

Report of the Corporate Governance Committee

By its definition, good corporate governance (GCG) implies a given organization's structure and mechanism for internal management to link the Board of Directors, the Management, the rank and file, and shareholders primarily to appropriately benefit the shareholders, taking into account stakeholders as a whole and accountability for decisions and actions; responsibility for performance of duties with sufficient competency and efficiency; fair and accountable treatment of stakeholders; business transparency and openness to examination; disclosure of information to relevant parties; vision for supplementing long-time value to the organization; and ethics and a code of business conduct.

PTT's Corporate Governance Committee members are chosen from independent directors of the Board. The three-member committee screens, supervises, steers, and monitors compliance with GCG principles to be at least comparable with the principles defined by the Stock Exchange of Thailand (SET) and compatible with OECD (The Organization for Economic Co-operation and Development's Principles of Corporate Governance).

Meeting three times in 2008 to undertake its duties as defined by the Board concerning the appointment of this committee by PTT Plc., the committee reported its performance to the Board as summarized below.

1. Continually conducted good corporate governance (GCG) activities to cultivate awareness among employees, elevate the standard and align the GCG culture of PTT Group; instances of these were the updating of GCG information on PTT's website and intranet for the information of employees and the regular distribution of relevant information in print and other media, both internally and externally
2. Took relevant actions under the Securities and Exchange Act of 1992 (amended in 2008), including the appointment of a Corporate Secretary, institution of an internal database, and the requirement for a report on directors' vested interests
3. Efficiently provided information to investors, handled complaints and inquiries through assorted channels by units such as the Capital Market & Investor Relations Department, Corporate Communications Department, Office of the President & Corporate Secretary
4. Co-hosted the '2008 PTT Group CG Day', held on March 29 and attended by PTT and PTT Group (namely PTTEP, PTT Chemical, PTTAR, and Thai Oil) employees to improve the standard and align the GCG culture of PTT Group



5. Amended the GCG Manual to Version 2 (2008) by aligning the vision more with business; aligning the information with the principles defined by SET and modernizing it as required by OECD by defining a more explicit code of business conduct and amending the forms for possible conflicts of interest; completed in late 2008, Version 2 was approved by the Board and a publication is being prepared before presentation to the Board, the Management, and the rank and file for compliance
6. Complied with PTT's internal control regulation by instituting a requirement for annually reporting conflicts of interest for all employees by the end of January each year as well as reporting of individual cases
7. Monitored the Company's social responsibility activities, including the '84 Tambons on A Sufficient Path Project Forest Sustained, People Prevail'
8. Organized three open-house activities on November 29 and 30 and December 1 at Rayong gas separation plant and HRH Princess Maha Chakri Sirindhorn Herb Garden, attended by 480 selected shareholders
9. Organized an open-house activity for investors on January 10 and 11 at the PTT Research and Technology Institute in Amphoe Wang Noi and the Sara Buri Oil Terminal
10. Organized the 2008 Annual General Meeting (AGM) of the shareholders on April 11 in compliance with the AGM Checklist of the Office of Securities and Exchange Commission
11. Monitored the upgrading of PTT service stations to achieve service excellence, cleanliness, and standard for the maximum satisfaction of customers
12. Promoted clear understanding of GCG for the Board by informing them of the training/seminar schedules by the Thai Institute of Directors Association (IOD) or other institutions for their periodic participation.

Thanks to these GCG moves in 2008, PTT has garnered several awards for GCG and corporate social responsibility (CSR), notably

- * Outstanding Social and Environmental Operation Award at the "Outstanding State Enterprises" event, conferred by the Ministry of Finance
- * Best Investor Relations Issuer, conferred by The Thai Bond Market Association
- * Excellence in Social Responsibility, an award bestowed by HRH Princess Maha Chakri Sirindhorn and conferred at the Thailand Corporate Excellence Award 2007 event
- * Shareholder Awards 2008: Best Shareholder Treatment Award, conferred by Thailand Securities Depository, Co., Ltd.
- * "Excellence" rating under a project to survey GCG practices among listed companies in 2008, conducted by Thai IOD
- * Best Corporate Governance Award, conferred by Corporate Governance Asia Magazine
- * Best Corporate Governance Award, conferred by Euromoney Magazine
- * Best in Corporate Governance, Thailand, conferred by The Asset Triple A Awards 2008 Magazine.

These awards spoke volumes for PTT's constant commitment, dedication, and diligence in compliance with the GCG principles.



General Somdhat Attanand

Chairman, Corporate Governance Committee

February 5, 2009