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Financial Report 2012

PTT Public Company Limited



Report of Board of Directors' Responsibilities for the Financial Reporting

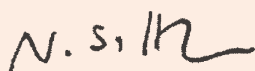
To Shareholders,

The Board of Directors is responsible for the financial statements of PTT Public Company Limited and the consolidated financial statements of PTT Public Company Limited. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles. The financial statements are prepared under appropriated accounting policies and applied consistently by using careful judgment and the reasonable estimation. Significant information is adequately and transparently disclosed in the notes to financial statements for use by the company's shareholders and investors.

The Board of Directors provides good corporate governance and maintains the risk management system and internal controls to ensure that accounting records are accurate, reliable, timely and adequate to retain the company's assets as well as to prevent fraud and significant irregular operations.

The Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing the reliability and correctness of financial reports as well as evaluating the effectiveness of internal control system and internal audit. The audit committee's opinions on these issues are presented in the audit committee report included in this annual report.

The Board of Directors considers that the internal control system and the internal audit of the company provide credibility and reliability to the financial statements of PTT Public Company Limited and the consolidated financial statements of PTT Public Company Limited for the year ended December 31, 2012. The Board of Directors also believes that the financial position, financial results and cash flows, audited by the independent auditors (The Office of Auditor General of Thailand), are fairly presented in all material respects with generally accepted principles. The auditors' opinion is presented in the auditors' report as part of this annual report.



Mr. Norkun Sitthiphong

Chairman of the Board



Mr. Pailin Chuchottaworn

President & CEO

Auditor's Report



To: The Shareholders of PTT Public Company Limited

The Office of the Auditor General of Thailand has audited the consolidated and separate financial statements of PTT Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2012, the consolidated and separate statements of income, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Scope of review

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these consolidated and separate financial statements based on audit. The Office of the Auditor General of Thailand conducted an audit in accordance with Thai Standards on Auditing. Those standards require that The Office of the Auditor General of Thailand complies with ethical requirements, plans and performs the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence obtained is sufficient and appropriate to provide a basis for an audit opinion.

Conclusion

In The Office of the Auditor General of Thailand's opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of PTT Public Company Limited and its subsidiaries and of PTT Public Company Limited as at December 31, 2012, and its consolidated and separate results of operations and its cash flows for the year then ended, presented in accordance with Thai Financial Reporting Standards.

Statements of Financial Position

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Unit: Baht

		Consolidated financial statements		
	Notes	December 31, 2012	December 31, 2011	January 1, 2011
			(Restated)	(Restated)
Assets				
Current assets				
Cash and cash equivalents	4	136,917,577,894	116,132,117,868	135,801,054,025
Current investments	5	6,405,302,251	10,961,666,994	21,783,590,159
Trade accounts receivable	6	243,300,644,734	171,361,544,041	140,348,479,080
Other accounts receivable	7	35,520,717,849	32,624,973,453	18,804,843,203
Short-term loans	8.1	96,963,625	5,006,179,535	285,638,781
Inventories	10	28,485,002,827	26,000,290,599	31,230,659,162
Materials and supplies	11	13,769,077,213	13,160,269,665	11,075,117,504
Other current assets		7,649,998,825	5,877,116,368	4,569,328,505
Total current assets		472,145,285,218	381,124,158,523	363,898,710,419
Non-current assets				
Available-for-sale investments	13	12,972,329,762	11,680,416,176	13,590,595,650
Investments in associates	12.3, 12.5	235,034,571,212	227,853,520,238	203,619,749,358
Other long-term investments	14	2,015,962,592	1,749,852,705	2,179,358,395
Long-term loans	8.2	106,876,899	145,763,221	5,878,369,498
Investment properties	15	8,091,476,115	8,345,289,339	8,731,933,121
Property, plant and equipment	16	653,138,674,911	601,337,460,869	495,593,644,685
Intangible assets	17	116,870,005,670	52,613,597,500	21,721,243,689
Mining properties	18	35,232,829,214	33,179,840,150	31,304,574,286
Goodwill	19	46,501,137,197	28,432,570,328	17,704,596,466
Deferred tax assets	20	14,501,162,925	19,318,398,602	16,445,171,918
Advance payments for gas purchases	21	5,688,535,719	7,346,227,917	8,304,595,071
Other non-current assets	22	29,021,092,631	28,718,977,098	37,367,248,590
Total non-current assets		1,159,174,654,847	1,020,721,914,143	862,441,080,727
Total assets		1,631,319,940,065	1,401,846,072,666	1,226,339,791,146

Notes to the financial statements are an integral part of these financial statements.

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Consolidated financial statements

Notes to the financial statements are an integral part of these financial statements.

Statements of Financial Position

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Unit: Baht

		Consolidated financial statements		
	Notes	December 31, 2012	December 31, 2011 (Restated)	January 1, 2011 (Restated)
Liabilities and Equity (Continued)				
Equity				
Share capital				
Authorized share capital				
2,857,245,725 ordinary shares				
of Baht 10 each	29.1	28,572,457,250	28,572,457,250	28,572,457,250
Issued and paid-up share capital				
2,856,299,625 ordinary shares				
of Baht 10 each	29.2	28,562,996,250	28,562,996,250	
2,849,042,025 ordinary shares				
of Baht 10 each				28,490,420,250
Premium on ordinary shares	29.2	29,211,131,966	29,211,131,966	27,585,429,566
Retained earnings				
Appropriated				
Legal reserve	30.1	2,857,245,725	2,857,245,725	2,857,245,725
Reserve for self-insurance fund	30.2	1,075,397,000	1,034,861,938	1,005,090,857
Unappropriated		571,580,295,537	501,216,512,809	427,778,670,978
Other components of equity		(27,503,196,160)	(7,119,637,190)	(8,755,729,275)
Total equity attributable to equity holders				
of the Company		605,783,870,318	555,763,111,498	478,961,128,101
Non-controlling interests		125,880,181,811	87,950,264,014	76,259,111,557
Total equity				
		731,664,052,129	643,713,375,512	555,220,239,658
Total liabilities and equity				
		1,631,319,940,065	1,401,846,072,666	1,226,339,791,146

Pailin Chuchottaworn
President & Chief Executive Officer

Surong Bulakul
Chief Financial Officer

Notes to the financial statements are an integral part of these financial statements.

Statements of Financial Position

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Unit: Baht

		Separate financial statements	
	Notes	December 31, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents	4	47,641,480,500	51,340,612,291
Current investments	5	5,239,140,831	9,758,576,305
Trade accounts receivable	6	228,369,994,840	157,057,537,383
Other accounts receivable	7	20,988,783,109	16,744,092,815
Short-term loans	8.1	2,121,224,194	5,540,512,739
Inventories	10	18,091,026,442	18,862,996,073
Materials and supplies	11	3,734,419,855	4,111,583,529
Other current assets		4,053,049,693	1,484,676,958
Total current assets		330,239,119,464	264,900,588,093
Non-current assets			
Available-for-sale investments	13	12,871,441,684	11,421,510,900
Investments in associates	12.4	120,462,724,472	120,212,474,472
Investments in subsidiaries	12.4	134,612,831,551	73,278,181,513
Investments in jointly controlled entities	12.4	22,739,274,827	22,739,274,827
Other long-term investments	14	1,106,117,996	1,106,117,996
Long-term loans	8.2	74,284,940,618	52,837,646,611
Investment properties	15	5,046,690,955	5,099,303,532
Property, plant and equipment	16	228,705,170,547	219,160,024,975
Intangible assets	17	14,656,073,704	13,865,968,171
Deferred tax assets	20	1,591,255,653	1,807,794,853
Advance payments for gas purchases	21	6,780,111,748	8,495,573,306
Other non-current assets	22	21,885,369,920	20,763,637,935
Total non-current assets		644,742,003,675	550,787,509,091
Total assets		974,981,123,139	815,688,097,184

Notes to the financial statements are an integral part of these financial statements.

Statements of Financial Position

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Unit: Baht

		Separate financial statements	
	Notes	December 31, 2012	December 31, 2011
Liabilities and Equity			
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	23	4,992,779,477	-
Trade accounts payable		235,471,152,565	162,392,716,091
Other accounts payable		20,343,923,675	24,611,844,294
Current portion of long-term loans	25	29,227,238,162	30,472,118,302
Short-term loans	9.5	1,552,126,783	6,094,303,584
Other current liabilities	24	4,251,487,609	3,510,666,798
Total current liabilities		295,838,708,271	227,081,649,069
Non-current liabilities			
Other long-term accounts payable	9.6	651,714,143	685,031,224
Long-term loans	25	259,471,779,499	213,299,643,983
Deferred tax liabilities	20	4,848,698,653	4,961,286,309
Employee benefit obligations	26	2,375,240,909	2,387,397,715
Deposits on LPG cylinders		7,270,500,508	6,567,504,468
Other non-current liabilities	28	7,245,666,733	5,022,246,647
Total non-current liabilities		281,863,600,445	232,923,110,346
Total liabilities		577,702,308,716	460,004,759,415

Notes to the financial statements are an integral part of these financial statements.

Statements of Financial Position

PTT Public Company Limited and Its Subsidiaries
As at December 31, 2012

Unit: Baht

Separate financial statements

Notes

December 31, 2012	December 31, 2011
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Liabilities and Equity (Continued)

Equity

Share capital			
Authorized share capital			
2,857,245,725 ordinary shares			
of Baht 10 each	29.1	28,572,457,250	28,572,457,250
Issued and paid-up share capital			
2,856,299,625 ordinary shares			
of Baht 10 each	29.2	28,562,996,250	28,562,996,250
Premium on ordinary shares	29.2	29,211,131,966	29,211,131,966
Retained earnings			
Appropriated			
Legal reserve	30.1	2,857,245,725	2,857,245,725
Reserve for self-insurance fund	30.2	1,075,397,000	1,034,861,938
Unappropriated		330,987,598,930	290,592,601,966
Other components of equity		4,584,444,552	3,424,499,924
Total equity		397,278,814,423	355,683,337,769
Total liabilities and equity		974,981,123,139	815,688,097,184

Pailin Chuchottaworn

President & Chief Executive Officer

Surong Bulakul

Chief Financial Officer

Notes to the financial statements are an integral part of these financial statements.

Statements of Income

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
		(Restated)			
Sales and service income	32	2,793,833,064,402	2,428,126,086,338	2,553,500,963,463	2,197,555,053,912
Cost of sales and services	34	2,561,317,279,824	2,208,363,397,907	2,486,053,951,930	2,118,188,516,700
Gross margin		232,515,784,578	219,762,688,431	67,447,011,533	79,366,537,212
Other income	33	17,178,951,470	16,575,262,797	43,069,889,381	38,950,511,050
Income before expenses		249,694,736,048	236,337,951,228	110,516,900,914	118,317,048,262
Selling expenses	34	9,836,174,202	10,439,074,390	8,608,202,057	9,187,616,934
Administrative expenses	34	38,476,388,287	33,953,331,102	21,797,578,365	19,743,394,464
Executive remunerations	9.10	736,061,829	655,097,732	143,173,165	125,084,349
Petroleum exploration expenses		6,629,826,119	6,615,168,228	-	-
Petroleum royalties and remuneration	35	26,392,710,685	22,026,323,717	-	-
Other expenses	34	10,434,293,165	5,771,606,793	-	46,342,898
(Gain) Loss on foreign exchange rates		(7,614,724,624)	(1,099,418,074)	(10,647,543,359)	(1,289,377,071)
Operating income		164,804,006,385	157,976,767,340	90,615,490,686	90,503,986,688
Share of income from investments					
in associates	12.5	27,091,048,627	29,463,278,887	-	-
Income before finance costs					
& income taxes		191,895,055,012	187,440,046,227	90,615,490,686	90,503,986,688
Finance costs	36	19,762,720,441	18,035,273,540	12,402,014,028	12,742,469,877
Income before income taxes		172,132,334,571	169,404,772,687	78,213,476,658	77,761,516,811
Income taxes	20	46,516,384,313	43,225,663,100	3,516,449,476	4,327,513,869
Income for the years		125,615,950,258	126,179,109,587	74,697,027,182	73,434,002,942
Attributable to:					
Equity holders of the Company		104,665,812,946	106,260,331,748	74,697,027,182	73,434,002,942
Non-controlling interests		20,950,137,312	19,918,777,839	-	-
		125,615,950,258	126,179,109,587	74,697,027,182	73,434,002,942
Basic earnings per share	31	36.64	37.24	26.15	25.74
Diluted earnings per share	31	36.64	37.23	26.15	25.73

Notes to the financial statements are an integral part of these financial statements.

Statements of Comprehensive Income

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(Restated)			
Income for the years	125,615,950,258	126,179,109,587	74,697,027,182	73,434,002,942
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale investments	1,340,441,012	(1,282,535,477)	1,449,930,785	(1,216,188,313)
Income taxes related to unrealized gain (loss) on available-for-sale investments	(289,986,157)	792,918,984	(289,986,157)	792,918,984
Currency translation differences	(6,679,014,195)	10,544,692,231	-	-
Share of other comprehensive gain (loss) of associates	(120,707,961)	6,085,576,668	-	-
Other comprehensive income (loss), net of income taxes	(5,749,267,301)	16,140,652,406	1,159,944,628	(423,269,329)
Total comprehensive income for the years	119,866,682,957	142,319,761,993	75,856,971,810	73,010,733,613
Attributable to:				
Equity holders of the Company	100,570,804,748	119,253,521,121	75,856,971,810	73,010,733,613
Non-controlling interests	19,295,878,209	23,066,240,872	-	-
	119,866,682,957	142,319,761,993	75,856,971,810	73,010,733,613

Notes to the financial statements are an integral part of these financial statements.

Statements of Changes in Equity

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

Consolidated Financial Statements													
Notes	Total equity attributable to equity holders of the Company												
	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of equity					Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity
			Legal reserve	Reserve for self-insurance fund	Unappropriated	Other comprehensive income (loss)							
						Currency translation differences	Available-for-sale investments	Share of other comprehensive gain (loss) of associates	Surplus (Deficit) from the change in the ownership interests in subsidiaries	Total other components of equity			
Balance as at January 1, 2011	28,490,420,250	27,585,429,566	2,857,245,725	1,005,090,857	428,455,273,592	(15,789,257,061)	3,894,375,831	3,347,925,518	857,332,064	(7,689,623,648)	480,703,836,342	76,710,028,248	557,413,864,590
Cumulative effect of the changes in accounting policies	3.2	-	-	-	(676,602,614)	(1,068,540,578)	2,434,951	-	-	(1,066,105,627)	(1,742,708,241)	(450,916,691)	(2,193,624,932)
Balance after adjustment		28,490,420,250	27,585,429,566	2,857,245,725	1,005,090,857	427,778,670,978	(16,857,797,639)	3,896,810,782	3,347,925,518	857,332,064	(8,755,729,275)	478,961,128,101	555,220,239,658
Changes in equity for the year													
Increase in share capital		72,576,000	1,625,702,400	-	-	-	-	-	-	-	1,698,278,400	231,447,360	1,929,725,760
Reserve for self-insurance fund		-	-	-	29,771,081	(29,771,081)	-	-	-	-	-	-	-
Dividend paid		-	-	-	-	(32,792,718,836)	-	-	-	-	(32,792,718,836)	-	(32,792,718,836)
Dividend paid of subsidiaries		-	-	-	-	-	-	-	-	-	-	(7,835,422,087)	(7,835,422,087)
Surplus (Deficit) from the change in the ownership interests in subsidiaries		-	-	-	-	-	-	-	(11,357,097,288)	(11,357,097,288)	(11,357,097,288)	(3,771,113,688)	(15,128,210,976)
Total comprehensive income (loss) for the year		-	-	-	-	106,260,331,748	7,401,738,884	(494,126,179)	6,085,576,668	-	12,993,189,373	119,253,521,121	142,319,761,993
Balance as at December 31, 2011		28,562,996,250	29,211,131,966	2,857,245,725	1,034,861,938	501,216,512,809	(9,456,058,755)	3,402,684,603	9,433,502,186	(10,499,765,224)	(7,119,637,190)	555,763,111,498	643,713,375,512
Balance as at January 1, 2012		28,562,996,250	29,211,131,966	2,857,245,725	1,034,861,938	500,929,192,499	(9,418,416,748)	3,400,641,676	9,433,502,186	(10,090,941,546)	(6,675,214,432)	555,920,213,946	643,948,574,032
Cumulative effect of the changes in accounting policies	3.2	-	-	-	-	287,320,310	(37,642,007)	2,042,927	-	(408,823,678)	(444,422,758)	(157,102,448)	(235,198,520)
Balance after adjustment		28,562,996,250	29,211,131,966	2,857,245,725	1,034,861,938	501,216,512,809	(9,456,058,755)	3,402,684,603	9,433,502,186	(10,499,765,224)	(7,119,637,190)	555,763,111,498	643,713,375,512
Changes in equity for the year													
Reserve for self-insurance fund		-	-	-	40,535,062	(40,535,062)	-	-	-	-	-	-	-
Increase in share capital of subsidiary		-	-	-	-	-	-	-	-	-	-	32,040,909,963	32,040,909,963
Costs associated with issuing share capital of subsidiary		-	-	-	-	-	-	-	-	(423,936,298)	(423,936,298)	(225,412,276)	(649,348,574)
Increase in subordinated capital debentures	39	-	-	-	-	-	-	-	-	-	-	4,981,947,515	4,981,947,515
Interests for subordinated capital debentures		-	-	-	-	-	-	-	-	-	-	(146,621,437)	(146,621,437)
Dividend paid	40	-	-	-	-	(34,261,495,156)	-	-	-	-	(34,261,495,156)	-	(34,261,495,156)
Dividend paid of subsidiaries		-	-	-	-	-	-	-	-	-	-	(8,232,165,797)	(8,232,165,797)
Surplus (Deficit) from the change in the ownership interests in subsidiaries		-	-	-	-	-	-	-	(15,864,614,474)	(15,864,614,474)	(15,864,614,474)	(9,784,618,380)	(25,649,232,854)
Total comprehensive income (loss) for the year		-	-	-	-	104,665,812,946	(5,025,787,629)	1,051,487,392	(120,707,961)	-	(4,095,008,198)	100,570,804,748	119,866,682,957
Balance as at December 31, 2012		28,562,996,250	29,211,131,966	2,857,245,725	1,075,397,000	571,580,295,537	(14,481,846,384)	4,454,171,995	9,312,794,225	(26,788,315,996)	(27,503,196,160)	605,783,870,318	731,664,052,129

Notes to the financial statements are an integral part of these financial statements.

Statements of Changes in Equity

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

		Separate financial statements					
		Total equity attributable to equity holders of the Company					
		Retained earnings				Total other components of equity	
						Other comprehensive income (loss)	
Notes	Issued and paid-up share capital	Premium on share capital	Legal reserve	Reserve for self-insurance fund	Unappropriated	Available-for-sale investments	Total equity
Balance as at January 1, 2011	28,490,420,250	27,585,429,566	2,857,245,725	1,005,090,857	249,981,088,941	3,847,769,253	313,767,044,592
Changes in equity for the year							
Increase in share capital	72,576,000	1,625,702,400	-	-	-	-	1,698,278,400
Reserve for self-insurance fund	30.2	-	-	-	29,771,081	(29,771,081)	-
Dividend paid		-	-	-	-	(32,792,718,836)	(32,792,718,836)
Total comprehensive income (loss) for the year		-	-	-	-	73,434,002,942	73,010,733,613
Balance as at December 31, 2011	28,562,996,250	29,211,131,966	2,857,245,725	1,034,861,938	290,592,601,966	3,424,499,924	355,683,337,769
Balance as at January 1, 2012	28,562,996,250	29,211,131,966	2,857,245,725	1,034,861,938	290,592,601,966	3,424,499,924	355,683,337,769
Changes in equity for the year							
Reserve for self-insurance fund	30.2	-	-	-	40,535,062	(40,535,062)	-
Dividend paid	40	-	-	-	-	(34,261,495,156)	(34,261,495,156)
Total comprehensive income for the year		-	-	-	-	74,697,027,182	75,856,971,810
Balance as at December 31, 2012	28,562,996,250	29,211,131,966	2,857,245,725	1,075,397,000	330,987,598,930	4,584,444,552	397,278,814,423

Notes to the financial statements are an integral part of these financial statements.

Statements of Cash Flows

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(Restated)			
Cash Flows from Operating Activities				
Net income attributable to the equity holders of the Company	104,665,812,946	106,260,331,748	74,697,027,182	73,434,002,942
Adjustment of net income to net cash provided by (used in) operating activities:				
Depreciation, depletion and amortization	65,237,426,006	55,315,463,928	13,905,144,688	15,907,757,701
(Reversal of) Loss on impairment of assets	10,385,781,857	5,771,606,793	(48,511,308)	(893,136,283)
(Gain) Loss on disposal of assets	148,249,612	73,432,947	55,533,141	(19,395,401)
(Gain) Loss on disposal of investments	-	(993,858,274)	-	(1,417,514,904)
Write-off property, plant and equipment	146,745,968	461,008,276	107,435,821	399,092,166
Share of net income from investments in associates	(27,091,048,627)	(29,463,278,887)	-	-
Net income attributable to non-controlling interests	20,950,137,312	19,918,777,839	-	-
Provision for employee benefit obligations	629,330,786	635,319,966	239,226,789	232,152,324
Unrealized (gain) loss on exchange rates	349,384,738	(496,831,078)	(2,406,831,059)	2,926,456,635
(Reversal of) Doubtful accounts	466,479,267	(355,394,890)	(88,968,115)	(259,082,266)
Amortization of prepaid expenses	98,161,253	26,688,944	-	-
Amortization of exploration costs	2,945,387,459	4,598,349,506	-	-
Amortization of debenture discounts	30,454,460	27,546,380	30,454,460	27,546,380
Amortization of deferred interest from finance leases	26,206,097	26,753,594	24,184,273	25,705,588
Allowance for loss on decline in value of inventories	205,798,371	328,815,977	181,795,000	288,973,253
(Reversal of) Allowance for obsolete materials and supplies	3,400,844	(47,765,599)	(8,639,427)	(47,765,599)
Dividend income	(375,948,431)	(599,857,149)	(29,844,650,570)	(24,783,995,843)
Income taxes	46,516,384,313	43,225,663,100	3,516,449,476	4,327,513,869
Interest income	(2,887,677,291)	(3,477,062,411)	(5,075,113,911)	(4,873,459,757)
Interest expenses	18,513,539,594	17,370,075,179	11,718,346,239	12,245,706,241
Others	(141,766,539)	(24,334,107)	-	600,000
Net income from operating activities before changes in operating assets and liabilities	240,822,239,995	218,581,451,782	67,002,882,679	77,521,157,046

Notes to the financial statements are an integral part of these financial statements.

Statements of Cash Flows

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(Restated)			
(Increase) Decrease in operating assets				
Trade accounts receivable	(72,516,541,112)	(30,065,420,436)	(71,844,326,963)	(8,381,564,230)
Other accounts receivable and short-term loans	532,164,390	(9,325,966,345)	(1,221,042,208)	(2,975,386,531)
Inventories	(2,762,890,154)	4,949,763,571	586,918,369	(10,549,084,919)
Materials and supplies	(1,521,361,736)	(1,822,653,254)	(242,231,566)	(666,531,240)
Other current assets	(555,709,139)	(2,802,508,329)	(925,542,568)	662,877,334
Advance payments for gas purchases	1,657,692,198	7,786,823,006	1,715,461,558	8,577,154,953
Other non-current assets	(659,609,650)	(3,215,138,331)	(1,288,705,522)	(2,795,051,931)
Increase (Decrease) in operating liabilities				
Trade accounts payable	56,004,766,248	19,017,730,900	74,273,410,849	18,219,327,281
Other accounts payable	(5,010,207,713)	13,514,599,130	(5,257,195,168)	1,113,951,798
Other current liabilities	(2,640,689,181)	150,978,207	(1,825,589,127)	197,879,989
Deposits on LPG cylinders	702,996,040	529,044,395	702,996,040	529,044,395
Other long-term accounts payable	48,308,590	(33,949,713)	-	(34,421,297)
Other non-current liabilities	1,587,106,012	851,902,662	1,946,218,853	364,871,857
	(25,133,975,207)	(464,794,537)	(3,379,627,453)	4,263,067,459
Cash received from operating activities	215,688,264,788	218,116,657,245	63,623,255,226	81,784,224,505
Interest received	2,501,069,768	1,432,298,032	1,447,186,807	502,943,090
Interest paid	(5,382,788)	(189,538,807)	-	-
Income tax paid	(40,782,461,897)	(42,073,678,921)	(3,725,187,858)	(9,655,026,600)
Net cash provided by operating activities	177,401,489,871	177,285,737,549	61,345,254,175	72,632,140,995

Notes to the financial statements are an integral part of these financial statements.

Statements of Cash Flows

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(Restated)			
Cash Flows from Investing Activities				
Payment of property, plant and equipment	(114,763,115,078)	(107,967,743,787)	(20,256,848,524)	(24,502,316,887)
Payment of intangible assets	(1,960,827,440)	(4,160,250,202)	(161,772,784)	(186,299,135)
Payment of mining properties development	(112,759,944)	(62,084,455)	-	-
Payment of long-term rental contracts				
on land and building	(54,964,413)	(321,210,220)	(54,964,413)	(213,934,430)
Payment of investments in subsidiaries	(85,995,375,468)	(15,124,081,842)	(61,334,650,038)	(28,233,475,300)
Payment of investments in jointly				
controlled entities	-	(57,615,905,098)	-	(671,652,415)
Payment of investments in associates	(496,127,345)	(4,251,686,896)	(250,250,000)	(4,004,497,324)
Payment of investments in others	(266,109,886)	-	-	-
Payment of short-term loans	-	(231,617,235)	(1,223,819,600)	(35,385,019)
Payment of long-term loans	(54,500,600)	-	(50,570,089,877)	(4,097,257,304)
Proceeds from disposals of property,				
plant and equipment and intangible assets	242,424,915	62,745,278	14,133,153	60,097,531
Proceeds from disposals of long-term				
investments	-	1,973,345,386	-	1,973,345,386
Proceeds from short-term loans	4,823,819,000	8,370,825	4,825,725,880	-
Proceeds from long-term loans	115,976,818	948,575,962	27,409,248,729	2,916,605,962
Proceeds from cancellation of leasehold				
in gas stations	26,186,232	18,108,253	26,186,232	18,108,253
Decrease in current investments	4,662,419,199	10,800,315,199	4,519,401,076	11,118,566,398
Interest received	2,344,970,067	4,033,942,734	3,881,711,717	6,074,064,381
Dividends received	10,911,912,732	11,607,769,912	26,000,025,304	24,514,295,843
Net cash used in investing activities	(180,576,071,211)	(160,281,406,186)	(67,175,963,145)	(15,269,734,060)

Notes to the financial statements are an integral part of these financial statements.

Statements of Cash Flows

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

Unit: Baht

Notes	Consolidated financial statements		Separate financial statements	
	2012	2011 (Restated)	2012	2011
Cash Flows from Financing Activities				
Proceeds from issuing ordinary shares	32,694,120,671	260,723,781	-	72,576,000
Proceeds from premium on share capital	-	1,625,702,400	-	1,625,702,400
Proceeds from issuing subordinated capital debentures	4,718,810,526	-	-	-
Proceeds from issuing promissory notes	4,960,924,228	4,520,000,000	4,960,924,228	4,520,000,000
Proceeds from short-term loans	61,001,120,315	2,330,539,611	-	3,529,521,184
Proceeds from long-term loans	16,343,493,856	20,705,965,693	-	8,284,000
Proceeds from issuing debentures	93,249,806,801	21,283,797,651	78,612,333,781	-
Repayment of promissory notes	-	(4,520,000,000)	-	(4,520,000,000)
Repayment of short-term loans	(64,636,409,525)	(2,972,264,686)	(4,542,176,800)	-
Repayment of long-term loans	(6,803,162,705)	(5,816,441,810)	(3,807,597,682)	(4,258,538,938)
Redemption of PTT bonds	(3,000,000,000)	(8,000,000,000)	(3,000,000,000)	(8,000,000,000)
Redemption of debentures	(47,720,721,506)	(14,749,338,905)	(23,500,000,000)	(14,749,338,905)
Repayment of finance lease installments	(274,161,194)	(226,328,699)	(192,871,858)	(193,643,205)
Decrease in bank overdrafts and short-term loans from financial institutions	(266,848,956)	(330,190,000)	-	-
Interest paid	(20,250,566,087)	(18,540,690,124)	(12,166,139,100)	(12,628,273,267)
Dividends paid	(42,305,707,482)	(41,101,866,962)	(34,261,495,156)	(32,786,500,568)
Net cash provided by (used in) financing activities	27,710,698,942	(45,530,392,050)	2,102,977,413	(67,380,211,299)
Effects of exchange rates on cash and cash equivalents	(1,354,111,608)	1,516,895,926	28,599,766	47,398,828
Currency translation differences	(2,396,545,968)	7,340,228,604	-	-
Net increase (decrease) in cash and cash equivalents	20,785,460,026	(19,668,936,157)	(3,699,131,791)	(9,970,405,536)
Cash and cash equivalents at the beginning of the periods	116,132,117,868	135,801,054,025	51,340,612,291	61,311,017,827
Cash and cash equivalents at the end of the periods	4 136,917,577,894	116,132,117,868	47,641,480,500	51,340,612,291

Notes to the financial statements are an integral part of these financial statements.

Notes to Financial Statements

PTT Public Company Limited and Its Subsidiaries
For the year ended December 31, 2012

I. General Information

PTT Public Company Limited (“the Company”) is incorporated as a public limited company in Thailand, and is listed on the Stock Exchange of Thailand. The address of its incorporated and registered office is as follows:

The Head Office of the Company is located at 555 Vibhavadi-Rangsit Road, Chatuchak, Bangkok, Thailand.

The Company’s principal activity is the operation of its petroleum business. The Company has invested in subsidiaries, jointly controlled entities and associates (“the Group”), which are engaged in upstream petroleum, natural gas, downstream petroleum, coal and other related businesses as described in Note 37 Segment Information.

As at December 31, 2012, the Group was operating in 29 countries (as at December 31, 2011: 26 countries).

2. Basis of Financial Statements Preparation

The consolidated and the separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act, B.E. 2543 (2000). These are Thai Accounting Standards under the Accounting Profession Act, B.E. 2547 (2004), including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP), and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535 (1992).

The Company has presented the financial statements in compliance with the notification of the Department of Business Development “Definition of the abbreviated components required in the financial statements, B.E. 2554 (2011)”, dated September 28, B.E. 2554 (2011), under the third paragraph of section 11 of the Accounting Act, B.E. 2543 (2000).

The consolidated and the separate financial statements have been prepared based on the assumption that users of the financial statements have an understanding of Thai generally accepted accounting principles and practices, which may differ from generally accepted accounting principles adopted in other countries.

The consolidated and the separate financial statements have been prepared under the historical cost convention with the exception of certain amounts, which are accounted for using the fair value method as disclosed in Note 3.3 Accounting Policies.

The significant transactions arising among the Company, subsidiaries and jointly controlled entities are eliminated in the consolidated financial statements.

The consolidated and the separate financial statements are prepared and presented in Thai Baht and are rounded in the notes to financial statements to the nearest million unless otherwise stated.

This English translation of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3. Accounting Policies

3.1 Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Thai Accounting Standards Interpretations and Accounting Treatment Guidance by the Federation of Accounting Professions (FAP)

Effective for accounting periods on or after January 1, 2013

- Thai Accounting Standard No. 12 Income Taxes
- Thai Accounting Standard No. 20 Accounting for Government Grants
and Disclosure of Government Assistance
- Thai Accounting Standard No. 21 (revised 2009) The Effects of Changes in Foreign
Exchange Rates
- Thai Financial Reporting Standard No. 8 Operating Segments
- Thai Standing Interpretations No. 10 Government Assistance - No Specific
Relation to Operating Activities
- Thai Standing Interpretations No. 21 Income Taxes - Recovery of Revalued
Non-Depreciable Assets
- Thai Standing Interpretations No. 25 Income Taxes - Changes in the Tax Status
of an Enterprise or its Shareholders
- Accounting Treatment Guidance Transfer of Financial Assets

Effective for accounting periods on or after January 1, 2014

- Thai Financial Reporting Interpretation No. 4 Determining Whether an Arrangement Contains a Lease
- Thai Financial Reporting Interpretation No. 12 Service Concession Arrangements
- Thai Financial Reporting Interpretation No. 13 Customer Loyalty Programmes
- Thai Standing Interpretations No. 29 Disclosure - Service Concession Arrangements

The management of the Group has assessed and determined the potential impact of adopting these standards, interpretations and Accounting Treatment Guidance, which are effective for accounting periods beginning on or after January 1, 2013 and 2014 as mentioned above, except for the Thai Accounting Standard No. 12 - Income and Taxes that was adopted and applied before the effective date, and concluded that they will have no material impact on the consolidated and the separate financial statements.

Thai Accounting Standard No. 21 (revised 2009) - The Effects of Changes in Foreign Exchange Rates - requires the Company to define functional currency as the currency of the primary economic environment in which the entity operates. Adopting this standard in 2013 will have no material impact on the consolidated and the separate financial statements. Nevertheless, two subsidiaries of the Group, which are PTT Exploration and Production Public Co., Ltd (PTTEP) and PTT International Co., Ltd (PTTI), adopted and applied this standard before the effective date since January 1, 2011 and January 1, 2012, respectively. Details are disclosed in Note 3.2.

3.2 Change in Functional Currency of a Domestic Subsidiary

Since January 1, 2012, PTT International Co., Ltd (PTTI), a subsidiary of the Company, has changed its functional currency from Baht to USD, based on the main denomination of its operating income and expense transactions. The change above is considered as a change in accounting policy and PTTI; therefore, restated its financial statements. The Group prepared its consolidation financial statements using the Baht translated version of PTTI's financial statements. Details of the impact on the consolidated financial statements are as follows:

Unit: Million Baht

Consolidated financial statements	
	Increase (Decrease)
Statement of financial position as at January 1, 2011	
• Total assets	(2,769.41)
• Total liabilities	(575.78)
• Total equity	(2,193.63)
Statement of financial position as at December 31, 2011	
• Total assets	(566.02)
• Total liabilities	(330.82)
• Total equity	(235.20)
Statements of income and comprehensive income for the year ended December 31, 2011	
• Total income	(64.13)
• Cost of sales and total expenses	(1,178.70)
• Gain from foreign exchange rates	(166.40)
• Income tax	(4.95)
• Income for the year	953.12
• Other comprehensive income, net of income taxes	1,077.04
• Total comprehensive income for the year	2,030.16

3.3 Significant Accounting Policies

3.3.1 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments which have original maturities within three months. Bank overdrafts and short-term loans from financial institutions are included in current liabilities in the statement of financial position.

3.3.2 Trade Accounts and Other Accounts Receivable

Trade accounts and other accounts receivable are carried at net realizable value. Doubtful accounts receivable are estimated at percentages based on the aging of outstanding receivables at the statement of financial position date and expected non-collectible amounts are estimated based on the amount of outstanding receivables at the statement of financial position date, the receivables' repayment history and their current financial status. Allowance for doubtful debt is recorded as selling and administrative expenses in the statements of income.

3.3.3 Inventories

Inventories are stated at the lower of the cost of acquisition or net realizable value. Cost is determined using the weighted average cost method. The cost of inventory comprises total purchasing costs, payments related to purchasing, discounts, and quantity discounts as well as contributions to or compensation from the Oil Stabilization Fund. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and related selling expenses. When net realizable value of inventories is lower than cost of acquisition, it is presented under cost of goods sold in the statement of income. An allowance for impairment will be recognized for slow-moving, obsolete or defective inventories.

3.3.4 Materials and Supplies

Materials and supplies are stated at cost determined by using the weighted average cost method, less allowance for obsolete, defective or unserviceable items.

3.3.5 Investments in subsidiaries

Subsidiaries are those companies controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of any consideration transferred, the recognized amount of any non-controlling interest in the acquiree, and the fair value of the existing equity interest as of the purchasing date (if the business combination is achieved in stages)

- For each business combination, the Group measures the recognized amount of any non-controlling interest in the acquiree at either the fair value or the non-controlling interest's proportionate share of the net of identifiable assets of the acquiree.
- In the case of a business combination achieved in stages, the Group measures the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree and recognized in the statement of income.
- Costs related to the acquisition, other than those associated with the registration and issue of debt and equity securities, are recognized as expenses in the statement of income.

The Group measures the identifiable assets and liabilities acquired at fair value as of the acquisition date.

Any changes in the equity interest in subsidiaries of the Group while control is retained are recorded under Others related to changes in the ownership interests in subsidiaries in equity.

Investments in subsidiaries have been presented in the separate financial statements under the cost method.

A list of subsidiaries of the Group is set out in Note 12.1 and 12.2.

3.3.6 Investments in Associates

Associates are those companies in which the Group has significant influence, but not control, over the financial and operating policies.

The Group uses the purchase method to record the acquisition of associates. Costs which are higher than the acquisition-date fair value of identifiable assets and liabilities of the acquirer's equity interest in associates are recorded as goodwill and included in the investment in associates.

The consolidated financial statements include the Group's share of the total recognized gains and losses from associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. Unrealized gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates unless the transactions provide evidence of impairment of the transferred assets.

The Group records share of gains or losses from associates in proportion to the Group's equity interest in those gains and losses. Any dividends received from associates are deducted from the book value of the investments.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognize further losses, unless the Group has incurred collateral or constructive obligations or made payments on behalf of the associates.

Investments in associates have been presented in the separate financial statements under the cost method and in the consolidated financial statements under the equity method.

A list of associates of the Group is set out in Note 12.1 and 12.2.

3.3.7 Investments in Jointly Controlled Entities

Established by contractual agreement, jointly controlled entities are those entities over which the Group has joint control. Jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. Under this method, the Group includes its share of the jointly controlled entities' revenues, expenses, assets, liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements, from the date that joint control commences until the date that joint control ceases.

The Group recognizes the portion of gains or losses on sales of assets by the Group to the jointly controlled entities that is attributable to other ventures. The Group does not recognize its share of gains or losses from the jointly controlled entities that results from the purchase of assets by the Group from the jointly controlled entities until it sells the assets to an independent party. However, when loss on the transaction evidences a reduction in the net realizable value of current assets or an impairment loss, the loss is recognized immediately.

The Group's interests in jointly controlled entities are presented in the separate financial statements under the cost method.

A list of jointly controlled entities of the Group is set out in Note 12.1 and 12.2.

3.3.8 Other Investments

Investments other than investments in subsidiaries, associates, and jointly controlled entities are classified as available-for-sale investments, and general investments.

Investments in equity securities and mutual funds that are marketable securities are classified as available-for-sale investments and carried at fair value in the statements of financial position. Any changes in value are recognized as gain (loss) from fair value measurement of available-for-sale investments in the statement of other comprehensive income and accumulated amounts are recognized as available-for-sale investments in equity.

Investments in non-marketable securities, which are classified as general investments, are carried at cost in the statement of financial position net of accumulated impairment losses if the value of the investments decreases substantially. Impairment testing is performed when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment losses are recognized in the statements of income immediately.

Upon the disposal of investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of income. When disposing of part of the Group's particular investment in debt or equity securities, the carrying amount of the part disposed is determined by reference to the weighted average carrying amount of the total holding of the investment.

3.3.9 Related Parties

Related parties of the Company are those enterprises or individuals that control or are controlled by the Company, or are under common control with the Company, including holding companies, subsidiaries, and fellow Group subsidiaries, as well as those that have equity interests in the Company that result in significant influence or joint control over the Company. In addition, related parties include associates, jointly controlled entities, the management and directors of the Company, and entities which the management or directors of the Company, directly or indirectly, control, jointly control, or significantly influence.

In considering each possible related party relationship, attention is directed more to the substance of the relationship than to the legal form.

3.3.10 Foreign Currency Translation

Foreign currency transactions are translated into Thai Baht at the exchange rates prevailing at the transaction date. Monetary assets and liabilities at the statements of income date denominated in foreign currencies are translated into Thai Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income.

Assets and liabilities of integrated foreign operations are translated into Thai Baht using the closing rate at the statements of financial position date. Revenues and expenses are translated into Thai Baht using the average rate during the period. Differences arising from currency translation are included in the statement of other comprehensive income and accumulated differences are presented in other components of equity under equity.

Upon the disposal of self-sustaining foreign entities, accumulated currency translation differences under shareholders' equity are recognized as gains or losses on disposal.

3.3.11 Borrowing Costs

Borrowing costs comprise interest and other costs associated with the borrowings. Borrowing costs incurred on qualifying assets included in property, plant and equipment are capitalized as a cost of the qualifying property until substantially all the activities necessary to prepare the property for its intended use are completed. When funds are specifically borrowed for the construction or the production of property, plant and equipment, the amount of borrowing costs capitalized is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings. When funds are borrowed for general purpose, the Group multiplies the capitalization rate by the capital expenditure in allocating borrowing costs to costs of assets.

All other borrowing costs are expensed in the period they incurred.

3.3.12 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost less accumulated depreciation and allowance for impairment. The costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. These include decommission costs, delivery and restoration costs, and any obligation associated with either its acquisition or a consequence of having used the items.

Repair and maintenance costs are recognized as expenses in the statements of income during the financial period in which they are incurred. The costs of significant asset improvements, major turnarounds and inspections are included in the carrying amount of the asset. In case of replacement, the Group writes off carrying value of replaced items.

The Group depreciates each significant component of property, plant and equipment separately.

The Group estimates the carrying amount of the property, plant and equipment based on current assessment of the future economic benefits. The Group reviews the recoverable amounts, the useful lives and depreciation methods of assets at least once a year.

Depreciation is accounted for as expenses in the statements of income and is calculated using the straight-line method over the estimated useful lives of the assets, which are as follows:

Buildings and building improvements	5 - 30 years
Machinery and equipment	5 - 40 years
Other assets	5 - 10 years

Land and construction in progress are not depreciated.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from sales with the carrying amounts on the disposal dates, and are included in operating income or loss.

Oil and Gas Exploration and Production Properties

The petroleum exploration and production business accounts for its oil and gas exploration and production properties in accordance with the successful efforts method for which the accounting policies are as follows:

Cost of Properties

The cost of properties comprises the total acquisition costs of concession rights or a portion thereof proportionate to the Company's interest in the properties including decommissioning costs.

Exploratory drilling costs are capitalized and are classified as assets of the projects if the exploratory wells have found proved reserves to be commercially produced. Otherwise, such drilling costs are expensed in the statements of income.

Exploratory costs, comprising geological and geophysical costs as well as area reservation fees during the exploration stage, are charged as expenses when incurred in the statement of income.

Development costs, whether relating to successful or unsuccessful development wells, are capitalized and classified as assets.

Depreciation

The capitalized acquisition costs of concession rights are depleted and amortized using the unit of production method based on estimated proved reserves. Depreciation, depletion and amortization of exploratory wells, development costs, equipment and the operating costs of support equipment as well as decommissioning costs, except unsuccessful projects, are calculated using the unit of production method based on estimated proved reserves or proved developed reserves. Changes in reserve estimates are recognized prospectively.

Proved reserves and proved developed reserves are calculated by the Group's own engineers and based on information from the jointly controlled entities.

Carried Cost under Petroleum Sharing Contracts

The petroleum exploration and production business records the carried costs under petroleum sharing contracts using the following accounting policies.

Under some Petroleum Sharing Contracts in which the government has a participating interest require the contractor parties excluding the government to fund the costs of all exploration operations until determination of the first development area (carried cost). The carried costs are funded by the contractor parties at the proportion agreed among the parties. When the project commences production, the carried costs will be fully recouped without interest among the contractor parties under the agreed procedures, in the form of petroleum product sharing. The Group records the carried costs according to the type of petroleum operations, under the successful efforts method. Most of them are recorded as oil and gas properties in the statements of financial position while exploration expenses are recorded in the statements of income as detailed in Note 16.

3.3.13 Investment Properties

Investment properties are initially recognized at cost, including expenses directly associated with the asset acquisition, less accumulated depreciation and amortization.

The Group has selected the cost model for accounting for its investment properties. This model is in accordance with that described in the accounting policy for property, plant and equipment.

Depreciation is accounted for as expenses in the statements of income and is calculated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 30 years. Land and construction in progress are not depreciated.

3.3.14 Intangible assets

Intangible assets are initially recognized at cost less accumulated amortization and impairment. Amortization is accounted for as expenses in the statements of income.

The Group records the initial costs of intangible assets from business combination at the acquisition-date fair value of the assets. Intangible assets from other sources are initially recognized at their costs.

Intangible assets include computer software licenses, asset rights such as gas transmission pipelines, resource exploration and valuation assets, and other intangible assets, such as other operating rights, patents, and customer contracts.

Exploration and evaluation assets are intangible assets that are recognized at cost in a petroleum exploration and production business. If exploratory projects have found sufficient reserves to be commercially produced, assets under those projects will be transferred to assets under proved reserve project. Subsequently, their values are evaluated based on the method stated in Note 3.3.12 property, plant and equipment. Otherwise, assets under those projects will be fully expensed in the statements of income.

Intangible assets are amortized and recorded as expenses in the statements of income using the straight-line method over the contract periods which range from 5 to 30 years, except customer contracts which are amortized based on estimated sales volume.

The Group reviews the carrying amount and useful lives of intangible assets at least once a year.

3.3.15 Mining Properties

The coal business applies the following accounting policy for coal exploration and production properties including coal mining property rights and deferred mining exploration and development expenditures.

Coal Mining Property Rights

Coal mining property rights comprise the total acquisition costs of concession rights in coal mining including both coal mining exploration and development expenditures.

Deferred Mining Exploration and Development Expenditures

Exploration expenditures relating to areas of interest are recorded at cost as deferred exploration expenditures, which comprise net direct costs, such as licenses, geological and geophysical exploration expenditures, excluding general overheads and administrative expenditures not directly attributable to a particular area of interest, where:

- a) Such costs are expected to be recovered when the areas are successfully developed and mining operations commence, or from the sales of the areas of interest.
- b) Exploration activities in the areas of interest have not reached the stage which permits a reasonable assessment of the existence of commercial recoverable reserves, and active operations in the areas of interest are continuing.

The recoverable amount of exploration expenditures is thus dependent upon a successful development and receivable economic benefits. When the economic benefits are expected to be minimal or non-existent, deferred exploration expenditures are written off as expenses in the statements of income immediately.

Development expenditures and costs of area development prior to commencement of operations are capitalized as deferred mining costs so long as they meet the above criteria and it is highly probable that they can create future economic benefits.

Amortization

Amortization of coal mining property rights is calculated using the units of production method over the production amount.

The amortization of deferred mining exploration and development expenditures commences when commercial coal production activities commence, using the units of production method.

The volume of proportional production and the useful lives of coal mining concessions are estimated and reviewed by the Group.

3.3.16 Goodwill

The Group records the initial value of goodwill at cost, representing the excess of the acquisition costs over the fair value of the net assets acquired. Where the fair value of the net assets exceeds the cost of acquisition at the acquisition date, the difference is recognized as a gain in the statements of income immediately.

The Group recognizes goodwill at cost less accumulated impairment losses. The Group will carry out a test for impairment of goodwill at least once a year or when there are factors indicating that an investment might be impaired.

To test for impairment, the Group allocates goodwill from business combinations to each cash-generating unit (or group of cash-generating units) that is expected to benefit from the synergies of the combination. The Group evaluates the recoverable amount of each cash-generating unit (or group of cash-generating units) and if it is lower than the carrying amount of the unit, the Group recognizes impairment losses. Allowance for impairment of goodwill will not be reversed.

3.3.17 Finance Leases – Where the Group is the lessee

Leases of property, plant and equipment, where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are capitalized at the lower of the estimated net present value of the underlying minimum lease payments or fair value. Each minimum lease payment is allocated between liabilities and finance charges in order to achieve a constant interest rate on the remaining balance of the liabilities. The finance leases' liabilities less finance charges are presented as long-term loans. Interest expenses are charged to the statements of income over the lease period. Depreciation is charged over the shorter of the assets estimated useful life or the lease period.

3.3.18 Operating Leases – Where the Group is the lessee

Leases of property, plant and equipment where the lessor assumes a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the statements of income using the straight-line method over the period of the lease.

The costs incurred upon termination of the operating lease agreements prior their maturity, such as penalty paid to the lessor for such termination, are recognized as expenses in the period in which the termination takes place.

3.3.19 Advance Payments for Gas Purchased under Take-or-Pay Agreements

The Company has entered into gas purchase agreements with natural gas producers, under which the Company is required to take delivery of natural gas at annual minimum quantities. During each contract year, if the Company cannot accept natural gas according to the minimum quantities under the agreements, it is required to pay for the volume of natural gas which it cannot actually take (Take-or-Pay). After the end of each contract year, the Company and the natural gas producers have to agree on and accept the volume of gas that should be taken into the calculation of Take-or-Pay for that contract year, which is subject to the basis and conditions in the agreements. Under the agreements, the Company can take certain volumes of prepaid gas (Make-up) in subsequent years after taking delivery of natural gas at the minimum quantities for that given contract year. The Company recognizes its obligations under the agreements as advance payments for gas purchased.

3.3.20 Impairment of Assets

The Group performs the following tests for impairment of assets:

- Assessment of goodwill is annually performed.
- Impairment of property, land and equipment or intangible assets will be made whenever there is an indication that an asset may be impaired.

The Group recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount, which is the higher of the asset's fair value less cost to sell and its value in use. The Group determines value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Group recognizes an impairment loss in the statement of income.

3.3.21 Provision for Decommissioning Costs

The Group records a provision for decommissioning costs whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated.

The Group recognizes a provision for decommissioning costs based on an estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the cost of the oil and gas properties and are amortized based on proved reserves using the unit of production method. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's engineers and management's judgment.

3.3.22 Employee Benefit Obligations

Employee benefit obligations of the Group are measured and recognized as follows:

1. Short-term employee benefits are recognized in the statement of income as expenses when incurred.
2. Post-employment benefits – defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

3. Post-employment benefits – defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method, in order to determine present value of the obligation, current service cost and past service cost. These are recognized as a liability in statements of financial position and expenses in the statement of income. Actuarial gains and losses arising from post-employment benefits are immediately recognized as expense in the statement of income.

4. Other long-term employment benefits

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method, in order to determine present value of the obligation, current service cost and past service cost. These are recognized as a liability in statements of financial position and expenses in the statement of income. Actuarial gains and losses arising from post-employment benefits are recognized immediately as expense in the statement of income.

5. Termination benefits are recognized as a liability or an expense when, and only when, the Company is demonstrably committed to either:

- terminate the employment of an employee or a group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

3.3.23 Income tax

Current tax

The Group is taxed on its non-promoted businesses pursuant to the Revenue Code of Thailand, the Petroleum Income Tax Act, B.E. 2514 (1971) and Amendment, B.E. 2532 (1989) and other applicable laws and regulations of other countries in which the Group has invested.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted at the statements of financial position date in the taxable period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in the statements of financial position using the liability method for temporary differences between the carrying amounts of tax bases of assets and liabilities and the carrying amounts in the financial statements. The principal temporary differences arise from the allowance for doubtful accounts, employee benefit obligations, brought forward accumulated deficit of subsidiaries, and available-for-sale investments, as well as differences between the fair value of acquired assets and liabilities and their tax bases.

Deferred tax is measured using the tax rates enacted at the statements of financial position date.

Deferred tax assets are recognized to the extent that it is highly probable that the future taxable profits of the Group will be available against which the temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred tax assets and liabilities are offset when there is the legal right to settle on a net basis and the deferred tax balances relate to the same taxation authority.

3.3.24 Revenue Recognition

The Group recognizes revenue from sales upon the delivery of products or when the significant risks and rewards of ownership are transferred to the customers. Revenue from services is recognized over the period in which the services are rendered. These revenues are net of trade discounts.

Other revenue is recognized on the following basis:

- Interest income - time proportion basis using the effective yields of interest bearing assets
- Royalty income - accrual basis in accordance with the substance of the relevant agreements
- Dividend income - when the right to receive the dividend is established.

Revenue from sources other than those mentioned above is recognized using the accrual basis.

3.3.25 Earnings per share

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

In calculating diluted earnings per share, the Company assumes that all potential dilutive ordinary shares issued to its managements and employees will be converted. As a result, net income of the Group recognized in the financial statements of the Company is adjusted to reflect the dilution of its shareholding that would be caused by such conversion. The calculation of the weighted average number of ordinary shares is based on market price (average price of the Company's ordinary shares during the period) and the exercise price of the warrants in order to determine the number of ordinary shares held by third parties in the diluted earnings per share calculation.

3.3.26 Share-based payments

The Group recognizes equity-settled share-based payments at fair value of warrants at the grant date and expenses them over the vesting period of warrants, while presenting equity from share-based payments in shareholders' equity. Measurement of the fair value of share-based payments requires the use of judgment and the selection of suitable assumptions regarding items such as the vesting period of the warrants, fluctuation in share price and dividend rate, etc.

3.3.27 Financial Instruments

Financial assets in the statements of financial position include cash and cash equivalents, current investments, trade accounts receivable, other accounts receivable, short-term loans, available-for-sale investments, other long-term investments, and long-term loans. Financial liabilities in the statements of financial position include bank overdrafts and short-term loans from financial institutions, trade accounts payable, other accounts payable, short-term loans and long-term loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group utilizes financial instruments to reduce its risk exposure associated with fluctuations in foreign currency exchange rates, interest rates as well as oil and gas market prices. These instruments primarily comprise:

Forward Foreign Exchange Contracts

Forward foreign exchange contracts protect the Group from fluctuations in exchange rates by establishing the rates at which foreign currency assets will be realized or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognized in the financial statements on inception. The premium or discount on the establishment of each agreement is amortized over the contract period.

Cross-currency and Interest Rate Swap Contracts

Cross-currency and interest rate swap contracts protect the Group from fluctuations in exchange rates and interest rates. Foreign currency financial assets and liabilities as at the statements of financial position date are protected by cross-currency contracts and are translated to Thai Baht using the rates determined in the contracts. Gains or losses on early termination of such contracts or on early-repayment of the borrowings before maturity are taken to the statements of income.

Futures Oil Contracts

The Company has entered into futures contracts to hedge risks arising from fluctuations in oil prices in accordance with its oil purchase and sale agreements by determining future oil prices. Gains or losses arising from these contracts are recorded in the statements of income at the maturity of the futures contracts.

The risk management policy is described in Note 38 Disclosure of Financial Instruments.

3.3.28 Use of Estimates and Significant Assumptions

The preparation of financial statements in conformity with Thai Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions used in the preparation of financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant assumptions and the sources of contingent estimates that might impact on the carrying amounts of assets and liabilities presented in the financial statements are as follows:

Provisions

The Group recognizes a provision in the statements of financial position if, as a result of a past event, the Group has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Group records provisions for decommissioning costs when it is highly probable that a commitment will arise as a result of past circumstances and the amount can be estimated reliably.

The Group recognizes the provisions for decommissioning costs based on estimated amount of decommissioning of completed construction that is ready for its intended use. These costs are included as part of oil and gas exploration and production properties and are amortized using the units of production method based on estimated proved reserves. The provision for decommissioning costs is determined based on reviews and estimates by the Group's engineers together with the management's judgment.

Provisions for decommissioning costs depend on various current circumstances such as laws and regulations, technological changes and market prices. Therefore, the actual result is likely to be different from estimations and assumptions.

Income Tax

The Group is responsible for the payment of tax in various countries. When deferred tax liabilities are estimated, the Group uses significant judgment due to the numerous transactions and calculations arising from its operations.

The Group recognizes deferred tax liabilities based on estimated incremental tax payments. The difference between the actual tax paid and the estimate will affect income tax and deferred tax in the period in which payment of the difference occurs.

A deferred tax asset will be recognized when it is highly probable that the Group will have sufficient net income against which to utilize the temporary difference. Assumptions related to future taxable income are uncertain and may change affecting the recognition of deferred tax assets.

Estimation of Petroleum Reserves

Petroleum reserves are of fundamental importance when assessing investments in various exploration projects and petroleum production businesses, including impairment testing. Changes in proved reserves will affect the present value based on net cash inflows and depreciation expenses which are calculated using the unit of production method.

The proved reserves are the volume of commercial petroleum production as of a certain date with a high probability of achievement under current economic conditions and production methods, as well as government's rules and regulations. The proved reserves will be checked and assessed annually by the Group's geologists and reservoir engineers.

Exploration Costs

The petroleum exploration and production businesses capitalize drilling costs as assets. When they are over 12 months old, they are amortized as expenses in the statements of income except where there is (1) a discovery of proved reserves, or (2) a discovery of commercially adequate reserves whilst having future exploration and assessment plans. The decision to amortize drilling petroleum costs recorded as assets over 12 months should be made using the assumptions under current circumstances. In case those should such assumptions change in subsequent accounting periods, the petroleum drilling costs that are capitalized as assets will be written off as expenses in that accounting period.

Impairment of Assets

The Group considers recording an allowance for impairment of assets when an event or a circumstance indicates that the carrying amount of an asset is higher than its net realizable value, which is the higher of the anticipated discounted cash flows from the continuing use of the asset or the amount obtainable from the sale of the asset less any costs of disposal. As a result, the carrying amount of an asset is immediately written down to its net realizable value. The decrease is recorded in the statements of income. Thus, the loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation for indicated net realizable value changes.

The Group's estimate of the expected amount of future petroleum production (exploration and production business) is a key factor in impairment tests. The Group believes these to be the most reasonable indicators for estimating future cash flows because future petroleum production comprises proved reserves, including expected proved reserves.

The estimation of discounted future cash flows depends on various factors such as the expected amount of future production, future selling prices, demand and supply in the market, risks and gross margins. The discounted rates used in the calculation of present value of future cash flows depend on the cost of capital of the asset unit.

3.3.29 Capital Risk Management

The capital management objective of the Group is to create returns for shareholders and other stakeholders whilst maintaining a reasonable capital structure to decrease the cost of capital.

3.3.30 Segment Information

The Group has presented its financial information by business segments, not by geographical segments because geographical segments other than Thai account for less than 10% of consolidated revenues, operating results and total assets.

4. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash on hand	3,897.35	453.47	338.01	213.95
Deposits held at call with banks	89,174.27	68,058.06	36,022.21	21,892.01
Fixed deposits	6,190.94	19,649.05	1,366.87	15,600.00
Treasury bills	26,680.63	13,066.89	-	-
Promissory notes	1,060.00	5,770.00	-	4,500.00
Bank of Thailand bonds	9,914.39	9,134.65	9,914.39	9,134.65
Total	136,917.58	116,132.12	47,641.48	51,340.61

Cash and cash equivalents as at December 31, 2012 mainly bear the interest at rates ranging from 0.10% to 6.75% per annum (December 31, 2011: interest rates range from 0.10% to 6.00% per annum).

5. Current Investments

Current investments as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Fixed deposits	6,156.54	4,305.56	5,219.40	4,032.61
Bonds	229.02	1,136.37	-	206.23
Promissory notes	-	5,500.00	-	5,500.00
General investments	19.74	19.74	19.74	19.74
Total	6,405.30	10,961.67	5,239.14	9,758.58

Current investments as at December 31, 2012 mainly bear interest at rates ranging from 0.37% to 3.80% per annum (December 31, 2011: interest rates ranging from 1.80% to 4.15% per annum).

6. Trade Accounts Receivable

Trade accounts receivable as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade accounts receivable - others	162,370.94	107,875.52	128,764.50	81,012.79
Notes receivable	624.07	1,037.59	624.07	1,037.59
	162,995.01	108,913.11	129,388.57	82,050.38
<u>Less</u> Allowance for doubtful accounts	(1,780.01)	(1,850.13)	(634.56)	(724.45)
Trade accounts receivable - others	161,215.00	107,062.98	128,754.01	81,325.93
Trade accounts receivable - related parties	82,408.90	64,643.44	99,939.24	76,076.49
<u>Less</u> Allowance for doubtful accounts	(323.26)	(344.88)	(323.26)	(344.88)
Trade accounts receivable - related parties (Note 9.1)	82,085.64	64,298.56	99,615.98	75,731.61
Total	243,300.64	171,361.54	228,369.99	157,057.54

Aging analysis is as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Within credit terms	232,311.59	168,337.87	217,044.90	151,499.13
Overdue				
- Within 3 months	6,704.86	2,222.92	4,439.94	1,903.45
- Over 3 - 6 months	1,767.90	638.46	1,786.99	437.52
- Over 6 - 12 months	2,167.80	492.93	2,177.45	331.90
- Over 12 months	2,451.76	1,864.37	3,878.53	3,954.87
	245,403.91	173,556.55	229,327.81	158,126.87
<u>Less</u> Allowance for doubtful accounts	(2,103.27)	(2,195.01)	(957.82)	(1,069.33)
Total	243,300.64	171,361.54	228,369.99	157,057.54

Trade accounts receivable as at December 31, 2012 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 20,282.25 million (December 31, 2011: Baht 15,525.16 million), and in the separate financial statements amounting to Baht 20,046.44 million (December 31, 2011: Baht 15,362.08 million).

7. Other Accounts Receivable

Other accounts receivable as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Other accounts receivable	12,024.87	12,315.98	3,378.17	3,085.77
<u>Less</u> Allowance for doubtful accounts	<u>(287.79)</u>	<u>(341.68)</u>	<u>(283.92)</u>	<u>(334.92)</u>
Other accounts receivable	11,737.08	11,974.30	3,094.25	2,750.85
Refund receivable from the Oil Stabilization Fund				
Stabilization Fund	11,953.71	11,657.36	11,953.71	11,627.05
Advances	4,385.21	6,163.78	502.02	570.00
Accrued interest income and others	2,441.31	1,623.27	209.52	233.85
Other accounts receivable - others	30,517.31	31,418.71	15,759.50	15,181.75
Other accounts receivable - related parties (Note 9.2)	5,003.41	1,206.26	5,229.28	1,562.34
Total	35,520.72	32,624.97	20,988.78	16,744.09

The refund receivable from the Oil Stabilization Fund represents compensation for locally manufactured oil and cooking gas, import oil and cooking gas, and subsidies from the Oil Stabilization Fund for export oil or oil sold to outbound transportation barges, including compensation for Natural Gas for Vehicles (NGV) prices. The compensation and refund rates are determined by the Committee of Energy Policy Administration.

8. Loans

8.1 Short-term loans as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term loans – others	96.96	182.36	96.77	119.52
Short-term loans – related parties (Note 9.2)	-	4,823.82	2,024.45	5,420.99
Total	96.96	5,006.18	2,121.22	5,540.51

Short-term loans – others of the Company are loans provided to transport operators to use as working capital for NGV installation, conversion or modification, including purchases of new natural gas vehicles under the Krungthep Fha Sai project which aims to support the use of NGV as alternative source of energy. The loan interest rate as at December 31, 2012 and 2011 are 0.50% per annum.

8.2 Long-term loans as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Long-term loans – others	106.88	139.94	52.38	139.94
Long-term loans – related parties (Note 9.3)	-	5.82	74,232.56	52,697.71
Total	106.88	145.76	74,284.94	52,837.65

Long-term loans – others of the Company are loans under the Krungthep Fha Sai project of which details are disclosed in Note 8.1.

9. Related Party Transactions

The followings are significant transactions carried out with related parties:

9.1 Trade accounts receivable - related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Subsidiaries	-	-	15,285.95	10,991.18
Jointly controlled entities	-	-	2,824.18	751.86
Associates	72,717.33	59,798.70	72,352.84	59,651.81
Other related parties	9,691.57	4,844.74	9,476.27	4,681.64
Total	82,408.90	64,643.44	99,939.24	76,076.49
<u>Less</u> Allowance for doubtful accounts	(323.26)	(344.88)	(323.26)	(344.88)
Trade accounts receivable - related parties (Note 6)	82,085.64	64,298.56	99,615.98	75,731.61

Aging analysis is as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Within credit terms	81,588.90	64,141.37	96,179.75	72,427.41
Overdue				
- Within 3 months	178.94	108.14	133.75	107.89
- Over 3 - 6 months	191.66	135.24	245.70	133.70
- Over 6 - 12 months	153.09	175.11	201.99	174.91
- Over 12 months	296.31	83.58	3,178.05	3,232.58
Total	82,408.90	64,643.44	99,939.24	76,076.49
<u>Less</u> Allowance for doubtful accounts	(323.26)	(344.88)	(323.26)	(344.88)
Trade accounts receivable - related parties	82,085.64	64,298.56	99,615.98	75,731.61

9.2 Other accounts receivable, advances and short-term loans – related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Other accounts receivable				
Subsidiaries	-	-	235.85	414.76
Jointly controlled entities	-	-	40.30	22.82
Associates	4,433.68	624.53	4,430.95	623.11
Other related parties	79.15	245.42	43.63	46.16
	4,512.83	869.95	4,750.73	1,106.85
Less: Allowance for doubtful accounts	(16.09)	(16.09)	(16.09)	(16.09)
Total	4,496.74	853.86	4,734.64	1,090.76
Advances				
Subsidiaries	-	-	61.01	153.98
Associates	0.78	0.68	-	-
Other related parties	505.89	351.72	433.63	317.60
Total	506.67	352.40	494.64	471.58
Total other accounts receivable (Note 7)	5,003.41	1,206.26	5,229.28	1,562.34
Short-term loans				
Subsidiaries	-	-	2,024.45	597.17
Associates	-	4,823.82	-	4,823.82
Total (Note 8.1)	-	4,823.82	2,024.45	5,420.99

Movements in short-term loans – related parties are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	4,823.82	-	5,420.99	500.00
- Payment for loans granted	-	-	1,223.82	71.79
- Receipt from loans granted	(4,823.82)	(226.23)	(4,825.73)	(2,220.85)
- Gain (Loss) on exchange rate	-	-	(5.63)	-
- Current portion of long-term loans (Note 9.3)	-	5,050.05	211.00	7,070.05
Balance as at December 31	-	4,823.82	2,024.45	5,420.99

Short-term loans to related parties are unsecured and the interest rates as at December 31, 2012 range from 3.05% to 6.13% per annum (December 31, 2011: the interest rates range from 4.00% to 7.25% per annum).

9.3 Long-term loans – related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Long-term loans				
Subsidiaries	-	-	73,197.57	52,697.71
Jointly controlled entities	-	-	1,034.99	-
Associates	-	5.82	-	-
Total (Note 8.2)	-	5.82	74,232.56	52,697.71

Movements in long-term loans – related parties are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	5.82	5,753.88	52,697.71	55,302.26
- Payment for loans granted	-	-	50,570.09	5,163.53
- Receipt from loans granted	(5.71)	(698.37)	(27,298.98)	(698.03)
- Gain (Loss) on exchange rate	(0.11)	0.36	(1,525.26)	-
- Current portion of long-term loans	-	(5,050.05)	(211.00)	(7,070.05)
Balance as at December 31	-	5.82	74,232.56	52,697.71

Long-term loans to related parties are unsecured and the interest rates as at December 31, 2012 range from 2.53% to 5.36% per annum (December 31, 2011: the interest rates range from 3.46% to 5.58% per annum).

9.4 Trade accounts payable – related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Subsidiaries	-	-	24,746.64	13,381.95
Jointly controlled entities	-	-	5,409.98	5,093.66
Associates	49,906.39	40,834.31	46,836.01	39,028.26
Other related parties	5,402.79	4,450.62	387.87	337.42
Total	55,309.18	45,284.93	77,380.50	57,841.29

9.5 Other accounts payable and short-term loans – related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Other accounts payable				
Subsidiaries	-	-	1,388.00	1,313.44
Jointly controlled entities	-	-	4.41	4.02
Associates	1,200.82	747.94	805.06	589.66
Other related parties	59.49	117.96	50.30	116.51
Total	1,260.31	865.90	2,247.77	2,023.63

Short-term loans*

Subsidiaries	-	-	1,552.13	6,094.30
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* The Company's liquidity management policies within the Group include the use of the cash pooling method. Inter-company loans were used for short-term financial management of cash surpluses or deficits of each affiliate. Interests on these were calculated using market interest rates.

9.6 Other long-term accounts payable – related parties as at December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Subsidiaries	-	-	0.35	0.17
Jointly controlled entities	-	-	12.43	13.15
Associates	16.23	17.21	16.23	17.21
Other related parties	622.70	654.50	622.70	654.50
Total	638.93	671.71	651.71	685.03

9.7 Revenue and expense transactions carried out with related parties

For the years ended December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	154,708.72	107,139.32
Jointly controlled entities	-	-	9,983.99	6,651.42
Associates	931,934.69	873,320.98	929,732.25	871,692.85
Other related parties	59,568.72	48,602.82	57,538.67	46,828.44
<u>Interest income:</u>				
Subsidiaries	-	-	2,866.21	2,906.87
Jointly controlled entities	-	-	12.39	-
Associates	170.36	342.17	170.36	342.17
<u>Dividend income:</u>				
Subsidiaries	-	-	12,902.97	11,579.28
Jointly controlled entities	-	-	2,009.50	1,774.27
Associates	-	-	14,556.23	10,921.66
Other related parties	304.12	528.03	304.12	436.96
<u>Other income:</u>				
Subsidiaries	-	-	2,134.30	765.17
Jointly controlled entities	-	-	72.03	66.77
Associates	3,483.80	5,485.96	3,016.49	5,482.18
Other related parties	102.75	74.71	95.20	69.73

For the years ended December 31, 2012 and 2011

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	202,994.51	151,913.76
Jointly controlled entities	-	-	34,761.92	30,115.02
Associates	642,117.45	596,441.85	622,477.10	577,506.58
Other related parties	57,139.11	49,455.00	6,548.04	6,089.91
<u>Interest expense:</u>				
Subsidiaries	-	-	112.53	77.55
<u>Other expenses:</u>				
Subsidiaries	-	-	3,194.52	1,335.02
Jointly controlled entities	-	-	0.75	3.70
Associates	1,769.35	1,323.17	1,679.42	1,243.46
Other related parties	996.81	894.49	969.65	855.12

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

Stipulation prices between the Company and its related parties are based on normal prices for the same types of business transactions carried out with non-related parties. Goods purchased from subsidiaries are charged at the normal prices determined by the subsidiaries with reference to global market prices.

9.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are stated in Note 45.1.

- 9.9 Crude oil and refined product purchase and sale transactions carried out with related parties without physical delivery, with the objective of maintaining crude oil and refined product reserves, were offset in the financial statements.

For the years ended December 31, 2012 and 2011, these transactions are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Sales</u>				
Associates	7,134.37	6,729.79	7,134.37	6,729.79
Other related parties	987.51	914.44	987.51	914.44
<u>Purchases</u>				
Associates	7,134.37	6,729.79	7,134.37	6,729.79
Other related parties	987.51	914.44	987.51	914.44

9.10 Executive remunerations

For the years ended December 31, 2012 and 2011, details of remunerations are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Director remunerations</u>				
Meeting remuneration and bonuses	133.34	122.94	41.44	40.16
<u>Management remunerations</u>				
Salaries, bonuses, and other				
short-term employee benefits	599.10	527.29	98.97	80.93
Post-employment benefits	3.62	4.87	2.76	3.99
Total	736.06	655.10	143.17	125.08

Managements are those persons who have authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

10. Inventories

Inventories as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Oil products	20,469.00	19,918.86	13,243.41	15,512.90
Gas products	4,707.16	3,261.99	4,704.14	3,061.94
Petrochemical products	1,782.78	1,939.40	-	-
Others	2,024.80	1,190.46	635.70	598.58
	28,983.74	26,310.71	18,583.25	19,173.42
<u>Less</u> Allowance for decline in value of inventories and obsolescence	(498.74)	(310.42)	(492.22)	(310.42)
Total	28,485.00	26,000.29	18,091.03	18,863.00

During 2012, the Group wrote down inventories to their net realizable values, recording decreases of Baht 232.84 million in the consolidated financial statements (2011: Baht 75.99 million) and Baht 226.32 million in the separate financial statements (2011: Baht 75.99 million). The Group reversed the previous allowance for decline in value of inventories recorded in the consolidated financial statements, amounting to Baht 75.99 million (2011: Baht 22.92 million) and in the separate financial statements, amounting to Baht 75.99 million (2011: Baht 21.45 million). In addition, the Group recognized allowance for obsolescence of inventories amounting to Baht 265.90 million in the consolidated and the separate financial statements (2011: Baht 234.43 million).

The above inventories exclude legal reserves, which are presented as other non-current assets, as disclosed in Note 22.

11. Materials and Supplies

Materials and supplies as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Spare parts, equipment and others	13,852.02	13,242.03	3,739.54	4,125.34
<u>Less</u> Allowance for obsolescence	(82.94)	(81.76)	(5.12)	(13.76)
Total	13,769.08	13,160.27	3,734.42	4,111.58

12. Investments in Subsidiaries, Jointly Controlled Entities and Associates

12.1 Details of subsidiaries, jointly controlled entities and associates of the Company

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011
Subsidiaries:				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.29	65.29
PTT (Cambodia) Limited (PTTCL)	Cambodia	Oil marketing	100.00	100.00
Subic Bay Energy Co., Ltd. (SBECL)	Cayman Islands	Oil marketing	100.00	100.00
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	Petrochemicals marketing	50.00	50.00
Energy Complex Co., Ltd. (EnCo)	Thailand	Real estate development for rent	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

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011
PTT International Co., Ltd. (PTTI)	Thailand	International investment	100.00	100.00
PTT Green Energy Pte Ltd (PTTGE)	Singapore	Investment in palm oil	100.00	100.00
Business Services Alliance Co., Ltd. (BSA)	Thailand	Management services	25.00	25.00
PTT Tank Terminal Co., Ltd. (PTT TANK)	Thailand	Terminal and warehouse	100.00	100.00
Thai Lube Blending Co., Ltd. (TLBC) (The Company and PTTRB held 48.95% and 51.05%, respectively. As a result, TLBC is a subsidiary of the Company)	Thailand	Blending and bottling of lube oil	48.95	48.95
Jointly controlled entities:				
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	48.50
HMC Polymers Co., Ltd. (HMC)	Thailand	Petrochemicals	41.44	41.44
PTT MCC Biochem Co., Ltd. (PTTMCC)	Thailand	Petrochemicals	50.00	50.00

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011
<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	27.22	27.22
Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	Thailand	Oil transmission pipelines	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 sale of LPG	45.00	45.00
KELOIL-PTT LPG Sdn. Bhd. (KPL)	Malaysia	Bottling and sale of LPG	40.00	40.00
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	38.51	38.51
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

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011
PTT Utility Co., Ltd. (PTTUT)	Thailand	Generation and supply of electricity, steam and water for industries	40.00	40.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	20.00	20.00
PTT Maintenance & Engineering Co., Ltd. (PTTME)	Thailand	Factory maintenance and engineering services	40.00	40.00
B.Grimm BIP Power Co., Ltd. (B.Grimm BIP)	Thailand	Generation and supply of electricity	23.00	23.00
Nava Nakorn Electricity Generating Co., Ltd. (NNEG)	Thailand	Generation and supply of electricity	30.00	30.00
PTT Energy Solutions Co., Ltd. (PTTES)	Thailand	Technical and operational services	40.00	40.00
Bangpa-in Cogeneration Limited (BIC)	Thailand	Generation and supply of electricity and steam	25.00	25.00
PTT Global Chemical Public Co., Ltd. (PTTGC)	Thailand	Petrochemicals and refining	48.89	48.92

12.2 Details of the subsidiaries, jointly controlled entities and associates of the subsidiaries and jointly controlled entities

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Subsidiaries of PTTEP:					
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	PTTEP	100.00	100.00
PTTEP Offshore Investment Co., Ltd. (PTTEPO)	Cayman	Petroleum	PTTEP	75.00	75.00
	Islands		PTTEPI	25.00	25.00
PTTEP Southwest Vietnam Co., Ltd. (PTTEP SV)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Kim Long Vietnam Co., Ltd. (PTTEP KV)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Hoang - Long Co., Ltd. (PTTEP HL)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Hoan - Vu Co., Ltd. (PTTEP HV)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Oman Co., Ltd. (PTTEP OM)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Algeria Co., Ltd. (PTTEP AG)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP (Thailand) Limited (PTTEPT)*	Thailand	Petroleum	PTTEPI	100.00	100.00

* On December 24, 2010 PTTEPT registered its dissolution and it is in the process of liquidation.

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTTEP Services Limited (PTTEP Services)	Thailand	Service operation	PTTEP	25.00	25.00
			PTTEPI	75.00	75.00
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	PTTEP	51.00	51.00
			PTTEPO	49.00	49.00
PTTEP Iran Co., Ltd. (PTTEP IR)	Cayman Islands	Petroleum	PTTEP OM	100.00	100.00
PTTEP Merangin Co., Ltd. (PTTEPM)*	Cayman Islands	Petroleum	PTTEPO	-	100.00
PTTEP Bahrain Co., Ltd. (PTTEP BH)	Cayman Islands	Petroleum	PTTEP OM	100.00	100.00
PTTEP Holding Co., Ltd. (PTTEPH)	Cayman Islands	Petroleum	PTTEPO	100.00	100.00
PTTEP Indonesia Co., Ltd. (PTTEP ID)	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP Bengara I Co., Ltd. (PTTEPB)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00
PTTEP Thai Projects Co., Ltd. (PTTEP TP)**	Thailand	Petroleum	PTTEPT	-	100.00

* On December 29, 2011 PTTEPM registered its dissolution with the Government of Cayman Islands and was liquidated.

** On November 29, 2011 PTTEP TP registered its dissolution and was liquidated.

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTTEP Andaman Limited (PTTEPA)	Thailand	Petroleum	PTTEPS	100.00	100.00
PTTEP Africa Investment Limited (PTTEP AI) (Former: PTTEP Egypt Co., Ltd. (PTTEP EG))	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP Rommana Co., Ltd. (PTTEPR)	Cayman Islands	Petroleum	PTTEP AI	100.00	100.00
PTTEP Sidi Abd El Rahman Co., Ltd. (PTTEP SAER)	Cayman Islands	Petroleum	PTTEP AI	100.00	100.00
PTTEP Australia Pty Limited (PTTEP AU)	Australia	Petroleum	PTTEPH	100.00	100.00
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP South Asia Limited (PTTEP SA) (Former: PTTEP Myanmar Limited (PTTEP MYA))	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTTEP Australia Perth Pty Limited (PTTEP AP)	Australia	Petroleum	PTTEPH	100.00	100.00
Andaman Transportation Limited (ATL)	Cayman Islands	Gas transmission pipelines	PTTEPO	-	100.00
PTTEP International Holding Co., Ltd. (PTTEP IH)	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP Southwest Vietnam Pipeline Co., Ltd. (PTTEP SVPC)	Cayman Islands	Gas transmission pipelines	PTTEPH	100.00	100.00
PTTEP FLNG Holding Co., Ltd. (PTTEP FH)	Hong Kong	Petroleum	PTTEP IH	100.00	100.00
JV Shore Base Limited (JV Shore Base) (Former: PTTEP Brazil Holding Limited (PTTEP BR))	Cayman Islands	Petroleum	PTTEP IH	100.00	100.00
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	PTTEP IH	100.00	100.00
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	PTTEP IH	100.00	100.00
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00
PTTEP Malunda Limited (PTTEP ML)	Cayman Islands	Petroleum	PTTEP ID	100.00	100.00
PTTEP Netherlands Coöperatie U.A. (PTTEP NC)	Netherlands	Petroleum	PTTEP IH	0.00005	0.00005
			PTTEP NL	99.99995	99.99995
PTTEP Canada Limited (PTTEP CA)	Canada	Petroleum	PTTEP NC	100.00	100.00
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Petroleum	PTTEP NC	100.00	100.00
PTTEP MEA Limited (PTTEP MEA)	Cayman Islands	Petroleum	PTTEP	100.00	100.00
PTTEP Australia Offshore Pty Limited (PTTEP AO)	Australia	Petroleum	PTTEP AU	100.00	100.00
PTTEP Australia Browse Basin Pty Limited (PTTEP AB)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia International Finance Pty Ltd (PTTEP AIF)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia Pty Limited (PTTEP AA)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia Timor Sea Pty Limited (PTTEP AT)	Australia	Petroleum	PTTEP AP	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTTEP Australia (Finance) Pty Ltd (PTTEP AAF)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia (Petroleum) Pty Ltd (PTTEP AAP)	Australia	Petroleum	PTTEP AP	100.00	100.00
Tullian Pty Ltd (PTTEP AAT)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia (Operation) Pty Ltd (PTTEP AAO)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia (Ashmore Cartier) Pty Ltd (PTTEP AAA)	Australia	Petroleum	PTTEP AP	100.00	100.00
PTTEP Australia (Staff) Pty Ltd (PTTEP AAS)	Australia	Petroleum	PTTEP AP	100.00	100.00
Cove Energy Public Co., Ltd. (COVE)	England	Petroleum	PTTEP AI	100.00	-
Cove Energy Mozambique Rovuma Onshore Limited	Cyprus	Petroleum	COVE	100.00	-
Cove Energy East Africa Limited	Cyprus	Petroleum	COVE	100.00	-
Cove Energy Mozambique Rovuma Offshore Limited	Cyprus	Petroleum	COVE	100.00	-
Cove Mozambique Terra Limitada	Mozambique	Petroleum	COVE	100.00	-
Cove Mozambique Energia Limitada	Mozambique	Petroleum	COVE	100.00	-
Cove Energy Kenya Limited	Kenya	Petroleum	COVE	100.00	-

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Subsidiary of PTCL:					
PTT (Lao) Co., Ltd. (PTT Lao) (Former: Houakhong Trading Co., Ltd.)	Lao People's Democratic Republic	Oil marketing	PTTCL	100.00	100.00
Subsidiaries of SBECL:					
PTT Philippines Trading Corporation (PTTTC)	Philippines	Oil marketing	SBECL	100.00	100.00
PTT Philippines Corporation (PTTPC)	Philippines	Oil marketing	SBECL	100.00	100.00
Subsidiary of PTTT:					
PTT International Trading DMCC (PTTT DMCC)	United Arab Emirates	International oil trading	PTTT	100.00	100.00
Subsidiary of PTTNGD:					
Amata Natural Gas Distribution Co., Ltd. (AMATA NGD)	Thailand	Natural gas	PTTNGD	80.00	80.00
Subsidiary of PTTPM:					
Polymer Marketing DMCC Co., Ltd. (PM DMCC)	United Arab Emirates	Petrochemicals marketing	PTTPM	100.00	100.00
Subsidiaries of PTTRB:					
PTT Retail Management Co., Ltd. (PTTRM)	Thailand	Management of petrol stations	PTTRB	100.00	100.00
PTT Retail Service Co., Ltd. (PTTRS)	Thailand	Employee management service	PTTRB	100.00	100.00
Thai Lube Blending Co., Ltd. (TLBC)	Thailand	Blending and bottling of lube oil	PTTRB PTT	51.05 48.95	51.05 48.95

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Subsidiaries of PTTI:					
PTT Mining Limited (PTTML)	Hong Kong	Investment in other companies	PTTI	100.00	100.00
International Coal Holdings Pty Ltd (ICH)	Australia	Investment in other companies	PTTML	100.00	100.00
PTT Asia Pacific Mining Pty Ltd (PTTAPM)	Australia	Investment	PTTML	-	60.00
		in mining	ICH	100.00	40.00
Yannarie Solar Pty Ltd (YSP)	Australia	Salt mining	PTTAPM	100.00	100.00
Straits (Brunei) Pte Ltd (Straits (Brunei))	Singapore	Investment in other companies	PTTAPM	100.00	100.00
Sakari Resources Ltd (SAR) (Former: Straits Asia Resources Ltd)	Singapore	Investment in coal mining	PTTAPM	45.88	45.40
			PTTML	47.75	-
Red Island Minerals Limited (RIM)	Australia	Investment in other companies	PTTAPM	100.00	-
Yoxford Holdings	Mauritius	Investment in other companies	RIM	100.00	-
Madagascar Consolidated Mining SA (MCM)	Madagascar	Coal mining	Yoxford Holdings	80.00	-
Tiger Energy Trading Pte Ltd (TET)	Singapore	Coal mining marketing	SAR	100.00	100.00
SAR Resources (Australia) Pty Ltd (SARA)	Australia	Human resource management	SAR	100.00	100.00
Sakari Asia Energy Pte Ltd (SAEnergy) (Former: Straits Asia Energy Pte Ltd)	Singapore	Investment in other companies	SAR	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Reyka Wahana Digdjaya Pte Ltd (RWD)	Singapore	Investment in other companies	SAR	100.00	100.00
Sakari Energy Trading Pte Ltd (SET) (Former: Straits Energy Trading Pte Ltd)	Singapore	Investment in other companies	SAR	100.00	100.00
Sakari Marine & Infrastructure Pte Ltd (SMI) (Former: Straits Marine & Infrastructure Pte Ltd)	Singapore	Marine engineering	SAR	100.00	100.00
PT Straits Consultancy Services (SCS)	Indonesia	Management services	SAR SMI	99.00 1.00	99.00 1.00
PT Bahari Perdana Persada (BPPD)	Indonesia	Investment in other companies	SAR	100.00	100.00
PT Bahari Putra Perdana (BPPN)	Indonesia	Investment in other companies	BPPD	100.00	100.00
PT Reyka Wahana Digdjaya (RWD)	Indonesia	Investment in other companies	BPPN	100.00	100.00
PT Bahari Cakrawala Sebuk (BCS)	Indonesia	Coal mining	SAR RWD	80.00 20.00	80.00 20.00
PT Bumi Borneo Metalindo (BBM)	Indonesia	Investment in other companies	BCS	100.00	100.00
PT Citra Pertiwi Nusantara (CPN)	Indonesia	Coal transport equipments and delivery service	BBM	100.00	100.00
PT Kuda Perdana Pertewi (KPP)	Indonesia	Coal mining	BCS	100.00	100.00
PT Bumiborneo Pertiwi Nusantara (BPN)	Indonesia	Investment in other companies	BCS	100.00	100.00
PT Karbon Mahakam (KM)	Indonesia	Coal mining	BPN	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PT Metalindo Bumi Raya (MBR)	Indonesia	Coal mining	BPN	100.00	100.00
PT Borneo Citrapertiwi Nusantara (BCN)	Indonesia	Investment in other companies	BCS	100.00	100.00
PT Separi Energy (SE)	Indonesia	Investment in other companies	BCN	100.00	100.00
PT Jembayan Muarabara (JMB)	Indonesia	Coal mining	SE	100.00	100.00
PT Kemilau Rindang Abadi (KRA)	Indonesia	Coal mining	SE	100.00	100.00
PT Arzara Baraindo Energitama (ABE)	Indonesia	Coal mining	SE	100.00	100.00
PT Cakrawala Abadi Jaya (CAJ)	Indonesia	Investment in other companies	BCN	100.00	100.00
PT Sakit Utama Luas (SUL)	Indonesia	Investment in other companies	BCN	100.00	100.00
Tri Tunggal Lestari Bersama (TTLB)	Indonesia	Infrastructure	BCN SE	99.00 1.00	- -
PT Makassar Prima Coal (MPC)	Indonesia	Coal mining	SUL	70.00	70.00
PTT International Holding Limited (PTTIH)	Hong Kong	Investment in other companies	PTTI	100.00	100.00
PTT International Investment Limited (PTTII)	Hong Kong	Investment in other companies	PTTIH	100.00	100.00
PTT International (Singapore) (PTT Inter(Sing))	Singapore	Investment in other companies	PTTII	100.00	100.00
Natee Synergy Co., Ltd. (NSC)	Thailand	Investment in other companies	PTTI	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Subsidiaries of PTTGE:					
Sabran Brothers Pte Ltd (Sabran)	Singapore	Investment in other companies	PTTGE	100.00	100.00
Kalimantan Thai Palm Pte Ltd (KTP)	Singapore	Investment in other companies	Sabran	100.00	100.00
PT Az-Zhara	Indonesia	Palm oil	Sabran	95.00	95.00
PTT Green Energy (Hong Kong) Limited (PTTGE HK)	Hong Kong	Financing	Sabran	100.00	100.00
PTT GE Netherlands Coop.U.A. (PTTGE Coop)	Netherlands	Investment in other companies	Sabran	100.00	100.00
PT Mitra Aneka Rezeki (PT. MAR)	Indonesia	Palm oil	KTP	95.00	95.00
PT Taringin Perkasa (PT. TP)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PT Sawit Mandiri Sampuraga (PT. SMS)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PT Sawit Mandiri Sejahtera Kobar (PT. SMSK)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PT Mirza Pratama Putra (PT. MPP)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PT Landen Roslia Mandiri (PT. LRM)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PT Lamandau Sawit Lestari (PT. LSL)	Indonesia	Palm oil	PT Az-Zhara	95.00	95.00
PTT Green Energy (Thailand) Co., Ltd.	Thailand	Management services	PTTGE BV	50.00	50.00
			Sabran	25.00	25.00
			PTTGE	25.00	25.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
PTT GE Services Netherlands BV (PTTGE BV)	Netherlands	Financing	PTTGE Coop	100.00	100.00
<u>Jointly Controlled Entities of PTTGE BV:</u>					
PT Kalpataru Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Kutai Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Sawit Khatulistiwa Plantation	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Kutai Inti Utama	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Kota Bangun Plantation	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Mahakam Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	75.00
PT Malaya Sawit Khatulistiwa	Indonesia	Palm oil	PTTGE BV	75.00	75.00
<u>Subsidiary of BSA:</u>					
Sport Services Alliance Co., Ltd. (SSA)	Thailand	Management services for sport tournaments	BSA	100.00	100.00
<u>Subsidiary of TTM (T):</u>					
TTM Sukuk Berhad (TTMT SPV)	Malaysia	Financing	TTM (T)	100.00	100.00
<u>Jointly Controlled Entities of PTTEP:</u>					
Carigali - PTTEPI Operating Company Sdn Bhd (CPOC)	Malaysia	Petroleum	PTTEPI	50.00	50.00
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas transmission pipelines	PTTEPO	25.50	25.50
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas transmission pipelines	PTTEPO	19.3178	19.3178
Orange Energy Limited (Orange)	Thailand	Petroleum	PTTEPO	53.9496	53.9496
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	PTTEPO	25.0009	25.0009

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Andaman Transportation Limited (ATL)	Cayman Islands	Gas transmission pipelines	PTTEPO	80.00	-
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	PTTEP FH	50.00	50.00
			PTT Inter (Sing)	50.00	50.00
Erawan 2 FSO Bahamas Limited (Erawan2)	Bahamas	Petroleum	JV Marine	13.11	13.11
KKD Oil Sands Partnership (KOSP) (Former: Statoil Canada Partnership (SCP))	Canada	Petroleum	PTTEP CA	40.00	40.00
Leismer Aerodrome Limited (LAL)	Canada	Services	PTTEP CA	32.00	40.00
Groupeement Bir Seba (GBRS)	Algeria	Petroleum	PTTEP AG	35.00	35.00
NST Supply Base Company Limited (NST)	Thailand	Petroleum	JV Shore Base	15.67	-
<u>Jointly Controlled Entities of PTTI:</u>					
FEE (Bru) Pte Ltd (FEEBRU)	Singapore	Coal mining	Straits (Brunei)	35.00	35.00
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	PTT Inter (Sing)	50.00	50.00
			PTTEP FH	50.00	50.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
<u>Jointly Controlled Entities of PTTGE:</u>					
Chancellor Oil Pte Ltd (Chancellor)	Singapore	Investment in other companies	PTTGE	77.56	77.56
<u>Subsidiaries of Chancellor:</u>					
PT First Borneo Plantations (PT. FBP)	Indonesia	Palm oil	Chancellor	95.00	95.00
PT Borneo International Anugerah (PT. BIA)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Wahana Hamparan Hijau (PT. WHH)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Mitra Kapuas Agro (PT. MKA)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Berkah Sawit Abadi (PT. BSA)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Kapuas Bio Agro (PT. KBA)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Khatulistiwa Agro Abadi (PT. KAA)	Indonesia	Palm oil	PT. FBP	95.00	95.00

Project	Country	Operator	Shareholding (%)	
			2012	2011
Projects of PTT Exploration and Production Public Co., Ltd. (PTTEP)				
Bongkot	Thailand	PTT Exploration and Production Public Co., Ltd.	44.4445	44.4445
Arthit	Thailand	PTT Exploration and Production Public Co., Ltd.	80.00	80.00
Arthit North	Thailand	PTT Exploration and Production Public Co., Ltd.	-	100.00
Contract 4 (Former: Pailin)	Thailand	Chevron Thailand Exploration and Production, Ltd.	45.00	45.00
Sinphuhorm (E 5 North)	Thailand	Hess (Thailand) Ltd.	20.00	20.00
S 1	Thailand	PTTEP Siam Limited	25.00	25.00
Contract 3 (Former: Unocal 3)	Thailand	Chevron Thailand Exploration and Production, Ltd.	5.00	5.00
E 5	Thailand	ExxonMobil Exploration and Production Khorat Inc.	20.00	20.00
Algeria Hassi Bir Rekaiz	Algeria	PTT Exploration and Production Public Co., Ltd.	24.50	24.50

Project	Country	Operator	Shareholding (%)	
			2012	2011
Projects of PTTEP International Limited (PTTEPI)				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100.00	100.00
G 4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G 9/43	Thailand- Cambodia	PTTEP International Limited	100.00	100.00
L 22/43	Thailand	PTTEP International Limited	100.00	100.00
L 53/43 & L54/43	Thailand	PTTEP International Limited	100.00	100.00
G 4/48	Thailand	Chevron Pattani, Ltd.	5.00	5.00
Arthit (G 9/48)	Thailand	PTTEP International Limited	-	80.00
Bongkot (G 12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L 21 & 28/48	Thailand	PTTEP International Limited	70.00	70.00
L 29/48	Thailand	PTTEP International Limited	-	70.00
A 4, 5 & 6/48	Thailand	PTTEP International Limited	100.00	100.00
Contract 3 (G 6/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	5.00	5.00
Contract 4 (G 7/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	45.00	45.00
Arthit (G 8/50)	Thailand	PTTEP International Limited	80.00	80.00
Cambodia B	Cambodia	PTTEP International Limited	33.333334	33.333334
Zawtika	Myanmar	PTTEP International Limited	80.00	80.00
Myanmar M3	Myanmar	PTTEP International Limited	100.00	100.00
Myanmar M11	Myanmar	PTTEP International Limited	45.00	100.00
Myanmar M7	Myanmar	PTTEP International Limited	-	100.00
MT JDA – B17	Thailand - Malaysia	Carigali-PTTEPI Operating Company Sendirian Berhad	50.00	50.00

Project	Country	Operator	Shareholding (%)	
			2012	2011
Project of PTTEP Offshore Investment Co., Ltd. (PTTEPO)				
B8/32 & 9A*	Thailand	Chevron Offshore (Thailand) Ltd.	25.0010	25.0010
Project of PTTEP Southwest Vietnam Co., Ltd. (PTTEP SV)				
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7.00	7.00
Project of PTTEP Kim Long Vietnam Co., Ltd. (PTTEP KV)				
Vietnam B & 48/95	Vietnam	Chevron Vietnam (Block B), Ltd.	8.50	8.50
Project of PTTEP Hoang-Long Co., Ltd. (PTTEP HL)				
Vietnam 16-1	Vietnam	Hoang Long Joint Operating Company	28.50	28.50
Project of PTTEP Hoan-Vu Co., Ltd. (PTTEP HV)				
Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	25.00	25.00
Project of PTTEP Oman Co., Ltd. (PTTEP OM)				
Oman 44	Oman	PTTEP Oman Co., Ltd.	100.00	100.00
Project of PTTEP Algeria Co., Ltd. (PTTEP AG)				
Algeria 433a & 416b	Algeria	Groupement Bir Seba	35.00	35.00
Projects of PTTEP Siam Limited (PTTEPS)				
Sinphuhorm (Block EU-1)	Thailand	Hess (Thailand) Ltd.	20.00	20.00
B6/27	Thailand	PTTEP Siam Limited	60.00	60.00
S1	Thailand	PTTEP Siam Limited	75.00	75.00

* PTTEPO held shares in Orange Energy Limited and B8/32 Partners Limited which were concession holders in this project.

Project	Country	Operator	Shareholding (%)	
			2012	2011
Project of PTTEP Australia Offshore Pty Limited (PTTEP AO)				
Australia WA 423 P	Australia	Murphy Australia Oil Pty Ltd.	30.00	30.00
Project of PTTEP Bahrain Co., Ltd. (PTTEP BH)				
Bahrain 2	Bahrain	PTTEP Bahrain Co., Ltd.	-	100.00
Project of PTTEP Rommana Co., Ltd. (PTTEPR)				
Rommana	Egypt	Sipetrol International S.A.	-	30.00
Project of PTTEP Semai II Limited (PTTEP SM)				
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd.	28.33	28.33
Project of PTTEP Sidi Abd El Rahman Co., Ltd. (PTTEP SAER)				
Sidi Abd El Rahman offshore	Egypt	Edison International SPA	30.00	30.00
Project of PTTEP South Asia Limited (PTTEP SA)				
Myanmar PSC G & EP2	Myanmar	PTTEP South Asia Limited	90.00	-
Project of PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South	New Zealand	Shell GSB Limited	18.00	18.00
Project of PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34.00	34.00

Project	Country	Operator	Shareholding (%)	
			2012	2011
Project of PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Ltd.	100.00	100.00
Project of PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang	Indonesia	Talisman Sadang B.V.	30.00	30.00
Project of PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri	Indonesia	Talisman South Sageri B.V.	20.00	20.00
Project of PTTEP Canada Limited (PTTEP CA)				
Canada Oil Sands KKD	Canada	Statoil Canada Ltd	40.00	40.00
Projects of Cove Energy Limited (COVE)				
Mozambique Rovuma Offshore Area 1	Mozambique	Anadarko Mozambique Area 1 Limitada	8.50	-
Mozambique Rovuma Onshore	Mozambique	Anadarko Mozambique Area 1 Limitada	10.00	-
Kenya L 10 A	Kenya	BG Kenya Limited	25.00	-
Kenya L 10 B	Kenya	BG Kenya Limited	15.00	-
Kenya L 5, L 7, L 11 A, L 11 B & L 12	Kenya	Anadarko Kenya Company	10.00	-
Projects of PTTEP Australia Perth Pty Limited (PTTEP AP)				
PTTEP Australasia	Australia			

Details of operators and shareholding percentage in projects of PTTEP Australasia are as follows:

Block	Operator	Shareholding (%)	
		2012	2011
AC/L7, AC/L8, AC/P33, AC/P34, AC/P40 & AC/P54	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	100.00
AC/L1, AC/L2 & AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Ltd	89.6875	89.6875
AC/RL7	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	100.00
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	90.00	90.00
AC/RL4 (Tenacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	100.00
AC/RL6 (Audacious), AC/P4, AC/RL4 (exclude Tenacious), AC/RL5, AC/RL6 (exclude Audacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	50.00	50.00
AC/P32	PTTEP Australasia (Ashmore Cartier) Pty Ltd	-	35.00
AC/P17	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	50.00
WA-396-P & WA-397-P	Woodside Energy Limited	20.00	20.00
WA-378-P	Woodside Energy Limited	-	20.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2012	2011
Associates of PTTEP:					
Energy Complex Co., Ltd. (EnCo)	Thailand	Commercial	PTTEP	50.00	50.00
PTT ICT Solutions Co., Ltd. (PTTICT)	Thailand	Communication and technology services	PTTEP	20.00	20.00
Associates of PTTEP AP Group*	Australia	Services	PTTEP AAO	50.00	50.00
Associate of SBECL:					
FST Aviation Services Limited (FST)	Hong Kong	Aircraft refueling service	PTTPC	25.00	25.00
Associates of PTTI:					
East Mediterranean Gas Company S.A.E. (EMG)	Egypt	Natural gas transmission pipelines	PTTI	25.00	25.00
Red Island Minerals Ltd. (RIM)**	Australia	Investment in other companies	PTTAPM	-	33.50
Xayaburi Power Company Limited (XPCL)	Lao People's Democratic Republic	Hydroelectric power plant	NSC	25.00	25.00

* Associates of PTTEP AP Group consist of ShoreAir Pty Ltd and Troughton Island Pty Ltd.

** The Status of RIM has changed from an associate to a subsidiary since March 2, 2012.

12.3 Investments in associates in the consolidated financial statements as at December 31, 2012 and 2011

Unit: Million Baht

Company	Shareholding (%)		2012		2011		Dividends	
	2012	2011	Cost method	Equity method	Cost method	Equity method	2012	2011
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	43,084.82	11,380.83	39,274.55	2,504.12	2,704.45
2. SPRC	36.00	36.00	14,770.48	17,183.79	14,770.48	21,573.08	6,057.67	-
3. BCP	27.22	27.22	5,585.26	8,934.16	5,585.26	8,249.06	505.91	426.69
4. IRPC	38.51	38.51	28,467.24	29,669.33	28,467.24	30,366.79	314.79	1,416.55
<u>Oil Business Group</u>								
5. THAPPLINE	33.19	33.19	2,682.35	2,193.36	2,682.35	1,659.74	-	-
6. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
7. V LPG	45.00	45.00	87.35	95.18	87.35	119.12	33.75	-
8. KPL	40.00	40.00	21.49	-	21.49	-	-	-
9. FST	25.00	25.00	0.87	1.55	0.84	1.42	-	-
<u>Petrochemicals Business Group</u>								
10. PPCL	40.00	40.00	3,340.48	4,982.48	3,340.48	4,940.00	-	-
11. PTTME	40.00	40.00	66.40	196.40	66.40	205.98	28.40	27.20
12. PTTGC	48.89	48.92	49,562.99	116,881.10	49,562.99	104,910.14	5,037.51	6,359.97*

* This amount includes dividend incomes from PTTAR and PTTCH, which were Baht 2,600.03 million and Baht 3,759.94 million, respectively.

Unit: Million Baht

Company	Shareholding (%)		2012		2011		Dividends	
	2012	2011	Cost method	Equity method	Cost method	Equity method	2012	2011
<u>Natural Gas Business Group</u>								
13. IPT	20.00	20.00	400.19	1,739.29	400.19	1,648.32	-	-
14. TP	26.00	26.00	2,304.76	2,278.18	2,304.76	2,258.96	146.12	73.06
15. PTTUT	40.00	40.00	2,743.60	3,067.10	2,743.60	2,773.36	5.76	-
16. EMG	25.00	25.00	14,975.23	12,052.37	15,493.25	12,474.48	-	-
17. B.Grimm BIP	23.00	23.00	65.67	64.88	31.17	30.86	-	-
18. NNEG	30.00	30.00	72.60	65.28	24.60	23.59	-	-
19. XPCL	25.00	25.00	423.68	443.56	260.19	246.72	-	-
20. BIC	25.00	25.00	281.50	277.91	113.75	113.44	-	-
<u>Coal Business Group</u>								
21. RIM	-	33.50	-	-	1,642.72	1,541.56	-	-
<u>Other Business Group</u>								
22. PTTICT	40.00	40.00	60.00	236.27	60.00	144.41	-	-
23. PTES	40.00	40.00	62.50	66.73	62.50	63.06	-	-
24. ShoreAir	50.00	50.00	14.70	105.83	15.21	94.02	-	-
			137,501.42	243,619.57	139,248.90	232,712.66		
Less Allowance for impairment			(11,660.61)	(8,585.00)	(8,019.54)	(4,859.14)		
Total			125,840.81	235,034.57	131,229.36	227,853.52	14,634.03	11,007.92

12.4 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at December 31, 2012 and 2011

Unit: Million Baht

Company	Shareholding (%)		Cost method		Dividends	
	2012	2011	2012	2011	2012	2011
<u>Subsidiaries:</u>						
1. PTTEP	65.29	65.29	71,390.42	11,131.33	12,116.33	11,032.58
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	774.30	493.00
6. PTTLNG	100.00	100.00	6,403.00	6,403.00	-	-
7. PTTPM	50.00	50.00	20.00	20.00	-	-
8. EnCo	50.00	50.00	900.00	900.00	-	-
9. PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
10. PTTTB	100.00	100.00	5,100.00	5,100.00	-	-
11. CHPP	100.00	100.00	316.22	316.22	-	-
12. PTTI	100.00	100.00	33,316.00	33,157.00	-	-
13. PTTGE	100.00	100.00	11,750.64	10,834.08	-	-
14. BSA	25.00	25.00	0.50	0.50	1.42	-
15. PTT TANK	100.00	100.00	2,500.37	2,500.37	-	-
16. TLBC	48.95	48.95	140.00	140.00	10.92	7.70
Total investments in subsidiaries			134,612.83	73,278.18	12,902.97	11,533.28

Note: During the period ended December 31, 2011, RBA made a dividend payment amounting to Baht 46.00 million. Also, RBA registered for closing the company and finished the liquidation process on November 22, 2011.

Unit: Million Baht

Company	Shareholding (%)		Cost method		Dividends	
	2012	2011	2012	2011	2012	2011

Jointly Controlled Entities:*Natural Gas Business Group*

17. TTM (T)	50.00	50.00	5,666.80	5,666.80	1,388.37	-
18. TTM (M)	50.00	50.00	281.32	281.32	-	-
19. DCAP	35.00	35.00	584.50	584.50	-	-

Petrochemicals Business Group

20. PTTAC	48.50	48.50	6,909.41	6,909.41	-	-
21. HMC	41.44	41.44	9,117.12	9,117.12	621.13	1,774.27
22. PTTMCC	50.00	50.00	180.12	180.12	-	-
Total investments in jointly controlled entities			22,739.27	22,739.27	2,009.50	1,774.27

Associates:*Refining Business Group*

23. TOP	49.10	49.10	11,380.83	11,380.83	2,504.12	2,704.45
24. SPRC	36.00	36.00	14,770.48	14,770.48	6,057.67	-
25. BCP	27.22	27.22	5,585.26	5,585.26	505.91	426.69
26. IRPC	38.51	38.51	28,467.24	28,467.24	314.79	1,416.55

Oil Business Group

27. THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
28. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
29. V LPG	45.00	45.00	87.35	87.35	33.75	-
30. KPL	40.00	40.00	21.49	21.49	-	-

Unit: Million Baht

Company	Shareholding (%)		Cost method		Dividends	
	2012	2011	2012	2011	2012	2011
<i>Petrochemicals Business Group</i>						
31. PPCL	40.00	40.00	3,340.48	3,340.48	-	-
32. PTTME	40.00	40.00	66.40	66.40	28.40	27.20
33. PTTGC	48.89	48.92	48,121.52	48,121.52	4,959.71	6,273.71*
<i>Natural Gas Business Group</i>						
34. IPT	20.00	20.00	400.19	400.19	-	-
35. TP	26.00	26.00	2,304.76	2,304.76	146.12	73.06
36. PTTUT	40.00	40.00	2,743.60	2,743.60	5.76	-
37. B.Grimm BIP	23.00	23.00	65.67	31.17	-	-
38. NNEG	30.00	30.00	72.60	24.60	-	-
39. BIC	25.00	25.00	281.50	113.75	-	-
<i>Other Business Group</i>						
40. PTTICT	20.00	20.00	30.00	30.00	-	-
41. PTTES	40.00	40.00	62.50	62.50	-	-
Investments in associates			120,615.47	120,365.22		
Less Allowance for impairment			(152.74)	(152.74)		
Total investments in associates			120,462.73	120,212.48	14,556.23	10,921.66
Total			277,814.83	216,229.93	29,468.70	24,229.21

* This amount includes dividend incomes from PTTAR and PTTCH, which were Baht 2,600.03 million and Baht 3,673.68 million, respectively.

12.5 Movements in investments in the consolidated and the separate financial statements

12.5.1 Movements in investments in associates accounted for under the equity method in the consolidated financial statements are as follows:

Unit: Million Baht		
	2012	2011
Balance as at January 1	227,853.52	203,619.75
- Share of income and loss	27,091.05	29,463.28
- Dividends received	(14,634.03)	(11,007.92)
- Reclassification	(1,514.83)	585.60
- Additional investments	413.74	4,251.49
- Disposal of investments	-	(973.86)
- Unrealized gain (loss) on available-for-sale investments	5.89	(2.27)
- Currency translation differences	(174.20)	570.17
- Surplus on amalgamation of associates	(17.93)	6,026.49
- Impairment of investments	(3,972.32)	(4,675.23)
- Others	(16.32)	(3.98)
Balance as at December 31	235,034.57	227,853.52

12.5.2 Movements in investments in subsidiaries, jointly controlled entities and associates accounted for under the cost method in the separate financial statements are as follows:

Unit: Million Baht		
	2012	2011
Balance as at January 1	216,229.93	182,372.55
- Additional investments	61,584.90	32,909.63
- Disposal of investments	-	(555.83)
- Reclassification	-	585.60
- Adjustment	-	939.47
- Impairment of investments	-	(21.49)
Balance as at December 31	277,814.83	216,229.93

12.6 Shares of net assets and results of operations from jointly controlled entities, which are included in the consolidated financial statements as at December 31, 2012 and 2011, are as follows:

Statements of financial position:

As at December 31, 2012 and 2011

Unit: Million Baht

	2012						2011					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC
Current assets	2,744.65	162.24	195.91	2,090.88	4,748.20	136.85	3,318.28	122.56	115.76	1,597.05	3,922.08	170.83
Non-current assets	12,293.30	595.40	1,281.95	13,004.90	12,545.21	27.60	13,146.17	622.59	1,302.00	12,333.11	12,511.04	8.55
Current liabilities	(1,254.92)	(98.94)	(203.73)	(3,243.97)	(2,084.88)	(3.04)	(1,232.54)	(85.72)	(207.22)	(1,950.21)	(1,567.74)	(3.42)
Non-current liabilities	(7,366.06)	(291.16)	(810.88)	(5,629.23)	(4,420.27)	(0.04)	(8,298.64)	(358.17)	(794.26)	(5,420.67)	(5,055.13)	-
Net assets	6,416.97	367.54	463.25	6,222.58	10,788.26	161.37	6,933.27	301.26	416.28	6,559.28	9,810.25	175.96

Statements of income:

For the periods ended December 31, 2012 and 2011

Unit: Million Baht

	2012						2011					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PTTMCC
Income*	2,513.02	158.25	928.37	849.55	12,969.68	4.21	1,977.20	140.21	584.92	(247.47)	12,862.89	3.48
Expenses	(1,640.94)	(91.88)	(881.40)	(1,186.57)	(11,174.97)	(18.80)	(1,753.98)	(98.40)	(656.28)	(191.43)	(10,197.84)	(7.53)
Gain (Loss) before taxes	872.08	66.37	46.97	(337.02)	1,794.71	(14.59)	223.22	41.81	(71.36)	(438.90)	2,665.05	(4.05)
Income taxes	-	-	-	0.31	(194.22)	-	-	-	-	0.01	(426.38)	-
Net income (loss)	872.08	66.37	46.97	(336.71)	1,600.49	(14.59)	223.22	41.81	(71.36)	(438.89)	2,238.67	(4.05)

* including gain (loss) on foreign exchange rate

12.7 Significant events during the period ended December 31, 2012

BIC

In 2012, BIC called up payment of additional share capital on six occasions, together amounting to Baht 167.75 million. The Company has already paid the full amounts.

PTTGE

On February 27, 2012, PTTGE called for payment of additional authorized share capital of USD 30 million or approximately Baht 916.56 million. The Company made the share payment on February 29, 2012.

RIM

On March 2, 2012, PTT Asia Pacific Mining Pty Ltd (PTTAPM), a subsidiary of PTTL, increased its shareholding in Red Island Minerals Limited (RIM) by 66.50% from 33.50% to 100%. As a result, the status of RIM changed from an associate to a subsidiary. Details are disclosed in Note 41 "Business acquisition".

B.Grimm BIP

On March 27, 2012, at the B.Grimm BIP's Shareholder Meeting No. 1/2012, the shareholders passed a resolution to increase its authorized share capital by Baht 150 million, from Baht 135.50 million to Baht 285.50 million, by issuing 1.50 million additional shares with a par value of Baht 100 each. Furthermore, B.Grimm BIP called for the full payment of the additional authorized share capital. The Company paid Baht 34.50 million for these additional shares on March 28, 2012, in proportion to its shareholding.

PTTGC

During the period, PTTGC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 31. This resulted in a gain of Baht 19.28 million, which was recorded in the statement of income, and decreased the Company's shareholding in PTTGC to 48.89% as at December 31, 2012.

NNEG

On March 14, 2012, at the NNEG's Board of Directors Meeting No. 1/2012, the Board passed a resolution to increase its authorized share capital by Baht 80 million, from Baht 82 million to Baht 162 million, by issuing 8 million additional shares with a par value of Baht 10 each. Furthermore, NNEG called for the full payment of the additional authorized share capital. The Company paid Baht 24 million for these additional shares on April 30, 2012, in proportion to its shareholding.

On October 3, 2012, at the NNEG's Board of Directors Meeting No. 4/2012, the Board passed a resolution to increase its authorized share capital by Baht 80 million, from Baht 162 million to Baht 242 million, by issuing 8 million additional shares with a par value of Baht 10 each. Furthermore, NNEG called for the full payment of the additional authorized share capital. The Company paid Baht 24 million for these additional shares on October 31, 2012, in proportion to its shareholding.

PTTI

On April 30, 2012, PTTI made an additional assessment of impairment loss on an investment in East Mediterranean Gas Company (EMG) because Egyptian General Petroleum Corporation (EGPC) and Egyptian Natural Gas Holding Company (EGAS), which are exporters of natural gas from Egypt to Israel, notified EMG that they were terminating the Gas Supply and Purchase Agreement. As a result, EMG is unable to deliver gas to its customers. PTTI reviewed impairment and accounted for the impairment loss on the investment of Baht 3,972.32 million in the second quarter of 2012. As a result, the allowance for impairment loss on the investment in EMG as at December 31, 2012 in the consolidated financial statements amounted to Baht 8,585.00 million.

On May 14, 2012, PT Separi Energy (SE), a subsidiary of Sakari Resources Ltd. (SAR) which is a subsidiary of PTTI, acquired a 100% shareholding in Tri Tunggal Lestari Bersama (TTLB). Details are disclosed in Note 41 "Business acquisition".

On June 13, 2012, PTTI called for payment of additional authorized share capital of Baht 159 million. The Company made the share payment on June 20, 2012.

On June 14, 2012, at the PTTI's Board of Directors Meeting No. 8/2012, the Board passed a resolution to merge its two of subsidiaries, International Coal Holdings Pty Ltd (ICH) and PTT Asia Pacific Mining Pty Ltd (PTTAPM), by having PTT Mining Limited (PTTML) sell its 60% shareholding in PTTAPM to ICH.

On October 1, 2012, PTTML sold its 60% shareholding in PTTAPM to ICH for AUD 571.82 million or approximately Baht 18,327.60 million.

On August 23, 2012, at the PTTI's Board of Directors Meeting No. 11/2012, the Board passed a resolution to approve a tender offer by PTT Mining Limited (PTTML), a subsidiary of PTTI, for the ordinary shares of Sakari Resources Limited (SAR) in order to increase its shareholding in SAR. PTTML made a tender offer for all the ordinary shares of SAR through the Singapore Exchange and reported these to The Stock Exchange of Thailand on August 27, 2012.

On October 22, 2012, the closing date for the tender offer for ordinary shares of Sakari Resources Limited (SAR), a subsidiary of PTTML which is a subsidiary of PTTI, PTTML received valid acceptance from the tender offer and from stock exchange trading. As a result, PTTML directly and indirectly held an aggregate total of 1,025,053,511 shares of SAR, representing a 90.15% shareholding. PTTML reserved the right to delist SAR from the Singapore Exchange.

On December 12, 2012, the Board of SAR announced its intention to delist SAR from the Singapore Exchange and reported this to The Stock Exchange of Thailand on December 13, 2012.

On December 3, 2012, PTT Asia Pacific Mining Pty Ltd. (PTTAPM), a subsidiary of International Coal Holdings Pty Ltd. (ICH), a subsidiary of PTT Mining Limited (PTTML) which is a subsidiary of PTTI, acquired SAR shares from PTTML, in accordance with a resolution passed by Shareholders Meeting of PTTAPM held on November 30, 2012.

Between December 3, 2012 and December 21, 2012, PTTAPM acquired 7,076,763 shares of SAR, representing a shareholding of 0.62%. As a result, at December 31, 2012, PTTML's direct and indirect shareholding in SAR consists of 1,064,632,540 shares, or 93.63%.

XPCL

On June 27, 2011, at the XPCL's Extraordinary General Meeting of the shareholders No. 1/2011, the shareholders passed a resolution to increase authorized share capital by Baht 5,750 million, from Baht 1,000 million to Baht 6,750 million, by issuing 575 million additional shares with a par value of Baht 10 each.

In 2012, XPCL called additional authorized share capital on five occasions, totaling Baht 1.68 each, at a total of Baht 241.50 million. NSC has paid the full amount of these shares.

SPRC

On June 5, 2012, at the SPRC's Extraordinary General Meeting of the shareholders No. 3/2012, the shareholders passed a resolution to change SPRC's status from Star Petroleum Refining Company Limited to Star Petroleum Refining Public Company Limited, under the Public Limited Companies Act, B.E. 2535 (1992). SPRC registered to change its status to a public company on June 7, 2012.

PTTEP

On August 17, 2012, PTTEP Africa Investment Limited (PTTEP AI), a subsidiary of PTTEP, acquired Cove Energy Plc. (COVE) in the Republic of Mozambique. Details are disclosed in Note 41 "Business acquisition".

On October 29, 2012, at the PTTEP's Extraordinary General Meeting of the shareholders No. 1/2012, the shareholders passed resolutions to increase authorized share capital by issuing 650 million additional ordinary shares with a par value of Baht 1.00 each. PTTEP sold the shares through a preferential public offering to all eligible existing shareholders at Baht 142 each.

On December 3, 2012, PTTEP allocated 424,359,789 new issued ordinary shares amounting to Baht 60,259,090,038 to the Company. Consequently, the Company maintained its existing shareholding in PTTEP at approximately 65.29%. The Company paid the full amount for these shares on December 6, 2012.

12.8 Additional information in respect of associates

12.8.1 Shares of net assets and results of operations from associates presented by business segments as at December 31, 2012 and 2011 are as follows:

Statements of financial position:

As at December 31, 2012 and 2011

Unit: Million Baht

	2012					2011				
	Gas	Oil	Petro-chemicals	Refinery	Others	Gas	Oil	Petro-chemicals	Refinery	Others
Current assets	4,834.22	907.15	82,184.04	98,958.10	394.78	4,742.97	900.99	54,407.83	89,054.58	305.87
Non-current assets	11,509.24	2,271.70	140,764.62	89,190.16	105.67	11,391.67	2,215.24	137,283.60	84,542.00	92.85
Current liabilities	(1,151.53)	(436.61)	(35,848.30)	(43,280.78)	(265.23)	(2,335.32)	(414.50)	(30,319.47)	(35,376.98)	(211.61)
Non-current liabilities	(4,939.33)	(554.82)	(65,663.94)	(44,845.86)	(45.48)	(6,234.85)	(992.96)	(54,548.60)	(36,934.91)	(48.72)
Net assets	10,252.60	2,187.42	121,436.42	100,021.62	189.74	7,564.47	1,708.77	106,823.36	101,284.69	138.39

Statements of income:

For the periods ended December 31, 2012 and 2011

Unit: Million Baht

	2012					2011				
	Gas	Oil	Petro-chemicals	Refinery	Others	Gas	Oil	Petro-chemicals	Refinery	Others
Income	12,094.98	2,201.59	287,176.96	475,467.57	637.14	10,344.71	1,927.84	117,795.32	580,664.59	439.33
Expenses	(11,557.43)	(1,530.15)	(269,654.42)	(464,988.86)	(571.29)	(9,786.13)	(1,287.83)	(105,999.34)	(558,003.22)	(388.93)
Income (loss) before taxes	537.55	671.44	17,522.54	10,478.71	65.85	558.58	640.01	11,795.98	22,661.37	50.40
Income taxes	39.22	(129.91)	(684.42)	(1,614.34)	(15.50)	(86.84)	(138.41)	(889.17)	(4,675.17)	(14.26)
Net Profit (loss)	576.77	541.53	16,838.12	8,864.37	50.35	471.74	501.60	10,906.81	17,986.20	36.14

12.8.2 The Company has not recognized its shares of gain (loss) from some associates for the year ended December 31, 2012 amounting to Baht (3.25) million (2011: Baht (7.68) million) because the Company had an unrealized allowance for its share of loss from these associates amounting to Baht 75.51 million as at December 31, 2012 (December 31, 2011: Baht 72.29 million).

12.8.3 The fair value of investments in associates (only those with equity securities traded on the Stock Exchange of Thailand (SET)) was calculated based on current bid prices at the statement of financial position dates. Details are as follows:

	Unit: Million Baht	
	2012	2011
<u>Associates</u>		
BCP	11,898.27	7,045.27
IRPC	32,423.14	32,108.35
TOP	67,611.21	58,596.38
PTTGC	154,302.32	134,463.45

12.8.4 Investments in subsidiaries, jointly controlled entities and associates where voting rights and ownership interests differ are as follows:

	Unit: Percentage	
Company	Voting rights	Ownership
Subsidiary		
BSA	57.14	100.00
Jointly Controlled Entity		
HMC	42.10	41.44
Associate		
THAPPLINE	35.20	33.15

13. Available-for-sale Investments

13.1 Details of available-for-sale investments

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011

Available-for-sale investments of the Company:

Investments in equity securities

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

Investments in mutual funds

MFC Energy Fund	Thailand	Mutual fund	32.57	32.57
Finansa Asset Management - Energy and Petrochemical Index Fund (FAM EPIF)	Thailand	Mutual fund	-	-

Company	Country of Incorporation	Business	Share held by	Shareholding (%)	
				2012	2011

Available-for-sale investments of PTTEP:

Investments in equity securities

Wentworth Resources Limited (WRL)	Canada	Oil and gas exploration	COVE	2.42	-
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Available-for-sale investments of PTTI:

Investments in equity securities

Xanadu Mines Ltd. (XML)	Mongolia	Mineral exploration	SET	12.37	13.18
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13.2 Details of available-for-sale investments as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends	
	2012	2011	2012	2011	2012	2011	2012	2011
Investments in Equity								
Securities								
TIP	13.33	13.33	312.00	312.00	312.00	312.00	10.00	70.00
BAFS	7.06	7.06	24.00	24.00	24.00	24.00	24.12	21.96
WRL	2.42	-	41.95	-	-	-	-	-
XML	12.37	13.18	224.79	232.57	-	-	-	-
Total investments in equity securities			602.74	568.57	336.00	336.00		
Investments in Mutual Funds								
MFC Energy Fund	32.57	32.57	504.89	504.89	504.89	504.89	-	-
FAM EPIF			6,300.00	6,300.00	6,300.00	6,300.00	71.83	71.83
Total investments in mutual funds			6,804.89	6,804.89	6,804.89	6,804.89		
Total available-for-sale investments before changes in value of investments			7,407.63	7,373.46	7,140.89	7,140.89		
Allowance for changes in value of Investments			5,564.70	4,306.96	5,730.55	4,280.62		
Total			12,972.33	11,680.42	12,871.44	11,421.51	105.95	163.79

13.3 Movements in available-for-sale investments are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	11,680.42	13,590.60	11,421.51	13,223.30
- Additional investments	42.05	24.80	-	-
- Reclassifications	-	(585.60)	-	(585.60)
- Allowance for changes in value of investments	1,256.26	(1,270.48)	1,449.93	(1,216.19)
- Currency translation differences	(6.40)	(78.90)	-	-
Balance as at December 31	12,972.33	11,680.42	12,871.44	11,421.51

14. Other Long-term Investments

14.1 Details of other long-term investments are as follows:

Company	Country of Incorporation	Business	Shareholding (%)	
			2012	2011
Other long-term investments of the Company:				
Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou))	China	Oil marketing	25.00	25.00
Petro Asia (Maoming) Co., Ltd. (PA (Maoming))	China	Oil marketing	20.00	20.00
Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui))	China	Oil marketing	25.00	25.00
Fuel Pipeline Transportation Co., Ltd. (FPT)*	Thailand	Oil transmission pipelines	-	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
Colour Vision International Co., Ltd. (Corpus)	Thailand	Finished yarn production	0.48	0.48
Other long-term investments of subsidiaries and jointly controlled entities:				
Other long-term investments of PTTT:				
KIC Oil Terminals Sdn Bhd (KOT)	Malaysia	Logistics services	10.00	10.00
Kadriah Integrated Facilities Sdn Bhd (KIF)	Malaysia	Logistics services	10.00	10.00
Kadriah I Ltd (K I)	Malaysia	Logistics services	10.00	10.00
Kadriah II Sdn Bhd (K II)	Malaysia	Logistics services	10.00	10.00
Other long-term investments of HMC:				
Rayong Olefins Co., Ltd. (ROC)	Thailand	Petrochemicals	5.91	5.91
Basell Advanced Polyolefins (Thailand) Co., Ltd. (BAPT)	Thailand	Petrochemicals	2.07	2.07

* As at December 31, 2012, the Company holds 0.00016% of shareholding.

14.2 Details of other long-term investments as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends	
	2012	2011	2012	2011	2012	2011	2012	2011
Other long-term investments								
1. PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2. FPT*	-	2.76	-	44.00	-	44.00	-	-
3. IPS	16.67	16.67	0.02	0.02	0.02	0.02	-	-
4. RPCL	15.00	15.00	1,098.75	1,098.75	1,098.75	1,098.75	270.00	345.00
5. ROC	5.91	5.91	909.84	643.73	-	-	-	91.07
6. BAPT	2.07	2.07	18.19	18.19	-	-	-	-
7. PA (Maoming)	20.00	20.00	14.83	14.83	14.83	14.83	-	-
8. PA (Sanshui)	25.00	25.00	6.06	6.06	6.06	6.06	-	-
9. KOT	10.00	10.00	107.63	111.36	-	-	-	-
10. KIF	10.00	10.00	44.60	46.15	-	-	-	-
11. K I	10.00	10.00	224.19	231.94	-	-	-	-
12. K II	10.00	10.00	59.93	61.99	-	-	-	-
13. Corpus	0.48	0.48	0.60	0.60	0.60	0.60	-	-
Total investments accounted for under the cost method			2,499.80	2,292.78	1,135.42	1,179.42		
Less Allowance for impairment of investments			(483.84)	(542.93)	(29.30)	(73.30)		
Total			2,015.96	1,749.85	1,106.12	1,106.12	270.00	436.07

* As at December 31, 2012, the Company holds 0.00016% of shareholding, totaling 44 shares, amounting to Baht 220.

14.3 Movements in other long-term investments are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	1,749.85	2,179.35	1,106.12	1,106.12
- Additional investments	266.11	-	-	-
- Disposal of investments	(44.00)	-	(44.00)	-
- Allowance for impairment loss on investments	44.00	(438.84)	44.00	-
- Currency translation differences	-	9.34	-	-
Balance as at December 31	2,015.96	1,749.85	1,106.12	1,106.12

14.4 Significant events during the period ended December 31, 2012

ROC

On April 3, 2012, HMC acquired 6,421,156 new issued ordinary shares of Baht 100 each in ROC, in proportion to its shareholding, totaling Baht 642 million. In 2012, HMC paid the full amount for these shares. The Company recognized the investments of Baht 266.11 million according to its percentage of the investment.

FPT

On September 21, 2012, the Central Bankruptcy Court issued an order approving the rehabilitation plan of FPT, and the plan administrator implemented that plan. As a result, the Company holds 44 shares of FPT shares, totaling Baht 220, representing a shareholding of 0.00016%. However, the Company recorded for the impairment loss for the full amount of the investment.

15. Investment Properties

Details of investment properties are as follows:

Unit: Million Baht

	Consolidated financial statements			
	Land	Buildings and building improvements	Construction in progress	Total
Cost				
As at January 1, 2012	4,421.68	5,490.53	-	9,912.21
- Additions	-	6.48	10.05	16.53
- Reclassifications	-	(43.81)	(8.94)	(52.75)
- Disposals	-	(13.52)	-	(13.52)
As at December 31, 2012	4,421.68	5,439.68	1.11	9,862.47
Accumulated depreciation				
As at January 1, 2012	-	(1,566.92)	-	(1,566.92)
- Depreciation for the period	-	(266.54)	-	(266.54)
- Reclassifications	-	50.42	-	50.42
- Disposals	-	12.05	-	12.05
As at December 31, 2012	-	(1,770.99)	-	(1,770.99)
Net book value				
As at December 31, 2011	4,421.68	3,923.61	-	8,345.29
As at December 31, 2012	4,421.68	3,668.69	1.11	8,091.48

Unit: Million Baht

	Separate financial statements			
	Land	Buildings and building improvements	Construction in progress	Total
Cost				
As at January 1, 2012	4,421.68	1,837.69	-	6,259.37
- Additions	-	2.41	10.05	12.46
- Reclassifications	-	(45.31)	(8.94)	(54.25)
- Disposals	-	(13.25)	-	(13.25)
As at December 31, 2012	4,421.68	1,781.54	1.11	6,204.33
Accumulated depreciation				
As at January 1, 2012	-	(1,160.07)	-	(1,160.07)
- Depreciation for the period	-	(60.04)	-	(60.04)
- Reclassifications	-	50.42	-	50.42
- Disposals	-	12.05	-	12.05
As at December 31, 2012	-	(1,157.64)	-	(1,157.64)
Net book value				
As at December 31, 2011	4,421.68	677.62	-	5,099.30
As at December 31, 2012	4,421.68	623.90	1.11	5,046.69

The fair values of investment properties in the consolidated financial statements and the separate financial statements are Baht 17,823.53 million (December 31, 2011: Baht 11,286.02 million) and Baht 13,241.72 million (December 31, 2011: Baht 7,537.65 million), respectively.

16. Property, Plant and Equipment

Details of property, plant and equipment are as follows:

Unit: Million Baht

	Consolidated financial statements						
	Land	Buildings and building improvements	Machinery and equipment	Oil and gas properties	Other assets	Construction in progress	Total
Cost							
As at January 1, 2012	5,823.25	43,726.53	338,681.25	481,626.47	14,761.89	34,550.88	919,170.27
- Business acquisition (Note 41)	-	-	60.82	-	1,567.42	-	1,628.24
- Additions	992.45	451.10	3,116.34	94,560.13	2,086.39	23,048.22	124,254.63
- Borrowing costs	-	-	-	-	-	838.62	838.62
- Reclassifications	25.54	1,954.46	8,782.31	2,749.05	(24.14)	(13,182.76)	304.46
- Disposals	(4.41)	(107.17)	(342.26)	(2,804.55)	(276.56)	(2.04)	(3,536.99)
- Currency translation difference	(68.56)	(140.41)	(353.57)	(17,218.20)	(274.75)	(37.51)	(18,093.00)
As at December 31, 2012	6,768.27	45,884.51	349,944.89	558,912.90	17,840.25	45,215.41	1,024,566.23
Accumulated depreciation							
As at January 1, 2012	-	(14,117.11)	(105,027.54)	(190,770.15)	(6,937.86)	-	(316,852.66)
- Business acquisition (Note 41)	-	-	(4.87)	-	-	-	(4.87)
- Depreciation for the period	-	(2,165.24)	(14,344.13)	(40,281.99)	(1,327.85)	-	(58,119.21)
- Reclassifications	-	(34.60)	(30.24)	-	31.81	-	(33.03)
- Disposals	-	91.78	254.86	1,278.61	185.61	-	1,810.86
- Currency translation differences	-	60.85	181.29	8,262.76	19.72	-	8,524.62
As at December 31, 2012	-	(16,164.32)	(118,970.63)	(221,510.77)	(8,028.57)	-	(364,674.29)
Allowance for impairment of assets							
As at January 1, 2012	(81.27)	(9.59)	(255.24)	(634.05)	-	-	(980.15)
- Impairment losses	(78.42)	(0.04)	(16.42)	(6,134.03)	-	-	(6,228.91)
- Reversal of impairment losses	81.27	4.94	12.38	219.79	-	-	318.38
- Currency translation differences	-	-	-	137.41	-	-	137.41
As at December 31, 2012	(78.42)	(4.69)	(259.28)	(6,410.88)	-	-	(6,753.27)
Net book value							
As at December 31, 2011	5,741.98	29,599.83	233,398.47	290,222.27	7,824.03	34,550.88	601,337.46
As at December 31, 2012	6,689.85	29,715.50	230,714.98	330,991.25	9,811.68	45,215.41	653,138.67

Unit: Million Baht

	Separate financial statements					
	Land	Buildings and building improvements	Machinery and equipment	Other assets	Construction in progress	Total
Cost						
As at January 1, 2012	3,788.62	26,412.10	269,436.61	9,320.10	16,651.12	325,608.55
- Additions	164.16	214.45	1,814.24	385.66	20,110.82	22,689.33
- Borrowing costs	-	-	-	-	759.24	759.24
- Reclassifications	30.69	817.75	5,337.31	742.50	(8,048.35)	(1,120.10)
- Disposals	-	(101.87)	(188.80)	(78.48)	-	(369.15)
As at December 31, 2012	3,983.47	27,342.43	276,399.36	10,369.78	29,472.83	347,567.87
Accumulated depreciation						
As at January 1, 2012	-	(10,306.07)	(90,247.25)	(5,549.23)	-	(106,102.55)
- Depreciation for the period	-	(1,104.25)	(10,564.10)	(1,006.07)	-	(12,674.42)
- Reclassifications	-	(52.56)	(9.38)	10.68	-	(51.26)
- Disposals	-	89.98	175.88	41.94	-	307.80
As at December 31, 2012	-	(11,372.90)	(100,644.85)	(6,502.68)	-	(118,520.43)
Allowance for impairment of assets						
As at January 1, 2012	(81.27)	(9.60)	(255.11)	-	-	(345.98)
- Impairment losses	(78.42)	(0.04)	(16.42)	-	-	(94.88)
- Reversal of impairment losses	81.27	4.94	12.38	-	-	98.59
As at December 31, 2012	(78.42)	(4.70)	(259.15)	-	-	(342.27)
Net Book Value						
As at December 31, 2011	3,707.35	16,096.43	178,934.25	3,770.87	16,651.12	219,160.02
As at December 31, 2012	3,905.05	15,964.83	175,495.36	3,867.10	29,472.83	228,705.17

Borrowing costs amounting to Baht 838.62 million in the consolidated financial statements (December 31, 2011: Baht 1,137.23 million) and amounting to Baht 759.24 million in the separate financial statements (December 31, 2011: Baht 301.16 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 1.70% to 4.80 % (December 31, 2011: 1.63% to 5.58%).

As at December 31, 2011 and 2012, other assets include vehicles acquired under finance leases. Details are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost	1,125.79	996.40	867.93	825.21
<u>Less</u> Accumulated depreciation	<u>(346.91)</u>	<u>(254.10)</u>	<u>(263.06)</u>	<u>(157.68)</u>
Net book value	<u>778.88</u>	<u>742.30</u>	<u>604.87</u>	<u>667.53</u>

During the period ended December 31, 2012, PTTEP Australasia Pty Ltd (PTTEP AA), a subsidiary of PTTEP, recognized the impairment loss of USD 204 million or approximately Baht 6,365.54 million because there were indications of an increase in the Montara project costs, and production was rescheduled and is expected to begin late in the first quarter of 2013. Net realizable value is calculated from the net of fair value less cost to sales, discounted based on project lives. The cash flow projections are based on a proved and probable reserve production profile and various estimates and assumptions such as the oil prices, foreign exchange rates, discount rates, and capital expenditures.

As at December 31, 2012, PTTEP had the following carried cost to be reimbursed from the foreign government for various projects. This is presented as oil and gas properties and other non-current assets in the statements of financial position and as petroleum exploration expenses in the statements of income. Details are as follows:

Unit: Million Baht

Projects	Carried cost to be reimbursed from the government		
	Oil and gas properties	Other non-current assets	Petroleum exploration expenses (Accumulated from the year 2002 to December 31, 2012)
Vietnam 52/97	-	30.90	-
Vietnam B and 48/95	-	32.34	-
Vietnam 16-1	790.91	-	1,268.59
Vietnam 9-2	1,016.26	-	791.82
Algeria 433A and 416B	248.28	-	412.37
Algeria Hassi Bir Rekaiz	1,051.34	-	259.38
Myanmar PSC-G & EP-2	10.95	-	5.22
Mozambique Rovuma Offshore Area 1	804.85	-	141.21
Mozambique Rovuma Onshore	0.77	-	18.40

As at December 31, 2012, Vietnam 16-1 and Vietnam 9-2 projects had received the full reimbursement of the carried cost from the reimbursement based on its participating interests.

17. Intangible Assets

Details of intangible assets are as follows:

Unit: Million Baht

	Consolidated financial statements				
	Computer software	Right of use	Exploration & Evaluation assets	Other Intangible assets	Total
Cost					
As at January 1, 2012	3,740.34	18,648.76	35,097.72	3,487.46	60,974.28
- Business acquisition (Note 41)	-	-	64,214.49	-	64,214.49
- Additions	1,325.40	69.41	4,154.22	135.26	5,684.29
- Reclassifications	1,365.51	54.98	(2,749.05)	328.78	(999.78)
- Disposals	(0.36)	(18.18)	(1,764.06)	(2.20)	(1,784.80)
- Currency translation differences	(63.80)	8.93	(1,526.14)	(65.51)	(1,646.52)
As at December 31, 2012	6,367.09	18,763.90	97,427.18	3,883.79	126,441.96
Accumulated amortization					
As at January 1, 2012	(1,551.34)	(5,568.30)	-	(1,070.83)	(8,190.47)
- Amortization for the year	(474.95)	(513.87)	-	(260.87)	(1,249.69)
- Reclassifications	0.16	(2.80)	-	-	(2.64)
- Disposals	0.36	15.99	-	2.20	18.55
- Currency translation differences	23.39	(5.80)	-	14.16	31.75
As at December 31, 2012	(2,002.38)	(6,074.78)	-	(1,315.34)	(9,392.50)
Allowance for impairment of assets					
As at January 1, 2012	-	-	(110.51)	(59.70)	(170.21)
- Impairment losses	-	-	-	(16.21)	(16.21)
- Reversal of impairment losses	-	-	1.04	-	1.04
- Currency translation differences	-	-	3.70	2.23	5.93
As at December 31, 2012	-	-	(105.77)	(73.68)	(179.45)
Net book value					
As at December 31, 2011	2,189.00	13,080.46	34,987.21	2,356.93	52,613.60
As at December 31, 2012	4,364.71	12,689.12	97,321.41	2,494.77	116,870.01

Unit: Million Baht

	Separate financial statements			
	Computer software	Right of use Intangible assets	Other	Total
Cost				
As at January 1, 2012	1,521.76	18,330.62	51.55	19,903.93
- Additions	253.85	0.28	-	254.13
- Reclassifications	1,360.24	9.55	-	1,369.79
As at December 31, 2012	3,135.85	18,340.45	51.55	21,527.85
Accumulated amortization				
As at January 1, 2012	(595.30)	(5,391.11)	(51.55)	(6,037.96)
- Amortization for the year	(351.78)	(482.05)	-	(833.83)
- Reclassifications	0.01	-	-	0.01
As at December 31, 2012	(947.07)	(5,873.16)	(51.55)	(6,871.78)
Net book value				
As at December 31, 2011	926.46	12,939.51	-	13,865.97
As at December 31, 2012	2,188.78	12,467.29	-	14,656.07

18. Mining Properties

Movements of mining properties are as follows:

Unit: Million Baht

Consolidated financial statement	
Cost	
As at January 1, 2012	41,970.17
- Business acquisition (Note 41)	4,245.73
- Additions	2,694.96
- Reclassifications	184.83
- Disposals	(321.56)
- Currency translation differences	(1,400.85)
As at December 31, 2012	47,373.28
Accumulated amortization	
As at January 1, 2012	(8,790.33)
- Amortization for the year	(3,619.90)
- Reclassifications	(0.14)
- Currency translation differences	350.14
As at December 31, 2012	(12,060.23)
Allowance for impairment of assets	
As at January 1, 2012	-
- Impairment losses	(80.22)
As at December 31, 2012	(80.22)
Net book value	
As at December 31, 2011	33,179.84
As at December 31, 2012	35,232.83

19. Goodwill

Movements of goodwill are as follows:

	Unit: Million Baht	
	Consolidated financial statements	
	2012	2011
Net book value as at January 1	28,432.57	17,704.60
- Additions (Note 41)	19,051.36	10,453.38
- Reclassifications	-	(70.51)
- Impairment losses	(231.51)	(53.73)
- Currency translation differences	(751.28)	398.83
Net book value as at December 31	46,501.14	28,432.57

20. Income Taxes and Deferred Taxes

Applicable tax rates for the Group are as follows:

	Tax rates (%)
Petroleum income tax on petroleum business in Thailand	
pursuant to the Petroleum Income Tax Act, B.E. 2514 (1971) and B.E. 2532 (1989)	50
Income tax under the Revenue Code of the Company, subsidiaries and jointly controlled entities	23
Corporate income tax in foreign countries	5 - 55
Petroleum resource rent tax in Australia	40

20.1 Deferred tax assets and deferred tax liabilities as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Deferred tax assets	14,501.16	19,318.40	1,591.26	1,807.79
Deferred tax liabilities	(60,020.89)	(42,936.69)	(4,848.70)	(4,961.29)
	(45,519.73)	(23,618.29)	(3,257.44)	(3,153.50)

20.2 Income tax expenses recognized in the consolidated and the separate statements of income for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Income tax:				
Current income tax	45,549.51	41,724.45	4,073.32	4,274.77
Adjustments in respect of current income tax of previous year	(1,219.13)	704.39	(370.83)	451.57
	44,330.38	42,428.84	3,702.49	4,726.34
Deferred tax:				
Change in temporary differences	3,199.84	(3,309.53)	(186.04)	(90.50)
Decrease in tax rate*	-	40.35	-	(308.33)
Tax effect of currency translation on tax base	(1,013.84)	4,066.00	-	-
	2,186.00	796.82	(186.04)	(398.83)
Total	46,516.38	43,225.66	3,516.45	4,327.51

* According to the Royal Decree under the Revenue Code regarding reduction and exemption from income taxes (No. 530), 2011 (B.E. 2554) issued on December 21, 2011, the corporate income tax rate will be reduced. As a result, the measurement of deferred tax assets and liabilities will be affected. The Federation of Accounting Professions also made official comments on the change in corporate tax rates, explaining that deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Therefore, the applicable tax rate for 2012 should be 23% and the rate for 2013 onwards should be 20%. The Group reflected the changes in applicable tax rates in its deferred tax calculations in the statements of income.

20.3 Movements in deferred tax assets and deferred tax liabilities are as follows:

Unit: Million Baht

	Consolidated financial statements			
	As at January 1, 2012	Statements of income	Shareholders' equity	As at December 31, 2012
Deferred tax assets:				
Trade and other accounts receivable	106.71	19.12	-	125.83
Inventories	49.64	4.57	-	54.21
Investments	5.86	-	-	5.86
Property, plant and equipment	393.81	(358.66)	11.19	46.34
Intangible assets	139.81	1.44	-	141.25
Employee benefit obligations	607.23	(59.52)	(2.80)	544.91
Cumulative loss carried forward	9,285.89	(72.92)	(344.85)	8,868.12
Petroleum resource rent tax				
in Australia	7,463.48	(3,755.20)	(2,154.26)	1,554.02
Others	1,265.97	2,031.17	(136.52)	3,160.62
	19,318.40	(2,190.00)	(2,627.24)	14,501.16
Deferred tax liabilities:				
Property, plant and equipment	39,908.86	3,519.74	16,897.97	60,326.57
Other accounts receivable	2,533.99	(141.83)	(6.88)	2,385.28
Available-for-sale investments	856.13	-	289.98	1,146.11
Loans	1,147.97	(227.74)	-	920.23
Tax effect of currency translation				
on tax base	(4,133.06)	(819.18)	97.19	(4,855.05)
Others	2,622.80	(2,334.99)	(190.06)	97.75
	42,936.69	(4.00)	17,088.20	60,020.89

Unit: Million Baht

	Consolidated financial statements			
	As at January 1, 2011	Statements of income	Shareholders' equity	As at December 31, 2011
Deferred tax assets:				
Trade and other accounts receivable	460.66	(354.05)	0.10	106.71
Inventories	18.46	31.18	-	49.64
Investments	8.79	(2.93)	-	5.86
Property, plant and equipment	(512.35)	930.46	(24.30)	393.81
Intangible assets	215.20	(75.39)	-	139.81
Employee benefit obligations	721.41	(118.47)	4.29	607.23
Cumulative loss carried forward	7,367.52	2,044.00	(125.63)	9,285.89
Petroleum resource rent tax				
in Australia	5,575.51	1,532.00	355.97	7,463.48
Others	2,589.97	(1,615.35)	291.35	1,265.97
	16,445.17	2,371.45	501.78	19,318.40
Deferred tax liabilities:				
Property, plant and equipment	16,930.50	3,169.00	19,809.36	39,908.86
Other accounts receivable	2,268.62	265.37	-	2,533.99
Available-for-sale investments	1,649.05	-	(792.92)	856.13
Loans	1,779.37	(631.40)	-	1,147.97
Tax effect of currency translation				
on tax base	(7,117.77)	3,247.00	(262.29)	(4,133.06)
Others	3,894.92	(2,881.70)	1,609.58	2,622.80
	19,404.69	3,168.27	20,363.73	42,936.69

Unit: Million Baht

	Separate financial statements			
	As at January 1, 2012	Statements of income	Shareholders' equity	As at December 31, 2012
Deferred tax assets:				
Trade and other accounts receivable	106.71	19.12	-	125.83
Inventories	49.64	4.57	-	54.21
Investments	5.86	-	-	5.86
Property, plant and equipment	756.36	(219.04)	-	537.32
Intangible assets	139.81	1.44	-	141.25
Employee benefit obligations	482.67	(7.62)	-	475.05
Others	266.74	(15.00)	-	251.74
	1,807.79	(216.53)	-	1,591.26
Deferred tax liabilities:				
Other accounts receivable	2,533.99	(143.24)	-	2,390.75
Available-for-sale investments	856.13	-	289.98	1,146.11
Loans	1,147.97	(227.74)	-	920.23
Others	423.20	(31.59)	-	391.61
	4,961.29	(402.57)	289.98	4,848.70

Unit: Million Baht

	Separate financial statements			
	As at January 1, 2011	Statements of income	Shareholders' equity	As at December 31, 2011
Deferred tax assets:				
Trade and other accounts receivable	452.02	(345.31)	-	106.71
Inventories	18.46	31.18	-	49.64
Investments	8.79	(2.93)	-	5.86
Property, plant and equipment	181.71	574.65	-	756.36
Intangible assets	215.20	(75.39)	-	139.81
Employee benefit obligations	694.35	(211.68)	-	482.67
Others	403.65	(136.91)	-	266.74
	1,974.18	(166.39)	-	1,807.79
Deferred tax liabilities:				
Other accounts receivable	2,268.62	265.37	-	2,533.99
Available-for-sale investments	1,649.04	-	(792.91)	856.13
Loans	1,779.37	(631.40)	-	1,147.97
Others	622.38	(199.18)	-	423.20
	6,319.41	(565.21)	(792.91)	4,961.29

21. Advance Payments for Gas Purchases

Movements of advance payments for gas purchases are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	7,346.23	8,304.60	8,495.57	9,743.47
- Additions	-	282.43	-	282.43
- Make-up right	(1,657.69)	(1,240.80)	(1,715.46)	(1,530.33)
Balance as at December 31	5,688.54	7,346.23	6,780.11	8,495.57

The Company made advance payments for committed gas purchases according to the established minimum volumes in the Gas Sales Agreements (Take-or-Pay). The Company has the right to take certain volumes of prepaid gas (Make-up right) in subsequent years, with no maturity period.

As at December 31, 2012, advance payments for gas purchases comprised the balance of advance payments made for gas purchases from the Yadana gas fields in the Union of Myanmar, irrespective of take-up in 2000 to 2001.

22. Other Non-current Assets

Other non-current assets as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Retention and refundable deposits	705.23	714.87	43.85	43.98
Advances	8,345.19	9,489.49	3,852.71	4,015.26
Inventories - legal reserves	17,936.44	16,698.38	17,936.44	16,698.38
Deferred compensation	723.25	804.12	-	-
Others	1,310.98	1,012.12	52.37	6.02
Total	29,021.09	28,718.98	21,885.37	20,763.64

The Fuel Oil Trading Act B.E. 2543 (2000) categorizes the Company as an oil trader under section 7 of this Act. To protect against and resolve fuel oil shortages, this Act prescribes that oil traders under section 7 must reserve fuel oil according to the categories and volumes determined by the Director General of the Department of Energy Business. Currently, the Company reserves 5% of the planned trading volume as reported to the Director General of the Department of Energy Business, the Ministry of Energy.

In both 2012 and 2011, the costs of inventories-legal reserves were lower than their net realizable value. Therefore, the Group has not recognized any decrease in the value of inventories-legal reserves.

23. Bank Overdrafts and Short-term Loans from Financial Institutions

As at December 31, 2012, the bank overdrafts and short-term loans from financial institutions bear interest at rates ranging from 0.95% to 6.45% per annum (December 31, 2011: interest at rates ranging from 1.16% to 4.85% per annum).

24. Other Current Liabilities

Other current liabilities as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Undue output VAT	5,052.36	3,003.79	4,054.52	2,573.85
Retention	6.39	80.01	-	-
Others	970.39	1,515.31	196.97	936.82
Total	6,029.14	4,599.11	4,251.49	3,510.67

25. Long-term Loans

Details of long-term loans as at December 31, 2012 and 2011 are as follows:

Current portion of long-term loans

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Loans - Baht currency	3,195.18	5,025.33	2,000.00	4,000.00
Loans - Baht currency - EPPO	191.59	214.35	191.59	214.35
Loans - foreign currencies	6,657.84	4,246.05	2,308.31	2,593.25
Debentures - Baht currency	29,559.71	45,296.32	24,550.00	23,500.00
Liabilities under finance leases	229.50	196.72	177.34	164.52
Total	39,833.82	54,978.77	29,227.24	30,472.12

Long-term Loans

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Loans - Baht currency	29,203.17	32,251.00	21,500.00	23,500.00
Loans - Baht currency - EPPO	105.82	297.42	105.82	297.42
Loans - foreign currencies	67,651.03	62,231.56	17,466.33	21,422.30
Debentures - Baht currency	158,945.52	146,521.98	139,754.20	119,304.20
Debentures - foreign currencies	141,198.16	95,513.07	80,294.32	48,321.77
Liabilities under finance leases	444.80	509.09	351.11	453.95
Total	397,548.50	337,324.12	259,471.78	213,299.64

As at December 31, 2012, Baht 7,000.00 million of the Company's loans are secured by the Ministry of Finance (December 31, 2011: Baht 10,205.86 million).

Long-term loans, including the current portion, outstanding as at December 31, 2012 and 2011 can be classified by types of interest as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Floating interest rate	38,505.18	47,702.09	17,655.50	24,072.24
Fixed interest rate	398,877.14	344,600.80	271,043.52	219,699.52
Total	437,382.32	392,302.89	288,699.02	243,771.76

Interest rates charged on long-term loans as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
PTT bonds	5.07% - 7.83%	5.07% - 7.83%	5.07% - 7.83%	5.07% - 7.83%
Loans - Baht currency	3.04% - 5.22%	3.87% - 5.80%	3.04% - 4.36%	3.87% - 3.93%
Loans - Baht currency - EPPO	0.50%	0.50%	0.50%	0.50%
Loans - Foreign currencies				
- US dollar	1.59% - 6.05%	0.77% - 6.05%	1.59% - 3.09%	0.77% - 4.19%
- Yen	4.45%	4.45%	4.45%	4.45%
- Canada dollar	3.00% - 3.40%	-	-	-
Debentures - Baht currency	3.20% - 7.40%	3.00% - 7.40%	3.20% - 7.40%	3.20% - 7.40%
Debentures - Foreign currencies	1.38% - 6.35%	1.38% - 5.88%	1.38% - 5.88%	1.38% - 5.88%
Liabilities under finance leases	3.33% - 6.25%	3.33% - 7.28%	3.33% - 5.10%	3.33% - 5.10%

25.1 Loans

Movements of loans in Baht currency and foreign currencies for the years ended December 31, 2012 are as follows:

Unit: Million

	Consolidated financial statements				Total in Baht equivalent
	Currency				
	Baht	USD	JPY	CAD	
Balance as at January 1, 2012	37,788.10	1,807.38	23,000.00	-	104,265.71
- Additions	147.35	38.58	-	475.00	15,792.75
- Repayments	(5,241.13)	(157.31)	-	-	(9,803.16)
- Gain on exchange rates	-	-	-	-	(2,994.89)
- Currency translation differences	-	-	-	-	(266.48)
- Others	1.44	0.57	-	-	10.70
Balance as at December 31, 2012	32,695.76	1,689.22	23,000.00	475.00	107,004.63
- Current portion	(3,386.77)	(129.58)	-	-	(10,044.61)
Long-term loans	29,308.99	1,559.64	23,000.00	475.00	96,960.02

Unit: Million

	Separate financial statements			Total in Baht equivalent
	Currency			
	Baht	USD	JPY	
Balance as at January 1, 2012	28,011.77	456.47	23,000.00	52,027.32
- Repayments	(4,214.36)	(81.47)	-	(6,807.60)
- Gain on exchange rates	-	-	-	(1,647.67)
Balance as at December 31, 2012	23,797.41	375.00	23,000.00	43,572.05
- Current portion	(2,191.59)	(75.00)	-	(4,499.90)
Long-term loans	21,605.82	300.00	23,000.00	39,072.15

Loans – Baht currency

During the year, a jointly control entity drew down a loan from a financial institution amounting to Baht 421 million. The Company recognized the loan of Baht 147.35 million according to its percentage of the investment. The loan has a maturity of ten years and bears an interest rate of 6-month fixed deposit plus premium.

Loans – foreign currency

In March and April 2012, PTTEP Canada International Finance Limited (PTTEP CIF) entered into five-year unsecured loan agreements with financial institutions, granting facilities totaling CAD 300 million and CAD 75 million, respectively. The loans are fully guaranteed by PTTEP. PTTEP CIF fully utilized these loans in May 2012. In addition, in August 2012, PTTEP CIF entered into seven-year unsecured loan agreement with a financial institution, granting facilities totaling CAD 100 million. The loan is fully guaranteed by PTTEP. PTTEP CIF fully utilized this loan in September 2012.

On March 30, 2012, a jointly controlled entity entered into the Shareholder Loan Agreement with its shareholders, granting loan facilities of USD 70 million carrying interest at a rate of LIBOR plus a fixed rate per annum. The loan is to be fully repaid within November, 2020. The jointly controlled entity drew down USD 35 million of the loan on May 21, 2012, and the remaining USD 35 million on September 25, 2012. The Company recognized USD 33.95 million of the loan, in proportion to its shareholding.

On August 7, 2012, a subsidiary of PTTI entered into a loan agreement with an international financial institution amounting to USD 25 million or approximately Baht 784.03 million. The loan has a maturity of three years and bears an interest rate of LIBOR plus a fixed rate per annum.

Loans – Baht currency

As at December 31, 2012, the Company has entered into a contract to hedge its financial risks arising from the fluctuation of interest rates on some Baht currency long-term loans.

The details are as follows:

Date	Currency	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
28/04/2009	Baht	5,000	Floating rate of 6M THBFIX + a fixed rate	Semi-annual	Repayable in semi-annual installments with the last payment due on March 30, 2019	<ul style="list-style-type: none"> - In 2010, the Company entered into an Interest Rate Swap agreement (IRS), effective from June 30, 2010 until the principal maturity date. - In 2012, the party of an interest rate swap exercised its right to change the interest rate from a floating rate of 6M THBFIX + a fixed rate to a fixed interest rate of 4.355% per annum. 	Fixed rate at 4.355% per annum	-
29/06/2009	Baht	7,000	Floating rate of 6M THBFIX + a fixed rate	Semi-annual	Repayable in semi-annual installments with the last payment due on March 30, 2019	In 2012, the Company entered into an Interest Rate Swap agreement, effective from November 9, 2012 until the principal maturity date.	Floating rate of 6M THBFIX + a fixed rate	The interest rate swap contracted parties a one-time right on December 30, 2012, to change from a floating rate of 6M THBFIX + a fixed rate to a fixed rate of 3.95% per annum.

Loans – Foreign currencies

As at December 31, 2012, the Company has entered into contracts to hedge its financial risks arising from the fluctuation of interest rates and foreign exchange rates on some foreign currency long-term loans. The details are as follows:

Date	Currency	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
05/04/2006	JPY	23,000	4.45 on USD principal	Semi-annual	Maturity on April 7, 2036	In 2008, the Company entered into a participating swap (P-SWAP) contract for JPY long-term loans to hedge USD: JPY exchange rates risks. The contract is in the form of call options to purchase JPY 23,000 million. According to the terms of the contract, in the current market situation, the Company has the right to purchase such JPY in an amount equivalent to USD 196.94 million. The premium on the contract is approximately 1.38% per annum.	Fixed rate of Approximately 1.38% on USD principal (premium)	The equivalent amount in USD depends on the range of exchange rates between USD and JPY.

Date	Currency	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
14/11/2006	USD	75*	LIBOR + a fixed rate on USD principal	Semi-annual	Repayable in semi-annual installments with the last payment due on November 30, 2013	<ul style="list-style-type: none"> - In 2008, the Company entered into an interest rate swap contract to swap a floating rate for a fixed rate. - In 2009, the Company entered into a basis swap contract on long-term loans amounting to USD 300 million, swapping an interest rate of one-month LIBOR + a fixed rate for a six-month LIBOR interest rate. This basis swap contract expired on May 30, 2011. - In 2010, the Company entered into a term extension of the basis swap contract with the maturity on November 30, 2013. 	Fixed rate ranging from 2.85 - 3.35% on the USD principal	Some basis swap contracts granted the contracted parties a one-time right to change from a fixed to a floating rate and a floating interest rate of LIBOR - a fixed rate per annum.

* In 2006, the Company had the principal of USD 300 million. During 2010 to 2012, the Company made partial repayment of USD 75 million per year, totaling USD 225 million.

Date	Currency	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
25/05/2010	USD	300	LIBOR + a fixed rate on USD principal	Semi-annual	Maturity on May 25, 2015	<ul style="list-style-type: none"> - In 2010, the Company entered into an interest rate swap contract. - In 2011, the parties of some interest rate swap contract, amounting to USD 100 million, exercised their rights to change the interest rate from a floating rate of LIBOR + a fixed rate to a fixed interest rate at 2.756% per annum. The changes have been effective since May 25, 2011. - In 2012, the Company restructured its risk management for a part of the loans amounting to USD 50 million. 	Fixed rate ranging from 1.585 - 2.989% on the USD principal	-

25.2 Debentures

Details of debentures as at December 31, 2012 and 2011 are as follows:

Unit: Million

	Consolidated financial statements			
	2012		2011	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	138,224.49	4,500.05	92,472.15	2,911.17
- Baht currency	188,505.23	-	191,818.30	-
Secured unsubordinated debentures				
- USD currency	2,973.67	96.62	3,040.92	96.62
Total	329,703.39	4,596.67	287,331.37	3,007.79
Current portion	(29,559.71)	-	(45,296.32)	-
Long-term debentures	300,143.68	4,596.67	242,035.05	3,007.79

Unit: Million

	Separate financial statements			
	2012		2011	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	80,294.32	2,608.86	48,321.77	1,518.03
- Baht currency	164,304.20	-	142,804.20	-
Total	244,598.52	2,608.86	191,125.97	1,518.03
Current portion	(24,550.00)	-	(23,500.00)	-
Long-term debentures	220,048.52	2,608.86	167,625.97	1,518.03

On January 27, 2012, the Company issued and offered two tranches of unsecured unsubordinated debentures No. 1/2012 amounting to Baht 20,000 million to general investors, the details of the debentures are as follows:

Condition	Tranche 1	Tranche 2
Offering price (million Baht)	1,950.53	18,049.47
Tenor (years)	3 years 8 months 20 days	6 years 9 months 19 days
Fixed interest rate (% per annum)	3.80	Year 1 - 4 : 4.00 Year 5 - 6 : 4.40 Remaining periods : 5.50
Interest instalments	Semi-annual interest payment on February 15 and August 15 (The first instalment on August 15, 2012)	Semi-annual interest payment on February 15 and August 15 (The first instalment on August 15, 2012)
Issue date	January 27, 2012	January 27, 2012
Maturity date	October 17, 2015	November 15, 2018

On May 21, 2012, the Company issued and offered unsecured unsubordinated debentures No. 2/2012 amounting to Baht 15,000 million to general investors, the details of the debentures are as follows:

Condition	Details
Offering price (million Baht)	15,000.00
Tenor (years)	6 years 11 months 24 days
Fixed interest rate (% per annum)	Year 1 - 4 : 4.10 Remaining periods : 5.10
Interest instalments	Semi-annual interest payment on May 15 and November 15 (The first instalment on November 15, 2012)
Issue date	May 21, 2012
Maturity date	May 15, 2019

On July 31, 2012, the Company issued and offered unsecured unsubordinated debentures No. 3/2012 amounting to Baht 10,000 million to general investors, the details of the debentures are as follows:

Condition	Details
Offering price (million Baht)	10,000.00
Tenor (years)	6 years 9 months 15 days
Fixed interest rate (% per annum)	Year 1 - 4 : 4.10 Remaining periods : 5.10
Interest instalments	Semi-annual interest payment on May 15 and November 15 (The first instalment on November 15, 2012)
Issue date	July 31, 2012
Maturity date	May 15, 2019

On October 25, 2012, the Company issued and offered two tranches of unsecured unsubordinated debentures to qualified international institutional buyers amounting to USD 1,100 million or Baht 33,913.33 million. The details of the debentures are as follows:

Condition	Tranche 1	Tranche 2
Offering price (million USD)	500.00	600.00
Tenor (years)	10 years	30 years
Fixed interest rate (% per annum)	3.375	4.5
Interest instalments	Semi-annual interest payment on April 25 and October 25	Semi-annual interest payment on April 25 and October 25
Issue date	October 25, 2012	October 25, 2012
Maturity date	October 25, 2022	October 25, 2042

On June 12, 2012, PTTEP Canada International Finance Limited (PTTEP CIF) issued and offered the 30-year unsecured and unsubordinated debentures with a fixed interest rate of 6.35% per annum in the amount of USD 500 million. This debenture is fully guaranteed by PTTEP.

As at December 31, 2012, the Company has entered into cross-currency swap contracts to hedge its financial risks arising from the fluctuation of foreign currency exchange rates and interest rates on Baht currency and some foreign currency debentures. The details are as follows:

Date	Currencies	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
22/06/2007	JPY	36,000	2.71 on JPY principal	Semi-annual	Maturity on June 29, 2017	In 2007, the Company entered into a cross currency swap contract (CCS) for USD obligations of USD 290.51 million.	Floating rate at LIBOR + a fixed rate or fixed rate at 5.5% on USD principal depending on LIBOR and the fixed rates ranging from 4.98 - 5.37% of USD principal	The parties have a one-time right in some cross currency swap contracts to change from a fixed interest rate to a floating interest rate at LIBOR + a fixed rate per annum.
14/12/2007	Baht	3,053.80	Year 1 - 3: 5.00 Year 4 - 7: 5.95 on Baht principal	Semi-annual	Maturity on December 14, 2014	In 2008, the Company entered into a cross currency swap contract for USD obligations of USD 90 million.	Fixed rate ranging from 4.74 - 4.75% on USD principal	-

Date	Currencies	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
25/02/2010	Baht	2,636	4.10 on Baht principal	Semi-annual	Maturity on February 25, 2017	In 2010, the Company entered into a cross-currency swap contract for USD obligations of USD 79.45 million.	Floating rate of LIBOR + a fixed rate on USD principal	-
25/02/2010	Baht	4,000	4.50 on Baht principal	Semi-annual	Maturity on February 25, 2022	In 2010, the Company entered into a cross-currency swap contract for USD obligations of USD 120.55 million.	Floating rate of LIBOR + a fixed rate on USD principal	-
29/11/2010	Baht	3,000	3.2 on Baht principal	Semi-annual	Maturity on December 14, 2014	In 2011, the Company entered into a cross-currency swap contract for USD obligations of USD 99 million.	Fixed rate of 1.375% on USD principal	-

Date	Currencies	Principal (unit: million)	Interest rate (% per annum) in accordance with loan agreements	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
29/11/2010	Baht	3,000	Year 1 - 4: 3.20 Year 5 - 6: 4.20 Remaining Year: 5.00 on Baht principal	Semi-annual	Maturity on December 14, 2017	<ul style="list-style-type: none"> - In 2011, the Company entered into a cross-currency swap contract for USD obligations of USD 99 million. This cross-currency swap contract expired on December 14, 2014. - In 2012, the Company restructured this cross-currency swap contract to extend the expiry date. This contract now expires on the loan maturity date. 	Fixed rate from Year 3 - 4: 1.375 Year 5 - 6: 2.64 Remaining Year: 3.44 on USD principal	-

25.3 Liabilities under finance leases

Details of liabilities under finance leases as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under finance leases				
- Within 1 year	256.75	222.30	195.77	186.38
- Over 1 year but not over 5 years	463.60	535.58	363.83	477.24
Future finance charges on finance leases	(46.05)	(52.07)	(31.15)	(45.15)
Present value of liabilities under finance leases	674.30	705.81	528.45	618.47
Present value of liabilities under finance leases				
- Current liabilities	229.50	196.72	177.34	164.52
- Non-current liabilities	444.80	509.09	351.11	453.95
Total	674.30	705.81	528.45	618.47

25.4 Maturities of long-term loans as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

Consolidated financial statements							
2012							
	Baht Currency Loans	Baht Currency loans from EPPO	Foreign Currency Loans	Baht Currency Debentures	Foreign Currency Debentures	Liabilities Under Finance leases	Total
Within 1 year	3,195.18	191.59	6,657.84	29,559.71	-	229.50	39,833.82
Over 1 - 2 years	3,770.11	96.64	4,257.61	17,641.82	18,099.73	302.73	44,168.64
Over 2 - 5 years	15,427.47	9.18	46,616.83	55,710.53	36,535.05	142.07	154,441.13
Over 5 years	10,005.59	-	16,776.59	85,593.17	86,563.38	-	198,938.73
Total	32,398.35	297.41	74,308.87	188,505.23	141,198.16	674.30	437,382.32

Unit: Million Baht

Consolidated financial statements							
2011							
	Baht Currency Loans	Baht Currency loans from EPPO	Foreign Currency Loans	Baht Currency Debentures	Foreign Currency Debentures	Liabilities Under Finance leases	Total
Within 1 year	5,025.33	214.35	4,246.05	45,296.32	-	196.72	54,978.77
Over 1 - 2 years	3,170.75	191.59	5,282.85	41,275.79	-	176.09	50,097.07
Over 2 - 5 years	14,036.25	105.83	40,200.46	54,206.21	44,415.46	333.00	153,297.21
Over 5 years	15,044.00	-	16,748.25	51,039.98	51,097.61	-	133,929.84
Total	37,276.33	511.77	66,477.61	191,818.30	95,513.07	705.81	392,302.89

Unit: Million Baht

Separate financial statements							
2012							
	Baht Currency Loans	Baht Currency loans from EPPO	Foreign Currency Loans	Baht Currency Debentures	Foreign Currency Debentures	Liabilities Under Finance leases	Total
Within 1 year	2,000.00	191.59	2,308.31	24,550.00	-	177.34	29,227.24
Over 1 - 2 years	2,500.00	96.64	-	5,946.20	18,099.73	244.77	26,887.34
Over 2 - 5 years	12,000.00	9.18	9,233.25	55,710.53	14,453.83	106.34	91,513.13
Over 5 years	7,000.00	-	8,233.08	78,097.47	47,740.76	-	141,071.31
Total	23,500.00	297.41	19,774.64	164,304.20	80,294.32	528.45	288,699.02

Unit: Million Baht

Separate financial statements							
2011							
	Baht Currency Loans	Baht Currency loans from EPPO	Foreign Currency Loans	Baht Currency Debentures	Foreign Currency Debentures	Liabilities Under Finance leases	Total
Within 1 year	4,000.00	214.35	2,593.25	23,500.00	-	164.52	30,472.12
Over 1 - 2 years	2,000.00	191.59	2,387.39	24,550.00	-	164.27	29,293.25
Over 2 - 5 years	10,400.00	105.83	9,549.57	54,206.20	21,878.40	289.68	96,429.68
Over 5 years	11,100.00	-	9,485.34	40,548.00	26,443.37	-	87,576.71
Total	27,500.00	511.77	24,015.55	142,804.20	48,321.77	618.47	243,771.76

26. Employee Benefit Obligations

Movements in the present value of the employee benefit obligations are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
As at January 1	5,500.02	5,147.71	2,387.40	2,314.50
Current service costs	418.05	436.95	143.98	140.06
Interest on obligations	216.72	198.38	95.25	92.09
Actuarial gain	(5.44)	(0.01)	-	-
Currency translation differences	(5.01)	(56.33)	-	-
Actual payment	(303.02)	(226.68)	(251.39)	(159.25)
As at December 31	5,821.32	5,500.02	2,375.24	2,387.40

Expenses recognized in the statements of income for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service costs	418.05	436.95	143.98	140.06
Interest on obligations	216.72	198.38	95.25	92.09
Actuarial gain	(5.44)	(0.01)	-	-
Total	629.33	635.32	239.23	232.15

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost of sales	84.59	123.11	33.04	30.40
Selling expenses	25.26	42.15	22.06	41.06
Administrative expenses	515.86	465.04	181.37	156.70
Management remuneration	3.62	5.02	2.76	3.99
Total	629.33	635.32	239.23	232.15

Principal actuarial assumptions

- Financial assumptions of the Group

	<u>Annual percentage (%)</u>
Discount rate	3.60 - 6.10
Inflation rate	2.00 - 3.00

- Demographic assumptions of the Group

Assumptions regarding mortality rates are based on the published statistics of mortality tables B.E. 2540 (1997) (Thailand TMO97) issued by the Office of Insurance Commission.

27. Provision for Decommissioning Costs

Movements in the provision for decommissioning costs are as follows:

	Unit: Million Baht
	Consolidated financial statements
As at January 1, 2012	24,941.52
- Additions	12,857.90
- Currency translation differences	(785.47)
- Actual payment	(3,249.65)
- Reversal of provision	(1.88)
As at December 31, 2012	33,762.42
- Current portion	(635.89)
- Long-term portion	33,126.53

28. Other Non-current Liabilities

Other non-current liabilities as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Provision for remuneration for				
the renewal of petroleum production	5,457.89	-	-	-
Retention	1,475.08	1,161.88	1,086.03	798.72
Deferred revenue	308.98	349.63	308.98	346.34
Other advances received	194.86	205.08	194.87	205.07
Long-term liability: Make-up	5,655.79	3,672.12	5,655.79	3,672.12
Others	1,240.02	1,592.83	-	-
Total	<u>14,332.62</u>	<u>6,981.54</u>	<u>7,245.67</u>	<u>5,022.25</u>

Long-term liability (make-up) arises from the amount of the difference between the natural gas price for the committed gas volumes that the Company paid in advance and the natural gas price as at the date of taking the gas that exceeds the interest paid for the advance payment for untaken-up gas volume (Take-or-Pay). The Company has to distribute the difference to the parties who paid for the Take-or-Pay interest for the Yadana gas fields.

29. Share Capital

29.1 Share Capital - Authorized Shares

	Par Value (Baht per share)	The number of authorized shares (shares)	The value of authorized shares (Baht)
As at December 31, 2011	10	2,857,245,725	28,572,457,250
As at December 31, 2012	10	2,857,245,725	28,572,457,250

29.2 Share Capital - Issued and Paid-up Shares

	Number of issued and fully paid-up shares (shares)	Value of issued and fully paid-up shares (Baht)	Premium on share capital (Baht)	Total (Baht)
As at December 31, 2011	2,856,299,625	28,562,996,250	29,211,131,966	57,774,128,216
As at December 31, 2012	2,856,299,625	28,562,996,250	29,211,131,966	57,774,128,216

30. Reserves

30.1 Legal Reserve

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

30.2 Reserve for Self-insurance Fund

Movements of reserves for self-insurance fund are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at January 1	1,034.86	1,005.09	1,034.86	1,005.09
Appropriated during the years	40.54	29.77	40.54	29.77
Balance as at December 31	1,075.40	1,034.86	1,075.40	1,034.86

The self-insurance fund was set up to provide insurance coverage for the Company's business. The Company appropriates net income from operations and the interest income from the fund each year to the fund.

31. Earnings per Share

Basic earnings per share and diluted earnings per share for the years ended December 31, 2012 and 2011 are calculated as follows:

Consolidated financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	104,665,812,946	106,260,331,748	104,665,812,946	106,260,331,748
Adjustment of net income (Baht)	-	-	(17,806,237)	(611,224)
Net income for calculation of earnings per share (Baht)	104,665,812,946	106,260,331,748	104,648,006,709	106,259,720,524
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,853,013,472	2,856,299,625	2,853,013,472
Effect from exercised warrants (shares)			-	945,441
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,853,958,913
Earnings per share (Baht/share)	36.64	37.24	36.64	37.23

Separate financial statements

	Basic earnings per share		Diluted earnings per share	
	2012	2011	2012	2011
Net income attributable to ordinary shareholders (Baht)	74,697,027,182	73,434,002,942	74,697,027,182	73,434,002,942
Number of weighted average of ordinary shares for calculation of earnings per share (shares)	2,856,299,625	2,853,013,472	2,856,299,625	2,853,013,472
Effect from exercised warrants (shares)			-	945,441
Number of diluted weighted average of ordinary shares (shares)			2,856,299,625	2,853,958,913
Earnings per share (Baht/share)	26.15	25.74	26.15	25.73

PTTGC

Details of issue and offer of warrants for PTTGC's employees are as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant : ordinary share)	Number of allotted shares (million shares)	Number of reserved shares (million shares)	Last exercise date of warrants
October 19, 2011	46.32	1 : 0.2590478	2.86	0.60	October 19, 2016

32. Sales and Service Income

Details of sales and service income for the years ended December 31, 2012 and 2011 are as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Oil products	2,025,665.02	1,786,905.31	1,917,296.72	1,676,252.48
Gas products	578,225.29	449,525.56	573,495.13	447,556.07
Petrochemicals products	141,633.28	145,627.92	59,374.79	71,753.38
Mining products	28,738.50	30,811.91	-	-
Other products	1,250.73	1,453.81	-	-
Utilities income	970.99	624.66	-	-
Non-core businesses	7,773.11	6,002.55	3,334.32	1,993.12
Services	9,576.14	7,174.37	-	-
Total	2,793,833.06	2,428,126.09	2,553,500.96	2,197,555.05

Sales and service income for the years ended December 31, 2012 and 2011 include sales to government agencies and state enterprises amounting to Baht 186,179.61 million and Baht 107,630.57 million in the consolidated financial statements, and Baht 184,786.32 million and Baht 106,755.32 million in the separate financial statements, respectively.

33. Other Income

Details of other income for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Transportation income	3,886.69	3,486.61	4,013.00	3,584.63
Dividend income	375.95	599.86	29,844.65	24,784.00
Interest income	2,887.69	3,477.06	5,075.12	4,873.46
Compensation for loan interest on advance payments for gas purchases	260.76	269.61	260.76	269.61
Others	9,767.86	8,742.12	3,876.37	5,438.81
Total	17,178.95	16,575.26	43,069.90	38,950.51

Compensation for loan interests on advance payments for gas purchases (Take-or-Pay) represents the compensation, which the Company received from the Electricity Generating Authority of Thailand (EGAT) and Independent Power Plants (IPP) in order to absorb the interests on loans. The Company obtains the loans to make advance payments for gas purchases.

34. Expenses by Nature

Details of expenses by nature for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Changes in finished goods				
and work in process	489.18	(9,878.01)	89.85	(9,583.69)
Goods purchased and				
raw materials used	2,447,361.72	2,120,813.92	2,455,771.38	2,095,669.17
Staff costs	15,518.20	13,756.09	7,513.52	6,996.57
Outsourcing	7,201.02	6,567.97	6,091.62	5,078.85
Transportation	15,503.45	14,726.87	6,071.74	7,370.15
Depreciation and amortization	65,237.43	55,315.46	13,905.14	15,907.76
Repairment	5,832.14	5,792.79	2,942.80	3,352.02
Utilities	16,659.56	12,039.73	13,904.91	10,575.07
Loss on impairment of assets*				
(Note 16, 17 & 19)	6,461.97	657.54	-	24.85
Loss on impairment of investments*				
(Note 12.7)	3,972.32	5,114.07	-	21.49

* Other expenses in the statements of income

35. Petroleum Royalties and Remuneration

Details of petroleum royalties and remuneration for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements	
	2012	2011
Petroleum royalties	25,819.14	21,687.99
Special remuneration benefits	573.57	338.33
Total	26,392.71	22,026.32

36. Finance Costs

Details of finance costs for the years ended December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest expenses:				
Loans from financial institutions	3,302.90	2,862.30	1,242.27	1,392.39
Bonds and debentures	14,191.92	14,197.61	10,506.53	10,880.82
Liabilities under finance leases	33.30	27.62	24.18	23.75
Others	1,042.08	312.18	-	0.04
Other finance costs	1,192.52	635.56	629.03	445.47
Total	19,762.72	18,035.27	12,402.01	12,742.47

37. Segment Information

The Company presented financial information by business segment, rather than by geographical segment because the geographical segments other than Thailand together reported less than 10% of the consolidated revenues, operating results and total assets.

Consolidated financial statements

For the year ended December 31, 2012

Unit: Million Baht

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro- chemicals	Refining				
Sales - others	48,786.78	484,696.50	601,650.10	1,543,684.64	83,741.80	-	28,738.50	2,534.74	-	2,793,833.06
- related parties	163,749.91	25,987.09	6,091.39	91,835.61	83.66	-	-	1,813.04	(289,560.70)	-
Net sales	212,536.69	510,683.59	607,741.49	1,635,520.25	83,825.46	-	28,738.50	4,347.78	(289,560.70)	2,793,833.06
Gross margin (loss)*	190,639.50	64,678.29	25,002.21	(2,990.45)	4,787.45	-	10,631.55	859.35	(1,859.36)	291,748.54
EBITDA	152,097.70	52,265.95	15,443.15	(3,845.84)	2,972.53	-	7,703.02	1,163.81	41.82	227,842.14
Depreciation and amortization expenses	42,691.79	13,587.98	2,342.56	14.62	1,024.03	-	4,105.42	1,473.38	(2.35)	65,237.43
EBIT	109,405.91	38,677.97	13,100.59	(3,860.46)	1,948.50	-	3,597.60	(309.57)	44.17	162,604.71
Share of net income from investments in associates	-	435.33	543.52	-	17,117.70	8,864.38	-	130.12	-	27,091.05
Interest income										2,887.68
Other income, net										(8,303.11)
Gain on exchange rate										7,614.72
Finance costs										(19,762.72)
EBT										172,132.33
Income taxes										(46,516.38)
Net income for the period										125,615.95
Attributable to:										
Equity holders of the Company										104,665.81
Non-controlling interests										20,950.14
Net income for the period										125,615.95

* Gross margin excludes depreciation and amortization expenses in cost of sales.

Unit: Million Baht

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro- chemicals	Refining				
Segment assets	562,201.57	361,231.01	99,581.06	156,385.85	45,163.11	-	56,388.73	100,832.88	-	1,381,784.21
Inter-company assets	26,412.29	2,655.76	1,026.07	5,545.69	489.23	-	-	30,469.20	(66,598.24)	-
Investments in associates	-	11,403.55	2,290.09	-	122,059.99	98,872.10	-	408.84	-	235,034.57
Total segment assets	588,613.86	375,290.32	102,897.22	161,931.54	167,712.33	98,872.10	56,388.73	131,710.92	(66,598.24)	1,616,818.78
Non-allocated assets										14,501.16
Total Assets										1,631,319.94
Segment liabilities	224,765.27	89,677.59	46,982.42	135,500.55	21,626.56	-	14,837.04	306,245.57	-	839,635.00
Inter-company liabilities	1,466.88	38,110.78	9,998.10	9,866.08	3,803.92	-	-	3,352.48	(66,598.24)	-
Total segment liabilities	226,232.15	127,788.37	56,980.52	145,366.63	25,430.48	-	14,837.04	309,598.05	(66,598.24)	839,635.00
Non-allocated liabilities										60,020.89
Total Liabilities										899,655.89
Capital Expenditure	96,745.28	19,021.70	2,513.86	13.24	1,033.78	-	4,094.50	4,917.39	-	128,339.75

Consolidated financial statements

For the year ended December 31, 2011

Unit: Million Baht

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro- chemicals	Refining				
Sales - others	30,280.90	389,722.88	550,109.25	1,350,437.26	75,162.29	-	30,811.91	1,601.60	-	2,428,126.09
- related parties	139,364.92	23,077.66	8,415.00	77,115.24	8.24	-	-	1,307.74	(249,288.80)	-
Net sales	169,645.82	412,800.54	558,524.25	1,427,552.50	75,170.53	-	30,811.91	2,909.34	(249,288.80)	2,428,126.09
Gross margin (loss)*	150,571.05	76,695.10	20,751.02	3,805.14	5,052.04	-	13,412.31	992.08	(1,346.64)	269,932.10
EBITDA	118,534.66	62,194.56	13,224.24	3,289.95	3,777.44	-	9,367.88	656.37	327.97	211,373.07
Depreciation and amortization expenses	33,531.66	15,202.79	2,443.71	13.30	883.51	-	2,068.64	1,174.18	(2.33)	55,315.46
EBIT	85,003.00	46,991.77	10,780.53	3,276.65	2,893.93	-	7,299.24	(517.81)	330.30	156,057.61
Share of net income from investments in associates	-	(302.25)	507.37	-	15,793.97	13,445.39	(61.66)	80.46	-	29,463.28
Interest income										3,477.06
Other expenses, net										(2,657.33)
Gain on exchange rate										1,099.42
Finance costs										(18,035.27)
EBT										169,404.77
Income taxes										(43,225.66)
Net income for the period										126,179.11
Attributable to:										
Equity holders of the Company										106,260.33
Non-controlling interests										19,918.78
Net income for the period										126,179.11

* Gross margin excludes depreciation and amortization expenses in cost of sales.

Unit: Million Baht

	Upstream petroleum and natural gas		Downstream petroleum				Coal	Others	Elimination	Total
	Petroleum exploration and production	Natural gas	Oil	International trading	Petro- chemicals	Refining				
Segment assets	415,476.18	333,350.25	89,893.46	111,035.45	42,062.81	-	49,497.24	113,358.76	-	1,154,674.15
Inter-company assets	15,136.03	4,711.80	1,506.22	5,213.99	75.23	-	-	30,822.47	(57,465.74)	-
Investments in associates	-	14,710.58	1,780.28	-	110,056.12	99,463.48	1,541.57	301.49	-	227,853.52
Total segment assets	430,612.21	352,772.63	93,179.96	116,249.44	152,194.16	99,463.48	51,038.81	144,482.72	(57,465.74)	1,382,527.67
Non-allocated assets										19,318.40
Total Assets										1,401,846.07
Segment liabilities	215,080.78	65,642.48	42,683.87	97,380.17	21,094.21	-	14,943.40	258,371.10	-	715,196.01
Inter-company liabilities	1,470.06	32,526.41	10,001.65	6,259.62	2,051.84	-	-	5,156.16	(57,465.74)	-
Total segment liabilities	216,550.84	98,168.89	52,685.52	103,639.79	23,146.05	-	14,943.40	263,527.26	(57,465.74)	715,196.01
Non-allocated liabilities										42,936.69
Total Liabilities										758,132.70
Capital Expenditure	72,835.45	22,640.56	2,574.46	2,168.59	4,910.81	-	2,907.93	3,114.49	-	111,152.29

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

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

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

The major business segments of the Group are as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:

The Group conducts petroleum exploration and production business both domestically and overseas. The Group is the operator and jointly invests with 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.

2. Natural gas business:

The Group conducts natural gas business including procurement, natural gas pipeline transmission, distribution, and natural gas separation. Products from the natural gas separation plants are used as feedstock for the petrochemical industry and as fuel in the household, transportation and other industry sectors.

Downstream Petroleum Business Group

1. Oil business:

The Group conducts marketing of petroleum and lube oil in both domestic and overseas markets under an efficient operating system of procurement, storage, and distribution of products as well as the retail business at service stations.

2. International trading business:

The Group conducts international trading business including the import and export of petroleum and petrochemical products as well as other related products. The business also covers the management of possible risks arising from oil trading as well as from the procurement and distribution of petroleum and petrochemical products in international markets.

3. Petrochemical business:

The Group conducts petrochemical business including the production and distribution of the main petrochemical products and by-products for both domestic and overseas markets to serve the demands of industry and consumer groups.

4. Refining business:

The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers. In addition, the Group conducts petrochemical business, which utilizes refinery products as raw materials.

Coal Business Group

The Group conducts coal mining business, involving overseas exploration, production and distribution.

Other operations of the Group are included in other segments, none of which constitute separately reportable segments.

38. Disclosure of Financial Instruments

The Company faces the principal financial risks associated with fluctuations in exchange rates, interest rates, and oil market prices. Certain portions of sales, purchases and borrowings are denominated in foreign currencies. The Company borrows at both fixed and floating interest rates to finance its operations. Accordingly, the Company's management has entered into derivative contracts to cover these risks. The financial instruments used for hedging risks are forward foreign exchange contracts, interest rate swap contracts, cross-currency and interest rate swap contracts and participating swap contracts. Risk exposure relating to oil market prices is managed by forward oil contracts.

The department responsible for managing exposure to exchange rate risks and fluctuations in oil market prices has to report details of the costs and market prices of all financial instruments to management, including outstanding forward foreign exchange contracts and forward oil contracts. The reported information principally covers risk exposure from:

- foreign exchange rates
- currencies
- currencies and interest rates
- interest rates
- fluctuations in oil market prices
- credit risks

38.1 Foreign Exchange Rate Risk

The Group has entered into forward foreign exchange contracts. The carrying amounts and exchange rates under the forward foreign exchange contracts as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Forward foreign exchange purchase contracts				
Baht 30.5700 – 30.8850 = 1 USD	33,793.45	-	33,793.45	-
Baht 30.8850 – 31.7815 = 1 USD	-	29,738.75	-	29,738.75
Forward foreign exchange purchase contracts				
Baht 30.5200 – 32.0870 = 1 USD	22,077.78	-	19,278.24	-
Baht 30.0187 – 32.0800 = 1 USD	-	20,680.76	-	17,957.97

38.2 Currency Risk

The Company has entered into a cross-currency swap in the form of a participating swap amounting to JPY 23,000 million. The terms of such contract as at December 31, 2012 and 2011 detailed as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
JPY 23,000 million / USD 196.94 million	6,061.42	6,269.07	6,061.42	6,269.07

This contract has a maturity later than five years.

38.3 Currency and Interest Rate Risk

The Group has entered into cross-currency and interest rate swap contracts. The terms of the outstanding cross-currency and interest rate swap contracts as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
- JPY 36,000 million / USD 290.51 million	8,941.17	9,247.49	8,941.17	9,247.49
- Baht 3,053.80 million / USD 90 million	2,769.98	2,864.87	2,769.98	2,864.87
- Baht 2,636 million / USD 79.45 million	2,445.13	2,528.90	2,445.13	2,528.90
- Baht 4,000 million / USD 120.55 million	3,710.37	3,837.48	3,710.37	3,837.48
- Baht 3,000 million / USD 98.81 million	3,041.00	-	3,041.00	-
- Baht 3,000 million / USD 99.66 million	3,067.53	-	3,067.53	-
- Baht 6,000 million / USD 198.47 million	-	6,317.80	-	6,317.80
- MYR 300 million / USD 96.50 million	2,973.67	3,040.92	-	-
- Baht 24,200 million / USD 800.13 million	24,201.03	-	-	-
- Baht 18,300 million / USD 603.36 million	-	18,296.76	-	-
- Baht 3,500 million / USD 115.78 million	-	3,499.56	-	-
- Baht 11,700 million / USD 389.50 million	-	11,692.65	-	-
- Baht 5,000 million / USD 165.89 million	-	5,033.15	-	-
- Baht 2,500 million / USD 82.92 million	-	2,500.00	-	-
- Baht 10,000 million / USD 329.88 million	-	10,000.00	-	-
- Baht 5,000 million / USD 161.81 million	-	4,995.13	-	-
Total	51,149.88	83,854.71	23,975.18	24,796.54

The following are the maturities of contracts:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Due within 1 year	5,009.72	31,796.32	-	-
Over 1 year but not over 5 years	32,703.85	26,377.27	20,264.81	9,182.67
Over 5 years	13,436.31	25,681.12	3,710.37	15,613.87
Total	51,149.88	83,854.71	23,975.18	24,796.54

38.4 Interest Rate Risk

The Group has entered into interest rate swap contracts. The terms of the outstanding interest rate swap contracts as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest rate swap contracts to swap floating for fixed rate in USD currency*	24,828.42	19,211.19	11,541.56	14,324.36
Interest rate swap contracts to swap floating for decreasing floating rate in Baht currency**	7,000.00	5,000.00	7,000.00	5,000.00
Interest rate swap contracts to swap floating for fixed rate in Baht currency***	5,000.00	-	5,000.00	-
Interest rate swap contracts to swap fixed for decreasing fixed rate in Baht currency	2,500.00	2,500.00	-	-
Total	39,328.42	26,711.19	23,541.56	19,324.36

* The contracts granted the contract parties a one-time right to change the interest rate from a fixed to a floating rate.

** Some interest rate swap contracts granted the contract parties a one-time right to change the interest rate from a floating rate to a fixed rate.

*** The contract party exercised the right to change the interest rate from a floating to a fixed rate in 2012.

The following are the maturity periods of contracts

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Due within 1 year	4,902.62	2,439.69	2,308.31	2,387.39
Over 1 year but not over 5 years	25,767.96	14,143.48	15,233.25	12,936.97
Over 5 years	8,657.84	10,128.02	6,000.00	4,000.00
Total	39,328.42	26,711.19	23,541.56	19,324.36

38.5 Fluctuations in Oil Market Price Risk

The Group has entered into forward oil price contracts. As at December 31, 2012, the volume of the oil according to such contracts that will mature in December 2013 is 10.32 million barrels in both the consolidated financial statements and the separate financial statements (December 31, 2011: 117.13 million barrels in the consolidated financial statements and the separate financial statements).

38.6 Credit Risk

Credit risk arises when customers do not comply with the terms and conditions of credit agreements, causing financial losses to the Company. However, the Company has managed risk by adjusting its credit policies according to the current economic situation, focusing on developing financial instruments by cooperating with financial institutions to support credit facilities provided to customers, such as the Dealer Financing project, the trade credit insurance, and the Payment card and Fleet card project. The Company also reduces credit risk by determining procedures for risk prevention and mitigation, including credit rating for all trading partners of the Company.

38.7 Fair Value of Financial Instruments

Most financial assets and liabilities of the Group are classified as short-term. The fair values of financial assets and liabilities approximate their carrying values.

The Group calculates the fair values of fixed-interest-rate long-term loans and debentures using the discounted cash flow method based on the discount rates of contracts with similar borrowing conditions. The fair values of forward foreign exchange contracts, cross-currency and interest rate swap contracts, participating swap contracts, interest rate swap contracts and forward oil and gas price contracts are determined by the Group's contracted banks with reference to their quoted market prices as at December 31, 2012 and 2011 as follows:

Unit: Million Baht

	Consolidated financial statements			
	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term loans - Baht currency	32,398.34	33,104.17	37,276.33	38,219.81
Long-term loans - Foreign currencies	74,308.87	74,650.03	66,577.27	67,586.86
Unsecured unsubordinated debentures				
- Baht currency	188,505.23	198,061.34	191,818.30	202,083.71
Unsecured unsubordinated debentures				
- Foreign currencies	138,224.49	150,062.77	92,472.15	97,291.70
Secured unsubordinated debentures				
- Foreign currencies	2,973.67	2,973.67	3,040.92	3,040.92
Forward foreign exchange purchase contracts	-	(30.89)	-	308.33
Forward foreign exchange sale contracts	-	2,976.07	-	2,458.82
Foreign exchange option contracts	-	(21.41)	-	89.96
Cross-currency and interest rate swap contracts	-	4,114.34	-	4,191.56
Interest rate swap contracts	-	(994.63)	-	(947.66)
Forward oil price contracts	-	(11.12)	-	89.86

Unit: Million Baht

	Separate financial statements			
	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term loans - Baht currency	23,500.00	24,205.83	27,500.00	28,443.48
Long-term loans - Foreign currencies	19,774.64	21,160.70	24,015.55	25,025.15
Unsecured unsubordinated debentures				
- Baht currency	164,304.20	173,410.56	142,804.20	152,584.44
Unsecured unsubordinated debentures				
- Foreign currencies	80,294.32	83,680.83	48,321.77	50,965.50
Forward foreign exchange purchase				
contracts	-	(30.89)	-	308.33
Forward foreign exchange sale contracts	-	183.34	-	(305.50)
Foreign exchange option contracts	-	(21.41)	-	89.96
Cross-currency and interest rate swap				
contracts	-	4,577.06	-	7,170.13
Interest rate swap contracts	-	(340.86)	-	(530.49)
Forward oil price contracts	-	(11.12)	-	89.96

39. Subordinated capital debentures

On June 15, 2012, PTTEP issued and offered subordinated capital debentures, with a value of Baht 5,000 million, which are perpetual long-term, unsecured and unconvertible with no final maturity date. The principle payment will be paid upon liquidation or early redemption by PTTEP, subject to certain restrictions under the agreement. The subordinated capital debentures bear a step-up fixed interest starting from 5.85% to 7.85% per annum. These interests are paid on a quarterly basis. PTTEP can defer the interest payments at its sole discretion. All deferred interest will be accumulated, but not bear any interests. If PTTEP deferred the interest payment, PTTEP shall not declare or make any dividend payment, make any interest payment or distribution of any sort of any instrument or security issued by PTTEP which ranks pari passu or junior to these subordinated capital debentures. In addition, PTTEP shall not redeem, reduce, cancel, buy-back or acquire for any consideration on any instrument or security issued by PTTEP which rank pari passu or junior to these subordinated capital debentures. These debentures are recognized by the Company as a part of non-controlling interests in the statement of financial position.

40. Dividend Payment

On April 10, 2012, at the 2012 Annual Shareholders Meeting of the Company, the shareholders approved dividend payments for the year 2011 of Baht 13.00 per share, approximately amounting to Baht 37,119.13 million. On September 23, 2011, the Company paid an interim dividend for the operating results of the first half of 2011 at Baht 6.00 per share for 2,854,189,126 shares, amounting to Baht 17,125.13 million. The remaining dividends were paid as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
For the year 2011	July 1, 2011 - December 31, 2011	7.00	2,855,074,343	19,985.52	April 30, 2012

On August 24, 2012, at the Board of Directors Meeting No. 8/2012 of the Company, the Board approved interim dividend payments for the first half of the year 2012 as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
Interim	January 1, 2012 - June 30, 2012	5.00	2,855,194,951	14,275.97	September 21, 2012

41. Business Acquisition

On November 15, 2011, PTTGE Services Netherlands BV (PTTGE BV) acquired a 75% shareholding in seven jointly controlled entities of the PT Kalpataru Investama (PT KPI) group, operating Palm oil business in Indonesia.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration (cash paid)	2,932.08
Fair value of net assets acquired	(2,336.47)
Goodwill	595.61

Assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	0.76
Property, plant and equipment	2,705.26
Advance payment	13.79
Other current assets	23.59
Other current liabilities	(15.07)
Other non-current liabilities	(391.86)
Fair value of net assets acquired	2,336.47
<u>Add:</u> Goodwill	595.61
Total consideration transferred	2,932.08
<u>Less:</u> Cash and cash equivalents	(0.76)
Cash outflow on the acquisition	2,931.32

On March 2, 2012 PTT Asia Pacific Mining Pty Ltd. (PTTAPM), a subsidiary company of PTTI, made an additional investment in Red Island Minerals Limited (RIM) by acquiring a 66.50% interest to increase its shareholding in RIM from 33.50% to 100%. As a result, the status of RIM has been changed from an associate to a subsidiary of PTTI. RIM is a company incorporated in Australia, which operates an exploration and development of coal mining business under a partnership with the Madagascan government.

PTTAPM paid USD 44.86 million, or approximately Baht 1,361.09 million, for the additional shares in RIM.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	3,113.29
Fair value of net assets acquired	(2,410.65)
Goodwill	<u>702.64</u>

Purchase consideration is as follows:

	Unit: Million Baht
Net book value of equity before change in shareholding	1,514.83
Gain on revaluation of net book value of equity	274.34
Cash paid	885.38
Contingent consideration arrangement	<u>438.74</u>
Total purchase consideration	<u>3,113.29</u>

Assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	3.41
Accounts receivable and other receivable	9.39
Property, plant and equipment (Note 16)	4.09
Mining properties (Note 18)	4,245.73
Other assets	0.09
Accounts payable and other accounts payable	(39.10)
Loan	(355.87)
Deferred tax liabilities	(878.29)
Fair value of net assets	2,989.45
<u>Less:</u> Non-controlling interest	(578.80)
Fair value of net assets acquired	2,410.65
<u>Add:</u> Goodwill (Note 19)	702.64
Total consideration transferred	3,113.29

Cash paid for changing in the ownership interests in subsidiaries

	Unit: Million Baht
Cash paid	885.38
Contingent consideration arrangement	438.74
Premium on contingent consideration arrangement	40.38
	1,364.50
<u>Less:</u> Cash and cash equivalent of subsidiaries	(3.41)
Cash outflow on the acquisition	1,361.09

As at December 31, 2012, PTTAPM is reviewing the fair value of net assets acquired. The aforementioned fair value of the net assets will be revised when the initial purchase price allocation is completed.

On May 14, 2012, PT Separi Energy (SE), a subsidiary of Sakari Resources Ltd. (SAR) which is a subsidiary of PTTI, acquired a 100% shareholding in Tri Tunggal Lestari Bersama (TTLB) for the total of USD 1.09 million, or approximately Baht 34.66 million. TTLB operates an infrastructure business nearby the Jembayan mine. Consequently, this acquisition provides the land use rights and results in the company saving coal transportation costs.

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	70.81
Fair value of net assets acquired	(0.16)
Goodwill	70.65

Purchase consideration is as follows:

	Unit: Million Baht
Cash paid	34.66
Contingent consideration arrangement	36.15
Total purchase consideration	70.81

Assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Other assets	0.16
Fair value of net assets acquired	0.16
<u>Add:</u> Goodwill (Note 19)	70.65
Total consideration transferred	70.81

As at December 31, 2012, SE is reviewing the fair value of net assets acquired. The aforementioned fair value of the net assets will be revised when the initial purchase price allocation is completed.

On August 23, 2012, at the PTTI's Board of Directors Meeting No. 11/2012, the Board passed a resolution to assign PTT Mining Limited (PTTML), a subsidiary of PTTI, to bid for all ordinary shares of Sakari Resources Limited (SAR) through the Stock Exchange of Singapore and to report to the Stock Exchange of Thailand on August 27, 2012. The purpose of the bid is to increase a shareholding in SAR to over 50%.

As at December 31, 2012, PTTML acquired an additional 48.36% of the shareholding in SAR (549,953,320 shares, totaling SGD 1,033.58 million or approximately Baht 25,456.15 million), which increased its shareholding in SAR from 45.27% to 93.63% (1,064,632,540 shares).

Details of the change in the equity holding in the subsidiary are as follows:

	Unit: Million Baht
Purchase consideration	25,456.15
Carrying value of the additional interest acquired	(9,784.62)
The difference from the change in the ownership interests in subsidiary	<u>15,671.53</u>

On May 23, 2012, PTTEP announced the terms of recommended cash offer to acquire the entire issued share and to be issued share capital of Cove Energy plc. (COVE) which was listed on the Alternative Investment Market (AIM) of the London Stock Exchange at the price of 240 pence for each COVE share totaling GBP 1,221.40 million. COVE has an 8.5% participating interest in the Rovuma Offshore Area 1 Project which is a world class gas discovery in the Republic of Mozambique. PTTEP through PTTEP Africa Investment Limited (PTTEP AI), a wholly owned subsidiary, fulfilled all offering requirements and successfully acquired share of COVE. Subsequently on October 5, 2012, PTTEP AI became 100% shareholder of COVE.

The acquisition of COVE results in PTTEP obtaining a 10% indirect participating interests in the Rovuma Onshore exploration block in the Republic of Mozambique and 10% to 25% indirect participating interests in seven exploration blocks in the Republic of Kenya offshore deepwater which are Blocks L5, L7, L10A, L10B, L11A, L11B, and L12. In addition, PTTEP becomes the ultimate parent company of all COVE's subsidiaries as follows:

Company	Registered country	Type of business	Percentage of Investment
Cove Energy East Africa Limited	Cyprus	Oil and gas exploration	100
Cove Energy Mozambique Rovuma Onshore Limited	Cyprus	Oil and gas exploration	100
Cove Energy Mozambique Rovuma Offshore Limited	Cyprus	Oil and gas exploration	100
Cove Mozambique Terra Limitada	Mozambique	Oil and gas exploration	100
Cove Mozambique Energia Limitada	Mozambique	Oil and gas exploration	100
Cove Energy Kenya Limited	Kenya	Oil and gas exploration	100

Details of net assets acquired and goodwill are as follows:

	Unit: Million Baht
Purchase consideration	60,408.52
Fair value of net assets acquired	(42,428.00)
Goodwill	17,980.52

Assets and liabilities arising from the acquisition are as follows:

	Unit: Million Baht
Cash and cash equivalents	1,359.35
Other receivable	366.26
Materials and supplies	214.32
Working capital from co-ventures	109.60
Available-for-sales investments (Note 13)	42.05
Property, plant and equipment (Note 16)	51.86
Intangible assets (Note 17)	64,214.49
Accrued expenses	(5,541.58)
Other current liabilities	(488.89)
Deferred tax liabilities	(17,899.46)
Fair value of net assets acquired	42,428.00
<u>Add:</u> Goodwill (Note 19)	17,980.52
Total consideration transferred	60,408.52
<u>Less:</u> Cash and cash equivalents	(1,359.35)
Cash outflow on the acquisition	59,049.17

The goodwill from the business acquisition of Baht 17,980.52 million resulted primarily from the recognition of deferred tax liabilities of Baht 17,899.46 million. These were derived from the differences between the fair values of net assets acquired assumed in a business combination and their tax bases, which have not been adjusted to reflect fair value. The remaining goodwill of Baht 81.06 million represents the future benefits that PTTEP expects to receive from entering into the Africa market.

None of the goodwill recognized is expected to be deductible for income tax purposes.

42. Promotional Privileges

The Company has received promotional privileges for the following activities from the Board of Investment (BOI) under the Investment Act, B.E. 2520 (1977).

- 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 Ethane Separation Plant project
- the Gas Separation Plant Unit#6 project
- the gas distribution pipelines to the Rojana Industrial Park project
- the Power and Steam Production for Bangchak Refinery project
- the North Bangkok Power Plant gas pipeline project
- the Rayong-Kangkoi gas pipeline project
- the improvement of production efficiency in energy and environmental aspect project
- the plastic product and production process research and development project

The promotional privileges include:

- exemption from import duties on machinery approved by the BOI
- exemption from corporate income tax on net income from the promoted business for periods of three years and eight years starting from the date on which the income is first derived from such operations.

During the year 2012, the Company utilizes the privileges for the Ethane Separation Plant project, the Gas Separation Plant Unit#6 project and the Power and Steam Production for Bangchak Refinery project.

The sales from the promoted and non-promoted businesses for the years ended December 31, 2012 and 2011 are as follows:

	Unit: Million Baht	
	Separate financial statements	
	2012	2011
Promoted businesses	144,982.16	139,690.29
Non-promoted businesses	2,408,518.80	2,057,864.76
Total	2,553,500.96	2,197,555.05

Some subsidiaries and jointly controlled entities received the following promotional privileges from the BOI under the Investment Act, B.E. 2520 (1977).

PTTPL received Category 7.7 promotional privileges for its international merchandise distribution centre with modern system. The promotional privileges include exemption from import duties on the machinery approved by the BOI and corporate income tax exemption on the net income from the promoted business for five years starting from the date on which income is first derived from such operations.

CHPP received Category 7.1 promotional privileges for its electricity and cool water production. The promotional privileges include exemption from import duties on the machinery approved by the BOI and corporate income tax exemption on the net income from the promoted business for eight years starting from the date on which income is first derived from such operations.

LNG received Category 7.1 promotional privileges for its liquefied natural gas transfer business. The promotional privileges include exemption from import duties on the machinery approved by the BOI, exemption from corporate income tax on the net income from the promoted business for eight years starting from the date on which income is first derived from such operations, and exemption from 50% corporate income tax on the net income from the promoted business for five years starting from the expiry date of the corporate income tax exemption.

HMC received promotional privileges for its business with respect to the production of chemicals from petroleum. The promotional privileges include exemption from various taxes and duties and corporate income tax exemption on the net income from promoted business for eight years starting from the date on which the income is first derived from such operations, and 50% corporate income tax exemption on the net income from the promoted business for five years starting from the expiry date of the corporate income tax exemption period.

TTM-T received Category 7.1 promotional privileges for its public utility and basic services business, Category 7.2 privileges for its mass transit systems and transportation of bulk products and Category 7.7 privileges for its natural gas transmission pipeline business. The promotional privileges include exemption from various taxes and duties and corporate income tax exemption.

DCAP received Category 7.1 promotional privileges for its public utility and basic services business. The promotional privileges include exemption from various taxes and duties and corporate income tax exemption on the net income from promoted business for eight years starting from the date on which income is first derived from such operations.

PTTAC received promotional privileges for its Acrylonitrile, Ammonium Sulfure and Methyl Methacrylate production business. The promotional privileges include exemption from various taxes and duties and corporate income tax exemption on the net income from the promoted business for eight years starting from the date on which income is first derived from such operations.

TANK received Category 7.1 promotional privileges for its overseas logistics business. The promotional privileges include exemption from various taxes and duties and corporate income tax exemption on up to 100% of the net income from the promoted business for eight years starting from the date on which income is first derived from such operations, and 50% corporate income tax exemption on the net income from the promoted business for five years starting from the expiry date of the corporate income tax exemption period.

PTTPM received Category 7.8 promotional privileges for its international procurement business. The promotional privileges include exemption of import duty from machinery, material and supplies but exclude corporate income tax exemption.

As the Group has received promotional privileges from the BOI, it has to comply with all conditions and regulations as stipulated in the promotional certificates.

43. Proceeding regarding the Central Administrative Court's Ordering Temporary Suspension of Projects in Map Ta Phut Area

On June 19, 2009, the 43 petitioners leading by the Stop Global Warming Association filed a complaint with the Central Administrative Court (the Court) as the black case no. 908/2009, against eight government agencies, together with a motion seeking the Court injunction to temporarily suspend all operations and activities of 76 industrial projects in the Map Ta Phut area in Rayong province.

On September 29, 2009, the Court ordered the temporary injunction by requiring the eight accused government agencies to issue the order to temporarily suspend all 76 projects pending the Court's judgment or order otherwise, except for those projects or activities which received the permits before the effective date of the Constitution of Kingdom of Thailand B.E. 2550 (2007) or which were not required to prepare the Environmental Impact Assessment (EIA) reports pursuant to the Ministerial Announcement of Ministry of Natural Resources and Environment dated June 16, 2009. 25 projects of the Group were under the suspension order, and three of those 25 projects belonged to the Company.

On October 16, 2009, the Group, as an interested person, submitted a motion to appeal the Court's order to the Supreme Administrative Court.

On December 2, 2009, the Supreme Administrative Court issued an order No. 592/2552 amending the Court's injunction by requiring the eight accused government agencies to order the temporary suspension of all projects or activities listed in the complaint except for 11 projects, which clearly, according to the Supreme Administrative Court, did not severely affect the community with respect to the quality of the environment, natural resources, and health but were projects intended to mitigate pollution or only additional installation to the existing projects. Among those 11 projects, seven of them belonged to the Group, comprising one project of the Company and six projects of the other companies in the Group. Two projects of the Company were still under the Court's order to suspend.

On December 18, 2009, the public prosecutor submitted the answer rejecting all allegations in the complaint.

On September 2, 2010, the Court rendered a judgment revoking the permit of the projects listed in the complaint which, according to the law, were categorized as project that might severely affect the community with respect to the quality of environment, natural resources, and health and did not comply with the procedures set forth in Section 67 paragraph 2 of the Constitution. The revocation was effective as of the date of the judgment. 1 project of the Group is within the scope of the judgment.

On October 1, 2010, the 43 prosecutors appealed the Court's judgment to the Supreme Administrative Court. On December 7, 2010, the eight accused government agencies by the public prosecutors submitted a reply to the appeal. The appeal is currently under the consideration of the Supreme Administrative Court.

44. Proceeding regarding the Offshore Natural Gas Pipeline Leakage Incident

The company hired a pipeline construction contractor for the construction of offshore pipeline project situated in the Gulf of Thailand. During the construction, the contractor committed wrongful act and breach of contract causing damage to the Company. Subsequently, the Company forwarded relevant evidence to the Office of the Attorney General to consider filing lawsuit with the court seeking damages from the contractor. After considering the evidence, the public prosecutor assigned to the case submitted the complaint with the Civil Court. At present, the case is in the Civil Court's proceedings.

45. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

45.1 Commitments to subsidiaries, jointly controlled entities, associates and other related companies are as follows:

45.1.1 The Group has provided loans to its subsidiaries and associates with credit limits totaling Baht 84,464.52 million. As at December 31, 2012, the Group made payments in respect of these loans totaling Baht 76,858.68 million. The remaining credit limits were Baht 7,605.84 million.

45.1.2 The Company has obligations under a commercial credit agreement with an overseas subsidiary that provide an extended credit term for purchases of raw materials under a credit limit of USD 100 million. As at December 31, 2012, the subsidiary has drawn down USD 94.53 million of the commercial credit. The remaining commercial credit line was USD 5.47 million or approximately Baht 168.35 million.

45.1.3 The Company entered into the Sponsor Support Agreements with three jointly controlled entities with credit limits equal to the sum of the loan obligations to financial institutions of the three jointly controlled entities. Under these agreements, as at December 31, 2012, the Company had commitments of USD 367.29 million or approximately Baht 11,304.27 million.

45.1.4 The Company entered into the Sponsor Support Agreement with an associate, with a credit limit equal to the sum of the loan obligations of the associate to financial institutions. Under the agreement, as at December 31, 2012, the Company had a commitment of Baht 1,028 million.

45.1.5 The Company had obligations under the Shareholder Agreements to pay for ordinary shares in proportion to its shareholding. As at December 31, 2012, the Company had remaining obligations amounting to Baht 3,379.31 million.

45.2 Commitments under operating leases – the Group as a lessee

The future minimum lease payments under uncancellable operating leases as at December 31, 2012 and 2011 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
- Within 1 year	3,310.17	2,376.22	199.86	225.23
- Over 1 year but not over 5 years	3,193.63	4,829.45	325.96	406.52
- Over 5 years	4,581.85	5,062.27	759.39	872.26
Total	11,085.65	12,267.94	1,285.21	1,504.01

45.3 As at December 31, 2012, the Group has outstanding letters of credit of Baht 28,032.78 million in the consolidated financial statements and Baht 25,340.76 million in the separate financial statements.

45.4 As at December 31, 2012, the Group had contingent liabilities in the form of letter of guarantee amounting to Baht 1,106.16 million in the consolidated financial statements and Baht 103.12 million in the separate financial statements.

45.5 An associate entered into a contract to sell a product to the Company and the Company entered into a contract to resell the same product to a listed company. The term of the two contracts was 15 years, expiring on January 31, 2012. Before the expiration of the contract, the associate notified the Company that the contract would not be renewed. Consequently, without product to resell, the Company had to notify the listed company that the contract would also not be renewed. The Company's notice was served to the listed company in accordance with the terms and conditions set forth in the contract. On December 3, 2009, the listed company submitted claims with the Thai Arbitration Institute (the "Institute") requesting that the Company and the associate, as the seller and the supplier, respectively, comply with the contracts by continuing to sell the product to the listed company or be jointly liable to pay damages.

On February 10, 2010, the associate submitted motion to the Institute asking to dismiss the claims against it from the case list. The Institute issued an order to dismiss the claims relating to the associate.

The Company forwarded the case to the Office of the Attorney General to submit a defense to the Institute. On April 28, 2010, the public prosecutor submitted the defense with the Institute for the Company. Currently, the arbitral tribunal was appointed and the case is under the consideration of the arbitral tribunal.

- 45.6 On May 26, 2010 the contractor for an on-shore natural gas pipeline construction project (the “Contractor”) submitted claims to the Thai Arbitration Institute (the “Institute”) seeking overdue payment and damages from the Company for the work performed in connection with the project. The Company, however, considered that the submission of the claims was incompliant with the dispute resolution procedure agreed upon under the contract. Therefore, the Company filed an opposition to the Contractor’s claim submission with the Institute and reserved right to protest such contractually incompliant claim submission in the arbitration procedure. After the claim submission, the Central Bankruptcy Court ordered the Contractor be under an absolute receivership which rendered the official receiver to have sole power in any litigation pertaining to the Contractor’s assets. Subsequently, the Contractor’s official receiver has petitioned the Institute to substitute the Contractor in the dispute against the Company. In contention against the alleged claims, the Company submitted the defense together with counterclaims seeking damages from the Contractor. Currently, the arbitral tribunal has been appointed and the case is now under the consideration of the tribunal. Regarding the Contractor’s bankruptcy case, the Company submitted, as a creditor, a motion for receiving a debt payment in accordance with the law.

On September 8, 2010, the Contractor by the its official receiver submitted the claims to the Institute seeking overdue payment and damages from the Company for the work performed in connection with another pipeline construction project. The Company, however, considered that the submission of the claims was incompliant with the dispute resolution procedure agreed upon under the contract. Therefore, the Company filed an opposition to the Contractor’s claim submission with the Institute and reserved the right to protest such contractually incompliant claim submission in the arbitration procedure. In contention against the alleged claims, the Company submitted the defense together with counterclaims seeking damages from the Contractor. Currently, the arbitral tribunal has been appointed and the case is now under the consideration of the tribunal.

- 45.7 On September 22, 2011, six petitioners leading by the Thailand Watch Foundation filed a lawsuit against the Company and the Ministry of Finance with the Central Administrative Court (the Court) alleging that the Company’s privatization, the share distribution and the asset evaluation were in violation of law, and therefore, asked for the Court’s judgment that the sale of the Company’s shares be null and void and the shares be resold. The petitioners also asked that the shares in oil refinery plants owned by the Company be returned to state ownership or be sold to the public in order to cease the Company’s monopoly in the oil refinery industry. In addition, the petitioners sought the Court’s order of the confiscation of the Company’s properties, which had been obtained by operation of public law or the force-sale of the Company’s gas separation plants to discontinue the monopoly. In response, the Company rejected all allegations and the Company by the public prosecutor submitted the answer and additional answer with the Court. Currently, the case is under the consideration of the Court.
- 45.8 On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter from the Government of Indonesia claiming for compensation in relation to the oil and gas leak incident in the Montara area under the PTTEP Australasia’s project. Subsequently, on September 1, 2010, PTTEP AA submitted a letter rejecting the claim for compensation from the Indonesian Government because no verifiable scientific evidence provided by the Indonesian Government to support the claim. Currently, the discussion with the Indonesian Government is on-going and the compensation regarding this matter has not been finalized.

46. Other Event

On July 4, 2012, a fire broke out at the Kerosene Stripper in Crude Distillation Unit 3, at the Bangchak refinery on Sukhumvit 64 Rd. The stripper had a production capacity of 80,000 barrels per day. As at December 31, 2012, the insurance company already paid some compensation. The management of Bangchak Petroleum Public Co., Ltd. (BCP) believes that the losses are fully compensable.

47. Events after the Reporting Period

- 47.1 The amalgamation of PTT Utility Company Limited and Independent Power (Thailand) Company Limited was completed on January 10, 2013. The name of the merged company is Global Power Synergy Company Limited and PTT holds 30.10% of shares in the merged company.
- 47.2 On January 31, 2013, PTT International Company Limited (PTTI, a wholly-owned subsidiary of PTT) via its wholly-owned subsidiary PTT International Company Limited (PTTIH) agreed to jointly invest in Nam Lik 1 Power Company Limited (NL1PC) for the development of Nam Lik 1 Power project in Lao People's Democratic Republic. The initial registered capital of the company is USD 200,000 comprising 20,000 shares at USD 10 each. PTTIH holds 8,000 shares, equivalent to 40% investment proportion.
- 47.3 On February 22, 2013, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval a dividend payment of Baht 13.00 per share for 2012. On September 21, 2012 the Company paid an interim dividend of Baht 5.00 per share as described in Note 40. Accordingly, the remaining dividend of Baht 8.00 per share or approximately Baht 22,850 million will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2013.
- 47.4 The board of directors of the Company approved these financial statements for public issuance on February 22, 2013.

Audit Fee of the Auditors

The Company, Subsidiaries and jointly controlled entities paid for the audit fees to the auditor's companies for the last year accounting period amounting to Baht 111,989,513 (One hundred and eleven million, nine hundred and eighty-nine thousand, five hundred and thirteen baht).



PTT Public Company Limited
555 Vibhavadi Rangsit Rd., Chatuchak,
Bangkok 10900, Thailand
Tel. 66 (0) 2537-2000
www.pttplc.com