

Shareholding and Management Structure

PTT Plc.'s Equity Structure

(as of the closing date of the share registration book to account for the extraordinary meeting of shareholders No. 1/2550, August 24, 2007)

Item	Million Shares	Value (Million Baht)	%
Registered Capital	2,857	28,572	-
Paid-Up Capital as of August 24, 2007	2,806	28,055	100.00
<ul style="list-style-type: none"> • Ministry of Finance • Vayupak Fund 1 by MFC Asset Management Plc. • Vayupak Fund 1 by Krung Thai Asset Management Plc. • Institutional and Public Investors 	1,468 218 218 902	14,677 2,179 2,179 9,020	52.31 7.77 7.77 32.15
Unpaid Capital	51	517	-

PTT's top 15 shareholders as of August 24, 2007 were as follows:

No.	Name	Shares	%
1.	Ministry of Finance	1,467,750,743	52.32
2.	Vayupak Fund 1 by Krung Thai Asset Management Plc.	217,900,000	7.77
3.	Vayupak Fund 1 by MFC Asset Management Plc.	217,900,000	7.77
4.	HSBC (Singapore) Nominees Pte., Ltd.	55,155,571	1.97
5.	Thai NVDR Co., Ltd.	45,783,957	1.63
6.	State Street Bank and Trust Company	44,796,953	1.60
7.	Chase Nominees Limited	42,742,400	1.52
8.	Nortrust Nominees Ltd.	37,173,171	1.32
9.	HSBC Bank Plc. - Clients General A/C	31,778,600	1.13
10.	Mellon Bank, N.A.	29,920,429	1.07
11.	State Street Bank and Trust Company for Australia	21,029,235	0.75
12.	The Bank of New York (Nominees) Limited	20,163,086	0.72
13.	Government Pension Fund	19,110,800	0.68
14.	Social Security Office	18,874,900	0.67
15.	Morgan Stanley & Co. International Plc.	15,299,829	0.55

Notes: 1. Numbers 4, 7, 8, and 12 were nominee accounts. PTT's investigation at Thailand Securities Depository Co., Ltd., found that the ultimate shareholders' names could not be disclosed. However, the Ministry of Finance remained the single majority shareholder on behalf of the state, which in part dictated PTT's management policy. The ministry nominated directors to the Board for approval by shareholders. Other substantial shareholders, including the four above-mentioned ones, did not exercise any influence over PTT's management policy formulation by nominating directors.

2. Shareholders of Thai NVDR Co., Ltd., who held non-voting depository receipts in item 5 were ineligible for voting at shareholders' meetings except when exercising their voting rights on delisting the shares from SET.

PTT Warrants

● On April 12, 2005, the 2005 Annual General Meeting of Shareholders (AGM) acknowledged the issuance and offer of 60,000,000 warrants to the President, the management, PTT employees, and employees of PTT Group companies seconded to PTT. The warrants consisted of two batches:

- PTT - W1, numbering 40,000,000 units, offered in 2005

- PTT - W2, numbering 20,000,000 units, offered in 2006.

The AGM approved the issuance and offer of all PTT - W1 units governing the purchase of 40,000,000 common shares. Each warrant contained four portions, each exercisable on the last operating day of a three-month period throughout the life of the warrant. Here is a detailed summary of the allocation:

Portion	Units	Life (Years)	Value (Baht)	Ratio of Warrants exercised (Common Shares)	Exercisable Period Details
1.	10,000,000	5	183	1 : 1	● First exercisable date was August 31, 2006, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is August 31, 2010.
2.	10,000,000	5	183	1 : 1	● First exercisable date was August 31, 2007, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is August 31, 2010.
3.	10,000,000	5	183	1 : 1	● First exercisable date was August 31, 2008, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is August 31, 2010.
4.	10,000,000	5	183	1 : 1	● First exercisable date was August 31, 2009, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is August 31, 2010.

From 2006 to December 31, 2007, a total of six warrant exercises for PTT - W1 covering 17,264,500 units were recorded.

Notes:

- The issued warrants, bearing holders' names, were non-transferable except when transferred to a legitimate heir or representative.
- Eligible under this scheme were the President, the management, all PTT employees, and employees of PTT Group companies seconded to PTT. No other directors of the Board received these warrants.

● On April 11, 2006, the 2006 AGM approved the issuance and offer of all PTT - W2 units governing the purchase of 20,000,000 common shares for the President, the management, PTT employees, and employees of PTT Group

companies seconded to PTT. Each warrant contained four portions, each exercisable on the last operating day of a three-month period throughout the life of the warrant. Here is a detailed summary of the allocation:

Portion	Units	Life (Years)	Value (Baht)	Ratio of Warrants exercised (Common Shares)	Exercisable Period Details
1.	5,000,000	5	234	1 : 1	● First exercisable date was September 28, 2007, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is September 28, 2011.
2.	5,000,000	5	234	1 : 1	● First exercisable date was September 28, 2008, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is September 28, 2011.
3.	5,000,000	5	234	1 : 1	● First exercisable date was September 28, 2009, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is September 28, 2011.
4.	5,000,000	5	234	1 : 1	● First exercisable date was August 31, 2010, then every last operating date of every three months from the above-mentioned date through the life of the warrants. The last exercise date is September 28, 2011.

From September 2007 to December 31, 2007, a total of two warrant exercises for PTT - W2 covering 2,877,900 units were recorded.

Notes: ● The issued warrants, bearing holders' names, were non-transferable except when transferred to a legitimate heir or representative.

● Eligible under this scheme were the President, the management, all PTT employees, and employees of PTT Group companies seconded to PTT. No other directors of the Board received these warrants.

Organizational Structure

At the top of PTT's organizational structure is a Board of Directors ("Board"), which consists of 4 committees: Audit Committee, Nominating Committee, Remuneration Committee, and Corporate Governance Committee. The President, who is the top executive, manages PTT through 11 committees. Details of the management structure appear below:

Board of Directors

As reported in the Ministry of Commerce's certification dated January 2, 2008, the present Board consists of 15 directors:

- 14 non-management directors (10 of whom were independent, which exceeded half of the entire Board), and
- One President.

The present Board consists of:

No.	Name	Position	Appointed
1.	Dr. Norkun Sitthiphong	Chairman	December 21, 2007 ^{1.4} (in place of Mr. Pornchai Rujjipara)
2.	Gen. Apichart Penkitti	Independent Director	December 1, 2006
3.	Mr. Chakramon Phasukavanich	Independent Director	April 30, 2007
4.	Gen. Somdhat Attanand	Independent Director	April 11, 2006
5.	M.L. Panasarn Hasdin	Independent Director	April 11, 2006
6.	Dr. Ampon Kittiampon	Independent Director	April 12, 2005
7.	Khun Pornthip Jala	Independent Director	April 30, 2007 ^{1.1} (in place of Mr. Cherdpong Siriwit)
8.	Dr. Olarn Chaipravat	Independent Director	April 11, 2006
9.	Assoc. Prof. Dr. Suchart Thada-Thamrongvech	Independent Director	April 12, 2005
10.	Dr. Panich Pongpirodorn	Director	January 1, 2008 ^{1.5} (in place of Mr. Metta Bunturmsuk)
11.	Khunying Jada Wattanasiritham	Independent Director	April 30, 2007 ^{1.2} (in place of Mr. Pisanu Suntharak)
12.	Mrs. Puntip Surathin	Director	December 1, 2006
13.	Mrs. Pannee Sathavarodom	Director	April 30, 2007
14.	Dr. Praipol Koomsup	Independent Director	May 1, 2007 ^{1.3} (in place of Mr. Phadhadej Dhamcharee)
15.	Mr. Prasert Bunsumpun	Director and Secretary (President)	<ul style="list-style-type: none"> • First term expired and left office on August 10, 2007 • Second term began on September 10, 2007².

Notes: 1. The Board appointed new directors in place of the retired and resigned ones:

1.1 Ms. Pornthip Jala, in place of Mr. Cherdpong Siriwit, who retired on April 30, 2007

1.2 Khunying Jada Wattanasiritham, in place of Mr. Pisanu Suntharak, who retired on April 30, 2007

1.3 Mr. Praipol Koomsup, in place of Mr. Phadhadej Dhamcharee, who resigned on May 1, 2007

1.4 Mr. Norkun Sitthiphong, in place of Mr. Pornchai Rujjipara, who resigned on December 18, 2007

1.5 Mr. Panich Pongpirodorn, in place of Mr. Metta Bunturmsuk, who resigned on January 1, 2008

2. At Meeting No. 8/2550 of August 31, 2007, the Board appointed Mr. Prasert Bunsumpun to another term as President, effective from September 10, 2007 onward.

As approved by the Board and as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the Corporate Governance Committee defined an independent director as follows:

- Holds no more than 0.5% of all voting shares in PTT, its affiliates, joint ventures, or juristic persons with potential conflicts of interest (implicitly including related persons as stated in Section 258 of the Securities and Exchange Act).
- Do not participate in the management of PTT, its affiliates, or its joint ventures; is not an employee, a regularly paid advisor, an accounting auditor, a legal consultant, other consultants, or a person with authority over PTT, its affiliates, or its joint ventures; is not a connected person; and must not have acted in any of the mentioned capacities for at least two years.

- Do not have business relationship with PTT, its affiliates, or its joint ventures – as a customer, supplier, partner, commercial creditor/debtor, or loan creditor/debtor; has no vested interests in any way in the finance or management of PTT, its affiliates, or its joint ventures; and holds no vested interest in connected juristic persons potentially leading to biased views.

- Do not have a close relationship – or related in a way that may lead to biased views – of the management or major shareholders of PTT, its affiliates, or its joint ventures, or of connected juristic persons; and must not be appointed to protect the interests of any director or major shareholder.

Share Ownership by Directors in 2006 and 2007

No.	Name	Share as of		Changes in shares holding during the year (shares)	Note
		Dec. 31, 2006	Dec. 31, 2007		
1.	Dr. Norkun Sitthiphong	-	-	-	• Appointed on December 21, 2007
2.	Mr. Chakramon Phasukavanich	10,000	0	(10,000)	• Transferred shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)
3.	Dr. Olarn Chaipravat	-	-	-	
4.	Khunying Jada Wattanasiritham	N.A.	0	(7,400)	• Appointed on April 30, 2007 • Sold shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)
5.	Khun Pornthip Jala	N.A.	-	-	• Appointed on April 30, 2007
6.	Gen. Somdhat Attanand	-	-	-	
7.	Gen. Apichart Penkitti	10,000	0	(10,000)	• Transferred shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)

No.	Name	Share as of		Changes in shares holding during the year (shares)	Note
		Dec. 31, 2006	Dec. 31, 2007		
8.	Dr. Ampon Kittiampon	-	-	-	
9.	M.L. Panasarn Hasdin	-	-	-	
10.	Dr. Panich Pongpirodom	N.A.	N.A.	-	● Appointed on January 1, 2008
11.	Mrs. Puntip Surathin	10,000	0	(10,000)	● Transferred shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)
12.	Mrs. Pannee Sathavarodom	4,000	0	(4,000)	● Transferred shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)
13.	Dr. Praipol Koomsup	N.A.	0	(2,500)	● Appointed on May 1, 2007 ● Sold shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)
14.	Assoc. Prof. Dr. Suchart Thada-Thamrongvech	-	-	-	
15.	Mr. Prasert Bunsumpun	325,820	0	(325,820)	● Sold shares to comply with the Standard Qualifications for State Enterprise Directors and Employees Act (No. 5) B.E. 2550 (2007)

Directors Who Resigned and Retired in 2006 and 2007

No.	Name	Share as of		Changes in shares holding during the year (shares)	Note
		Dec. 31, 2006	Dec. 31, 2007		
1.	Mr. Cherdpong Siriwit	-	-	-	● Retired on April 30, 2007
2.	Mr. Phadhadej Dhamcharee	-	-	-	● Resigned on May 1, 2007
3.	Mr. Pisanu Sunthraraks	-	-	-	● Retired on April 30, 2007
4.	Mr. Pornchai Rujjiprapa	-	-	-	● Resigned on December 28, 2007
5.	Mr. Metta Bunturingsak	-	-	-	● Resigned on January 1, 2008

The directors whose signatures are recognized as binding on PTT consist of either (1) Mr. Prasert Bunsumpun, President, authorized to sign and affix the Company's seal, or (2) two other Directors, authorized to jointly sign and affix the Company's seal. The authority of the Board is defined as follows:

Authority of the Board

- The Board is authorized to supervise and manage PTT under relevant laws, objectives, regulations, and resolutions of shareholders' meetings.
- The Board is to elect one director to serve as Chairman. If suitable, one Vice Chairman or more may be elected.
- The Board is to elect one director to serve as President and Secretary to the Board if suitable.

Duties and Responsibilities of the Board

The Board is to:

- Carry out its duties under relevant laws, objectives, regulations, and resolutions of shareholders' meetings.
 - Define the Company's vision, directions, and strategies.
 - Endorse major Company strategies and policies, including objectives, financial targets, and operating plans; monitor and ensure plan implementation.
 - Institute proper systems for corporate accounting, financial reporting, and financial auditing; institute efficient and effective internal control and internal audit systems.
 - Supervise and remedy problems arising from conflicts of interest and connected transactions.
 - Define comprehensive risk management guidelines; and ensure an efficient risk management system or process.
 - Ensure a suitable compensation system or mechanism for senior management, to induce short-term and long-term motivation.

- Assess the performance of the President and determine suitable compensation.
- Ensure suitable communicating channels with each group of shareholders and stakeholders.
- Ensure accurate, clear, transparent, credible, and high-quality disclosure of information.
- Show leadership and lead by example.

Appointment and Dismissal of Directors

1. The Board consists of at least five and no more than 15 persons elected at shareholders' meetings. It consists of a minimum of three independent directors, at least half of the directors are to reside in Thailand, and at least one director must be qualified in finance and accounting. All directors must be qualified by law and Company regulations.

In 2004, the Board decided that independent directors were to make up at least half of the Board, which remains in effect today.

2. The shareholders' meetings are to elect qualified directors who have previously been selected and nominated by the Nominating Committee under the following criteria:

- (1) Each shareholder has one vote per share held.
- (2) Each shareholder exercises all votes applicable under (1) in electing one or more persons as directors, but cannot allocate only part of his or her votes to any candidate.
- (3) Candidates with the most votes are to be appointed directors up to the number open at a given meeting.
- (4) If more candidates receive equal votes than the number of directors required, the chairman of the meeting must cast a deciding vote.

3. At every AGM, one-third of the directors – or if this number is not a multiple of three, then the number nearest to one-third – must retire. The names of the directors to retire during the first and second year after PTT was listed are to be drawn by lots. For subsequent years, those with the longest terms must retire.

4. Any director wishing to resign may submit a resignation letter to PTT, and the resignation is to be effective on the date that PTT receives the letter.

5. In voting for the dismissal of directors from office before the expiry of their terms, a three-quarter (3/4) vote of eligible shareholders present at the meeting is required, provided that the number of shares represented by the three-quarters vote is at least half of the total number of shares represented by the total number of eligible shareholders present at the meeting.

Duties and Responsibilities of the President

Under PTT's Articles of Association, the President has full authority and duties to manage the Company's business as assigned by the Board. Business is to be managed strictly, prudently, and with integrity under the plans or budgets approved by the Board, and must be in the best interests of PTT and its shareholders. The President's authority and duties include the following matters and activities:

- Operate and/or manage day-to-day business
- Hire, appoint, remove, transfer, promote, demote, reduce the salary or wages of, take disciplinary action against employees and contractors, and dismiss any employee or contractor under the Board's regulations. For vice presidents or equivalent upward, prior approval of the Board is required.
- Ensure the preparation and submission of business policies, including operating plans and budget estimates, to the Board for approval, and report performance against them to the Board every three months.
- Ensure the implementation of the policies, plans, and budgets approved by the Board.

Additional Authority as Assigned by the Board

Under PTT's regulations, the Board authorizes the President to manage its business strictly under the approved plans and budgets with integrity and prudence, while doing his/her best to safeguard the interests of the Company and shareholders under another scope of authority as follows:

- Manage business under all objectives, regulations, policies, rules, specifications, directives, and resolutions of the Board and/or shareholders' meetings.
- Order, contact, command, implement, and sign juristic acts, agreements, orders, announcements, or any correspondence with government agencies, state enterprises, or other parties; and engage in any necessary and suitable action to facilitate this duty.
- Command each employee and contractor and hire, appoint, remove, promote, demote, cut the salary or wages of, take disciplinary action against, and dismiss any employee or contractor under the rules, regulations, or directives of the Board. For employees or contractors serving as advisors, experts, executive vice presidents, or equivalent upward, prior approval of the Board is required. The President is also authorized to specify the employment conditions for employees and contractors, and issue rules governing PTT's operations, provided that they do not conflict with rules, regulations, or directives of the Board.

- Assign the power of attorney and/or delegate specific tasks to other persons, provided that it complies with the document concerning the power of attorney and/or rules, regulations, or directives of the Board and/or the Company.

The authority and duties of the President are invalid for conflicts of interest with PTT in any form resulting from the President's exercise of the authority.

The Audit Committee

The Board approved the appointment of an Audit Committee on October 1, 2001, which consisted of directors

with the qualifications specified by securities and exchange laws and SET. The committee must consist of at least three independent directors, at least one of whom must be qualified in accounting and finance.

Name	Position	Remark
1. Dr. Olarn Chaipravat	Chairman	Independent Director with qualifications in finance and accounting
2. Khunyng Jada Wattanasiritham	Committee Member	Independent Director with qualifications in finance and accounting
3. Assoc. Prof. Dr. Suchart Thada-Thamrongvech	Committee Member	Independent Director with qualifications in finance and accounting

Mr. Trakul Chatdarong, Executive Vice President, Office of Corporate Audit, served as the Committee's Secretary.

Note: Effective from February 1, 2008, Ms. Kamolthip Kueasakul was appointed in place of Mr. Trakul Chatdarong in both capacities.

Duties and Responsibilities of the Audit Committee

- Review PTT's financial reporting process to ensure accuracy and adequacy.
- Ensure the suitability and effectiveness of internal control and internal audit procedures.
- Ensure compliance with securities and exchange laws, SET regulations, and relevant laws.
- Select, nominate, and recommend the fees for the external auditor.
- Deliberate accurate and complete disclosure of PTT's information for connected transactions or potential conflicts of interest.

- Prepare a report on its own performance for disclosure in the annual report, signed by Chairman.
- Perform other tasks assigned by the Board and with the approval of the Committee.
- Perform duties under PTT's regulations.

The Committee held 11 meetings in 2007 and duly reported its findings to the Board. In addition, it participated in quarterly financial audits along with the external auditor and the Corporate Finance and Accounting Department.

The Nominating Committee

The Board appointed a Nominating Committee on October 1, 2001, currently consisting of three directors:

Name	Position	Remark
1. Mr. Chakramon Phasukwanich	Chairman	Non-management, Independent Director
2. Dr. Ampon Kittiampon	Committee Member	Non-management, Independent Director
3. Mrs. Puntip Surathin	Committee Member	Non-management Director

Duties and Responsibilities of the Nominating Committee

- Select qualified candidates for directors or President.
- Define the recruitment procedures and criteria for directors or President to ensure transparency.

The recruitment procedure for directors is as follows:

1. The Committee defines the qualifications needed for the replacement to ensure that the new directors meet the criteria and qualifications as required by related laws and regulations, and also defines the procedures for nominating qualified candidates.

2. The Committee summarizes its recruitment results and presents to the Board a shortlist of qualified candidates along with supporting rationale.

3. The Board appoints the qualified candidates from the field prepared by the Committee and submits their names to the shareholders' meeting for approval.

In 2007, the Committee held two meetings and duly reported its findings to the Board.

The Remuneration Committee

The Board appointed a Remuneration Committee on October 1, 2001, currently consisting of three Directors:

Name	Position	Remark
1. Dr. Ampon Kittiampon	Chairman	Non-management, Independent Director
2. Khunying Jada Wattanasiritham*	Committee Member	Non-management, Independent Director
3. Mrs. Pannee Sathavarodom	Committee Member	Non-management Director

Note: * Khunying Jada Wattanasiritham replaced Mr. Pisanu Sunthraraks, who retired on April 30, 2007.

Duties and Responsibilities of the Remuneration Committee

- Define compensation guidelines for directors and the President.
- Define procedures and criteria for fair and reasonable compensation paid to directors and the President for approval at shareholders' meetings.

The Committee held one meeting in 2007 and duly reported its findings to the Board.

Corporate Governance Committee

The Board appointed a Corporate Governance Committee on June 24, 2004, consisting of three independent directors as follows:

Name	Position	Remark
1. Dr. Suchart Thada-Thamrongvech	Chairman	Non-management, Independent Director
2. Gen. Somthad Attanand	Committee Member	Non-management, Independent Director
3. M.L. Panasarn Hasdin*	Committee Member	Non-management, Independent Director

The Vice President, Office of the President / the Company Secretary, served as the Committee's Secretary.

Note: * M.L. Panasarn Hasdin replaced Mr. Pisanu Sunthraraks, who retired on April 30, 2007.

Duties and Responsibilities of the Corporate Governance Committee

- Propose corporate governance guidelines to the Board.
- Advise the Board on corporate governance matters.
- Ensures that the duties and responsibilities of directors and the management comply with corporate governance principles.

- Revise guidelines for PTT's corporate governance against those of international organizations, and present its recommendations to the Board.

- Delegate corporate governance policies to the Corporate Governance Task Force.

The Committee held three meetings in 2007 and duly reported its findings to the Board.

Management

A Management Committee (also referred to as “senior management”) was appointed on October 1, 2001, currently consisting of seven members:

Name	Position
1. President	Chairman
2. Senior Executive Vice President, Corporate Support	Committee Member
3. Senior Executive Vice President, Corporate Finance and Accounting	Committee Member
4. Senior Executive Vice President, Oil Business Group	Committee Member
5. Senior Executive Vice President, Exploration & Production and Gas Business Group	Committee Member
6. Senior Executive Vice President, Petrochemicals and Refining Business Group	Committee Member
7. Senior Executive Vice President, Corporate Strategy and Development	Committee Member and Secretary

The Vice President, Office of the President / the Company Secretary, served as the Committee's Secretary.

The Management Committee held 26 meetings in 2007 and duly reported its findings to the Board.

Duties and Responsibilities of the Management Committee

- Provide advice and recommendations to the President on significant issues on corporate strategy and business direction, investment plans, budgeting, allocation of resources for PTT and its affiliates; and ensure that PTT affiliates have reasonably compatible business processes.

- Rank decisions made by the Board to ensure effective implementation.

- Screen meeting agendas before presentation to the Board.

- Rank significant matters concerning the allocation of human and financial resources for PTT and its affiliates.

- Jointly decide significant issues about PTT affiliates before the meeting of the Board of each affiliated company.

- Establish standards for business administration, human resource, and information procedures, and the organizational structure for PTT and its affiliates.

- Establish a policy for human resource management.

In addition, the Company appointed 10 ad hoc committees to oversee specific internal areas of work for accurate, suitable, efficient, and effective implementation:

- Oil Business Unit Management Committee

- Exploration & Production and Gas Business Group Management Committee

- Petrochemicals and Refining Business Group Management Committee

- Enterprise Plan Committee
- Corporate Finance & Accounting Committee
- Corporate Human Resources Committee
- PTT Credit Committee
- Supply Chain Management Committee
- Research and Technology Institute Board of Management Committee
- Risk Management Committee

Management Team Members as of December 31, 2007

No.	Name	Position
1.	Mr. Prasert Bunsumpun	President
2.	Mr. Anon Sirisaengtaksin	Senior Executive Vice President, Corporate Strategy and Development
3.	Mr. Pichai Chunhavajira	Senior Executive Vice President, Corporate Finance and Accounting
4.	Mr. Songwut Chinnawat	Senior Executive Vice President, Corporate Support
5.	Dr. Chitrapongse Kwangsukstith	Senior Executive Vice President, Exploration & Production and Gas Business Group
6.	Mr. Chaiwat Churitti	Senior Executive Vice President, Oil Business Group
7.	Dr. Prajya Phinyawat	Senior Executive Vice President, Petrochemicals and Refining Business Group
8.	Dr. Viroj Mavichak	Senior Executive Vice President, on secondment to President, Thai Oil Public Company Limited
9.	Mr. Aditheb Bisalbutr	Senior Executive Vice President, on secondment to President, PTT Chemical Public Company Limited
10.	Mr. Permsak Shevawattananon	Senior Executive Vice President, on secondment to Chief Executive Officer, PTT Aromatics and Refining Public Company Limited
11.	Mr. Maroot Mrigadat	Senior Executive Vice President, on secondment to President, PTT Exploration and Production Public Company Limited
12.	Mr. Chainoi Puankosoom	Senior Executive Vice President, on secondment to President, PTT Aromatics and Refining Public Company Limited
13.	Ms. Penchun Jarikasem	Executive Vice President, Corporate Finance
14.	Mrs. Prisana Pracharnkhasuk	Executive Vice President, Corporate Accounting

Notes: Effective from January 1, 2008, in keeping with PTT's new structure, PTT renamed the positions and titles of executives as follows:

No. 1, to Chief Executive Officer and President

No. 3, to Chief Financial Officer

No. 5, to Chief Operating Officer, Exploration & Production and Natural Gas Business Group, and Sr. Executive VP, Gas Business Unit

No. 7, to Chief Operating Officer, Downstream Petroleum Business Group

The Management's Ownership of Shares

No.	Name	Shares at Year-end			Warrant # 1		Warrant # 2		Remark
		Dec. 31, 2006	Dec. 31, 2007	Increment	Allocated in 2005	Balance	Allocated in 2006	Balance	
1.	Mr. Prasert Bunsumpun	325,820	-	(325,820)	243,000	121,500	119,000	89,300	
2.	Mr. Anon Sirisaengtaksin	89,930	100,330	10,400	79,800	39,900	41,900	31,500	
3.	Mr. Pichai Chunchavajira	22,000	55,400	33,400	88,000	44,000	45,800	34,400	
4.	Mr. Songwut Chinnawat	32,076	12,676	(19,400)	61,000	35,800	32,400	24,300	
5.	Dr. Chitrapongse Kwangsukstith	129,730	175,830	46,100	108,700	71,600	56,900	42,800	
6.	Mr. Chaiwat Churitti	57,000	74,000	17,000	62,100	31,100	32,900	32,900	
7.	Dr. Prajya Phinyawat	133,980	117,480	(16,500)	88,300	44,200	45,900	34,500	
8.	Dr. Viroj Mavichak	123,880	157,080	33,200	87,800	43,900	45,100	33,900	
9.	Mr. Adithep Bisalbutr	198,809	240,309	41,500	65,900	33,000	34,700	26,100	
10.	Mr. Permsak Shevawattananon	75,692 ^{1/}	24,300	(51,392)	64,000	32,000	33,300	25,000	
11.	Mr. Maroot Mrigadat	-	8,700	8,700	67,300 ^{2/}	33,700	35,100	26,400	
12.	Mr. Chainoi Puankosoom	-	49,700	8,300	32,400	21,700	33,200	24,900	Appointed on August 1, 2007
13.	Ms. Penchun Jarikasem	7,132	10,000	2,868	34,000	19,000	18,300	18,300	
14.	Mrs. Prisana Pracharnkhasuk	38,063	51,463	13,400	35,100	17,600	18,400	13,800	

Notes: ^{1/} Under Form 59-1, the number of common shares published is two more than those actually held because of a typographical error.

^{2/} Under Form 59-1, the reported 67,200 units of Warrant-1 is 100 units less than those actually held because of a typographical error. Both inaccuracies have already been reported to SEC.

Additional Information on the Board and Management

Records have shown no violation of the law within the past ten years regarding:

1) Being sentenced for criminal charges, except for violation of traffic law, minor charges, or similar charges

2) being sentenced to bankruptcy or having assets controlled

3) serving as an executive or a person with authority in a company or partnership sentenced to bankruptcy or whose assets are controlled.

Self-Assessment of the Board of Directors

By the resolution of Board meeting No. 11/2550 of November 16, 2007, it approved self-assessment forms proposed by the Corporate Governance Committee, relying on the same approach as the one used in 2006. The form was to be used to conduct self-assessment of the Board's performance, a vital tool for improving its performance and reference data for corporate governance rating. Three types of self-assessment were applied, whereby the percentages corresponded to the following levels of performance achieved in each area detailed below. These are the assessment criteria for the entire board, individual self-assessment forms, and cross self-assessments:

Over 85%	Excellent
Over 75%	Very good
Over 65%	Good
Over 50%	Fair
Below 50%	Need improvement.

The findings from the self-assessment were as follows:

1. Self-Assessment of the Board consisted of four categories: Board policy, composition, practices, and meeting.

The results indicated excellent/most suitable overall performance with an average score of **90.39%**.

2. Self-Assessment of Individual Directors consisted of six categories: accountability for decisions and actions; responsibility in performing the job with full ability and efficiency; equitable treatment of all stakeholders; transparency in job performance and information disclosure; vision to create long-term value; and business ethics.

Overall results were excellent for most directors, with an average score at **96.25%**.

3. Individual Assessment of Other Directors (Cross-Assessments)

consisted of six identical categories as above for direct comparison:

- Accountability
- Responsibility
- Equitable treatment
- Transparency
- Vision to create long-term value
- Ethics.

Cross-assessment results in these six categories indicated excellent performance by most Directors, with an average score of **98.10%**.

Compensation Paid to Directors and the Management

Compensation Paid to Directors: With the oversight of the Remuneration Committee, PTT fairly and logically specifies the compensation paid to directors, taking into account each director's responsibility, its financial performance, and compatibility with industry peers. Compensation consists of meeting allowances and bonuses. Directors appointed to specific committees receive additional allowances for additional responsibilities. Directors' compensation rates have been approved by the shareholders as follows:

(1) Directors' Compensation

The following compensation structure was approved at the AGM of April 30, 2007, for the Board in 2007:

1. Meeting Allowances (no change from 2006)

- 1.1 Board Meeting compensation consisted of:
- Monthly (retainer) allowance of Baht 30,000 each
 - Meeting allowance of Baht 20,000 each time (for those in attendance only).
- 1.2 Compensation for meetings of Committees consisted of:
- 1.2.1 Audit Committee
- Monthly allowance of Baht 15,000 each
 - Meeting allowance of Baht 15,000 each time (for those in attendance only)
- The Secretary received a monthly allowance of Baht 7,500

- 1.2.2 Compensation for the three remaining committees (Nominating, Remuneration, and Corporate Governance Committees) consisted of:
- Meeting allowance of Baht 24,000 each time (for those in attendance only).
- 1.2.3 Compensation for the Chairman of each committee was 25% higher than for others.

2. Directors' Bonuses (no change from 2006):

The bonus payout to each director, at 0.05% of the net income for 2006, corresponded to PTT's performance and net income and up to Baht 2,000,000 per person was paid. The bonus was prorated to each director's term, with the Chairman receiving 25% more than individual Directors.

The total compensation paid to each director in 2007 appears below:

Unit: Baht

No.	Name	Days of Service	Bonus	Board Meeting Allowance	Committee Meeting Allowance	Total Meeting Allowance	Total Compensation
1.	Dr. Norkun Sitthiphong	11	60,273.97	10,645.16	-	10,645.16	70,919.13
2.	Gen. Apichart Penkitti	365	2,000,000.00	660,000.00	-	660,000.00	2,660,000.00
3.	Mr. Chakramon Phasukavanich	365	2,000,000.00	680,000.00	60,000.00	740,000.00	2,740,000.00
4.	Gen. Somdhat Attanand	365	2,000,000.00	660,000.00	72,000.00	732,000.00	2,732,000.00
5.	M.L. Panasarn Hasdin	365	2,000,000.00	680,000.00	48,000.00	728,000.00	2,728,000.00
6.	Dr. Ampon Kittiampon	365	2,000,000.00	680,000.00	139,000.00	819,000.00	2,819,000.00
7.	Mrs. Pornthip Jala	245	1,342,465.75	440,000.00	-	440,000.00	1,782,465.75
8.	Dr. Olarn Chaipravat	365	2,000,000.00	660,000.00	431,250.00	1,091,250.00	3,091,250.00
9.	Assoc. Prof. Dr. Suchart Thada-Thamrongvech	365	2,000,000.00	660,000.00	420,000.00	1,080,000.00	3,080,000.00
10.	Mr. Panich Pongpirodom	-	-	-	-	-	-
11.	Khunying Jada Wattanasiritham	245	1,342,465.75	480,000.00	228,000.00	708,000.00	2,050,465.75
12.	Mrs. Puntip Surathin	365	2,000,000.00	620,000.00	97,000.00	717,000.00	2,717,000.00

Unit: Baht

No.	Name	Days of Service	Bonus	Board Meeting Allowance	Committee Meeting Allowance	Total Meeting Allowance	Total Compensation
13.	Mrs. Pannee Sathavarodom	365	2,000,000.00	660,000.00	72,000.00	732,000.00	2,732,000.00
14.	Dr. Praipol Koomsup	245	1,342,465.75	480,000.00	-	480,000.00	1,822,465.75
15.	Mr. Prasert Bunsumpun	334	1,830,136.99	629,709.68	-	629,709.68	2,459,846.67
Retired and Resigned Directors in 2007							
1.	Mr. Cherdpong Siriwit	120	821,917.81	250,000.00	-	250,000.00	1,071,917.81
2.	Mr. Pisanu Sunthraraks	120	657,534.25	180,000.00	48,000.00	228,000.00	885,534.25
3.	Mr. Phadhadej Dhamcharee	120	657,534.25	200,000.00	120,000.00	320,000.00	977,534.25
4.	Mr. Pornchai Rujjiprapa	351	2,239,726.03	758,064.52	1,250.00	759,314.52	2,999,040.55
5.	Mr. Metta Bunturungsuk	365	2,000,000.00	640,000.00	-	640,000.00	2,640,000.00
Total			30,294,520.55	10,028,419.36	1,736,500.00	11,764,919.36	42,059,439.91

Directors' Compensation in 2005 - 2007

Unit: Baht

Compensation	2005		2006		2007	
	Persons	Baht	Persons	Baht	Persons	Baht
Meeting Allowance	15	10,707,750.00	15	10,920,500.00	15	11,764,919.36
Total Bonus	15	17,777,260.27	15	29,409,589.04	15	30,294,520.55
Total		28,485,010.27		40,330,089.04		42,059,439.91

(2) Compensation Paid to the Management

The compensation paid to management team members complies with the policies and principles defined by the Board and is tied to PTT's performance through its performance agreement under an assessment system for state enterprises. The President and the rest of the management define key performance indicators (KPIs) as well as targeted indices for

each year to serve as guidelines for business operation and a basis for the Remuneration Committee in assessing the performance of the President and all managers. Each person's compensation is measured against the performance of leading industry peers' practices and standards. The Remuneration Committee then proposes the compensation along with compensation guidelines to the Board for review and approval.

In 2007 the President and seven Management Executives received Baht 74,388,350 in compensation (excluding senior

executives seconded to and paid by a PTT affiliate), detailed as follows:

Total Compensation Paid to Senior Management

Unit: Baht

Compensation	2005		2006		2007	
	Persons	Baht	Persons	Baht	Persons	Baht
Salary	8	45,135,600	7	45,145,600	7	51,815,390
Bonus	8	22,170,695	7	31,668,840	7	22,572,960
Total		67,306,295		76,814,760		74,388,350

Provident Fund Contribution for Senior Management

Unit: Baht

Compensation	2005		2006		2007	
	Persons	Baht	Persons	Baht	Persons	Baht
Provident Fund	7	3,062,216.00	6	3,005,232.00	6	3,659,601.00
Total	7	3,062,216.00	6	3,005,232.00	6	3,659,601.00

Personnel

Convinced that the quality of its people is the key to its high performance, throughout its 29 years of existence PTT has been committed to the development of a human resource management system compatible with technological advancement and industry standards. It not only promotes both conscientious merit and business competence for its employees, but also encourages them to actively take part in public service activities. It is indeed on employees that PTT focuses in its development toward a high-performance organization to compete better and respond to prevailing circumstances.

The PTT employee head count as of December 31, 2007 stood at 3,544 (including PTT secondment to affiliates.) Throughout the year, PTT carefully managed its manpower to align with its operation with a focus on business groups with significant expansion and investment plans in line with national economic development. Manpower is being supplemented to the most prominent core groups: the Exploration & Production and Gas Business Group; Petrochemicals and Refining Business Group; and International Trading Group. These were core groups of which human resource were formulating plans to suit business circumstances, PTT has undertaken a plan to develop the potential of its employees and streamline its business procedures.

(1) Number of Personnel and Compensation

The head counts for each group for the past three years were as follows:

Unit: Baht

Business Unit	Year-end 2005		Year-end 2006		Year-end 2007	
	PTT	PTT Group	PTT	PTT Group	PTT	PTT Group
1. Gas	963	-	1,057	-	1,108	-
2. Oil	1,302	-	1,239	-	1,254	-
3. Petrochemicals and Refining	51	-	64	-	75	-
4. Support Staff / Secondees to PTT Affiliates	840 ^{1/}	92 ^{2/}	824 ^{1/}	251 ^{2/}	851 ^{1/}	256 ^{2/}
5. Subsidiaries and Jointly Controlled Entities	-	4,687	-	4,768	-	7,086 ^{3/}
Total	3,156	4,779	3,184	5,019	3,288	7,342

Notes: ^{1/} Excludes PTT secondment to affiliates

^{2/} PTT secondment to affiliates

^{3/} Includes PTTRB employees, with company formation on May 25, 2007

Compensation Paid to Personnel (excluding the President and Senior Management)

Unit: Baht

Compensation	2005	2006	2007
Salary	2,020,836,159.33	2,313,239,842.61	2,523,442,073.58
Bonus	996,368,672.00	1,138,238,033.75	1,263,194,610.38
Provident Fund Contribution	199,951,973.02	228,214,687.17	249,207,450.79
Others (if Applicable)	800,492,308.37	993,909,544.34	1,104,896,055.73
Total	4,017,649,112.72	4,673,602,107.87	5,140,740,190.38

(2) Other Compensation

PTT has instituted employee welfare and other compensation apart from salary, bonus, and provident fund contribution for management and all employees to reflect domestic economic conditions, cost of living, and other standards for peer companies, and include rent allowance, relocation, and overtime pay. In 2005 and 2006, PTT allocated 60 million units of warrants, or the rights to purchase common shares, to the President, the Management, employees, and employees from affiliated companies serving PTT, as an incentive for their total and consistent dedication. This incentive was designed to create a sense of ownership and encourage participation in the management and development of PTT – benefiting its performance and business operations. They would each receive warrants – four portions of Warrant 1 and four of Warrant 2 – each equivalent to 25% of the total units received by each person, who can exercise their first warrant by purchasing common shares one year after the warrant was issued – at one unit of warrant per share. Similarly, the second, third, and fourth warrants can be exercised two, three, and four years respectively after the date of issue. Expiring five years after the date of issue, the warrants can be exercised every three months on the last day of each period until their expiry.

(3) Personnel Development

To become a high-performance organization, during the year PTT improved the process and mechanism for human resource management to ensure higher efficiency and realize the full potential of its people. Thanks to these improvements, PTT employees would be able to fully demonstrate their competence, advance in their careers, and continue to grow with PTT. The elements of PTT's success include:

Implementing Learning Organization Mechanisms for Sustainable Organization

PTT evolved its knowledge management system for essential, relevant information while encouraging everyone to do the same and update this regularly. It makes this system available to all to facilitate learning and efficient problem-solving while actively promoting employees' own development of their potential – for this is the cornerstone to a high-performance organization. Below is an excerpt of the President's views on the Learning Organization:

“To become a Learning Organization, we rely on human intelligence. Learning is an ongoing, lifetime process.”

Building Competent and Righteous Members of PTT and Society

Besides a human resource management system focusing on making employees both smart and responsive to Company expectations, PTT values its role of turning out conscientious people who are ready to participate in social development and public services while observing corporate governance principles. PTT is convinced that achievement of competence and righteousness will nurture sustainable growth.

Participating in Decision-making on Corporate Goals and Directions

PTT has focused on participation across the board in designing business plans to suit its direction and targets, as this will efficiently align all components of the Company. To this end, it has instituted an annual process to draw up its vision and corporate direction, whereby senior management of PTT and its affiliates along with support staff jointly define such vision and direction before propagating the agreed items for other units to use in defining business strategies and business plans, and to come up with budget plans aligning with PTT's broad direction.

In 2007, all PTT employees defined individual objectives and key performance indicators (KPIs) to align with Company and departmental directions and their own responsibility alike. These serve as performance framework and assessment tools for each person.

Creating Synergy for PTT Group's Synergy

In line with PTT's policy to expand its businesses in an integrated fashion, it needs a coherent overall policy management, and therefore it is applying its human resource management system in the form of a PTT Group, designed to define standards for human resource management and development to facilitate transfers and rotation of executives and staff for maximum efficiency. Further, in 2007, PTT and its subsidiaries jointly defined the Group's common culture and instituted personnel recruitment and training systems, as the executives of PTT and affiliates were convinced that the PTT Group allowed for optimizing synergy derived from each company to in turn bolster the efficiency of human resource management, as opposed to individual companies' practices.

Developing Employees' Career Paths in Line with Corporate Business

At the heart of human resource management is human resource development. PTT has developed career management processes for greater efficiency through the appointment of career counseling teams and a career management counseling committee, both charged with defining and developing employees' individual competence in support of PTT's future business. The objective of career management

processes is to give employees maximum professional competence and expertise, the development of which will be defined by the Company. Development may be achieved through training programs, job rotation, and appointment and promotion of employees to suit their responsibility and potential. Properly implemented, this employee development will produce employees with the competence desired by both the individuals and the Company – leading to PTT's ultimate achievement.

Fostering Positive Relations between Management and Staff in Search of the Same Goal

Communication between the management and staff at PTT comes in various forms. Needing to be aware of corporate business, obstacles, and potential repercussions, all employees should be allowed to share their views and take part in business efficiency improvement. In 2007, besides the monthly labor relations committee meetings, PTT held joint consultative committee meetings between its management team and staff of regional offices nationwide. In addition, the President and senior management team members not only held regular meetings with employees both in Bangkok and around the country, but also surveyed employees' satisfaction for views and suggestions for improvement. PTT is convinced that proper communication and information exchange will lead to positive relations among all, which will efficiently lead the organization to the same goal.