

1. PTT and its subsidiaries' performance

International Monetary Fund (IMF) projected that the global economy in the first quarter of 2009 (1Q/2009) continued to slowdown at the similar level as the fourth quarter of last year (4Q/2008). The economy of the developed countries is expected to continue to shrink such as the US's Gross Domestic Product (GDP) is projected to contract by 6.1% in 1Q/2009 after contracted by 6.3% in 4Q/2008. However, Asia's economy is projected to grow at a decelerating pace due to the contraction in export sector as a result of weaker global demand.

The contracted economy affected the global oil demand to decline continuously. The International Energy Agency (IEA) reported that the global oil demand in 1Q/2009 was 83.75 million barrel per day (MMBPD), decreased from 1Q/2008 and 4Q/2008 by 3.22 and 1.29 MMBPD respectively. Meanwhile, oil production in 1Q/2009 was 83.91 MMBPD, decreased from 1Q/2008 and 4Q/2008 by 3.13 and 2.06 MMBPD respectively. 50.9 and 33.01 MMBPD of oil production in 1Q/2009 came from the Non- OPEC and OPEC respectively. In September 2008, the OPEC announced to decrease its production by 4.2 MMBPD and as at the end of 2008 the decreased production volume was approximately 3.5 MMBPD or 84% of the target.

The average Dubai crude oil price in 1Q/2009 was US\$ 44.1 per barrel, higher than the 2008 year end price of US\$ 36.4 per barrel but lower than the average price of US\$ 91.1 per barrel in 1Q/2008 and US\$ 52.7 per barrel in 4Q/2008, or decreased by 51.6% and 16.3% respectively. Refined product prices moved in line with crude oil price. The average Gasoline95 and Diesel in 1Q/2009 was US\$ 54.7 and US\$ 53.1 per barrel respectively, lower than 1Q/2008 which were US\$ 104.7 and US\$ 113.9 per barrel and 4Q/2008 which were US\$ 56.7 and US\$ 70.5 per barrel, respectively. Average LPG price in 1Q/2009 was US\$ 448 per ton lower than US\$ 833 and US\$ 543 per ton in 1Q/2008 and 4Q/2008 respectively, or decreased by 46.2% and 17.5% respectively due to lower demand in relation to the economic situation.

For Thailand, the Bank of Thailand projected that the Thai GDP in 1Q/2009 contracted by 5.5% when compared to 4Q/2008 which contracted by 4.3% and 1Q/2008 which expanded by 6.0%. The contracted GDP resulted from the contraction in export sector, private investment and the continuing slowdown in tourism affected by the global crisis. The economy slowdown has also affected domestic energy consumption in the industrial sector to decrease. However, demand in transportation sector continued to increase due to the low oil price. In 1Q/2009, oil demand excluding LPG was 94.6 million liters per day, decreasing from 1Q/2008 which was 97.8 million liters per day but increasing from 4Q/2008 which was 86.8 million liters per day. LPG demand in 1Q/2009 was 1,068 thousand tons (KTons), higher than that of 1Q/2008 which was 1,040 KTons but lower than that of 4Q/2008 which was 1,078 KTons due to the lower usage in the industrial and transportation sectors. The electricity demand in 1Q/2009 was 30,630 million units, decreasing from 33,193 and 31,478 million units in 1Q/2008 and 4Q/2008, respectively, due to the decrease demand in industrial and service sectors. This resulted to the decrease in natural gas consumption which was at the level of 3,280 mmscfd in 1Q/2009, lower than that of 1Q/2008 which was 3,346 mmscfd but higher than that of 4Q/2008 which was 3,216 mmscfd due to the warmer weather.

As a result of the factors mentioned above, PTT and its subsidiaries' financial performance in 1Q/2009 compared with 1Q/2008 and 4Q/2008 are as follows:

Unit: Million Baht

	1Q/2009	1Q/2008	Inc./Dec.	%	4Q/2008	Inc./Dec.	%
Sales & services	303,509	493,109	(189,600)	(38.4%)	337,086	(33,577)	(10.0%)
: Exploration and production	26,018	27,170	(1,152)	(4.2%)	43,854	(17,835)	(40.7%)
: Natural gas ^{1/}	72,473	69,733	2,740	3.9%	77,899	(5,426)	(7.0%)
: Oil ^{2/}	234,176	423,479	(189,303)	(44.7%)	283,106	(48,930)	(17.3%)
: Petrochemical ^{3/}	6,783	8,847	(2,064)	(23.3%)	6,907	(125)	(1.8%)
: Others ^{4/}	207	-	207	n.m.	-	207	n.m.
: Elimination	(36,148)	(36,120)	(28)	(0.1%)	(74,680)	38,532	51.6%
EBITDA	26,360	36,814	(10,454)	(28.4%)	22,083	4,278	19.4%
: Exploration and production	18,069	19,884	(1,815)	(9.1%)	19,189	(1,120)	(5.8%)
: Natural gas ^{1/}	5,572	13,502	(7,930)	(58.7%)	5,608	(36)	(0.6%)
: Oil ^{2/}	2,753	3,478	(725)	(20.8%)	(1,929)	4,683	242.7%
: Petrochemical ^{3/}	248	336	(88)	(26.2%)	(148)	396	268.1%
: Others ^{4/}	(281)	(316)	35	11.1%	(843)	562	66.7%
: Elimination	(1)	(70)	69	98.6%	206	(206)	(100.3%)
EBIT	17,244	30,231	(12,987)	(43.0%)	13,355	3,889	29.1%
: Exploration and production	11,575	15,351	(3,776)	(24.6%)	12,946	(1,371)	(10.6%)
: Natural gas ^{1/}	3,676	12,164	(8,488)	(69.8%)	3,881	(205)	(5.3%)
: Oil ^{2/}	2,146	2,881	(735)	(25.7%)	(2,561)	4,708	183.8%
: Petrochemical ^{3/}	209	301	(92)	(30.6%)	(186)	395	212.8%
: Others ^{4/}	(362)	(396)	34	8.6%	(931)	568	61.1%
: Elimination	-	(70)	70	100%	206	(206)	(100.1%)
Net income	7,449	26,133	(18,684)	(71.5%)	(22,189)	29,638	133.6%
Earnings per share (Baht/share)^{5/}	2.64	9.27	(6.63)	(71.5%)	(7.86)	10.52	133.5%

Note: 1/ Including the proportionate consolidation of Trans Thai-Malaysia (Thailand) Co., Ltd.(TTM (T)), Trans Thai-Malaysia (Malaysia) Co., Ltd. (TTM (M)) and District Cooling System and Power Plant Co., Ltd. (DCAP) and consolidation of PTT Natural Gas Distribution Co., Ltd. (PTT NGD), PTT LNG Co., Ltd (PTT LNG), Combined Heat and Power Producing Company Limited (CHPP) and PTT International Company Limited (PTT INTER).

2/ Including the consolidation of oil business, international trading business and the consolidation of PTT International Trading Pte., Ltd.(PTTT), PTT (Cambodia) Co., Ltd. (PTTCL), Retail Business Alliance Co., Ltd.(RBA), Subic Bay Energy Co., Ltd. (SBECL), PTT Retail Business Co., Ltd. (PTTRB) and PTT Green Energy Pte. Ltd. (PTTGE).

3/ Including the consolidation of PTT Polymer Marketing Co., Ltd. (PTTPM), PTT Polymer Logistics Co., Ltd. (PTTPL) and proportionate consolidation of PTT Asahi Chemical Co., Ltd. (PTTAC) and HMC Polymers Co., Ltd. (HMC) while consolidated PTT Tank Terminal Co., Ltd. (PTT TANK) since March 6, 2009.

4/ Including the consolidation of Energy Complex Co., Ltd. (EnCo) while consolidated Business Services Alliance Co., Ltd. (BSA) since December 12, 2008.

5/ 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.

First quarter of 2009 compared with first quarter of 2008

PTT and its subsidiaries' sales and services in 1Q/2009 was Baht 303,509 million, decreased from 1Q/2008 by Baht 189,600 million or 38.4%. Earning before finance costs, income taxes, depreciation and amortization including other non-operating income and expenses (EBITDA) was Baht 26,360 million, decreased from 1Q/2008 by Baht 10,454 million or 28.4%. In addition, share of net income from investments in associates also decreased from Baht 7,738 million in 1Q/2008 to Baht 2,407 million in 1Q/2009. This was resulted mainly from the decrease in gross refining margin (GRM) of refining associates since there was stock loss in 1Q/2009 while there was stock gain in 1Q/2008 along with the lower product-to-feed margins (P2F) of petrochemical associates (olefins) in 1Q/2009. Furthermore, there was loss on foreign exchange amounting to Baht 615 million in 1Q/2009 while there was gain on foreign exchange amounting to Baht 4,188 million in Q1/2008. As a result, PTT and its subsidiaries had net income of Baht 7,449 million, decreased from 1Q/2008 by Baht 18,684 million or 71.5%.

First quarter of 2009 compared with fourth quarter of 2008

PTT and its subsidiaries' sales and services in 1Q/2009 decreased from 4Q/2008 by Baht 33,577 million or 10.0%. However, EBITDA in 1Q/2009 increased from 4Q/2008 by Baht 4,278 million or 19.4%. In addition, there was share of net income from investments in associates amounting to Baht 2,407 million in 1Q/2009 while there was net loss from investments in associates of Baht 23,889 million in 4Q/2008. This resulted from the better performance of refining associates due to the higher GRM from the higher hedging gain and much lower stock loss in 1Q/2009 and also the less loss from petrochemical associates from less inventory loss. Moreover, in Q1/2009, PTT and its subsidiaries recorded less loss on foreign exchange by Baht 2,619 million. As a result, PTT and its subsidiaries had net income of Baht 7,449 million, better than 4Q/2008 which reported net loss of Baht 22,189 million.

□ Upstream Petroleum and Natural Gas Group

- **Petroleum Exploration and Production Business: PTT Exploration and production Public Company Limited (PTTEP)**

First quarter of 2009 compared with first quarter of 2008

In 1Q/2009, net sales revenue of PTTEP, a subsidiary of PTT, was Baht 26,018 million, decreased by Baht 1,152 million or 4.2% due mainly to the decrease in average petroleum sales price by 23.2% from US\$ 48.24 per barrel of oil equivalent (US\$/BOE) in 1Q/2008 to 37.04 US\$/BOE in 1Q/2009 in relation to the decrease in global oil price despite the increase in sales volume by 19.1% from 182,431 barrels of oil equivalent per day (BOED) in 1Q/2008 to 217,194 BOED in 1Q/2009. The higher sales volume mainly came from the sales of natural gas and condensate from the Arthit project as well as sales of natural gas and crude oil from the Vietnam 9-2 Project and G4/43 project which started production last year while there were decrease in natural gas and condensate sales volume from the Bongkot and Pailin projects and also the natural gas sales volume from the Yadana and B8/32&9A projects in this quarter.

EBITDA in 1Q/2009 was Baht 18,069 million, decreased by Baht 1,815 million or 9.1% due to the decrease in average petroleum sales price as mentioned. In addition, the exploration expenses in this period was Baht 1,944 million, increased by Baht 985 million due to the write-off of dry wells under Australia AC/P36 project and the write off of Bangladesh 17 & 18 project since PTTEP wished to withdraw

from this project, while geology and geophysics study costs decreased due to decreased operation activities..

EBIT in this quarter was Baht 11,575 million decreased by Baht 3,776 million, or 24.6%, while depreciation and amortization increased by Baht 1,890 million, mainly from the Arthit project which started production in the first quarter of last year and Vietnam 9-2 project which started production in 4Q/2008. However, depreciation from the B8/32&9A and Pailin projects decreased as a result of the decline production of oil and gas properties.

First quarter of 2009 compared with fourth quarter of 2008

In 1Q/2009, net sales revenue of PTTEP was Baht 26,018 million, decreased by Baht 17,835 million or 40.7% from 4Q/2008 due mainly to the decrease in average petroleum sales price by 9%, from 40.89 US\$/BOE in 4Q/2008 to 37.04 US\$/BOE, in relation to the decrease in global oil price. Furthermore, sales volume also decreased from 221,095 BOED in 4Q/2008 to 217,194 BOED in 1Q/2009. The decrease of sales volume mainly came from the decrease in the crude oil and natural gas sales volume from the Vietnam 9-2 project, natural gas sales volume from the Yadana project and natural gas and condensate sales volume from the Oman 44 project while there was an increase in natural gas and condensate sales volume from the Arthit project.

EBITDA and EBIT in 1Q/2009 decreased by Baht 1,120 million and 1,371 million, respectively. This resulted from the decrease in the average petroleum sales price and sales volume as mentioned above despite the decrease in exploration expenses since there were more write-offs of dry wells in 4Q/2008 and the decrease in Geology and Geophysics study costs in A4, 5 & 6/48 project.

- **Natural Gas Business**

First quarter of 2009 compared with first quarter of 2008

Sales revenue in 1Q/2009 increased by Baht 2,740 million or 3.9% from Baht 69,733 million in 1Q/2008 to Baht 72,473 million in 1Q/2009 due mainly to the followings;

- The increase in average natural gas sales price, mainly to power producers and gas separation plants. However, the average natural gas sales volume (including natural gasoline derived from Dew Point Control Units) decreased by 66 million cubic feet per day (mmcf) or 2.0% from 3,346 mmcf in 1Q/2008 to 3,280 mmcf in 1Q/2009 (calculated at heating value 1,000 BTU per cubic feet) which resulted mainly from the decrease in sales volume to the Independent Power Producers (IPP) due to their planned shutdown for maintenance and from the economy slowdown.

- The increase in GSPs' products sales volume by 0.1% from 1,028,191 tons in 1Q/2008 to 1,029,677 tons in 1Q/2009 (excluded LPG purchased from petrochemical producers for resale in an approximate volume of 55,602 tons in 1Q/2008 and 45,792 tons in 1Q/2009). The average utilization rate of GSPs decreased from 101.54% in 1Q/2008 to 95.23% in 1Q/2009.

The details of all products sales volume from gas separation plants are as follows:

Units: Ton	1Q/2009	1Q/2008	Changes		4Q/2008	Changes	
			Tons	%		Tons	%
LPG	590,928	581,514	9,414	1.6%	526,874	65,054	12.2%
Ethane	245,222	265,321	(20,099)	(7.6%)	180,906	64,316	35.6%
Propane	69,446	49,103	20,343	41.4%	40,246	29,200	72.6%
NGL	124,081	132,253	(8,172)	(6.2%)	117,094	6,987	6.0%
Total	1,029,677	1,028,191	1,486	0.1%	865,120	164,557	19.0%

The details of reference products prices for calculation of products from gas separation plants' sales prices are as follows:

Unit : US\$/Ton	1Q/2009	1Q/2008	Changes		4Q/2008	Changes	
			(US\$/ton)	%		(US\$/ton)	%
LPG ^{1/, 4/}	448	833	(385)	(46.2%)	543	(95)	(17.5%)
Ethylene ^{2/}	627	1,237	(610)	(49.3%)	770	(143)	(18.6%)
Propylene ^{2/}	672	1,293	(621)	(48.0%)	893	(221)	(24.8%)
High Density Polyethylene ^{2/}	934	1,607	(673)	(41.9%)	925	9	1.0%
Polypropylene ^{2/}	887	1,510	(623)	(41.3%)	824	63	7.6%
Naphtha ^{3/}	375	793	(418)	(52.7%)	312	63	20.2%

Note: 1/ Contract price (CP)

2/ South East Asia Spot Price

3/ MOP Singapore (MOP'S)

4/ The ex-refinery LPG price is controlled by the Government. The Energy Policy and Planning Office (EPPO) announced to maintain LPG ex-refinery price (LPG sold by the gas separation plants) at Baht 10.9960 per kilogram.

The petrochemical prices being used for calculation of GSP's product prices decreased in line with crude oil prices and also affected by the lower demand in accordance with the economy slowdown. This resulted to the decrease in average Naphtha price in Asia by 52.7% from US\$ 793 per ton in 1Q/2008 to US\$ 375 per ton in 1Q/2009. For product prices in olefins chain, the average Ethylene price in South East Asia (SEA Ethylene) decreased by 49.3% from US\$ 1,237 per ton in 1Q/2008 to US\$ 627 per ton in 1Q/2009 due to the decrease in demand in addition with the new additional capacity of 1.25 million ton per annum emerged from Petro Rabigh – Saudi Aramco and Sumitomo Chemical Company. Propylene and High Density Polyethylene (HDPE) price in 1Q/2009 was US\$ 672 and US\$ 934 per ton respectively, decreased from US\$ 1,293 and US\$ 1,607 per ton in 1Q/2008 or decreased by 48.0% and 41.9%, respectively.

EBITDA of Natural Gas Business in 1Q/2009 decreased by Baht 7,930 million or 58.7% due mainly to the loss occurred from natural gas sales (supply and marketing) in 1Q/2009 resulted from the decrease in natural gas sales volume, the decrease in natural gas sales price to Industrial customers in relation to the decrease in reference fuel oil price and the loss occurred from selling natural gas for vehicle (NGV) at the lower-than-cost price since the government has policy to maintain the retail NGV price at Baht 8.50 per kilogram. In addition, GSPs' performance also decreased due to the decrease in sales prices of GSPs products in relation to the global reference product prices while natural gas cost was higher. EBIT in 1Q/2009 decreased by Baht 8,488 million or 69.8% due to the decrease in EBITDA as mentioned. The depreciation and amortization in 1Q/2009 also increased due mainly to NGV station and distribution pipelines be completed in 2008.

First quarter of 2009 compared with fourth quarter of 2008

Sales revenue decreased by Baht 5,426 million or 7.0% from Baht 77,899 million in 4Q/2008 to Baht 72,473 million in 1Q/2009 due to the followings:

- The decrease in average natural gas sales prices to all customers despite the increase in average natural gas sales volume (include natural gasoline derived from Dew Point Control Units) by 64 mmcf/d or 2.0% from 3,216 mmcf/d in 4Q/2008 to 3,280 mmcf/d in 1Q/2009 (calculated at heating value 1,000 per cubic feet) due to the increase in gas demand from all group of customers, except IPPs.

- The increase in GSPs' products sales volume by 19.0% from 865,120 tons in 4Q/2008 to 1,029,677 tons in 1Q/2009 (excluded LPG purchased from petrochemical producers for resale in an approximate amount of 38,895 tons in 4Q/2008 and 45,792 tons in 1Q/2009) due to the higher demand of GSPs products after the commercial plant shutdown and the de-bottlenecking plant shutdown of PTTCH, the GSPs' major customer, in 4Q/2008. The average utilization rate of GSPs decreased from 101.03% in 4Q/2008 to 95.23% in 1Q/2009.

- The decrease in petrochemical prices resulted from the global crisis. The average Ethylene price (SEA Ethylene) decreased by 18.6% from US\$ 770 per ton in 4Q/2008 to US\$ 627 per ton in 1Q/2009, resulted from the decrease in demand and the increase supply from new capacity. The average Propylene price decreased by 24.8% from US\$ 893 per ton in 4Q/2008 to US\$ 672 per ton in 1Q/2009 while the average High Density Polyethylene (HDPE) and Polypropylene (PP) price in 1Q/2009 was US\$ 934 and US\$ 887 per ton, slightly increased from US\$ 925 and US\$824 per ton in 4Q/2008, respectively.

EBITDA of natural gas business in 1Q/2009 decreased from 4Q/2008 by Baht 36 million or 0.6% due to the loss occurred from natural gas sales (supply and marketing) as mentioned despite a slightly better GSP's performance from 19% higher sales volume while the GSPs' product prices decreased. EBIT in 1Q/2009 decreased by Baht 205 million or 5.3% due to the decrease in EBITDA as mentioned and the increase in depreciation and amortization by Baht 86 million from the JDA - Arthit project which was completed at the end of 2008.

□ Downstream Petroleum Business Group

• Oil Business and International Trading Business

First quarter of 2009 compared with first quarter of 2008

Sales revenue in 1Q/2009 decreased by Baht 189,303 million or 44.7% due to the decrease in average sales prices in relation to the decrease in global oil prices. The average Dubai crude oil price was US\$ 44.1 per barrel in 1Q/2009, lower than US\$ 91.1 per barrel of 1Q/2008. In addition, sales volume also decreased by 764 million liters or 4.0% from 19,197 million liters or equivalent to 1,326,901 barrels per day in 1Q/2008 to 18,433 million liters or equivalent to 1,288,238 barrels per day in 1Q/2009. This

was mainly due to the decrease in sales volume of crude oil and refined products in International Trading Business and the decrease in fuel oil sales volume in Oil Business.

EBITDA in this quarter decreased by Baht 725 million due mainly to the decrease in margin of condensate sales in relation to the decrease in global crude oil price. EBIT decreased by Baht 735 million due to the decrease in EBITDA.

First quarter of 2009 compared with fourth quarter of 2008

Sales revenue from Oil Business and International Trading Business decreased by Baht 48,930 million or 17.3% due to the decrease in sales prices. The average Dubai crude oil price decreased from US\$ 52.7 per barrel in 4Q/2008 to US\$ 44.1 per barrel of 1Q/2009. However, sales volume in 1Q/2009 increased by 1,119 million Liters or 6.5% from 17,314 million liters or equivalent to 1,183,679 barrels per day in 4Q/2008 to 18,433 million liters or equivalent to 1,288,238 barrels per day in 1Q/2009 resulted mainly from the increase in sales volume of crude and condensate in International Trading Business and the increase in Diesel, Jet and Gasoline except LPG in the Oil business.

EBITDA in 1Q/2009 increased by Baht 4,683 million or 242.7%; from the negative EBITDA of Baht 1,929 million resulted from the huge stock loss in 4Q/2008 to the positive EBITDA of Baht 2,753 million in 1Q/2009. EBIT in this quarter also increased by Baht 4,708 million; from the negative EBIT of Baht 2,561 million in 4Q/2008 to the positive EBIT of Baht 2,146 million in 1Q/2009.

- **Petrochemical Business**

First quarter of 2009 compared with first quarter of 2008

In 1Q/2009, sales revenue of petrochemical subsidiaries and jointly controlled entities was Baht 6,783 million, decreased from 1Q/2008 by Baht 2,064 million or 23.3% due mainly to the decrease in average sales price of PTTM by 38.6% despite the increase in sales volume by 31.9%.

EBITDA decreased by Baht 88 million or 26.2% from Baht 336 million in 1Q/2008 to Baht 248 million in 1Q/2009 while EBIT decreased by Baht 92 million or 30.6% from Baht 301 million in 1Q/2008 to Baht 209 million in 1Q/2009 resulted mainly from the lower product-to-feed margin of polypropylene (PP), which is the main product of HMC in relation to the lower downstream petrochemical prices in global market.

First quarter of 2009 compared with fourth quarter of 2008

In 1Q/2009, sales revenue of Petrochemical Business decreased by Baht 125 million or 1.8% due mainly to the decrease in HDPE price which is PTTM's products.

However, EBITDA and EBIT in this quarter increased by Baht 396 and 395 million, or 268.1% and 212.8%, respectively which resulted mainly from the increase in HMC's Product-to-Feed margin from 4Q/2008.

Net Income

First quarter of 2009 compared with first quarter of 2008

Net income of PTT and its' subsidiaries in 1Q/2009 was 7,449 million or Baht 2.64 per share, decreased from 1Q/2008 by Baht 18,684 million or 71.5% due to the declining performance of each business group in relation to the substantial drop of global economy as mentioned, including the following reasons;

: Share of net income from associates in 1Q/2009 was Baht 2,407 million, decreased by Baht 5,331 million or 68.9% from Baht 7,738 million in 1Q/2008. This was due mainly to;

- The declined performance of refining business resulted from the decrease in gross refining margin due to the decrease in global demand for refined products and the increase in supply from new additional capacity of Dong Quat Refinery of Petrovietnam Company in Vietnam which has started commissioning in February 2009 at the capacity of 140,000 barrel per day. In addition, domestic GRM was effected by Government controlled price of LPG ex-refinery price. The GRM of PTT's complex refineries group, (including stock gain/loss and hedging gain/loss) decreased from US\$ 7.36 per barrel in 1Q/2008 to US\$ 2.40 per barrel in 1Q/2009, although PTTAR's capacity has been increased after its commercial operation start up of Upgrading Complex Phase I in March 2009 and TOP's capacity utilization has also increased from 100% in 1Q/2008 to 103% in 1Q/2009. Furthermore, the aromatics' performance also decreased, due mainly to the Benzene price which decreased significantly to the lower than feedstock cost level in relation to the declined feedstock price and lower demand of Benzene. However, PTTAR's Aromatics Complex 2 (AR3) started its commercial operation in January 2009 while PX unit of TPX, a subsidiary of TOP, had shutdown for 77 days for major turnaround and expansion in 1Q/2008.

- The declining performance of petrochemical associates resulted mainly from the sharply decrease in product-to-feed margin although there was olefins plant I4-1 shutdown for production capacity expansion and scheduled maintenance for 12 days in 1Q/2008.

- There was loss on foreign exchange amounting to Baht 615 million in 1Q/2009 while there was gain on foreign exchange amounting to Baht 4,188 million in Q1/2008.

- The corporate income tax in 1Q/2009 decreased by Baht 4,133 million or 37.3% resulted from the decrease in operating income.

: Details of net income from investments in associates are as follows;

Unit : Million Baht	<u>1Q/2009</u>	<u>1Q/2008</u>	<u>Change</u>	<u>%</u>	<u>4Q/2008</u>	<u>Change</u>	<u>%</u>
Refining associates	2,649	4,690	(2,041)	(43.5%)	(21,178)	23,824	112.5%
Petrochemical associates	(177)	2,813	(2,989)	(106.3%)	(2,144)	1,967	91.7%
Oil associates	126	111	15	13.5%	77	47	60.3%
Gas associates	(297)	0	(297)	n.m.	113	(410)	(362.5%)
Other associates	<u>106</u>	<u>124</u>	<u>(18)</u>	<u>14.5%</u>	<u>(757)</u>	<u>864</u>	<u>114.0%</u>
Total	<u>2,407</u>	<u>7,738</u>	<u>(5,331)</u>	<u>(68.9%)</u>	<u>(23,889)</u>	<u>26,292</u>	<u>110.1%</u>

First quarter of 2009 compared with fourth quarter of 2008

Net income of PTT and its subsidiaries in 1Q/2009 was 7,449 million or Baht 2.64 per share, increased from net loss of Baht 22,189 million in 4Q/2008 by Baht 29,638 million or 133.6% due to the performance of each business as mentioned, including the following reasons;

: In 1Q/2009, share of net income from investments in associates was Baht 2,407 million, increase by Baht 26,296 million or 110.1% when compared to 4Q/2008 which had share of net loss from investments in associates of Baht 23,889 million. This was due mainly to;

- The better performance of refining associates due to the increase in the GRM. PTT's associates complex refineries' GRM (including stock gain/loss and hedging gain/loss) increased from US\$ -24.44 per barrel in 4Q/2008 to US\$ 2.40 per barrel in 1Q/2009. In addition, in 1Q/2009, PTTAR operated at its normal capacity after its mini shutdown for maintenance and replace the catalyst as well as emergency shutdown of the Hydrocracking Unit (HCU) in 4Q/2008. Performance of the Aromatics also improved significantly resulted mainly from the increasing products prices, especially paraxylene, due to demand recovery with tight supply, including the lower raw material prices.

- The better performance of petrochemical (Olefins) associates resulted mainly from the increase in product-to-feed margin.

: In Q1/2009, PTT and its subsidiaries recorded less loss on foreign exchange by Baht 2,619 million.

: Income taxes increased by 2,478 million or 55.3% due to the increase in PTT and its subsidiaries' operating income.

2.The Analysis of PTT and its subsidiaries' consolidated Financial status as at March 31, 2009, compared with December 31, 2008.

Financial status of PTT and its subsidiaries as at March 31, 2009, compared with December 31, 2008, is as follows:

Unit: Million Baht				
	Consolidated Financial Statement			
	Mar. 31, 2009	Dec. 31, 2008	Inc./ (Dec.)	%
Assets				
Current assets	257,864	243,405	14,459	5.9%
Investments in associates, and other long-term investments	189,453	187,072	2,381	1.3%
Property, plant and equipment, net	408,209	374,614	33,595	9.0%
Other non-current assets	89,778	80,102	9,676	12.1%
Total Assets	945,304	885,193	60,111	6.8%
Liabilities				
Current liabilities	191,261	169,271	21,990	13.0%
Long-term Loans including current portion	266,481	239,125	27,356	11.4%
Other non-current liabilities	50,691	46,261	4,430	9.6%
Total Liabilities	508,433	454,657	53,776	11.8%
Shareholders' equity				
Shareholder's equity	390,819	383,579	7,240	1.9%
Minority interests	46,052	46,957	(905)	(1.9%)
Total shareholders' equity	436,871	430,536	6,335	1.5%
Total liabilities and shareholders' equity	945,304	885,193	60,111	6.8%

Assets

Total assets as at March 31, 2009, were Baht 945,304 million, increased by Baht 60,111 million or 6.8% from the end of 2008 due mainly to the followings:

: Current assets increased by Baht 14,459 million or 5.9% resulted mainly from the increase in trade accounts and notes receivable by Baht 6,230 million from crude sales, the increase in cash and cash equivalents and current investments by Baht 3,135 million, the increase in other accounts receivable, advances and short-term loans-related parties by Baht 1,487 million and the increase in inventories and material & supplies by Baht 2,360 million.

: Investments in associates and other long-term investments increased by Baht 2,381 million or 1.3% resulted from the recognition of share of net income from investment in associates amounting to Baht 2,407 million in 1Q/2009.

: Property, plant and equipment increased by Baht 33,595 million or 9.0% resulted mainly from the increase in petroleum exploration and production assets by Baht 23,290 million, resulted mainly from PTTEP's 100% acquisition of the ordinary shares of Coogee Resources Limited or CRL (the name of which was later changed to PTTEP Australasia Pty Limited or PTTEPAA) on February 4, 2009 including the construction of GSP unit 6, the Ethane separation plant project, the north Arthit gas pipeline project and

natural gas for vehicle (NGV) project such as NGV stations, Compress Natural Gas (CNG) trailers and the installation of NGV equipment for CNG trailers, etc.

: Non-current assets increased by Baht 9,676 million or 12.1% due mainly to the increase in PTTEP's probable reserve in intangible assets by Baht 3,383 million and the increase in deferred tax assets by Baht 3,436 million, resulted from PTTEP's 100% acquisition of ordinary shares of PTTEP AA as mentioned above.

Liabilities

Total liabilities were Baht 508,433 million, increased by Baht 53,776 million or 11.8% from the end of the year 2008, resulted from the increase in current liabilities by Baht 21,990 million or 13.0% due to the increase in other short-term loans by Baht 16,196 million, mainly from PTTEP's bills of exchange issuance for offering to general investors and institutional investors, the increase in Trade account payables arise from buying refined products from refineries by Baht 3,546 million, the increase in accrued corporate income tax by Baht 5,247 million and the increase in accrued expenses by Baht 1,780 million.

Long-term Loans (including current portion) increased by Baht 27,356 million or 11.4%. The maturities of loans are as follows:

Unit: Million Baht

Maturity (Since March 31, 2009)	PTT	PTTEP	DCAP	TTM(T)	TTM(M)	HMC	PTTAC	Total
within 1 year (March 31, 2010)	6,550.17	11,713.98	75.25	624.10	30.30	-	-	18,993.80
over 1 year, but not over 2 years	18,541.54	5,994.79	77.00	624.10	30.30	107.20	-	25,374.94
over 2 years, but not over 5 years	72,064.89	3,496.96	231.00	2,407.25	181.78	1,072.05	-	79,453.93
over 5 years	117,554.21	5,497.40	290.50	5,081.96	338.62	3,108.94	1,628.35	133,499.98
Total	214,710.81	26,703.13	673.75	8,737.41	581.00	4,288.19	1,628.35	257,322.64

Note: Excluded liabilities from finance leases

The long-term loans outstanding (including current portion) as at March 31, 2009 consisted of loans in Baht currency and foreign currencies, details of which are as follows:

Unit: Million Baht

Long-term loans	PTT	PTTEP	DCAP	TTM(T)	TTM(M)	HMC	PTTAC	Total
Baht currency	146,756.61	18,489.14	673.75	-	-	1,450.50	-	167,370.00
Foreign currencies	67,954.20	8,213.99	-	8,737.41	581.00	2,837.69	1,628.35	89,952.64
Total	214,710.81	26,703.13	673.75	8,737.41	581.00	4,288.19	1,628.35	257,322.64
Portion of long-term foreign currency loans to total long-term loans (%)	31.65%	30.76%	0.00%	100.00%	100.00%	66.17%	100.00%	34.96%

As at March 31, 2009, PTT's loans amounting to Baht 30,520 million is guaranteed by the Ministry of Finance.

Other non-current liabilities increased by Baht 4,430 million or 9.6% due mainly to the increase in the estimation in decommissioning cost of production equipment

Shareholders' Equity

Total shareholders' equity as at March 31, 2009 were Baht 436,871 million, increased from the end of the year 2008 by Baht 6,335 million or 1.5% due to the increased in un-appropriated retained earnings by Baht 7,449 million, resulted from 1Q/2009 PTT and its subsidiaries' performance while unrealized loss on available-for-sale securities increased by Baht 214 million and minority interests decreased by Baht 905

million or 1.9% from PTTEP's dividend payment amounting to Baht 2,918 million whereby the net profit in 1Q/2009 included share of minority interests of Baht 2,000 million.

Liquidity

For three-month period ended March 31, 2009, net increase in cash and cash equivalents of PTT and its subsidiaries was Baht 3,011 million while cash and cash equivalents at the beginning of the period was Baht 90,819 million. As a result, cash and cash equivalents as at the end of the period was Baht 93,830 million. Details of cash flow by activities are as follows:

	<u>Amount (Million Baht)</u>
Net cash provided by operating activities	8,611
Net cash used in investing activities	(36,730)
Net cash provided by financing activities	31,016
Effects of exchange rates on cash and cash equivalents	147
Currency translation differences	(33)
Net increase in cash and cash equivalents during the period	<u>3,011</u>
Cash and cash equivalents at beginning of the period	<u>90,819</u>
Cash and cash equivalents at end of the period	<u><u>93,830</u></u>

Net cash provided by operating activities of Baht 8,611 million was derived from net income of Baht 7,449 million and adjustment of net income to net cash provided by (used in) operating activities, whereby the adjustment of net income to net cash provided comprising mainly of depreciation, depletion and amortization amounting to Baht 9,117 million, net income of minority interests amounting to Baht 2,000 million, income tax amounting to Baht 6,956 million, interest expenses amounting to Baht 3,347 million and amortization of exploration costs amounting to Baht 1,572 million while the adjustment of net income to net cash used comprising mainly of the share of net income from investments in associates amounting to Baht 2,407, gain on foreign exchange amounting to Baht 434 million, reversal of provision for adjustment in value of inventories amounting to Baht 624 million, interest income amounting to Baht 919 million. In addition, change in operating assets, net increased by Baht 16,396 million.

Net cash used in investing activities was Baht 36,730 million resulted mainly from;

: The investments in property, plant and equipment amounting to Baht 32,551 million due mainly to the construction of the GSP unit 6 project, the north Arthit gas pipeline project, the natural gas for vehicle (NGV) project, the ethane separation plant project in an approximate total amount of Baht 8,408 million, the purchase of PTTEP's petroleum exploration and production assets through the acquisition of total shares in PTTEP AA in an approximate amount of Baht 20,120 million, as well as, the construction of PDH/PP plant of HMC in an approximate amount of Baht 356 million and the jetty construction project and LNG project of PTTLNG amounting to Baht 1,438 million.

: Payment for intangible assets amounting to Baht 3,800 million through PTTEP's acquisition of Coogee Resources Limited

: Investments in associates amounting to Baht 321 million comprised of the payment for share capital increase in PPCL amounting to Baht 268 million and PTTEP's acquisition of Shore Air Limited through PTTEP AA Limited amounting to Baht 52 million.

: Payment for current investments amounting to Baht 627 million while cash receipt from interest were Baht 680 million.

Net cash provided by financing activities was Baht 31,016 million, resulted mainly from PTT's bonds issuance amounting to Baht 15,000 million, PTTEP's short-term bill of exchange issuance and PTT's other short-term loans amounting to Baht 19,167 million and long-term loans of PTTEP, PTT Asahi Chemicals Co., Ltd (PTTAC) and HMC Polymers Co., Ltd amounting to Baht 10,998 million while there were PTT's bonds redemption amounting to Baht 7,400 million, interest payment amounting to Baht 2,583 million and the payment of bank overdrafts and short-term loans from financial institutions amounting to Baht 3,915 million mainly from PTT International Trading Pte. Ltd.

Financial ratios and earnings per share of PTT and its subsidiaries for 1Q/2009 calculated in accordance with the Office of the Securities and Exchange Commission's formulae are as follows:

Financial Ratios and earnings per share	Unit	1Q/2009	1Q/2008	4Q/2008
<u>Liquidity Ratios</u>				
Current Ratio	Time	1.22	1.31	1.35
Quick Ratio	Time	0.94	1.15	1.06
<u>Profitability Ratios</u>				
Gross Profit Margin	%	9.19	7.93	11.75
Net Profit (Loss) Margin	%	2.40	5.17	(6.97)
<u>Financial Ratios</u>				
Total Debt to Equity Ratio	Time	1.16	1.09	1.06
Interest Coverage Ratio	Time	6.20	22.97	46.48
<u>Earnings per share (EPS)</u>				
<i>Earnings (Loss) per share (EPS)</i>	Baht/share	2.64	9.27	(7.86)

3. Economic Outlooks in the second quarter of 2009

The world economy in the second quarter of 2009 (2Q/2009), according to the IMF's April 2009 report, is expected to decline moderately when compared to 1Q/2009 due to the supporting policy from many countries. In 2009, global economy is projected to decline by 1.3% where Thailand, according to the Bank of Thailand, to decline by 2.5%.

As the global economy has shown sign of recovery, it is projected that oil consumption and oil price would increase, which would also lead to the increase in domestic retail oil price. As a result, oil consumption in 2Q/2009 is projected to decrease due to the mentioned factors.