

AUDITOR'S REVIEW REPORT AND FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010

(TRANSLATION)

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(UNAUDITED BUT REVIEWED)

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FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2010 AND 2009
(UNAUDITED BUT REVIEWED)

1. General Information

PTT Public Company Limited (“the Company”) is incorporated as a public limited company in Thailand, and is listed on the Stock Exchange of Thailand. The address of its incorporated and registered office is as follows:

The Head Office of the Company is located at 555 Vibhavadi-Rangsit Road, Chatuchak, Bangkok, Thailand.

The Company’s principal activity is the operation of its petroleum business. The Company has invested in subsidiaries, jointly controlled entities and associates (“the Group”), which are engaged in upstream petroleum, downstream petroleum, coal business and other related businesses.

2. Accounting Policies

2.1 Purpose of the Interim Financial Statements

These interim financial statements are prepared in order to provide additional information other than that included in the 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.

2.2 Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” (revised 2007) (No.41, formerly). The content of the interim financial statements comprise 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.

These interim financial statements have been prepared under the same basis as the consolidated financial statements for the year ended December 31, 2009.

2. Accounting Policies (Continued)

2.3 Summary of Significant Accounting Policies

The Group has prepared these interim financial statements based on the same accounting policies and computation methods as were applied in the financial statements for the year ended December 31, 2009 which were prepared in accordance with generally accepted accounting principles.

2.4 The amended Accounting Standards and the new Accounting Standards

On May 26, 2010, The Federation of Accounting Professions (FAP) announced the amended Accounting Framework, Accounting Standards and Financial Reporting Standards (revised 2009) which were announced in The Royal Thai Government Gazette. The Accounting Framework has been effective since the announcement date in the Royal Thai Government Gazette. The Accounting Standards and Financial Reporting Standards (revised 2009) and will be effective for accounting periods beginning on or after January 1, 2011 and January 1, 2013. The details are as follows:

Effective for accounting periods on or after January 1, 2011

◆ Thai Accounting Standard No.1 (revised 2009)	Presentation of Financial Statements
◆ Thai Accounting Standard No.2 (revised 2009)	Inventories
◆ Thai Accounting Standard No.7 (revised 2009)	Statement of Cash Flows
◆ Thai Accounting Standard No.8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
◆ Thai Accounting Standard No.10 (revised 2009)	Events after the Reporting Period
◆ Thai Accounting Standard No.11 (revised 2009)	Construction Contracts
◆ Thai Accounting Standard No.17 (revised 2009)	Leases
◆ Thai Accounting Standard No.23 (revised 2009)	Borrowing Costs
◆ Thai Accounting Standard No.24 (revised 2009)	Related Party Disclosures
◆ Thai Accounting Standard No.27 (revised 2009)	Consolidated and Separate Financial Statements
◆ Thai Accounting Standard No.28 (revised 2009)	Investments in Associates
◆ Thai Accounting Standard No.29	Financial Reporting in Hyperinflationary Economies
◆ Thai Accounting Standard No.31 (revised 2009)	Interests in Joint Ventures
◆ Thai Accounting Standard No.33 (revised 2009)	Earnings per Share
◆ Thai Accounting Standard No.34 (revised 2009)	Interim Financial Reporting
◆ Thai Accounting Standard No.36 (revised 2009)	Impairment of Assets
◆ Thai Accounting Standard No.37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
◆ Thai Accounting Standard No.38 (revised 2009)	Intangible Assets
◆ Thai Accounting Standard No.40 (revised 2009)	Investment Property
◆ Thai Financial Reporting Standard No.5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
◆ Thai Financial Reporting Standard No.6*	Exploration for and Evaluation of Mineral Resources

2. Accounting Policies (Continued)

2.4 The amended Accounting Standards and the new Accounting Standards (Continued)

Effective for accounting periods on or after January 1, 2013

◆Thai Accounting Standard No.12*	Income Taxes
◆Thai Accounting Standard No.20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

*The Group have early adopted this standard before the effective date.

On August 30, 2010, The Federation of Accounting Professions (FAP) announced the Thai Financial Reporting Standard No.6 (revise 2009) “Business Combinations” which were announced in The Royal Thai Government Gazette and will be effective for business combinations which has an acquisition date in accounting periods beginning on or after January 1, 2011.

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

3. Cash and Cash Equivalents

Cash and cash equivalents as at September 30, 2010 and December 31, 2009 are as follows:

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Cash on hand	201.24	310.96	176.40	217.37
Deposits held at call with banks	63,179.62	36,572.58	15,703.89	15,305.88
Fixed deposits	22,979.68	21,011.37	3,423.06	2,000.00
Treasury bills	8,192.69	22,333.69	1,695.93	2,392.92
Promissory notes	670.00	7,554.99	-	6,579.54
Bank of Thailand bonds	26,788.44	16,272.32	26,788.44	16,272.32
Total	122,011.67	104,055.91	47,787.72	42,768.03

Unit: Million Baht

Cash and cash equivalents as at September 30, 2010 bear interest at rates ranging from 0.03% to 4.95% per annum (December 31, 2009: interest rates ranging from 0.22% to 3.97% per annum).

4. Accounts Receivable – Others

- 4.1 Trade accounts and notes receivable – others, net as at September 30, 2010 and December 31, 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Trade accounts receivable	79,221.36	85,705.55	60,260.65	66,428.03
Notes receivable	1,082.58	2,173.88	1,082.58	1,400.33
Total	80,303.94	87,879.43	61,343.23	67,828.36
<u>Less</u> Allowance for doubtful accounts	<u>(1,887.35)</u>	<u>(1,981.07)</u>	<u>(1,049.79)</u>	<u>(1,120.82)</u>
Trade accounts and notes receivable – others, net	<u>78,416.59</u>	<u>85,898.36</u>	<u>60,293.44</u>	<u>66,707.54</u>

Outstanding can be aged as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Current	74,866.28	81,719.47	57,817.23	63,711.91
Overdue				
- Not over 3 months	1,458.17	1,369.87	763.52	714.41
- Over 3 months but not over 6 months	1,144.06	845.48	1,039.11	812.19
- Over 6 months but not over 12 months	751.45	1,333.69	731.64	1,305.75
- Over 12 months	2,083.98	2,610.92	991.73	1,284.10
Total	80,303.94	87,879.43	61,343.23	67,828.36
<u>Less</u> Allowance for doubtful accounts	<u>(1,887.35)</u>	<u>(1,981.07)</u>	<u>(1,049.79)</u>	<u>(1,120.82)</u>
Trade accounts and notes receivable - others, net	<u>78,416.59</u>	<u>85,898.36</u>	<u>60,293.44</u>	<u>66,707.54</u>

Trade accounts and notes receivable – others, net as at September 30, 2010 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 16,092.64 million (December 31, 2009: Baht 15,684.25 million), and in the separate financial statements amounting to Baht 15,914.15 million (December 31, 2009: Baht 15,513.30 million).

4. Accounts Receivable – Others (Continued)

4.2 Other accounts receivable and short-term loans – others, net as at September 30, 2010 and December 31, 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Other accounts receivable	8,517.46	8,267.09	1,624.22	1,827.61
<u>Less</u> Allowance for doubtful accounts	<u>(511.91)</u>	<u>(520.06)</u>	<u>(506.10)</u>	<u>(514.10)</u>
Other accounts receivable, net	8,005.55	7,747.03	1,118.12	1,313.51
Refund receivable from Oil Stabilization Fund	5,371.96	10,032.14	5,371.96	10,023.81
Short-term loans	<u>1,194.46</u>	<u>1,261.62</u>	<u>226.32</u>	<u>333.92</u>
Other accounts receivable and short- term loan – others, net	<u>14,571.97</u>	<u>19,040.79</u>	<u>6,716.40</u>	<u>11,671.24</u>

Refund receivable from the Oil Stabilization Fund represents compensations for locally manufactured oil and cooking gas, imported oil and cooking gas and refund from the Oil Stabilization Fund for exported oil or oil sold to outbound transportation barges including price refund for the natural gas for vehicles which is distributed from domestic gas service stations. The compensation and refund rates are determined by the Committee of Energy Policy Administration.

5. Related Party Transactions

The following are significant transactions carried out with related parties:

5.1 Trade accounts receivable – related parties, net as at September 30, 2010 and December 31, 2009

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Subsidiaries	-	-	8,974.82	10,954.81
Jointly controlled entities	-	-	483.77	456.44
Associates	48,059.43	40,288.03	47,869.74	40,230.30
Other related parties	2,872.68	2,870.44	2,741.55	2,812.74
Total	50,932.11	43,158.47	60,069.88	54,454.29
<u>Less</u> Allowance for doubtful accounts	(233.50)	(240.11)	(233.50)	(240.11)
Trade accounts receivable – related parties, net	<u>50,698.61</u>	<u>42,918.36</u>	<u>59,836.38</u>	<u>54,214.18</u>

Outstanding can be aged as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Current	50,585.79	42,734.79	56,433.03	50,596.59
Overdue				
- Not over 3 months	132.80	152.83	367.09	222.48
- Over 3 months but not over 6 months	68.63	153.43	98.09	1,030.79
- Over 6 months but not over 12 months	144.06	-	1,330.46	1,988.05
- Over 12 months	0.83	117.42	1,841.21	616.38
Total	50,932.11	43,158.47	60,069.88	54,454.29
<u>Less</u> Allowance for doubtful accounts	(233.50)	(240.11)	(233.50)	(240.11)
Trade accounts receivable – related parties, net	<u>50,698.61</u>	<u>42,918.36</u>	<u>59,836.38</u>	<u>54,214.18</u>

5. Related Party Transactions (Continued)

5.2 Other accounts receivable, advances and short-term loans – related parties, net as at September 30, 2010 and December 31, 2009

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2010</u>	<u>December 31, 2009</u>	<u>September 30, 2010</u>	<u>December 31, 2009</u>
<u>Other accounts receivable</u>				
Subsidiaries	-	-	90.62	464.97
Jointly controlled entities	-	-	345.16	286.89
Associates	1,149.51	574.22	1,136.46	570.57
Other related parties	174.72	228.13	173.87	227.06
Total	1,324.23	802.35	1,746.11	1,549.49
<u>Less</u> Allowance for doubtful accounts	(135.37)	(135.37)	(135.37)	(135.37)
Other accounts receivable, net	1,188.86	666.98	1,610.74	1,414.12
<u>Advances</u>				
Subsidiaries	-	-	283.36	364.73
Associates	-	0.30	-	0.30
Other related parties	18.29	244.74	18.04	244.71
Advances	18.29	245.04	301.40	609.74
<u>Short-term loans</u>				
Subsidiaries	-	-	20,177.93	18,935.61
Jointly controlled entities	-	-	1,936.27	1,855.40
Associates	129.71	90.10	-	-
Short-term loans	129.71	90.10	22,114.20	20,791.01
Total	1,336.86	1,002.12	24,026.34	22,814.87

5. Related Party Transactions (Continued)**5.2 Other accounts receivable, advances and short-term loans – related parties, net as at September 30, 2010 and December 31, 2009 (Continued)**

Changes in short-term loans – related parties for the nine-month period ended September 30, 2010 are as follows:

	Unit: Million Baht	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Balance as at December 31, 2009	90.10	20,791.01
- Payment for loans granted	43.73	1,013.19
- Receipt from loans granted	(4.12)	-
- Current portion of long-term loans	-	310.00
Balance as at September 30, 2010	<u>129.71</u>	<u>22,114.20</u>

Short-term loans to related parties as at September 30, 2010 are unsecured and bear interest at rates ranging from 1.00% to 6.17% per annum (December 31, 2009: interest rates ranging from 1.13% to 7.25% per annum).

5.3 Other accounts receivable, advances and long-term loans – related parties, net as at September 30, 2010 and December 31, 2009.

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Other accounts receivable</u>				
Associates*	1,813.59	1,653.23	1,813.59	1,653.23
<u>Advances</u>				
Associates	-	1.10	-	1.10
<u>Long-term loans</u>				
Subsidiaries	-	-	26,977.00	19,447.00
Associates	<u>5,750.91</u>	<u>5,484.24</u>	<u>5,740.05</u>	<u>5,469.50</u>
Long-term loans	<u>5,750.91</u>	<u>5,484.24</u>	<u>32,717.05</u>	<u>24,916.50</u>
Total	<u>7,564.50</u>	<u>7,138.57</u>	<u>34,530.64</u>	<u>26,570.83</u>

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

5. Related Party Transactions (Continued)

5.3 Other accounts receivable, advances and long-term loans – related parties, net as at September 30, 2010 and December 31, 2009. (Continued)

Changes in long-term loans – related parties for the nine-month period ended September 30, 2010 are as follows:

	Unit: Million Baht	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Balance as at December 31, 2009	5,484.24	24,916.50
- Payment for loans granted	270.55	8,110.55
- Receipt from loans granted	(3.88)	-
- Current portion of long-term loans	-	(310.00)
Balance as at September 30, 2010	<u>5,750.91</u>	<u>32,717.05</u>

Long-term loans to related parties as at September 30, 2010 are unsecured and bear interest at rates ranging from 3.03% to 7.25% per annum (December 31, 2009: interest rates ranging from 3.25% to 7.25% per annum).

5.4 Trade accounts payable – related parties as at September 30, 2010 and December 31, 2009.

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>	<u>September 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Subsidiaries	-	-	9,418.33	10,086.28
Jointly controlled entities	-	-	2,385.48	3,985.25
Associates	30,215.16	30,002.75	28,567.83	28,219.14
Other related parties	<u>2,657.87</u>	<u>2,519.90</u>	<u>233.31</u>	<u>387.02</u>
Total	<u>32,873.03</u>	<u>32,522.65</u>	<u>40,604.95</u>	<u>42,677.69</u>

5. Related Party Transactions (Continued)

5.5 Other accounts payable and short-term loans – related parties as at September 30, 2010 and December 31, 2009.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
<u>Other accounts payable</u>				
Subsidiaries	-	-	1,242.77	1,053.43
Jointly controlled entities	-	-	5.74	1.69
Associates	251.46	565.24	229.16	535.50
Other related parties	88.29	86.67	88.23	86.67
Total	339.75	651.91	1,565.90	1,677.29
<u>Short-term loans*</u>				
Subsidiaries	-	-	2,403.28	-
Total	339.75	651.91	3,969.18	1,677.29

*The company has liquidity management policy by managing cash pooling within the Group. The short-term financial management in form of inter-company loan was employed to manage cash surplus or deficit for each company. The interest was calculated by using market interest rate.

5.6 Other long-term accounts payable – related parties as at September 30, 2010 and December 31, 2009.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Subsidiaries	-	-	0.27	9.76
Jointly controlled entities	-	-	14.05	14.60
Associates	19.37	20.66	19.37	20.66
Other related parties	694.24	718.09	694.24	718.09
Total	713.61	738.75	727.93	763.11

5. Related Party Transactions (Continued)

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

For the three-month periods ended September 30, 2010 and 2009

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	24,443.01	16,943.11
Jointly controlled entities	-	-	680.58	315.98
Associates	146,338.52	161,772.20	146,007.71	161,682.17
Other related parties	9,112.61	5,376.35	8,831.03	5,361.34
<u>Interest income:</u>				
Subsidiaries	-	-	706.97	601.12
Jointly controlled entities	-	-	25.32	24.76
Associates	67.81	55.82	67.81	55.82
<u>Dividend income:</u>				
Subsidiaries	-	-	5,527.13	3,207.90
Associates	-	-	3,231.69	2,409.28
Other related parties	201.48	20.68	201.48	20.68
<u>Other income:</u>				
Subsidiaries	-	-	176.89	197.88
Jointly controlled entities	-	-	19.99	21.94
Associates	884.83	943.86	884.32	943.13
Other related parties	14.58	18.12	14.43	18.06
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	30,527.74	26,178.16
Jointly controlled entities	-	-	7,287.57	6,485.79
Associates	116,382.59	115,908.60	112,034.10	110,067.63
Other related parties	8,323.62	5,618.21	1,327.60	2,459.73
<u>Interest expense:</u>				
Subsidiaries	-	-	3.10	-
<u>Other expenses:</u>				
Subsidiaries	-	-	159.48	167.35
Jointly controlled entities	-	-	0.23	240.65
Associates	271.14	815.15	259.45	811.26
Other related parties	192.08	239.75	189.06	239.65

5. Related Party Transactions (Continued)

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

For the nine-month periods ended September 30, 2010 and 2009

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	62,498.57	47,622.54
Jointly controlled entities	-	-	1,542.92	972.58
Associates	488,123.56	410,506.24	486,708.88	410,262.60
Other related parties	22,438.57	14,986.55	21,924.35	14,946.79
<u>Interest income:</u>				
Subsidiaries	-	-	1,938.31	1,700.82
Jointly controlled entities	-	-	74.89	73.10
Associates	177.05	207.31	177.05	207.31
<u>Dividend income:</u>				
Subsidiaries	-	-	8,136.95	8,758.24
Jointly controlled entities	-	-	24.22	17.38
Associates	-	-	8,664.27	5,707.13
Other related parties	514.28	53.68	514.28	53.68
<u>Other income:</u>				
Subsidiaries	-	-	558.11	528.09
Jointly controlled entities	-	-	66.86	64.91
Associates	2,831.64	3,359.77	2,828.86	3,358.09
Other related parties	58.54	68.43	57.98	68.19
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	87,700.07	71,677.21
Jointly controlled entities	-	-	20,902.31	21,277.42
Associates	358,105.58	291,862.47	345,216.85	280,662.91
Other related parties	20,962.66	13,959.83	4,678.61	5,962.52
<u>Interest expense:</u>				
Subsidiaries	-	-	3.10	-
<u>Other expenses:</u>				
Subsidiaries	-	-	556.06	455.81
Jointly controlled entities	-	-	0.23	240.88
Associates	1,007.13	1,228.30	969.91	1,217.18
Other related parties	581.87	633.63	575.70	633.29

5. Related Party Transactions (Continued)

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

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

5.8 The details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 26.1

5.9 Crude oil and refined products purchase and sale transactions carried out with related parties without the delivery of products, with the objective of maintaining crude oil and refined products reserves, were offset in the financial statements. The details are as follows:

For the three-month periods ended September 30, 2010 and 2009.

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2010	2009	2010	2009
<u>Sales</u>				
Associates	379.00	395.31	379.00	395.31
<u>Purchases</u>				
Associates	379.00	395.31	379.00	395.31

For the nine-month periods ended September 30, 2010 and 2009.

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	2010	2009	2010	2009
<u>Sales</u>				
Subsidiaries	-	-	8.12	-
Associates	1,350.34	3,455.24	1,350.34	3,455.24
<u>Purchases</u>				
Subsidiaries	-	-	8.12	-
Associates	1,350.34	3,455.24	1,350.34	3,455.24

5. Related Party Transactions (Continued)

5.10 Executives' remuneration are as follows.

For the three-month periods ended September 30, 2010 and 2009.

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Directors	19.59	22.22	10.45	13.32
Management*	110.57	97.16	21.27	21.16
Total	<u>130.16</u>	<u>119.38</u>	<u>31.72</u>	<u>34.48</u>

For the nine-month periods ended September 30, 2010 and 2009.

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Directors	57.38	57.80	30.80	28.34
Management*	454.69	309.96	80.57	92.86
Total	<u>512.07</u>	<u>367.76</u>	<u>111.37</u>	<u>121.20</u>

*Management comprises the executive manager, first four managers under executive manager and managers whose titles are equivalent to the forth manager excluding accounting or finance managers whose titles are higher or equivalent to department manager unless they are equivalent to the forth manager.

6. Investments in Subsidiaries, Jointly Controlled Entities and Associates

6.1 The details of subsidiaries, jointly controlled entities and associates of the Company.

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2010	December 31, 2009
<u>Subsidiaries:</u>				
PTT Exploration and Production Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.35	65.43
PTT (Cambodia) Co., Ltd. (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	49.00	49.00
PTT International Trading Pte. Ltd. (PTTT)	Singapore	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd. (PTTPM)	Thailand	Petrochemicals marketing	50.00	50.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Real estate development for rent	50.00	50.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics services	100.00	100.00
PTT Retail Business Co., Ltd. (PTTRB)	Thailand	Management services and oil marketing	100.00	100.00
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. (PTTI)	Thailand	International investment	100.00	100.00
PTT Green Energy Pte. Ltd. (PTTGE)	Singapore	Investment in palm oil business	100.00	100.00
Business Services Alliance Co., Ltd. (BSA)	Thailand	Management services	25.00	25.00
PTT Tank Terminal Co., Ltd. (PTT TANK)	Thailand	Terminal and warehouse	100.00	100.00
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	48.95	48.95

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

6.1 The details of subsidiaries, jointly controlled entities and associates of the Company. (Continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2010	December 31, 2009
<u>Jointly controlled entities:</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co., Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	48.50	48.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
<u>Associates:</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.10	49.10
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	28.46	28.46
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipelines	33.19	33.19
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and selling LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and selling LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	37.35	36.68
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	48.74	49.16
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industries	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
PTT Aromatics and Refining Public Co., Ltd. (PTTAR)	Thailand	Petrochemicals and refining	48.63	48.65
PTT Maintenance & Engineering Co., Ltd. (PTTME)	Thailand	Factory maintenance and engineering services	40.00	40.00

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

6.2 Investments in associates in the consolidated financial statements as at September 30, 2010 and December 31, 2009.

Unit: Million Baht

Company	Shareholding percentage		September 30, 2010		December 31, 2009		Dividends for the nine-month period ended September 30,	
	September 30, 2010	December 31, 2009	Cost method	Equity Method	Cost method	Equity method	2010	2009
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	33,382.27	11,380.83	33,023.81	2,103.46	2,053.38
2. SPRC	36.00	36.00	14,770.48	17,616.32	14,770.48	17,330.86	812.39	-
3. BCP	28.46	28.46	4,060.18	6,293.12	4,060.18	6,236.42	432.80	499.38
4. PTTAR	48.63	48.65	12,820.01	28,842.06	12,820.01	29,395.46	1,802.48	720.99
5. IRPC	37.35	36.68	26,937.33	28,226.89	25,946.99	27,241.02	1,309.22	1,161.59
<u>Oil Business Group</u>								
6. THAPPLINE	33.19	33.19	2,682.35	1,095.98	2,682.35	779.42	-	-
7. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
8. V LPG	45.00	45.00	87.35	98.55	87.35	106.29	-	-
9. KPL	40.00	40.00	21.49	2.08	21.49	9.10	-	-
10. FST	25.00	25.00	1.13	1.39	1.13	1.34	-	-
<u>Petrochemical Business Group</u>								
11. PTTCH	48.74	49.16	33,520.89	56,043.61	33,520.89	54,486.37	2,152.83	1,248.08
12. PPCL	40.00	40.00	3,340.48	3,623.46	3,194.10	2,756.58	-	-
13. PTTME	40.00	40.00	66.41	189.94	66.40	137.35	27.80	-
<u>Natural Gas Business Group</u>								
14. IPT	20.00	20.00	400.19	1,420.83	400.19	1,527.58	-	18.06
15. AMATA* NGD	-	50.00	-	-	80.00	212.12	-	-
16. TP	26.00	26.00	2,304.76	2,034.41	2,304.76	2,132.78	73.06	73.06
17. PTTUT	40.00	40.00	2,743.60	2,552.32	2,743.60	2,486.85	-	-
18. EMG	25.00	25.00	16,544.61	14,189.92	16,544.61	14,526.21	-	-
<u>Coal Business Group</u>								
19. RIM	33.50	33.50	1,267.73	1,479.56	1,267.73	1,516.15	-	-
<u>Other Business Group</u>								
20. PTTICT	20.00	20.00	60.00	75.63	60.00	89.19	-	-
21. ShoreAir	50.00	50.00	16.88	73.90	16.88	78.52	-	-
			133,157.95	197,242.24	132,101.22	194,073.42		
<u>Less: Allowance for impairment</u>			(131.25)	-	(131.25)	-		
Total			133,026.70	197,242.24	131,969.97	194,073.42	8,714.04	5,774.54

*AMATA NGD has been changed a status from associate to subsidiary of PTTNGD since August 3, 2010 because PTTNGD acquired additional shares in the portion of 30% from former shareholder, thus when combined with previous interests, PTTNGD has 80% shareholding.

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

6.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at September 30, 2010 and December 31, 2009.

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month period ended September 30,	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	2010	2009
<u>Subsidiaries:</u>						
1. PTTEP	65.35	65.43	11,131.33	11,131.33	8,128.13	8,756.70
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	-	-
6. PTTLNG	100.00	100.00	1,638.25	1,638.25	-	-
7. PTTTPM	50.00	50.00	20.00	20.00	-	-
8. EnCo	50.00	50.00	900.00	900.00	-	-
9. RBA	49.00	49.00	0.49	0.49	-	-
10. PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
11. PTTTRB	100.00	100.00	5,100.00	5,100.00	-	-
12. CHPP	100.00	100.00	270.00	270.00	-	-
13. PTTI	100.00	100.00	13,524.00	12,967.00	-	-
14. PTTGE	100.00	100.00	7,044.58	5,906.05	-	-
15. BSA	25.00	25.00	0.50	0.50	-	-
16. PTT TANK	100.00	100.00	2,500.37	650.36	-	-
17. TLBC	48.95	48.95	140.00	140.00	8.82	1.54
Total investments in subsidiaries			45,045.20	41,499.66	8,136.95	8,758.24
<u>Jointly Controlled Entities:</u>						
Natural Gas Business Group						
18. TTM(T)	50.00	50.00	5,666.80	5,666.80	-	-
19. TTM(M)	50.00	50.00	281.32	281.32	-	-
20. DCAP	35.00	35.00	428.75	350.00	-	-
Petrochemical Business Group						
21. PTTAC	48.50	48.50	6,014.00	4,534.25	-	-
22. HMC	41.44	41.44	9,117.12	9,117.12	24.22	17.38
Total investments in jointly controlled entities			21,507.99	19,949.49	24.22	17.38

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

6.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at September 30, 2010 and December 31, 2009 (Continued).

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month period ended September 30,	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	2010	2009
<u>Associates:</u>						
Refining Business Group						
23. TOP	49.10	49.10	11,380.83	11,380.83	2,103.46	2,053.38
24. SPRC	36.00	36.00	14,770.48	14,770.48	812.39	-
25. BCP	28.46	28.46	4,060.18	4,060.18	432.80	499.38
26. PTTAR	48.63	48.65	12,820.01	12,820.01	1,802.48	720.99
27. IRPC	37.35	36.68	26,937.33	25,946.99	1,309.22	1,161.59
Oil Business Group						
28. THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
29. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
30. V LPG	45.00	45.00	87.35	87.35	-	-
31. KPL	40.00	40.00	21.49	21.49	-	-
Petrochemical Business Group						
32. PTTCH	48.74	49.16	32,079.42	32,079.42	2,103.06	1,180.67
33. PPCL	40.00	40.00	3,340.48	3,194.10	-	-
34. PTTME	40.00	40.00	66.41	66.41	27.80	-
Natural Gas Business Group						
35. IPT	20.00	20.00	400.19	400.19	-	18.06
36. TP	26.00	26.00	2,304.76	2,304.76	73.06	73.06
37. PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
Other Business Group						
38. PTTICT	20.00	20.00	30.00	30.00	-	-
Total investments in associates			113,856.13	112,719.41		
<u>Less: Allowance for impairment</u>			(131.25)	(131.25)		
Total investment in associates, net			113,724.88	112,588.16	8,664.27	5,707.13
Total			180,278.07	174,037.31	16,825.44	14,482.75

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

6.4 The share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at September 30, 2010 and December 31, 2009 are as follows:

Balance Sheets:

As at September 30, 2010 and December 31, 2009

Unit: Million Baht

	September 30, 2010					December 31, 2009				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Current assets	2,665.94	77.80	152.79	2,027.22	3,758.43	3,221.71	95.78	169.84	740.57	2,202.05
Non-current assets	14,130.05	648.85	836.38	9,685.10	11,718.23	13,746.86	659.92	803.40	7,021.33	11,178.83
Current liabilities	(3,362.35)	(74.04)	(59.89)	(167.05)	(1,177.07)	(3,151.38)	(48.65)	(151.31)	(652.67)	(871.20)
Non-current liabilities	(5,729.59)	(393.97)	(598.50)	(5,426.54)	(5,263.25)	(7,038.53)	(485.80)	(560.00)	(2,590.08)	(4,119.21)
Net assets	7,704.05	258.64	330.78	6,118.73	9,036.34	6,778.66	221.25	261.93	4,519.15	8,390.47

Statements of Income:

For the three-month periods ended September 30, 2010 and 2009

Unit: Million Baht

	2010					2009				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income*	931.93	45.89	149.98	233.80	1,900.56	654.02	29.53	143.60	43.90	1,908.98
Expenses	(424.38)	(23.55)	(156.87)	(45.38)	(1,597.23)	(401.30)	(22.98)	(145.48)	(36.09)	(1,613.39)
Gain(loss) before taxes	507.55	22.34	(6.89)	188.42	303.33	252.72	6.55	(1.88)	7.81	295.59
Income taxes	-	-	-	(45.22)	(61.55)	-	-	-	-	(53.89)
Net income(loss)	507.55	22.34	(6.89)	143.20	241.78	252.72	6.55	(1.88)	7.81	241.70

*Including gain (loss) on foreign exchange rate

For the nine-month periods ended September 30, 2010 and 2009

Unit: Million Baht

	2010					2009				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income*	2,167.99	111.89	439.40	290.70	5,607.64	1,944.40	64.98	429.39	86.96	5,325.93
Expenses	(1,242.60)	(77.72)	(449.30)	(125.16)	(4,770.45)	(1,169.21)	(74.51)	(445.62)	(76.66)	(4,464.24)
Gain(loss) before taxes	925.39	34.17	(9.90)	165.54	837.19	775.19	(9.53)	(16.23)	10.30	861.69
Income taxes	-	0.33	-	(45.22)	(165.81)	-	-	-	-	(177.82)
Net income(loss)	925.39	34.50	(9.90)	120.32	671.38	775.19	(9.53)	(16.23)	10.30	683.87

*Including gain (loss) on foreign exchange rate

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

6.5 Significant events during the nine-month period ended September 30, 2010

PTTEP

On January 14, 2010, PTTEP established PTTEP Southwest Vietnam Pipeline Co., Ltd. (PTTEP SVPC) with registered capital in the amount of USD 50,000 comprising of 50,000 ordinary shares at a par value of USD 1 each. PTTEP Holding Co., Ltd. (PTTEPH) has a 100% shareholding.

On April 7, 2010, PTTEP established PTTEP FLNG Holding Co., Ltd. with registered capital in the amount of HKD 10,000 comprising of 10,000 ordinary shares at a par value of HKD 1 each. PTTEP International Holding Co., Ltd. has a 100% shareholding.

On May 7, 2010, PTTEP established six subsidiaries as follows;

- ◆ PTTEP South Mandar Limited, PTTEP Sadang Limited, PTTEP Malunda Limited and PTTEP Sageri Limited in Indonesia with registered capital in the amount of USD 50,000 in each company comprising of 50,000 ordinary shares at a par value of USD 1 each. PTTEP Indonesia Co., Ltd. has a 100% shareholding.
- ◆ PTTEP Brazil Holding Limited and PTTEP Netherland Holding Limited with registered capital in the amount of USD 50,000 in each company comprising of 50,000 ordinary shares at a par value of USD 1 each. PTTEP International Holding Co., Ltd. has a 100% shareholding.

On May 10, 2010, PTTEP established PTTEP South American Holding Limited with registered capital in the amount of USD 50,000 comprising of 50,000 ordinary shares at a par value of USD 1 each. PTTEP Australia Perth Pty. Ltd. has a 100% shareholding.

On June 3, 2010, PTTEP established PTTEP Australia International Finance Pty Ltd. with registered capital in the amount of AUD 50,000 comprising of 50,000 ordinary shares at a par value of AUD 1 each. PTTEP Australia Perth Pty Ltd. has a 100% shareholding.

During the period, PTTEP's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 16. The effect arising from the dilution of investments in the subsidiary and associate caused the increase in a surplus recognized in the shareholders' equity in the balance sheet by Baht 95.83 million. Hence, the Company's shareholding in PTTEP was 65.35% as at September 30, 2010.

IRPC

During the period, IRPC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 16. The effect arising from the dilution of investments in the subsidiary and associate caused the decrease in a surplus recognized in the shareholders' equity in the balance sheet by Baht 89.92 million and the Company purchased ordinary shares of IRPC from the Stock Exchange of Thailand (SET) 242.77 million shares. Hence, the Company's shareholding in IRPC was 37.35% as at September 30, 2010.

PTTAR

During the period, PTTAR's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 16. The effect arising from the dilution of investments in the subsidiary and associate caused the increase in a surplus recognized in the shareholders' equity in the balance sheet by Baht 2.52 million. Hence, the Company's shareholding in PTTAR was 48.63% as at September 30, 2010.

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

6.5 Significant events during the nine-month period ended September 30, 2010(Continued)

PTTCH

During the period, PTTCH's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 16. The effect arising from the dilution of investments in the subsidiary and associate caused the decrease in a surplus recognized in the shareholders' equity in the balance sheet by Baht 7.99 million. Hence, the Company's shareholding in PTTCH was 48.74% as at September 30, 2010.

PTTI

On January 15, 2010, PTTI called for the fifth payment of additional authorized share capital amounting to Baht 357 million and received the cash payment for these shares on January 21, 2010.

On March 4, 2010, PTTI registered PTT International Holdings Limited in Hong Kong with registered capital in the amount of HKD 10,000 comprising of 1,000 ordinary shares at a par value of HKD 10 each. PTTI has a 100% shareholding.

On March 11, 2010, PTTI registered PTT International Investment Limited in Hong Kong with registered capital in the amount of HKD 10,000 comprising of 1,000 ordinary shares at a par value of HKD 10. PTT International Holdings Limited has a 100% shareholding.

On April 12, 2010, PTTI registered PTT FLNG Limited in Hong Kong with registered capital in the amount of HKD 10,000 comprising of 1,000 ordinary shares at a par value of HKD 10 each. PTT International (Singapore) Pte. Ltd. and PTTEP FLNG Holdings Company have a shareholding percentage of 50: 50.

On August 23, 2010, PTTI called for the sixth payment of additional authorized share capital amounting to Baht 200 million and received the cash payment for these shares on August 27, 2010.

PTTGE

PTTGE's board of directors' meeting passed a resolution to increase the authorized share capital by USD 35 million from USD 173.85 million to USD 208.85 million by issuing 35 million ordinary shares at a par value of USD 1 each. The Company made a payment amounting to USD 35 million or approximately Baht 1,138.53 million for these shares on March 30, 2010.

On February 8, 2010, PTTGE acquired 95% of PT. First Borneo Plantations (PT. FBP) which operates a palm oil business in Indonesia. The acquisition was made through Chancellor Oil Pte. Ltd. in Singapore in which PTTGE has a 77.56% shareholding.

PTT TANK

On December 24, 2009, a resolution from the PTT TANK's board of directors' meeting No. 7/2009 was passed to have its shareholders pay for the remaining unpaid shares amounting to Baht 350 million. The Company made this payment on January 22, 2010.

On March 3, 2010, a resolution from the PTT TANK's board of directors' meeting No. 1/2010 was passed to increase its authorized share capital amounting to Baht 1,500 million from Baht 1,000 million to Baht 2,500 Million with 3 periods of call payments Baht 500 million each. The Company made payments on these shares on April 19, May 14 and June 15, 2010.

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

6.5 Significant events during the nine-month period ended September 30, 2010(Continued)

PPCL

On January 28, 2010, a resolution from PPCL's board of directors' meeting No. 1/2010 was passed to have its shareholders pay for the remaining unpaid shares amounting to Baht 365.95 million. Accordingly, on February 12, 2010, the Company made a payment of Baht 146.38 million reflecting its shareholding of 40%.

PTTAC

On November 6, 2009, a resolution from PTTAC's board of directors' meeting No. 6/2009 was passed to call for the fourth and the fifth payment of additional authorized share capital amounting to Baht 739.88 million. The Company made payment for these shares on January 12 and February 19, 2010.

DCAP

On April 27, 2010, DCAP was called for the first payment of additional authorized share capital amounting to Baht 78.75 million in the portion of the Company to operate its power capacity expansion project. The Company made payment for these shares on May 11, 2010.

6.6 Additional information in respect of Associates

6.6.1 The Company has not recognized the share of gain from some associates for the three-month period ended September 30, 2010 amounting to Baht 0.47 million (2009: Baht 0.49 million) and for the nine-month period ended September 30, 2010 amounting to Baht 3.16 million (2009: Baht 2.22 million) because the Company had an unrealized allowance for share of net loss from investments as at September 30, 2010 amounting to Baht 64.11 million (December 31, 2009: Baht 67.27 million).

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

	Unit: Million Baht	
<u>Associates</u>	<u>September 30, 2010</u>	<u>December 31, 2009</u>
BCP	4,827.34	4,960.51
IRPC	31,267.53	31,857.78
TOP	52,586.49	42,820.43
PTTAR	39,654.65	36,410.18
PTTCH	99,618.83	54,605.88

7. Other Long-term Investments, Net

7.1 Other long-term investments, net as at September 30, 2010 and December 31, 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
General investments	2,381.80	2,379.89	1,106.12	1,106.12
Investments in available-for-sale securities				
- Investments in equity instruments	336.00	336.00	336.00	336.00
- Investments in debt securities	585.60	585.60	585.60	585.60
- Investments in mutual funds	6,804.89	5,554.89	6,804.89	5,554.89
Allowance for change in value of investments	3,637.52	1,647.68	3,637.52	1,647.68
Total	13,745.81	10,504.06	12,470.13	9,230.29

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2010	December 31, 2009
General investment				
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
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
Petro Asia (Sanshui) Co., Ltd. (PA(Sanshui))	China	Oil marketing	25.00	25.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management services	-	49.00
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
Colour Vision International Co., Ltd. (Corpus)	Thailand	Finished Yarn production	0.48	-

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

7.2 The details of other long-term investments of the Company are as follows: (continued)

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2010	December 31, 2009
Investments in available-for-sale securities				
<u>Investments in equity instruments</u>				
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Services Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling services	7.06	7.06
<u>Investments in debt securities</u>				
Convertible subordinated debenture of Bangchak Petroleum Public Co., Ltd.	Thailand	Oil refinery		
<u>Investments in mutual funds</u>				
MFC Energy Fund	Thailand	Mutual fund	32.57	32.57
Energy and Petrochemical Index Fund (FAM EPIF)	Thailand	Mutual fund		

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

7.3 Other long-term investments, net as at September 30, 2010 and December 31, 2009 are as follows:

Unit: Million Baht

Company	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividends for the nine-month periods ended September 30	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	2010	2009
General Investments								
1. PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2. PTT Mart	-	49.00	-	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	-	60.84	-	60.84	-	-
6. RPCL	15.00	15.00	1,098.75	1,098.75	1,098.75	1,098.75	435.00	-
7. ROC	5.91	5.91	643.73	643.73	-	-	-	-
8. BAPT	2.07	2.07	18.19	18.19	-	-	-	-
9. PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
10. PA (Sanshui)	25.00	25.00	6.06	6.06	6.06	6.06	-	-
11. KOT	10.00	10.00	117.93	117.93	-	-	-	-
12. KIF	10.00	10.00	48.84	48.84	-	-	-	-
13. K I	10.00	10.00	245.39	245.39	-	-	-	-
14. K II	10.00	10.00	65.52	65.52	-	-	-	-
15. XML	16.72	15.50	231.87	161.82	-	-	-	-
16. Corpus	0.48	-	0.60	-	0.60	-	-	-
Total investments accounted for under the cost method			2,550.89	2,619.48	1,179.42	1,318.06		
Currency translation differences			(77.60)	(9.46)	-	-		
Less Allowance for impairment of investments			(91.49)	(230.13)	(73.30)	(211.94)		
Total general investments			2,381.80	2,379.89	1,106.12	1,106.12		
Investments in Available-for-Sale Securities								
Investments in Equity Instruments								
17. TIP	13.33	13.33	312.00	312.00	312.00	312.00	62.00	40.00
18. BAFS	7.06	7.06	24.00	24.00	24.00	24.00	17.28	13.68
Total investments in equity instruments			336.00	336.00	336.00	336.00		
Total investments in equity instruments			585.60	585.60	585.60	585.60		
Investments in Debt Securities								
Investments in Mutual Funds								
MFC Energy Fund	32.57	32.57	504.89	504.89	504.89	504.89	-	-
FAM EPIF			6,300.00	5,050.00	6,300.00	5,050.00	-	-
Total investments in Mutual Funds			6,804.89	5,554.89	6,804.89	5,554.89		
Total investments in available-for-sale securities before changes in value of investments			7,726.49	6,476.49	7,726.49	6,476.49		
Allowance for changes in value of investments			3,637.52	1,647.68	3,637.52	1,647.68		
Total investments in available-for-sale securities			11,364.01	8,124.17	11,364.01	8,124.17		
Total other long-term investments, net			13,745.81	10,504.06	12,470.13	9,230.29	514.28	53.68

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

7.4 Significant events during the period ended September 30, 2010

PA (Shantou)

On January 27, 2010, the Company's board of directors' meeting No. 1/2010 passed a resolution to sell 15% of shares in Petro Asia (Shantou) Co., Ltd. (PA(Shantou)) to Shenzhen Sailuo Industrial Development Co., Ltd.(The Buyer), amounting to Baht 19.74 million. The Company, therefore, reclassified investment in PA (Shantou) from other long-term investments to current investments held for sales. After that, the buyer cancelled the purchase and the new buyer came to make a purchase required in these shares. It is in the process of reviewing a draft of sale contract as at September 30, 2010.

Finansa Asset Management Energy and Petrochemical Index Fund (FAM EPIF)

During the period, the Company made an additional investment in Finansa Asset Management – Energy and Petrochemical Index Fund (FAM EPIF) for 122.36 million unit trusts amounting to Baht 1,250 million.

PTT MART

During the period, the Company wrote off investments amounting to Baht 78.4 million, which the allowance for impairment was fully recognized.

Corpus

During the period, the Company received ordinary shares from Corpus for a debt payment by debt to equity conversion in accordance with restructuring plan, which was agreed by The Central Bankruptcy Court injunction. Thus, the Company recognized a fully allowance for impairment in this investment.

8. Property, Plant and Equipment, Net

Property, plant and equipment, net are as follows:

Unit: Million Baht

	Consolidated financial statements						Total
	Land	Buildings and building improvements	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	
Cost							
As at January 1, 2010	10,249.28	28,946.65	234,789.34	352,234.96	11,044.47	86,284.57	723,549.27
- Business acquisitions (Note 23)	-	2.65	393.68	-	13.08	23.48	432.89
- Additions	283.61	1,217.30	2,066.05	39,971.57	851.22	26,432.52	70,822.27
- Borrowing costs	-	(7.34)	(109.04)	-	(0.01)	1,478.97	1,362.58
- Reclassification	361.63	8,195.23	29,290.94	(148.35)	934.65	(40,298.84)	(1,664.74)
- Disposals	(16.02)	(812.82)	(1,677.04)	(1,164.09)	(460.30)	22.94	(4,107.33)
- Currency translation differences	(110.26)	(13.02)	(433.87)	(600.36)	70.40	(104.52)	(1,191.63)
As at September 30, 2010	10,768.24	37,528.65	264,320.06	390,293.73	12,453.51	73,839.12	789,203.31
Accumulated Depreciation							
As at January 1, 2010	-	(12,398.06)	(80,669.15)	(147,643.01)	(7,379.71)	-	(248,089.93)
- Business acquisitions (Note 23)	-	(1.78)	(93.69)	-	(4.57)	-	(100.04)
- Depreciation for the period	-	(1,218.41)	(7,117.55)	(26,209.82)	(849.92)	-	(35,395.70)
- Reclassification	-	(73.40)	78.25	-	45.79	-	50.64
- Disposals	-	718.62	372.44	8.16	349.74	-	1,448.96
- Currency translation differences	-	6.39	113.59	238.46	10.18	-	368.62
As at September 30, 2010	-	(12,966.64)	(87,316.11)	(173,606.21)	(7,828.49)	-	(281,717.45)
Allowance for Impairment of Assets							
As at January 1, 2010	(60.72)	(7.39)	(242.86)	(561.73)	-	-	(872.70)
- Loss on impairment of Assets	-	-	(0.06)	-	-	-	(0.06)
- Reversal of loss on impairment	-	-	0.05	89.49	-	-	89.54
As at September 30, 2010	(60.72)	(7.39)	(242.87)	(472.24)	-	-	(783.22)
Net Book Value							
As at December 31, 2009	10,188.56	16,541.20	153,877.33	204,030.22	3,664.76	86,284.57	474,586.64
As at September 30, 2010	10,707.52	24,554.62	176,761.08	216,215.28	4,625.02	73,839.12	506,702.64

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

Property, plant and equipment, net are as follows: (Continued)

Unit: Million Baht

	Separate financial statements					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As at January 1, 2010	7,753.01	21,762.59	202,315.28	8,427.54	50,727.36	290,985.78
- Additions	52.74	551.61	1,032.98	543.87	11,144.60	13,325.80
- Borrowing costs	-	(7.34)	(109.04)	(0.01)	670.00	553.61
- Reclassification	248.74	1,928.07	25,624.29	1,033.18	(29,469.78)	(635.50)
- Disposals	(16.02)	(119.17)	(1,301.56)	(370.48)	-	(1,807.23)
As at September 30, 2010	8,038.47	24,115.76	227,561.95	9,634.10	33,072.18	302,422.46
Accumulated Depreciation						
As at January 1, 2010	-	(9,440.98)	(70,700.77)	(6,057.62)	-	(86,199.37)
- Depreciation for the period	-	(781.24)	(5,332.38)	(582.77)	-	(6,696.39)
- Reclassification	-	-	-	(0.02)	-	(0.02)
- Disposals	-	94.53	116.21	279.89	-	490.63
As at September 30, 2010	-	(10,127.69)	(75,916.94)	(6,360.52)	-	(92,405.15)
Allowance for Impairment of Assets						
As at January 1, 2010	(60.72)	(7.40)	(242.73)	-	-	(310.85)
As at September 30, 2010	(60.72)	(7.40)	(242.73)	-	-	(310.85)
Net Book Value						
As at December 31, 2009	7,692.29	12,314.21	131,371.78	2,369.92	50,727.36	204,475.56
As at September 30, 2010	7,977.75	13,980.67	151,402.28	3,273.58	33,072.18	209,706.46

Borrowing costs in the consolidated financial statements amounting to Baht 1,362.58 million (December 31, 2009: Baht 2,238.49 million) and in the separate financial statements amounting to Baht 553.61 million (December 31, 2009: Baht 1,433.05 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 1.67% - 7.25% (December 31, 2009: 3.32% - 7.25%).

(TRANSLATION)

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

As at September 30, 2010 and December 31, 2009, the net book value of other assets including vehicles acquired under finance leases. The details are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Cost	884.14	800.22	745.80	674.76
<u>Less</u> Accumulated depreciation	(281.31)	(467.08)	(222.34)	(414.25)
Net book value	<u>602.83</u>	<u>333.14</u>	<u>523.46</u>	<u>260.51</u>

9. Intangible Assets, Net

Intangible assets, net are as follows:

	Unit: Million Baht Consolidated financial statements			
	Computer software	Rights to use	Other operating rights	Total
Cost				
As at January 1, 2010	6,038.23	19,523.41	1,106.40	26,668.04
- Business acquisitions (Note 23)	0.12	-	-	0.12
- Additions	96.41	27.83	0.01	124.25
- Reclassification	519.32	(1,060.86)	(279.02)	(820.56)
- Disposals	(4.50)	-	-	(4.50)
- Currency translation differences	(0.27)	(7.92)	2.51	(5.68)
As at September 30, 2010	<u>6,649.31</u>	<u>18,482.46</u>	<u>829.90</u>	<u>25,961.67</u>
Accumulated Amortization				
As at January 1, 2010	(1,686.50)	(4,793.64)	(553.70)	(7,033.84)
- Business acquisitions (Note 23)	(0.10)	-	-	(0.10)
- Amortization for the period	(219.97)	(410.69)	(30.04)	(660.70)
- Reclassification	-	244.14	-	244.14
- Disposals	4.41	-	-	4.41
- Currency translation differences	0.10	4.50	2.61	7.21
As at September 30, 2010	<u>(1,902.06)</u>	<u>(4,955.69)</u>	<u>(581.13)</u>	<u>(7,438.88)</u>
Net Book Value				
As at December 31, 2009	<u>4,351.73</u>	<u>14,729.77</u>	<u>552.70</u>	<u>19,634.20</u>
As at September 30, 2010	<u>4,747.25</u>	<u>13,526.77</u>	<u>248.77</u>	<u>18,522.79</u>

(TRANSLATION)

9. Intangible Assets, Net (Continued)

Intangible assets, net are as follows: (Continued)

Unit: Million Baht

	Separate financial statements			Total
	Computer software	Rights to use	Other operating rights	
Cost				
As at January 1, 2010	1,286.93	18,214.81	51.55	19,553.29
- Additions	20.67	0.01	-	20.68
- Reclassification	453.89	26.68	-	480.57
- Disposals	(4.41)	-	-	(4.41)
As at September 30, 2010	1,757.08	18,241.50	51.55	20,050.13
Accumulated Amortization				
As at January 1, 2010	(869.83)	(4,457.62)	(51.55)	(5,379.00)
- Amortization for the period	(118.06)	(356.85)	-	(474.91)
- Reclassification	-	(6.46)	-	(6.46)
- Disposals	4.41	-	-	4.41
As at September 30, 2010	(983.48)	(4,820.93)	(51.55)	(5,855.96)
Net Book Value				
As at December 31, 2009	417.10	13,757.19	-	14,174.29
As at September 30, 2010	773.60	13,420.57	-	14,194.17

10. Mining properties, Net

Mining properties, net are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
Cost	
As at January 1, 2010	36,887.30
- Additions	630.94
- Reclassification	496.56
- Currency translation differences	<u>(1,975.96)</u>
As at September 30, 2010	<u>36,038.84</u>
Accumulated Amortization	
As at January 1, 2010	(2,880.05)
- Amortization for the period	(572.25)
- Reclassification	(0.13)
- Currency translation differences	<u>247.40</u>
As at September 30, 2010	<u>(3,205.03)</u>
Net Book Value	
As at December 31, 2009	<u>34,007.25</u>
As at September 30, 2010	<u>32,833.81</u>

11. Goodwill, Net

The details of change in Goodwill, net are as follows:

	Unit: Million Baht
	<u>Consolidated financial statements</u>
Net book value as at December 31, 2009	17,381.94
- Business acquisitions (Note 23)	158.86
- Additions (Note 23)	1,110.33
- Reclassification	(37.24)
- Currency translation differences	(715.60)
- Loss on impairment	<u>(22.07)</u>
Net book value as at September 30, 2010	<u>17,876.22</u>

12. Advance Payments for Gas Purchased

The details of change in advance payments for gas purchased are as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Balance as at December 31, 2009	16,735.19	19,343.93
- Make-up right	<u>(2,196.63)</u>	<u>(2,832.31)</u>
Balance as at September 30, 2010	<u>14,538.56</u>	<u>16,511.62</u>

The Company paid in advance for the committed gas volumes, irrespective of take-up, according to the established minimum volume in the Export Gas Sales Agreements (Take-or-Pay). The Company has the right to take certain volumes of prepaid gas (Make-up right) in subsequent years, with no maturity period.

As at September 30, 2010, the advance payments for gas purchased from Yadana and Yetagun gas fields in the Union of Myanmar were balances irrespective of the take-up of gas in 2000-2001 and the advance payments for gas purchased from the Malaysia-Thailand Joint Development Area (JDA) gas field Block A-18 in Malaysia were balances irrespective of the take-up of gas in 2008.

13. Long-term Loans

Long-term loans as at September 30, 2010 and December 31, 2009 are as follows:

Current Portion of Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Loans – Baht currency	10,418.35	9,577.00	10,000.00	9,500.00
Loans – Baht currency – EPPO	211.38	196.73	211.38	196.73
Loans – Foreign currencies	3,534.76	10,307.39	2,667.07	2,917.25
Debentures– Baht currency	3,300.00	12,798.73	3,300.00	3,300.00
Liabilities under finance leases	<u>198.67</u>	<u>1,054.64</u>	<u>170.82</u>	<u>199.25</u>
Total	<u>17,663.16</u>	<u>33,934.49</u>	<u>16,349.27</u>	<u>16,113.23</u>

13. Long-term Loans (Continued)

Long-term Loans

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Loans – Baht currency	37,085.14	44,010.49	28,500.00	37,000.00
Loans – Baht currency – EPPO	557.72	653.13	557.72	653.13
Loans – Foreign currencies	45,338.16	29,364.14	23,740.57	16,587.09
Debentures – Baht currency	191,765.95	191,755.40	142,804.20	142,804.20
Debentures – Foreign currencies	67,747.04	44,474.94	46,645.08	44,474.94
Liabilities under finance leases	352.93	10,695.55	292.88	82.86
Total	342,846.94	320,953.65	242,540.45	241,602.22

The Company's loans as at September 30, 2010, amounting to Baht 19,766.31 million (December 31, 2009: Baht 28,040.29 million) were secured by the Ministry of Finance.

13.1 Loans

The details of change in loans in Baht currency and foreign currencies for the nine-month period ended September 30, 2010 are as follows:

	Unit: Million			
	Consolidated financial statements			Total equivalent to Baht
	Currency			
	Baht	USD	JPY	
Balance as at December 31, 2009	54,437.35	934.08	23,000.00	94,108.88
- Additions	2,623.15	679.79	-	24,104.52
- Repayments	(8,787.91)	(266.20)	-	(17,423.76)
- Gain on exchange rate	-	-	-	(2,855.86)
- Currency translation differences	-	-	-	(788.27)
- Current portion	(10,629.73)	(115.78)	-	(14,164.49)
Balance as at September 30, 2010	37,642.86	1,231.89	23,000.00	82,981.02

13. Long-term Loans (Continued)

13.1 Loans (Continued)

	Separate financial statements			Unit: Million
	Currency			Total equivalent to Baht
	Baht	USD	JPY	
Balance as at December 31, 2009	47,349.86	331.04	23,000.00	66,854.20
- Additions	70.16	300.00	-	9,872.42
- Repayments	(8,150.92)	(43.46)	-	(9,607.58)
- Gain on exchange rate	-	-	-	(1,442.30)
- Current portion	(10,211.38)	(87.28)	-	(12,878.45)
Balance as at September 30, 2010	29,057.72	500.30	23,000.00	52,798.29

Loans – Baht currency

On May 12, 2010, the Company amended a loan agreement amounting to Baht 12,000 million by changing a floating interest rate at 6M THBFIX plus 2% per annum to a floating interest rate ranging between 6M THBFIX plus 1% per annum and 6M THBFIX plus 1.35% per annum. The agreement is effective for interest payments on June 30, 2010 until the maturity date of the principle repayment on March 30, 2019.

During May 17-24, 2010, the Company entered into an interest rate swap contract for a Baht-currency loan amounting to Baht 5,000 million by changing floating interest rate between 6M THBFIX plus 1% per annum and 6M THBFIX plus 1.35% per annum to a floating interest rate at 6M THBFIX plus 0.95% per annum. The agreement is effective for interest payment on June 30, 2010 until the maturity date of the principle repayment on March 30, 2019. The interest rate swap contract allowed the parties to have a one-time right to change interest rates from a floating interest rate at 6M THBFIX plus 0.95% per annum to a fixed interest rate at 4.355% per annum on June 30, 2012.

On July 30, 2010, a subsidiary entered into a loan agreement with a financial institution amounting to Baht 504 million with a maturity period of five years; bearing interest at the rate of 3M BIBOR plus 0.77% per annum. The interest payable and loan repayment will be made every three months since November 2010. The subsidiary drew down the loan in full amount on August 3, 2010.

On August 19, 2010, a jointly-controlled entity entered into loan agreement with a financial institution amounting to Baht 1,710 million with a maturity period of ten years, bearing an interest rate at six-month fixed deposit rate plus 2.25% per annum. The jointly-controlled entity drew down the loan in full to refinance the former loan with another financial institution. (The Company recognized the loan in a portion of shareholding percentage amounting to Baht 598.50 million.)

A jointly-controlled entity entered into a loan agreement with financial institution at a credit limit of Baht 7,000 million with maturity period of ten and a half years, bearing an interest rate at six-month fixed deposit rate plus margin. During the period, the jointly-controlled entity drew down the loan amounting to Baht 3,500 million. (The Company recognized the loan in a portion of shareholding percentage amounting to Baht 1,450.49 million.)

13. Long-term Loans (Continued)

13.1 Loans (Continued)

Loans – Baht currency from Energy Policy and Planning Office (EPPO)

On June 25, 2010, the Company drew down the fifth loan amounting to Baht 70.16 million with a maturity period of five years, bearing interest at a fixed rate of 0.50% per annum in order to conserve the energy in accordance with the working capital for natural gas for vehicle project. The interest is payable every three months and the principle is repayable in instalments of Baht 3.55 million every three months totalling 20 instalments. The first principle repayment will be made in September 2010 and the last repayment will be made in June 2015.

Loans – Foreign currency

On March 29, 2010, the Company entered into a long-term loan agreement with three financial institutions, amounting to USD 300 million with a maturity period of five years, bearing interest at a rate of LIBOR plus 0.75% per annum. The interest is payable every six months. On May 25, 2010, the Company drew down the whole loan. After that, on June 24-25, 2010, the Company entered into interest rate swap contracts for some loans amounting to USD 200 million by swapping a floating interest rate at LIBOR plus 0.75% per annum for a fixed interest rate at 2.989% per annum and a floating interest rate at LIBOR plus 0.65% per annum. Some of the interest rate swap contracts allow the parties to have a one-time right to change a floating interest rate at LIBOR plus 0.65% per annum to a fixed interest rate at 2.756% per annum on May 25, 2011.

On July 20, 2010, the Company entered into an interest rate swap contract for USD loans amounting to USD 100 million for swap a floating interest rate at LIBOR plus 0.75% per annum to a fixed interest rate at 2.66% per annum which was effective on May 25, 2010.

On January 26, 2010, a subsidiary drew down loans amounting to USD 250 million from total loans of USD 300 million from which the subsidiary had entered into loan agreements with four financial institutions with a maturity period of five years, bearing interest rate at LIBOR plus 3% per annum. The interest is payable every six months. On September 20, 2010, the subsidiary drew down an additional loan amounting to USD 20 million, bearing an interest rate at LIBOR plus 2.625% per annum. Therefore, as at September 30, 2010, there was remaining undrawn down loans amounting to USD 30 million.

A jointly controlled entity entered into term loans facility agreements with seven foreign financial institutions with total credit of USD 400 million. The loans have a maturity period of 12 years, bearing interest at LIBOR plus 1.25% per annum. The interest is payable every three months and the principle is repayable every six months for a period of nine years. The first repayment will be made in 2012. During the period the jointly controlled entity drew down the loans for USD 207 million. (The Company recognized the loan in a portion of shareholding percentage amounting to USD 100.40 million.)

13. Long-term Loans (Continued)

13.2 Debentures

Debentures as at September 30, 2010 and December, 31, 2009 are as follows:

Unit: Million

	Consolidated financial statements			
	September 30, 2010		December 31, 2009	
	Baht	USD	Baht	USD
Unsecured unsubordinated Debentures				
- USD currency	67,747.04	2,226.45	44,474.94	1,326.94
- Baht currency	195,065.95	-	204,554.13	-
- Current portion	(3,300.00)	-	(12,798.73)	-
Total	<u>259,512.99</u>	<u>2,226.45</u>	<u>236,230.34</u>	<u>1,326.94</u>

Unit: Million

	Separate financial statements			
	September 30, 2010		December 31, 2009	
	Baht	USD	Baht	USD
Unsecured unsubordinated Debentures				
- USD currency	46,645.08	1,526.45	44,474.94	1,326.94
- Baht currency	146,104.20	-	146,104.20	-
- Current portion	(3,300.00)	-	(3,300.00)	-
Total	<u>189,449.28</u>	<u>1,526.45</u>	<u>187,279.14</u>	<u>1,326.94</u>

On January 12-13, 2010, the Company entered into interest rate swap contracts to swap some Baht debentures amounting to Baht 4,040 million with a maturity date on June 20, 2015 at a fixed interest rate of 4.75% per annum to a floating interest rate at 6M THBFIX plus 0.89% - 1.19% per annum. In this regard, some of the interest rate swap contracts allowed the parties to have the right to cancel before the maturity date.

On February 25, 2010, the Company issued unsecured unsubordinated debentures No.1/2010 for sale to investors with a limit of not more than ten investors totalling Baht 6,636 million. The details are as follows:

13. Long-term Loans (Continued)

13.2 Debentures (Continued)

Conditions	No.1 Tranche 1	No.1 Tranche 2
Aggregate amount of debentures (million Baht)	2,636	4,000
Tenor (years)	7	12
Fixed interest rate (% per annum)	4.10	4.50
Interest installments	Payable every six months on February 25 and August 25	
Issuance date	February 25, 2010	February 25, 2010
Maturity date	February 25, 2017	February 25, 2022

On the same day, the Company entered into a cross currency swap contract to swap Baht 6,636 million debentures above to USD 200 million debentures at an interest rate of LIBOR plus 1.04% per annum and LIBOR plus 1.05% per annum.

On May 14, 2010, the Company signed an agreement to cancel obligations of an interest rate swap contract for some Baht-currency loans amounting to Baht 2,040 million. As a result, the interest rate changed from a floating interest rate at 6M THBFIX plus 1.19% per annum to a fixed interest rate of 4.75% per annum until the maturity date on June 20, 2015. For cancellation of the contract, the Company received compensation from financial institutions, who are the contracted parties amounting to Baht 71.42 million.

On July 19, and August 4, 2010, PTTEP Australia International Finance Pty Ltd (PTTEP AIF), a subsidiary of PTTEP, issued and offered unsecured and unsubordinated debentures to foreign institutional investors amounting to USD 500 million and Thai institutional investors amounting to USD 200 million with a tenor period of five years, bearing a fixed interest rate at 4.152% per annum. The debentures were fully guaranteed by PTTEP.

13. Long-term Loans (Continued)

13.3 Liabilities under Finance Leases

Liabilities under finance leases as at September 30, 2010 and December 31, 2009 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Liabilities under finance leases				
- Not later than 1 year	218.27	1,447.66	186.24	206.53
- Later than 1 year but not later than 5 years	377.58	13,472.09	313.75	84.23
Future finance charges on finance leases	(44.25)	(3,169.56)	(36.29)	(8.65)
Present value of liabilities under finance leases	<u>551.60</u>	<u>11,750.19</u>	<u>463.70</u>	<u>282.11</u>
Present value of liabilities under finance leases				
- Current (Not later than 1 year)	198.67	1,054.64	170.82	199.25
- Non-current (Later than 1 year but not later than 5 years)	352.93	10,695.55	292.88	82.86
Total	<u>551.60</u>	<u>11,750.19</u>	<u>463.70</u>	<u>282.11</u>

In the third quarter of 2010, PTTEP purchased the floating production storage and offloading (FPSO) of PTTEP Australasia in order to reduce the future burden of interest expenses which were recognized as finance lease liability. As a result, the finance lease was terminated. PTTEP recorded liabilities from purchasing FPSO amounting approximately to USD 445 million or Baht 13,535 million as other accounts payable – others, while differences between agreed purchase price and book value as at September 30, 2010, as other expenses in statements of income amounting to Baht 1,484.83 million.

14. Provision for Decommissioning Costs

The Group recognized provision for decommissioning costs expected to be incurred in the future as at September 30, 2010 and December 31, 2009 amounting to Baht 24,183.56 million and Baht 23,555.90 million, respectively. The provision for decommissioning costs was reviewed and estimated by the Group's engineers and management's judgement.

15. Share Capital

15.1 Share Capital – Authorized Shares

	Par Value (Baht per share)	The number of Authorized shares (Shares)	The value of authorized shares (Baht)
As at December 31, 2009	10	2,857,245,725	28,572,457,250
As at September 30, 2010	10	2,857,245,725	28,572,457,250

15. Share Capital (Continued)

15.2 Share Capital – Issued and Paid-up Shares

	The number of issued and fully paid-up shares (Shares)	The value of issued and fully paid-up shares (Baht)	Premium on share capital (Baht)	Total (Baht)
As at December 31, 2009	2,833,784,825	28,337,848,250	24,552,672,966	52,890,521,216
Additions	12,031,700	120,317,000	2,310,244,600	2,430,561,600
As at September 30, 2010	<u>2,845,816,525</u>	<u>28,458,165,250</u>	<u>26,862,917,566</u>	<u>55,321,082,816</u>

The details of the issue and offer of warrants by the Company are as follows:

Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
September 1, 2005*	183	1 : 1	39.41	0.59	August 31, 2010
September 29, 2006	234	1 : 1	9.16	10.84	September 28, 2011
			<u>48.57</u>	<u>11.43</u>	

* As at September 30, 2010, the warrants of the Company issued and offered on September 1, 2005, had expired. There were 0.59 million units of unexercised warrants.

16. Earnings per Share

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

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

16. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share for the three-month periods ended September 30, 2010 and 2009 are calculated as follows:

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2010	2009	2010	2009
Net income attributable to ordinary shareholders (Baht)	21,704,577,958	16,986,899,237	21,704,577,958	16,986,899,237
Adjustment of net income (Baht)	-	-	(19,078,532)	(74,946,572)
Net income for calculation of earnings per share (Baht)	21,704,577,958	16,986,899,237	21,685,499,426	16,911,952,665
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,840,244,053	2,826,694,354	2,842,813,540	2,831,076,688
Earnings per share (Baht/share)	7.64	6.01	7.63	5.97

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2010	2009	2010	2009
Net income attributable to ordinary shareholders (Baht)	19,574,503,396	13,435,650,176	19,574,503,396	13,435,650,176
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,840,244,053	2,826,694,354	2,842,813,540	2,831,076,688
Earnings per share (Baht/share)	6.89	4.75	6.89	4.75

Basic earnings per share and diluted earnings per share for the nine-month periods ended September 30, 2010 and 2009 are calculated as follows:

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2010	2009	2010	2009
Net income attributable to ordinary shareholders (Baht)	61,409,886,218	44,330,769,606	61,409,886,218	44,330,769,606
Adjustment of net income (Baht)	-	-	(89,392,834)	(256,948,227)
Net income for calculation of earnings per share (Baht)	61,409,886,218	44,330,769,606	61,320,493,384	44,073,821,379
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,836,976,850	2,825,012,969	2,839,386,775	2,826,637,615
Earnings per share (Baht/share)	21.65	15.69	21.60	15.59

16. Earnings per Share (Continued)Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2010	2009	2010	2009
Net income attributable to ordinary shareholders (Baht)	45,114,951,012	30,933,974,831	45,114,951,012	30,933,974,831
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,836,976,850	2,825,012,969	2,839,386,775	2,826,637,615
Earnings per share (Baht/share)	15.90	10.95	15.89	10.94

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

The Company issued warrants to its directors and employees under the Employee Stock Ownership Plan (ESOP) according to Note 15.

PTTEP

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
August 1, 2002*	22.20	1 : 5	9.78	0.22	July 31, 2007
August 1, 2003*	23.40	1 : 5	9.72	0.28	July 31, 2008
August 1, 2004*	36.60	1 : 5	13.61	0.39	July 31, 2009
August 1, 2005*	55.60	1 : 5	13.53	0.47	July 31, 2010
August 1, 2006	91.20	1 : 5	10.19	3.81	July 31, 2011
			56.83	5.17	

*As at September 30, 2010, the warrants of PTTEP issued and offered on August 1, 2002, August 1, 2003, August 1, 2004, and August 1, 2005, already expired. There were unexercised warrants of 0.04 million units, 0.06 million units, 0.08 million units and 0.09 million units, respectively.

16. Earnings per Share (Continued)**PTTAR**

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

<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 allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
October 15, 2007	23.22	1 : 0.52	1.76	28.43	October 15, 2012

PTTCH

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

<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 allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
September 29, 2006	66.50	1 : 1	23.98	5.02	September 28, 2011

IRPC

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

<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 allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
June 29, 2007	2.88	1 : 1	645.38	262.49	June 28, 2011
September 28, 2007	2.88	1 : 1	24.43	13.67	September 27, 2011
			669.81	276.16	

16. Earnings per Share (Continued)**BCP**

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

Date of issue and offer of convertible debentures	Exercise price (Baht per share)	Exercise right (convertible debenture per ordinary shares)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of convertible debentures
January 29, 2004	14.30	1 : 699	185.19	94.41	September 30, 2013
May 16, 2006	14.00	1 : 714	-	41.81	May 15, 2016
			185.19	136.22	

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
May 15, 2006	18.00	1 : 1	0.06	69.03	May 14, 2011

17. Other Income

Other income for the three-month periods ended September 30, 2010 and 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Transportation income	1,160.10	1,301.52	1,175.45	1,346.76
Dividend income	201.48	20.68	8,960.30	5,637.86
Interest income	725.41	493.33	1,036.06	802.66
Compensation for loan interest on advance payments for gas purchased	124.12	110.57	124.12	110.57
Others*	1,793.72	1,548.96	777.55	833.60
Total	4,004.83	3,475.06	12,073.48	8,731.45

Other income for the nine-month periods ended September 30, 2010 and 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Transportation income	3,378.58	4,225.81	3,433.09	4,365.17
Dividend income	514.28	53.68	17,339.72	14,536.44
Interest income	1,870.82	1,446.25	2,729.53	2,302.02
Compensation for loan interest on advance payments for gas purchased	342.83	327.93	342.83	327.93
Others*	3,810.29	3,826.28	2,265.24	2,765.59
Total	9,916.80	9,879.95	26,110.41	24,297.15

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

* In the third quarter of 2010, PTTEP received the compensation from the insurer of Montara incident in Australia amounting to Baht 1,369 million.

(TRANSLATION)

18. Expenses by Nature

The details of expenses by nature for the three-month periods ended September 30, 2010 and 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Change in finished goods and work in process	1,193.12	(5,079.32)	789.90	(5,167.40)
Purchase and raw material used	396,923.51	391,816.44	401,068.12	394,384.20
Staff costs	4,333.92	3,854.71	1,570.03	1,468.75
Outsourcing	1,343.39	1,039.74	1,151.78	965.68
Transportation	3,807.33	2,738.57	1,907.62	1,990.35
Depreciation and amortization	11,896.02	11,277.05	2,673.34	2,521.00
Repair	1,403.27	1,083.65	550.07	518.59
Utilities	2,435.15	1,680.66	2,148.34	1,573.69

The details of expenses by nature for the nine-month periods ended September 30, 2010 and 2009 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Change in finished goods and work in process	(975.81)	(5,974.26)	(1,376.26)	(5,040.57)
Purchase and raw material used	1,220,182.75	990,367.18	1,233,085.34	1,011,250.75
Staff costs	10,284.05	8,830.24	4,528.30	4,285.41
Outsourcing	3,387.16	2,869.54	2,925.39	2,534.00
Transportation	9,673.07	7,399.38	5,658.84	6,224.57
Depreciation and amortization	36,897.39	30,872.22	7,418.63	7,288.96
Repair	3,718.09	3,687.57	1,776.81	1,578.43
Utilities	6,129.41	5,286.05	5,337.40	4,637.20

19. Other Expenses

The details of other expenses for the three-month periods ended September 30, 2010 and 2009 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2010	2009
Loss from Montara incident	270.17	5,173.58
Expenses of purchasing FPSO (Note 13.3)	1,484.83	-
Total	<u>1,755.00</u>	<u>5,173.58</u>

The details of other expenses for the nine-month periods ended September 30, 2010 and 2009 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2010	2009
Loss from Montara incident	467.00	5,173.58
Expenses of purchasing FPSO (Note 13.3)	1,484.83	-
Total	<u>1,951.83</u>	<u>5,173.58</u>

20. Share of Net Income from Investments in Associates

The share of net income from investments in associates for the three-month periods ended September 30, 2010 and 2009 includes share of gain (loss) on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2010	2009
Share of net income before gain (loss) on foreign exchange	1,009.10	4,620.18
Gain (loss) on foreign exchange	2,354.93	676.14
Total	<u>3,364.03</u>	<u>5,296.32</u>

The share of net income from investments in associates for the nine-month periods ended September 30, 2010 and 2009 includes share of gain (loss) on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2010	2009
Share of net income before gain (loss) on foreign exchange	7,410.14	15,190.61
Gain (loss) on foreign exchange	3,903.47	537.60
Total	<u>11,313.61</u>	<u>15,728.21</u>

21. Segment Information

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

Consolidated financial statements

For the three-month period ended September 30, 2010

	Unit: Million Baht									
	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical	Refining				
Sales - others	5,482.14	87,734.88	113,131.49	236,070.02	12,649.28	-	6,152.36	181.15	-	461,401.32
- related parties	30,168.30	5,319.40	1,086.99	14,374.35	1.14	-	-	302.75	(51,252.93)	-
Net sales	<u>35,650.44</u>	<u>93,054.28</u>	<u>114,218.48</u>	<u>250,444.37</u>	<u>12,650.42</u>	-	<u>6,152.36</u>	<u>483.90</u>	<u>(51,252.93)</u>	<u>461,401.32</u>
Gross Margin*	30,052.97	13,077.32	4,640.99	1,430.24	616.56	-	2,181.22	169.52	(265.75)	51,903.07
EBITDA	21,738.81	11,008.81	2,924.99	1,334.86	294.58	-	1,444.75	12.36	48.18	38,807.34
Depreciation and amortization	<u>(8,301.14)</u>	<u>(2,456.21)</u>	<u>(556.46)</u>	<u>(2.64)</u>	<u>(87.39)</u>	-	<u>(280.80)</u>	<u>(211.96)</u>	<u>0.58</u>	<u>(11,896.02)</u>
EBIT	13,437.67	8,552.60	2,368.53	1,332.22	207.19	-	1,163.95	(199.60)	48.76	26,911.32
Share of net income (loss) from investments under the equity method	6,918.54	554.27	215.56	338.71	1,652.93	2,178.97	160.20	(1,110.01)	(7,545.14)	3,364.03
Interest income										725.41
Other income										1,611.81
Gain on foreign exchange										7,414.78
Finance cost										<u>(4,256.44)</u>
EBT										35,770.91
Income taxes										<u>(9,748.18)</u>
Net income										<u>26,022.73</u>
Attributable to:										
Equity holders of the Company										21,704.58
Minority interests										<u>4,318.15</u>
Net income										<u>26,022.73</u>

* Gross margin excludes depreciation and amortization in cost of sales

21. Segment Information (Continued)Consolidated financial statements

For the three-month period ended September 30, 2009

								Unit: Million Baht		
	Upstream petroleum and natural gas		Downstream petroleum			Coal	Others	Elimination	Total	
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical	Refining				
Sales - others	4,377.65	75,945.58	102,730.60	245,305.66	8,856.68	-	7,190.37	67.50	-	444,474.04
- related parties	26,168.72	5,440.90	732.10	8,841.37	-	-	-	172.73	(41,355.82)	-
Net sales	30,546.37	81,386.48	103,462.70	254,147.03	8,856.68	-	7,190.37	240.23	(41,355.82)	444,474.04
Gross Margin*	28,226.33	13,413.13	5,323.58	435.25	490.44	-	3,198.23	71.32	(406.37)	50,751.91
EBITDA	21,732.62	11,933.77	3,553.50	472.52	284.85	-	2,887.98	(510.76)	2.74	40,357.22
Depreciation and amortization	(7,963.47)	(2,198.93)	(651.98)	(2.70)	(46.21)	-	(325.03)	(89.55)	0.82	(11,277.05)
EBIT	13,769.15	9,734.84	2,901.52	469.82	238.64	-	2,562.95	(600.31)	3.56	29,080.17
Share of net income (loss) from investments under the equity method	3,473.45	(157.67)	335.95	80.17	1,644.02	3,838.50	559.69	(538.98)	(3,938.81)	5,296.32
Interest income										493.33
Other expenses										(4,651.00)
Gain on foreign exchange										922.06
Finance cost										(3,956.33)
EBT										27,184.55
Income taxes										(7,463.80)
Net income										<u>19,720.75</u>
Attributable to:										
Equity holders of the Company										16,986.90
Minority interests										<u>2,733.85</u>
Net income										<u>19,720.75</u>

* Gross margin excludes depreciation and amortization in cost of sales

21. Segment Information (Continued)**Consolidated financial statements**

For the nine-month period ended September 30, 2010

	Unit: Million Baht									
	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical	Refining				
Sales - others	15,599.00	251,892.67	353,357.07	734,068.01	32,989.99	-	18,078.28	469.51	-	1,406,454.53
- related parties	90,529.93	14,829.75	3,154.97	49,502.20	2.82	-	-	814.15	(158,833.82)	-
Net sales	106,128.93	266,722.42	356,512.04	783,570.21	32,992.81	-	18,078.28	1,283.66	(158,833.82)	1,406,454.53
Gross Margin*	93,013.23	41,057.16	14,629.47	3,194.43	1,555.95	-	6,345.99	386.51	(849.47)	159,333.27
EBITDA	73,355.89	35,277.47	9,223.16	2,837.10	737.98	-	3,993.00	71.65	165.87	125,662.12
Depreciation and amortization	(26,616.02)	(6,619.31)	(1,826.39)	(7.72)	(226.37)	-	(959.70)	(643.62)	1.74	(36,897.39)
EBIT	46,739.87	28,658.16	7,396.77	2,829.38	511.61	-	3,033.30	(571.97)	167.61	88,764.73
Share of net income (loss) from investments under the equity method	20,769.38	1,074.44	516.40	491.42	5,384.88	6,750.71	460.20	(2,251.94)	(21,881.88)	11,313.61
Interest income										1,870.82
Other income										3,179.22
Gain on foreign exchange										11,500.62
Finance cost										(11,931.02)
EBT										104,697.98
Income taxes										(30,617.16)
Net income										<u>74,080.82</u>
Attributable to:										
Equity holders of the Company										61,409.89
Minority interests										<u>12,670.93</u>
Net income										<u>74,080.82</u>

* Gross margin excludes depreciation and amortization in cost of sales

21. Segment Information (Continued)Consolidated financial statements

For the nine-month period ended September 30, 2009

	Unit: Million Baht									
	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro-chemical	Refining				
Sales - others	14,041.56	216,489.89	283,673.70	585,119.23	23,590.30	-	12,013.81	110.45	-	1,135,038.94
- related parties	71,090.28	16,016.53	2,045.08	24,056.77	0.90	-	-	526.88	(113,736.44)	-
Net sales	85,131.84	232,506.42	285,718.78	609,176.00	23,591.20	-	12,013.81	637.33	(113,736.44)	1,135,038.94
Gross Margin*	77,735.51	31,304.97	14,461.96	1,801.27	1,504.38	-	5,399.06	139.37	(912.00)	131,434.52
EBITDA	60,176.12	26,742.98	9,101.37	1,798.92	897.61	-	4,402.95	(1,251.25)	47.45	101,916.15
Depreciation and amortization	(21,651.09)	(6,264.91)	(2,048.58)	(7.86)	(125.29)	-	(519.79)	(258.24)	3.54	(30,872.22)
EBIT	38,525.03	20,478.07	7,052.79	1,791.06	772.32	-	3,883.16	(1,509.49)	50.99	71,043.93
Share of net income (loss) from investments under the equity method	11,553.67	(2,083.61)	668.72	398.40	2,989.46	13,835.64	701.23	(1,648.91)	(10,686.39)	15,728.21
Interest income										1,446.25
Other expenses										(4,697.18)
Gain on foreign exchange										3,146.76
Finance cost										(10,411.85)
EBT										76,256.12
Income taxes										(24,573.81)
Net income										<u>51,682.31</u>
Attributable to:										
Equity holders of the Company										44,330.77
Minority interests										<u>7,351.54</u>
Net income										<u>51,682.31</u>

* Gross margin excludes depreciation and amortization in cost of sales

21. Segment Information (Continued)

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

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

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

The Group categorizes segments for major businesses as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:

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

2. Natural gas business:

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

Downstream Petroleum Business Group

1. Oil business:

The Group conducts marketing of petroleum and lubricant in both domestic and overseas markets under efficient supply procurement, transport as well as receiving, storage, and distribution operation, including retail sales at service stations.

2. International trading business:

The Group conducts import and export of petroleum, petrochemical and other related products, including the management of risks arising from oil trading and sourcing of international transport vessels or carriers.

3. Petrochemical business:

The Group conducts petrochemical business including the processing and distribution of the main petrochemical products and by products for both domestic and overseas markets to serve the demand of industry and consumer groups.

4. Refining business:

The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers. This business involves oil refining and petrochemical business relying on refined products as feedstock.

Coal Business

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

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

22. Dividend Payment

On April 9, 2010, the annual shareholders' meeting of the Company approved the dividend payments for the year 2009 of Baht 8.50 per share, amounting to Baht 24,080 million. On September 18, 2009, the Company paid the interim dividends for the operating results of the first half of 2009 at Baht 4.00 per share for 2,830,485,504 shares, amounting to Baht 11,321.94 million. The remaining dividends were paid as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
For the year 2009	July 1, 2009 – December 31, 2009	4.50	2,833,795,850	12,752.08	April 30, 2010

On August 27, 2010, the Board of directors' meeting of the Company approved the interim dividend payments for the first half of 2010 performance as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
Interim	January 1, 2010 – June 30, 2010	4.75	2,841,960,601	13,499.31	September 24, 2010

23. Business Acquisitions

On February 8, 2010, PTTGE acquired 95% of PT. First Borneo Plantations (PT. FBP) which operated a palm oil business in Indonesia. The acquisition was made through Chancellor Oil Pte. Ltd., which was established in Singapore.

The details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	1,525.21
Fair value of net assets acquired	<u>(763.48)</u>
Goodwill (Note 11)	<u><u>761.73</u></u>

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

	Unit: Million Baht
Cash and cash equivalents	99.65
Materials and supplies	1.35
Property, plant and equipment, net (Note 8)	12.39
Goodwill (Note 11)	158.86
Advanced payment	666.56
Other assets, net	11.26
Other accounts payable	(86.96)
Current portion of long-term loans	(2.08)
Minority interests	<u>(97.55)</u>
Fair value of net assets acquired	763.48
Goodwill (Note 11)	<u>761.73</u>
Total purchase consideration	1,525.21
<u>Less:</u> Cash and cash equivalents in the subsidiary	<u>(99.65)</u>
Cash outflow on the acquisition	<u><u>1,425.56</u></u>

In the second quarter of 2010, PTTGE paid an additional for business acquisition amounting to Baht 450.07 million as a progress of Hak Guna Usaha (HGU). The land must only be used for palm plantation as stated in the contract.

As at September 30, 2010, the fair value of net assets was being reviewed by Chancellor Oil Pte. Ltd. The fair value of those shown above will be updated when the allocation of the initial purchasing price is completed.

23. Business Acquisitions (Continued)

On August 3, 2010, PTTNGD acquired an additional 30% of Amata Natural Gas Distribution Co., Ltd. (AMATA NGD), which operated gas transmission pipeline and natural gas distribution business, from the former shareholder. As a result, shareholding percentage of PTTNGD in AMATA NGD increased from 50% to 80%.

The details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (Cash paid)	504.53
Fair value of net assets acquired	<u>(155.93)</u>
Goodwill (Note 11)	<u>348.60</u>

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

	Unit: Million Baht
Cash and cash equivalents	207.04
Trade accounts receivable – related parties, net	110.13
Materials and supplies	18.18
Property, plant and equipment, net (Note 8)	320.46
Intangible assets (Note 9)	0.02
Other assets, net	31.59
Accounts payable – related parties	(88.89)
Other accounts payable - others	(17.58)
Other liabilities	(61.20)
Minority interests	<u>(103.95)</u>
Shareholders' equity, net	415.80
<u>Less:</u> Investment under the equity method as at the acquisition date	<u>(259.87)</u>
Fair value of net assets acquired	155.93
Goodwill (Note 11)	<u>348.60</u>
Total purchase consideration	504.53
<u>Less:</u> Cash and cash equivalents in the subsidiary	<u>(207.04)</u>
Cash outflow on the acquisition	<u>297.49</u>

As at September 30, 2010, the fair value of net assets was being reviewed by PTTNGD. The fair value of those shown above will be updated when the allocation of the initial purchasing price is completed.

24. Reclassification and Adjustment

The Group reclassified and made the adjustment for certain items in the consolidated and the separate financial statements for the three-month and the nine-month periods ended September 30, 2009 and as at December 31, 2009 to ensure consistency with the presentation in the consolidated and the separate financial statements for the three-month and the nine-month periods ended September 30, 2010. The significant items are as follows:

- ◆ to adjust goodwill and deferred tax liabilities in the consolidated financial statements amounting to Baht 582.10 million
- ◆ to adjust other accounts receivable and short-term loans – others, net as well as accrued expenses in the consolidated financial statements amounting to Baht 463.45 million
- ◆ to reclassify other accounts payable – related parties to trade accounts payable – related parties in the separate financial statements amounting to Baht 949.44 million

25. Proceedings Regarding the Central Administrative Court's Ordering the Temporary Suspension of Projects in the Map Ta Phut Area

On June 19, 2009, the Stop Global Warming Association and 43 persons filed a complaint with the Central Administrative Court (the Court) for the Case No. Black 908/2552, against eight government agencies, together with a motion seeking the Court injunction to temporarily suspend all operations and activities of 76 industrial projects in the Map Ta Phut area in Rayong province.

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

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

On November 13, 2009, the Prime Minister appointed a committee, which comprised representatives from the public, government, experts and private entrepreneurs (the Four-Party Committee), to solve the problem of compliance with Article 67 Paragraph 2 of the Constitution B.E.2550 (2007).

On December 2, 2009, the Supreme Administrative Court issued an order No.592/2552 amending the injunction of the Court by requiring the eight accused government agencies to order the temporary suspension of the projects or activities listed in the complaint except for 11 projects, which would apparently not cause severe impact since they are merely intended to control or minimize the pollution or install additional equipment. From these 11 projects, seven projects belonged to the Group, comprising one project of the Company and six projects of other companies in the Group. The Company has invested a total of Baht 23,432.11 million in its two projects under the temporary injunction (information as at September 30, 2010).

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

On December 28, 2009, the Company, as an interested person, submitted a motion to amend or revoke the temporary injunction to the Court, since the facts which the Court has based its decision upon, have changed.

25. Proceedings Regarding the Central Administrative Court's Ordering the Temporary Suspension of Projects in the Map Ta Phut Area (Continued)

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

On January 22, 2010, the Court dismissed the Company's motion to amend or revoke the temporary injunction submitted to the Court on December 28, 2010. The Court's rulings on each issue are as follows:

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

◆ In the case that the projects or activities received the permits prior to the effective date of the Constitution B.E.2550 (2007), it is the fact that the claimants can verify with the officers who have permission authorities pursuant to the relevant laws.

◆ In the case of the projects or activities which would apparently not cause severe impact to a community, according to the guidelines provided by the Supreme Administrative Court dated December 2, 2009, the Supreme Administrative Court had considered that there were 11 projects in accordance with the guidelines. Hence, the Court deemed that such consideration was final, and therefore this issue could not be reconsidered.

◆ The Court considered that the facts presented in the motion were the facts which had been presented to the Court both in the Court and in the Supreme Administrative Court's hearings. There was no change in the facts, and therefore the Court had insufficient reasons to order according to the motion.

On February 11, 2010, the public prosecutor filed a petition to the Court seeking the Court's allowance for 12 temporarily suspended projects, two of which belonged to the Group, to continue the construction until completion and performance of test-run on the machinery and systems on the condition that the project would not be able to operate. The petition was on the ground that there was the inevitable necessity to perform the action sought otherwise it would be resulted in serious damage which would be almost irreversible.

On February 19, 2010, the Company submitted an appeal to the Supreme Administrative Court requesting the amendment or revocation of the injunction for two projects of the Company which were not the projects or activities that may cause severe impacts on the environment, natural resources and health in terms of both fact and law.

On February 24, 2010, the Court ordered that the eight accused government agencies allow the 12 projects, including two projects of the Group, to continue the construction until completion, install machinery and equipment, and perform test-run on the machinery and related systems on the condition that the project would not be able to operate until the final judgment had been made or the order had been amended.

On April 19, 2010, the Court gave the order rejecting the Company's appeal requesting the amendment or revocation of the injunction dated February 19, 2010. The Court considered that its order dismissing the Company's motion to amend or revoke the temporary injunction was final and could not be appealed.

25. Proceedings Regarding the Central Administrative Court's Ordering the Temporary Suspension of Projects in the Map Ta Phut Area (Continued)

On May 27, 2010, the Company filed an appeal to the Supreme Administrative Court regarding the Court's order rejecting the Company's appeal on April 19, 2010. Currently, the appeal is on the proceedings of the Supreme Administrative Court.

On June 7 and 24, 2010, the Company submitted a letter to the public prosecutors to request for providing additional facts to the Court. The Court ordered that June 25, 2010 was the last date of fact findings for this case.

On September 2, 2010, the Court rendered a judgment to withdraw permits which were issued to projects in the list attached to the petition those may cause severe impacts to the local community and have not fully complied with Section 67 Paragraph Two of the Constitution. This withdrawal shall be effective from the date the Court rendered the judgment. One project of the Group is in the scope.

26. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

26.1 Commitments to subsidiaries, jointly controlled entities, associates and other related companies are as follows:

26.1.1 The Group has provided loans to its subsidiaries and associates at a credit limit of Baht 60,523.05 million. As at September 30, 2010, the Group made payments for these loans totalling Baht 53,475.05 million. The remaining commitment was Baht 7,048 million.

26.1.2 The Company entered into Shareholder's Commercial Support Arrangements with its two associates at a total credit limit of USD 190 million. The Company had obligations under the arrangements in the form of extended credits for raw materials and/or advance product payments. As at September 30, 2010, the two associates did not use the commercial credit line.

26.1.3 The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in the form of an extended credit for raw materials at a credit limit of USD 100 million. As at September 30, 2010, the subsidiary used USD 99.81 million of the commercial credit. The remaining commercial credit line was USD 0.19 million or approximately Baht 5.81 million.

26.1.4 The Company entered into Sponsor Support Agreements with two jointly controlled entities at a credit limit equal to the loan obligations of the two jointly controlled entities to financial institutions. As at September 30, 2010, the Company had a remaining commitment of USD 224.60 million or approximately Baht 6,863.28 million.

26.1.5 The Company provided a loan to a jointly controlled entity at a credit limit of USD 73.80 million. As at September 30, 2010, the Company made a payment for this loan totalling USD 55 million. The remaining commitment was USD 18.80 million or approximately Baht 574.49 million.

26.1.6 The Company had obligations under Shareholder Agreements to pay for ordinary shares in accordance with the shareholding percentages. As at September 30, 2010, the Company had remaining commitments amounting to Baht 10,217.39 million.

26. Commitments and Contingent Liabilities (Continued)

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

26.2 Commitment for operating leases – the Group as a lessee

The future minimum lease payments for the uncancellable operating leases as at September 30, 2010 and December 31, 2009 are as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
- Not later than 1 year	4,904.87	4,806.15	272.46	249.04
- Later than 1 year but not later than 5 years	5,558.30	5,706.37	448.40	421.53
- Later than 5 years	5,262.32	5,185.16	773.65	422.87
Total	<u>15,725.49</u>	<u>15,697.68</u>	<u>1,494.51</u>	<u>1,093.44</u>

26.3 As at September 30, 2010, the Group and the Company had obligations in the form of unused letters of credit amounting to Baht 12,201.61 million in the consolidated financial statements and Baht 9,206.30 million in the separate financial statements.

26.4 As at September 30, 2010, the Group and the Company had contingent liabilities in the form of letters of guarantee amounting to Baht 1,844.35 million in the consolidated financial statements and Baht 105.73 million in the separate financial statements.

26.5 An associate entered into a product sale agreement with the Company for the Company to sell the product further to a listed company. The term of the agreement is 15 years which will expire on January 31, 2012. The associate notified that it would not renew the agreement with the Company. Consequently, it was necessary for the Company to submit an advance notice to the listed company in accordance with the agreement advising that the Company would not renew the agreement. On December 3, 2009 the listed company submitted a claim with the Thai Arbitration Institute (the "Institute") requesting the Company and the associate as a seller and a supplier respectively to comply with the agreement by continuing to sell the product to the listed company or by mutually paying for an indemnity.

On February 10, 2010, the associate submitted a petition with the Institute to dismiss the claim against it from the case-list. Subsequently, the arbitrator ordered in favour of the associate dismissing the claim on its part from the case-list.

The Company submitted the case to the Office of the Attorney General to file a statement of defense with the Institute. The public prosecutor filed the statement of defense with the Institute for the Company on April 28, 2010. Currently, the case is on the proceedings of the Institute.

26.6 A contractor of the natural gas pipeline construction project filed a petition to the arbitration to claim for compensation from the Company. They claimed that Company did not comply with the relevant contracts. The Company considered that the claims did not comply with the processes and procedures agreed upon in the relevant contract. Moreover, the contractor did not perform the works in accordance with the relevant contracts. Therefore, the Company rejected the claims by the contractors. Currently, these two cases are during the process of gathering facts by the Company to submit to the public prosecutor for preparing a statement of defense and counterclaim (if any) and to proceed further according to the arbitration procedure. The Central Bankruptcy Court had issued an absolute receivership order upon the contractor, and the official receiver submitted a motion to proceed with the case on behalf of the contractor.

26. Commitments and Contingent Liabilities (Continued)

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

- 26.7 On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received the letter claiming for compensation relating to the incident of oil and gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 2, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven, unsubstantiated and no verifiable scientific evidence has yet been provided to support the claim. It was agreed that all data and evidence would need to be analyzed by appropriate parties before PTTEP will consider the claim.

27. Subsequent Events

- 27.1 On November 1, 2010, the company agreed with a financial institution which was a party to the contract for the cancellation of commitments in accordance with a cross currency swap contract to swap some bonds amounting to USD 100 million at a fixed interest rate of 5.675% per annum for Baht 3,356.50 million at a fixed interest rate of 6.70% per annum. In cancelling the agreement, the Company received compensation from the financial institution which was a party to the contract. Consequently, the Company now has commitments in Baht currency as before.
- 27.2 The Audit Committee of the Company approved these financial statements for public issuance on November 11, 2010.
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