



(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 and the Company's balance sheets as of June 30, 2006, and the related consolidated and the Company's statements of income for the three-month and six-month periods ended June 30, 2006 and 2005, changes in shareholders' equity, and cash flows for the six-month periods ended June 30, 2006 and 2005 of PTT Public Company Limited and its subsidiaries. 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 generally accepted auditing standards applicable to review engagements. Those standards require that the Office of the Auditor General of Thailand plan and perform the reviews 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 in accordance with generally accepted auditing standards. 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's financial statements for the year ended December 31, 2005 of PTT Public Company Limited and its subsidiaries in accordance with generally accepted auditing standards, and expressed an unqualified opinion on those statements in the report dated February 17, 2006. The consolidated and the Company's balance sheets as of December 31, 2005, presented 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. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date on that report.

(Signed) Boobpha Anuntawat
(Boobpha Anuntawat)
Deputy Auditor General
for Auditor General

(Signed) Prungsri Chobtham
(Prungsri Chobtham)
Acting Director of Auditor Office
for Auditor General

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

Unit : Baht

	Notes	Consolidated		The Company	
		June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	2	62,434,918,944	73,440,815,749	26,690,220,701	20,884,465,980
Current investments		1,189,742,707	714,861,036	1,189,742,707	95,671,636
Trade accounts and notes receivable - others, net	3	83,481,963,538	67,518,695,403	72,179,125,325	55,618,297,002
Trade accounts receivable - related parties, net	4.1	44,834,929,447	21,798,865,096	52,602,088,546	40,199,888,113
Other accounts receivable, advances and short-term loans - related parties, net	4.2	2,550,484,470	5,186,428,630	4,007,254,897	17,510,054,024
Inventories		17,593,676,592	23,501,308,669	12,241,799,672	9,176,116,543
Materials and supplies - net		6,138,296,313	5,532,864,605	1,764,894,623	1,563,510,309
Other current assets		22,733,006,690	24,320,164,659	17,313,747,735	18,385,858,758
Total Current Assets		240,957,018,701	222,014,003,847	187,988,874,206	163,433,862,365
Non-current Assets					
Investments accounted for under the equity method	5.2	93,721,627,944	66,577,148,716	186,120,122,328	170,591,164,633
Other long-term investments	6.2	2,421,398,700	2,089,316,392	1,769,618,600	1,799,078,000
Advances and long-term loans - related parties, net	4.3	5,807,690,627	5,992,867,629	5,958,983,443	6,019,375,915
Property, plant and equipment, net	7	298,602,176,653	305,378,114,996	124,451,178,725	109,948,850,665
Intangible assets	8	16,555,334,966	11,528,865,309	3,184,612,371	3,175,955,018
Deferred tax assets		1,206,772,641	1,898,455,921	1,176,628,466	1,184,784,823
Advance payment for gas purchased	9	18,187,441,800	19,746,624,624	22,620,568,451	24,574,666,637
Other non-current assets		11,254,965,032	14,581,259,662	9,184,484,408	8,487,176,043
Total Non-current Assets		447,757,408,363	427,792,653,249	354,466,196,792	325,781,051,734
Total Assets		688,714,427,064	649,806,657,096	542,455,070,998	489,214,914,099

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

Unit : Baht

	Notes	Consolidated		The Company	
		June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions		1,236,445,771	3,546,735,675	-	998,410,421
Trade accounts payable - others		62,264,865,397	49,488,015,557	59,194,328,997	43,920,826,386
Trade accounts payable - related parties	4.4	28,885,554,396	18,626,632,656	36,004,754,094	31,722,141,934
Other accounts payable - related parties	4.5	338,083,760	334,643,566	191,595,776	158,136,236
Current portion of long-term loans	10	26,473,953,500	21,626,740,361	14,488,959,913	8,484,501,371
Income tax payable		15,475,826,240	20,935,268,286	4,078,732,542	3,997,999,648
Accrued expenses		16,612,494,244	21,437,007,568	4,156,889,173	9,084,274,666
Other current liabilities		16,519,264,282	12,016,282,093	11,925,479,751	6,570,473,569
Total Current Liabilities		167,806,487,590	148,011,325,762	130,040,740,246	104,936,764,231
Non-current Liabilities					
Other long-term accounts payable - related parties	4.6	-	-	296,510,326	360,812,624
Long-term loans	10	183,227,329,324	197,983,341,348	145,505,416,792	146,743,072,536
Allowance for share of net loss over investments		-	-	891,465,632	1,074,727,910
Deferred tax liabilities		13,209,990,181	12,685,241,571	135,750,000	276,996,795
Provision for decommissioning costs	11	6,534,331,968	7,019,362,087	-	-
Deposits on LPG cylinders		4,144,622,933	3,986,404,813	4,144,622,933	3,986,404,813
Other non-current liabilities		1,969,468,671	1,688,048,445	1,219,766,859	1,019,332,886
Total Non-current Liabilities		209,085,743,077	223,362,398,264	152,193,532,542	153,461,347,564
Total Liabilities		376,892,230,667	371,373,724,026	282,234,272,788	258,398,111,795

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

Unit : Baht

	Notes	Consolidated		The Company	
		June 30, 2006 (Unaudited Reviewed)	December 31, 2005 (Audited)	June 30, 2006 (Unaudited Reviewed)	December 31, 2005 (Audited)
Liabilities and Shareholders' Equity (Continued)					
Shareholders' Equity					
Share capital	12				
Authorized share capital					
2,857,245,725 ordinary shares of Baht 10 each		28,572,457,250	-	28,572,457,250	-
2,837,245,725 ordinary shares of Baht 10 each		-	28,372,457,250	-	28,372,457,250
Issued and paid-up share capital					
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		2,668,392,772	2,142,400,359	2,668,392,772	2,142,400,359
Unrealized gain on available-for-sale securities		398,611,072	830,990,386	398,611,072	830,990,386
Currency translation differences		(996,751,453)	(800,719,785)	(996,751,453)	(800,719,785)
Retained earnings					
Appropriated					
Legal reserve	13	2,857,245,725	2,850,000,000	2,857,245,725	2,850,000,000
Reserve for Self-insurance Fund		841,395,380	841,395,380	841,395,380	841,395,380
Unappropriated		208,486,616,798	178,987,448,048	208,486,616,798	178,987,448,048
Total parent's shareholders' equity		260,220,798,210	230,816,802,304	260,220,798,210	230,816,802,304
Minority interests		51,601,398,187	47,616,130,766	-	-
Total Shareholders' Equity		311,822,196,397	278,432,933,070	260,220,798,210	230,816,802,304
Total Liabilities and Shareholders' Equity		688,714,427,064	649,806,657,096	542,455,070,998	489,214,914,099

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

**Unaudited
Reviewed**

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unit : Baht

	Notes	Consolidated		The Company	
		2006	2005	2006	2005
Sales and services		313,250,776,349	224,367,811,385	314,905,975,870	237,602,672,266
Cost of sales and services		276,835,088,675	195,803,957,889	302,328,656,087	224,358,516,030
Gross Margin		36,415,687,674	28,563,853,496	12,577,319,783	13,244,156,236
Selling and administrative expenses		6,080,948,506	6,572,009,345	4,547,993,785	4,490,574,845
Exploration expenses		457,184,659	298,877,705	-	-
Income from Sales		29,877,554,509	21,692,966,446	8,029,325,998	8,753,581,391
Gain on disposal of investments	19	7,130,480,089	-	7,130,480,089	-
Other income	15	4,427,154,296	2,686,220,305	3,669,495,510	3,186,630,372
Directors' remuneration		34,393,425	11,665,173	10,119,086	7,309,863
Income from Operations		41,400,795,469	24,367,521,578	18,819,182,511	11,932,901,900
Share of net income from investments under the equity method	16	7,382,644,644	4,509,071,173	16,660,125,958	10,399,251,801
Income before Interests and Taxes		48,783,440,113	28,876,592,751	35,479,308,469	22,332,153,701
Interest expenses		3,177,161,802	2,065,141,736	2,115,560,043	1,676,959,685
Income taxes		9,267,471,294	6,524,159,941	1,705,602,811	2,300,517,582
Income after Taxes		36,338,807,017	20,287,291,074	31,658,145,615	18,354,676,434
Income of minority interests		4,680,661,402	1,932,614,640	-	-
Net Income		31,658,145,615	18,354,676,434	31,658,145,615	18,354,676,434
Basic earnings per share	14				
Net income		11.32	6.56	11.32	6.56
Diluted earnings per share	14				
Net income		11.27	6.56	11.27	6.56

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

**Unaudited
Reviewed**

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unit : Baht

	Notes	Consolidated		The Company	
		2006	2005	2006	2005
Sales and services		583,621,707,038	414,490,257,584	593,160,590,671	438,780,357,088
Cost of sales and services		510,719,118,302	360,649,453,294	566,439,825,452	413,168,028,050
Gross Margin		72,902,588,736	53,840,804,290	26,720,765,219	25,612,329,038
Selling and administrative expenses		12,654,439,949	11,197,677,045	9,420,145,956	7,993,634,495
Exploration expenses		991,885,484	472,746,228	-	-
Income from Sales		59,256,263,303	42,170,381,017	17,300,619,263	17,618,694,543
Gain on disposal of investments	19	7,130,480,089	-	7,130,480,089	-
Other income	15	12,369,734,188	4,731,280,548	8,767,996,527	6,370,608,594
Directors' remuneration		64,414,353	22,378,881	19,920,086	14,188,613
Income from Operations		78,692,063,227	46,879,282,684	33,179,175,793	23,975,114,524
Share of net income from investments under the equity method	16	10,914,433,135	10,274,628,158	30,127,619,810	28,154,582,353
Income before Interests and Taxes		89,606,496,362	57,153,910,842	63,306,795,603	52,129,696,877
Interest expenses		5,964,296,836	4,316,387,644	3,814,693,954	3,436,835,289
Income taxes		18,829,106,350	10,499,463,154	4,111,164,217	4,342,281,446
Income after Taxes		64,813,093,176	42,338,060,044	55,380,937,432	44,350,580,142
Income of minority interests		9,432,155,744	3,404,276,444	-	-
Income from Ordinary Activities		55,380,937,432	38,933,783,600	55,380,937,432	44,350,580,142
Extraordinary items		-	5,416,796,542	-	-
Net Income		55,380,937,432	44,350,580,142	55,380,937,432	44,350,580,142
Basic earnings per share	14				
Income before extraordinary items		19.80	13.92	19.80	15.86
Extraordinary items		-	1.94	-	-
Net income		19.80	15.86	19.80	15.86
Diluted earnings per share	14				
Income before extraordinary items		19.71	13.91	19.71	15.85
Extraordinary items		-	1.94	-	-
Net income		19.71	15.85	19.71	15.85

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

**Unaudited
Reviewed**

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005
CONSOLIDATED**

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	Retained earnings			Minority interests	Total
						Legal reserve	Reserve for Self-insurance Fund	Unappropriated		
Balance as of January 1, 2005	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	-	-	-	-	150,447,828	-	-	-	-	150,447,828
Unrealized gain on available-for-sale securities	-	-	-	97,292,000	-	-	-	-	-	97,292,000
Minority interests	-	-	-	-	-	-	-	-	1,058,904,000	1,058,904,000
Surplus on dilution of investments in subsidiaries and associates	-	-	5,642,352	-	-	-	-	-	-	5,642,352
Dividend paid	-	-	-	-	-	-	-	(18,881,408,644)	-	(18,881,408,644)
Net income	-	-	-	-	-	-	-	44,350,580,142	-	44,350,580,142
Balance as of June 30, 2005	27,972,457,250	17,992,830,666	2,094,926,604	1,143,659,181	(615,263,914)	2,850,000,000	811,830,329	137,846,300,539	21,599,680,184	211,696,420,839
Balance as of January 1, 2006	27,972,457,250	17,992,830,666	2,142,400,359	830,990,386	(800,719,785)	2,850,000,000	841,395,380	178,987,448,048	47,616,130,766	278,432,933,070
Currency translation differences	-	-	-	-	(196,031,668)	-	-	-	-	(196,031,668)
Unrealized loss on available-for-sale securities	-	-	-	(432,379,314)	-	-	-	-	-	(432,379,314)
Minority interests	-	-	-	-	-	-	-	-	3,985,267,421	3,985,267,421
Surplus on dilution of investments in subsidiaries and associates	5.4	-	525,992,413	-	-	-	-	-	-	525,992,413
Legal reserve	13	-	-	-	-	7,245,725	-	(7,245,725)	-	-
Dividend paid	-	-	-	-	-	-	-	(25,874,522,957)	-	(25,874,522,957)
Net income	-	-	-	-	-	-	-	55,380,937,432	-	55,380,937,432
Balance as of June 30, 2006	27,972,457,250	17,992,830,666	2,668,392,772	398,611,072	(996,751,453)	2,857,245,725	841,395,380	208,486,616,798	51,601,398,187	311,822,196,397

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

**Unaudited
Reviewed**

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005
THE COMPANY**

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	Retained earnings			Total
							Legal reserve	Reserve for Self-insurance Fund	Unappropriated	
Balance as of January 1, 2005		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	164,374,186,977
Currency translation differences		-	-	-	-	150,447,828	-	-	-	150,447,828
Unrealized gain on available-for-sale securities		-	-	-	97,292,000	-	-	-	-	97,292,000
Surplus on dilution of investments in subsidiaries and associates		-	-	5,642,352	-	-	-	-	-	5,642,352
Dividend paid		-	-	-	-	-	-	-	(18,881,408,644)	(18,881,408,644)
Net income		-	-	-	-	-	-	-	44,350,580,142	44,350,580,142
Balance as of June 30, 2005		27,972,457,250	17,992,830,666	2,094,926,604	1,143,659,181	(615,263,914)	2,850,000,000	811,830,329	137,846,300,539	190,096,740,655
Balance as of January 1, 2006		27,972,457,250	17,992,830,666	2,142,400,359	830,990,386	(800,719,785)	2,850,000,000	841,395,380	178,987,448,048	230,816,802,304
Currency translation differences		-	-	-	-	(196,031,668)	-	-	-	(196,031,668)
Unrealized loss on available-for-sale securities		-	-	-	(432,379,314)	-	-	-	-	(432,379,314)
Surplus on dilution of investments in subsidiaries and associates	5.4	-	-	525,992,413	-	-	-	-	-	525,992,413
Legal reserve	13	-	-	-	-	-	7,245,725	-	(7,245,725)	-
Dividend paid		-	-	-	-	-	-	-	(25,874,522,957)	(25,874,522,957)
Net income		-	-	-	-	-	-	-	55,380,937,432	55,380,937,432
Balance as of June 30, 2006		27,972,457,250	17,992,830,666	2,668,392,772	398,611,072	(996,751,453)	2,857,245,725	841,395,380	208,486,616,798	260,220,798,210

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unaudited
Reviewed

Unit : Baht

Notes	Consolidated		The Company	
	2006	2005	2006	2005
Cash Flows from Operating Activities				
Net income	55,380,937,432	44,350,580,142	55,380,937,432	44,350,580,142
Adjustments of net income to net cash provided by (used in) operating activities :				
Depreciation, depletion and amortization	13,200,707,034	7,836,510,264	3,293,787,689	3,240,239,178
Reversal of impairment loss of assets	(7,204,074)	(43,763,572)	(7,204,074)	-
Impairment loss of assets	-	12,816,206	-	12,816,206
(Gain) loss on disposal of assets	57,869,100	(22,613,057)	(6,252,723)	(20,652,342)
(Gain) loss on disposal of investments	(7,130,480,088)	577,873,705	(7,130,480,088)	-
Write-off fixed assets adjustment	2,072,515	(2,601,627)	2,072,515	(2,601,627)
Share of net income from investments under the equity method	(10,914,433,135)	(10,274,628,158)	(30,127,619,810)	(28,154,582,353)
Income of minority interests	9,432,155,744	3,404,276,444	-	-
(Gain) loss on foreign exchange	(5,851,330,880)	1,791,298,597	(2,724,600,303)	857,318,856
Unrealized gain on changes in value of investments	(2,102,695)	-	-	-
Doubtful accounts	63,013,265	(25,280,431)	47,158,936	(29,250,952)
Amortization of exploration costs	35,285,181	196,387,175	-	-
Amortization of bond issue expenses	4,787,761	4,787,761	-	-
Amortization of bond discounts	18,083,979	7,721,453	15,362,769	7,167,028
Deferred income taxes	775,779,911	(73,917,374)	8,156,357	462,723,703
Amortization of deferred interest from finance leases	12,627,844	2,625,143	6,168,682	2,625,143
Provision for net realizable value	(7,776,119)	153,915,251	(7,823,500)	153,915,251
Dividends received	(59,100,000)	(32,800,000)	(59,100,000)	(32,800,000)
Allowance for loss on lawsuits	205,500,000	-	205,500,000	-
Extraordinary items	-	(7,738,280,775)	-	-
Net income from operating activities before changes in operating assets and liabilities	55,216,392,775	40,124,907,147	18,896,063,882	20,847,498,233

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unaudited
Reviewed

Unit : Baht

Notes	Consolidated		The Company	
	2006	2005	2006	2005
Changes in operating assets (increase) decrease				
Trade accounts and notes receivable - others	(17,534,374,103)	(11,904,519,131)	(16,693,770,352)	(11,127,196,900)
Trade accounts receivable - related parties	(33,818,893,635)	(6,641,315,665)	(12,651,795,502)	(11,029,951,065)
Other accounts receivable, advances and short-term loans - related parties	265,947,253	(194,097,879)	665,945,572	(350,840,318)
Inventories	(3,733,797,547)	(6,370,360,004)	(3,057,859,629)	(2,264,215,700)
Materials and supplies	(594,817,768)	(708,717,391)	(120,626,432)	(256,446,519)
Other current assets	(420,098,906)	1,361,099,078	57,938,293	(394,103,371)
Advance payment for gas purchased	1,559,182,824	1,810,551,415	1,954,098,186	2,202,497,775
Long-term advances - related parties	1,939,224	215,469	215,469	215,469
Other non-current assets	(1,687,673,732)	(4,033,677,058)	(697,625,191)	(3,083,397,306)
Changes in operating liabilities increase (decrease)				
Trade accounts payable - others	13,396,336,372	13,585,865,222	15,619,531,824	12,375,836,447
Trade accounts payable - related parties	25,181,399,907	6,259,815,532	4,108,631,312	7,550,152,174
Other accounts payable - related parties	(30,307,765)	(97,831,417)	33,480,487	56,520,302
Income tax payable	(3,843,077,037)	(640,877,857)	80,732,894	500,943,232
Accrued expenses	(314,832,822)	999,008,970	(857,313,991)	220,618,395
Other current liabilities	5,421,385,949	(262,864,286)	6,387,366,823	(380,659,259)
Deposits on LPG cylinders	158,218,120	119,112,626	158,218,120	119,112,626
Other long-term accounts payable - related parties	-	-	(64,302,298)	412,479,711
Other non-current liabilities	237,646,189	(943,453,612)	516,700	(820,296,345)
	(15,755,817,477)	(7,662,045,988)	(5,076,617,715)	(6,268,730,652)
Net cash provided by operating activities	39,460,575,298	32,462,861,159	13,819,446,167	14,578,767,581

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unaudited
Reviewed

Unit : Baht

<u>Notes</u>	Consolidated		The Company	
	2006	2005	2006	2005
Cash Flows from Investing Activities				
Proceeds from disposal of property, plant and equipment	24,957,603	9,981,848	23,703,292	7,138,670
Payment for property, plant and equipment	(45,330,270,929)	(26,403,329,234)	(21,627,269,075)	(17,285,915,818)
Payment for intangible assets	(540,585,145)	(244,506,681)	(83,009,962)	(122,750,292)
Short-term loans to other companies	679,096	-	-	-
Long-term loans to related parties	-	(50,540,186)	(125,000,000)	(50,540,186)
Short-term loans to related parties	-	(3,212,559,000)	-	(47,467,809,000)
Payment for investments in subsidiaries	(66,119,055)	(1,022,451,236)	(1,205,869,055)	(1,421,951,236)
Payment for investments in joint ventures	-	-	(870,000,000)	(148,995,000)
Payment for investments in associates	(3,997,890,882)	(687,457,310)	(3,943,071,457)	(677,457,310)
Payment for investments in other companies	(1,001,297,291)	-	(640,848,600)	-
Cash received from disposal of long-term investment:	13,751,395,111	8,909,861,560	15,450,638,325	784,050
Cash received from repayment of long-term loans to related parties	185,177,003	-	185,177,003	-
Cash received from repayment of short-term loans	-	599,901,700	-	599,901,700
Cash received from repayment of short-term loans to related parties	2,082,527,529	45,000,000	14,082,777,529	17,999,901,700
Cash received from cancellation of leasehold in gas stations	6,090,637	24,937,500	6,090,637	24,937,500
Current investments (increase) decrease	(466,719,690)	48,488,234,053	(1,088,011,784)	46,515,360,520
Dividends received	4,669,412,591	5,522,850,889	11,350,865,461	9,679,260,689
Net cash provided by (used in) investing activities	(30,682,643,422)	31,979,923,903	11,516,172,314	7,651,865,987
Cash Flows from Financing Activities				
Cash received from the issue of ordinary shares	444,778,800	6,885,600	-	-
Proceeds from long-term loans	21,194,187,300	8,848,258,437	7,575,608,600	4,040,000,000
Cash received from the issue of bonds	4,000,000,000	-	4,000,000,000	-
Proceeds from short-term loans	300,000,000	-	-	-
Cash received from notes payable	-	6,180,000,000	-	6,180,000,000
Repayment of long-term loans	(9,441,053,755)	(45,159,662,393)	(3,199,020,104)	(203,086,094)
Redemption of debentures	(2,128,571,301)	-	-	-
Repayment of notes payable	(1,000,000,000)	(6,180,000,000)	(1,000,000,000)	(6,180,000,000)
Redemption of government bonds	(1,000,000,000)	(1,800,000,000)	(1,000,000,000)	(1,800,000,000)
Repayment of short-term loans	-	(12,470,855,218)	-	(11,602,418,968)
Payment of liabilities from finance leases	(51,290,332)	(15,760,567)	(30,946,922)	(15,668,067)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(511,879,483)	414,279,210	-	-
Dividends paid	(30,890,532,612)	(21,091,781,045)	(25,874,522,957)	(18,881,408,644)
Net cash used in financing activities	(19,084,361,383)	(71,268,635,976)	(19,528,881,383)	(28,462,581,773)

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2006 AND 2005

Unaudited
Reviewed

Unit : Baht

	<u>Notes</u>	<u>Consolidated</u>		<u>The Company</u>	
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Effects of exchange rates on cash and cash equivalents		(657,227,678)	74,915,029	(982,377)	880,629
Currency translation differences		(42,239,620)	21,631,603	-	-
Net increase (decrease) in cash and cash equivalents		(11,005,896,805)	(6,729,304,282)	5,805,754,721	(6,231,067,576)
Cash and cash equivalents at beginning of periods		73,440,815,749	51,237,268,293	20,884,465,980	12,621,621,594
Cash and cash equivalents at end of periods	2	<u>62,434,918,944</u>	<u>44,507,964,011</u>	<u>26,690,220,701</u>	<u>6,390,554,018</u>

Supplemental disclosure of cash flow information

Cash paid during the periods for

Interest expenses	5,477,872,047	5,147,870,623	3,429,493,176	3,748,354,058
Income taxes	21,664,872,324	13,023,000,280	3,644,318,258	2,909,860,765

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

AUDITOR'S REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2006

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2006

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PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2006
(UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2005 (AUDITED)

1. General Information

1.1 Purpose of the Interim Financial Statements

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

1.2 Preparation of the Interim Financial Statements

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

1.3 Basis of Preparation

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

These consolidated and the Company’s interim financial statements have been prepared under the same basis as the consolidated and the Company’s financial statements for the year ended December 31, 2005. During the period, there were changes in the structures of investments in subsidiaries, associates and joint ventures as stated in Note 5.

1.4 Summary of Significant Accounting Policies

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

2. Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2006 and December 31, 2005 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Cash on hand	220.20	509.21	198.38	229.68
Deposits held at call with banks	17,679.66	25,978.08	3,071.62	4,798.32
Fixed deposits	27,693.80	11,976.80	11,500.00	6,500.00
Treasury bills	1,466.55	19,577.43	718.04	113.57
Promissory notes	8,945.40	6,887.39	4,772.87	730.99
Bank of Thailand bonds	6,429.31	8,511.91	6,429.31	8,511.91
Total	<u>62,434.92</u>	<u>73,440.82</u>	<u>26,690.22</u>	<u>20,884.47</u>

Cash and cash equivalents as of June 30, 2006 mainly bear interest rates ranging from 0.50%-5.08% per annum (December 31, 2005: the interest rates range from 0.25%-5.75% per annum).

3. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others as of June 30, 2006 and December 31, 2005 are as follows :

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Trade accounts receivable	83,207.79	66,694.60	71,083.43	53,921.88
Notes receivable	2,672.61	3,206.47	2,672.61	3,206.47
Total	85,880.40	69,901.07	73,756.04	57,128.35
<u>Less</u> Allowance for doubtful accounts	<u>2,398.44</u>	<u>2,382.37</u>	<u>1,576.91</u>	<u>1,510.05</u>
Trade accounts and notes receivable – others, net	<u>83,481.96</u>	<u>67,518.70</u>	<u>72,179.13</u>	<u>55,618.30</u>

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

Aged trade accounts and notes receivable – others as of June 30, 2006 and December 31, 2005 can be analyzed as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Current	69,352.35	55,448.25	61,385.26	46,451.30
Overdue				
- Up to 3 months	5,322.29	4,818.75	2,203.42	2,079.64
- Over 3 – 6 months	1,253.23	1,444.45	1,126.02	1,380.87
- Over 6 – 12 months	2,300.67	1,519.06	2,252.16	1,476.47
- Over 12 months	7,651.86	6,670.56	6,789.18	5,740.07
Total	85,880.40	69,901.07	73,756.04	57,128.35
<u>Less</u> Allowance for doubtful accounts	2,398.44	2,382.37	1,576.91	1,510.05
Trade accounts and notes receivable - others, net	<u>83,481.96</u>	<u>67,518.70</u>	<u>72,179.13</u>	<u>55,618.30</u>

Trade accounts and notes receivable – others, net as of June 30, 2006 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 26,597.09 million (December 31, 2005: Baht 19,046.78 million), and in the Company's financial statements amounting to Baht 26,457.64 million (December 31, 2005: Baht 18,881.51 million).

4. Related Party Transactions

The following are details of significant transactions carried out with related parties :

4.1 Trade accounts receivable – related parties as of June 30, 2006 and December 31, 2005

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Subsidiaries	-	-	9,148.89	20,077.16
Associates	45,095.31	19,822.83	43,676.98	18,154.13
Other related parties	0.83	2,244.18	0.83	2,244.18
Joint ventures	-	-	43.82	0.84
	45,096.14	22,067.01	52,870.52	40,476.31
<u>Less</u> Allowance for doubtful accounts	261.21	268.14	268.43	276.42
Total	<u>44,834.93</u>	<u>21,798.87</u>	<u>52,602.09</u>	<u>40,199.89</u>

4. Related Party Transactions (Continued)

4.1 Trade accounts receivable – related parties (Continued)

Aged trade accounts receivable – related parties as of June 30, 2006 and December 31, 2005 can be analyzed as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Current	42,036.27	21,899.84	45,005.11	35,492.97
Overdue				
- Up to 3 months	2,957.97	-	3,912.23	231.32
- Over 3 – 6 months	100.62	99.45	1,208.82	709.47
- Over 6 – 12 months	-	58.26	0.49	60.37
- Over 12 months	1.28	9.46	2,743.87	3,982.18
	<u>45,096.14</u>	<u>22,067.01</u>	<u>52,870.52</u>	<u>40,476.31</u>
<u>Less</u> Allowance for doubtful accounts	<u>261.21</u>	<u>268.14</u>	<u>268.43</u>	<u>276.42</u>
Total	<u>44,834.93</u>	<u>21,798.87</u>	<u>52,602.09</u>	<u>40,199.89</u>

4. Related Party Transactions (Continued)

4.2 Other accounts receivable, advances and short-term loans – related parties as of June 30, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Other accounts receivable				
Subsidiaries	-	-	91.52	577.58
Associates	1,194.79	1,173.15	1,193.73	1,170.44
Other related parties	-	20.62	-	12.24
Joint ventures	-	-	123.57	130.86
	<u>1,194.79</u>	<u>1,193.77</u>	<u>1,408.82</u>	<u>1,891.12</u>
<u>Less</u> Allowance for doubtful accounts	<u>141.67</u>	<u>141.71</u>	<u>141.67</u>	<u>142.02</u>
	<u>1,053.12</u>	<u>1,052.06</u>	<u>1,267.15</u>	<u>1,749.10</u>
Advances				
Subsidiaries	-	-	372.95	3.43
Associates	-	250.01	-	-
Other related parties	92.74	397.22	92.53	270.13
Joint ventures	-	-	870.00	-
	<u>92.74</u>	<u>647.23</u>	<u>1,335.48</u>	<u>273.56</u>
Short-term loans				
Subsidiaries	-	-	-	12,000.25
Associates	<u>1,404.62</u>	<u>3,487.14</u>	<u>1,404.62</u>	<u>3,487.14</u>
	<u>1,404.62</u>	<u>3,487.14</u>	<u>1,404.62</u>	<u>15,487.39</u>
Total	<u>2,550.48</u>	<u>5,186.43</u>	<u>4,007.25</u>	<u>17,510.05</u>

Changes in short-term loans – related parties for the six-month period ended June 30, 2006 are as follows :

Unit : Million Baht

	Consolidated	The Company
Balance as of December 31, 2005	3,487.14	15,487.39
- Receipt from loan repayment	(2,082.52)	(14,082.77)
Balance as of June 30, 2006	<u>1,404.62</u>	<u>1,404.62</u>

Short-term loans to related parties are unsecured with the interest rates ranging from 6.69%-7.50% per annum.

4. Related Party Transactions (Continued)

4.3 Advances and long-term loans – related parties as of June 30, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Advances				
Subsidiaries	-	-	1.29	1.51
Associates	302.14	304.86	302.14	304.86
	302.14	304.86	303.43	306.37
<u>Less</u> Allowance for doubtful accounts	302.14	304.86	302.14	304.86
	-	-	1.29	1.51
Long-term loans				
Subsidiaries	-	-	150.00	25.00
Associates	5,807.69	5,807.69	5,807.69	5,807.69
Other related parties	-	185.18	-	185.18
	5,807.69	5,992.87	5,957.69	6,017.87
Total	5,807.69	5,992.87	5,958.98	6,019.38

Changes in long-term loans – related parties for the six-month period ended June 30, 2006 are as follows :

Unit : Million Baht

	Consolidated	The Company
Balance as of December 31, 2005	5,992.87	6,017.87
- Payment for loans granted	-	125.00
- Receipt from loan repayment	(185.18)	(185.18)
Balance as of June 30, 2006	5,807.69	5,957.69

Long-term loans to related parties are unsecured with the interest rates ranging from 3.12%-7.50% per annum.

4. Related Party Transactions (Continued)

4.4 Trade accounts payable – related parties as of June 30, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Subsidiaries	-	-	6,434.53	12,920.87
Associates	28,697.59	17,826.54	28,381.73	17,441.24
Other related parties	187.96	800.09	187.97	800.09
Joint ventures	-	-	1,000.52	559.94
Total	<u>28,885.55</u>	<u>18,626.63</u>	<u>36,004.75</u>	<u>31,722.14</u>

4.5 Other accounts payable – related parties as of June 30, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Subsidiaries	-	-	35.74	29.53
Associates	126.80	309.70	125.83	103.16
Other related parties	211.28	24.94	24.52	24.94
Joint ventures	-	-	5.51	0.51
Total	<u>338.08</u>	<u>334.64</u>	<u>191.60</u>	<u>158.14</u>

4.6 Other long-term payable – related parties as of June 30, 2006 and December 31, 2005

Unit : Million Baht

	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Subsidiaries	-	-	296.51	360.81
Total	<u>-</u>	<u>-</u>	<u>296.51</u>	<u>360.81</u>

4. Related Party Transactions (Continued)

4.7 Revenue and expense transactions carried out with related parties.

For the three-month periods ended June 30, 2006 and 2005

Unit : Million Baht

	Consolidated		The Company	
	2006	2005	2006	2005
Revenues				
Sales :				
Subsidiaries	-	-	35,816.58	30,690.27
Associates	91,790.11	61,390.85	86,922.78	60,194.05
Other related parties	11,780.09	7,101.56	5,169.90	7,101.56
Joint ventures	-	-	123.99	2.40
Interest income :				
Subsidiaries	-	-	49.27	388.60
Associates	125.25	95.24	125.25	92.24
Other related parties	-	0.62	-	0.62
Other income :				
Subsidiaries	-	-	698.94	508.66
Associates	856.37	332.50	850.92	332.50
Other related parties	67.82	67.74	67.72	67.74
Joint ventures	-	-	9.09	14.98
Expenses				
Purchases :				
Subsidiaries	-	-	46,955.73	41,068.50
Associates	97,592.46	57,870.28	95,519.98	56,007.97
Other related parties	2,238.11	2,727.33	2,106.45	2,727.33
Joint ventures	-	-	1,884.38	-
Other expenses :				
Subsidiaries	-	-	65.92	60.93
Associates	9.73	4.64	5.96	4.64
Other related parties	177.09	134.80	163.72	134.80

4. Related Party Transactions (Continued)

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

For the six-month periods ended June 30, 2006 and 2005

Unit : Million Baht

	Consolidated		The Company	
	2006	2005	2006	2005
Revenues				
Sales :				
Subsidiaries	-	-	80,999.49	57,188.18
Associates	154,303.44	112,830.18	145,557.69	110,682.20
Other related parties	26,699.81	14,443.06	14,083.92	14,443.06
Joint ventures	-	-	179.71	11.43
Interest income :				
Subsidiaries	-	-	127.01	748.08
Associates	243.80	150.33	243.64	150.33
Other related parties	1.09	8.66	0.99	8.66
Joint ventures	-	-	-	1.35
Other income :				
Subsidiaries	-	-	1,268.12	1,580.43
Associates	1,356.96	866.09	1,348.44	866.09
Other related parties	152.59	87.90	152.44	87.90
Joint ventures	-	-	16.57	35.00
Expenses				
Purchases :				
Subsidiaries	-	-	102,847.73	76,747.25
Associates	162,352.91	101,908.79	158,211.54	98,597.80
Other related parties	4,349.09	4,796.46	4,108.70	4,796.46
Joint ventures	-	-	3,267.30	-
Other expenses :				
Subsidiaries	-	-	128.78	112.06
Associates	24.76	12.35	15.77	12.35
Other related parties	327.21	285.56	313.42	285.56

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

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

4. Related Party Transactions (Continued)

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

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

4.8 Details of commitments to subsidiaries, associates, joint ventures and other related parties are stated in Note 22.1.

5. Investments Accounted for under the Equity Method

5.1 Details of subsidiaries, associates and joint ventures of the Company are as follows :

Company	Country of Incorporation	Business	Shareholding Percentage	
			June 30, 2006	December 31, 2005
<u>Subsidiaries :</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	66.31	66.32
PTT (Cambodia) Co., Ltd. (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	49.00	49.00
PTT International Trading Pte., Ltd. (PTTT)	Singapore	Oil international trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
Bangkok Polyethylene Public Co., Ltd. (BPE)	Thailand	Petrochemical	50.00	50.00
PTT Polyethylene Co., Ltd. (PTTPE)	Thailand	Petrochemical	50.00	50.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemical	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemical	50.10	50.03
PTT Polymer Marketing Co., Ltd. (PTTPM)	Thailand	Polymer marketing	50.00	50.00
Rayong Refinery Public Co., Ltd. (RRC)	Thailand	Refining	-	100.00
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industries	40.00	40.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Real estate development	50.00	50.00

5. Investments Accounted for under the Equity Method (Continued)

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			June 30, 2006	December 31, 2005
<u>Associates :</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.54	49.54
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Rayong Refinery Public Co., Ltd. (RRC)	Thailand	Refining	49.99	-
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	29.75	-
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd (THAPPLINE)	Thailand	Oil pipeline	34.04	34.04
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Oil marketing	-	25.00
Vietnam LPG Co., Ltd. (V LPG)	Vietnam	Bottling and selling LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and selling LPG	40.00	40.00
Aromatics (Thailand) Public Co., Ltd. (ATC)	Thailand	Petrochemical	49.83	49.99
Thai Petrochemical Industry Public Co., Ltd. (TPI)	Thailand	Petrochemical and refining	31.50	31.50
Independent Power (Thailand) Co., Ltd. (IPT)	Thailand	Electricity generation	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
<u>Joint Ventures :</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co., Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00

5. Investments Accounted for under the Equity Method (Continued)

5.2 Investments accounted for under the equity method as of June 30, 2006 and December 31, 2005

Consolidated

Unit : Million Baht

Company	Shareholding percentage		June 30, 2006			December 31, 2005			Dividend for the six-month periods ended June 30	
	June 30, 2006	December 31, 2005	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2006	2005
Associates :										
Refining Business Group										
1 TOP	49.54	49.54	11,483.09	26,265.07	-	11,483.09	23,927.80	-	3,537.27	1,819.17
2 SPRC	36.00	36.00	14,770.48	14,548.99	-	14,770.48	12,509.94	-	-	-
3 RRC	49.99	-	8,515.39	17,604.13	-	-	-	-	-	-
4 BCP	29.75	-	4,049.48	4,698.38	-	-	-	-	15.67	-
Oil Business Group										
5 THAPPLINE	35.21	34.04	2,682.35	-	-	2,682.35	-	-	-	-
6 TLBC	48.95	48.95	140.00	113.84	-	140.00	97.75	-	-	-
7 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
8 PA (Sanshui)	-	25.00	-	-	-	7.17	6.07	-	-	-
9 V LPG	45.00	45.00	87.35	110.48	-	87.35	114.00	-	-	-
10 KPL	40.00	40.00	21.49	10.99	-	21.49	11.27	-	-	-
11 FST	25.00	25.00	1.13	1.03	-	1.13	0.94	-	-	-
Petrochemical Business Group										
12 ATC	49.83	49.99	4,423.12	3,431.48	-	4,423.12	3,851.99	-	966.05	1,331.54
13 TPI	31.50	31.50	20,363.81	21,065.05	-	20,364.91	20,364.91	-	-	-
14 VNT	24.98	23.02	3,297.39	3,240.70	-	3,070.87	3,127.28	-	171.70	-
15 EFT	22.65	22.65	2.26	7.50	-	2.26	6.88	-	-	-
Natural Gas Business Group										
16 IPT	20.00	20.00	400.19	665.44	-	400.19	556.84	-	-	-
17 AMATA NGD	50.00	50.00	80.00	155.12	-	80.00	177.47	-	-	-
18 TP	26.00	26.00	2,304.76	1,803.43	-	2,304.76	1,824.01	-	91.33	73.06
Total			72,753.54	93,721.63	-	59,970.42	66,577.15	-	4,782.02	3,223.77

5. Investments Accounted for under the Equity Method (Continued)

5.2 Investments accounted for under the equity method as of June 30, 2006 and December 31, 2005 (Continued)

The Company

Unit : Million Baht

Company	Shareholding percentage		June 30, 2006			December 31, 2005			Dividend for the six-month periods ended June 30	
	June 30, 2006	December 31, 2005	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2006	2005
Subsidiaries :										
1 PTTEP	66.31	66.32	9,483.34	57,793.06	-	9,483.34	51,724.45	-	3,474.80	3,904.67
2 PTTT	100.00	100.00	2.50	136.76	-	2.50	53.81	-	-	-
3 PTTCL	100.00	100.00	0.23	-	(30.83)	0.23	-	(58.16)	-	-
4 SBECL	100.00	100.00	0.41	-	(860.64)	0.41	-	(1,016.57)	-	-
5 PTTNGD	58.00	58.00	418.14	664.83	-	418.14	819.30	-	377.00	324.80
6 PTTLNG	100.00	100.00	50.00	31.08	-	13.25	9.53	-	-	-
7 BPE	50.00	50.00	1,694.06	1,544.65	-	1,694.06	1,531.64	-	-	-
8 PTTPE	50.00	50.00	1,150.00	1,114.79	-	900.00	875.74	-	-	-
9 PTTPM	50.00	50.00	20.00	5.18	-	20.00	24.79	-	-	-
10 RRC	-	100.00	-	-	-	13,862.35	20,406.00	-	-	-
11 EnCo	50.00	50.00	400.00	396.65	-	400.00	397.86	-	-	-
12 RBA	49.00	49.00	0.49	22.06	-	0.49	15.92	-	-	-
13 PPCL	40.00	40.00	800.00	767.26	-	320.00	303.45	-	-	-
14 PTTUT	40.00	40.00	563.00	535.72	-	563.00	552.63	-	-	-
15 PTTCH	50.10	50.03	15,780.40	27,414.48	-	15,714.28	26,327.08	-	2,829.65	-
Associates :										
Refining Business Group										
16 TOP	49.54	49.54	11,483.09	26,265.07	-	11,483.09	23,927.80	-	3,537.27	1,819.17
17 SPRC	36.00	36.00	14,770.48	14,548.99	-	14,770.48	12,509.94	-	-	-
18 RRC	49.99	-	8,515.39	17,604.13	-	-	-	-	-	-
19 BCP	29.75	-	4,049.48	4,698.38	-	-	-	-	15.67	-

5. Investments Accounted for under the Equity Method (Continued)

5.2 Investments accounted for under the equity method as of June 30, 2006 and December 31, 2005 (Continued)

The Company (Continued)

Unit : Million Baht

Company	Shareholding percentage		June 30, 2006			December 31, 2005			Dividend for the six-month periods ended June 30	
	June 30, 2006	December 31, 2005	Cost method	Equity method	Allowance for share of net loss over investments	Cost method	Equity method	Allowance for share of net loss over investments	2006	2005
Associates (continued) :										
Oil Business Group										
20 THAPPLINE	35.21	34.04	2,682.35	-	-	2,682.35	-	-	-	-
21 TLBC	48.95	48.95	140.00	113.84	-	140.00	97.75	-	-	-
22 PA (Thailand)	35.00	35.00	131.25	-	-	131.25	-	-	-	-
23 PA (Sanshui)	-	25.00	-	-	-	7.17	6.07	-	-	-
24 VLPG	45.00	45.00	87.35	110.47	-	87.35	114.00	-	-	-
25 KPL	40.00	40.00	21.49	10.99	-	21.49	11.27	-	-	-
Petrochemical Business Group										
26 ATC	49.83	49.99	4,423.12	3,756.10	-	4,423.12	4,065.98	-	966.05	1,331.54
27 TPI	31.50	31.50	20,363.81	21,354.96	-	20,364.91	20,364.91	-	-	-
Natural Gas Business Group										
28 IPT	20.00	20.00	400.19	665.44	-	400.19	556.84	-	-	-
29 TP	26.00	26.00	2,304.76	2,284.17	-	2,304.76	2,304.76	-	91.33	-
Joint Ventures:										
Natural Gas Business Group										
30 TTM (T)	50.00	50.00	4,240.00	3,709.56	-	4,240.00	3,018.55	-	-	-
31 TTM (M)	50.00	50.00	281.32	257.96	-	281.32	237.88	-	-	-
32 DCAP	35.00	35.00	350.00	313.54	-	350.00	333.21	-	-	-
Total			104,606.65	186,120.12	(891.47)	105,079.53	170,591.16	(1,074.73)	11,291.77	(7,380.18)

5. Investments Accounted for under the Equity Method (Continued)

5.3 The Company's share of net assets and results of operation from joint ventures included in the consolidated financial statements as of June 30, 2006 and December 31, 2005 are detailed as follows :

Balance Sheets :

As of June 30, 2006 and December 31, 2005

	Unit : Million Baht					
	June 30, 2006			December 31, 2005		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
Current assets	1,315.33	68.66	123.17	941.24	128.29	58.36
Non-current assets	13,456.62	817.24	1,005.03	12,539.88	797.22	835.86
Current liabilities	(1,630.37)	(22.38)	(149.66)	(826.62)	(18.69)	(55.26)
Non- current liabilities	(9,432.02)	(605.56)	(665.00)	(9,635.95)	(668.94)	(505.75)
Net assets	<u>3,709.56</u>	<u>257.96</u>	<u>313.54</u>	<u>3,018.55</u>	<u>237.88</u>	<u>333.21</u>

Statements of Income :

For the three-month periods ended June 30, 2006 and 2005

	Unit : Million Baht					
	2006			2005		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
Income	790.02	42.77	53.09	3.90	1.43	0.05
Expenses	(447.87)	(24.24)	(70.22)	(436.85)	(0.98)	(2.80)
Income(Loss) before taxes	342.15	18.53	(17.13)	(432.95)	0.45	(2.75)
Income taxes	-	(0.13)	-	-	(0.40)	-
Net income(loss)	<u>342.15</u>	<u>18.40</u>	<u>(17.13)</u>	<u>(432.95)</u>	<u>0.05</u>	<u>(2.75)</u>

For the six-month periods ended June 30, 2006 and 2005

	Unit : Million Baht					
	2006			2005		
	TTM(T)	TTM(M)	DCAP	TTM(T)	TTM(M)	DCAP
Income	1,292.37	57.06	82.62	2.67	2.00	0.23
Expenses	(601.36)	(26.52)	(102.29)	(539.11)	(0.96)	(4.37)
Income(Loss) before taxes	691.01	30.54	(19.67)	(536.44)	1.04	(4.14)
Income taxes	-	(0.38)	-	-	(0.55)	-
Net income(loss)	<u>691.01</u>	<u>30.16</u>	<u>(19.67)</u>	<u>(536.44)</u>	<u>0.49</u>	<u>(4.14)</u>

5. Investments Accounted for under the Equity Method (Continued)

5.4 Significant changes occurring during the six-month period ended June 30, 2006 are as follows :

PTTEP

As of June 30, 2006, the Company's shareholding in PTTEP decreased from 66.32% to 66.31% as a result of the exercise of warrants to purchase ordinary shares of PTTEP under its Employee Stock Ownership Program (ESOP) as detailed in Note 14. The effect from dilution of investments amounting to Baht 2.35 million was recognized as surplus on dilution of investments in subsidiaries and associates in the balance sheet under shareholders' equity.

ATC

As of June 30, 2006, the Company's shareholding in ATC decreased from 49.99% to 49.83% as a result of the exercise of warrants to purchase ordinary shares of ATC under its Employee Stock Ownership Program (ESOP) as detailed in Note 14. The effect from dilution of investments amounting to Baht 6.40 million was recognized as surplus on dilution of investments in subsidiaries and associates in the balance sheet under shareholders' equity.

PTTLNG

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

PTTPE

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

PPCL

PPCL's extraordinary shareholders' meetings No. 1/2006 on February 15, 2006 and No. 2/2006 on March 2, 2006, respectively passed and confirmed a resolution to increase the authorized share capital of PPCL by Baht 3,200 million from Baht 800 million to Baht 4,000 million by issuing 32 million additional ordinary shares at a par value of Baht 100 each. PPCL called for the first payment of Baht 1,200 million from shareholders. The Company paid for its portion of 40% amounting to Baht 480 million. PPCL registered for the increase in share capital with the Ministry of Commerce on April 10, 2006.

BCP

On April 10, 2006, the Company's shareholding in BCP decreased from 7.60% to 7.56% as a result of the exercise of convertible debentures held by shareholders to 3.50 million ordinary shares. The effect from dilution of investments amounting to Baht 96.67 million was recognized as surplus on dilution of investments in subsidiaries and associates in the balance sheet under shareholders' equity.

On March 16, 2006, the Company's board of directors' meeting No. 3/2006 approved the investment in additional ordinary shares and convertible debentures of BCP, with the credit line limited to USD 120 million.

On April 21, 2006, the Company and BCP signed a Share Subscription Agreement to purchase BCP's additional ordinary shares at a price of Baht 14 per share and convertible debentures at a conversion price of Baht 14 per share, with the credit line limited to USD 120 million.

5. Investments Accounted for under the Equity Method (Continued)

5.4 Significant changes occurring during the six-month period ended June 30, 2006 are as follows :
(Continued)

BCP (Continued)

On May 16, 2006, the Company acquired 280.68 million additional ordinary shares of BCP at a price of Baht 14 per share at a total cost amounting to Baht 3,944.16 million, including directly related acquisition costs of Baht 14.64 million. Consequently, the Company's shareholding in BCP increased from 7.56% to 29.75%, and BCP was transformed from another related company to an associate. Goodwill arising from the acquisition was Baht 211.61 million.

In addition, on the same day, the Company acquired 58,560 units of BCP's convertible debentures at a price of Baht 10,000 per unit and a conversion price of Baht 14 per share as mentioned in Note 6.

TPI

During the second quarter of 2006, the Company started recognizing an investment in TPI under the equity method as a result of an order from the Central Bankruptcy Court issued on April 26, 2006 to terminate the Business Reorganization Plan for TPI and its subsidiaries. On April 27, 2006, the annual general meeting of TPI's shareholders No.1/2006 approved the appointment of representatives from the Company to participate in the management and determination of financial and operating policies of TPI. The initial recognition of the investment in TPI under the equity method resulted in a difference of Baht 12,185.89 million between acquisition costs and book values of TPI's identifiable assets and liabilities according to the Company's portion.

PTTUT

During the second quarter of 2006, PTTUT called for payment of Baht 932.50 million for additional shares from shareholders. The Company paid for its portion of 40% amounting to Baht 373 million. However, as of June 30, 2006, PTTUT was in the process of registration for an increase in share capital with the Ministry of Commerce. As a result, the Company accounted for this payment as advance payment for share subscription.

TTM(T)

During the second quarter of 2006, TTM(T) called for payment of Baht 1,740 million for additional shares from shareholders. The Company paid for its portion of 50% amounting to Baht 870 million. However, as of June 30, 2006, TTM(T) was in the process of registration for an increase in share capital with the Ministry of Commerce. As a result, the Company accounted for this payment as advance payment for share subscription.

RRC

On June 5, 2006, RRC made an Initial Public Offering (IPO) of its 1,397.50 million ordinary shares, comprising 520 million additional ordinary shares and 877.50 million existing ordinary shares held by the Company at an IPO price of Baht 18 per share. The Company offered its 877.50 million shares jointly with RRC resulting in a gain on disposal of investments amounting to Baht 7,130.48 million as detailed in Note 19.

5. Investments Accounted for under the Equity Method (Continued)

Significant changes occurring during the six-month period ended June 30, 2006 are as follows :
(Continued)

RRC (Continued)

After the IPO, the Company's shareholding in RRC decreased from 100% to 49.99%, and RRC transformed from a subsidiary to an associate. A surplus on dilution of investments in subsidiaries and associates amounting to Baht 420.57 million was recognized in the balance sheet under shareholders' equity.

VNT (An associate of PTTCH)

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

PTTCH

In June 2006, the Company acquired 0.81 million ordinary shares of PTTCH amounting to Baht 66.12 million from third parties. As a result, the Company's shareholding in PTTCH increased from 50.03% to 50.10%. Goodwill arising from the acquisition was Baht 33.43 million.

PA(Sanshui)

On November 16, 2005, the Company, together with other shareholders of PA(Sanshui) entered into a contract to transfer ownership rights in the total ordinary shares of PA(Sanshui) held by them to transferees at a price of Yuan 4 million (equivalent to Baht 19.16 million). The transfer is being processed. As of June 30, 2006, the Company has reclassified the investment in PA (Sanshui) from associate under the equity method to current investment.

6. Other Long-term Investments

Details of other long-term investments as of June 30, 2006 and December 31, 2005 are as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
General investments	655.26	540.01	305.02	249.77
Investments in available-for-sale securities				
- Investments in equity instruments	336.00	441.32	336.00	441.32
- Investments in debt securities	585.60	-	585.60	-
- Investments in mutual funds	300.45	-	-	-
<u>Add</u> Allowance for adjustment in value of investments	544.09	1,107.99	543.00	1,107.99
Total	<u>2,421.40</u>	<u>2,089.32</u>	<u>1,769.62</u>	<u>1,799.08</u>

6. Other Long-term Investments (Continued)

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

Company	Country of incorporation	Business	Shareholding percentage	
			June 30, 2006	December 31, 2005
PetroAsia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
PetroAsia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	In the process of liquidation	49.00	49.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil pipeline	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling services	16.67	16.67
Ratchaburi Power Company Limited (RPCL)	Thailand	Electricity generation	15.00	15.00
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Service Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling services	7.06	7.06
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	-	7.60
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Information and communication technology services	20.00	-

6. Other Long-term Investments (Continued)

6.2 Other long-term investments as of June 30, 2006 and December 31, 2005

Unit : Million Baht

Company	Shareholding percentage		Consolidated		The Company		Dividend for the six-month periods ended June 30	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005	2006	2005
<u>General Investments</u>								
1 PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2 PTT Mart	49.00	49.00	78.40	78.40	78.40	78.40	-	-
3 FPT	2.76	2.76	44.00	44.00	44.00	44.00	-	-
4 IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
5 PA (Shantou)	15.00	15.00	60.84	60.84	60.84	60.84	-	-
6 RPCL	15.00	15.00	275.00	249.75	275.00	249.75	-	-
7 PTTICT	20.00	-	90.00	-	30.00	-	-	-
8 API	-	16.67	290.24	290.24	-	-	-	-
Total investments accounted for under the cost method			853.66	738.41	503.42	448.17		
<u>Less</u> Allowance for impairment of investments			198.40	198.40	198.40	198.40		
Total general investments			655.26	540.01	305.02	249.77		
<u>Investments in Available-for-sale Securities</u>								
Investments in Equity Instruments								
9 TIP	13.33	13.33	312.00	312.00	312.00	312.00	48.00	30.40
10 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	11.10	2.40
11 BCP	-	7.60	-	105.32	-	105.32	-	-
Total investments in equity instruments			336.00	441.32	336.00	441.32		
Investments in Debt Securities								
Investments in Mutual Funds								
<u>Add</u> Allowance for adjustment in value of investments			544.09	1,107.99	543.00	1,107.99		
Total investments in equity instruments			1,766.14	1,549.31	1,464.60	1,549.31		
Total other long-term investments			2,421.40	2,089.32	1,769.62	1,799.08	59.10	32.80

6. Other Long-term Investments (Continued)

6.3 Significant changes occurring during the six-month period ended June 30, 2006 are as follows :

RPCL

During the six-month period ended June 30, 2006, RPCL has increased its authorized share capital from Baht 1,665 million to Baht 2,325 million, and called for payment of Baht 168.32 million for additional shares from shareholders. The Company paid for its portion of 15% amounting to Baht 25.25 million.

PTTICT

On June 26, 2006, the Company, PTTEP, PTTCH, TOP and ATC jointly established PTT ICT Solutions Co., Ltd. (PTTICT) with the objective of providing completed Information and Communication Technology (ICT) services as well as developing updated ICT potentials to increase business operation capacity. The initial service receivers are those companies who are currently PTTICT's shareholders, and affiliates of the Group. PTTICT has an initial authorized share capital of Baht 150 million, comprising 15 million shares with a par value of Baht 10 per share. Each of those shareholder companies has a 20% shareholding, representing the Company's portion of Baht 30 million. PTTICT will be considered as a subsidiary of the Company. However, as of June 30, 2006, the Company did not include PTTICT in the consolidated financial statements, since PTTICT had not commenced its commercial operations yet.

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

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

Investments in Debt Securities

On May 16, 2006, the Company acquired 58,560 units of name registered non-transferable subordinated unsecured convertible debentures of BCP No.1/2006, with a par value of Baht 10,000 per unit amounting to Baht 585.60 million. The interest rate is 3% per annum, payable every six months with a redemption period of 10 years starting from the date of debenture issuance. The debentures can be converted to BCP's ordinary shares at a conversion price of Baht 14 per share except for subsequent adjustment in the conversion price in accordance with a condition of right adjustments.

Investments in Mutual Funds

On May 25, 2006, PTTCH reclassified investments in mutual funds from trading securities to available-for-sale securities due to changes in PTTCH's investment policies.

7. Property, Plant and Equipment, Net

Property, plant and equipment as of June 30, 2006 and December 31, 2005 is as follows :

	Unit : Million Baht						
	Consolidated						
	Land	Buildings and building improvements	Machinery and equipment	Oil and Gas properties	Other assets	Construction in progress	Total
Cost							
As of December 31, 2005	4,897.20	17,799.72	201,859.78	162,761.20	10,665.49	74,357.17	472,340.56
- Business disposal (Note 19)	(152.48)	(1,280.17)	(49,665.96)	-	-	(413.87)	(51,512.48)
- Additions	148.45	112.34	1,855.58	16,018.01	363.68	23,057.52	41,555.58
- Borrowing costs	-	-	-	-	-	887.01	887.01
- Reclassification	99.89	1,146.55	21,106.74	-	(2,475.47)	(20,950.91)	(1,073.20)
- Disposals	-	(1.94)	(186.13)	(36.54)	(49.02)	(7.37)	(281.00)
- Currency translation differences	-	(29.46)	(5.03)	(575.51)	(0.20)	-	(610.20)
As of June 30, 2006	4,993.06	17,747.04	174,964.98	178,167.16	8,504.48	76,929.55	461,306.27
Accumulated Depreciation							
As of December 31, 2005	-	(8,632.76)	(84,747.13)	(65,667.67)	(7,253.93)	-	(166,301.49)
- Business disposal (Note 19)	-	401.30	16,081.63	-	-	-	16,482.93
- Depreciation for the period	-	(409.33)	(4,751.46)	(7,067.86)	(387.64)	-	(12,616.29)
- Reclassification	-	(35.83)	(1,309.49)	-	1,534.32	-	189.00
- Disposals	-	40.86	3.07	-	39.22	-	83.15
- Currency translation differences	-	0.08	3.10	119.27	(2.88)	-	119.57
As of June 30, 2006	-	(8,635.68)	(74,720.28)	(72,616.26)	(6,070.91)	-	(162,043.13)
Allowance for Impairment of Assets							
As of December 31, 2005	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
As of June 30, 2006	(42.87)	(373.13)	(244.96)	-	-	-	(660.96)
Net Book Value							
As of December 31, 2005	4,854.33	8,793.83	116,867.69	97,093.53	3,411.56	74,357.17	305,378.11
As of June 30, 2006	4,950.19	8,738.24	99,999.76	105,550.90	2,433.57	76,929.55	298,602.18

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

Unit : Million Baht

	The Company					
	Buildings		Machinery and equipment	Other assets	Construction in progress	Total
	Land	and improvements building				
Cost						
As of December 31, 2005	2,684.44	12,270.45	108,454.72	7,450.01	46,058.79	176,918.41
- Additions	22.58	60.86	692.04	271.13	15,805.64	16,852.25
- Borrowing costs	-	-	-	-	887.01	887.01
- Reclassification	-	79.11	3,166.37	25.01	(3,376.74)	(106.25)
- Disposals	-	(1.92)	(8.15)	(22.80)	-	(32.87)
As of June 30, 2006	2,707.02	12,408.50	112,304.98	7,723.35	59,374.70	194,518.55
Accumulated Depreciation						
As of December 31, 2005	-	(6,684.68)	(54,282.95)	(5,340.97)	-	(66,308.60)
- Depreciation for the period	-	(255.30)	(2,532.07)	(336.66)	-	(3,124.03)
- Reclassification	-	-	0.56	(0.56)	-	-
- Disposals	-	1.55	7.21	17.46	-	26.22
As of June 30, 2006	-	(6,938.43)	(56,807.25)	(5,660.73)	-	(69,406.41)
Allowance for Impairment of Assets						
As of December 31, 2005	(42.87)	(373.13)	(244.96)	-	-	(660.96)
As of June 30, 2006	(42.87)	(373.13)	(244.96)	-	-	(660.96)
Net Book Value						
As of December 31, 2005	2,641.57	5,212.64	53,926.81	2,109.04	46,058.79	109,948.85
As of June 30, 2006	2,664.15	5,096.94	55,252.77	2,062.62	59,374.70	124,451.18

Borrowing costs of Baht 946.82 million in the consolidated financial statements and Baht 887.01 million in the Company's financial statements were capitalized as part of costs of property, plant and equipment (December 31, 2005 : Baht 1,346.02 million). The Group used capitalization rates ranging from 4.00%-6.00% (December 31, 2005: 5.91%)

In the consolidated financial statements, buildings, manufacturing plants, machinery and equipment of Baht 13,787.15 million were used as collaterals for long-term loans amounting to Baht 9,460.28 million. (In the Company's financial statements: none)

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

As of June 30, 2006 and December 31, 2005, assets acquired under finance leases included in other assets are vehicles. Details are as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Cost	628.94	163.20	349.33	162.21
Less: Accumulated depreciation	184.00	45.96	74.56	45.42
Net book value	444.94	117.24	274.77	116.79

8. Intangible Assets

Intangible assets as of June 30, 2006 and December 31, 2005 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Net book value as of December 31, 2005	11,528.86	3,175.96
- Business disposal (Note 19)	2,602.21	-
- Additions	760.54	83.00
- Disposals	(5.91)	(5.20)
- Amortization	1,579.62	(169.75)
- Reclassification	107.69	96.12
- Reversal of impairment loss	4.48	4.48
- Currency translation differences	(22.16)	-
Net book value as of June 30, 2006	16,555.33	3,184.61

9. Advance Payment for Gas Purchased

Advance payments for gas purchased as of June 30, 2006 and December 31, 2005 are as follows :

	Unit : Million Baht	
	Consolidated	The Company
Balance as of December 31, 2005	19,746.62	24,574.67
Less Make-up during the period	1,559.18	1,954.10
Balance as of June 30, 2006	18,187.44	22,620.57

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

10. Long-term Loans

Long-term loans as of June 30, 2006 and December 31, 2005 are as follows :

Current Portion of Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Loans – Baht currency	14,382.07	8,356.35	14,000.00	8,000.00
Loans – Foreign currencies	1,012.59	671.13	407.99	431.56
Bonds – Baht currency	3,257.14	4,257.14	-	-
Bonds – Foreign currencies	7,665.62	8,234.09	-	-
Liabilities from finance leases	156.53	108.03	80.97	52.94
Total	26,473.95	21,626.74	14,488.96	8,484.50

Long-term Loans

	Unit : Million Baht			
	Consolidated		The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Loans – Baht currency	48,607.52	68,569.63	45,400.00	55,400.00
Loans – Foreign currencies	20,504.47	22,259.54	9,976.38	10,895.95
Bonds – Baht currency	56,685.71	53,814.29	54,000.00	50,000.00
Bonds – Foreign currencies	57,092.43	53,119.79	35,912.83	30,366.98
Liabilities from finance leases	337.20	220.09	216.21	80.14
Total	183,227.33	197,983.34	145,505.42	146,743.07

As of June 30, 2006, long-term loans of the Company amounting to Baht 51,079.55 million (December 31, 2005: Baht 55,492.59 million) are secured by the Ministry of Finance.

As of June 30, 2006, long-term loans amounting to Baht 9,460.28 million (December 31, 2005: Baht 6,571.43 million) in the consolidated financial statements are long-term loans of three subsidiaries secured by machinery, buildings, manufacturing plants and structures. In addition, the Group has commitments to comply with various conditions stipulated in the loan agreements.

10. Long-term Loans (Continued)

10.1 Loans

Movements of loans in Baht currency and foreign currencies as of June 30, 2006 and December 31, 2005 are detailed as follows :

	Unit : Million			
	Consolidated			
	Currency			Total Equivalent in Baht
Baht	US Dollar	Yen		
Balance as of December 31, 2005	76,925.97	373.27	-	91,621.73
- Business disposal (Note 19)	(11,000.00)	(150.00)	-	(16,734.89)
- Additions	1,230.25	312.00	23,000.00	21,195.19
- Repayments	(4,166.65)	(158.11)	-	(10,178.47)
- Gain on exchange rate	-	-	-	(1,396.92)
- Current portion	(14,382.07)	(26.42)	-	(15,394.66)
Balance as of June 30, 2006	<u>48,607.50</u>	<u>350.74</u>	<u>23,000.00</u>	<u>69,111.98</u>

	Unit : Million			
	The Company			
	Currency			Total Equivalent in Baht
Baht	US Dollar	Yen		
Balance as of December 31, 2005	63,400.00	75.11	-	66,492.59
- Additions	-	-	23,000.00	7,575.61
- Repayments	(4,000.00)	(5.20)	-	(4,214.14)
- Gain on exchange rate	-	-	-	(69.69)
- Current portion	(14,000.00)	(10.64)	-	(14,407.99)
Balance as of June 30, 2006	<u>45,400.00</u>	<u>59.27</u>	<u>23,000.00</u>	<u>55,376.38</u>

On April 5, 2006, the Company obtained a loan amounting to Yen 23,000 million with a maturity of 30 years for which the principal is repayable once at maturity. The interest is charged in USD and is payable every six months at a rate of 4.45% per annum. On the same day, the Company entered into a Participating SWAP contract (P-SWAP) to swap Yen for USD, equivalent to USD 196.94 million with a P-SWAP's premium of approximately 1% per annum of the USD principal. The maturity date is April 7, 2036.

10. Long-term Loans (Continued)

10.2 Bonds

Bonds as of June 30, 2006 and December 31, 2005 are as follows :

	Unit : Million			
	Consolidated			
	June 30, 2006		December 31, 2005	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	1,691.05	64,758.05	1,491.62	61,353.87
- Baht currency	-	59,942.86	-	58,071.43
<u>Less</u> Current portion	-	(10,922.76)	-	(12,491.23)
Total	<u>1,691.05</u>	<u>113,778.15</u>	<u>1,491.62</u>	<u>106,934.07</u>

	Unit : Million			
	The Company			
	June 30, 2006		December 31, 2005	
	USD	Baht	USD	Baht
Unsecured unsubordinated bonds				
- USD currency	936.95	35,912.83	737.52	30,366.98
- Baht currency	-	54,000.00	-	50,000.00
Total	<u>936.95</u>	<u>89,912.83</u>	<u>737.52</u>	<u>80,366.98</u>

During the six-month period ended June 30, 2006, the Company and the Group issued bonds and entered into various cross currency and interest rate swap agreements for some of their bonds. Details are as follows :

In May 2006, the Company issued two lots of unsecured unsubordinated bonds for sale to general investors and financial institutional investors with principal amounts of Baht 2,970 million and Baht 1,030 million, and redemption periods of ten years and 15 years, respectively. The interest is fixed at 6.17% and 6.53% per annum, and is payable every six months with redemption dates on May 23, 2016 and May 23, 2021, respectively.

The Company issued unsecured unsubordinated bonds for sale to financial institutional investors with a principal amount of Baht 4,040 million and a redemption period of ten years at a fixed interest rate of 4.75% per annum. However, the Company entered into a cross currency swap agreement to swap Baht bonds for USD bonds amounting to USD 100 million at a fixed interest rate of 4.55% per annum, to be redeemed on June 20, 2015.

The Company issued unsecured unsubordinated Baht bonds for sale to financial institutional investors with a principal amount of Baht 4,118 million and a redemption period of 15 years at a fixed interest rate of 5.95% per annum. However, the Company entered into a cross currency swap agreement to swap Baht bonds for USD bonds amounting to USD 100 million at a fixed interest rate of 5.48% per annum, to be redeemed on August 25, 2020.

10. Long-term Loans (Continued)

10.2 Bonds (Continued)

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

10.3 Liabilities from Finance Leases

Liabilities from finance leases as of June 30, 2006 and December 31, 2005 are as follows :

	Consolidated		Unit : Million Baht The Company	
	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Liabilities from finance leases				
- Not later than 1 year	143.04	119.78	98.76	60.28
- Later than 1 year and not later than 5 years	405.24	241.14	236.75	87.51
Future finance charges on finance leases	(54.55)	(32.80)	(38.33)	(14.70)
Present value of liabilities from finance leases	<u>493.73</u>	<u>328.12</u>	<u>297.18</u>	<u>133.09</u>
Present value of liabilities from finance leases				
- Current liabilities (Not later than 1 year)	156.53	108.03	80.97	52.95
- Non-current liabilities (Later than 1 year and not later than 5 years)	<u>337.20</u>	<u>220.09</u>	<u>216.21</u>	<u>80.14</u>
Total	<u>493.73</u>	<u>328.12</u>	<u>297.18</u>	<u>133.09</u>

11. Provision for Decommissioning Costs

The Group recognized provision for liabilities as of June 30, 2006 and December 31, 2005 for decommissioning costs expected to be incurred in the future amounting to Baht 6,534.33 million and Baht 7,019.36 million, respectively. The provision has been estimated with reference to existing technology at current prices by the Group's engineers and managerial judgment.

12. Share Capital

As of June 30, 2006, the Company had authorized share capital of 2,857,245,725 ordinary shares (December 31, 2005: 2,837,245,725 ordinary shares) with a par value of Baht 10 per share. The issued and fully paid-up share capital was 2,797,245,725 ordinary shares (December 31, 2005: 2,797,245,725 ordinary shares). Details are as follows :

On April 26, 2006, the Company registered an increase in its share capital with the Ministry of Commerce amounting to Baht 200 million from Baht 28,372.46 million to Baht 28,572.46 million by issuing 20,000,000 additional ordinary shares at a par value of Baht 10 each. As a result, the number of authorized ordinary shares of the Company increased from 2,837,245,725 shares to 2,857,245,725 shares.

12. Share Capital (Continued)

The objective of the increase in authorized share capital is to reserve shares for the exercise of 20,000,000 warrants of lot No.2 (PTT W-2) allocated to the managing director, management, employees of the Company and employees of the Company's affiliates who worked for the Company. As of June 30, 2006, the Company was in the process of filing a permission request for issuing and offering those warrants to the Securities and Exchange Commission, Thailand (SEC).

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

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

13. Reserves

Under the Public Limited Companies Act B.E. 2535 (1992), the Company is required to appropriate not less than 5% of its annual net income as legal reserve until the reserve fund reaches 10% of the authorized share capital. The legal reserve is non-distributable.

During the second quarter of 2006, the Company appropriated its net income of Baht 7,245,725 as legal reserve. Accordingly, the new balance of legal reserve as of June 30, 2006 was Baht 2,857.25 million which had reached 10% of the authorized share capital as stipulated in the Act.

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 held by third parties during the period.

For the calculation of diluted earnings per share, the Company assumes that warrants of the Group given to directors, management and employees that can be exercised are converted to ordinary shares. The exercise of these warrants results in net income of the Group, recognized in the Company's financial statements, adjusted by decreases in shareholding proportions. The number of diluted shares is calculated by considering a market price (average market prices 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.

14. Earnings per Share (Continued)

The calculation of basic earnings per share and diluted earnings per share in the consolidated and the Company's financial statements for the three-month periods ended June 30, 2006 and 2005 is detailed as follows :

	Basic Earnings per Share		Diluted Earnings per Share	
	2006	2005	2006	2005
Net income attributable to ordinary shareholders (Baht)	31,658,145,615	18,354,676,434	31,658,145,615	18,354,676,434
Adjustment of net income (Baht)	-	-	(25,212,578)	(12,989,166)
Net income for calculation of earnings per share (Baht)	31,658,145,615	18,354,676,434	31,632,933,037	18,341,687,268
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,797,245,725	2,797,245,725	2,807,139,085	2,797,245,725
Earnings per share (Baht/share)	11.32	6.56	11.27	6.56

The calculation of basic earnings per share and diluted earnings per share in the consolidated and the Company's financial statements for the six-month periods ended June 30, 2006 and 2005 is detailed as follows :

	Basic Earnings per Share		Diluted Earnings per Share	
	2006	2005	2006	2005
Net income attributable to ordinary shareholders before extraordinary items (Baht)	55,380,937,432	38,933,783,600	55,380,937,432	38,933,783,600
Adjustment of net income (Baht)	-	-	(44,635,645)	(27,656,964)
Income before extraordinary items for calculation of earnings per share (Baht)	55,380,937,432	38,933,783,600	55,336,301,787	38,906,126,636
Extraordinary items (Baht)	-	5,416,796,542	-	5,416,796,542
Net income for calculation of earnings per share (Baht)	55,380,937,432	44,350,580,142	55,336,301,787	44,322,923,178
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,797,245,725	2,797,245,725	2,807,329,370	2,797,245,725
Income before extraordinary items (Baht/share)	19.80	13.92	19.71	13.91
Extraordinary items (Baht/share)	-	1.94	-	1.94
Earnings per share (Baht/share)	19.80	15.86	19.71	15.85

The adjustment of net income 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. Details are as follows :

14. Earnings per Share (Continued)

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

PTTEP

On April 12, 2006, PTTEP registered for a split in par value of its ordinary shares from Baht 5 per share with 664.40 million shares to Baht 1 per share with 3,322 million shares, totalling Baht 3,322 million.

The registration of the split in par value of ordinary shares resulted in changes in the number of ordinary shares reserved for the exercise of warrants allocated to employees from 12.40 million shares to 62 million shares, and changes in exercise rights and exercise prices. Details are as follows :

Date of issue and offer of warrants	Exercise price (Baht/share)	Exercise right (Warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
August 1, 2002	22.2	1 : 5	7.15	2.85	July 31, 2007
August 1, 2003	23.4	1 : 5	4.75	5.25	July 31, 2008
August 1, 2004	36.6	1 : 5	3.21	10.79	July 31, 2009
August 1, 2005	55.6	1 : 5	-	14.00	July 31, 2010
			<u>15.11</u>	<u>32.89</u>	

On April 5, 2006, the general meeting of PTTEP's shareholders approved the issue and offer of 2.8 million warrants, with an exercise right of one warrant per five ordinary shares, to management and employees with an exercise price of Baht 91.2 per share. The meeting also approved the allocation of 14 million additional ordinary shares to be reserved for the exercise of those warrants.

ATC

Details of the issue and offer of warrants to purchase ordinary shares to ATC's employees are as follows :

Date of issue and offer of warrants	Exercise price (Baht/share)	Exercise right (Warrant per ordinary share)	The number of exercised warrants (Million units)	The number of unexercised warrants (Million units)	Last exercise date of warrants
February 2, 2004	10	1 : 1	11.42	3.18	November 23, 2007

15. Other Income

Other income for the three-month periods ended June 30, 2006 and 2005 is as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Interest income	773.19	312.46	408.77	485.20
Penalty income	165.90	319.44	173.33	316.48
Transportation income	1,176.06	661.98	1,456.55	940.81
Dividend income	61.94	32.80	59.10	32.80
Compensation for loan interest of advance payment for gas purchased	382.01	338.51	382.01	338.52
Gain on foreign exchange	1,577.93	-	840.69	-
Others	290.12	1,021.03	349.05	1,072.82
Total	4,427.15	2,686.22	3,669.50	3,186.63

In the consolidated financial statements for the three-month period ended June 30, 2005, loss on foreign exchange of Baht 1,732.29 million is included as part of selling and administrative expenses.

In the Company's financial statements for the three-month period ended June 30, 2005, loss on foreign exchange of Baht 880.97 million is included as part of selling and administrative expenses.

Other income for the six-month periods ended June 30, 2006 and 2005 is as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Interest income	1,521.58	722.83	811.11	1,056.31
Penalty income	287.70	411.65	318.89	408.25
Transportation income	2,087.94	1,494.60	2,837.03	2,287.75
Dividend income	62.13	32.80	59.10	32.80
Compensation for loan interest of advance payment for gas purchased	865.92	840.59	865.92	840.59
Gain on foreign exchange	6,564.91	-	3,114.12	-
Others	979.55	1,228.81	761.83	1,744.91
Total	12,369.73	4,731.28	8,768.00	6,370.61

In the consolidated financial statements for the six-month period ended June 30, 2005, loss on foreign exchange of Baht 948.24 million is included as part of selling and administrative expenses.

15. Other Income (Continued)

In the Company's financial statements for the six-month period ended June 30, 2005, loss on foreign exchange of Baht 564.82 million is included as part of selling and administrative expenses.

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

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 June 30, 2006 and 2005 includes share of gain(loss) on foreign exchange as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Share of net income before gain(loss) on foreign exchange	7,099.71	5,989.59	15,728.12	12,433.89
<u>Add</u> Share of gain(loss) on foreign exchange	<u>282.93</u>	<u>(1,480.52)</u>	<u>932.01</u>	<u>(2,034.64)</u>
Total	<u>7,382.64</u>	<u>4,509.07</u>	<u>16,660.13</u>	<u>10,399.25</u>

Share of net income from investments under the equity method for the six-month periods ended June 30, 2006 and 2005 includes share of gain(loss) on foreign exchange as follows :

	Unit : Million Baht			
	Consolidated		The Company	
	2006	2005	2006	2005
Share of net income before gain(loss) on foreign exchange	9,192.50	11,631.91	25,561.51	29,635.91
<u>Add</u> Share of gain(loss) on foreign exchange	<u>1,721.93</u>	<u>(1,357.28)</u>	<u>4,566.11</u>	<u>(1,481.33)</u>
Total	<u>10,914.43</u>	<u>10,274.63</u>	<u>30,127.62</u>	<u>28,154.58</u>

17. Segmented Financial Information

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

17. Segmented Financial Information (Continued)

Consolidated

For the three-month period ended June 30, 2006

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro-chemical	Others	Elimination	Total
	Unit : Million Baht							
Sales - others	241,064.69	49,230.94	5,159.73	4,631.34	16,689.86	-	-	316,776.56
- related parties	26,653.07	12,227.36	18,115.31	27,258.67	1,542.83	-	(85,797.24)	-
Petroleum royalties and remuneration	-	-	(3,525.78)	-	-	-	-	(3,525.78)
Net sales	267,717.76	61,458.30	19,749.26	31,890.01	18,232.69	-	(85,797.24)	313,250.78
Gross margin	1,888.87	11,446.00	13,845.64	3,428.79	5,903.66	-	(97.27)	36,415.69
EBITDA	422.51	11,961.46	16,811.19	3,544.78	5,994.40	(73.95)	(301.75)	38,358.64
Depreciation and amortization	509.09	1,478.91	4,060.42	296.31	666.11	10.36	117.60	7,138.80
EBIT	(86.58)	10,482.55	12,750.77	3,248.47	5,328.29	(84.31)	(419.35)	31,219.84
Share of net income (loss) from investments under the equity method	0.07	20.93	(0.50)	-	20.68	16,660.13	(9,318.67)	7,382.64
Interest-net								(2,351.72)
Other income								7,777.59
Gain on foreign exchange								1,577.93
Income taxes								(9,267.47)
Minority interests								(4,680.66)
Net Income								<u>31,658.15</u>

17. Segmented Financial Information (Continued)

Consolidated

For the three-month period ended June 30, 2005

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro-chemical	Others	Elimination	Total
							Unit : Million Baht	
Sales - others	170,172.95	45,627.19	1,655.23	6,549.45	2,061.48	-	-	226,066.30
- related parties	26,089.06	6,138.91	12,908.70	27,311.56	-	-	(72,448.23)	-
Petroleum royalties	-	-	(1,698.49)	-	-	-	-	(1,698.49)
Net sales	196,262.01	51,766.10	12,865.44	33,861.01	2,061.48	-	(72,448.23)	224,367.81
Gross margin	2,805.08	10,771.59	9,852.90	4,401.84	179.21	-	553.23	28,563.85
EBITDA	1,443.44	11,262.69	10,932.36	4,328.35	195.13	(63.30)	234.91	28,333.58
Depreciation and amortization	522.08	1,195.38	2,032.10	434.79	70.31	3.81	(96.58)	4,161.89
EBIT	921.36	10,067.31	8,900.26	3,893.56	124.82	(67.11)	331.49	24,171.69
Share of net income from investments under the equity method	0.01	17.66	8.09	-	-	10,399.25	(5,915.94)	4,509.07
Interest-net								(1,725.03)
Other income								1,588.01
Loss on foreign exchange								(1,732.29)
Income taxes								(6,524.16)
Minority interests								(1,932.61)
Net Income								<u>18,354.68</u>

17. Segmented Financial Information (Continued)

Consolidated

For the six-month period ended June 30, 2006

	Unit : Million Baht							
	Oil	Natural gas	Petroleum exploration and production	Refining	Petro-chemical	Others	Elimination	Total
Sales - others	443,626.55	92,106.97	10,301.07	12,288.59	32,021.34	-	-	590,344.52
- related parties	59,229.36	25,538.75	34,567.83	64,100.51	3,826.27	-	(187,262.72)	-
Petroleum royalties and remuneration	-	-	(6,722.81)	-	-	-	-	(6,722.81)
Net sales	502,855.91	117,645.72	38,146.09	76,389.10	35,847.61	-	(187,262.72)	583,621.71
Gross margin	6,118.47	21,875.66	27,664.67	5,907.21	11,329.16	-	7.42	72,902.59
EBITDA	3,049.60	22,442.61	32,437.89	6,468.88	11,546.53	(308.41)	(512.39)	75,124.71
Depreciation and amortization	1,024.41	2,665.54	7,258.12	740.83	1,310.67	20.13	181.00	13,200.70
EBIT	2,025.19	19,777.07	25,179.77	5,728.05	10,235.86	(328.54)	(693.39)	61,924.01
Share of net income(loss) from investments under the equity method	0.13	37.65	(1.22)	-	8.55	30,127.62	(19,258.30)	10,914.43
Interest-net								(4,355.66)
Other income								8,594.52
Gain on foreign exchange								6,564.91
Income taxes								(18,829.11)
Minority interests								(9,432.16)
Net Income								<u>55,380.94</u>

17. Segmented Financial Information (Continued)

Consolidated

For the six-month period ended June 30, 2005

	Oil	Natural gas	Petroleum exploration and production	Refining	Petro-chemical	Others	Elimination	Total
	Unit : Million Baht							
Sales - others	309,868.25	86,947.62	3,012.38	14,138.33	3,772.96	-	-	417,739.54
- related parties	49,115.78	11,733.69	24,673.94	49,915.17	-	-	(135,438.58)	-
Petroleum royalties	-	-	(3,249.28)	-	-	-	-	(3,249.28)
Net sales	358,984.03	98,681.31	24,437.04	64,053.50	3,772.96	-	(135,438.58)	414,490.26
Gross margin	5,830.68	20,407.54	18,590.13	8,056.91	250.88	-	704.66	53,840.80
EBITDA	3,532.53	21,141.93	20,964.72	7,674.49	215.69	(174.31)	(127.07)	53,227.98
Depreciation and amortization	1,028.91	2,356.48	4,060.11	442.77	132.99	7.38	(192.13)	7,836.51
EBIT	2,503.62	18,785.45	16,904.61	7,231.72	82.70	(181.69)	65.06	45,391.47
Share of net income from investments under the equity method	0.04	27.81	38.93	-	-	28,154.58	(17,946.73)	10,274.63
Interest-net								(3,540.90)
Other income								1,660.56
Loss on foreign exchange								(948.24)
Income taxes								(10,499.46)
Minority interests								(3,404.28)
Extraordinary items								5,416.80
Net Income								44,350.58

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

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

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

The Group categorizes segments for major business as follows :

Oil Business

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

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

17. Segmented Financial Information (Continued)

Natural Gas Business

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

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 jointly invests with leading exploration and production companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects cover the Asia Pacific and Middle East regions.

Petrochemical Business

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

Refining Business

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

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

18. Dividend Payment

On April 11, 2006, the annual ordinary shareholders' meeting of the Company approved the dividend payment for the year 2005 at Baht 9.25 per share from 2,797,245,725 shares amounting to Baht 25,874.52 million. The Company paid dividends to its shareholders on April 25, 2006.

19. Business Disposal

On June 5, 2006, RRC made an Initial Public Offering (IPO) of its total 1,397.50 million ordinary shares, including 877.50 million shares held by the Company whereby the Company offered its 877.50 million shares jointly with RRC.

After the IPO, the Company's shareholding in RRC decreased from 100% to 49.99%, and RRC transformed its status from a subsidiary to an associate. A gain on disposal of investments amounting to Baht 7,130.48 million occurred as detailed in Note 5.4. The effect from disposal of investments is detailed as follows :

	Unit : Million Baht
Proceeds from disposal of investments	15,450.64
<u>Less Investments disposed</u>	<u>10,452.87</u>
<u>Add Amortization of negative goodwill</u>	<u>2,132.71</u>
Gain on disposal of investments (Note 5.4)	<u><u>7,130.48</u></u>

19. Business Disposal (Continued)

	Unit : Million Baht
Cash and cash equivalents	1,699.24
Accounts receivable	10,840.31
Inventories and supplies	9,029.26
Other current assets	1,277.10
Property, plant and equipment (Note 7)	35,029.56
Intangible assets (Note 8)	(2,602.21)
Other non-current assets	6,257.82
Bank overdrafts and short-term loans from financial institutions	(1,100.00)
Accounts payable	(14,122.16)
Other current liabilities	(2,462.36)
Long-term loans (Note 10)	(16,734.89)
Other non-current liabilities	(11.77)
Net shareholders' equity	27,099.90
<u>Less Remaining investments after business disposal</u>	<u>16,647.03</u>
Investments disposed	<u><u>10,452.87</u></u>

20. Reclassification

The Group has reclassified certain items in the consolidated and the Company's financial statements for the three-month and six-month periods ended June 30, 2005 to ensure consistency in the presentation of the consolidated and the Company's financial statements for the three-month and six-month periods ended June 30, 2006. The reclassifications do not affect the reported net income.

21. Promotional Privileges

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

22. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows :

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

The Company entered into two Shareholder's Commercial Support Arrangements with its subsidiaries and associates at credit limits of USD 100 million and USD 90 million respectively, in accordance with a condition with a financial institution. The Company had obligations under those arrangements in the form of extended credit for raw materials and/or advance product payments. As of June 30, 2006, the associates had used a credit line of USD 74.62 million, whereas the subsidiaries had not used the credit line.

The Company had an obligation under a commercial credit agreement in the form of extended credit for raw materials to a foreign subsidiary with a credit limit of USD 100 million. As of June 30, 2006, the foreign subsidiary had used a commercial credit line of USD 93.18 million. The remaining credit line was USD 6.82 million.

The Company entered into agreements of financial support (Sponsor Support Agreements) with two joint ventures at total credit limit equal to the loan obligations of those two joint ventures to a financial institution. As of June 30, 2006, the Company had the remaining commitments of USD 261.30 million under those agreements.

The Group had obligations under various Shareholder Agreements with respect to capital injections according to the Company's interests. As of June 30, 2006, the Group had total remaining obligations under those agreements of Baht 5,611.99 million in the consolidated financial statements and Baht 2,862.99 million in the Company's financial statements.

22.2 As of June 30, 2006, the Group and the Company had contingent liabilities in the form of Letters of Guarantee amounting to Baht 811.35 million in the consolidated financial statements and Baht 42.01 million in the Company's financial statements.

23. Subsequent Events

23.1 On July 7, 2006, RRC registered for additional paid-up share capital of 71.39 million shares, since an over-allotment agent had exercised its right under the green-shoe options to purchase newly issued shares from RRC. As a result, the Company's shareholding in RRC decreased from 49.99% to 48.75%.

23.2 On August 1, 2006, the Company, together with Asahi Kasei Chemicals Corporation (AKCC) and Marubeni Corporation (Marubeni) jointly established PTT Asahi Chemical Co., Ltd. with two million authorized ordinary shares at a par value of 100 Baht each, amounting to authorized share capital of Baht 200 million. The investment proportion among the Company, AKCC and Marubeni was 47.50%, 47.50%, and 5% of the authorized share capital, respectively. The first share payment was called at Baht 35 per share, being the Company's portion of Baht 33.25 million.

23.3 On August 3, 2006, the Company acquired existing ordinary and preferred shares of HMC Polymers Co., Ltd. (HMC) from existing shareholders and additional ordinary shares of HMC, totalling Baht 9,084.48 million. The Company's shareholding was 41.44% of the authorized and paid-up share capital.

23. Subsequent Events (Continued)

- 23.4 The Audit Committee of the Company will approve the financial statements for public issuance on August 10, 2006.
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