



( TRANSLATION )

**AUDITOR'S REVIEW REPORT**

**TO : THE SHAREHOLDERS OF PTT PUBLIC COMPANY LIMITED**

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated balance sheet of PTT Public Company Limited and its subsidiaries and the balance sheet of PTT Public Company Limited as at March 31, 2005, the related consolidated and the Company's statements of income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2005 and 2004. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to issue a report on these financial statements based on the reviews.

The Office of the Auditor General of Thailand conducted the reviews in accordance with auditing standards applicable to review engagements. Those standards require that the Office of the Auditor General of Thailand plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit conducted in accordance with generally accepted auditing standards, and accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

Based on the reviews, nothing has come to attention that causes the Office of the Auditor General of Thailand to believe that the consolidated and the Company's financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

สำนักงานการตรวจเงินแผ่นดิน  
*Office of the Auditor General*

The Office of the Auditor General of Thailand previously audited the consolidated and the Company financial statements for the year ended December 31, 2004 of PTT Public Company Limited and its subsidiaries in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in report dated February 16, 2005. The consolidated and the Company balance sheets as at December 31, 2004, presented herein for comparative purposes, are part of the financial statements which the Office of the Auditor General of Thailand has audited and issued a report thereon as stated above. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date of that report.

*(Signed) Satja Sasanavin*

(Satja Sasanavin)

Deputy Auditor General  
for Auditor General

*(Signed) Suchitra Sommanus*

(Suchitra Sommanus)

Director of Audit Office

สำนักงานการตรวจเงินแผ่นดิน  
*Office of the Auditor General*

May 6, 2005

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2005 AND DECEMBER 31, 2004

Unit : Baht

	Notes	Consolidated		The Company	
		March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	3	66,536,841,728	51,237,268,294	18,966,988,260	12,621,621,594
Current investments		4,685,024,366	51,914,264,243	1,169,254,126	46,652,712,981
Trade accounts and notes receivable - others, net	4	47,414,818,944	45,329,269,869	43,143,216,878	38,594,240,286
Trade accounts receivable - related parties, net	5.1	24,532,428,003	12,085,764,652	36,177,959,969	18,784,297,134
Other accounts receivable, advances and short-term loans - related parties, net	5.2	1,126,157,145	1,268,437,136	32,330,805,215	3,122,996,981
Inventories		13,749,446,129	11,144,338,142	6,633,563,837	4,548,656,167
Materials and supplies - net		2,921,285,020	2,663,175,058	1,273,851,091	1,155,603,181
Other current assets		18,663,811,445	19,939,160,848	13,897,703,225	14,389,962,278
<b>Total Current Assets</b>		<b>179,629,812,780</b>	<b>195,581,678,242</b>	<b>153,593,342,601</b>	<b>139,870,090,602</b>
<b>Non-current Assets</b>					
Investments accounted for under equity method	6.2	51,633,022,915	54,910,078,246	116,622,353,416	97,161,761,442
Other long-term investments	7.2	1,746,730,010	1,737,458,010	1,746,730,000	1,737,458,000
Advances and long-term loans - related parties, net	5.3	7,440,544,012	7,429,027,767	7,440,544,012	7,429,027,767
Property, plant and equipment - net	8	199,903,997,471	190,187,203,814	83,198,902,623	75,278,966,808
Intangible assets	9	4,186,086,339	3,410,752,158	3,114,806,639	3,120,029,443
Deferred tax assets		2,065,600,336	1,655,646,464	1,569,608,622	1,597,180,069
Advance payment for gas purchased	10	22,136,497,162	22,745,521,554	27,521,261,615	28,276,775,987
Other non-current assets		11,394,740,328	9,568,868,622	6,544,484,085	5,490,171,638
<b>Total Non-current Assets</b>		<b>300,507,218,573</b>	<b>291,644,556,635</b>	<b>247,758,691,012</b>	<b>220,091,371,154</b>
<b>Total Assets</b>		<b>480,137,031,353</b>	<b>487,226,234,877</b>	<b>401,352,033,613</b>	<b>359,961,461,756</b>

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

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2005 AND DECEMBER 31, 2004**

Unit : Baht

	Notes	Consolidated		The Company	
		March 31, 2005 (Unaudited Reviewed)	December 31, 2004 (Audited)	March 31, 2005 (Unaudited Reviewed)	December 31, 2004 (Audited)
<b><u>Liabilities and Shareholders' Equity</u></b>					
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans from financial institutions		89,928,626	11,760,750,000	-	11,760,750,000
Trade accounts payable - others		43,056,329,327	24,175,153,957	40,391,397,200	22,608,672,717
Trade accounts payable - related parties	5.4	15,540,066,957	12,216,383,280	25,018,569,903	18,068,479,516
Other accounts payable - related parties	5.5	961,071,928	182,983,719	944,744,160	144,219,010
Current portion of long-term loans	11	7,553,947,987	60,688,648,039	7,159,648,749	7,959,441,241
Other short-term loans		-	868,436,250	-	-
Income tax payable		18,616,196,122	12,318,193,491	4,447,402,340	2,675,905,439
Accrued expenses		9,326,444,500	10,316,842,313	3,880,158,828	4,984,311,092
Other current liabilities		8,075,037,590	6,384,745,097	6,082,733,245	3,379,700,814
<b>Total Current Liabilities</b>		<b>103,219,023,037</b>	<b>138,912,136,146</b>	<b>87,924,654,425</b>	<b>71,581,479,829</b>
<b>Non-current Liabilities</b>					
Other long-term accounts payable - related parties	5.6	-	-	14,324,090	14,565,509
Long-term loans	11	142,495,432,688	140,904,310,498	114,947,567,592	115,925,102,343
Allowance for share of net loss over investments		-	-	1,485,409,438	1,597,942,764
Deferred tax liabilities		10,068,269,162	10,257,015,755	-	-
Provision for decommissioning costs	12	5,241,867,484	5,229,671,609	-	-
Deposits on LPG cylinders		3,764,328,896	3,711,089,732	3,764,328,896	3,711,089,732
Other non-current liabilities		3,382,848,289	3,297,047,976	2,805,145,635	2,757,094,602
<b>Total Non-current Liabilities</b>		<b>164,952,746,519</b>	<b>163,399,135,570</b>	<b>123,016,775,651</b>	<b>124,005,794,950</b>
<b>Total Liabilities</b>		<b>268,171,769,556</b>	<b>302,311,271,716</b>	<b>210,941,430,076</b>	<b>195,587,274,779</b>

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

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2005 AND DECEMBER 31, 2004**

Unit : Baht

	Notes	Consolidated		The Company		
		March 31, 2005 (Unaudited Reviewed)	December 31, 2004 (Audited)	March 31, 2005 (Unaudited Reviewed)	December 31, 2004 (Audited)	
<b><u>Liabilities and Shareholders' Equity (Continued)</u></b>						
<b>Shareholders' Equity</b>						
Share capital						
Authorized share capital						
		2,850,000,000 ordinary shares of Baht 10 each	28,500,000,000	28,500,000,000	28,500,000,000	28,500,000,000
Issued and paid-up share capital						
	13	2,797,245,725 ordinary shares of Baht 10 each	27,972,457,250	27,972,457,250	27,972,457,250	27,972,457,250
Premium on share capital						
		Premium on ordinary shares	17,992,830,666	17,992,830,666	17,992,830,666	17,992,830,666
		Surplus on dilution of investments in subsidiaries and associates	2,097,927,820	2,089,284,252	2,097,927,820	2,089,284,252
		Unrealized gain on available-for-sale securities	1,055,639,181	1,046,367,181	1,055,639,181	1,046,367,181
		Currency translation differences	(743,114,458)	(765,711,742)	(743,114,458)	(765,711,742)
Retained earnings						
Appropriated						
		Legal reserve	2,850,000,000	2,850,000,000	2,850,000,000	2,850,000,000
		Reserve for Self-Insurance Fund	811,830,329	811,830,329	811,830,329	811,830,329
		Unappropriated	138,373,032,749	112,377,129,041	138,373,032,749	112,377,129,041
		Total parent's shareholders' equity	190,410,603,537	164,374,186,977	190,410,603,537	164,374,186,977
		Minority interests	21,554,658,260	20,540,776,184	-	-
		<b>Total Shareholders' Equity</b>	<b>211,965,261,797</b>	<b>184,914,963,161</b>	<b>190,410,603,537</b>	<b>164,374,186,977</b>
		<b>Total Liabilities and Shareholders' Equity</b>	<b>480,137,031,353</b>	<b>487,226,234,877</b>	<b>401,352,033,613</b>	<b>359,961,461,756</b>

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

(Signed) Prasert Bunsumpun  
(Prasert Bunsumpun)  
President

(Signed) Pichai Chunchavajira  
(Pichai Chunchavajira)  
Senior Executive Vice President,  
Corporate Finance & Accounting

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

**Unaudited**  
**Reviewed**

Unit : Baht

	Notes	Consolidated		The Company	
		2005	2004	2005	2004
Sales		191,161,263,999	137,145,679,951	202,605,807,622	135,220,427,103
Cost of sales		165,663,032,756	119,660,323,378	190,190,097,372	124,231,225,473
<b>Gross Margin</b>		<b>25,498,231,243</b>	<b>17,485,356,573</b>	<b>12,415,710,250</b>	<b>10,989,201,630</b>
Selling and administrative expenses		5,630,993,840	3,697,863,053	3,866,744,118	3,047,653,417
Exploration expenses		173,868,523	40,036,273	-	-
<b>Income from Sales</b>		<b>19,693,368,880</b>	<b>13,747,457,247</b>	<b>8,548,966,132</b>	<b>7,941,548,213</b>
Other incomes	15	2,829,105,935	1,922,084,912	3,500,125,242	1,764,068,571
Directors' remuneration		10,713,708	7,359,988	6,878,750	5,751,250
<b>Income from Operations</b>		<b>22,511,761,107</b>	<b>15,662,182,171</b>	<b>12,042,212,624</b>	<b>9,699,865,534</b>
Share of net income from investments under equity method	16	5,765,556,984	3,752,432,461	17,755,330,552	6,006,847,353
<b>Income before Interests and Taxes</b>		<b>28,277,318,091</b>	<b>19,414,614,632</b>	<b>29,797,543,176</b>	<b>15,706,712,887</b>
Interest expenses		2,251,245,908	1,902,124,599	1,759,875,604	1,567,545,568
Income taxes		6,296,787,446	4,024,531,199	2,041,763,864	1,864,762,243
<b>Income after Taxes</b>		<b>19,729,284,737</b>	<b>13,487,958,834</b>	<b>25,995,903,708</b>	<b>12,274,405,076</b>
Income of minority interests		1,471,661,804	1,213,553,758	-	-
<b>Income from ordinary activities</b>		<b>18,257,622,933</b>	<b>12,274,405,076</b>	<b>25,995,903,708</b>	<b>12,274,405,076</b>
Extraordinary items	17	7,738,280,775	-	-	-
<b>Net Income</b>		<b>25,995,903,708</b>	<b>12,274,405,076</b>	<b>25,995,903,708</b>	<b>12,274,405,076</b>
<b>Basic earnings per share</b>	14				
Income before extraordinary items		6.52	4.39	9.29	4.39
Extraordinary items		2.77	-	-	-
Net income		9.29	4.39	9.29	4.39
<b>Diluted earnings per share</b>	14				
Income before extraordinary items		6.52	4.39	9.29	4.39
Extraordinary items		2.77	-	-	-
Net income		9.29	4.39	9.29	4.39

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004  
 CONSOLIDATED

Unaudited  
Reviewed

Unit : Baht

Notes	Issued and paid-up share capital	Premium on share capital	Surplus on dilution of investments	Unrealized gain(loss) on available-for-sale securities	Currency translation differences	Legal reserve	Reserve for Self-Insurance Fund	Retained earnings	Minority interests	Total
<b>Balance as at January 1, 2004</b>	27,972,457,250	17,992,830,666	-	550,400,000	(721,543,059)	2,850,000,000	776,993,833	62,888,774,224	16,619,274,744	128,929,187,658
Cumulative effect of the change in accounting policy 2	-	-	1,966,620,101	-	-	-	-	(1,954,294,958)	-	12,325,143
<b>Balance after adjustment</b>	27,972,457,250	17,992,830,666	1,966,620,101	550,400,000	(721,543,059)	2,850,000,000	776,993,833	60,934,479,266	16,619,274,744	128,941,512,801
Currency translation differences	-	-	-	-	(39,329,651)	-	-	-	-	(39,329,651)
Unrealized gain on available-for-sale securities	-	-	-	591,263,181	-	-	-	-	-	591,263,181
Minority interests	-	-	-	-	-	-	-	-	1,413,708,554	1,413,708,554
Surplus on dilution of investments in subsidiaries and associates	-	-	134,202,439	-	-	-	-	-	-	134,202,439
Net income	-	-	-	-	-	-	-	12,274,405,076	-	12,274,405,076
<b>Balance as at March 31, 2004</b>	27,972,457,250	17,992,830,666	2,100,822,540	1,141,663,181	(760,872,710)	2,850,000,000	776,993,833	73,208,884,342	18,032,983,298	143,315,762,400
<b>Balance as at January 1, 2005</b>	27,972,457,250	17,992,830,666	2,089,284,252	1,046,367,181	(765,711,742)	2,850,000,000	811,830,329	112,377,129,041	20,540,776,184	184,914,963,161
Currency translation differences	-	-	-	-	22,597,284	-	-	-	-	22,597,284
Unrealized gain on available-for-sale securities	-	-	-	9,272,000	-	-	-	-	-	9,272,000
Minority interests	-	-	-	-	-	-	-	-	1,013,882,076	1,013,882,076
Surplus on dilution of investments in subsidiaries and associates	-	-	8,643,568	-	-	-	-	-	-	8,643,568
Net income	-	-	-	-	-	-	-	25,995,903,708	-	25,995,903,708
<b>Balance as at March 31, 2005</b>	27,972,457,250	17,992,830,666	2,097,927,820	1,055,639,181	(743,114,458)	2,850,000,000	811,830,329	138,373,032,749	21,554,658,260	211,965,261,797

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004  
THE COMPANY

Unaudited  
Reviewed

Unit : Baht

Notes	Issued and paid-up share capital	Premium on share capital	Surplus on dilution of investments	Unrealized gain(loss) on available-for-sale securities	Currency translation differences	Legal reserve	Reserve for Self-Insurance Fund	Retained earnings	Total
<b>Balance as at January 1, 2004</b>	27,972,457,250	17,992,830,666	-	550,400,000	(721,543,059)	2,850,000,000	776,993,833	62,888,774,224	112,309,912,914
Cumulative effect of change in accounting policy	2	-	-	1,966,620,101	-	-	-	(1,954,294,958)	12,325,143
<b>Balance after adjustment</b>	<b>27,972,457,250</b>	<b>17,992,830,666</b>	<b>1,966,620,101</b>	<b>550,400,000</b>	<b>(721,543,059)</b>	<b>2,850,000,000</b>	<b>776,993,833</b>	<b>60,934,479,266</b>	<b>112,322,238,057</b>
Currency translation differences	-	-	-	-	(39,329,651)	-	-	-	(39,329,651)
Unrealized gain on available-for-sale securities	-	-	-	591,263,181	-	-	-	-	591,263,181
Surplus on dilution of investments in subsidiaries and associates	-	-	134,202,439	-	-	-	-	-	134,202,439
Reserve for Self-Insurance Fund	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	12,274,405,076	12,274,405,076
<b>Balance as at March 31, 2004</b>	<b>27,972,457,250</b>	<b>17,992,830,666</b>	<b>2,100,822,540</b>	<b>1,141,663,181</b>	<b>(760,872,710)</b>	<b>2,850,000,000</b>	<b>776,993,833</b>	<b>73,208,884,342</b>	<b>125,282,779,102</b>
<b>Balance as at January 1, 2005</b>	<b>27,972,457,250</b>	<b>17,992,830,666</b>	<b>2,089,284,252</b>	<b>1,046,367,181</b>	<b>(765,711,742)</b>	<b>2,850,000,000</b>	<b>811,830,329</b>	<b>112,377,129,041</b>	<b>164,374,186,977</b>
Currency translation differences	-	-	-	-	22,597,284	-	-	-	22,597,284
Unrealized gain on available-for-sale securities	-	-	-	9,272,000	-	-	-	-	9,272,000
Surplus on dilution of investments in subsidiaries and associates	-	-	8,643,568	-	-	-	-	-	8,643,568
Reserve for Self-Insurance Fund	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	25,995,903,708	25,995,903,708
<b>Balance as at March 31, 2005</b>	<b>27,972,457,250</b>	<b>17,992,830,666</b>	<b>2,097,927,820</b>	<b>1,055,639,181</b>	<b>(743,114,458)</b>	<b>2,850,000,000</b>	<b>811,830,329</b>	<b>138,373,032,749</b>	<b>190,410,603,537</b>

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



**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

**Unaudited**  
**Reviewed**

	Unit : Baht			
	Consolidated		The Company	
	2005	2004	2005	2004
<b>Cash Flows from Operating Activities</b>				
Net income	25,995,903,708	12,274,405,076	25,995,903,708	12,274,405,076
Adjustment net income to net cash provided by (used in) operating activities :				
Depreciation, depletion and amortization	3,671,802,427	3,603,732,827	1,588,548,593	1,501,004,675
Impairment loss	9,239,948	7,066,150	9,239,948	7,066,150
(Gain)Loss on disposal of assets	(5,435,429)	2,851,149	(2,647,300)	1,038,100
(Gain) Loss on disposal of investments	577,873,705	-	-	-
Write-off assets adjustment	(1,219,562)	12,342,601	(1,219,562)	10,617,555
Share of net income from investments under equity method	(5,765,556,984)	(3,754,592,918)	(17,755,330,552)	(6,006,847,353)
Income of minority interests	1,471,661,804	1,213,553,758	-	-
(Gain) loss on foreign exchange	(923,405,047)	(281,685,474)	(368,801,421)	(60,903,114)
Doubtful accounts	(135,647,020)	53,099,544	(135,828,314)	48,604,314
Amortization of exploration cost	948,292	(128,149)	-	-
Amortization of bond issue expenses	2,393,880	2,393,880	-	-
Amortization of bond discounts	277,212	277,212	-	-
Deferred income taxes	(584,084,103)	835,284,004	27,571,447	(3,448,093)
Amortization of deferred interest from finance leases	1,144,840	1,619,741	1,144,840	1,619,741
Allowance for withdrawal from joint ventures	-	(481,831,169)	-	(481,831,169)
Provision for net realizable value	63,509,944.00	-	63,509,944.00	-
Extraordinary items	(7,738,724,507)	-	-	-
Net income from operating activities before changes in operating assets and liabilities	16,640,683,108	13,488,388,232	9,422,091,331	7,291,325,882

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

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

**Unaudited**  
**Reviewed**

	Unit : Baht			
	Consolidated		The Company	
	2005	2004	2005	2004
Changes in operating assets (increase) decrease				
Trade accounts and notes receivable - others	(1,281,382,238)	(5,101,714,862)	(4,199,012,836)	(4,497,791,341)
Trade accounts receivable - related parties	(12,522,721,387)	(1,091,475,861)	(17,469,718,915)	(5,174,773,938)
Other accounts receivable, advances and short-term loans - related parties	(1,089,253,837)	126,077,921	(614,088,542)	85,285,789
Inventories	(2,668,617,931)	329,198,703	(2,148,417,614)	351,647,120
Materials and supplies	(297,650,862)	(1,163,484,415)	(152,513,999)	(23,100,696)
Other current assets	(719,267,307)	(260,055,606)	(257,576,919)	(157,269,907)
Prepaid expenses	193,094,526	(212,079,216)	49,524,959	(221,654,113)
Advance payment for gas purchased	609,024,392	246,989,447	755,514,372	265,303,589
Accrued income	607,126,406	(200,722,277)	425,782,710	(140,366,880)
Other accounts receivable	3,312,687,211	1,294,413,100	2,398,593,715	1,195,731,040
Long-term advances - related parties	107,735	-	107,735	-
Other non-current assets	(1,840,425,866)	(41,615,386)	(1,054,307,137)	(61,241,203)
Changes in operating liabilities increase (decrease)				
Trade accounts payable - others	19,831,966,879	7,511,817,240	17,751,337,506	7,134,102,987
Trade accounts payable - related parties	2,083,939,426	1,591,801,262	7,005,815,635	5,159,293,172
Other accounts payable - related parties	449,142,652	234,104,533	787,494,672	260,597,791
Income tax payable	6,277,773,169	4,812,158,096	1,771,496,902	1,233,296,700
Accrued expenses	(1,347,137,529)	(1,294,445,864)	(1,174,126,829)	(952,655,358)
Other current liabilities	(224,868,138)	963,087,828	(88,553,930)	(129,534,539)
Deposits on LPG cylinders	53,239,164	75,566,822	53,239,164	75,566,822
Pension fund	(1,094,598)	(332,225)	(1,094,598)	(332,225)
Other accounts payable	315,088,426	(757,223,139)	1,097,243,913	(25,811,269)
Other long-term accounts payable - related parties	(1,729,545)	-	(241,419)	-
Other non-current liabilities	90,715,368	445,591,191	47,593,579	248,385,107
	11,829,756,116	7,507,657,292	4,984,092,124	4,624,678,648
Net cash provided by operating activities	28,470,439,224	20,996,045,524	14,406,183,455	11,916,004,530

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

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

**Unaudited**  
**Reviewed**

Unit : Baht

	Consolidated		The Company	
	2005	2004	2005	2004
<b>Cash Flows from Investing Activities</b>				
Proceeds from disposal of property, plant and equipment	11,771,169	1,124,191	4,826,000	1,124,191
Payment of property, plant and equipment	(13,206,337,828)	(15,422,167,477)	(9,468,669,102)	(2,835,928,385)
Payment of intangible assets	(71,100,595)	(84,034,721)	(51,961,713)	(45,230,810)
Long-term loans to related parties	(11,623,980)	-	(11,623,980)	-
Short-term loans to related parties	-	-	(44,255,250,000)	-
Payment of investments in subsidiaries	(1,002,451,236)	(855,821,884)	(1,401,951,236)	(957,608,658)
Payment of investments in joint ventures	-	-	(148,995,000)	(1,677,189,866)
Payment of investments in associates	(445,962,010)	(487,358,800)	(445,962,010)	(487,358,800)
Payment of investments in other companies	-	(249,750,000)	-	(249,750,000)
Cash received from disposal of long-term investments	8,909,861,560	-	784,050	-
Cash received from short-term loans	599,901,700	-	-	-
Cash received from short-term loans to related parties	622,401,700	22,500,000	15,652,303,400	22,500,000
Current investments (increase) decrease	47,248,516,142	(914,316,162)	45,473,418,233	(10,395,359)
Net cash provided by (used in) investing activities	42,654,976,622	(17,989,824,853)	5,346,918,642	(6,239,837,687)
<b>Cash Flows from Financing Activities</b>				
Cash received from issuing ordinary shares	5,010,300	4,750,800	-	-
Proceeds from long-term loans	2,563,437,145	-	-	-
Repayment of long-term loans	(44,272,319,412)	(17,069,412)	-	-
Redemption of bonds	(1,800,000,000)	(600,000,000)	(1,800,000,000)	(600,000,000)
Repayment of short-term loans	(12,470,855,218)	-	(11,602,418,968)	-
Payment of liabilities from finance leases	(7,239,718)	(15,507,369)	(7,193,468)	(15,461,119)
Increase in bank overdrafts and short-term loans				
from financial institutions	89,928,626	467,470,877	-	-
Dividend paid	(89,235)	(139,793)	-	-
Net cash used in financing activities	(55,892,127,512)	(160,494,897)	(13,409,612,436)	(615,461,119)

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2005 AND 2004**

**Unaudited**  
**Reviewed**

		Unit : Baht			
		Consolidated		The Company	
<u>Notes</u>	2005	2004	2005	2004	
Effects of exchange rates on cash and cash equivalents	103,154,762	(18,972,548)	1,877,005	(1,328,680)	
Currency translation differences	(36,869,662)	(27,836,735)	-	-	
Net increase (decrease) in cash and cash equivalents	15,299,573,434	2,798,916,491	6,345,366,666	5,059,377,053	
Cash and cash equivalents at beginning of periods	51,237,268,294	56,955,033,653	12,621,621,594	36,967,351,408	
<b>Cash and cash equivalents at end of periods</b>	<b>3</b>	<b>66,536,841,728</b>	<b>59,753,950,144</b>	<b>18,966,988,260</b>	<b>42,026,728,461</b>

**Supplemental disclosures of cash flows information**

**Cash paid during the period for**

Interest expenses	2,953,133,043	2,017,555,725	2,118,419,155	1,654,420,273
Income taxes	393,226,413	380,708,680	-	-

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

**REPORT OF THE AUDITOR AND INTERIM FINANCIAL STATEMENTS**  
**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2005**

(TRANSLATION)

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2005 (UNAUDITED, REVIEWED)**  
**AND FOR THE YEAR ENDED DECEMBER 31, 2004 (AUDITED)**

**1. General Information**

1.1 Purpose of the Interim Financial Statements

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

1.2 Preparation of the Interim Financial Statements

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

1.3 Basis of Preparation

The interim consolidated and Company's financial statements are prepared under the same basis as the consolidated and Company's financial statements for the year ended December 31, 2004.

During the three-month period ended March 31, 2005, the Company sold its entire investment in the ordinary shares of SBFCI and SBDI, which are wholly owned by the Company, to SBECL, according to Note 6.4.

1.4 Summary of Significant Accounting Policies

The Company has prepared these interim financial statements by applying the same accounting policies and methods of computation as applied in the financial statements for the year ended December 31, 2004, which are prepared in accordance with generally accepted accounting principles.

1.5 Reclassification

For comparative purposes, the Group has reclassified certain items in the financial statements for the three-month period ended March 31, 2004 and as at December 31, 2004 to be in accordance with the presentation in the financial statements for the three-month period ended March 31, 2005.

(TRANSLATION)

**2. Changes in Accounting Policies**

2.1 Determination of Cost of Inventories

In 2004, the Company changed its determination of cost of inventories from first-in, first-out method to the weighted average cost method. This effects inventories and retained earnings as at January 1, 2004 to increase amounting to Baht 12.33 million.

2.2 The Recognition of the Incremental Value of Subsidiaries and Associates which Offer Their Securities to Public with Higher Prices than Par Value as Surplus on Share Capital

During the year 2004, the Company accounted for the increment of shareholders' equity of subsidiaries and associates arising from offering their securities to public with higher prices than par value as surplus on share capital in shareholders' equity of the Company.

This change resulted that the Company presented surplus on dilution of investments in subsidiaries and associates in shareholders' equity as at January 1, 2004 amounting to Baht 1,966.62 million and retained earnings decreased amounting to Baht 1,954.29 million, which is the net amount after deduction of the incremental retained earnings derived from the determination of cost of inventories amounting to Baht 12.33 million as stated in Note 2.1.

**3. Cash and Cash Equivalents**

Cash and cash equivalents as at March 31, 2005 and December 31, 2004 are as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Cash on hand	144.46	222.06	137.15	161.71
Deposits held at call with banks	17,561.59	15,262.53	7,341.32	3,997.49
Fixed deposits	14,460.39	5,503.37	-	-
Treasury bills	22,641.84	24,922.58	129.96	4,133.75
Promissory notes	1,138.70	4,259.41	768.70	3,539.41
Bank of Thailand bonds	10,589.86	1,067.32	10,589.86	789.26
Total	66,536.84	51,237.27	18,966.99	12,621.62

Cash and cash equivalents as at March 31, 2005 bear interest at the rates ranging from 0.25%-2.59% per annum, except for deposits held at call with banks of a subsidiary in the Philippines amounting to Baht 827.02 million with interest rate of 4.94% per annum (December 31, 2004: interest at rates ranging from 0.25%-3.98% per annum, except for deposits held at call with banks of a subsidiary in the Philippines amounting to Baht 231.81 million with interest rate of 5.208% per annum).

(TRANSLATION)

4. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others as at March 31, 2005 and December 31, 2004 are as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Trade accounts receivable	47,344.19	45,419.58	42,238.52	37,868.25
Notes receivable	2,728.86	2,709.28	2,727.52	2,705.42
Total	50,073.05	48,128.86	44,966.04	40,573.67
<u>Less</u> Allowance for doubtful accounts	<u>2,658.23</u>	<u>2,799.59</u>	<u>1,822.82</u>	<u>1,979.43</u>
Trade accounts and notes receivable – others, net	<u>47,414.82</u>	<u>45,329.27</u>	<u>43,143.22</u>	<u>38,594.24</u>

Outstanding trade accounts and notes receivable – others as at March 31, 2005 and December 31, 2004 can be analyzed as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Current	40,506.54	37,704.55	36,618.00	31,179.25
Overdue				
- Up to 3 months	2,248.43	3,387.48	2,036.79	3,224.54
- Over 3 – 6 months	614.42	860.10	559.75	791.13
- Over 6 – 12 months	1,334.83	1,358.39	1,279.53	1,268.38
- Over 12 months	5,368.83	4,818.34	4,471.97	4,110.37
Total	50,073.05	48,128.86	44,966.04	40,573.67
<u>Less</u> Allowance for doubtful accounts	<u>2,658.23</u>	<u>2,799.59</u>	<u>1,822.82</u>	<u>1,979.43</u>
Trade accounts and notes receivable - others, net	<u>47,414.82</u>	<u>45,329.27</u>	<u>43,143.22</u>	<u>38,594.24</u>

Trade accounts and notes receivable – others, net as at March 31, 2005 included receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 17,440.86 million (December 31, 2004: Baht 13,006.47 million), and in the Company's financial statements amounting to Baht 17,267.08 million (December 31, 2004: Baht 12,824.93 million).



(TRANSLATION)

5. Related Party Transactions

The followings are significant transactions carried out with related parties:

5.1 Trade accounts receivable – related parties as at March 31, 2005 and December 31, 2004

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Subsidiaries	-	-	12,032.26	7,097.60
<u>Less</u> Allowance for doubtful accounts	-	-	6.84	13.81
	<u>-</u>	<u>-</u>	<u>12,025.42</u>	<u>7,083.79</u>
Associates	20,714.87	10,517.05	20,328.34	10,129.92
<u>Less</u> Allowance for doubtful accounts	<u>272.69</u>	<u>269.93</u>	<u>272.69</u>	<u>269.93</u>
	<u>20,442.18</u>	<u>10,247.12</u>	<u>20,055.65</u>	<u>9,859.99</u>
Other related parties	<u>4,090.25</u>	<u>1,838.64</u>	<u>4,090.25</u>	<u>1,838.64</u>
Joint ventures	<u>-</u>	<u>-</u>	<u>6.64</u>	<u>1.88</u>
Trade accounts receivable - related parties, net	<u>24,532.43</u>	<u>12,085.76</u>	<u>36,177.96</u>	<u>18,784.30</u>

Outstanding trade accounts receivable – related parties as at March 31, 2005 and December 31, 2004 can be analyzed as follows:

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Current	24,528.63	10,789.20	32,149.61	13,329.26
Overdue				
- Up to 3 months	109.61	1,338.37	249.34	1,970.74
- Over 3 – 6 months	36.31	81.55	559.21	672.78
- Over 6 – 12 months	114.53	133.44	1,190.36	652.61
- Over 12 months	<u>16.04</u>	<u>13.13</u>	<u>2,308.97</u>	<u>2,442.65</u>
Total	<u>24,805.12</u>	<u>12,355.69</u>	<u>36,457.49</u>	<u>19,068.04</u>
<u>Less</u> Allowance for doubtful accounts	<u>272.69</u>	<u>269.93</u>	<u>279.53</u>	<u>283.74</u>
Trade accounts receivable - related parties, net	<u>24,532.43</u>	<u>12,085.76</u>	<u>36,177.96</u>	<u>18,784.30</u>

(TRANSLATION)

5.2 Other accounts receivable, advances and short-term loans – related parties as at March 31, 2005 and December 31, 2004

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Other accounts receivable				
Subsidiaries	-	-	952.14	305.75
<u>Less</u> Allowance for doubtful accounts	-	-	0.11	0.06
	-	-	952.03	305.69
Associates	1,382.88	1,382.62	1,368.44	1,371.29
<u>Less</u> Allowance for doubtful accounts	664.23	664.23	664.23	664.23
	718.65	718.39	704.21	707.06
Other related parties	12.60	8.78	12.60	8.78
<u>Less</u> Allowance for doubtful accounts	5.85	5.85	5.85	5.85
	6.75	2.93	6.75	2.93
Joint ventures	-	-	632.25	596.72
	725.40	721.32	2,295.24	1,612.40
Advances				
Subsidiaries	-	-	10.00	10.00
Associates	127.99	246.75	0.43	0.43
Other related parties	235.17	240.27	162.28	240.27
	363.16	487.02	172.71	250.70
Short-term loans				
Subsidiaries	-	-	29,825.25	-
Associates	37.60	60.10	37.60	60.10
Joint ventures	-	-	-	1,199.80
	37.60	60.10	29,862.85	1,259.90
Total	1,126.16	1,268.44	32,330.80	3,123.00

**(TRANSLATION)**

Changes in short-term loans – related parties for the three-month period ended March 31, 2005 are as follows:

	Unit: Million Baht	
	<u>Consolidated</u>	<u>The Company</u>
Balance as at December 31, 2004	60.10	1,259.90
- Payment of loans granted	-	44,255.25
- Receipt from loans granted	<u>(22.50)</u>	<u>(15,652.30)</u>
Balance as at March 31, 2005	<u>37.60</u>	<u>29,862.85</u>

Unsecured short-term loans to related parties bear interest at the rates ranging from 1.81%-7.75% per annum.

5.3 Advances and long-term loans – related parties as at March 31, 2005 and December 31, 2004

	Unit: Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>March 31, 2005</u>	<u>December 31, 2004</u>
Advances				
Associates	1,058.79	1,049.66	1,058.79	1,049.66
<u>Less Allowance for</u> doubtful accounts	<u>1,056.96</u>	<u>1,047.72</u>	<u>1,056.96</u>	<u>1,047.72</u>
	<u>1.83</u>	<u>1.94</u>	<u>1.83</u>	<u>1.94</u>
Long-term loans				
Associates	7,387.56	7,387.56	7,387.56	7,387.56
Other related parties	<u>51.15</u>	<u>39.53</u>	<u>51.15</u>	<u>39.53</u>
	<u>7,438.71</u>	<u>7,427.09</u>	<u>7,438.71</u>	<u>7,427.09</u>
Total	<u>7,440.54</u>	<u>7,429.03</u>	<u>7,440.54</u>	<u>7,429.03</u>

Changes in long-term loans – related parties for the three-month period ended March 31, 2005 are as follows:

	Unit: Million Baht	
	<u>Consolidated</u>	<u>The Company</u>
Balance as at December 31, 2004	7,427.09	7,427.09
- Payment of loans granted	<u>11.62</u>	<u>11.62</u>
Balance as at March 31, 2005	<u>7,438.71</u>	<u>7,438.71</u>

Long-term loans to associates bear interest at the rates ranging from 1 - 3.125% per annum.

(TRANSLATION)

5.4 Trade accounts payable – related parties as at March 31, 2005 and December 31, 2004

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Subsidiaries	-	-	9,718.08	6,385.23
Associates	14,907.73	11,749.55	14,668.15	11,216.42
Other related parties	632.34	466.83	632.34	466.83
Total	<u>15,540.07</u>	<u>12,216.38</u>	<u>25,018.57</u>	<u>18,068.48</u>

5.5 Other accounts payable – related parties as at March 31, 2005 and December 31, 2004

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Subsidiaries	-	-	97.30	92.32
Associates	206.70	149.77	85.57	18.69
Other related parties	754.37	33.21	754.37	33.21
Joint ventures	-	-	7.50	-
Total	<u>961.07</u>	<u>182.98</u>	<u>944.74</u>	<u>144.22</u>

5.6 Other long-term payables – related parties as at March 31, 2005 and December 31, 2004

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Subsidiaries	-	-	14.32	14.57
Total	<u>-</u>	<u>-</u>	<u>14.32</u>	<u>14.57</u>

(TRANSLATION)

5.7 Transactions of revenues and expenses carried out with related parties.

For the three-month periods ended March 31, 2005 and 2004

Unit: Million Baht

	Consolidated		The Company	
	2005	2004	2005	2004
<u>Revenues</u>				
Sales:				
Subsidiaries	-	-	26,887.11	1,104.48
Associates	52,792.19	40,343.56	51,841.10	40,343.56
Other related parties	7,341.49	4,112.75	7,341.49	4,112.75
Joint ventures	-	-	9.03	0.01
Interest income:				
Subsidiaries	-	-	359.48	-
Associates	58.08	62.50	58.08	62.50
Other related parties	7.68	-	7.68	-
Joint ventures	-	-	1.35	-
Other income:				
Subsidiaries	-	-	1,071.72	22.85
Associates	533.59	217.20	533.59	217.20
Other related parties	20.25	12.42	20.25	12.42
Joint ventures	-	-	18.77	25.70
<u>Expenses</u>				
Purchases:				
Subsidiaries	-	-	36,068.06	9,581.13
Associates	45,077.03	43,250.52	43,628.65	42,918.45
Other related parties	2,025.82	2,524.75	2,052.82	2,524.75
Other expenses:				
Subsidiaries	-	-	51.13	53.42
Associates	7.70	11.55	7.70	11.55
Other related parties	150.77	57.84	150.77	57.84
Joint ventures	-	-	-	17.00

Related party transactions as stated above exclude trade accounts receivable and sales to government agencies and state enterprises.

Price stipulation between the Company and its related parties is based on the normal prices used in the same type of business in transactions with others. However, selling prices of natural gas between the Company and an associate are provided with discounts for five years during 2002-2007 to support the associate's production capacity expansion plan which procurement volumes were immaterial.

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

(TRANSLATION)

**6. Investments Accounted for under the Equity Method**

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

Company	Country of Incorporation	Business	% Shareholding	
			March 31, 2005	December 31, 2004
<u>Subsidiaries</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	66.48	65.98
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
Subic Bay Fuels Co., Inc. (SBFCI)	The Philippines	Oil marketing	-	100.00
Subic Bay Distribution, Inc. (SBDI)	The Philippines	Oil marketing	-	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management service and oil marketing	49.00	49.00
PTT International Trading Pte., Ltd. (PTTT)	Singapore	Oil international trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Company Limited (PTTLNG)	Thailand	Natural gas	100.00	100.00
Bangkok Polyethylene Public Co., Ltd. (BPE)	Thailand	Petrochemical	50.00	50.00
PTT Polyethylene Co., Ltd. (PTTPE)	Thailand	Petrochemical	50.00	50.00
Rayong Refinery Co., Ltd. (RRC)	Thailand	Refining	100.00	100.00
Energy Complex Company Limited (EnCo)	Thailand	Commercial	50.00	50.00

(TRANSLATION)

Company	Country of Incorporation	Business	% Shareholding	
			March 31, 2005	December 31, 2004
<u>Associates</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.54	49.54
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd (THAPPLINE)	Thailand	Oil pipeline	30.60	30.60
PetroAsia (Thailand) Co., Ltd. (PA(Thailand))	Thailand	Oil marketing	35.00	35.00
PetroAsia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Bottling and selling LPG	25.00	25.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and selling LPG	45.00	45.00
Keloil-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Oil marketing	40.00	40.00
Aromatics (Thailand) Public Co., Ltd. (ATC)	Thailand	Petrochemical	45.96	46.12
National Petrochemical Public Co., Ltd. (NPC)	Thailand	Petrochemical	37.99	37.99
Thai Olefins Public Co., Ltd. (TOC)	Thailand	Petrochemical	48.97	48.97
PTT Phenol Company Limited (PPCL)	Thailand	Petrochemical	40.00	40.00
PTT Utility Co., Ltd.(PTTUT)	Thailand	Generate and supply electricity, steam and water	40.00	40.00
Independent Power (Thailand) Co., Ltd. (IPT)	Thailand	Electricity generation	20.00	-
<u>Joint Ventures</u>				
Trans Thai-Malaysia (Thailand) 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 electricity and chilled water	35.00	35.00

(TRANSLATION)

6.2 Investments accounted for under equity method as at March 31, 2005 and December 31, 2004 are as follows:

Consolidated

Unit: Million Baht

Company	% shareholding		March 31, 2005			December 31, 2004			Dividend	
	Mar 31, 2005	Dec 31, 2004	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2005	2004
<b>Associates:</b>										
Refining Business Group										
1 TOP	49.54	49.54	11,483.09	17,862.35	-	11,483.09	16,080.59	-	-	-
2 SPRC	36.00	36.00	14,770.48	9,851.90	-	14,770.48	8,800.09	-	-	-
Oil Business Group										
3 THAPPLINE	30.60	30.60	1,367.87	-	-	1,367.87	-	-	-	-
4 TLBC	48.95	48.95	140.00	79.66	-	140.00	74.38	-	-	-
5 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
6 PA (Sanshui)	25.00	25.00	7.17	6.01	-	7.17	6.14	-	-	-
7 V LPG	45.00	45.00	87.35	91.60	-	87.35	89.10	-	-	-
8 KPL	40.00	40.00	21.49	9.42	-	21.49	9.93	-	-	-
9 FST	25.00	25.00	1.13	0.89	-	1.13	0.86	-	-	-
Petrochemical Business Group										
10 ATC	45.96	46.12	2,888.84	2,698.02	-	2,888.84	1,447.50	-	-	-
11 NPC	37.99	37.99	1,185.14	6,402.36	-	1,185.14	5,928.90	-	-	-
12 TOC	48.97	48.97	8,906.35	11,814.83	-	8,906.35	10,557.58	-	-	-
13 PPCL	40.00	40.00	200.00	197.91	-	200.00	198.96	-	-	-
Natural Gas Business Group										
14 PTTUT	40.00	40.00	401.00	399.69	-	240.00	239.77	-	-	-
15 IPT	20.00	-	400.19	384.49	-	-	-	-	-	-
16 AMATA NGD	50.00	50.00	80.00	119.23	-	80.00	109.08	-	-	-
17 TP	26.00	26.00	1,450.06	1,714.66	-	1,450.06	1,723.84	-	-	-
18 New Links	-	40.00	-	-	-	9,898.26	9,643.36	-	-	-
Total			43,521.41	51,633.02	-	52,858.48	54,910.08	-	-	-



## (TRANSLATION)

The Company

Unit : Million Baht

Company	% shareholding		March 31, 2005			December 31, 2004			Dividend	
	Mar 31, 2005	Dec 31, 2004	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2005	2004
<b>Subsidiaries:</b>										
1 PTTEP	66.48	65.98	9,483.34	45,492.15	-	8,526.69	41,815.95	-	-	-
2 PTTT	100.00	100.00	2.50	20.12	-	2.50	13.11	-	-	-
3 PTTCL	100.00	100.00	0.23	-	(72.02)	0.23	-	(75.95)	-	-
4 SBECL	100.00	100.00	0.41	-	(1,413.39)	0.41	-	(439.71)	-	-
5 SBFCI	-	100.00	-	-	-	8.45	-	(90.23)	-	-
6 SBDI	-	100.00	-	-	-	354.42	-	(992.05)	-	-
7 PTTNGD	58.00	58.00	418.14	497.18	-	418.14	747.70	-	324.80	-
8 PTTLNG	100.00	100.00	1.00	0.93	-	1.00	0.94	-	-	-
9 BPE	50.00	50.00	1,694.06	1,558.92	-	1,694.06	1,570.94	-	-	-
10 PTTPE	50.00	50.00	187.50	186.29	-	187.50	187.28	-	-	-
11 RRC	100.00	100.00	13,862.35	13,823.25	-	13,862.35	4,509.56	-	-	-
12 EnCo	50.00	50.00	400.00	399.75	-	0.50	0.45	-	-	-
13 RBA	49.00	49.00	0.49	15.62	-	0.49	14.34	-	-	-
<b>Associates:</b>										
Refining Business Group										
14 TOP	49.54	49.54	11,483.09	17,862.35	-	11,483.09	16,080.59	-	-	-
15 SPRC	36.00	36.00	14,770.48	9,851.90	-	14,770.48	8,800.09	-	-	-
Oil Business Group										
16 THAPPLINE	30.60	30.60	1,367.87	-	-	1,367.87	-	-	-	-
17 TLBC	48.95	48.95	140.00	79.66	-	140.00	74.38	-	-	-
18 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
19 PA (Sanshui)	25.00	25.00	7.17	6.01	-	7.17	6.14	-	-	-
20 V LPG	45.00	45.00	87.35	91.60	-	87.35	89.10	-	-	-
21 KPL	40.00	40.00	21.49	9.42	-	21.49	9.93	-	-	-
Petrochemical Business Group										
22 ATC	45.96	46.12	2,888.84	2,698.02	-	2,888.84	1,447.50	-	-	-
23 NPC	37.99	37.99	1,185.14	6,473.14	-	1,185.14	6,000.06	-	-	-
24 TOC	48.97	48.97	8,906.35	12,223.07	-	8,906.35	11,048.54	-	-	-
25 PPCL	40.00	40.00	200.00	197.91	-	200.00	198.96	-	-	-
Natural Gas Business Group										
26 PTTUT	40.00	40.00	401.00	399.69	-	240.00	239.77	-	-	-
27 IPT	20.00	-	400.19	384.49	-	-	-	-	-	-
<b>Joint Ventures:</b>										
Natural Gas Business Group										
28 TTM (T)	50.00	50.00	4,240.00	3,788.99	-	4,240.00	3,892.48	-	-	-
29 TTM (M)	50.00	50.00	281.32	224.47	-	281.32	223.80	-	-	-
30 DCAP	35.00	35.00	350.00	337.42	-	201.00	190.15	-	-	-
Total			72,911.56	116,622.35	(1,485.41)	71,208.09	97,161.76	(1,597.94)	324.80	-

**(TRANSLATION)**

6.3 Share of net assets and results of operation from joint ventures included in the consolidated financial statements as at March 31, 2005 and December 31, 2004 are as follows:

Balance Sheets:

As at March 31, 2005 and December 31, 2004

	Unit: Million Baht					
	March 31, 2005			December 31, 2004		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
Current assets	909.25	182.47	72.79	646.79	148.65	152.37
Non-current assets	11,270.98	690.04	566.74	10,538.48	465.52	322.10
Current liabilities	(1,092.97)	(145.25)	(158.61)	(2,363.43)	(54.29)	(175.82)
Non-current liabilities	(7,298.27)	(502.79)	(143.50)	(4,929.36)	(336.08)	(108.50)
Net assets	<u>3,788.99</u>	<u>224.47</u>	<u>337.42</u>	<u>3,892.48</u>	<u>223.80</u>	<u>190.15</u>

Statements of Income:

For the three-month periods ended March 31, 2005 and 2004

	Unit: Million Baht					
	2005			2004		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
Revenues	1.22	1.62	1.30	17.89	0.19	-
Expenses	(104.71)	(1.03)	(3.02)	(17.83)	(0.80)	(1.36)
Income(loss) before income taxes	(103.49)	0.59	(1.72)	0.06	(0.61)	(1.36)
Income taxes	-	(0.15)	-	-	(0.04)	-
Net income(loss)	<u>(103.49)</u>	<u>0.44</u>	<u>(1.72)</u>	<u>0.06</u>	<u>(0.65)</u>	<u>(1.36)</u>

6.4 Significant events occurred during the three-month period ended March 31, 2005

**SUBIC BAY GROUP (Comprises SBECL, SBFCI and SBDI)**

On January 1, 2005, the Company changed the shareholding structure of Subic Bay Group by disposing of all investments in the ordinary shares of SBFCI and SBDI, amounting to 17.01 million shares and 13.06 million shares, respectively, totalling USD 0.20 million (approximately to Baht 0.78 million) to SBECL. However, the Company's shareholding in SBECL still remains at 100%.

**DCAP**

During the first quarter of 2005, DCAP called for additional share capital from shareholders for the full amount of the authorized share capital of Baht 1,000 million. The Company paid the remaining amount of Baht 149 million according to its shareholding.

## (TRANSLATION)

### **ATC**

On February 2, 2004, ATC issued and offered non-transferable warrants to acquire ordinary shares to its directors, managements and employees under the Employee Stock Ownership Program (ESOP) amounting to 14.60 million units. The stock had no offering price and had a maturity period of 48 months since the warrant issued date. The exercise right is one warrant to one ordinary share with the exercise price of Baht 10 each.

The holders of the warrants received four separate warrants, each of which can be exercised for 25% of all allotted warrants. The warrants are exercisable every three months from the first exercise date on February 23, 2004 to the last exercise date on November 23, 2007.

As at March 31, 2005, warrants were exercised for 7,775,800 units. Therefore, the remaining unexercised warrants were 6,824,200 units. Hence, it effected a decrease in the percentage of the Company's shareholding in ATC from 46.12% to 45.96%. The gain on dilution amounting to Baht 7.87 million was recorded as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

### **IPT**

The board of directors' meeting no. 4/2004 dated April 22, 2004 approved the Company to purchase IPT's ordinary shares from Siemens AG amounting to 35.42 million shares or equivalent to 20% of total shares at the price of Baht 400.19 million (equivalent to USD 10 million). The Company will pay the purchase consideration by instalment. On March 11, 2005, all common shares of IPT were transferred to the Company from Siemens AG. Therefore, IPT became an associate and negative goodwill arising from the acquisition was Baht 493.94 million. However, on March 31, 2005, the Company had not paid the remaining amount of the authorized share capital amounting to Baht 115.23 million (USD 3 million) and will pay in the second quarter of 2005.

### **PTTUT**

On January 28, 2005, PTTUT called for additional 25% authorized share capital from shareholders to fulfil the whole amount of authorized share capital amounting to Baht 800 million. The Company paid the remaining amount of Baht 80 million according to its shareholding.

On March 24, 2005, PTTUT registered the additional authorized share capital of 8,100,000 shares with a par value of Baht 100 each, totalling Baht 810 million. The authorized share capital after the increase was Baht 1,610 million, by the first calling for the 25% additional share capital. The Company acquired an additional 3.24 million shares in PTTUT at Baht 81 million in order to maintain its shareholding according to the Joint Venture Agreement.

### **EnCo**

On February 24, 2005, EnCo increased its authorised share capital of 79,900,000 million shares with a par value of Baht 10 each, totalling Baht 799 million. The authorized share capital after the increase was Baht 800 million. All additional shares are fully paid-up. The Company acquired 39.95 million shares, in order to maintain its shareholding according to the Joint Venture Agreement amounting to Baht 399.50 million.

(TRANSLATION)

**New Links (an associate of PTTEPO)**

On February 17, 2005 PTTEP Offshore Investment Company Limited (PTTEPO) (a subsidiary of PTTEP) completed the sale of all of its shares in New Links to Encore Int'l Limited (Encore), in the total amount of Baht 9,101.84 million (USD 236.5 million) for the shares and warranty claims while the net book value of investment was Baht 9,679.71 million. Loss from disposal of the investment amounting to Baht 577.87 million was presented in the statement of income.

**7. Other Long-Term Investments**

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			March 31, 2005	December 31, 2004
PetroAsia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
PetroAsia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management service	49.00	49.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil pipeline	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling service	16.67	16.67
Ratchaburi Power Company Limited (RPCL)	Thailand	Power producer	15.00	15.00
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Service Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling	7.06	7.06
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Oil refining	7.91	7.91

(TRANSLATION)

7.2 Other long-term investments as at March 31, 2005 and December 31, 2004

Unit: Million Baht

Company	Shareholding Percentage		Consolidated		The Company		Dividend	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004	2005	2004
<b><u>Investments Accounted for under Cost Method</u></b>								
<b>Associates:</b>								
Oil Business Group								
1 PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2 PTT Mart	49.00	49.00	78.40	78.40	78.40	78.40	-	-
<b>Joint Ventures:</b>								
Exploration and Production and Gas Business Group								
3 CPOC	50.00	50.00	Baht 9.90	Baht 9.90	-	-	-	-
<b>Other Related Parties:</b>								
4 FPT	2.76	2.76	44.00	44.00	44.00	44.00	-	-
5 IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
6 PA (Shantou)	15.00	15.00	60.84	60.84	60.84	60.84	-	-
7 RPCL	15.00	15.00	249.75	249.75	249.75	249.75	-	-
Total investments accounted for under cost method			448.17	448.17	448.17	448.17		
<u>Less</u> Allowance for impairment of investment			198.40	198.40	198.40	198.40		
Total investments accounted for under cost method, net			249.77	249.77	249.77	249.77		
<b><u>Investments Accounted for Fair Value</u></b>								
Other Companies - Available-For-Sale Securities:								
8 TIP	13.33	13.33	312.00	312.00	312.00	312.00	-	-
9 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	-	-
10 BCP	7.91	7.91	105.32	105.32	105.32	105.32	-	-
Total investments – available-for-sale securities			441.32	441.32	441.32	441.32		
<u>Add</u> Allowance for increase in fair value of investments			1,055.64	1,046.37	1,055.64	1,046.37		
Total investments accounted for fair value			1,496.96	1,487.69	1,496.96	1,487.69		
Total other long-term investments			1,746.73	1,737.46	1,746.73	1,737.46	-	-

7.3 Significant events during the three-month period ended March 31, 2005

**PTT MART**

On March 10, 2005, the Company on behalf of the unsecured creditor of PTT MART submitted a request to the Custodian for the receipt of repayment amounting to Baht 133.45 million.

The Company accounted for its investments in associates under the cost method adjusted by allowance for impairment of investments in the event that the Company intended to dispose of them. These associates are PTT Mart and PA(Huizhou).

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

(TRANSLATION)

8. Property, Plant and Equipment, Net

Property, plant and equipment as at March 31, 2005 and December 31, 2004 are as follows:

Unit: Million Baht

	Consolidated						Total
	Land	Buildings and buildings improvement	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	
<b>Cost</b>							
As at December 31, 2004	3,106.08	15,841.29	150,530.03	107,894.59	7,601.06	31,597.56	316,570.61
- Additions	-	111.69	319.12	2,546.83	41.22	10,222.87	13,241.73
- Borrowing costs	-	-	-	-	-	143.49	143.49
- Reclassification	-	499.42	11,622.77	0.17	(211.14)	(11,921.43)	(10.21)
- Disposals	-	(2.95)	(243.11)	(0.95)	115.04	(41.87)	(173.84)
- Currency translation differences	-	(0.40)	(0.47)	10.43	0.55	0.57	10.68
As at March 31, 2005	3,106.08	16,449.05	162,228.34	110,451.07	7,546.73	30,001.19	329,782.46
<b>Accumulated Depreciation</b>							
As at December 31, 2004	-	(7,687.14)	(66,907.54)	(46,156.31)	(4,927.70)	-	(125,678.69)
- Depreciation for the period	-	(166.97)	(1,337.73)	(1,953.33)	(166.46)	-	(3,624.49)
- Currency translation differences	-	(0.28)	1.51	(3.01)	0.21	-	(1.57)
- Reclassification	-	-	(0.03)	0.03	-	-	-
- Disposals	-	24.08	346.17	(199.18)	(40.06)	-	131.01
As at March 31, 2005	-	(7,830.31)	(67,897.62)	(48,311.80)	(5,134.01)	-	(129,173.74)
<b>Allowance for Impairment Loss</b>							
As at December 31, 2004	(42.87)	(373.13)	(288.72)	-	-	-	(704.72)
As at March 31, 2005	(42.87)	(373.13)	(288.72)	-	-	-	(704.72)
<b>Net Book Value</b>							
As at December 31, 2004	3,063.21	7,781.02	83,333.77	61,738.28	2,673.36	31,597.56	190,187.20
As at March 31, 2005	3,063.21	8,245.61	94,042.00	62,139.27	2,412.72	30,001.19	199,904.00

**(TRANSLATION)**

Unit: Million Baht

	The Company					Total
	Land	Buildings and buildings improvement	Machinery and equipment	Other assets	Construction in progress	
<b>Cost</b>						
As at December 31, 2004	2,659.86	11,462.45	94,240.51	7,148.38	20,606.70	136,117.90
- Additions	-	20.83	255.34	25.68	9,004.38	9,306.23
- Borrowing costs	-	-	-	-	142.34	142.34
- Reclassification	-	499.43	11,633.99	3.85	(12,143.35)	(6.08)
- Disposals	-	(2.92)	(35.04)	(12.29)	-	(50.25)
As at March 31, 2005	2,659.86	11,979.79	106,094.80	7,165.62	17,610.07	145,510.14
<b>Accumulated Depreciation</b>						
As at December 31, 2004	-	(6,190.20)	(49,203.74)	(4,784.03)	-	(60,177.97)
- Depreciation for the period	-	(128.17)	(1,235.71)	(156.50)	-	(1,520.38)
- Disposals	-	1.98	33.88	12.21	-	48.07
As at March 31, 2005	-	(6,316.39)	(50,405.57)	(4,928.32)	-	(61,650.28)
<b>Allowance for Impairment Loss</b>						
As at December 31, 2004	(42.87)	(373.13)	(244.96)	-	-	(660.96)
As at March 31, 2005	(42.87)	(373.13)	(244.96)	-	-	(660.96)
<b>Net Book Value</b>						
As at December 31, 2004	2,616.99	4,899.12	44,791.81	2,364.35	20,606.70	75,278.97
As at March 31, 2005	2,616.99	5,290.27	55,444.27	2,237.30	17,610.07	83,198.90

Borrowing cost amounting to Baht 142.34 million (December 31, 2004: Baht 658.53 million) is capitalized as part of cost of property, plant and equipment. The Company uses a capitalization rate of 5.90% (December 31, 2004: 6.11%)

As at March 31, 2005 and December 31, 2004, other assets included vehicles, which are acquired under finance leases in the consolidated financial statements amounting to Baht 48.79 million (December 31, 2004: Baht 56.91 million) and in the Company's financial statements amounting to Baht 48.20 million (December 31, 2004: Baht 56.27 million) as follows:

(TRANSLATION)

Unit: Million Baht

	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Cost	83.98	83.98	82.99	82.99
<u>Less: Accumulated depreciation</u>	<u>35.19</u>	<u>27.07</u>	<u>34.79</u>	<u>26.72</u>
Net Book Value	<u>48.79</u>	<u>56.91</u>	<u>48.20</u>	<u>56.27</u>

**9. Intangible Assets**

Intangible assets as at March 31, 2005 and December 31, 2004 are as follows:

Unit: Million Baht

	Consolidated	The Company
<b>Net book value as at December 31, 2004</b>	<b>3,410.75</b>	<b>3,120.03</b>
- Additions	824.24	59.59
- Disposals	(8.99)	-
- Amortization	(50.14)	(71.23)
- Other changes	10.23	6.42
<b>Net book value as at March 31, 2005</b>	<b>4,186.09</b>	<b>3,114.81</b>

**10. Advance Payment for Gas Purchased**

Advance payments for gas purchased as at March 31, 2005 and December 31, 2004 are as follows:

Unit: Million Baht

	Consolidated	The Company
Balance as at December 31, 2004	22,745.52	28,276.78
<u>Less Make-up during the period</u>	<u>609.02</u>	<u>755.52</u>
Balance as at March 31, 2005	<u>22,136.50</u>	<u>27,521.26</u>

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



(TRANSLATION)

## 11. Long-Term Loans

Long-term loans as at March 31, 2005 and December 31, 2004 are as follows:

### Current portion of long-term loans

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Local loans	6,798.28	7,598.28	6,730.00	7,530.00
Foreign loans	725.34	53,059.72	399.53	399.00
Liabilities from finance leases	30.33	30.65	30.12	30.44
Total	<u>7,553.95</u>	<u>60,688.65</u>	<u>7,159.65</u>	<u>7,959.44</u>

### Long-term loans

	Unit: Million Baht			
	Consolidated		The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Local loans	63,847.12	64,828.02	62,400.00	63,400.00
Foreign loans	11,112.79	8,579.94	2,948.36	2,944.47
Local bonds	36,500.00	36,500.00	34,000.00	34,000.00
Foreign bonds	31,004.09	30,959.14	15,567.93	15,543.63
Liabilities from finance leases	31.43	37.21	31.27	37.00
Total	<u>142,495.43</u>	<u>140,904.31</u>	<u>114,947.56</u>	<u>115,925.10</u>

As at March 31, 2005, long-term loans amounting to Baht 61,477.89 million (December 31, 2004: Baht 63,273.47 million) are secured by the Ministry of Finance.

### 11.1 Loans

Changes in local and foreign loans as at March 31, 2005 and December 31, 2004 are as follows:

	Unit: Million		
	Consolidated		
	Currency		Total Baht equivalent
Baht	US Dollars		
Balance as at December 31, 2004	63,950.74	241.29	81,730.62
- Additions	35.00	64.25	2,618.76
- Repayments	(1,817.07)	(1,335.00)	(1,817.07)
- Gain on foreign exchange	-	-	(48.78)
- Current portion	(6,798.28)	(18.48)	(7,523.62)
Balance as at March 31, 2005	<u>55,370.39</u>	<u>(1,047.94)</u>	<u>74,959.91</u>

(TRANSLATION)

Unit: Million

	The Company		
	Currency		Total Baht equivalent
	Baht	US Dollars	
Balance as at December 31, 2004	70,930.00	85.29	74,273.47
- Repayments	(1,800.00)	-	(1,800.00)
- Loss on foreign exchange	-	-	4.42
- Current portion	(6,730.00)	(10.18)	(7,129.53)
Balance as at March 31, 2005	<u>62,400.00</u>	<u>75.11</u>	<u>65,348.36</u>

## 11.2 Bonds

Bonds as at March 31, 2005 and December 31, 2004 are as follows:

	Consolidated			
	March 31, 2005		December 31, 2004	
	Million USD	Million Baht	Million USD	Million Baht
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	789.87	31,004.09	789.78	30,959.14
- Baht currency	-	36,500.00	-	36,500.00
Total	<u>789.87</u>	<u>67,504.09</u>	<u>789.78</u>	<u>67,459.14</u>

  

	The Company			
	March 31, 2005		December 31, 2004	
	Million USD	Million Baht	Million USD	Million Baht
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	396.59	15,567.93	396.50	15,543.63
- Baht currency	-	34,000.00	-	34,000.00
Total	<u>396.59</u>	<u>49,567.93</u>	<u>396.50</u>	<u>49,543.63</u>

In May 2004, the Company issued three lots of 19 million unsecured unsubordinated bonds with a face value of Baht 1,000 each, totalling Baht 19,000 million. The first lot of 15 million units had a redemption period of 8 years, to be redeemed in 2012 with interest charged for years 1-4 at a fixed rate of 4.25% per annum and years 5-8 at a fixed rate of 5.75% per annum. The second lot of 3 million units had a redemption period of 12 years, to be redeemed in 2016 with the interest charged for years 1-6 at a fixed rate of 5.00% per annum and years 7-12 at a fixed rate of 5.95% per annum. The third lot of 1 million units had a redemption period of 15 years, to be redeemed in 2019 with interest charged at a fixed rate of 5.90% per annum. The interests of all three lots were payable every 6 months.

## (TRANSLATION)

In July 2004, The Company issued 400,000 unsecured unsubordinated bonds with a face value of USD 1,000 each, sold at a discounted price of 99.12% of the face value totalling USD 396.48 million at the fixed interest rate of 5.75% per annum. The interest is payable every 6 months with a redemption period of 10 years, to be redeemed on August 1, 2014.

PTTEP issued 2,500,000 unsecured unsubordinated bonds with a face value of Baht 1,000 each, totalling Baht 2,500 million. The bonds bear interest at the rate of 4.625 % per annum, payable every 6 months, and have a redemption period of 15 years, to be redeemed on March 27, 2018.

PTTEP issued 230 unsecured unsubordinated bonds with a face value of Yen 100 million each, totalling Yen 23 billion. The bonds bear interest at the rate of 3.35% per annum with a redemption period of 10 years, to be redeemed on September 19, 2007. On the date of the bond issuance, PTTEP entered into a cross-currency and interest rate swap agreement with a financial institution in Japan to swap Yen for USD 193.28 million. Under this agreement, interest is charged at the rate of 7.86% per annum, and is payable every six months.

PTTEP guaranteed 200,000 unsubordinated bonds, which were issued by PTTEP International Limited (a subsidiary of PTTEP) with a face value of USD 1,000 each, totalling USD 200 million. The bonds bear interest at the rate of 7.625% per annum, payable every 6 months, and have a redemption period of 10 years, to be redeemed on October 1, 2006.

### 11.3 Liabilities from Finance Leases

Liabilities from finance leases as at March 31, 2005 and December 31, 2004 are as follows:

	Consolidated		Unit: Million Baht The Company	
	March 31, 2005	December 31, 2004	March 31, 2005	December 31, 2004
Liabilities from finance leases				
- Not later than 1 year	33.24	34.23	33.03	34.02
- Later than 1 year and not later than 5 years	32.13	38.40	31.92	38.13
Future finance charges on finance leases	(3.61)	(4.77)	(3.56)	(4.71)
Present value of liabilities from finance leases	<u>61.76</u>	<u>67.86</u>	<u>61.39</u>	<u>67.44</u>
Present value of liabilities from finance leases				
- Current (Not later than 1 year)	30.33	30.65	30.12	30.44
- Non-current (Later than 1 year and not later than 5 years)	31.43	37.21	31.27	37.00
Total	<u>61.76</u>	<u>67.86</u>	<u>61.39</u>	<u>67.44</u>

### 12. Provision for Decommissioning Costs

The Group recognized provision for liabilities as at March 31, 2005 and December 31, 2004 for decommissioning costs expected to incur in the future amounting to Baht 5,241.87 million and 5,229.67 million, respectively. The provision was estimated using existing technology at current prices.

(TRANSLATION)

**13. Share Capital**

As at March 31, 2005 and December 31, 2004, the Company has authorized share capital of 2,850,000,000 ordinary shares with a par value of Baht 10 per share. The issued and fully paid-up share capital is 2,797,245,725 ordinary shares with a par value of Baht 10 per share.

**14. Earnings Per Share**

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

Basic earnings per share in the consolidated and the Company's financial statements for the three-month periods ended March 31, 2005 and 2004 are as follows:

	2005	2004
Income before extraordinary items (Baht)	18,257,622,933	12,274,405,076
Extraordinary items (Baht)	7,738,280,775	-
Net income attributable to ordinary shareholders (Baht)	25,995,903,708	12,274,405,076
Weighted average number of ordinary shares held by third parties during the period (shares)	2,797,245,725	2,797,245,725
Income before extraordinary items (Baht/share)	6.52	4.39
Extraordinary items (Baht/share)	2.77	-
Basic earnings per share (Baht/share)	9.29	4.39

For the calculation of diluted earnings per share, the Company assumed that warrants of the Group given to directors, managements and employees are converted into ordinary shares. Exercising those warrants resulted in the net income of the Group, recognised in the Company's financial statements, adjusted by the decrease in shareholding proportion.

Diluted earnings per share in the consolidated and the Company's financial statements for the three-month periods ended March 31, 2005 and 2004 are as follows:

	2005	2004
Net income attributable to ordinary shareholders before extraordinary items (Baht)	18,257,622,933	12,274,405,076
Adjustment of net income (Baht)	(14,667,798)	(4,631,377)
Income before extraordinary items for calculation of diluted earnings per share (Baht)	18,242,955,135	12,269,773,699
Extraordinary items (Baht)	7,738,280,775	-
Net income for calculation of diluted earnings per share (Baht)	25,981,235,910	12,269,773,699

**(TRANSLATION)**

	2005	2004
Weighted average number of ordinary shares held by third parties during the period (shares)	2,797,245,725	2,797,245,725
Income before extraordinary items (Baht/share)	6.52	4.39
Extraordinary items (Baht/share)	2.77	-
Diluted earnings per share (Baht/share)	9.29	4.39

As at March 31, 2005, PTTEP issued warrants under the Employee Stock Ownership Plan (ESOP) as follows:

The exercise of warrants 1.20 million units to purchase 2.40 million ordinary shares by employees on June 16, 1998 (one warrant provides the right to purchase two ordinary shares) to directors, managements and employees with the exercise price of Baht 150 per share. On the last exercise date of September 14, 2003, no employee exercised the warrants to purchase ordinary shares. However, the annual general meeting of the shareholders passed a resolution to reallocate 2.4 million ordinary shares reserved for the exercise of rights under the newly issued warrants from PTTEP in 2004-2006.

The exercise of warrants to purchase ordinary shares by employees (Employee Stock Ownership Plan or ESOP) is for 5 consecutive years, totalling 10 million ordinary shares. As at March 31, 2005, the employees exercised the warrants to purchase 1.37 million shares (2003: 0.40 million shares, 2004: 0.93 million shares and 2005 : 0.04 million shares). Therefore, the remaining outstanding balance of shares is 8.63 million shares for:

- On August 1, 2002, PTTEP provided warrants to purchase 2 million units of ordinary shares (one warrant provides the right to purchase one ordinary share) to its directors, managements and employees with the exercise price of 111 Baht per share. The warrants are exercisable on the last working day of every three months starting from the first exercise date on July 31, 2003. As at March 31, 2005, 0.92 million warrants have been exercised by 1,185 employees. Therefore, the remaining outstanding balance of warrants is 1.08 million units and the remaining balance of reserved shares is 1.08 million shares.
- On August 1, 2003, PTTEP provided warrants to purchase 2 million units of ordinary shares (one warrant provides the right to purchase one ordinary share) to its directors, managements and employees with the exercise price of 117 Baht per share. The warrants are exercisable on the last working day of every three months starting from the first exercise date on July 31, 2004. As at March 31, 2005, 0.45 million warrants have been exercised by 646 employees. Therefore, the remaining outstanding balance of warrants is 1.55 million units and the remaining balance of reserved shares is 1.55 million shares.
- On August 1, 2004, PTTEP provided warrants to purchase 2.8 million units of ordinary shares (one warrant provides the right to purchase one ordinary share) to its directors, managements and employees with the exercise price of 183 Baht per share. The warrants are exercisable on the last working day of every three months starting from the first exercise date on July 31, 2005.
- On March 31, 2005, remaining balance of 3.20 million ordinary shares was reserved for providing warrants.

(TRANSLATION)

**15. Other Income**

Other income for the three-month periods ended March 31, 2005 and 2004 are as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	2005	2004	2005	2004
Bank interest income	411.25	197.47	571.11	152.62
Penalty income	92.21	61.69	91.77	61.69
Transportation income	832.62	299.27	1,346.94	299.27
Compensation for loan interest of advance payment for gas purchased	502.07	430.98	502.07	430.98
Gain on foreign exchange	784.05	236.55	316.15	128.75
Others	206.94	696.12	672.09	690.76
Total	<u>2,829.14</u>	<u>1,922.08</u>	<u>3,500.13</u>	<u>1,764.07</u>

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

**16. Share of Net Income from Investments under the Equity Method**

Share of net income from investments under the equity method for the three-month periods ended March 31, 2005 and 2004 include share of gain on foreign exchange, as follows:

	Unit: Million Baht			
	Consolidated		The Company	
	2005	2004	2005	2004
Share of gain on foreign exchange	<u>123.24</u>	<u>220.61</u>	<u>553.31</u>	<u>279.97</u>

**17. Extraordinary items**

In November 2004, the board of directors of the Company approved a short-term loan to RRC amounting to USD 1,134.75 million (Baht 44,255.25 million) with interest rate of LIBOR +2.5% per annum for refinancing of RRC's loan. On January 17, 2005, the lender allowed to decrease loan to RRC amounting to USD 200.25 million (Baht 7,738.28 million) or 15% of the previous loan of USD 1,335 million. As a result, the loan was reduced to USD 1,134.75 million (Baht 44,255.25 million).

The gain from the loan restructuring of Baht 7,738.28 million (USD 200.25 million) was recorded as an extraordinary item in the consolidated income statement for the three-month period ended March 31, 2005.

(TRANSLATION)

**18. Segmented Financial Information**

The Company presented the financial information by business segments but not geographical segment. The reason is that no other individual country, with the exception of Thailand, reported more than 10% of the consolidated revenues, operating results and total assets of all business segments.

The financial information by business segments presented in the consolidated financial statements for the three-month periods ended March 31, 2005 and 2004 are as follows:

Consolidated

For the three-month period ended March 31, 2005

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro chemical	Others	Elimination	Total
								Unit : Million Baht
Sales - others	140,734.13	41,320.42	1,357.15	7,588.87	1,711.48	-	-	192,712.05
- related parties	23,416.00	5,594.78	11,765.24	24,476.84	-	-	(65,252.86)	-
Petroleum royalties	-	-	(1,550.79)	-	-	-	-	(1,550.79)
Net sales	164,150.13	46,915.20	11,571.60	32,065.71	1,711.48	-	(65,252.86)	191,161.26
Gross margin	3,073.10	9,635.96	8,910.97	3,655.06	71.67	-	151.47	25,498.23
<b>EBITDA</b>	<b>2,088.18</b>	<b>9,879.24</b>	<b>9,454.50</b>	<b>3,346.13</b>	<b>20.56</b>	<b>(111.01)</b>	<b>(361.94)</b>	<b>24,315.66</b>
Depreciation and amortization	506.82	1,161.09	2,028.02	7.98	62.68	3.57	(95.54)	3,674.62
<b>EBIT</b>	<b>1,581.36</b>	<b>8,718.15</b>	<b>7,426.48</b>	<b>3,338.15</b>	<b>(42.12)</b>	<b>(114.58)</b>	<b>(266.40)</b>	<b>20,641.04</b>
Share of net income in associates	0.02	10.15	30.83	-	-	5,724.57	-	5,765.57
Interest-net								(1,815.88)
Other income								1,435.33
Income taxes								(6,296.78)
Extraordinary items								7,738.28
Minority interests								(1,471.66)
<b>Net Income</b>								<b>25,995.90</b>

**(TRANSLATION)**

Consolidated

For the three-month period ended March 31, 2004

	Unit : Million Baht					
	Oil	Natural gas	Petroleum exploration and production	Others	Elimi nation	Total
Sales - others	102,329.90	35,110.97	960.17	-	-	138,401.04
- related parties	3.42	4,183.18	9,536.20	-	(13,722.80)	-
Petroleum royalties	-	-	(1,255.36)	-	-	(1,255.36)
Net sales	102,333.32	39,294.15	9,241.01	-	(13,722.80)	137,145.68
Gross margin	2,713.47	8,360.52	6,442.58	-	(31.21)	17,485.36
<b>EBITDA</b>	<b>1,483.64</b>	<b>8,531.52</b>	<b>7,871.47</b>	<b>(58.66)</b>	<b>(20.98)</b>	<b>17,806.99</b>
Depreciation and amortization	532.04	980.45	2,044.02	1.04	31.40	3,588.95
<b>EBIT</b>	<b>951.60</b>	<b>7,551.07</b>	<b>5,827.45</b>	<b>(59.70)</b>	<b>(52.38)</b>	<b>14,218.04</b>
Share of net income in associates	0.06	-	(109.93)	3,862.30	-	3,752.43
Interest-net						(1,705.02)
Other income						1,247.04
Income taxes						(4,024.53)
Minority interests						(1,213.55)
<b>Net Income</b>						<b>12,274.41</b>

Pricing among business groups uses normal market prices except for pricing among sectors within the Company using net market prices, net of management fees of petroleum terminals and operation fees.

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

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

The Group categorizes segments for major businesses as follows:

Oil Business

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

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



## (TRANSLATION)

### Natural Gas Business

The Group conducts a fully-integrated gas business including procurement, natural gas pipeline transmission, natural gas separation and distribution in both domestic and overseas markets.

### Exploration and Production Petroleum Business

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

### Petrochemical Business

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

### Refining Business

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

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

## **19. Acquisitions**

During the first quarter of 2005, the Company acquired 3.26 million additional ordinary shares of PTTEP, a subsidiary, from third parties. This resulted in an increase in its investment in PTTEP's share capital from 65.98% to 66.48%. The purchase consideration was Baht 956.65 million. The book value of net assets on the acquisition date was Baht 285.26 million, which is equal to the fair value of net assets. Goodwill arising from the acquisition amounting to Baht 671.39 million is amortized using the straight-line method over the Reserve Life Index of PTTEP.

PTTEP provided its employees with exercise warrants to purchase ordinary shares according to the Employee Stock Ownership Plan (ESOP) for 5 consecutive years, totalling 10 million ordinary shares. As at March 31, 2005, employees exercised the warrants to purchase 1.37 million shares. Therefore, the remaining balance is 8.63 million reserved shares. This resulted in gain on dilution of investments amounting to Baht 38.71 million. The gain on dilution was recognized as surplus on dilution of investments in subsidiaries and associates in shareholders' equity.

## **20. Promotional Privileges**

The Company received promotional privileges from the Board of Investment (BOI) under the Investment Act, B.E. 2520 (1977) for the Gas Separation Plant Unit #5 and the distribution gas pipeline to the Rojana Industrial Park. The promotional privileges include exemption on import duty approved from BOI and corporate income tax for net income from promotional business for 8 years starting from the date of first sales are realized. As the Company received promotional privileges from BOI, the Company has to comply with all conditions and regulations for the promotional operations as stated in the Promotion Certificate.

(TRANSLATION)

**21. Commitments and Contingent Liabilities**

21.1 A foreign contractor has a dispute with the Company and has filed a complaint with the arbitrator of the International Chamber of Commerce (ICC) with regard to a construction contract of onshore parallel gas pipeline laying from Rayong-Bangpakong-Wang Noi. Damage and legal costs approximately to USD 61 million have been claimed. On February 4, 2002, the arbitrator made the decision that the Company had to pay for damage and expenses incurred in the administration of the case amounting to USD 28.43 million, together with interest charge and fee for letter of guarantee. However, the Company has always contended with and retained rights concerning the arbitration and the judicial process on this dispute. On March 20, 2003, the Company contended with the enforcement according to arbitrator's decision, which such foreign contractor has already filed a complaint to the civil court. The case is under the court consideration. As at March 31, 2005, the Company recorded the damage including interest and expenses incurred totalling Baht 1,395.01 million as other non-current liabilities. Nevertheless, the Company, as the plaintiff, has filed against the foreign contractor as a defendant in the civil court for the delay of work submission which caused the Company damages approximately to Baht 4,274 million. The case is in the process of taking evidence and has no progress.

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

The Company entered into the Shareholder's Commercial Support Arrangements with two associates according to a condition with a financial institution. The Company has obligations concerning commercial trade credits in form of extended credit for raw materials and/or advance product payment with credit limits of USD 100 million and USD 90 million, respectively. As at March 31, 2005, the commercial credit lines have not been used.

The Company has an obligation in form of an extended credit for raw materials to a foreign subsidiary with a credit limit of USD 70 million. The commercial credit line has been used amounting to USD 65.15 million. As at March 31, 2005, the remaining commercial trade credit was USD 4.85 million.

As at March 31, 2005, the Company had obligations concerning Shareholder Agreements to subsidiaries and joint ventures to pay for ordinary shares in accordance with the Company's interest amounting to Baht 3,573.51 million.

21.3 As at March 31, 2005, the Company had contingent liabilities in the form of Letter of Guarantee amounting to Baht 732.14 million in the consolidated financial statements and Baht 23.69 million in the Company's financial statements.

**22. Subsequent Events**

22.1 At the Annual General Shareholders' meeting of the Company held on April 12, 2005, the shareholders approved the followings:

22.1.1 The payment of dividends at Baht 6.75 per share for 2,797,245,725 shares, totalling Baht 18,881.41 million. The Company paid the dividends on April 29, 2005,

22.1.2 To acknowledge the issue and offer of 60,000,000 warrants to the President, executives, employees of the Company and employees of the Company's affiliates held permanent office in the Company under the ESOP scheme. The issue and offer of warrants were classified into two series as follows:

## (TRANSLATION)

- Series one 40,000,000 warrants were allocated to the President, executives, employees of the Company and employees of the Company's affiliates held permanent office in the Company in 2005(PTT W-1)
- Series two 20,000,000 warrants were allocated to the President, executives, employees of the Company and employees of the Company's affiliates held permanent office in the Company in 2006(PTT W-2), detail of which will be presented to the shareholders' meeting next year for approval

The shareholders' meeting approved the issue and offer of 40,000,000 warrants to be allocated to the President, executives, employees of the Company and employees of the Company's affiliates held permanent office in the Company in 2005(PTT W-1).

- 22.1.3 The reduction of the Company's registered capital by cancelling 52,754,275 authorized but unissued shares at a par value of Baht 10 each amounting to Baht 527.54 million from the existing registered share capital of Baht 28,500 million. After the reduction, the Company will have the authorised share capital of Baht 27,972.46 million which comprises 2,797,245,725 shares at a par value of Baht 10 each.
  - 22.1.4 The increase of the Company's registered capital for an additional amount of Baht 400 million from the existing share capital of Baht 27,972.46 million to the new registered capital of Baht 28,372.46 million, comprising 2,837,245,725 shares by issuing additional 40 million ordinary shares with a par value of Baht 10 each in reserve for the exercise of warrants by the President, executives, employees of the Company and employees of the Company's affiliates held permanent office in the Company.
- 22.2 On April 27, 2005, the Company together with NPC and BPE jointly established PTT Polymer Marketing Co., Ltd. (PTTPM) for the purpose of domestic and international marketing of polymer products of the Group. The initial authorized share capital of PTTPM was Baht 40 million, comprising 400,000 ordinary shares with a par value of Baht 100 per share. The shares held by the Company, NPC and BPE represent 50%, 25% and 25%, respectively.
- 22.3 On April 28, 2005, the Company's board of directors meeting no. 4/2005 approved the Company's investment in 31.5% of the total shares of Thai Petrochemical Industry Public Company Limited (TPI) and the major terms of the share purchase which have been mutually agreed between the Company and the Ministry of Finance (MOF). The Company intended to purchase approximately 6,142.50 million shares of TPI at an indicative share price of Baht 3.30 per share, equivalent to approximately Baht 20,270 million. However, the transaction and the indicative share price of TPI shares remain subject to satisfactory confirmatory due diligence of TPI and its subsidiaries, term and conditions of the Share Purchase Agreement (SPA) to be agreed upon, success of TPI rehabilitation plan and management control over TPI. The payment for TPI shares took place after TPI and its subsidiaries succeeded completely in the rehabilitation plan but no later than November 4, 2005 in accordance with the timeline set out in the TPI rehabilitation plan.
- 22.4 On April 4, 2005, PTTEP International Company Limited (PTTEPI) (a subsidiary of PTTEP) signed a Farm-out Agreement for Block B, offshore Cambodia, with Resourceful Petroleum Limited (RPL). PTTEPI will be the operator with a 40% participation interest. Participation

**(TRANSLATION)**

will be valid after obtaining approval on the Production Sharing Contract from the Cambodian government.

- 22.5 On April 5, 2005, the annual general shareholders' meeting of PTTEP approved the issue and offering of warrants amounting to 2.8 million units (one warrant provided the right to purchase one ordinary share) to the directors, managements and employees with the exercise price of Baht 278 per share. The annual general shareholders' meeting also approved to increase its share capital to 2.8 million shares for these exercised warrants.
- 22.6 On April 12, 2005, RRC changed its status from a company limited to a public company limited with the Department of Business Development, Ministry of Commerce and changed its name from Rayong Refinery Co., Ltd. to Rayong Refinery Public Co., Ltd.

At the extraordinary shareholders' meeting no. 1/2005 of RRC on April 20, 2005, the shareholders approved a decrease in RRC's authorized share capital from 379,164,867 shares with a par value of Baht 100 each, totalling Baht 37,916,486,700 to 2,274,980,202 shares with a par value of Baht 10 each, totalling Baht 22,749,892,020. The purpose was to reduce the loss carried forward of RRC by Baht 15,166,594,680.

- 22.7 The Audit Committee of the Company will approve the financial statements for public issuance on May 12, 2005.