06)
- Depreciation for the period	-	(137.86)	(1,061.06)	(218.93)	-	(1,417.85)
- Reclassification	-	-	0.15	(0.21)	-	(0.06)
- Disposals	-	2.36	1.01	8.65	-	12.02
As at March 31, 2008	-	(7,875.16)	(59,748.20)	(4,910.59)	-	(72,533.95)
<b>Allowance for Impairment of Assets</b>						
As at December 31, 2007	(53.53)	(259.64)	(242.73)	-	-	(555.90)
As at March 31, 2008	(53.53)	(259.64)	(242.73)	-	-	(555.90)
<b>Net Book Value</b>						
As at December 31, 2007	4,464.19	6,465.17	87,636.13	2,618.84	45,087.79	146,272.12
As at March 31, 2008	4,577.88	6,407.15	86,850.84	2,621.49	48,939.77	149,397.13

Borrowing costs in the consolidated financial statements amounting to Baht 532.64 million (December 31, 2007: Baht 2,811.64 million) and in the Company's financial statements amounting to Baht 473.23 million (December 31, 2007: Baht 2,657.64 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 5.89% - 7.69% (December 31, 2007: 3.34% - 7.69%).

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

As at March 31, 2008 and December 31, 2007, the net book value of other assets included vehicles acquired under finance leases. Details are as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Cost	835.20	858.44	761.58	744.59
<u>Less: Accumulated depreciation</u>	<u>246.65</u>	<u>210.88</u>	<u>233.66</u>	<u>196.21</u>
Net book value	<u>588.55</u>	<u>647.56</u>	<u>527.92</u>	<u>548.38</u>

## 9. Intangible Assets

Intangible assets as at March 31, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht	
	Consolidated	The Company
Net book value as at December 31, 2007	20,094.27	17,819.37
- Additions	67.17	52.14
- Disposals	(16.96)	(12.78)
- Amortization	(315.34)	(233.28)
- Reclassification	131.40	131.41
- Currency translation differences	(10.82)	-
Net book value as at March 31, 2008	<u>19,949.72</u>	<u>17,756.86</u>

## 10. Goodwill, Net

Goodwill, Net as at March 31, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht	
	Consolidated	
Net book value as at December 31, 2007	12,432.05	
- Currency translation differences	(106.50)	
Net book value as at March 31, 2008	<u>12,325.55</u>	

## 11. Advance Payments for Gas Purchased

Advance payments for gas purchased as at March 31, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht	
	Consolidated	The Company
Balance as at December 31, 2007	12,702.08	15,761.74
<u>Less</u> Make-up during the period	934.92	1,144.09
Balance as at March 31, 2008	<u>11,767.16</u>	<u>14,617.65</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 2000-2001, according to the established minimum volume 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.

## 12. Long-term Loans

Long-term loans as at March 31, 2008 and December 31, 2007 are as follows:

Current Portion of Long-term Loans

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Loans – Baht currency	12,466.50	8,073.50	12,400.00	8,000.00
Loans – Baht currency – EPPO	17.82	-	17.82	-
Loans – Foreign currencies	353.67	378.97	353.67	378.97
Liabilities from finance leases	166.43	159.36	152.84	146.36
Total	<u>13,004.42</u>	<u>8,611.83</u>	<u>12,924.33</u>	<u>8,525.33</u>

Long-term Loans

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Loans – Baht currency	36,253.95	43,096.50	35,000.00	42,400.00
Loans – Baht currency – EPPO	72.18	-	72.18	-
Loans – Foreign currencies	26,550.08	27,354.38	18,156.36	18,503.44
Bonds – Baht currency	108,353.00	108,353.00	89,853.00	89,853.00
Bonds – Foreign currencies	30,870.81	33,104.55	30,870.81	33,104.55
Liabilities from finance leases	452.27	478.86	402.98	428.12
Total	<u>202,552.29</u>	<u>212,387.29</u>	<u>174,355.33</u>	<u>184,289.11</u>

## 12. Long-term Loans (Continued)

As at March 31, 2008, the loans amounting to Baht 42,101.71 million (December 31, 2007: Baht 44,223.44 million) in the Company's financial statements were secured by the Ministry of Finance.

On March 14, 2008, the Company signed an agreement to change a certain part of the commitments in accordance with an interest rate swap for loans which the Company drew on November 30, 2006 amounting to USD 100 million at a floating interest rate of LIBOR + 0.265% per annum to a floating interest rate of LIBOR – 0.205% per annum. Parties to the contract have the right to change the interest rate under the contract until maturity to a fixed interest rate of 3.20% per annum.

### Loans from Energy Policy and Planning Office (EPPO)

On September 15, 2006, the Company entered into a Confirmation Letter of Energy Conservation Fund in accordance with the Working Capital Fund for the NGV Project in order to borrow from the Energy Policy and Planning Office (EPPO) at a credit limit of Baht 2,000 million. The Company received allotted fund in the form of loan at the actual payment within 24 months since sign date in the confirmation letter. On January 10, 2008, the Company drew the first loan amounting to Baht 90 million with a redemption period of five years, and repayable every three months at an amount of Baht 4.56 million each, totalling 20 repayments. The loan bears interest at fixed rate of 0.50% per annum and payable every three months. The first payment will be start on April 2008, and the last payment will be on January 2013.

### 12.1 Loans

Movements of loans in Baht currency and foreign currencies as at March 31, 2008 and December 31, 2007 are as follows:

	Consolidated			Unit: Million
	Currency			Total equivalent to Baht
	Baht	USD	Yen	
Balance as at December 31, 2007	51,170.00	615.11	23,000.00	78,903.34
- Additions	670.20	4.14	-	803.64
- Repayments	(3,029.75)	-	-	(3,029.75)
- Gain on exchange rate	-	-	-	(963.03)
- Current portion	(12,484.32)	(11.18)	-	(12,837.99)
Balance as at March 31, 2008	<u>36,326.13</u>	<u>608.07</u>	<u>23,000.00</u>	<u>62,876.21</u>

## 12. Long-term Loans (Continued)

### 12.1 Loans (Continued)

	The Company			Unit: Million
	Currency			Total equivalent in Baht
	Baht	USD	Yen	
Balance as at December 31, 2007	50,400.00	353.81	23,000.00	69,282.41
- Additions	90.00	-	-	90.00
- Repayments	(3,000.00)	-	-	(3,000.00)
- Gain on exchange rate	-	-	-	(372.38)
- Current portion	(12,417.82)	(11.18)	-	(12,771.49)
Balance as at March 31, 2008	35,072.18	342.63	23,000.00	53,228.54

### 12.2 Bonds

Bonds as at March 31, 2008 and December 31, 2007 are as follows:

	Consolidated				Unit: Million
	March 31, 2008		December 31, 2007		
	Baht	USD	Baht	USD	
Unsecured unsubordinated bonds					
- USD currency	30,870.81	976.22	33,104.55	976.97	
- Baht currency	108,353.00	-	108,353.00	-	
Total	139,223.81	976.22	141,457.55	976.97	

	The Company				Unit: Million
	March 31, 2008		December 31, 2007		
	Baht	USD	Baht	USD	
Unsecured unsubordinated bonds					
- USD currency	30,870.81	976.22	33,104.55	976.97	
- Baht currency	89,853.00	-	89,853.00	-	
Total	120,723.81	976.22	122,957.55	976.97	

## 12. Long-term Loans (Continued)

### 12.2 Bonds (Continued)

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 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 a financial institution for the 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 the financial institution, party to contract, amounting to Baht 450 million. Consequently, the Company now has commitments in Baht currency as before.

On June 29, 2007, the Company issued unsecured unsubordinated JPY bonds (Samurai Bonds) for sale to institutional investors amounting to JPY 36,000 million (approximately Baht 10,000 million) with a redemption period of ten years at a fixed interest rate of 2.71% per annum, payable every six months. On the date of issuance of the bonds, the Company entered into a cross currency swap contract to swap JPY bonds to USD bonds amounting to USD 290.51 million at a floating interest rate of LIBOR + 0.738% per annum, to be redeemed on June 29, 2017. In addition, the Company signed an agreement to change a certain part of the commitments in accordance with a cross currency swap contract. The details are as follows:

On September 26, 2007, the Company signed an agreement to change a certain part of the commitments in accordance with a cross currency swap contract to swap USD 96.84 million at a floating interest rate of LIBOR + 0.738% per annum to a floating interest rate of LIBOR + 0.25% per annum. Parties to the contract have the right to change the interest rate under the contract until maturity to a fixed interest rate of 5.58% per annum.

On October 16, 2007, the Company signed an agreement to change a certain part of the commitments in accordance with a cross currency swap contract to swap USD 96.84 million at a floating interest rate of LIBOR + 0.738% per annum to a floating interest rate of LIBOR + 0.20% per annum if LIBOR is higher than 4.25% per annum, and to a fixed interest rate of 5.50% per annum if LIBOR is lower than or equal to 4.25% per annum.

On October 19, 2007, the Company signed an agreement to change a certain part of the commitments in accordance with a cross currency swap contract to swap USD 96.84 million at a floating interest rate of LIBOR + 0.738% per annum to a fixed interest rate of 5.37% per annum. Parties to the contract have the right to change the interest rate under the contract until maturity to a floating interest rate of LIBOR + 0.20% per annum.

On August 24, 2007, the Company entered into a cross currency swap contract for some bonds that it had issued on July 22, 2004 to swap USD bonds amounting to USD 50 million at a fixed interest rate of 5.75% per annum for Baht bonds amounting to Baht 1,695 million at a fixed interest rate of 5.18% per annum, to be redeemed on August 1, 2014.

## 12. Long-term Loans (Continued)

### 12.2 Bonds (Continued)

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. On September 27, 2005, 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. However, on May 2, 2007, PTTEP entered into a cross currency swap contract to swap the USD bonds back to Baht bonds amounting to Baht 2,500 million with the same bank, at a reduced interest rate of 3.30% per annum until maturity.

On June 15, 2007, PTTEP issued unsecured unsubordinated bonds for sale to general investors amounting to Baht 6,000 million with a redemption period of three years at a fixed interest rate of 3.60 % per annum, to be redeemed on June 15, 2010. On September 4, 2007, PTTEP entered into an interest rate swap contract (IRS) with a financial institution to swap the fixed interest rate from 3.60% per annum to a floating interest rate of the six-month fixed deposit rate plus 0.99% (6MFDR + 0.99%).

### 12.3 Liabilities from Finance Leases

Liabilities from finance leases as at March 31, 2008 and December 31, 2007 are as follows:

	Consolidated		Unit: Million Baht The Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Liabilities from finance leases				
- Not later than 1 year	198.02	193.17	181.97	178.04
- Later than 1 year and not later than 5 years	476.16	507.39	423.40	453.22
Future finance charges on finance leases	(55.48)	(62.34)	(49.55)	(56.78)
Present value of liabilities from finance leases	<u>618.70</u>	<u>638.22</u>	<u>555.82</u>	<u>574.48</u>
Present value of liabilities from finance leases				
- Current liabilities (Not later than 1 year)	166.43	159.36	152.84	146.36
- Non-current liabilities (Later than 1 year and not later than 5 years)	452.27	478.86	402.98	428.12
Total	<u>618.70</u>	<u>638.22</u>	<u>555.82</u>	<u>574.48</u>

## 13. Provision for Decommissioning Costs

The Group recognized provision for liabilities as at March 31, 2008 and December 31, 2007 for decommissioning costs expected to be incurred in the future amounting to Baht 10,257.14 million and Baht 10,990.90 million, respectively. The provision was estimated based on existing technology and current prices according to the Group's engineers and management's judgment.



## 14. Share Capital

### 14.1 Share Capital – Authorized Share Capital

	Par Value (Baht)	The number of authorized share capital (Shares)	The value of authorized share capital (Baht)
As at December 31, 2007	10	2,857,245,725	28,572,457,250
As at March 31, 2008	10	2,857,245,725	28,572,457,250

### 14.2 Share Capital – Issued and Paid-up Share Capital

	The number of issued and fully paid-up share capital (Shares)	The value of issued and fully paid-up share capital (Baht)	Premium on share capital (Baht)	Total (Baht)
As at December 31, 2007	2,817,388,125	28,173,881,250	21,624,238,766	49,798,120,016
Additions	1,088,900	10,889,000	203,098,300	213,987,300
As at March 31, 2008	2,818,477,025	28,184,770,250	21,827,337,066	50,012,107,316

The Company 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 1, 2005	183	1 : 1	18.06	21.94	August 31, 2010
September 29, 2006	234	1 : 1	3.17	16.83	September 28, 2011
			21.23	38.77	

## 15. 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 proportion. 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.

## 15. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share in the consolidated financial statements for the three-month periods ended March 31, 2008 and 2007 are calculated as follows:

### Consolidated

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	26,132,555,042	22,573,036,551	26,132,555,042	22,573,036,551
Adjustment of net income (Baht)	-	-	(85,805,670)	(1,004,313)
Net income for calculation of earnings per share (Baht)	26,132,555,042	22,573,036,551	26,046,749,372	22,572,032,238
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,817,672,721	2,804,992,185	2,832,214,339	2,808,456,349
Earnings per share (Baht/share)	9.27	8.05	9.20	8.04

Basic earnings per share and diluted earnings per share in the Company's financial statements for the three-month periods ended March 31, 2008 and 2007 are calculated as follows:

### The Company

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	17,153,302,839	12,541,287,299	17,153,302,839	12,541,287,299
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,817,672,721	2,804,992,185	2,832,214,339	2,808,456,349
Earnings per share (Baht/share)	6.09	4.47	6.06	4.47

Diluted earnings 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) according to Note 14.

## **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 12, 2008, PTTEP registered for the change in its issued and fully paid-up capital to be 3,298.30 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,298.30 million.

## 15. Earnings per Share (Continued)

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, 2008, the employees had exercised warrants for 38.31 million ordinary shares. Therefore, the remaining of reserved shares for exercise were 23.69 million ordinary shares. The details are as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
August 1, 2002	22.20	1 : 5	9.78	0.22	July 31, 2007
August 1, 2003	23.40	1 : 5	9.63	0.37	July 31, 2008
August 1, 2004	36.60	1 : 5	9.98	4.02	July 31, 2009
August 1, 2005	55.60	1 : 5	6.36	7.64	July 31, 2010
August 1, 2006	91.20	1 : 5	2.56	11.44	July 31, 2011
			<u>38.31</u>	<u>23.69</u>	

### PTTAR

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
October 15, 2007	23.22	1 : 1	-	29.97	October 15, 2012

### PTTCH

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
September 29, 2006	66.50	1 : 1	6.63	22.37	September 28, 2011

## 15. Earnings per Share (Continued)

### IRPC

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
June 29, 2007	2.88	1 : 1	-	907.81	June 28, 2011
September 28, 2007	2.88	1 : 1	-	39.64	September 27, 2011
			<u>-</u>	<u>947.45</u>	

### BCP

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

Date of issue and offer of convertible bonds	Exercise price (Baht per share)	Exercise right (convertible bond per ordinary share)	The number of exercised convertible bonds (Million units)	The number of unexercised convertible bonds (Million units)	Last exercise date of convertible bonds
January 29, 2004	14.30	1 : 699	127.50	152.10	September 30, 2013
May 16, 2006	14.00	1 : 714	-	41.81	-
			<u>127.50</u>	<u>193.91</u>	

BCP 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
August 25, 2004	5.00	1 : 1	-	24.00	August 24, 2009
May 15, 2006	18.00	1 : 1	0.06	69.03	May 14, 2011
			<u>0.06</u>	<u>93.03</u>	

## 16. Other Income

Other income for the three-month periods ended March 31, 2008 and 2007 are as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	2008	2007	2008	2007
Interest income	813.91	1,055.00	1,046.95	478.90
Penalty income	30.93	165.88	63.20	175.19
Transportation income	2,257.59	797.86	2,282.55	829.27
Dividend income	-	191.24	5,317.55	3,734.76
Compensation for loan interest of advance payment for gas purchased	135.70	-	135.70	-
Gain on foreign exchange	4,188.16	1,652.82	2,866.81	861.25
Others	716.25	938.23	723.37	903.16
Total	8,142.54	4,801.03	12,436.13	6,982.53

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.

## 17. Share of Net Income from Investments under the Equity Method

Share of net income from investments under the equity method for the three-month periods ended March 31, 2008 and 2007 include share of gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated	
	2008	2007
Share of net income before gain on foreign exchange	5,554.51	6,313.83
<u>Add</u> Share of gain on foreign exchange	2,183.81	863.57
Total	7,738.32	7,177.40

## 18. 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.

## 18. Segment Information (Continued)

### Consolidated

For the three-month period ended March 31, 2008

	Unit: Million Baht						Total
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimi- nation	
		Natural gas	Petroleum exploration and production				
Sales - others	416,632.99	63,640.28	4,225.42	8,846.40	-	-	493,345.09
- related parties	500.50	6,092.97	22,945.00	-	-	(29,538.47)	-
Petroleum royalties and remuneration	-	-	(3,455.15)	-	-	-	(3,455.15)
Net sales	417,133.49	69,733.25	23,715.27	8,846.40	-	(29,538.47)	489,889.94
Gross margin	4,881.99	13,353.33	17,091.20	493.48	-	(180.41)	35,639.59
EBITDA	3,430.50	13,502.08	19,884.22	336.72	(316.73)	(24.39)	36,812.40
Depreciation and amortization	598.09	1,337.82	4,532.84	35.51	79.10	(0.32)	6,583.04
EBIT	2,832.41	12,164.26	15,351.38	301.21	(395.83)	(24.07)	30,229.36
Share of net income (loss) from investments under the equity method	0.05	17.97	(7.96)	64.60	14,296.81	(6,633.15)	7,738.32
Interest-net							(1,885.80)
Other income							180.43
Gain on foreign exchange							4,188.16
Income taxes							(11,089.12)
Net Income							<u>29,361.35</u>
Attributable to:							
Equity holders of the Company							26,132.56
Minority interests							3,228.79
							<u>29,361.35</u>

## 18. Segment Information (Continued)

### Consolidated

For the three-month period ended March 31, 2007

	Unit: Million Baht						
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimi- nation	Total
		Natural gas	Petroleum exploration and production				
Sales - others	229,752.83	51,617.16	4,086.19	14,938.16	-	-	300,394.34
- 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	231,115.87	62,176.66	17,877.41	14,945.02	-	(28,400.69)	297,714.27
Gross margin	3,779.52	11,027.54	12,916.71	3,882.60	-	(185.20)	31,421.17
EBITDA	2,609.54	11,148.46	15,285.24	4,139.25	(297.98)	(8.61)	32,875.90
Depreciation and amortization	485.54	1,054.43	3,587.39	797.03	94.11	350.87	6,369.37
EBIT	2,124.00	10,094.03	11,697.85	3,342.22	(392.09)	(359.48)	26,506.53
Share of net income (loss) from investments under the equity method	0.05	13.92	(2.37)	(10.22)	13,766.51	(6,590.49)	7,177.40
Interest-net							(1,472.81)
Other income							662.89
Gain on foreign exchange							1,652.82
Income taxes							(8,382.22)
Net Income							<u>26,144.61</u>
Attributable to:							
Equity holders of the Company							22,573.04
Minority interests							<u>3,571.57</u>
							<u>26,144.61</u>

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

**EBITDA** means Earnings before 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 the operations.

## **18. 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, 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 petroleum exploration and production companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects cover the Asia Pacific and Middle East regions.

### Petrochemical Business

The Group conducts petrochemical business including procurement of feedstock for petrochemical plants, 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 separately reportable segments.

## **19. 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, 2007 to ensure consistency with the presentation in the consolidated and the Company's financial statements for the three-month period ended March 31, 2008 and to align with the revised Accounting Standard No. 25 "Cash Flows" which was effective on or after January 1, 2008.

## **20. 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 third gas offshore and onshore pipeline project, the Sai Noi-South Bangkok Power Plant gas pipeline project, the Songkhla Power Plant gas pipeline project, the District Cooling and Cogeneration at Future Park Rangsit project, the Ethane Separation Plant project, the Suvarnabhumi-Phayathai NGV gas distribution pipeline project, the Gas Separation Plant Unit#6 project, the gas distribution pipelines to the Rojana Industrial Park project, Enco combined heat and power plant project, and Bangchak utility project. The promotional privileges include exemption from import duties on the machinery



## **20. Promotional Privileges (Continued)**

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.

## **21. Compliance with the judgment of the Supreme Administrative Court**

On March 7, 2008, the Company submitted the forth reports of progress in compliance with the judgment of the Supreme Administrative Court (the Court) by reporting the consideration of the Department of Local Administration, the Ministry of Interior and Finance Office Bangkok on the issue of house and land tax of the natural gas pipeline network system whereby there is no requirement to pay house and land tax in accordance with the House and Land Act B.E. 2475.

On April 24, 2008, the Company and the Treasury Department (with the approval of the Ministry of Finance) entered into the Memorandum for the Separation and Submission of Assets to the Ministry of Finance under the Court's judgment. On April 25, 2008, the Company submitted the fifth report of progress of compliance with the judgment of the Court.

On April 28, 2008, the Company submitted a petition to the Court seeking for another time extension to comply with the Court's judgment for an additional period of 90 days from May 1, 2008, as requested by the Company. Due to the compliance with the Court's judgment concerning to the draft agreement for the use of land which is public domain property separated to the Ministry of Finance that is being reviewed by the Office of Attorney General. In addition, the separated assets are under consideration of the Department of Lands. The Court approved the Company's petition as requested; therefore, the compliance with the judgment of the Court shall be completed on July 30, 2008.

## **22. Commitments and Contingent Liabilities**

Significant changes in commitments and contingent liabilities are as follows:

### **22.1 Commitments to subsidiaries, jointly controlled entities and associates:**

According to a condition with a financial institution, the Company entered into two Shareholder's Commercial Support Arrangements with its associates at credit limits of USD 213.13 million. 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, 2008, the associates had used the commercial credit line of USD 113.13 million. The remaining commercial credit line was USD 100 million or approximately Baht 3,162.29 million.

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, 2008, the subsidiary had used the commercial credit line up.

The Company entered into Sponsor Support Agreements with two jointly controlled entities at a credit limit equal to the loan obligations of the two jointly controlled entities to a financial institution. As at March 31, 2008, the Company had the remaining commitment of USD 261.30 million or approximately Baht 8,263.06 million.

The Company has provided a loan to a jointly controlled entity at a credit limit of USD 50 million. As at March 31, 2008, the Company had made a payment on this loan totalling USD 37 million. The remaining commitment is USD 13 million or approximately Baht 411.10 million.

## 22. Commitments and Contingent Liabilities (Continued)

Significant changes in commitments and contingent liabilities are as follows (Continued):

### 22.1 Commitments to subsidiaries, jointly controlled entities and associates (Continued):

The Group has provided a loan to subsidiaries at a credit limit of Baht 34,635.00 million. As at March 31, 2008, the Group had made a payment on this loan totalling Baht 18,119.21 million. The remaining commitment is Baht 16,515.79 million.

As at March 31, 2008, the Group had obligations under various Shareholder Agreements to pay for ordinary shares in accordance with the portion of equity held totalling Baht 10,189.21 million.

22.2 As at March 31, 2008, the Group and the Company had contingent liabilities in the form of letters of guarantee amounting to Baht 865.19 million in the consolidated financial statements and Baht 191.00 million in the Company's financial statements.

22.3 As discussed in Note 21, the Company has commitments to comply with the judgment of the Supreme administrative Court (the Court). Occasionally, the Company has reported the progress of its procedures to comply with the judgment as well as submitted related documents to the Office of the Administrative Court. Currently, the compliance procedures are under consideration of the Office of the Administrative Court with respect to the enforcement to comply with the Court's judgment.

## 23. Subsequent Events

23.1 On April 9, 2008, subsidiaries of PTTEP entered into 20% swap participation interest in the production sharing contract (PSC) in blocks M3 and M4 with CNOOC Myanmar Limited's A4 and C1 with the same interest. After the swap, participation interests become as follows:

Blocks	Operators	Original Participation Interest Percentage	New Participation Interest Percentage
PTTEP International Limited (PTTEPI)			
M3 and M4	PTTEP International Limited	100	80
PTTEP Myanmar Limited (PTTEP MYA)			
A4 and C1	CNOOC Myanmar Limited	-	20

The swap will be fully effective upon receiving approval from the Myanmar government.

23.2 On April 11, 2008, the annual general meeting of the Company's shareholders approved the dividend payments for the year 2007, at Baht 11.50 per share, amounting to Baht 32,384.17 million. On September 28, 2007, the Company paid the interim dividends for the operating results of the first-half of 2007 at Baht 5.00 per share amounting to Baht 14,065.95 million. The remaining dividends of Baht 6.50 per share amounting to Baht 18,318.22 million were paid on April 30, 2008.

### **23. Subsequent Events (Continued)**

- 23.3 On April 25, 2008, the Company's Board of Directors at meeting No.4/2008 acknowledged the change of the name from NPTC Maintenance and Engineering Services Company Limited (NPTC), in which the Company has 40% shareholding interest, to Alliance Plant Service Company Limited (APS) and approved the increase of its registered capital in the amount of Baht 157.88 million or 1.58 million shares at par value of Baht 100 each from Baht 42.12 million or 0.42 million shares to Baht 200 million or 2 million shares. The increase in share capital will be the responsibility of PTT in the total amount of Baht 63.15 million or 0.63 million shares.
- 23.4 On April 25, 2008, PTTGE acquired 95% stake of PT. Az.Zhara, a company registered in the Republic of Indonesia, from the existing shareholders of PT. Az.Zhara in an approximate amount of USD 22.275 million, or equivalent to approximately Baht 700 million. The acquisition was made through Sabran Brothers Pte., Ltd., a company registered in the Republic of Singapore in which PTTGE has 100% interest. On April 25, 2008, PTTGE, PT. Az.Zhara and Sabran Brothers Pte., Ltd. fulfilled the conditions precedent of the Share Purchase Agreement. PTTGE has made certain payments for the acquisition and the existing shareholders of PT. Az.Zhara have transferred 95% stake in PT. Az.Zhara to PTTGE (by Sabran Brothers Pte., Ltd). PTTGE (by Sabran Brothers Pte., Ltd) will make additional payments according to the agreement and the final payment will be made when all the conditions under the agreement are fulfilled. Currently, paid-up capital of PT. Az.Zhara is Indonesian Rupiah (IDR) 1,000 million or equivalent to approximately Baht 4 million, which comprises of 1,000 ordinary shares at IDR 1,000,000 per share.
- 23.5 The Audit Committee of the Company approved these financial statements for public issuance on May 12, 2008.
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