



(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 separate balance sheets of PTT Public Company Limited and its subsidiaries and of PTT Public Company Limited as at September 30, 2008, the related consolidated and separate statements of income for the three-month and nine-month periods ended September 30, 2008 and 2007, changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2008 and 2007 of PTT Public Company Limited and its subsidiaries and of PTT Public Company Limited, respectively. 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 the generally accepted auditing standards applicable to review engagements. Those standards require that the Office of the Auditor General of Thailand plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit 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 separate financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The Office of the Auditor General of Thailand previously audited the consolidated and separate financial statements for the year ended December 31, 2007, 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 22, 2008. The consolidated and separate balance sheets as at December 31, 2007, presented for comparative purposes, are parts of the



financial statements which the Office of the Auditor General of Thailand has audited and issued a report thereon as stated above. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date of that report except for the items as stated in the fifth paragraph.

As stated in Note 2.1, the Company has changed its accounting policy for business combinations in respect of the goodwill and negative goodwill arising from business combinations since January 1, 2008. The Company has complied with Thai Accounting Standard No.43 (revised 2007) “Business Combinations” by applying the prospective method, stopping amortization and testing for impairment of goodwill arising before the effective date of the standard and restating the carried forward of retained earnings balance for the negative goodwill arising before the effective date of the standard. In respect of these changes in accounting policy, the Office of the Auditor General of Thailand audited the related adjustments that were used in the preparation of the restated consolidated financial statements for the year ended December 31, 2007. The adjustments were appropriate and fairly adjusted in the consolidated financial statement.

The Office of the Auditor General of Thailand draws attention to Note 23.4 with regard to commitments and contingent liabilities. The Company has commitments relating to compliance with the judgement of the Supreme Administrative Court as stated in Note 22.

(Signed) *Jaruvan Maintaka*
(Khunying Jaruvan Maintaka)
Auditor General

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Director of Audit Office
For Auditor General

สำนักงานการตรวจเงินแผ่นดิน
Office of the Auditor General

November 11, 2008

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	3	65,043,187,914	74,958,290,312	22,278,345,482	43,184,607,043
Current investments		3,025,631,584	6,231,245,201	2,813,898,129	5,817,909,512
Trade accounts and notes receivable - others, net	4	87,118,892,531	116,935,784,153	71,852,723,208	101,268,825,980
Trade accounts receivable - related parties, net	5.1	94,036,893,343	78,047,438,110	102,527,722,502	89,280,102,672
Other accounts receivable, advances and short-term loans - related parties, net	5.2	569,037,300	1,392,778,014	19,753,375,702	29,686,760,490
Inventories		20,530,564,108	13,522,236,295	13,485,580,144	9,443,951,828
Materials and supplies, net		8,057,944,742	6,374,453,209	2,307,082,746	1,992,679,553
Other current assets		23,583,380,176	18,468,602,600	16,118,627,331	12,889,788,670
Total Current Assets		301,965,531,698	315,930,827,894	251,137,355,244	293,564,625,748
Non-current Assets					
Investments in subsidiaries, jointly controlled entities and associates	6.3, 6.4	201,847,391,609	189,951,194,566	151,729,188,516	135,615,186,388
Other long-term investments, net	7	7,708,336,556	3,170,869,600	6,579,556,270	2,527,134,890
Other accounts receivable, advances and long-term loans - related parties, net	5.3	6,435,211,899	6,243,742,753	15,212,818,299	9,040,529,953
Property, plant and equipment, net	8,20	347,520,496,624	315,143,111,074	160,473,893,413	146,272,119,905
Intangible assets, net	9	20,332,868,973	20,094,265,580	17,350,447,584	17,819,371,585
Goodwill, net	2.1,10	12,273,956,318	12,432,055,444	-	-
Deferred tax assets	20	1,546,002,405	1,354,375,158	1,535,122,030	1,342,128,543
Advance payment for gas purchased	11	15,073,598,811	12,702,079,331	17,645,892,148	15,761,742,592
Other non-current assets	20	19,170,512,694	15,614,329,415	11,863,602,290	12,245,528,680
Total Non-current Assets		631,908,375,889	576,706,022,921	382,390,520,550	340,623,742,536
Total Assets		933,873,907,587	892,636,850,815	633,527,875,794	634,188,368,284

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		#####	December 31, 2007	September 30, 2008	December 31, 2007
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions		8,190,753,617	5,768,059,372	-	1,500,000,000
Trade accounts payable - others		116,670,234,005	116,525,553,116	110,956,035,138	110,166,953,840
Trade accounts payable - related parties	5.4	30,670,472,092	45,873,420,169	41,772,308,035	57,688,482,406
Other accounts payable - related parties	5.5	400,183,372	1,871,060,606	335,856,256	2,138,621,461
Current portion of long-term loans	12	10,731,490,774	8,611,832,774	10,014,286,180	8,525,328,743
Short-term loans - others		3,615,171,786	626,872,500	-	-
Income tax payable		24,788,911,836	26,849,596,698	3,073,289,687	10,251,830,715
Accrued expenses		26,652,704,492	28,177,315,311	11,397,404,357	12,380,415,523
Other current liabilities		13,864,681,230	10,580,929,279	8,035,867,389	6,732,879,934
Total Current Liabilities		235,584,603,204	244,884,639,825	185,585,047,042	209,384,512,622
Non-current Liabilities					
Other long-term accounts payable - related parties	5.6	780,649,062	-	807,525,896	86,749,471
Long-term loans	12	206,629,369,201	212,387,288,702	177,071,639,804	184,289,114,087
Deferred tax liabilities	20	19,076,006,791	15,023,388,623	3,661,790,696	512,998,774
Provision for decommissioning costs	13	11,085,001,165	10,990,904,837	-	-
Deposits on LPG cylinders		4,919,671,833	4,647,662,493	4,919,671,833	4,647,662,493
Other non-current liabilities		5,145,797,264	6,051,447,496	4,707,388,973	5,228,594,106
Total Non-current Liabilities		247,636,495,316	249,100,692,151	191,168,017,202	194,765,118,931
Total Liabilities		483,221,098,520	493,985,331,976	376,753,064,244	404,149,631,553

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
		(Unaudited Reviewed)	(Audited)	(Unaudited Reviewed)	(Audited)
Liabilities and Shareholders' Equity (Continued)					
Shareholders' Equity					
Share capital					
Authorized share capital					
2,857,245,725 ordinary shares of Baht 10 each	14.1	28,572,457,250	28,572,457,250	28,572,457,250	28,572,457,250
Issued and paid-up share capital					
2,824,056,625 ordinary shares of Baht 10 each	14.2	28,240,566,250	-	28,240,566,250	-
2,817,388,125 ordinary shares of Baht 10 each	14.2	-	28,173,881,250	-	28,173,881,250
Premium on share capital					
Premium on ordinary shares	14.2	22,801,956,166	21,624,238,766	22,801,956,166	21,624,238,766
Surplus on dilution of investments in subsidiaries and associates		3,895,873,149	3,851,325,364	-	-
Unrealized gain on available-for-sale securities		373,246,356	671,702,449	237,280,277	531,097,724
Currency translation differences		(1,247,902,513)	(914,236,846)	-	-
Retained earnings					
Appropriated					
Legal reserve		2,857,245,725	2,857,245,725	2,857,245,725	2,857,245,725
Reserve for self-insurance fund		928,759,399	928,759,399	928,759,399	928,759,399
Unappropriated		348,292,536,956	304,303,841,805	201,709,003,733	175,923,513,867
Total parent's shareholders' equity		406,142,281,488	361,496,757,912	256,774,811,550	230,038,736,731
Minority interests		44,510,527,579	37,154,760,927	-	-
Total Shareholders' Equity		450,652,809,067	398,651,518,839	256,774,811,550	230,038,736,731
Total Liabilities and Shareholders' Equity		933,873,907,587	892,636,850,815	633,527,875,794	634,188,368,284

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

(Signed) Prasert Bunsumpun
(Prasert Bunsumpun)
Chief Executive Officer & President

(Signed) Pichai Chunchavajira
(Pichai Chunchavajira)
Chief Financial Officer

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Unaudited
Reviewed

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
			(Restated)		(Restated)
Sales and services		589,174,354,977	395,495,388,586	561,562,515,775	371,450,747,217
Cost of sales and services		537,214,034,881	354,144,395,232	539,501,580,960	353,181,386,275
Gross Margin		51,960,320,096	41,350,993,354	22,060,934,815	18,269,360,942
Selling and administrative expenses		8,787,282,406	7,476,640,589	6,962,384,015	5,002,617,215
Petroleum exploration expenses		2,973,728,610	1,199,847,795	-	-
Income from Sales		40,199,309,080	32,674,504,970	15,098,550,800	13,266,743,727
Gain (loss) on disposal of investments		(1,100,244)	675,518,590	48,318,438	839,840,506
Other income	16	4,427,042,425	3,744,625,576	16,012,688,224	11,076,330,870
Directors' remuneration	5.9	17,782,388	40,400,098	9,980,301	11,163,710
Income from Operations		44,607,468,873	37,054,249,038	31,149,577,161	25,171,751,393
Share of net income from investments under the equity method	17	(3,454,958,191)	5,713,418,863	-	-
Income before Interests and Taxes		41,152,510,682	42,767,667,901	31,149,577,161	25,171,751,393
Interest expenses		2,617,539,952	2,991,308,042	2,206,525,060	2,123,083,917
Income taxes		16,063,025,294	10,130,585,222	5,274,760,330	3,903,327,002
Net Income		22,471,945,436	29,645,774,637	23,668,291,771	19,145,340,474
Attributable to:					
Equity holders of the Company		17,876,670,866	24,475,595,636	23,668,291,771	19,145,340,474
Minority interests		4,595,274,570	5,170,179,001	-	-
		22,471,945,436	29,645,774,637	23,668,291,771	19,145,340,474
Basic earnings per share attributable to the equity holders of the Company	15	6.34	8.72	8.39	6.82
Diluted earnings per share attributable to the equity holders of the Company	15	6.32	8.64	8.37	6.78

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME

Unaudited
Reviewed

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

		Consolidated financial statements		Separate financial statements	
Notes	2008	2007	2008	2007	Unit : Baht
		(Restated)		(Restated)	
Sales and services	#####	1,059,418,587,970	1,584,888,954,643	997,056,064,743	
Cost of sales and services	#####	950,478,516,949	1,527,869,821,867	947,970,604,305	
Gross Margin		131,370,603,538	108,940,071,021	57,019,132,776	49,085,460,438
Selling and administrative expenses		25,364,908,626	20,789,123,182	19,977,444,494	14,584,990,692
Petroleum exploration expenses		4,683,382,296	2,138,373,640	-	-
Income from Sales		101,322,312,616	86,012,574,199	37,041,688,282	34,500,469,746
Gain (loss) on disposal of investments		(1,029,726)	675,518,590	48,388,956	839,840,506
Other income	16	13,958,173,283	12,597,498,339	41,931,838,153	29,035,924,671
Directors' remuneration	5.9	54,636,067	129,019,683	30,716,688	31,694,210
Income from Operations		115,224,820,106	99,156,571,445	78,991,198,703	64,344,540,713
Share of net income from investments under the equity method	17	17,638,179,766	22,142,080,291	-	-
Income before Interests and Taxes		132,862,999,872	121,298,651,736	78,991,198,703	64,344,540,713
Interest expenses		7,657,746,890	7,850,629,157	6,494,506,625	5,591,121,288
Income taxes		38,869,090,625	27,387,730,236	11,461,349,132	9,064,659,021
Net Income		86,336,162,357	86,060,292,343	61,035,342,946	49,688,760,404
Attributable to:					
Equity holders of the Company		73,893,734,590	73,320,238,697	61,035,342,946	49,688,760,404
Minority interests		12,442,427,767	12,740,053,646	-	-
		86,336,162,357	86,060,292,343	61,035,342,946	49,688,760,404
Basic earnings per share attributable to the equity holders of the Company	15	26.21	26.13	21.65	17.71
Diluted earnings per share attributable to the equity holders of the Company	15	26.05	26.00	21.56	17.65

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

**Unaudited
Reviewed
Restated**

**PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007
CONSOLIDATED FINANCIAL STATEMENTS**

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 at January 1, 2007	28,049,256,250	19,321,453,366	2,950,404,482	463,391,320	(994,247,170)	2,857,245,725	888,116,510	234,296,559,472	66,490,182,938	354,322,362,893
Adjustment of cumulative effect of the judgement of the Supreme - Administrative Court	-	-	-	-	-	-	-	1,738,399,599	-	1,738,399,599
Balance after adjustment	28,049,256,250	19,321,453,366	2,950,404,482	463,391,320	(994,247,170)	2,857,245,725	888,116,510	236,034,959,071	66,490,182,938	356,060,762,492
Issued and paid-up share capital	107,293,000	-	-	-	-	-	-	-	-	107,293,000
Premium on share capital	-	1,981,904,300	-	-	-	-	-	-	-	1,981,904,300
Currency translation differences	-	-	-	-	(114,175,000)	-	-	-	-	(114,175,000)
Unrealized gain on available-for-sale securities	-	-	-	46,300,454	-	-	-	-	-	46,300,454
Minority interests	-	-	-	-	-	-	-	-	6,546,793,225	6,546,793,225
Surplus on dilution of investments in subsidiaries and associates	-	-	243,375,954	-	-	-	-	-	-	243,375,954
Dividends paid	-	-	-	-	-	-	-	(29,494,068,163)	-	(29,494,068,163)
Net income attributable to the equity holders of the Company	-	-	-	-	-	-	-	73,320,238,697	-	73,320,238,697
Balance as at September 30, 2007	28,156,549,250	21,303,357,666	3,193,780,436	509,691,774	(1,108,422,170)	2,857,245,725	888,116,510	279,861,129,605	73,036,976,163	408,698,424,959
Balance as at January 1, 2008	28,173,881,250	21,624,238,766	3,851,325,364	671,702,449	(914,236,846)	2,857,245,725	928,759,399	304,303,841,805	37,154,760,927	398,651,518,839
Cumulative effect of the changes in accounting policy	2.1	-	-	-	-	-	-	5,344,813,641	-	5,344,813,641
Balance after adjustment	28,173,881,250	21,624,238,766	3,851,325,364	671,702,449	(914,236,846)	2,857,245,725	928,759,399	309,648,655,446	37,154,760,927	403,996,332,480
Issued and paid-up share capital	14.2	66,685,000	-	-	-	-	-	-	-	66,685,000
Premium on share capital	14.2	-	1,177,717,400	-	-	-	-	-	-	1,177,717,400
Currency translation differences	-	-	-	-	(333,665,667)	-	-	-	-	(333,665,667)
Unrealized loss on available-for-sale securities	-	-	-	(298,456,093)	-	-	-	-	-	(298,456,093)
Minority interests	-	-	-	-	-	-	-	-	7,355,766,652	7,355,766,652
Surplus on dilution of investments in subsidiaries and associates	-	-	44,547,785	-	-	-	-	-	-	44,547,785
Dividends paid	19	-	-	-	-	-	-	(35,249,853,080)	-	(35,249,853,080)
Net income attributable to the equity holders of the Company	-	-	-	-	-	-	-	73,893,734,590	-	73,893,734,590
Balance as at September 30, 2008	28,240,566,250	22,801,956,166	3,895,873,149	373,246,356	(1,247,902,513)	2,857,245,725	928,759,399	348,292,536,956	44,510,527,579	450,652,809,067

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007
SEPARATE FINANCIAL STATEMENTS

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 at January 1, 2007	28,049,256,250	19,321,453,366	2,950,404,482	463,391,320	(994,247,170)	2,857,245,725	888,116,510	234,296,559,472	287,832,179,955
Cumulative effect of the changes in accounting policy	-	-	(2,950,404,482)	12,858,680	994,247,170	-	-	(93,802,933,769)	(95,746,232,401)
Adjustment of cumulative effect of the judgement of the Supreme - Administrative Court	-	-	-	-	-	-	-	1,738,399,599	1,738,399,599
Balance after adjustment	28,049,256,250	19,321,453,366	-	476,250,000	-	2,857,245,725	888,116,510	142,232,025,302	193,824,347,153
Issued and paid-up share capital	107,293,000	-	-	-	-	-	-	-	107,293,000
Premium on share capital	-	1,981,904,300	-	-	-	-	-	-	1,981,904,300
Unrealized gain on available-for-sale securities	-	-	-	49,618,919	-	-	-	-	49,618,919
Dividends paid	-	-	-	-	-	-	-	(29,494,068,163)	(29,494,068,163)
Net income	-	-	-	-	-	-	-	49,688,760,404	49,688,760,404
Balance as at September 30, 2007	28,156,549,250	21,303,357,666	-	525,868,919	-	2,857,245,725	888,116,510	162,426,717,543	216,157,855,613
Balance as at January 1, 2008	28,173,881,250	21,624,238,766	-	531,097,724	-	2,857,245,725	928,759,399	175,923,513,867	230,038,736,731
Issued and paid-up share capital	14.2 66,685,000	-	-	-	-	-	-	-	66,685,000
Premium on share capital	14.2 -	1,177,717,400	-	-	-	-	-	-	1,177,717,400
Unrealized loss on available-for-sale securities	-	-	-	(293,817,447)	-	-	-	-	(293,817,447)
Dividends paid	19 -	-	-	-	-	-	-	(35,249,853,080)	(35,249,853,080)
Net income	-	-	-	-	-	-	-	61,035,342,946	61,035,342,946
Balance as at September 30, 2008	28,240,566,250	22,801,956,166	-	237,280,277	-	2,857,245,725	928,759,399	201,709,003,733	256,774,811,550

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Unaudited
Reviewed

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
Cash Flows from Operating Activities				
Net income attributable to the equity holders of the Company	73,893,734,590	73,320,238,697	61,035,342,946	49,688,760,404
Adjustment of net income to net cash provided by (used in) operating activities :				
Depreciation, depletion and amortization	23,442,126,767	20,781,206,964	5,329,394,544	4,459,962,370
(Reversal of) Loss on impairment of assets	(125,352,504)	8,440,409	(200,088,641)	8,440,409
(Gain) loss on disposal of assets	574,530,644	(21,278,477)	521,561,651	(10,879,989)
(Gain) loss on disposal of investments	1,029,726	(675,518,590)	(48,388,956)	(839,840,506)
Write-off fixed assets	(202,969,636)	(28,432,051)	(202,969,636)	(28,432,051)
Share of net income from investments under the equity method	(17,638,179,766)	(22,142,080,291)	-	-
Income attributable to minority interests	12,442,427,767	12,740,053,646	-	-
(Gain) loss on foreign exchange	839,764,783	(3,635,184,231)	693,521,170	(1,740,888,595)
(Reversal of) doubtful accounts	(76,439,560)	25,292,844	(97,605,288)	8,501,368
Amortization of exploration costs	3,486,864,911	1,151,775,506	-	-
Amortization of bond issue expenses	3,285,341	4,016,474	-	-
Amortization of bond discounts	20,659,785	25,582,513	20,659,785	20,659,785
Amortization of deferred interest from finance leases	27,165,521	42,498,573	25,936,439	27,954,241
(Reversal of) Provision for adjustment in value of inventories	112,929,886	(87,647,060)	10,582,559	(87,647,060)
Dividends received	(66,920,000)	(364,113,012)	(27,630,510,452)	(19,436,015,116)
Income taxes	38,869,090,625	27,387,730,236	11,461,349,133	9,064,659,021
Interest income	(3,376,789,364)	(2,937,496,485)	(2,652,392,121)	(1,485,320,101)
Interest expenses	8,916,408,305	7,921,019,725	6,450,306,807	5,545,231,403
Others	(267,668,911)	(211,446,793)	(263,257)	(204,321,247)
Net income from operating activities before changes in operating assets and liabilities	140,875,698,910	113,304,658,597	54,716,436,683	44,990,824,336

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Unaudited
Reviewed

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
Changes in operating assets (increase) decrease				
Trade accounts and notes receivable - others	29,230,678,446	(40,895,214,876)	29,335,832,035	(36,571,568,546)
Trade accounts receivable - related parties	(16,260,904,695)	(36,881,429,373)	(14,367,695,458)	(41,298,992,381)
Other accounts receivable, advances and short-term loans - related parties	1,274,203,935	(66,404,270)	207,365,055	362,618,283
Inventories	(7,100,908,736)	(4,920,598,560)	(4,458,507,532)	(4,311,643,566)
Materials and supplies	(1,610,296,033)	(740,345,361)	(208,284,150)	(179,741,019)
Other current assets	(6,194,449,563)	5,311,801,586	(3,974,959,437)	6,813,058,632
Advance payment for gas purchased	(2,371,519,479)	2,658,310,355	(1,884,149,555)	3,296,583,745
Other long-term accounts receivable and advances to related parties	62,956,105	(5,473,027)	62,956,004	(7,089,048)
Other non-current assets	(2,830,722,818)	(757,928,131)	(1,027,076,282)	(81,491,611)
Changes in operating liabilities increase (decrease)				
Trade accounts payable - others	785,114,313	68,763,035,186	1,466,114,324	67,256,049,825
Trade accounts payable - related parties	(14,022,460,602)	5,841,751,025	(14,825,105,293)	10,236,533,462
Other accounts payable - related parties	(2,126,142,280)	109,113,021	(1,616,737,235)	(113,953,593)
Accrued expenses	(2,398,640,262)	7,016,323,429	(1,693,462,326)	9,040,100,102
Other current liabilities	3,361,389,676	466,347,774	3,362,494,879	(549,589,657)
Deposits on LPG cylinders	272,009,340	218,717,140	272,009,340	218,717,140
Other long-term accounts payable - related parties	(145,593,267)	(164,276)	(42,794,683)	(126,413,162)
Other non-current liabilities	(764,560,414)	291,407,923	(521,963,882)	52,513,884
	(20,839,846,334)	6,409,249,565	(9,913,964,196)	14,035,692,490
Interest received	864,878,211	1,251,258,243	280,275,602	585,723,837
Interest paid	(250,008,698)	(239,145,490)	-	-
Taxation paid	(37,110,880,397)	(32,660,389,789)	(15,460,354,646)	(9,803,978,317)
Net cash provided by operating activities	83,539,841,692	88,065,631,126	29,622,393,443	49,808,262,346

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

Unaudited
Reviewed

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
Cash Flows from Investing Activities				
Proceeds from disposals of property, plant and equipment	47,022,277	45,425,220	26,997,974	21,284,360
Payment of property, plant and equipment	(55,742,636,022)	(70,405,422,801)	(16,260,129,388)	(18,701,181,077)
Advance payment of property, plant and equipment	(827,964,032)	-	-	-
Payment of intangible assets	(1,208,374,671)	(952,602,071)	(233,109,990)	(657,705,274)
Long-term loans to others	(303,510,232)	(522,143,950)	(303,510,232)	(11,200,000)
Long-term loans to related parties	-	(1,077,347)	(7,852,000,000)	(1,224,612,000)
Short-term loans to related parties	-	-	(648,727,676)	(10,921,887,900)
Payment of investments in subsidiaries	-	(10,312,453,664)	(8,619,170,000)	(3,024,858,582)
Payment of investments in jointly controlled entities	-	-	(1,479,750,000)	(75,000,000)
Payment of investments in associates	(6,011,369,199)	-	(5,992,023,067)	-
Payment of long-term investments	(4,473,543,160)	(304,899,796)	(4,473,543,160)	(304,899,796)
Proceeds from disposal of long-term investments	61,447,427	1,365,969,378	61,447,427	1,065,520,687
Proceeds from long-term loans to related parties	-	-	1,880,000,000	170,546,639
Proceeds from short-term loans to related parties	757,637,585	-	10,657,637,585	-
Proceeds from cancellation of leasehold in gas stations	19,044,638	12,689,167	19,044,638	12,689,167
(Increase) decrease in current investments	3,228,957,849	358,672,920	3,021,849,904	15,053,092
Interest received	1,970,858,254	1,144,400,709	1,878,161,116	410,411,920
Dividends received	17,422,800,222	6,474,498,750	27,630,510,452	17,594,428,890
Net cash used in investing activities	<u>(45,059,629,064)</u>	<u>(73,096,943,485)</u>	<u>(686,314,417)</u>	<u>(15,631,409,874)</u>

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

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Unaudited
Reviewed

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

Unit : Baht

	Consolidated financial statements		Separate financial statements		
	Notes	2008	2007 (Restated)	2008	2007 (Restated)
Cash Flows from Financing Activities					
Proceeds from issuing ordinary shares		622,608,560	1,063,676,140	66,685,000	107,293,000
Proceeds from premium on share capital		1,177,717,400	2,307,135,250	1,177,717,400	1,981,904,300
Proceeds from long-term loans		2,333,956,997	9,063,000,000	281,100,849	6,000,000,000
Proceeds from issuing bonds		-	32,436,310,553	-	16,071,371,872
Proceeds from short-term loans		6,854,294,412	510,338,350	-	-
Proceeds from notes payable		750,000,000	-	750,000,000	-
Payment of long-term loans		(241,458,203)	(7,918,090,242)	(181,958,203)	(6,185,543,686)
Payment of notes payable		(2,250,000,000)	-	(2,250,000,000)	-
Redemption of debentures		-	(8,386,220,851)	-	-
Redemption of government bonds		(7,000,000,000)	(5,000,000,000)	(7,000,000,000)	(5,000,000,000)
Payment of finance lease installments		(150,676,661)	(211,470,783)	(137,262,614)	(109,841,928)
Increase in bank overdrafts and short-term loans from financial institutions		-	1,239,219,235	-	-
Interest received		1,598,799	-	-	-
Interest paid		(9,425,590,955)	(9,439,912,782)	(7,213,864,286)	(7,204,883,890)
Dividends paid		(40,782,506,213)	(36,516,164,810)	(35,261,260,172)	(29,494,068,163)
Net cash used in provided by financing activities		(48,110,055,864)	(20,852,179,940)	(49,768,842,026)	(23,833,768,495)
Effects of exchange rates on cash and cash equivalents		(31,807,136)	25,940,542	(73,498,561)	46,918,393
Currency translation differences		(253,452,026)	(22,122,195)	-	-
Net increase(decrease) in cash and cash equivalents		(9,915,102,398)	(5,879,673,952)	(20,906,261,561)	10,390,002,370
Cash and cash equivalents at beginning of periods		74,958,290,312	86,806,254,165	43,184,607,043	26,509,729,979
Cash and cash equivalents at end of periods	3	65,043,187,914	80,926,580,213	22,278,345,482	36,899,732,349

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008
(UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED)

NOTES	CONTENTS
1	General Information
2	Accounting Changes
3	Cash and Cash Equivalents
4	Trade Accounts and Notes Receivable – Others, Net
5	Related Party Transactions
6	Investments in Subsidiaries, Jointly Controlled Entities and Associates
7	Other Long-term Investments, Net
8	Property, Plant and Equipment, Net
9	Intangible Assets, Net
10	Goodwill, Net
11	Advance Payments for Gas Purchased
12	Long-term Loans
13	Provision for Decommissioning Costs
14	Share Capital
15	Earnings per Share
16	Other Income
17	Share of Net Income from Investments under the Equity Method
18	Segment Information
19	Dividend Payment
20	Reclassification
21	Promotional Privileges
22	Compliance with the Judgment of the Supreme Administrative Court
23	Commitments and Contingent Liabilities
24	Subsequent Events

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008
(UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED)

1. General Information

1.1 Purpose of the Interim Financial Statements

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

1.2 Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 41 (revised 2007) "Interim Financial Reporting". The content of the interim financial statements comprises the balance sheets, statements of income, changes in shareholders' equity and cash flows, as presented in the most recent annual financial statements, together with selected significant explanatory notes.

1.3 Basis of Preparation

PTT Public Company Limited ("the Company") and its subsidiaries are collectively referred to as "the Group".

These consolidated financial statements have been prepared under the same basis as the consolidated financial statements for the year ended December 31, 2007. There has been no change in the structure of subsidiaries, jointly controlled entities and associates during the period.

1.4 Summary of Significant Accounting Policies

The Company has prepared these interim financial statements based on the same accounting policies and computation methods as applied in the financial statements for the year ended December 31, 2007 which were prepared in accordance with generally accepted accounting principles with the exception of the matter noted in Note 2.

1. General Information (Continued)

1.5 Amendments to Accounting Standards effective in 2008.

The revised accounting standards announced by the Federation of Accounting Professions (FAP) are effective for accounting periods beginning on or after January 1, 2008. The details are as follows:

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

Compliance with these revised accounting standards does not have significant effect on the consolidated and the separate financial statements except as discussed in Note 2.1.

2. Accounting Changes

2.1 Changes in Accounting Policies

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

Goodwill

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

The Company has adopted this standard since January 1, 2008. For goodwill recognized prior to that date, the Company applied a prospective method by not amortizing goodwill and testing for impairment instead. As a result, the carrying amount of goodwill as at January 1, 2008 was presented with the balance carried forward from December 31, 2007, amounting to Baht 12,432.05 million and was not amortized during this period. On the contrary, amortization of this goodwill for the three-month and nine-month periods ended September 30, 2008 was recognized amounting to Baht 530.22 million and Baht 1,367.86 million respectively in the consolidated financial statements. Thus, management considered that there was no impairment of this goodwill as at September 30, 2008.

Negative Goodwill

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

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

However, these adjustments in goodwill and negative goodwill did not affect the separate financial statements.

2. Accounting Changes (Continued)

2.2 Correction of Accounting Errors

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

The Company made corrections to the accounting errors in the previous year's financial statements, by cancelling the accounting for assets separation and recognizing the right to use assets as intangible asset, leading to a difference between depreciation expenses of assets and amortization expenses of the right. The Company accounted for this change by retrospectively adjusted the financial statements for the three-month and nine-month periods ended September 30, 2008 that was presented for comparative purposes. The effect of this on the statement of income in the consolidated and the separate financial statements was the same in terms of amounts. The details are as follows:

Unit: Million Baht

Statement of Income for the three-month period ended September 30, 2007

Increase in cost of sales and services	20.47
Decrease in selling and administrative expenses	0.73
Decrease in income taxes	11.21
Decrease in net income	8.53

Unit: Million Baht

Statement of Income for the nine-month period ended September 30, 2007

Increase in cost of sales and services	39.54
Decrease in selling and administrative expenses	2.17
Decrease in income taxes	11.21
Decrease in net income	26.16

3. Cash and Cash Equivalents

Cash and cash equivalents as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Cash on hand	218.47	608.80	180.60	437.28
Deposits held at call with banks	30,890.96	16,131.67	18,598.36	4,528.47
Fixed deposits	5,642.72	10,438.23	-	8,000.00
Treasury bills	24,457.00	18,669.12	-	1,758.39
Promissory notes	2,834.65	783.30	2,500.00	133.30
Bank of Thailand bonds	999.39	28,327.17	999.39	28,327.17
Total	<u>65,043.19</u>	<u>74,958.29</u>	<u>22,278.35</u>	<u>43,184.61</u>

Cash and cash equivalents as at September 30, 2008 mainly bear interest at rates ranging from 0.13% to 5.44% per annum (December 31, 2007: interest rates ranging from 0.13% to 5.20% per annum).

4. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others, net as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Trade accounts receivable	87,620.07	117,023.10	71,502.73	100,439.60
Notes receivable	1,887.11	2,476.80	1,887.11	2,476.80
Total	89,507.18	119,499.90	73,389.84	102,916.40
<u>Less Allowance for doubtful accounts</u>	<u>2,388.29</u>	<u>2,564.12</u>	<u>1,537.12</u>	<u>1,647.57</u>
Trade accounts and notes receivable – others, net	<u>87,118.89</u>	<u>116,935.78</u>	<u>71,852.72</u>	<u>101,268.83</u>

Outstanding trade accounts and notes receivable – others, net as at September 30, 2008 and December 31, 2007 can be aged as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Current	81,512.32	105,867.41	67,793.34	91,734.43
Overdue				
- Not over 3 months	2,679.83	6,508.63	1,845.99	5,460.25
- Over 3 months but not over 6 months	1,979.63	2,288.90	1,867.74	1,920.31
- Over 6 months but not over 12 months	473.58	2,027.52	299.33	1,994.30
- Over 12 months	2,861.82	2,807.44	1,583.44	1,807.11
Total	89,507.18	119,499.90	73,389.84	102,916.40
<u>Less Allowance for doubtful accounts</u>	<u>2,388.29</u>	<u>2,564.12</u>	<u>1,537.12</u>	<u>1,647.57</u>
Trade accounts and notes receivable - others, net	<u>87,118.89</u>	<u>116,935.78</u>	<u>71,852.72</u>	<u>101,268.83</u>

Trade accounts and notes receivable – others, net as at September 30, 2008 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 16,673.42 million (December 31, 2007: Baht 28,969.72 million), and in the separate financial statements amounting to Baht 16,460.91 million (December 31, 2007: Baht 28,865.56 million).

5. Related Party Transactions

The following are significant transactions carried out with related parties:

5.1 Trade accounts receivable – related parties, net as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Subsidiaries	-	-	8,404.99	11,156.14
Jointly controlled entities	-	-	109.55	99.66
Associates	92,272.76	76,264.37	92,257.13	76,249.94
Other related parties	2,036.86	2,044.14	2,036.86	2,044.14
Total	94,309.62	78,308.51	102,808.53	89,549.88
<u>Less</u> Allowance for doubtful accounts	272.73	261.07	280.81	269.78
Trade accounts receivable – related parties, net	94,036.89	78,047.44	102,527.72	89,280.10

Outstanding trade accounts receivable – related parties, net as at September 30, 2008 and December 31, 2007 can be aged as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Current	90,735.23	78,050.35	95,832.16	85,939.67
Overdue				
- Not over 3 months	3,272.91	170.80	3,241.46	501.77
- Over 3 months but not over 6 months	268.05	83.85	280.50	414.69
- Over 6 months but not over 12 months	30.06	1.00	408.22	1.83
- Over 12 months	3.37	2.51	3,046.19	2,691.92
Total	94,309.62	78,308.51	102,808.53	89,549.88
<u>Less</u> Allowance for doubtful accounts	272.73	261.07	280.81	269.78
Trade accounts receivable – related parties, net	94,036.89	78,047.44	102,527.72	89,280.10

5. Related Party Transactions (Continued)

5.2 Other accounts receivable, advances and short-term loans – related parties, net as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Other accounts receivable				
Subsidiaries	-	-	448.01	401.94
Jointly controlled entities	-	-	291.76	201.85
Associates	560.98	455.81	558.88	449.43
Other related parties	142.48	144.51	142.16	144.04
Total	703.46	600.32	1,440.81	1,197.26
<u>Less</u> Allowance for doubtful accounts	141.90	141.90	146.92	148.14
Other accounts receivable, net	561.56	458.42	1,293.89	1,049.12
Advances				
Associates	341.77	326.30	341.75	326.30
Other related parties	7.03	176.40	7.03	176.37
Total	348.80	502.70	348.78	502.67
<u>Less</u> Allowance for doubtful accounts	341.32	325.98	341.32	325.98
Advances, net	7.48	176.72	7.46	176.69
Short-term loans				
Subsidiaries	-	-	17,127.93	26,379.21
Jointly controlled entities	-	-	1,324.10	1,324.10
Associates	-	757.64	-	757.64
Total	-	757.64	18,452.03	28,460.95
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Short-term loans, net	-	757.64	18,452.03	28,460.95
Total	569.04	1,392.78	19,753.38	29,686.76

Changes in short-term loans – related parties for the nine-month period ended September 30, 2008 are as follows:

	Unit: Million Baht	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Balance as at December 31, 2007	757.64	28,460.95
- Payment for loans granted	-	648.73
- Receipt from loans granted	(757.64)	(10,657.65)
Balance as at September 30, 2008	-	18,452.03

Short-term loans to related parties are unsecured and bear interest at rates ranging from 4.88% to 6.88% per annum.

5. Related Party Transactions (Continued)

5.3 Other accounts receivable, advances and long-term loans – related parties, net as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Other accounts receivable				
Subsidiaries	-	-	1,085.61	1,076.79
Associates	1,384.84	1,193.04	1,384.84	1,193.04
Total	1,384.84	1,193.04	2,470.45	2,269.83
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Other accounts receivable, net	1,384.84	1,193.04	2,470.45	2,269.83
Advances				
Associates	0.32	0.65	0.32	0.65
Total	0.32	0.65	0.32	0.65
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Advances, net	0.32	0.65	0.32	0.65
Long-term loans				
Subsidiaries	-	-	7,692.00	1,720.00
Associates	5,050.05	5,050.05	5,050.05	5,050.05
Total	5,050.05	5,050.05	12,742.05	6,770.05
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Long-term loans, net	5,050.05	5,050.05	12,742.05	6,770.05
Total	6,435.21	6,243.74	15,212.82	9,040.53

Changes in long-term loans – related parties for the nine-month period ended September 30, 2008 are as follows:

Unit: Million Baht

	Consolidated financial statements	Separate financial statements
Balance as at December 31, 2007	5,050.05	6,770.05
- Payment for loans granted	-	7,852.00
- Receipt from loans granted	-	(1,880.00)
Balance as at September 30, 2008	5,050.05	12,742.05

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

5. Related Party Transactions (Continued)

5.4 Trade accounts payable – related parties as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Subsidiaries	-	-	11,548.90	11,860.55
Jointly controlled entities	-	-	2,237.38	2,940.80
Associates	28,993.30	44,417.08	27,562.60	42,707.71
Other related parties	<u>1,677.17</u>	<u>1,456.34</u>	<u>423.43</u>	<u>179.42</u>
Total	<u>30,670.47</u>	<u>45,873.42</u>	<u>41,772.31</u>	<u>57,688.48</u>

5.5 Other accounts payable – related parties as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Subsidiaries	-	-	16.61	278.54
Jointly controlled entities	-	-	4.57	1.24
Associates	248.35	379.22	240.98	369.63
Other related parties	<u>151.83</u>	<u>1,491.84</u>	<u>73.70</u>	<u>1,489.21</u>
Total	<u>400.18</u>	<u>1,871.06</u>	<u>335.86</u>	<u>2,138.62</u>

5.6 Other long-term accounts payable – related parties as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Subsidiaries	-	-	11.38	70.71
Jointly controlled entities	-	-	15.50	16.04
Associates	22.81	-	22.81	-
Other related parties	<u>757.84</u>	<u>-</u>	<u>757.84</u>	<u>-</u>
Total	<u>780.65</u>	<u>-</u>	<u>807.53</u>	<u>86.75</u>

5. Related Party Transactions (Continued)

5.7 Revenue and expense transactions carried out with related parties are as follows:

For the three-month periods ended September 30, 2008 and 2007

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Revenues				
Sales:				
Subsidiaries	-	-	13,311.12	19,895.96
Jointly controlled entities	-	-	299.07	245.66
Associates	270,907.18	156,913.49	270,888.49	152,778.34
Other related parties	6,409.18	1,939.60	6,409.18	1,939.60
Interest income:				
Subsidiaries	-	-	451.51	244.06
Jointly controlled entities	-	-	20.51	20.51
Associates	71.26	71.80	71.26	71.80
Other related parties	-	-	-	-
Dividend income:				
Subsidiaries	-	-	6,199.05	5,171.45
Jointly controlled entities	-	-	-	339.88
Associates	-	-	4,731.05	2,455.84
Other related parties	25.40	27.20	25.40	27.20
Other income:				
Subsidiaries	-	-	673.85	300.21
Jointly controlled entities	-	-	140.76	7.61
Associates	2,137.53	954.18	2,137.27	908.32
Other related parties	12.71	3.01	12.61	2.82
Expenses				
Purchases:				
Subsidiaries	-	-	34,510.72	22,228.10
Jointly controlled entities	-	-	7,205.45	1,371.18
Associates	145,871.81	112,957.33	142,232.89	111,496.26
Other related parties	4,562.17	1,547.37	1,706.00	829.02
Other expenses:				
Subsidiaries	-	-	124.21	75.82
Jointly controlled entities	-	-	-	-
Associates	90.06	239.30	87.56	10.66
Other related parties	173.65	221.58	172.59	221.58

5. Related Party Transactions (Continued)

5.7 Revenue and expense transactions carried out with related parties are as follows: (Continued)

For the nine-month periods ended September 30, 2008 and 2007

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Revenues				
Sales:				
Subsidiaries	-	-	39,075.78	39,444.96
Jointly controlled entities	-	-	851.90	751.75
Associates	743,549.85	404,134.89	743,492.96	394,977.84
Other related parties	15,392.45	6,813.80	15,392.45	6,813.54
Interest income:				
Subsidiaries	-	-	1,395.18	367.55
Jointly controlled entities	-	-	61.08	44.12
Associates	208.16	227.06	208.16	227.06
Other related parties	-	-	-	-
Dividend income:				
Subsidiaries	-	-	10,340.78	11,167.89
Jointly controlled entities	-	-	69.16	339.88
Associates	-	-	17,153.66	7,846.46
Other related parties	66.92	364.11	66.92	81.80
Other income:				
Subsidiaries	-	-	1,059.47	398.89
Jointly controlled entities	-	-	200.45	22.56
Associates	9,117.06	2,431.68	9,116.31	2,295.89
Other related parties	35.02	9.12	34.58	8.54
Expenses				
Purchases:				
Subsidiaries	-	-	88,967.55	60,191.42
Jointly controlled entities	-	-	20,351.26	4,328.36
Associates	451,447.74	327,125.04	440,723.00	323,746.62
Other related parties	13,669.10	3,195.64	4,585.92	2,403.34
Other expenses:				
Subsidiaries	-	-	322.52	234.86
Jointly controlled entities	-	-	0.21	-
Associates	259.47	342.00	252.39	28.97
Other related parties	563.82	626.39	560.31	626.39

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

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

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

5. Related Party Transactions (Continued)

5.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 23.1.

5.9 Directors' remuneration

Directors' remuneration, comprising directors' meeting fees and bonuses for the three-month and nine-month periods ended September 30, 2008 and 2007, is as follows:

For the three-month periods ended September 30, 2008 and 2007

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Directors' remuneration	17.78	40.40	9.98	11.16

For the nine-month periods ended September 30, 2008 and 2007

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Directors' remuneration	54.64	129.02	30.72	31.69

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

For the three-month periods ended September 30, 2008 and 2007 comprising:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Sales				
Associates	220.10	-	220.10	-
Purchases				
Associates	217.60	-	217.60	-

For the nine-month periods ended September 30, 2008 and 2007 comprising:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Sales				
Associates	10,428.10	2,393.64	10,428.10	2,393.64
Purchases				
Associates	10,425.60	2,393.64	10,425.60	2,393.64

6. Investments in Subsidiaries, Jointly Controlled Entities and Associates

6.1 Investments in subsidiaries, jointly controlled entities and associates as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Investments in Subsidiaries	-	-	23,734.17	15,125.00
Investments in Jointly Controlled Entities	-	-	16,643.19	15,163.44
Investments in Associates	201,847.39	189,951.19	111,351.83	105,326.75
Total	201,847.39	189,951.19	151,729.19	135,615.19

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2008	December 31, 2007
<u>Subsidiaries:</u>				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.55	65.73
PTT (Cambodia) Co., Ltd. (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	49.00	49.00
PTT International Trading Pte. Ltd. (PTTT)	Singapore	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd (PTTPM)	Thailand	Polymer marketing	50.00	75.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	50.00	50.00
PTT Polymer Logistics Co., Ltd. (PTTPL)	Thailand	Logistics services	100.00	100.00
PTT Retail Business Co., Ltd. (PTTRB)	Thailand	Management services and oil marketing	100.00	100.00
Combined Heat and Power Producing Co., Ltd. (CHPP)	Thailand	Generation and supply of electricity and chilled water	100.00	100.00
PTT International Co., Ltd. (PTT INTER)	Thailand	Petroleum	100.00	100.00
PTT Green Energy Pte. Ltd. (PTTGE)	Singapore	Petroleum	100.00	100.00

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

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2008	December 31, 2007
<u>Jointly controlled entities:</u>				
Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T))	Thailand	Natural gas	50.00	50.00
Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M))	Malaysia	Natural gas	50.00	50.00
District Cooling System and Power Plant Co, Ltd. (DCAP)	Thailand	Generation and supply of electricity and chilled water	35.00	35.00
PTT Asahi Chemicals Co., Ltd. (PTTAC)	Thailand	Petrochemicals	48.50	47.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
<u>Associates:</u>				
Thai Oil Public Co., Ltd. (TOP)	Thailand	Refining	49.10	49.10
Star Petroleum Refining Co., Ltd. (SPRC)	Thailand	Refining	36.00	36.00
Bangchak Petroleum Public Co., Ltd. (BCP)	Thailand	Refining	29.75	29.75
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	48.95	48.95
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipeline	33.19	33.19
Petro Asia (Thailand) Co., Ltd. (PA (Thailand))	Thailand	Oil marketing	35.00	35.00
Vietnam LPG Co., Ltd. (VLPG)	Vietnam	Bottling and selling LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and selling LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	36.26	31.50
Independent Power (Thailand) Co., Ltd (IPT)	Thailand	Electricity generation	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)	Thailand	Petrochemicals	49.30	49.31
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity steam and water for industry	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
PTT Aromatics and Refining Public Co., Ltd. (PTTAR)	Thailand	Petrochemicals and refining	48.66	48.66
Alliance Plant Service Co., Ltd. (APS) (Formerly NPTC Maintenance & Engineering Services Co., Ltd. (NPTC))	Thailand	Factory maintenance and engineering services	40.00	40.00

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

6.3 Investments accounted for under the equity method in the consolidated financial statements as at September 30, 2008 and December 31, 2007 are as follows:

Consolidated financial statements

Unit: Million Baht

Company	Shareholding percentage		September 30, 2008		December 31, 2007		Dividends for the nine-month periods ended September 30	
	September 30, 2008	December 31, 2007	Cost method	Equity Method	Cost method	Equity method	2008	2007
Associates:								
Refining Business Group								
1 TOP	49.10	49.10	11,380.83	33,952.85	11,380.83	33,291.97	4,507.41	3,789.93
2 SPRC	36.00	36.00	14,770.48	18,732.02	14,770.48	19,093.28	1,624.77	-
3 BCP	29.75	29.75	4,060.18	5,584.89	4,060.18	4,952.40	99.88	56.60
4 PTTAR *	48.66	48.66	12,820.01	31,003.24	12,821.69	32,119.50	3,604.97	2,484.30
5 IRPC	36.26	31.50	25,471.57	33,267.13	20,363.81	25,205.08	2,016.51	1,351.35
Oil Business Group								
6 THAPPLINE	33.19	33.19	2,682.35	266.85	2,682.35	2.00	-	-
7 TLBC	48.95	48.95	140.00	146.87	140.00	134.79	-	-
8 PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
9 VLPG	45.00	45.00	87.35	94.36	87.35	66.39	-	23.01
10 KPL	40.00	40.00	21.49	27.89	21.49	26.89	-	-
11 FST	25.00	25.00	1.13	1.33	1.13	1.36	-	-
Petrochemicals Business Group								
12 PTTCH	49.30	49.31	33,520.89	54,145.05	32,491.96	51,527.15	5,287.65	-
13 PPCL	40.00	40.00	2,199.84	1,954.01	1,280.88	1,135.32	-	-
14 APS (Formerly NPTC)	40.00	40.00	28.51	11.01	28.47	28.47	-	-
Natural Gas Business Group								
15 IPT	20.00	20.00	400.19	1,418.68	400.19	1,036.12	61.63	49.94
16 AMATA NGD	50.00	50.00	80.00	218.61	80.00	211.71	80.00	70.00
17 TP	26.00	26.00	2,304.76	2,037.62	2,304.76	2,005.39	73.06	91.33
18 PTTUT	40.00	40.00	2,743.60	2,522.30	2,743.60	2,615.39	-	-
19 EMG	25.00	25.00	16,544.61	16,389.88	16,498.42	16,433.90	-	-
Other Business Group								
20 PTTICT	20.00	20.00	60.00	72.80	60.00	64.08	-	-
Total			129,449.04	201,847.39	122,348.84	189,951.19	17,355.88	7,916.46

* PTTAR: Dividend revenue for the nine-month period ended September 30, 2007 comprises of dividend revenue from Rayong Refinery Public Co., Ltd. (RRC) amounting to Baht 1,397.49 million and Aromatics (Thailand) Co., Ltd. (ATC) amounting to Baht 1,086.81 million.

Remark: Vinythai Public Co.,Ltd. (VNT) (associate of PTTCH) : During the nine-month periods ended September 30, 2007, VNT paid for dividend amounting to Baht 35.52 million.

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

6.4 Investments accounted for under the cost method in the separate financial statements as at September 30, 2008 and December 31, 2007

Separate financial statements

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month periods ended September 30	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007	2008	2007
Subsidiaries:						
1 PTTEP	65.55	65.73	11,131.33	11,131.33	9,818.78	6,805.48
2 PTTT	100.00	100.00	2.50	2.50	-	-
3 PTTCL	100.00	100.00	0.23	0.23	-	-
4 SBECL	100.00	100.00	1,154.81	1,154.81	-	-
5 PTTNGD	58.00	58.00	418.14	418.14	522.00	455.88
6 PTTLNG	100.00	100.00	1,638.25	50.00	-	-
7 PTTPM	50.00	75.00	20.00	30.00	-	-
8 EnCo	50.00	50.00	400.00	400.00	-	-
9 RBA	49.00	49.00	0.49	0.49	-	-
10 PTTPL	100.00	100.00	900.00	600.00	-	-
11 PTTTRB	100.00	100.00	5,100.00	100.00	-	-
12 CHPP	100.00	100.00	270.00	270.00	-	-
13 PTT INTER	100.00	100.00	100.00	25.00	-	-
14 PTTGE	100.00	100.00	2,598.42	942.50	-	-
Jointly Controlled Entities:						
Natural Gas Business Group						
15 TTM(T)	50.00	50.00	5,320.00	5,320.00	-	-
16 TTM(M)	50.00	50.00	281.32	281.32	-	-
17 DCAP	35.00	35.00	350.00	350.00	-	-
Petrochemicals Business Group						
18 PTTAC	48.50	47.50	1,574.75	95.00	-	-
19 HMC	41.44	41.44	9,117.12	9,117.12	69.16	339.88

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

6.4 Investments accounted for under the cost method in the separate financial statements as at September 30, 2008 and December 31, 2007 (Continued)

Separate financial statements (Continued)

Unit: Million Baht

Company	Shareholding percentage		Cost method		Dividends for the nine-month periods ended September 30	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007	2008	2007
Associates:						
Refining Business Group						
20 TOP	49.10	49.10	11,380.83	11,380.83	4,507.41	3,789.93
21 SPRC	36.00	36.00	14,770.48	14,770.48	1,624.77	-
22 BCP	29.75	29.75	4,060.18	4,060.18	99.88	56.60
23 PTTAR *	48.66	48.66	12,820.01	12,821.69	3,604.97	2,484.30
24 IRPC	36.26	31.50	25,471.57	20,363.81	2,016.52	1,351.35
Oil Business Group						
25 THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
26 TLBC	48.95	48.95	140.00	140.00	-	-
27 PA (Thailand)	35.00	35.00	131.25	131.25	-	-
28 VLPG	45.00	45.00	87.35	87.35	-	23.01
29 KPL	40.00	40.00	21.49	21.49	-	-
Petrochemicals Business Group						
30 PTTCH	49.30	49.31	32,079.42	32,079.42	5,165.42	3,906.53
31 PPCL	40.00	40.00	2,199.84	1,280.88	-	-
32 APS (Formerly NPTC)	40.00	40.00	28.51	28.47	-	-
Natural Gas Business Group						
33 IPT	20.00	20.00	400.19	400.19	61.63	49.94
34 TP	26.00	26.00	2,304.76	2,304.76	73.06	91.33
35 PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
Others Business Group						
36 PTTICT	20.00	20.00	30.00	30.00	-	-
Total			151,729.19	135,615.19	27,563.60	19,354.23

* PTTAR: Dividend revenue for the nine-month period ended September, 30, 2007 comprises of dividend revenue from Rayong Refinery Public Co., Ltd. (RRC) amounting to Baht 1,397.49 million and Aromatics (Thailand) Co., Ltd. (ATC) amounting to Baht 1,086.81 million.

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

6.5 Share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at September 30, 2008 and December 31, 2007 are as follows:

Balance Sheets:

As at September 30, 2008 and December 31, 2007

Unit: Million Baht

	September 30, 2008					December 31, 2007				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Current assets	2,453.88	84.43	190.34	370.77	2,442.92	2,364.78	85.52	200.30	23.99	2,344.75
Non-current assets	13,502.48	709.86	878.70	1,235.46	8,817.10	13,739.03	751.65	924.90	69.98	5,942.87
Current liabilities	(2,674.59)	(44.04)	(127.51)	(36.76)	(1,465.69)	(2,316.14)	(21.91)	(140.26)	(2.80)	(1,224.90)
Non-current liabilities	(7,775.65)	(518.48)	(637.00)	(3.54)	(2,073.49)	(8,302.62)	(549.11)	(696.50)	-	(24.35)
Net assets	<u>5,506.12</u>	<u>231.77</u>	<u>304.53</u>	<u>1,565.93</u>	<u>7,720.84</u>	<u>5,485.05</u>	<u>266.15</u>	<u>288.44</u>	<u>91.17</u>	<u>7,038.37</u>

Statements of Income:

For the three-month periods ended September 30, 2008 and 2007

Unit: Million Baht

	2008					2007				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income	316.74	(0.95)	135.85	5.71	2,677.30	397.49	30.98	139.25	0.01	2,173.16
Expenses	(389.84)	(25.49)	(149.75)	(7.52)	(2,330.39)	(382.22)	(25.26)	(137.98)	(0.29)	(1,830.16)
Gain(loss) before taxes	(73.10)	(26.44)	(13.90)	(1.81)	346.91	15.27	5.72	1.27	(0.28)	343.00
Income taxes	-	(0.13)	-	-	(8.14)	-	(3.19)	-	-	(53.83)
Net income(loss)	<u>(73.10)</u>	<u>(26.57)</u>	<u>(13.90)</u>	<u>(1.81)</u>	<u>268.77</u>	<u>15.27</u>	<u>2.53</u>	<u>1.27</u>	<u>(0.28)</u>	<u>289.17</u>

For the nine-month periods ended September 30, 2008 and 2007

Unit: Million Baht

	2008					2007				
	TTM(T)	TTM(M)	DCAP	PTTAC	HMC	TTM(T)	TTM(M)	DCAP	PTTAC	HMC
Income	1,087.98	46.02	440.73	11.26	7,385.94	1,475.88	82.14	414.28	0.04	6,189.80
Expenses	(1,066.91)	(73.94)	(424.65)	(17.66)	(6,461.15)	(1,105.16)	(63.11)	(416.09)	(0.90)	(5,156.48)
Gain(loss) before taxes	21.07	(27.92)	16.08	(6.40)	924.79	370.72	19.03	(1.81)	(0.86)	1,033.32
Income taxes	-	0.19	-	-	(172.61)	-	(0.50)	-	-	(171.60)
Net income(loss)	<u>21.07</u>	<u>(27.73)</u>	<u>16.08</u>	<u>(6.40)</u>	<u>752.18</u>	<u>370.72</u>	<u>18.53</u>	<u>(1.81)</u>	<u>(0.86)</u>	<u>861.72</u>

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

6.6 Significant events during the nine-month period ended September 30, 2008 are as follows:

PTTEP

During the nine-month period ended September 30, 2008, warrants in PTTEP were exercised under the Employee Stock Ownership Program (ESOP) as detailed in Note 15. The effect from dilution of investments amounting to Baht 146.28 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity. Hence, as at September 30, 2008, the Company's shareholding in PTTEP was 65.55%.

PTTCH

During the nine-month period ended September 30, 2008, warrants in PTTCH were exercised under the Employee Stock Ownership Program (ESOP) as detailed in Note 15. The effect from dilution of investments amounting to Baht 0.91 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity. Hence, as at September 30, 2008, the Company's shareholding in PTTEP was 49.30%.

IRPC

During the nine-month period ended September 30, 2008, the Company acquired 980.30 million additional ordinary shares in IRPC from third parties amounting to Baht 5,107.76 million. Goodwill arising from the acquisition was Baht 320.46 million. Hence, as at September 30, 2008, the Company's shareholding in IRPC was 36.26%.

PTTRB

PTTRB's extraordinary shareholders' meeting No. 1/2008 held on March 6, 2008 and No. 2/2008 held on March 21, 2008 passed a resolution to increase the authorized share capital of PTTRB by issuing 50 million ordinary shares at a par value of Baht 100 amounting to Baht 5,000 million. The Company made this payment on March 27, 2008.

APS (NPTC)

In accordance with NPTC's ordinary shareholders' meeting No. 1/2008 held on March 7, 2008, a resolution has passed to change the company's name from NPTC Maintenance and Engineering Services Company Limited (NPTC), to Alliance Plant Service Company Limited (APS). The change of name was registered on April, 8, 2008.

PTTGE

On April 25, 2008, PTTGE acquired a 95% stake in PT. Az.Zhara, a company registered in the Republic of Indonesia, from the existing shareholders of PT. Az.Zhara at an approximate amount of USD 22.275 million, or equivalent to approximately Baht 700 million. The acquisition was made through Sabran Brothers Pte., Ltd., a company registered in the Republic of Singapore in which PTTGE has a 100% interest. On April 25, 2008, PTTGE, PT. Az.Zhara and Sabran Brothers Pte., Ltd. fulfilled the conditions precedent of the Share Purchase Agreement. PTTGE has made certain payments for the acquisition and the existing shareholders of PT. Az.Zhara have transferred the 95% stake in PT. Az.Zhara to PTTGE (through Sabran Bothers Pte., Ltd). PTTGE (through Sabran Brothers Pte., Ltd) will make additional payments according to the agreement and the final payment will be made when all the conditions under the agreement are fulfilled. Currently, the paid-up capital of PT. Az.Zhara is Indonesian Rupiah (IDR) 1,000 million or equivalent to approximately Baht 4 million, which comprises 1,000 ordinary shares at IDR 1,000,000 per share.

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

6.6 Significant events during the nine-month period ended September 30, 2008 are as follows: (Continued)

PTTGE (Continued)

In accordance with PTTGE's board of directors' meeting No. 3/2008 held on March 25, 2008 passed a resolution to approve a change in the currency of PTTGE's registered capital from SGD to USD. As a result, PTTGE had registered capital comprising 40 million shares amounting to USD 28 million or approximately Baht 942.50 million. In addition, PTTGE's board of directors' meeting passed a resolution to increase the share capital by 50 million shares of USD 1 per share amounting to USD 50 million or approximately Baht 1,655.92 million. Thus, the Company made this payment on June 11, 2008.

PPCL

In the second quarter of 2008, in accordance with PPCL's board of directors' meeting No. 3/2008 held on March 19, 2008 gave approval to the shareholders to pay for additional shares amounting to Baht 599.40 million. On April 10, 2008, the Company made this payment according to its shareholding of 40% amounting to Baht 239.76 million. Consequently, PPCL's ordinary shareholders' meetings 2008 on April 23, 2008 passed a resolution to increase its registered capital in the amount of Baht 1,600 million. PPCL called for payment of percentage 65.625 on these shares amounting to Baht 1,050 million. Thus, the Company made this payment according to its shareholding of 40% amounting to Baht 420 million on June 30, 2008.

In the third quarter of 2008, in accordance with PPCL's board of directors' meeting No. 8/2008 held on August 15, 2008 gave approval to the shareholders to pay for additional shares amounting to Baht 648 million. Thus, on August 22, 2008, the Company made this payment according to its shareholding of 40% amounting to Baht 259.20 million.

PTTAC

In accordance with PTTAC's board of directors' meeting No. 2/2008 held on February 22, 2008 passed a resolution to increase its registered capital in the amount of Baht 12,200 million from the existing amount of Baht 200 million to Baht 12,400 million by issuing 122 million ordinary shares at a par value of Baht 100 and called for payment of these additional shares of Baht 25 each amounting to Baht 3,050 million. In addition, this meeting passed a resolution to change the percentage interest from 47.50 to 48.50. Thus, the Company paid the amount of Baht 1,479.75 million on April 25, 2008.

PTTPL

In accordance with PTTPL's board of directors' meeting No. 2/2008 held on February 20, 2008 passed a resolution to increase its registered capital in the amount of 12 million shares at Baht 25 per share amounting to Baht 300 million. Thus, the Company made this payment on May 2, 2008.

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

6.6 Significant events during the nine-month period ended September 30, 2008 are as follows:
(Continued)

PTTLNG

PTTLNG's extraordinary shareholders' meeting No. 1/2008 held on March 20, 2008 and the ordinary shareholders' meeting for 2008 held on April 4, 2008 passed a resolution to increase the authorized share capital in the amount of Baht 6,353 million from the existing amount of Baht 50 million to Baht 6,403 million by issuing 635.30 million ordinary shares at a par value of Baht 10 and called for payment of these additional shares of Baht 2.50 each amounting to Baht 1,588.25 million. Thus, the Company made payment on April 28, 2008 amounting to Baht 1,551.00 million and on May 9, 2008 amounting to Baht 37.25 million.

PTTPM

On August 27, 2008, the Company disposed of 100,000 shares in PTT Polymer Marketing Co., Ltd. (PTTPM), equally to percentage of 25 of PTTPM's the registered and paid-up shares, to IRPC Public Co., Ltd. (IRPC) in accordance with PTTPM's board of directors' meeting No. 11/2007 held on November 16, 2007 with price per share equally to PTTPM's book value as at July 31, 2008 amounting to Baht 583.18 per share totalling to Baht 58.32 million and received cash from this disposal on August 27, 2008. As a result, the Company's shareholding in PTTPM was decreased from 75% to 50%. A loss from disposal of investment was arisen amounting to Baht 1.1 million in the consolidated financial statement.

PTT INTER

In accordance with PTT INTER's board of directors' meeting No. 4/2008 held on July 3, 2008 passed a resolution to call for total unpaid shares with percentage of 75 amounting to Baht 75 million. Thus, the Company made this payment on August 22, 2008.

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

6.7 Additional Information in respect of Associates

- 6.7.1 The Company has not recognized the share of profit(loss) from some associates for the three-month period ended September 30, 2008, amounting to Baht 1.11 million (2007: Baht 71.33 million) and for the nine-month period ended September 30, 2008, amounting to Baht 1.30 million (2007: Baht 234.23 million) since as at September 30, 2008, the Company had unrealized accumulated loss carried forward from associates amounting to Baht 68.77 million (December 31, 2007: Baht 70.07 million).
- 6.7.2 The fair value of investments in associates which have equity securities traded in the Stock Exchange of Thailand (SET) calculated by current bid price at the balance sheet date. Details are as follows:

The fair value of investments in associate as at September 30, 2008 and December 31, 2007

<u>Associates</u>	Unit: Million Baht	
	<u>September 30, 2008</u>	<u>December 31, 2007</u>
PTTCH	42,430.24	91,501.74
BCP	3,179.39	4,660.88
IRPC	28,776.10	39,004.88
TOP	41,568.37	86,642.51
PTTAR	29,704.94	62,091.98

7. Other Long-term Investments, Net

7.1 Other long-term investments as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
General investments	2,234.90	1,456.60	1,106.12	812.87
Investments in available-for-sale securities				
- Investments in equity instruments	336.00	336.00	336.00	336.00
- Investments in debt securities	585.60	585.60	585.60	585.60
- Investments in mutual funds	4,212.87	33.96	4,212.87	33.96
<u>Add</u> Allowance for increase in fair value of investments	338.97	758.70	338.97	758.70
Total	<u>7,708.34</u>	<u>3,170.86</u>	<u>6,579.56</u>	<u>2,527.13</u>

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

Company	Country of Incorporation	Business	Shareholding Percentage	
			September 30, 2008	December 31, 2007
Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
Petro Asia (Shantou) Co., Ltd. (PA (Shantou))	China	Oil marketing	15.00	15.00
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
PTT Mart Co., Ltd. (PTT Mart)	Thailand	Management services	49.00	49.00
Fuel Pipeline Transportation Co., Ltd. (FPT)	Thailand	Oil pipeline	2.76	2.76
Intoplane Services Co., Ltd. (IPS)	Thailand	Aircraft refuelling services	16.67	16.67
Ratchaburi Power Co., Ltd. (RPCL)	Thailand	Electricity generation	15.00	15.00
Dhipaya Insurance Public Co., Ltd. (TIP)	Thailand	Insurance	13.33	13.33
Bangkok Aviation Fuel Services Public Co., Ltd. (BAFS)	Thailand	Aircraft refuelling services	7.06	7.06

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

7.3 Other long-term investments as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

Company	Shareholding percentage		Consolidated financial statements		Separate financial statements		Dividends for the nine-month periods ended September 30	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007	2008	2007
General Investments								
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	1,098.75	805.50	1,098.75	805.50	-	-
7 ROC	5.91	5.91	643.73	643.73	-	-	-	282.31
8 BAPT	2.07	2.07	18.19	18.19	-	-	-	-
9 PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
10 KOT	10.00	-	117.93	-	-	-	-	-
11 KIF	10.00	-	48.84	-	-	-	-	-
12 KAD I	10.00	-	245.39	-	-	-	-	-
13 KAD II	10.00	-	65.52	-	-	-	-	-
Total investments accounted for under the cost method			2,451.60	1,680.67	1,312.00	1,018.75		
Add Currency translation differences			7.37	-	-	-		
Less Allowance for impairment of investments			224.07	224.07	205.88	205.88		
Total general investments			2,234.90	1,456.60	1,106.12	812.87		
Investments in Available-for-sale Securities								
Investments in Equity Instruments								
14 TIP	13.33	13.33	312.00	312.00	312.00	312.00	50.00	68.00
15 BAFS	7.06	7.06	24.00	24.00	24.00	24.00	16.92	13.80
Total investments in equity instruments			336.00	336.00	336.00	336.00		
Investments in Debt Securities			585.60	585.60	585.60	585.60		
Investments in Mutual Funds								
MFC Energy Fund	32.57	33.96	162.87	33.96	162.87	33.96	-	-
FAM EPIF			4,050.00	-	4,050.00	-		
			5,134.47	955.56	5,134.47	955.56		
Add Allowance for increase in fair value of investments			338.97	758.70	338.97	758.70	-	-
Total investments in available-for-sale securities			5,473.44	1,714.26	5,473.44	1,714.26	-	-
Total other long-term investments			7,708.34	3,170.86	6,579.56	2,527.13	66.92	364.11

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

7.4 Significant events during the nine-month period ended September 30, 2008

RPCL

During the nine-month period ended September, 30, 2008, RPCL called for payment from shareholders for additional shares amounting to Baht 1,955.00 million. The Company paid for its shareholding of 15% amounting to Baht 293.25 million.

MFC Energy Fund

On May 6, 2008, the Company sold 0.14 million unit trust which was in accordance with a joint investment contract at Baht 10 per unit amounting to Baht 1.38 million. Consequently, on August 28, 2008, the Company paid for unit trust in the second amounting to Baht 130.29 million. As a result, as of September 30, 2008, the Company's share of investment was 32.57%.

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

In accordance with the Company's board of directors' meeting No. 7/2008 held on August 2, 2008 passed a resolution to invest in Finansa asset Management – Energy and Petrochemical Index Fund (FAM EPIF), which had the policy to invest in equity securities issued by companies listed in energy, petrochemicals and chemicals sector in The Stock Exchange of Thailand. During quarter 3, 2008, the Company invested in FAM EPIF 437.38 million unit trust amounting to Baht 4,050 million.

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

Affiliates of PTTT

During quarter 2, 2008, PTTT acquired shares in four companies in Malaysia in order to support the expansion of its international oil trading of PTTT. Details are as follows:

Company	Shareholding percentage	Ordinary shares (Million shares)	Amount (Million Malaysia Ringgit)	Amount (Million Baht)
1. KIC Oil Terminals Sdn Bhd (KOT)	10	3.80	11.10	117.93
2. Kadriah Integrated Facilities Sdn Bhd (KIF)	10	0.03	4.60	48.84
3. Kadriah I Ltd (KAD I)	10	0.95	23.12	245.39
4. Kadriah II Sdn Bhd (KAD II)	10	2.09	6.18	65.52
		6.87	45.00	477.68
<u>Add</u> Currency translation differences				7.37
Total				485.05

In third quarter of 2008, PTTT reviewed the investments in Asia Petroleum Hub Project which the operation completed in four companies above. D'ltmate Ventures Sdn Bhd (DVSB) will be operated completely in the next order.

8. Property, Plant and Equipment, Net

Property, plant and equipment, net as at September 30, 2008 and December 31, 2007 are as follows:

Unit: Million Baht

	Consolidated financial statements						Total
	Land	Buildings and building improvements	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	
Cost							
As at December 31, 2007	5,424.13	20,382.10	165,536.51	236,241.87	11,473.67	52,764.54	491,822.82
- Additions	2,884.95	366.81	1,730.82	39,274.75	270.60	22,248.55	66,776.48
- Borrowing costs	-	-	-	-	-	1,496.31	1,496.31
- Reclassification	435.42	883.98	26,807.09	(0.24)	(2,279.79)	(27,941.11)	(2,094.65)
- Disposals	-	(129.65)	(104.28)	(10,764.80)	(166.88)	-	(11,165.61)
- Currency translation differences	-	0.66	(40.82)	57.46	(7.28)	0.91	10.93
As at September 30, 2008	8,744.50	21,503.90	193,929.32	264,809.04	9,290.32	48,569.20	546,846.28
Accumulated Depreciation							
As at December 31, 2007	-	(9,894.57)	(62,998.81)	(95,254.12)	(7,586.77)	-	(175,734.27)
- Depreciation for the period	-	(715.08)	(4,618.17)	(16,980.90)	(689.51)	-	(23,003.66)
- Reclassification	-	(0.12)	(1,829.87)	-	1,894.81	-	64.82
- Disposals	-	110.33	37.51	73.17	159.63	-	380.64
- Currency translation differences	-	(0.34)	11.45	(24.14)	(0.10)	-	(13.13)
As at September 30, 2008	-	(10,499.78)	(69,397.89)	(112,185.99)	(6,221.94)	-	(198,305.60)
Allowance for Impairment of Assets							
As at December 31, 2007	(53.53)	(259.64)	(242.73)	(389.54)	-	-	(945.44)
- Impairment loss of assets	-	-	-	(74.74)	-	-	(74.74)
As at September 30, 2008	(53.53)	(259.64)	(242.73)	(464.28)	-	-	(1,020.18)
Net Book Value							
As at December 31, 2007	5,370.60	10,227.89	102,294.97	140,598.21	3,886.90	52,764.54	315,143.11
As at September 30, 2008	8,690.97	10,744.48	124,288.70	152,158.77	3,068.38	48,569.20	347,520.50

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

Property, plant and equipment, net as at September 30, 2008 and December 31, 2007 are as follows:
(Continued)

Unit: Million Baht

	Separate financial statements					Total
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	
Cost						
As at December 31, 2007	4,517.72	14,464.47	146,567.16	7,318.94	45,087.79	217,956.08
- Additions	2,529.32	239.93	1,472.15	197.91	15,150.77	19,590.08
- Borrowing costs	-	-	-	-	1,287.68	1,287.68
- Reclassification	392.54	795.97	24,050.33	239.80	(27,425.45)	(1,946.81)
- Disposals	-	(65.17)	(20.67)	(89.85)	-	(175.69)
As at September 30, 2008	7,439.58	15,435.20	172,068.97	7,666.80	34,100.79	236,711.34
Accumulated Depreciation						
As at December 31, 2007	-	(7,739.66)	(58,688.30)	(4,700.10)	-	(71,128.06)
- Depreciation for the period	-	(453.11)	(3,689.57)	(560.91)	-	(4,703.59)
- Reclassification	-	(0.13)	0.20	(0.18)	-	(0.11)
- Disposals	-	49.82	15.78	84.61	-	150.21
As at September 30, 2008	-	(8,143.08)	(62,361.89)	(5,176.58)	-	(75,681.55)
Allowance for Impairment of Assets						
As at December 31, 2007	(53.53)	(259.64)	(242.73)	-	-	(555.90)
As at September 30, 2008	(53.53)	(259.64)	(242.73)	-	-	(555.90)
Net Book Value						
As at December 31, 2007	4,464.19	6,465.17	87,636.13	2,618.84	45,087.79	146,272.12
As at September 30, 2008	7,386.05	7,032.48	109,464.35	2,490.22	34,100.79	160,473.89

Borrowing costs in the consolidated financial statements amounting to Baht 1,496.31 million (December 31, 2007: Baht 2,811.64 million) and in the separate financial statements amounting to Baht 1,287.68 million (December 31, 2007: Baht 2,657.64 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 4.71% - 7.69% (December 31, 2007: 3.34% - 7.69%).

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

Assets under finance leases comprise of vehicles included in other assets as at September 30, 2008 and December 31, 2007. Details are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Cost	859.91	858.44	767.90	744.59
<u>Less: Accumulated depreciation</u>	<u>330.13</u>	<u>210.88</u>	<u>307.69</u>	<u>196.21</u>
Net book value	<u>529.78</u>	<u>647.56</u>	<u>460.21</u>	<u>548.38</u>

9. Intangible Assets, Net

Intangible assets as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at December 31, 2007	20,094.26	17,819.37
- Additions	1,221.65	240.67
- Disposals	(551.04)	(542.62)
- Amortization	(912.98)	(625.80)
- Reclassification	495.72	458.83
- Currency translation differences	(14.74)	-
Net book value as at September 30, 2008	<u>20,332.87</u>	<u>17,350.45</u>

10. Goodwill, Net

Goodwill, Net as at September 30, 2008 and December 31, 2007 is as follows:

	Unit: Million Baht
	Consolidated financial statements
Net book value as at December 31, 2007	12,432.05
- Currency translation differences	(158.09)
Net book value as at September 30, 2008	<u>12,273.96</u>

11. Advance Payments for Gas Purchased

Advance payments for gas purchased as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Balance as at December 31, 2007	12,702.08	15,761.74
Additions	4,545.19	4,545.19
<u>Less Make-up during the period</u>	<u>2,173.67</u>	<u>2,661.04</u>
Balance as at September 30, 2008	<u>15,073.60</u>	<u>17,645.89</u>

The Company paid in advance for the committed gas volumes from Yadana and Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 1998-2001, according to the established minimum volume in the Export Gas Sales Agreements (Take-or-Pay). The Company had the right to take certain volumes of prepaid gas (Make-up) in subsequent years, with no maturity period. As at September 30, 2008, the remaining advance payments for gas purchased are for irrespective of take-up gas in 2000-2001.

During the second quarter of the year 2008, the Company paid in advance for the committed gas volumes from the Malaysia-Thailand Joint Development Area (JDA) gas field Block A-18 in Malaysia for take-up in 2007 amounting to million 4,545.19 Baht. As at September 30, 2008, the Company has not made-up gas from this gas field.

12. Long-term Loans

Long-term loans as at September 30, 2008 and December 31, 2007 are as follows:

Current Portion of Long-term Loans:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Loans – Baht currency	9,473.50	8,073.50	9,400.00	8,000.00
Loans – Baht currency – EPPO	57.47	-	57.47	-
Loans – Foreign currencies	1,015.58	378.97	388.99	378.97
Liabilities from finance leases	184.94	159.36	167.83	146.36
Total	<u>10,731.49</u>	<u>8,611.83</u>	<u>10,014.29</u>	<u>8,525.33</u>

12. Long-term Loans (Continued)

Long-term Loans:

	Unit: Million Baht			
	Consolidated financial		Separate financial statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Loans – Baht currency	35,631.62	43,096.50	34,000.00	42,400.00
Loans – Baht currency – EPP0	223.63	-	223.63	-
Loans – Foreign currencies	28,469.99	27,354.38	19,100.11	18,503.44
Bonds – Baht currency	96,604.20	108,353.00	78,104.20	89,853.00
Bonds – Foreign currencies	45,322.10	33,104.55	45,322.10	33,104.55
Liabilities from finance leases	377.82	478.86	321.60	428.12
Total	206,629.36	212,387.29	177,071.64	184,289.11

As at September 30, 2008, the loans amounting to Baht 38,049.60 million (December 31, 2007: Baht 44,223.44 million) in the separate financial statements were secured by the Ministry of Finance.

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

On June 5, 2008, the Company entered into the participating swap (P-SWAP) agreement with a financial institution for the cancellation of commitments in accordance with a cross currency swap contract to swap JPY currency amounting to JPY 17,250 million for USD currency equivalent to USD 147.71 million which the Company had entered into on April 5, 2006. In canceling the agreement, the Company had to pay compensation to the financial institution that is a party to the contract amounting to USD 10.5 million.

On June 5, 2008 and June 6, 2008, the Company signed an agreement to change a certain part of the commitments in accordance with the participating swap (P-SWAP) which is a cross currency swap contract to swap JPY currency amounting to JPY 23,000 million for USD currency equivalent to USD 196.94 million which has an approximate premium of P-SWAP 1.38% per annum of USD currency principal, to be redeemed on April 7, 2036.

On September 16, 2008, the Company entered into an interest rate swap contract for a certain part of the loan that the company withdraw on November 30, 2006, amounting to USD 50 million from a floating interest rate of LIBOR + 0.265% per annum to a fixed interest rate of 2.85% per annum.

12. Long-term Loans (Continued)

Loans from Energy Policy and Planning Office (EPPO)

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

On August 25, 2008, the Company drew the loan for the second installment amounting to Baht 200 million with a maturity period of five years, bearing interest at a fixed rate of 0.50% per annum, and the interest is payable every three months. The principal is payable every three months in installment of Baht 10.31 million, totaling 20 installments from November 2008 to August 2013.

12.1 Loans

Movements of loans in Baht currency and foreign currencies as at September 30, 2008 and December 31, 2007 are as follows:

	Consolidated financial statements			Unit: Million
	Currency			Total equivalent in Baht
	Baht	USD	JPY	
Balance as at December 31, 2007	51,170.00	615.11	23,000.00	78,903.34
- Additions	1,284.62	31.50	-	2,342.86
- Repayments	(7,068.40)	(5.54)	-	(7,256.25)
- Gain on exchange rate	-	-	-	881.85
- Current portion	(9,530.97)	(29.73)	-	(10,546.55)
Balance as at September 30, 2008	<u>35,855.25</u>	<u>611.34</u>	<u>23,000.00</u>	<u>64,325.25</u>

	Separate financial statements			Unit: Million
	Currency			Total equivalent in Baht
	Baht	USD	JPY	
Balance as at December 31, 2007	50,400.00	353.81	23,000.00	69,282.41
- Additions	290.00	-	-	290.00
- Repayments	(7,008.90)	(5.54)	-	(7,196.75)
- Gain on exchange rate	-	-	-	794.54
- Current portion	(9,457.47)	(11.38)	-	(9,846.46)
Balance as at September 30, 2008	<u>34,223.63</u>	<u>336.89</u>	<u>23,000.00</u>	<u>53,323.74</u>

12. Long-term Loans (Continued)

12.2 Bonds

Bonds as at September 30, 2008 and December 31, 2007 are as follows:

	Unit: Million			
	Consolidated financial statements			
	September 30, 2008		December 31, 2007	
	Baht	USD	Baht	USD
Unsecured unsubordinated bonds				
- USD currency	45,322.10	1,326.17	33,104.55	976.97
- Baht currency	96,604.20	-	108,353.00	-
Total	141,926.30	1,326.17	141,457.55	976.97

	Unit: Million			
	Separate financial statements			
	September 30, 2008		December 31, 2007	
	Baht	USD	Baht	USD
Unsecured unsubordinated bonds				
- USD currency	45,322.10	1,326.17	33,104.55	976.97
- Baht currency	78,104.20	-	89,853.00	-
Total	123,426.30	1,326.17	122,957.55	976.97

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

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

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

12. Long-term Loans (Continued)

12.2 Bonds (Continued)

Company signed an agreement to change a certain part of the commitments in accordance with a cross currency swap contract. The details are as follows:

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

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

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

On August 24, 2007, the Company entered into a cross currency swap contract for some bonds that it had issued on July 22, 2004 to swap USD bonds for THB bonds with amount of USD 50 million at a fixed interest rate of 5.75% per annum to amount of THB 1,695 million at a fixed interest rate of 5.18% per annum, to be redeemed on August 1, 2014. In addition, On August 21, 2008, the Company entered into an agreement with a financial institution for the cancellation of commitments in accordance with a cross currency swap contract to swap bonds amounting to USD 50 million at an interest rate of 5.75% per annum for Baht 1,695 million at a fixed interest rate of 5.18% per annum. In canceling the agreement, the Company received compensation from the financial institution, party to the contract, amounting to Baht 122.40 million. Consequently, the Company now has commitments in USD currency as before.

The Company entered into a cross currency swap contract for some bonds amounting to Baht 3,053.80 million, at a fixed interest rate of 5% per annum that it had issued on December 14, 2007, and will be redeemed on December 14, 2014, the details are as follows:

On August 14, 2008, the Company swapped Baht 1,346.80 million for USD 40 million, at a fixed interest rate of 4.75% per annum.

On August 20, 2008, the Company swapped Baht 1,707 million for USD 50 million, at a fixed interest rate of 4.738% per annum.

The Company entered into a cross currency swap contract for some bonds amounting to Baht 7,000 million, at a fixed interest rate of 6.70% per annum that it had issued on December 2, 2005, and will be redeemed on December 2, 2014, the details are as follows:

On August 21, 2008, the Company swapped Baht 3,356.50 million for USD 100 million, at a fixed interest rate of 5.675% per annum.

On August 25, 2008, the Company swapped Baht 3,643.50 million for USD 108.48 million, at a fixed interest rate of 5.4415% per annum

12. Long-term Loans (Continued)

Bonds (Continued)

On March 27, 2003, PTTEP issued 2,500,000 unsecured unsubordinated bonds at a face value of Baht 1,000 per unit totalling Baht 2,500 million with a redemption period of 15 years. The bonds bear interest at a rate of 4.625% per annum, payable every six months on March 27 and September 27 of every year, to be redeemed on March 27, 2018. On September 27, 2005, PTTEP entered into a cross currency swap contract to swap Baht bonds for USD bonds of USD 60.82 million at an interest rate of 3.85% per annum. However, on May 2, 2007, PTTEP entered into a cross currency swap contract to swap the USD bonds back to Baht bonds amounting to Baht 2,500 million with the same bank, at a reduced interest rate of 3.30% per annum until maturity.

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

12.3 Liabilities from Finance Leases

Liabilities from finance leases as at September 30, 2008 and December 31, 2007 are as follows:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Liabilities from finance leases				
- Not later than 1 year	211.05	193.17	190.47	178.04
- Later than 1 year but not later than 5 years	392.44	507.39	333.36	453.22
Future finance charges on finance leases	(40.73)	(62.34)	(34.40)	(56.78)
Present value of liabilities from finance leases	<u>562.76</u>	<u>638.22</u>	<u>489.43</u>	<u>574.48</u>
Present value of liabilities from finance leases				
- Current liabilities (Not later than 1 year)	184.94	159.36	167.83	146.36
- Non-current liabilities (Later than 1 year but not later than 5 years)	377.82	478.86	321.60	428.12
Total	<u>562.76</u>	<u>638.22</u>	<u>489.43</u>	<u>574.48</u>

13. Provision for Decommissioning Costs

The Group recognized provision for liabilities as at September 30, 2008 and December 31, 2007 for decommissioning costs expected to be incurred in the future amounting to Baht 11,085.00 million and Baht 10,990.90 million, respectively. The provision was estimated based on existing technology and current prices according to the Group's engineers and management's judgment.

14. Share Capital

Share Capital – Authorized Share Capital

	Par Value (Baht per share)	The number of authorized share capital (Shares)	The value of authorized share capital (Baht)
As at December 31, 2007	10	2,857,245,725	28,572,457,250
As at September 30, 2008	10	2,857,245,725	28,572,457,250

Share Capital – Issued and Paid-up Share Capital

	The number of issued and fully paid-up share capital (Shares)	The value of issued and fully paid-up share capital (Baht)	Premium on share capital (Baht)	Total (Baht)
As at December 31, 2007	2,817,388,125	28,173,881,250	21,624,238,766	49,798,120,016
Additions	6,668,500	66,685,000	1,177,717,400	1,244,402,400
As at September 30, 2008	2,824,056,625	28,240,566,250	22,801,956,166	51,042,522,416

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

Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
September 1, 2005	183	1 : 1	23.46	16.54	August 31, 2010
September 29, 2006	234	1 : 1	3.35	16.65	September 28, 2011
			26.81	33.19	

15. Earnings per Share

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

For the calculation of diluted earnings per share, the Company assumes that warrants of the Group given to directors, management and employees that can be exercised are converted to ordinary shares. The exercise of these warrants resulted in net income of the Group recognized in the Company's financial statements, adjusted by decreases in shareholding proportion. The number of diluted shares was calculated by using a market price (an average market price of the Company's ordinary shares during the period) and exercise prices. This calculation is prepared to determine the number of ordinary shares to be added to ordinary shares held by third parties for the calculation of diluted earnings per share.

15. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share in the consolidated financial statements for the three-month periods ended September 30, 2008 and 2007 are calculated as follows:

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	17,876,670,866	24,475,595,636	17,876,670,866	24,475,595,636
Adjustment of net income (Baht)	-	-	(6,841,957)	(65,311,449)
Net income for calculation of earnings per share (Baht)	17,876,670,866	24,475,595,636	17,869,828,909	24,410,284,187
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,820,681,725	2,808,198,829	2,827,727,146	2,824,466,348
Earnings per share (Baht/share)	6.34	8.72	6.32	8.64

Basic earnings per share and diluted earnings per share in the separate financial statements for the three-month periods ended September 30, 2008 and 2007 are calculated as follows:

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	23,668,291,771	19,145,340,474	23,668,291,771	19,145,340,474
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,820,681,725	2,808,198,829	2,827,727,146	2,824,466,348
Earnings per share (Baht/share)	8.39	6.82	8.37	6.78

Basic earnings per share and diluted earnings per share in the consolidated financial statements for the nine-month periods ended September 30, 2008 and 2007 are calculated as follows:

15. Earnings per Share (Continued)

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	73,893,734,590	73,320,238,697	73,893,734,590	73,320,238,697
Adjustment of net income (Baht)	-	-	(145,216,282)	(116,396,077)
Net income for calculation of earnings per share (Baht)	73,893,734,590	73,320,238,697	73,748,518,308	73,203,842,620
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,818,993,278	2,806,153,835	2,831,310,268	2,815,763,691
Earnings per share (Baht/share)	26.21	26.13	26.05	26.00

Basic earnings per share and diluted earnings per share in the separate financial statements for the nine-month periods ended September 30, 2008 and 2007 are calculated as follows:

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2008	2007	2008	2007
Net income attributable to ordinary shareholders (Baht)	61,035,342,946	49,688,760,404	61,035,342,946	49,688,760,404
Weighted average number of ordinary shares for calculation of earnings per share (Shares)	2,818,993,278	2,806,153,835	2,831,310,268	2,815,763,691
Earnings per share (Baht/share)	21.65	17.71	21.56	17.65

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

The Company issued warrants under the Employee Stock Ownership Plan (ESOP) according to Note 14.

PTTEP

PTTEP had registered share capital of 3,322 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,322 million. On August 7, 2008, PTTEP registered for the change in its issued and fully paid-up capital to be 3,306.77 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,306.77 million.

PTTEP has reserved a total of 62 million ordinary shares for the exercise of warrants under the Employee Stock Ownership Plan (ESOP) for five consecutive years. As at September 30, 2008, the employees had exercised warrants for 46.77 million ordinary shares. Therefore, 15.23 million shares remained. The details are as follows:

15. Earnings per Share (Continued)

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht per share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
August 1, 2002	22.20	1 : 5	9.78	0.22	July 31, 2007
August 1, 2003	23.40	1 : 5	9.71	0.29	July 31, 2008
August 1, 2004	36.60	1 : 5	13.03	0.97	July 31, 2009
August 1, 2005	55.60	1 : 5	9.19	4.81	July 31, 2010
August 1, 2006	91.20	1 : 5	5.06	8.94	July 31, 2011
			<u>46.77</u>	<u>15.23</u>	

PTTAR

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

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht per share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
October 15, 2007	23.22	1 : 1	-	30.19	October 15, 2012

PTTCH

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

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht per share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
September 29, 2006	66.50	1 : 1	6.71	22.29	September 28, 2011

IRPC

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

<u>Date of issue and offer of warrants</u>	<u>Exercise price (Baht per share)</u>	<u>Exercise right (warrant per ordinary share)</u>	<u>The number of allotted shares (Million units)</u>	<u>The number of reserved shares (Million units)</u>	<u>Last exercise date of warrants</u>
June 29, 2007	2.88	1 : 1	202.24	705.62	June 28, 2011
September 28, 2007	2.88	1 : 1	3.33	34.78	September 27, 2011
			<u>205.57</u>	<u>740.40</u>	

15. Earnings per Share (Continued)

BCP

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

Date of issue and offer of convertible bonds	Exercise price (Baht per share)	Exercise right (convertible bond per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of convertible bonds
January 29, 2004	14.30	1 : 699	127.50	152.10	September 30, 2013
May 16, 2006	14.00	1 : 714	-	41.81	May 15, 2016
			<u>127.50</u>	<u>193.91</u>	

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise right (warrant per ordinary share)	The number of allotted shares (Million units)	The number of reserved shares (Million units)	Last exercise date of warrants
August 25, 2004	5.00	1 : 1	-	24.00	August 24, 2009
May 15, 2006	18.00	1 : 1	0.06	69.03	May 14, 2011
			<u>0.06</u>	<u>93.03</u>	

16. Other Income

Other income for the three-month periods ended September 30, 2008 and 2007 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Interest income	660.56	787.50	774.66	671.59
Penalty income	125.85	218.37	139.97	214.61
Transportation income	2,701.32	1,153.57	2,716.67	1,154.07
Dividend income	25.40	72.74	10,955.50	7,994.37
Compensation for loan interest of advance payment for gas purchased	122.37	-	122.37	-
Gain on foreign exchange	25.49	723.77	253.02	423.28
Others	766.05	788.68	1,050.50	618.41
Total	<u>4,427.04</u>	<u>3,744.63</u>	<u>16,012.69</u>	<u>11,076.33</u>

16. Other Income (Continued)

Other income for the nine-month periods ended September 30, 2008 and 2007 are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Interest income	2,239.91	2,816.73	2,728.86	1,630.99
Penalty income	200.89	121.20	270.74	111.35
Transportation income	6,953.48	3,481.59	7,022.02	3,535.63
Dividend income	66.92	364.11	27,630.51	19,436.02
Compensation for loan interest of advance payments for gas purchased	382.05	-	382.05	-
Gain on foreign exchange	1,251.93	3,807.19	1,418.17	2,362.96
Others	2,862.99	2,006.68	2,479.49	1,958.97
Total	13,958.17	12,597.50	41,931.84	29,035.92

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

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

Share of net income from investments under the equity method for the three-month periods ended September 30, 2008 and 2007 includes share of gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2008	2007
Share of net income/(loss) before gain on foreign exchange	(3,797.63)	5,437.55
<u>Add</u> Share of gain on foreign exchange	<u>342.67</u>	<u>275.87</u>
Total	(3,454.96)	5,713.42

Share of net income from investments under the equity method for the nine-month periods ended September 30, 2008 and 2007 includes share of gain on foreign exchange as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2008	2007
Share of net income before gain on foreign exchange	16,546.46	20,457.49
<u>Add</u> Share of gain on foreign exchange	<u>1,091.72</u>	<u>1,684.59</u>
Total	17,638.18	22,142.08

18. Segment Information

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

Consolidated financial statements

For the three-month period ended September 30, 2008

	Unit: Million Baht						Total
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimination	
		Natural gas	Petroleum exploration and production				
Sales - others	496,408.85	82,789.26	5,663.50	9,947.76	-	-	594,809.37
- related parties	663.91	5,503.75	36,194.92	-	-	(42,362.58)	-
Petroleum royalties and remuneration	-	-	(5,635.02)	-	-	-	(5,635.02)
Net sales	497,072.76	88,293.01	36,223.40	9,947.76	-	(42,362.58)	589,174.35
Gross margin	5,067.66	19,006.33	27,390.82	516.41	-	(20.90)	51,960.32
EBITDA	2,591.64	19,264.05	29,771.84	260.55	(471.60)	114.69	51,531.17
Depreciation and amortization	608.54	1,707.86	6,381.77	37.09	79.68	(0.32)	8,814.62
EBIT	1,983.10	17,556.19	23,390.07	223.46	(551.28)	115.01	42,716.55
Share of net income (loss) from investments under the equity method	0.04	(82.37)	(4.88)	50.18	4,914.38	(8,332.31)	(3,454.96)
Interest-net							(2,076.52)
Other income							1,324.42
Gain on foreign exchange							25.49
Income taxes							(16,063.03)
Net Income							<u>22,471.95</u>
Attributable to:							
Equity holders of the Company							17,876.67
Minority interests							<u>4,595.28</u>
							<u>22,471.95</u>

18. Segment Information (Continued)

Consolidated financial statements

For the three-month period ended September 30, 2007

	Unit: Million Baht						
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimination	Total
		Natural gas	Petroleum exploration and production				
Sales - others	316,335.87	55,859.52	4,290.99	21,968.79	-	-	398,455.17
- related parties	3,240.58	13,864.72	19,939.04	1,061.37	-	(38,105.71)	-
Petroleum royalties and remuneration	-	-	(2,959.78)	-	-	-	(2,959.78)
Net sales	319,576.45	69,724.24	21,270.25	23,030.16	-	(38,105.71)	395,495.39
Gross margin	3,717.16	15,723.44	14,795.95	7,220.48	-	(106.04)	41,350.99
EBITDA	1,885.81	16,146.55	17,294.49	7,399.85	(295.63)	(11.70)	42,419.37
Depreciation and amortization	750.56	1,422.31	4,094.25	868.15	84.47	350.88	7,570.62
EBIT	1,135.25	14,724.24	13,200.24	6,531.70	(380.10)	(362.58)	34,848.75
Share of net income (loss) from investments under the equity method	0.04	14.19	(6.95)	54.30	13,461.75	(7,809.91)	5,713.42
Interest-net							(2,120.97)
Other income							611.39
Gain on foreign exchange							723.77
Income taxes							(10,130.59)
Net Income							<u>29,645.77</u>
Attributable to:							
Equity holders of the Company							24,475.59
Minority interests							<u>5,170.18</u>
							<u>29,645.77</u>

18. Segment Information (Continued)

Consolidated financial statements

For the nine-month period ended September 30, 2008

	Unit: Million Baht						Total
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimination	
		Natural gas	Petroleum exploration and production				
Sales - others	1,416,922.61	216,743.11	14,644.91	29,348.25	-	-	1,677,658.88
- related parties	1,645.26	18,179.96	92,182.36	-	-	(112,007.58)	-
Petroleum royalties and remuneration	-	-	(13,928.85)	-	-	-	(13,928.85)
Net sales	1,418,567.87	234,923.07	92,898.42	29,348.25	-	(112,007.58)	1,663,730.03
Gross margin	13,020.95	48,364.28	68,901.26	1,408.71	-	(324.60)	131,370.60
EBITDA	6,969.25	48,828.90	78,570.89	842.76	(1,237.86)	76.44	134,050.38
Depreciation and amortization	1,821.81	4,400.80	16,874.26	109.02	237.18	(0.95)	23,442.12
EBIT	5,147.44	44,428.10	61,696.63	733.74	(1,475.04)	77.39	110,608.26
Share of net income (loss) from investments under the equity method	0.12	(14.58)	(18.39)	182.71	40,197.88	(22,709.56)	17,638.18
Interest-net							(6,169.48)
Other income							1,876.36
Gain on foreign exchange							1,251.93
Income taxes							(38,869.09)
Net Income							<u>86,336.16</u>
Attributable to:							
Equity holders of the Company							73,893.73
Minority interests							<u>12,442.43</u>
							<u>86,336.16</u>

18. Segment Information (Continued)

Consolidated financial statements

For the nine-month period ended September 30, 2007

	Unit: Million Baht						Total
	Oil	Exploration, production and natural gas		Petro- chemicals	Others	Elimination	
		Natural gas	Petroleum exploration and production				
Sales - others	838,805.14	161,692.93	13,054.35	54,499.68	-	-	1,068,052.10
- related parties	7,843.25	36,206.57	54,210.78	1,694.85	-	(99,955.45)	-
Petroleum royalties and remuneration	-	-	(8,633.51)	-	-	-	(8,633.51)
Net sales	846,648.39	197,899.50	58,631.62	56,194.53	-	(99,955.45)	1,059,418.59
Gross margin	11,332.79	40,370.46	41,638.07	15,591.39	-	7.36	108,940.07
EBITDA	7,096.53	41,204.43	48,965.05	16,346.06	(1,211.80)	(53.96)	112,346.31
Depreciation and amortization	1,747.68	3,607.01	11,625.16	2,487.76	260.92	1,052.66	20,781.19
EBIT	5,348.85	37,597.42	37,339.89	13,858.30	(1,472.72)	(1,106.62)	91,565.12
Share of net income (loss) from investments under the equity method	0.15	57.31	(22.52)	96.49	43,150.02	(21,139.37)	22,142.08
Interest-net							(5,029.83)
Other income							963.46
Gain on foreign exchange							3,807.19
Income taxes							(27,387.73)
Net Income							<u>86,060.29</u>
Attributable to:							
Equity holders of the Company							73,320.24
Minority interests							<u>12,740.05</u>
							<u>86,060.29</u>

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

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

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

18. Segment Information (Continued)

The Group categorizes segments for major businesses as follows:

Oil Business

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

1. Oil marketing: marketing of fuel oil and lubricant products through retail, commercial and international markets.
2. International oil trading: importing and exporting crude oil, fuel oil products, raw materials and petrochemical products.

Exploration, Production and Natural Gas Business

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

1. Natural gas business:
The Group conducts natural gas business including procurement, natural gas pipeline transmission, natural gas separation, and distribution in both domestic and overseas markets.
2. Petroleum exploration and production business:
The Group conducts petroleum exploration and production business in both domestic and overseas markets. The Group is the operator and jointly invests with the leading petroleum exploration and production companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects cover the Asia Pacific and Middle East regions.

Petrochemical Business

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

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

19. Dividend Payment

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

On August 15, 2008, the Company's board of director's meeting approved an interim dividend payment for the operating results of the first half of 2008 at Baht 6.00 per share, amounting to Baht 16,943.20 million and paid to its shareholders on September 12, 2008.

In the third quarter of 2008, the Company recognized accrued dividends amounting to Baht 11.57 million as unappropriated retained earnings because that were not in accordance with TSD's rules. Therefore, they had no right to receive the dividends.

20. Reclassification

For comparative purposes, the Group has reclassified certain items in the financial statements for the period ended 2007 to ensure consistency with the presentation in the financial statements for the period ended 2008 and to align with the revised Accounting Standard No. 25 “Cash Flows” which was effective on or after January 1, 2008.

In addition to this, the Group has reclassified certain items in the balance sheet as at December 31, 2007. The details are as follows; reclassification of deferred tax assets amounting to Baht 285.38 million to deferred tax liabilities in the consolidated financial statements and the separate financial statements and reclassification of property, plant and equipment, net amounting to Baht 1,084.32 million to other non-current assets in the consolidated financial statements.

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 project, the third gas offshore and onshore pipeline project, the Sai Noi-South Bangkok Power Plant gas pipeline project, the Songkhla Power Plant gas pipeline project, the District Cooling and Cogeneration at Future Park Rangsit project, the Ethane Separation Plant project, the Suvarnabhumi-Phayathai NGV gas distribution pipeline project, the Gas Separation Plant Unit#6 project, the gas distribution pipelines to the Rojana Industrial Park project, Enco combined heat and power plant project, Bangchak utility project, the Sainoi-North Bangkok Power Plants gas pipeline project, and the Rayong-Kangkoi gas pipeline project. The promotional privileges include exemption from import duties on the machinery approved from BOI and corporate income tax exemption on net income from promotional business for eight years starting from the date on which the first sale is realized.

22. Compliance with the judgment of the Supreme Administrative Court

On March 7, 2008, the Company submitted the fourth reports of progress in compliance with the judgment of the Supreme Administrative Court (the Court) by reporting the consideration of the Department of Local Administration, the Ministry of Interior and Finance Office Bangkok on the issue of house and land tax of the natural gas pipeline network system whereby there is no requirement to pay house and land tax in accordance with the House and Land Act B.E. 2475 (1932).

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

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

On June 3, 2008, the Ministry of Finance by the Treasury Department and the Company entered into the Agreement for the Use of State Property which were separated and submitted of assets to the Ministry of Finance. The Company has paid compensation for using these assets in its operation. The assets which are allowed to be used in accordance with the agreement are the assets that the Company separated and submitted to the Ministry of Finance under the Court’s judgment in accordance with the Memorandum for the Separation and Submission of Assets to the Ministry

22. Compliance with the judgment of the Supreme Administrative Court (Continued)

of Finance under the Court's judgment which was signed on April 24, 2008. On June 5, 2008, the Company submitted the sixth report on the progress of compliance with the judgment of the Court.

On July 28, 2008, the Company submitted the seventh report on the progress of compliance with the judgment of the Court together with a petition to the Court seeking another time extension to comply with the Court's judgment of an additional period of 150 days from July 30, 2008. The Court approved the Company's request. Therefore, the compliance with the judgment of the Court shall be completed on December 29, 2008.

On October 13, 2008, the Company submitted the eighth report on the progress of compliance with the judgment of the Court to the Office of Administrative Court pertaining to the progress of expropriated land ownership transferring registration.

23. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

23.1 Commitments to subsidiaries, jointly controlled entities and associates:

23.1.1 According to a condition with a financial institution, the Company entered into two Shareholder's Commercial Support Arrangements with its associates at credit limits of USD 190 million. The Company has obligations under the arrangements in the form of extended credit for raw materials and/or advance product payments. As at September 30, 2008, the associates had used the commercial credit line USD 90 million. The remaining commercial credit line was USD 100 million or approximately Baht 3,417.52 million.

23.1.2 The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in the form of extended credit for raw materials at a credit limit of USD 100 million. As at September 30, 2008, the subsidiary had used USD 99.98 million of the commercial credit. The remaining commercial credit line was USD 0.02 million or approximately Baht 0.68 million.

23.1.3 The Company entered into Sponsor Support Agreements with two jointly controlled entities at a credit limit equal to the loan obligations of the two jointly controlled entities to a financial institution. As at September 30, 2008, the Company had a remaining commitment of USD 261.30 million or approximately Baht 8,929.98 million.

23.1.4 The Company has provided a loan to a jointly controlled entity at a credit limit of USD 50 million. As at September 30, 2008, the Company had made a payment on this loan totalling USD 37 million. The remaining commitment is USD 13 million or approximately Baht 444.28 million.

23.1.5 The Group has provided a loan to its subsidiaries and associates at a credit limit of Baht 63,850.69 million. As at September 30, 2008, the Group had made a payment on this loan totalling Baht 31,329.98 million. The remaining commitment is Baht 32,520.71 million.

23.1.6 The Company has an obligation under Shareholder Agreement to pay for ordinary shares in accordance with the portion of equity held. As at September 30, 2008, the Company has the remaining commitment in the consolidated financial statements and the separate financial statement amounting to Baht 12,683.94 million.

23. Commitments and Contingent Liabilities (Continued)

- 23.2 As at September 30, 2008, the Group and the Company had contingent liabilities in the form of letters of guarantee amounting to Baht 2,229.15 million in the consolidated financial statements and Baht 109.61 million in the separate financial statements.
- 23.3 The Company is the subject of ten lawsuits which are under the consideration of the Court. The Company may have to pay for compensation of approximately Baht 21.72 million. However, the Company has accounted for these obligations already.
- 23.4 As discussed in Note 22, the Company has commitments to comply with the judgment of the Supreme Administrative Court (the Court). Occasionally, the Company has reported on the progress of its procedures to comply with the judgment as well as submitting related documents to the Office of the Administrative Court. Currently, the compliance procedures are under the consideration of the Office of the Administrative Court with respect to the enforcement to comply with the Court's judgment.

24. Subsequent Events

- 24.1 On October 17, 2008, the Company issued two tranches of unsecured unsubordinated bonds to general investors and institutional investors totalling Baht 10,000 million. The details are as follows:

Details	Tranche 1	Tranche 2
Aggregate notes amount (Baht million)	7,450.00	2,550.00
Tenors (Years)	5	7
Interest rate (% per annum)	Year 1-3 : 5.00 Year 4-5 : 5.50	Year 1-3 : 5.00 Year 4-5 : 5.50 Year 6-7 : 6.00
Interest payable period	Interest payable every six months, on April 17 and October 17	Interest payable every six months, on April 17 and October 17
Issuance date	October 17, 2008	October 17, 2008
Maturity date	October 17, 2013	October 17, 2015

- 24.2 On October 22, 2008, the Company issued two tranches of unsecured unsubordinated bonds to institutional investors totaling Baht 8,000 million. The details are as follows:

Details	Tranche 1	Tranche 2
Aggregate notes amount (Baht million)	5,400.00	2,600.00
Tenors (Years)	5	7
Interest rate (% per annum)	Year 1-3 : 5.00 Year 4-5 : 5.50	Year 1-3 : 5.00 Year 4-5 : 5.50 Year 6-7 : 6.00
Interest payable period	Interest payable every six months, on April 22 and October 22	Interest payable every six months, on April 22 and October 22
Issuance date	October 22, 2008	October 22, 2008
Maturity date	October 22, 2013	October 22, 2015

24. Subsequent Events (Continued)

24.3 The Audit Committee of the Company approved these financial statements for public issuance on November 11, 2008.
