



**Annual Report 2011
(Financial Report)**

PTT Public Company Limited



STABILITY

SUSTAINABILITY

CONTENTS

002 Report of Board of Directors' Responsibilities for the Financial Reporting	049 Loans	117 Bank Overdrafts and Short-term Loans from Financial Institutions	148 Finance Costs
003 AUDITOR'S REPORT	050 Related Party Transactions	117 Other Current Liabilities	148 Segment Information
004 STATEMENTS OF FINANCIAL POSITION	059 Inventories	118 Long-term Loans	155 Disclosure of Financial Instruments
007 STATEMENTS OF INCOME	059 Materials and Supplies	133 Employee Benefit Obligations	162 Dividend Payment
008 STATEMENTS OF COMPREHENSIVE INCOME	060 Investments in subsidiaries, Jointly Controlled Entities and Associates	135 Provision for Decommissioning Costs	163 Business Acquisition
009 STATEMENTS OF CHANGES IN EQUITY	095 Available-for-sale Investments	136 Other Non-current Liabilities	167 Reclassification
011 STATEMENTS OF CASH FLOWS	098 Other Long-term Investments	137 Share Capital	167 Promotional Privileges
NOTES TO FINANCIAL STATEMENTS	101 Investment Properties	138 Reserves	170 Proceeding regarding the Central Administrative Court's Ordering the Temporary Suspension of Projects in the Map Ta Phut Area
015 General Information	103 Property, Plant and Equipment	138 Earnings per Share	171 Proceeding regarding the Offshore Natural Gas Pipeline Leakage Incident
015 Basis of Financial Statements Preparation	106 Intangible Assets	143 Share-based Payment	171 Effect from Floods
016 Accounting Policies	108 Mining Properties	144 Sales and Service Income	172 Commitments and Contingent Liabilities
046 Cash and Cash Equivalents	109 Goodwill	145 Other Income	175 Events after the Financial Statement Date
046 Current Investments	109 Income Taxes and Deferred Taxes	146 Expenses by Nature	176 Audit Fee of the Auditors
047 Trade Accounts Receivable	115 Advance Payments for Gas Purchases	147 Petroleum Royalties and Remuneration	
048 Other Accounts Receivable	116 Other Non-current Assets	147 Shares of Net Income from Investments in Associates	



Financial Report

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 its subsidiaries. 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 best estimation. Important information is adequately and transparently disclosed in the notes to financial statements for 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 protect 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 comments 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 its subsidiaries for the year ended December 31, 2011. 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 accompanying consolidated statements of financial position of PTT Public Company Limited and its subsidiaries and the separate statements of financial position of PTT Public Company Limited as at December 31, 2011 and 2010, the related consolidated and the separate statements of income, comprehensive income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits. The Office of the Auditor General of Thailand does not audited the financial statements of some subsidiaries, some jointly controlled entities arising from joint investing between PTT Public Company Limited and other companies, and some jointly controlled entities arising from joint investing between subsidiaries and other companies, included in the consolidated financial statements. As at December 31, 2011, assets and liabilities of the above subsidiaries and jointly controlled entities included in the consolidated financial statements constitute 28.86% and 13.78% and as at December 31, 2010 constitute 34.64% and 33.80%, respectively. The financial statements of those subsidiaries and jointly controlled entities were audited by other auditors whose reports have been furnished to the Auditor General of Thailand and the report of the Auditor General of Thailand, insofar as it relates to the amounts included for those subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require the Office of the Auditor General of Thailand to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The Office of the Auditor General of Thailand believes that the audits together with other auditors' reports as aforementioned provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General of Thailand based on the audits and the other auditors' reports, the consolidated and the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial position of PTT Public Company Limited and its subsidiaries and of PTT Public Company Limited as at December 31, 2011 and 2010, and the results of operations, and the cash flows for the years then ended in accordance with generally accepted accounting principles.


Pongchomnad Jariyajinda
Inspector General 1
Doungporn Muennuch
Director of Audit Office

STATEMENTS OF FINANCIAL POSITION

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT DECEMBER 31, 2011 AND 2010

Unit: Baht	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Assets					
Current assets					
Cash and cash equivalents	4	116,132,054,671	135,801,048,833	51,340,612,291	61,311,017,827
Current investments	5	10,961,666,994	21,783,590,159	9,758,576,305	20,891,870,129
Trade accounts receivable	6	171,361,544,041	140,348,479,080	157,057,537,383	148,173,632,772
Other accounts receivable	7	32,624,731,771	18,804,908,690	16,744,092,815	12,009,417,091
Short-term loans	8.1	4,999,170,504	284,032,738	5,540,512,739	674,885,032
Inventories	10	26,000,290,599	31,230,659,162	18,862,996,073	8,607,545,552
Materials and supplies	11	13,201,578,538	11,102,529,042	4,111,583,529	3,494,039,418
Other current assets		5,876,128,182	4,578,233,175	1,484,676,958	1,174,673,374
Total current assets		381,157,165,300	363,933,480,879	264,900,588,093	256,337,081,195
Non-current assets					
Available-for-sale investments	13	11,680,416,176	13,590,595,650	11,421,510,900	13,223,299,213
Investments in associates	12.3, 12.4	227,732,639,043	205,062,693,918	120,212,474,472	115,259,730,449
Investments in subsidiaries	12.4	-	-	73,278,181,513	45,045,196,213
Investments in jointly controlled entities	12.4	-	-	22,739,274,827	22,067,622,412
Other long-term investments	14	1,749,852,705	2,179,358,395	1,106,117,996	1,106,117,996
Long-term loans	8.2	145,763,221	5,878,369,498	52,837,646,611	55,426,744,308
Investment properties	15	8,345,289,339	8,731,933,121	5,099,303,532	5,139,507,150
Property, plant and equipment	16	601,341,407,271	496,660,664,858	219,160,024,975	212,981,478,144
Intangible assets	17	52,613,777,875	20,712,453,922	13,865,968,171	13,996,271,502
Mining properties	18	33,914,479,701	32,699,297,892	-	-
Goodwill	19	28,347,704,751	17,541,828,888	-	-
Deferred tax assets	20	19,318,398,602	16,446,488,959	1,807,794,853	1,974,175,624
Advance payments for gas purchases	21	7,346,227,917	8,304,595,071	8,495,573,306	9,743,471,589
Other non-current assets	22	28,718,969,821	37,367,434,624	20,763,637,935	19,957,960,064
Total non-current assets		1,021,254,926,422	865,175,714,796	550,787,509,091	515,921,574,664
Total assets		1,402,412,091,722	1,229,109,195,675	815,688,097,184	772,258,655,859

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

STATEMENTS OF FINANCIAL POSITION

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT DECEMBER 31, 2011 AND 2010

Unit: Baht	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	23	15,520,544,127	8,593,725,864	-	-
Trade accounts payable		164,300,728,974	137,222,313,887	162,392,716,091	136,189,250,949
Other accounts payable		13,392,300,878	12,027,384,223	8,553,489,060	8,526,872,277
Current portion of long-term loans	25	54,978,794,837	28,562,271,813	30,472,118,302	27,195,263,165
Short-term loans		-	7,944,914,750	6,094,303,584	2,564,782,400
Income tax payable		26,355,835,574	27,038,394,342	-	4,097,666,956
Accrued expenses		54,062,657,595	39,589,099,070	16,058,355,234	17,194,328,688
Short-term provision for decommissioning costs	27	2,312,666,525	3,753,368,515	-	-
Other current liabilities	24	4,592,374,625	4,932,573,049	3,510,666,798	3,178,600,890
Total current liabilities		335,515,903,135	269,664,045,513	227,081,649,069	198,946,765,325
Non-current liabilities					
Other long-term accounts payable	9.6	671,712,624	705,231,528	685,031,224	719,431,654
Long-term loans	25	337,423,813,560	342,466,775,251	213,299,643,983	239,630,439,808
Deferred tax liabilities	20	43,174,141,915	19,850,537,675	4,961,286,309	6,319,413,316
Employee benefit obligations	26	5,500,054,851	5,147,726,740	2,387,397,715	2,314,495,558
Long-term provision for decommissioning costs	27	22,628,852,001	22,151,780,423	-	-
Deposits on LPG cylinders		6,567,504,468	6,038,460,073	6,567,504,468	6,038,460,073
Other non-current liabilities	28	6,981,535,136	5,670,773,882	5,022,246,647	4,522,605,533
Total non-current liabilities		422,947,614,555	402,031,285,572	232,923,110,346	259,544,845,942
Total liabilities		758,463,517,690	671,695,331,085	460,004,759,415	458,491,611,267

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

STATEMENTS OF FINANCIAL POSITION

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT DECEMBER 31, 2011 AND 2010

Unit: Baht	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Liabilities and Shareholders' Equity					
(Continued)					
Shareholders' 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	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	29.2	-	28,490,420,250	-	28,490,420,250
Premium on ordinary shares	29.2	29,211,131,966	27,585,429,566	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	2,857,245,725
Reserve for self-insurance fund	30.2	1,034,861,938	1,005,090,857	1,034,861,938	1,005,090,857
Unappropriated		500,929,192,499	428,455,273,592	290,592,601,966	249,981,088,941
Other components of equity		(6,675,214,432)	(7,689,623,648)	3,424,499,924	3,847,769,253
Total equity attributable to equity holders of the Company		555,920,213,946	480,703,836,342	355,683,337,769	313,767,044,592
Non-controlling interests		88,028,360,086	76,710,028,248	-	-
Total shareholders' equity		643,948,574,032	557,413,864,590	355,683,337,769	313,767,044,592
Total liabilities and shareholders' equity		1,402,412,091,722	1,229,109,195,675	815,688,097,184	772,258,655,859

Pailin Chuchottaworn
President & Chief Executive Officer

Tevin Vongvanich
Chief Financial Officer

STATEMENTS OF INCOME

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Sales and service income	33	2,428,164,676,896	1,898,682,172,970	2,197,555,053,912	1,758,750,604,497
Cost of sales and services	35	2,208,895,705,623	1,724,780,052,269	2,118,188,516,700	1,693,959,981,330
Gross margin		219,268,971,273	173,902,120,701	79,366,537,212	64,790,623,167
Other income	34	16,601,460,342	13,025,889,809	38,950,511,050	31,041,296,773
Income before expenses		235,870,431,615	186,928,010,510	118,317,048,262	95,831,919,940
Selling expenses	35	10,439,160,482	11,267,895,665	9,187,616,934	10,165,329,770
Administrative expenses	35	33,911,360,845	24,670,338,542	19,743,394,464	15,408,631,266
Executive remunerations	9.10	655,802,601	709,394,643	125,084,349	123,124,356
Petroleum exploration expenses		6,615,168,228	2,721,147,164	-	-
Petroleum royalties and remuneration	36	22,029,599,601	18,540,069,013	-	-
Other expenses		6,449,546,687	1,929,057,976	46,342,898	-
(Gain) Loss on foreign exchange		(1,265,813,247)	(6,361,927,258)	(1,289,377,071)	(9,234,428,110)
Operating income		157,035,606,418	133,452,034,765	90,503,986,688	79,369,262,658
Share of income from investments in associates	37	29,462,624,212	18,815,955,242	-	-
Income before finance costs & income taxes		186,498,230,630	152,267,990,007	90,503,986,688	79,369,262,658
Finance costs	38	18,041,630,293	16,803,230,182	12,742,469,877	12,243,203,492
Income before income taxes		168,456,600,337	135,464,759,825	77,761,516,811	67,126,059,166
Income taxes	20	43,230,615,079	33,960,537,180	4,327,513,869	12,668,784,343
Income for the years		125,225,985,258	101,504,222,645	73,434,002,942	54,457,274,823
Attributable to:					
Equity holders of the Company		105,296,408,824	83,992,053,512	73,434,002,942	54,457,274,823
Non-controlling interests		19,929,576,434	17,512,169,133	-	-
		125,225,985,258	101,504,222,645	73,434,002,942	54,457,274,823
Basic earnings per share	31	36.91	29.58	25.74	19.18
Diluted earnings per share	31	36.89	29.50	25.73	19.16

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

STATEMENTS OF COMPREHENSIVE INCOME

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Income for the years	125,225,985,258	101,504,222,645	73,434,002,942	54,457,274,823
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale investments	(1,282,620,467)	3,895,745,465	(1,216,188,313)	3,849,126,090
Income taxes related to unrealized gain (loss) on available-for-sale investments	792,918,984	(1,154,737,827)	792,918,984	(1,154,737,827)
Currency translation differences	9,467,735,552	(17,416,127,502)	-	-
Share of other comprehensive gain (loss) of associates	6,085,576,668	(211,636,280)	-	-
Other comprehensive income (loss), net of income taxes	15,063,610,737	(14,886,756,144)	(423,269,329)	2,694,388,263
Total comprehensive income for the years	140,289,595,995	86,617,466,501	73,010,733,613	57,151,663,086
Attributable to:				
Equity holders of the Company	117,259,091,650	75,743,268,526	73,010,733,613	57,151,663,086
Non-controlling interests	23,030,504,345	10,874,197,975	-	-
	140,289,595,995	86,617,466,501	73,010,733,613	57,151,663,086

STATEMENTS OF CHANGES IN EQUITY

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Total equity attributable to equity holders of the Company														CONSOLIDATED FINANCIAL STATEMENTS	
Unit: Baht	Notes	Other components of equity													
		Retained earnings			Other comprehensive income (loss)					Surplus (Deficit) from the change in the ownership interests in subsidiaries					
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Reserve for self-insurance fund	Unappropriated	Currency translation differences	Available-for-sale investments	Share of other comprehensive gain (loss) in associates	Total other components of equity	Total equity attributable to equity holders of the Company	Non-controlling interests	Total equity		
Balance as at January 1, 2010		28,337,848,250	24,552,672,966	2,857,245,725	988,613,104	368,621,344,561	(1,494,863,079)	1,153,368,193	3,559,561,798	604,149,855	3,822,216,767	429,179,941,373	68,910,650,673	498,090,592,046	
Cumulative effect of the changes in accounting policies		-	-	-	-	2,109,747,451	(3,516,237,638)	-	-	-	(3,516,237,638)	(1,406,490,187)	793,729,021	(612,761,166)	
Balance after adjustment		28,337,848,250	24,552,672,966	2,857,245,725	988,613,104	370,731,092,012	(5,011,100,717)	1,153,368,193	3,559,561,798	604,149,855	305,979,129	427,773,451,186	69,704,379,694	497,477,830,880	
Changes in equity for the year 2010															
Increase in share capital		152,572,000	3,032,756,600	-	-	-	-	-	-	-	-	3,185,328,600	403,150,400	3,588,479,000	
Reserve for self-insurance fund		-	-	-	16,477,753	(16,477,753)	-	-	-	-	-	-	-	-	
Dividend		-	-	-	-	(26,251,394,179)	-	-	-	-	-	(26,251,394,179)	(4,599,680,415)	(30,851,074,594)	
Surplus (Deficit) from the change in the ownership interests in subsidiaries		-	-	-	-	-	-	-	-	253,182,209	253,182,209	253,182,209	(674,209)	252,508,000	
Business acquisitions		-	-	-	-	-	-	-	-	-	-	-	328,654,803	328,654,803	
Total comprehensive income (loss) for the year		-	-	-	-	83,992,053,512	(10,778,156,344)	2,741,007,638	(211,636,280)	-	(8,248,784,986)	75,743,268,526	10,874,197,975	86,617,466,501	
Balance as at December 31, 2010		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	
Balance as at January 1, 2011		28,490,420,250	27,585,429,566	2,857,245,725	1,005,090,857	425,441,191,930	(2,577,798,386)	3,894,375,831	3,365,302,363	863,794,144	5,545,673,952	490,925,052,280	80,387,522,064	571,312,574,344	
Cumulative effect of the changes in accounting policies		-	-	-	-	3,014,081,662	(13,211,458,675)	-	(17,376,845)	(6,462,080)	(13,235,297,600)	(10,221,215,938)	(3,677,493,816)	(13,898,709,754)	
Balance after adjustment		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	
Changes in equity for the year 2011															
Increase in share capital		72,576,000	1,625,702,400	-	-	-	-	-	-	-	-	1,698,278,400	317,046,472	2,015,324,872	
Reserve for self-insurance fund		-	-	-	29,771,081	(29,771,081)	-	-	-	-	-	-	-	-	
Dividend		-	-	-	-	(32,792,718,836)	-	-	-	-	-	(32,792,718,836)	(7,835,089,926)	(40,627,808,762)	
Surplus (Deficit) from the change in the ownership interests in subsidiaries		-	-	-	-	-	-	-	-	(10,948,273,610)	(10,948,273,610)	(10,948,273,610)	120,275,706	(10,827,997,904)	
Business acquisitions		-	-	-	-	-	-	-	-	-	-	-	(4,314,404,759)	(4,314,404,759)	
Total comprehensive net income (loss) for the year		-	-	-	-	105,296,408,824	6,370,840,313	(493,734,155)	6,085,576,668	-	11,962,682,826	117,259,091,650	23,030,504,345	140,289,595,995	
Balance as at December 31, 2011		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	88,028,360,086	643,948,574,032	

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

STATEMENTS OF CHANGES IN EQUITY

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		SEPARATE FINANCIAL STATEMENTS						
Unit: Baht	Notes	Total equity attributable to equity holders of the Company						
		Retained earnings					Other components of equity	
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Reserve for self-insurance fund	Unappropriated	Other comprehensive income (loss)	Available-for-sale investments
								Total equity
Balance as at January 1, 2010		28,337,848,250	24,552,672,966	2,857,245,725	988,613,104	223,288,146,422	1,153,380,990	281,177,907,457
Cumulative effect of the changes in accounting policies	3.2.1	-	-	-	-	(1,496,460,372)	-	(1,496,460,372)
Balance after adjustment		28,337,848,250	24,552,672,966	2,857,245,725	988,613,104	221,791,686,050	1,153,380,990	279,681,447,085
Changes in equity for the year 2010								
Increase in share capital		152,572,000	3,032,756,600	-	-	-	-	3,185,328,600
Reserve for self-insurance fund	30.2	-	-	-	16,477,753	(16,477,753)	-	-
Dividend		-	-	-	-	(26,251,394,179)	-	(26,251,394,179)
Total comprehensive income (loss) for the year		-	-	-	-	54,457,274,823	2,694,388,263	57,151,663,086
Balance as at December 31, 2010		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
Balance as at January 1, 2011		28,490,420,250	27,585,429,566	2,857,245,725	1,005,090,857	251,597,216,474	3,847,769,253	315,383,172,125
Cumulative effect of the changes in accounting policies	3.2.1	-	-	-	-	(1,616,127,533)	-	(1,616,127,533)
Balance after adjustment		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 2011								
Increase in share capital	29.2	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	41	-	-	-	-	(32,792,718,836)	-	(32,792,718,836)
Total comprehensive income (loss) for the year		-	-	-	-	73,434,002,942	(423,269,329)	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

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

STATEMENTS OF CASH FLOWS

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Income attributable to the equity holders of the Company	105,296,408,824	83,992,053,512	73,434,002,942	54,457,274,823
Adjustment of net income to net cash provided by (used in) operating activities:				
Depreciation, depletion and amortization	55,318,163,795	46,704,908,559	15,907,757,701	10,283,085,637
(Reversal of) Loss on impairment of assets	6,919,238,816	(74,886,501)	(893,136,283)	(75,407,254)
(Gain) Loss on disposal of assets	73,432,947	(494,107,434)	(19,395,401)	(197,537,592)
(Gain) Loss on disposal of investments	(993,858,274)	78,400,000	(1,417,514,904)	78,400,000
Write-off property, plant and equipment	461,008,276	(5,399,501)	399,092,166	(72,234,981)
Share of income from investments in associates	(29,462,624,212)	(18,815,955,242)	-	-
Income attributable to non-controlling interests	19,929,576,434	17,512,169,133	-	-
Provision for employee benefit obligations	604,661,614	725,785,544	232,152,324	314,715,821
Unrealized (Gain) Loss on foreign exchange	(667,960,809)	881,850,131	2,926,456,635	(5,434,881,825)
(Reversal of) Doubtful accounts	(261,091,935)	58,869,992	(259,082,266)	54,794,478
Amortization of exploration costs	4,598,349,506	1,426,444,825	-	-
Amortization of debenture discounts	27,546,380	27,546,380	27,546,380	27,546,380
Amortization of deferred interest from finance leases	26,303,101	20,850,041	25,705,588	17,980,482
Allowance for loss on decline in value of inventories	328,815,977	27,230,746	288,973,253	5,851,193
(Reversal of) Allowance for obsolete materials and supplies	(47,765,599)	-	(47,765,599)	1,178,822
Dividends income	(599,857,149)	(514,280,000)	(24,783,995,843)	(18,830,837,386)
Income taxes	43,230,615,079	33,960,537,180	4,327,513,869	12,668,784,343
Interest income	(3,477,502,255)	(2,679,085,381)	(4,873,459,757)	(3,852,357,879)
Interest expenses	17,376,431,932	16,053,104,586	12,245,706,241	11,635,782,945
Others	2,825,130	(4,410,440)	600,000	100,000
Net income from operating activities before changes in operating assets and liabilities	218,682,717,578	178,881,626,130	77,521,157,046	61,082,238,007

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

STATEMENTS OF CASH FLOWS

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Changes in operating assets (increase) decrease				
Trade accounts receivable	(30,159,723,390)	(12,786,834,417)	(8,381,564,230)	(27,418,656,811)
Other accounts receivable and short-term loans	(9,169,957,173)	4,975,287,894	(2,975,386,531)	3,295,531,596
Inventories	4,949,763,572	(18,511,724,452)	(10,549,084,919)	(2,312,350,519)
Materials and supplies	(1,822,653,254)	(691,901,442)	(666,531,240)	(645,472,866)
Other current assets	(2,740,296,264)	(673,542,072)	662,877,334	200,992,282
Advance payments for gas purchases	7,786,823,006	11,070,056,214	8,577,154,953	11,739,116,156
Deferred tax assets	(19,375,768)	-	-	-
Other non-current assets	(3,195,762,563)	(1,313,204,891)	(2,795,051,931)	(1,392,265,378)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	19,017,730,900	33,994,764,795	18,219,327,281	29,935,487,805
Other accounts payable	(290,110,844)	1,888,056,462	(335,849,005)	665,354,276
Accrued expenses	13,797,977,070	467,365,837	1,449,800,803	1,957,224,254
Other current liabilities	156,707,147	(339,710,675)	197,879,989	481,226,194
Deposits on LPG cylinders	529,044,395	557,596,570	529,044,395	557,596,570
Other long-term accounts payable	(33,949,713)	(39,264,990)	(34,421,297)	(43,801,272)
Deferred tax liabilities	7,677	25,108,577	-	-
Other non-current liabilities	904,733,286	2,006,959,467	364,871,857	1,615,817,433
	(289,041,916)	20,629,012,877	4,263,067,459	18,635,799,720
Cash received from operating activities	218,393,675,662	199,510,639,007	81,784,224,505	79,718,037,727
Interest received	1,420,179,595	544,724,850	502,943,090	135,914,190
Interest paid	(189,538,807)	(446,176,676)	-	-
Income tax paid	(42,074,236,760)	(43,706,692,257)	(9,655,026,600)	(14,153,261,267)
Net cash provided by operating activities	177,550,079,690	155,902,494,924	72,632,140,995	65,700,690,650

STATEMENTS OF CASH FLOWS

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from investing activities				
Proceeds from disposals of property, plant and equipment	62,745,278	1,516,193,612	60,097,531	1,476,177,497
Payment of property, plant and equipment	(108,043,747,301)	(102,590,084,221)	(24,502,316,887)	(20,050,513,274)
Advance payment of property, plant and equipment	-	(629,263)	-	-
Payment of intangible assets	(4,160,203,030)	(2,041,726,212)	(186,299,135)	(77,576,669)
Payment of mining property development	(62,084,455)	(2,451,174,587)	-	-
Payment of long-term rental contracts on land and building	(321,210,220)	(348,371,249)	(213,934,430)	(272,790,437)
Deposit on business acquisitions	-	(10,850,497,200)	-	-
Long-term loans	-	(340,238,416)	(4,097,257,304)	(30,956,438,525)
Short-term loans	(288,759,714)	(40,433,875)	(35,385,019)	20,791,013,476
Payment of investments in subsidiaries	(15,165,257,041)	-	(28,233,475,300)	(3,545,532,500)
Payment of investments in jointly controlled entities	(57,615,905,098)	-	(671,652,415)	(2,118,129,375)
Payment of investments in associates	(4,251,997,334)	(2,671,568,460)	(4,004,497,324)	(2,671,568,460)
Payment of other long-term investments	-	(1,313,782,686)	-	(1,250,000,000)
Proceeds from disposal of long-term investments	1,973,345,386	-	1,973,345,386	-
Proceeds from long-term loans	948,575,962	220,003,335	2,916,605,962	220,003,335
Proceeds from short-term loans	8,370,825	-	-	-
Proceeds from cancellation of leasehold in gas stations	18,108,253	20,551,486	18,108,253	20,551,486
(Increase) Decrease in current investments	10,800,315,199	(12,856,130,622)	11,118,566,398	(12,822,815,548)
Interest received	4,035,799,758	762,996,674	6,074,064,381	3,699,543,506
Dividends received	11,607,769,912	9,858,615,003	24,514,295,843	18,424,837,386
Net cash used in investing activities	(160,454,133,620)	(123,126,276,681)	(15,269,734,060)	(29,133,238,102)

STATEMENTS OF CASH FLOWS

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit: Baht	Notes	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Cash flows from financing activities					
Proceeds from issuing ordinary shares		356,985,198	593,734,372	72,576,000	152,572,000
Proceeds from premium on share capital		1,625,702,400	3,032,756,600	1,625,702,400	3,032,756,600
Proceeds from long-term loans		20,713,594,064	23,802,722,557	8,284,000	9,872,415,000
Proceeds from issuing debentures		21,283,797,651	45,525,882,151	-	20,636,000,000
Proceeds from short-term loans		2,330,539,611	26,931,762,885	3,529,521,184	19,911,312,978
Proceeds from promissory notes		4,520,000,000	-	4,520,000,000	-
Repayment of promissory notes		(4,520,000,000)	-	(4,520,000,000)	-
Repayment of short-term loans		(2,057,513,686)	(18,615,635,128)	-	(17,346,530,578)
Repayment of long-term loans		(6,731,192,810)	(11,270,854,783)	(4,258,538,938)	(3,616,095,363)
Redemption of debentures		(14,749,338,905)	(12,354,534,040)	(14,749,338,905)	(3,300,000,000)
Redemption of PTT bonds		(8,000,000,000)	(9,000,000,000)	(8,000,000,000)	(9,000,000,000)
Repayment of finance lease installments		(226,042,568)	(211,094,447)	(193,643,205)	(184,203,820)
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions		(330,190,000)	2,939,229,336	-	-
Interest received		12,118,437	904,903	-	-
Interest paid		(18,548,318,494)	(14,718,785,877)	(12,628,273,267)	(11,931,883,711)
Dividends paid		(41,103,228,061)	(31,754,753,364)	(32,786,500,568)	(26,250,275,249)
Net cash provided by (used in) financing activities		(45,423,087,163)	4,901,335,165	(67,380,211,299)	(18,023,932,143)
Effects of exchange rates on cash and cash equivalents		1,488,739,034	(5,576,158,699)	47,398,828	(538,498)
Currency translation differences		7,169,407,897	(333,254,940)	-	-
Net increase (decrease) in cash and cash equivalents		(19,668,994,162)	31,768,139,769	(9,970,405,536)	18,542,981,907
Cash and cash equivalents at beginning of the years		135,801,048,833	104,032,909,064	61,311,017,827	42,768,035,920
Cash and cash equivalents at end of years	4	116,132,054,671	135,801,048,833	51,340,612,291	61,311,017,827

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

NOTES TO FINANCIAL STATEMENTS

PTT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. 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 39 “Segment Information”.

As at December 31, 2011, the Group was operating in 26 countries (as at December 31, 2010: 27 countries).

2. Basis of Financial Statement 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 the 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 New and Revised Thai Accounting Standards (TASs), Thai Financial Reporting Standards (TFRSs), Financial Reporting Interpretations, Interpretation and Framework

During 2010 and 2011, the Federation of Accounting Professions (FAP) announced the following new and revised Accounting Standards, Financial Reporting Standards, Financial Reporting Interpretations and Interpretation and Framework in the Royal Thai Government Gazette.

Effective on May 26, 2010

- Framework (revised 2009)

Effective for accounting periods on or after January 1, 2011

- | | |
|---|---|
| • Thai Accounting Standard No.1 (revised 2009) | Presentation of Financial Statements |
| • Thai Accounting Standard No.2 (revised 2009) | Inventories |
| • Thai Accounting Standard No.7 (revised 2009) | Statement of Cash Flows |
| • Thai Accounting Standard No.8 (revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| • Thai Accounting Standard No.10 (revised 2009) | Events after the Reporting Period |
| • Thai Accounting Standard No.11 (revised 2009) | Construction Contracts |
| • Thai Accounting Standard No.16 (revised 2009) | Property, Plant and Equipment |
| • Thai Accounting Standard No.17 (revised 2009) | Leases |
| • Thai Accounting Standard No.18 (revised 2009) | Revenue |
| • Thai Accounting Standard No.19 | Employee Benefits |
| • Thai Accounting Standard No.23 (revised 2009) | Borrowing Costs |
| • Thai Accounting Standard No.24 (revised 2009) | Related Party Disclosures |
| • Thai Accounting Standard No.26 | Accounting and Reporting by Retirement Benefit Plans |
| • Thai Accounting Standard No.27 (revised 2009) | Consolidated and Separate Financial Statements |
| • Thai Accounting Standard No.28 (revised 2009) | Investments in Associates |

• Thai Accounting Standard No.29	Financial Reporting in Hyperinflationary Economies
• Thai Accounting Standard No.31 (revised 2009)	Interests in Joint Ventures
• Thai Accounting Standard No.33 (revised 2009)	Earnings per Share
• Thai Accounting Standard No.34 (revised 2009)	Interim Financial Reporting
• Thai Accounting Standard No.36 (revised 2009)	Impairment of Assets
• Thai Accounting Standard No.37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
• Thai Accounting Standard No.38 (revised 2009)	Intangible Assets
• Thai Accounting Standard No.40 (revised 2009)	Investment Property
• Thai Financial Reporting Standard No.2	Share-based Payment
• Thai Financial Reporting Standard No.3 (revised 2009)	Business Combinations
• Thai Financial Reporting Standard No.5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
• Thai Financial Reporting Standard No.6	Exploration for and Evaluation of Mineral Resources
• Thai Financial Reporting Interpretation No.15	Agreements for the Construction of Real Estate
• Thai Standing Interpretation No.31	Revenue – Barter Transactions Involving Advertising Service

Effective for accounting periods on or after January 1, 2013

• Thai Accounting Standard No.12	Income Taxes
• Thai Accounting Standard No.20 (revised 2009)	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 Standing Interpretation No.10	Government Assistance – No Specific Relation to Operating Activities
• Thai Standing Interpretation No.21	Income Taxes – Recovery of Revalued Non – Depreciable Assets
• Thai Standing Interpretation No.25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

The Group adopts and applies the new and revised accounting standards, interpretations, financial reporting standards, and framework in accordance with the effective dates except for Thai Accounting Standard No.12 Income Taxes that has been adopted and applied before the effective date.

The adoption of the new and revised T ASs and TFRSs, which are effective for accounting periods beginning on or after January 1, 2011, has resulted in changes in accounting policies of the Group. The effects of these changes are disclosed in Note 3.2.

The management of the Group has assessed and determined the potential impact of the new and revised standards and interpretations, which are effective on or after January 1, 2013, except for the Thai Accounting Standard No.12 Income and Taxes that has been adopted and applied before the effective date, and concluded that they will have no material impact on the consolidated and the separate financial statements, except for Thai Accounting Standard No.21 (revised 2009) – The Effects of Changes in Foreign Exchange Rates (although this excludes a subsidiary which has adopted and applied Thai Accounting Standard No.21 before the effective date disclosed in Note 3.2.8). Currently, the management of the Group is considering the functional currency and its effects to the Group.

3.2 Changes in Accounting Policies

3.2.1 Overview

From January 1, 2011, consequent to the adoption of new and revised T ASs and TFRSs as set out in Note 3.1, the Group has changed its accounting policies in the following areas:

- Presentation of Financial Statements
- Accounting for Property, Plant and Equipment
- Accounting for Investment Properties
- Accounting for Employee Benefits
- Accounting for Share-based Payment
- Accounting for Business Combination
- Accounting for the Change in Functional Currency of Domestic Subsidiary

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in Notes 3.2.2 to 3.2.8. The impact of the changes on the 2010 financial statements is summarized as follows:

	Unit : Million Baht	
	Consolidated financial statements	Separate financial statements
Statement of financial position		
Equity at January 1, 2010 – as reported	498,090.59	281,177.91
Changes as a result of the adoption retrospectively of:		
• Employee benefit obligations	(4,063.48)	(1,496.46)
• Provision for decommissioning costs	(122.47)	-
• Change in functional currency of a domestic subsidiary	3,573.19	-
Equity at January 1, 2010 - restated	497,477.83	279,681.45
Equity at December 31, 2010 – as reported	571,312.57	315,383.17
Changes as a result of the adoption retrospectively of:		
• Employee benefit obligations	(4,539.81)	(1,616.13)
• Provision for decommissioning costs	(135.64)	-
• Change in functional currency of a domestic subsidiary	(9,223.26)	-
Equity at December 31, 2010 - restated	557,413.86	313,767.04

Unit : Million Baht

	Consolidated financial statements	Separate financial statements
Statement of income for the year ended December 31, 2010		
Income (Loss) before income tax – as reported	139,037.13	67,297.01
Changes before tax as a result of the adoption retrospectively of:		
• Employee benefit obligations	(746.25)	(170.96)
• Provision for decommissioning costs	(13.17)	-
• Change in reporting currency of a domestic subsidiary	(2,812.95)	-
Income before income tax - restated	135,464.76	67,126.05
Income tax expense – as reported	(39,107.09)	(12,720.07)
Changes to income tax expense as a result of the adoption retrospectively of:		
• Employee benefit obligations	281.33	51.29
• Change in reporting currency of a domestic subsidiary	4,865.22	-
Income tax expenses - restated	(33,960.54)	(12,668.78)
Income for the year - restated	101,504.22	54,457.27
Increase (Decrease) in earnings per share (Baht):		
• Basic earnings per share	0.32	(0.04)
• Diluted earnings per share	0.31	(0.04)

3.2.2 Presentation of Financial Statements

From January 1, 2011, the Group has applied Thai Accounting Standard No.1 (revised 2009) – Presentation of Financial Statements. Under the revised accounting standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the financial statements

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it is also in conformity with the revised accounting standard. Such change in accounting policy only impacts presentation aspects.

3.2.3 Property, Plant and Equipment

Since January 1, 2011, the Group has applied Thai Accounting Standard No.16 (revised 2009) – Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised Thai Accounting Standard No.16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured based on the estimated amount that the Group would currently obtain from the asset's disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively.

3.2.4 Investment Properties

Since January 1, 2011, the Group has applied Thai Accounting Standard No.40 (revised 2009) – Investment Property.

Under the revised accounting standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using the cost model.

The Group has selected the cost model for accounting for its investment properties under the revised accounting standard. The change in accounting policy has been applied retrospectively and for comparative purposes, investment properties presented in the financial statements for the year ended December 31, 2010 have been reclassified from ‘property, plant and equipment’ to present separately under ‘investment properties’. Moreover, the cost and accumulated depreciation as at January 1, 2010 and December 31, 2010 of the Group’s investment properties previously included in property, plant and equipment, have been reclassified and presented separately under ‘investment properties’. Apart from this reclassification, the change in policy has no impact on the 2010 financial statements. Details of investment properties are disclosed in Note 15.

property, plant and equipment, have been reclassified and presented separately under ‘investment properties’. Apart from this reclassification, the change in policy has no impact on the 2010 financial statements. Details of investment properties are disclosed in Note 15.

3.2.5 Employee Benefits

Since January 1, 2011, the Group has applied Thai Accounting Standard No.19 – Employee Benefits.

Under the new accounting policy, the Group's obligation in respect of post-employment benefits, provision for employee pension, is recognized in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this obligation was recognized as and when payments were made. The Group has opted to recognize actuarial science estimates in the statement of income in that period.

The change in this accounting policy has been applied retrospectively and the Group's 2010 financial statements have been restated for comparative purposes to the Group's 2011 financial statements. Details of employee benefit obligations are disclosed in Note 26.

3.2.6 Share-based Payments

Since January 1, 2011, the Group has applied Thai Financial Reporting Standard No.2 – Share-based Payment.

Thai Financial Reporting Standard No.2, share-based payment is a transaction in which the entity receives or acquires goods or services either as consideration for

- its equity instruments (equity settled share-based payment) recognized in equity.
- cash or other assets for amounts based on the price of the entity's shares (cash settled share-based payment) recognized in liability

The entity shall make no subsequent measurement to equity settled share-based payment after a granted date. However, the entity shall measure the fair value of goods or services received at each reporting date and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

The Group has not applied the above accounting policy for share-based payment awards granted before January 1, 2011 in accordance with transitional provisions of Thai Financial Reporting Standard No.2. The adoption of this standard has had no material impact on the financial statements of the Group. Details of share-based payment awards granted before January 1, 2011 are disclosed in Note 32.

3.2.7 Business Combinations

Since January 1, 2011, the Group has adopted Thai Financial Reporting Standard No.3 (revised 2009) – Business Combinations and Thai Accounting Standard No.27 (revised 2009) – Consolidated and Separate Financial Statements.

Under the revised standard, for acquisitions on or after January 1, 2011, the Group measures goodwill at the acquisition date as:

- The fair value of any consideration transferred *plus*
- The recognized amount of any non-controlling interest in the acquiree, *plus*
- The fair value of the existing equity interest in the acquiree, if the business combination is achieved in stages, *less*
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred excludes amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those associated with the registration and issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards are included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which replacement awards relate to past and/or future service.

3.2.8 Change in Functional Currency of a Domestic Subsidiary

Since January 1, 2011, a subsidiary of the Company (PTT Exploration and Production Public Co., Ltd. (PTTEP)) has changed its functional currency from Thai Baht to USD so that the financial statements of PTTEP more accurately reflect the effects of trading transactions and other situations impacting financial position, operating results and cash flows of the Company. As the change above was considered a change in accounting policy, PTTEP restated its financial statements. The Group prepared consolidated financial statements based on PTTEP's financial statements translated into Thai Baht. The 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 December 31, 2010

• Total assets	(20,710.60)
• Total liabilities	(11,487.34)
• Total shareholders' equity	(9,223.26)

Statement of income for the year ended December 31, 2010

• Total income	(6,797.22)
• Cost of sales and total expenses	(3,984.27)
• Income tax expense	(4,865.22)
• Net income for the period	2,052.27

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 Notes Receivable

Trade accounts receivable and notes 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. Bad 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 profit and loss. 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 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 which are marketable securities are classified as available-for-sale investments and carried at fair value in the statements of financial position. Any value changes are recognized as unrealized gain (loss) and presented separately in other components of equity. Changes in value during period are presented in the comprehensive income statement.

Investments in non-marketable securities, which are classified as general investments, are carried at cost in the statement of financial position less accumulated impairment losses to recognize the unrealized losses on investments 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, directly or indirectly 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, 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 other components of equity under shareholders' 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. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted-average interest rate applicable to the outstanding borrowings during the year. When funds are borrowed specifically for the construction or the production of property, plant and equipment, the amount of borrowing costs for capitalization is determined from the actual borrowing costs during the year less any income on the temporary investment of those borrowings.

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 cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits exceeding the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset. When replacement costs are recognized in the carried amount of the property, plant and equipment, the replaced items are to be written off.

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. If the exploratory wells have not found proved reserves or found insufficient reserves for commercial operation, 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 in the statement of income when incurred.

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 cost under petroleum sharing contracts using the following accounting policies.

Under Petroleum Sharing Contracts in which the government has a participating interest, some contracts 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 5-30 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. If exploratory projects have not found proved reserves or found insufficient reserves for commercial operation, assets under those projects will be fully expensed in the statements of income.

Other 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 5-30 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 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 compensation 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 performed annually.
- Impairment of property, land and equipment or other 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 profit and loss.

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 were measured and recognized as follows:

1. Short-term employee benefits are recognized in profit and loss 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 profit and loss. Actuarial gains and losses arising from post-employment benefits are recognized immediately as expense in profit and loss.

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 profit and loss. Actuarial gains and losses arising from post-employment benefits are recognized immediately as expense in profit and loss.

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, accumulated depreciation of plant and equipment and amortization of decommissioning costs, including compensation receivable from the Oil Stabilization Fund and differences between the fair value of acquired assets 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 Group 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 measures 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.

The Group did not apply the above accounting policy for share-based payment awards prior to January 1, 2011 in accordance with the transitional provisions of Thai Financial Reporting Standard No.2. Details of share-based payment awards granted before January 1, 2011 are disclosed in Note 32.

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 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 40: 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 so 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 written down immediately 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 Thailand 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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash on hand	453.47	270.97	213.95	223.38
Deposits held at call with banks	68,057.99	95,355.88	21,892.01	25,571.39
Fixed deposits	19,649.05	13,286.58	15,600.00	9,925.29
Treasury bills	13,066.89	-	-	-
Promissory notes	5,770.00	1,296.65	4,500.00	-
Bank of Thailand Bonds	9,134.65	25,590.96	9,134.65	25,590.96
Total	116,132.05	135,801.04	51,340.61	61,311.02

Cash and cash equivalents as at December 31, 2011 mainly bear interest at rates ranging from 0.10% to 6.00% per annum (December 31, 2010: interest rates ranging from 0.03% to 5.00% per annum).

5. Current Investments

Current investments as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Fixed deposits	4,305.56	2,594.36	4,032.61	2,282.39
Treasury bills	-	915.81	-	915.81
Bonds	1,136.37	13,230.76	206.23	12,673.93
Promissory notes	5,500.00	5,022.92	5,500.00	5,000.00
General investments	19.74	19.74	19.74	19.74
Total	10,961.67	21,783.59	9,758.58	20,891.87

Current investments as at December 31, 2011 mainly bear interest at rates ranging from 1.80% to 4.15% per annum (December 31, 2010: interest rates ranging from 1.35% to 2.30% per annum).

6. Trade Accounts Receivable

Trade accounts receivable as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade accounts receivable	107,875.52	84,417.86	81,012.79	68,776.04
Notes receivable	1,037.59	1,154.32	1,037.59	1,154.32
Total	108,913.11	85,572.18	82,050.38	69,930.36
Less Allowance for doubtful accounts	(1,850.13)	(2,125.76)	(724.45)	(983.54)
Trade accounts receivable – others	107,062.98	83,446.42	81,325.93	68,946.82
Trade accounts receivable – related	64,643.44	57,255.45	76,076.49	79,580.21
Less Allowance for doubtful accounts	(344.88)	(353.40)	(344.88)	(353.40)
Trade accounts receivable – related (Note 9.1)	64,298.56	56,902.05	75,731.61	79,226.81
Total	171,361.54	140,348.47	157,057.54	148,173.63

Aging analysis is as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Within credit terms	168,337.87	137,256.15	151,499.13	142,745.65
Overdue				
- Within 3 months	2,222.92	1,818.62	1,903.45	1,012.30
- Over 3 - 6 months	638.46	1,062.99	437.52	1,162.57
- Over 6 -12 months	492.93	1,017.86	331.90	1,483.48
- Over 12 months	1,864.37	1,672.01	3,954.87	3,106.57
Total	173,556.55	142,827.63	158,126.87	149,510.57
Less Allowance for doubtful accounts	(2,195.01)	(2,479.16)	(1,069.33)	(1,336.94)
Trade accounts receivable	171,361.54	140,348.47	157,057.54	148,173.63

Trade accounts receivable as at December 31, 2011 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 15,525.16 million (December 31, 2010: Baht 16,005.50 million), and in the separate financial statements amounting to Baht 15,362.08 million (December 31, 2010: Baht 15,839.89 million).

7. Other Accounts Receivable

Other accounts receivable as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Other accounts receivable	12,315.89	6,374.36	3,085.77	2,050.59
<u>Less</u> Allowance for doubtful accounts	<u>(341.68)</u>	<u>(528.99)</u>	<u>(334.92)</u>	<u>(523.22)</u>
Other accounts receivable	11,974.21	5,845.37	2,750.85	1,527.37
Refund receivable from the Oil Stabilization Fund	11,657.36	7,239.97	11,627.05	7,239.97
Advances	6,163.71	3,016.38	570.00	1,212.99
Accrued interest income and others	<u>1,623.19</u>	<u>1,713.67</u>	<u>233.85</u>	<u>260.31</u>
Other accounts receivable – others	31,418.47	17,815.39	15,181.75	10,240.64
Other accounts receivable – related (Note 9.2)	<u>1,206.26</u>	<u>989.52</u>	<u>1,562.34</u>	<u>1,768.78</u>
Total	<u>32,624.73</u>	<u>18,804.91</u>	<u>16,744.09</u>	<u>12,009.42</u>

The refund receivable from the Oil Stabilization Fund represents compensation for locally manufactured oil and cooking gas, imported oil and cooking gas and subsidies from the Oil Stabilization Fund for exported 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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term loans – others	175.35	284.03	119.52	174.89
Short-term loans – related (Note 9.2)	4,823.82	-	5,420.99	500.00
Total	4,999.17	284.03	5,540.51	674.89

Short-term loans – others 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, 2011 and 2010 is 0.50% per annum.

8.2 Long-term loans as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Long-term loans – others	139.94	124.48	139.94	124.48
Long-term loans – related (Note 9.3)	5.82	5,753.88	52,697.71	55,302.26
Total	145.76	5,878.36	52,837.65	55,426.74

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, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiaries	-	-	10,991.18	22,131.99
Jointly controlled entities	-	-	751.86	490.63
Associates	59,798.70	53,653.95	59,651.81	53,468.93
Other related parties	4,844.74	3,601.50	4,681.64	3,488.66
Total	64,643.44	57,255.45	76,076.49	79,580.21
Less Allowance for doubtful accounts	(344.88)	(353.40)	(344.88)	(353.40)
Trade accounts receivable – related parties	64,298.56	56,902.05	75,731.61	79,226.81

Aging analysis is as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Within credit terms	64,141.37	56,928.18	72,427.41	76,279.58
Overdue				
- Within 3 months	108.14	195.15	107.89	172.63
- Over 3 - 6 months	135.24	87.07	133.70	306.73
- Over 6 - 12 months	175.11	44.19	174.91	544.96
- Over 12 months	83.58	0.86	3,232.58	2,276.31
Total	64,643.44	57,255.45	76,076.49	79,580.21
Less Allowance for doubtful accounts	(344.88)	(353.40)	(344.88)	(353.40)
Trade accounts receivable – related parties	64,298.56	56,902.05	75,731.61	79,226.81

9.2 Other accounts receivable, advances and short-term loans – related parties, net as at December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Other accounts receivable				
Subsidiaries	-	-	414.76	630.93
Jointly controlled entities	-	-	22.82	19.86
Associates	624.53	700.11	623.11	569.61
Other related parties	245.42	168.84	46.16	166.11
	869.95	868.95	1,106.85	1,386.51
<u>Less</u> Allowance for doubtful accounts	(16.09)	(135.37)	(16.09)	(135.37)
Total	853.86	733.58	1,090.76	1,251.14
Advances				
Subsidiaries	-	-	153.98	262.52
Associates	0.68	0.02	-	-
Other related parties	351.72	255.92	317.60	255.12
Total	352.40	255.94	471.58	517.64
Total other accounts receivable	1,206.26	989.52	1,562.34	1,768.78
Short-term loans				
Subsidiaries	-	-	597.17	500.00
Associates	4,823.82	-	4,823.82	-
Total	4,823.82	-	5,420.99	500.00

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

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	-	90.10	500.00	20,791.01
- Payment for loans granted	-	43.73	71.79	1,013.19
- Receipt from loans granted	(226.23)	(133.83)	(2,220.85)	(21,804.20)
- Current portion of long-term loans	5,050.05	-	7,070.05	500.00
Balance as at December 31	<u>4,823.82</u>	<u>-</u>	<u>5,420.99</u>	<u>500.00</u>

Short-term loans to related parties as at December 31, 2011 are unsecured and bear interest at rates ranging from 4.00% to 7.25% per annum (December 31, 2010: interest rates ranging from 1.00% to 6.87% per annum).

9.3 Other accounts receivable, advances and long-term loans – related parties, net as at December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Other accounts receivable				
Associates	-	1,877.99	-	1,877.99
Total	-	1,877.99	-	1,877.99
Long-term loans				
Subsidiaries	-	-	52,697.71	49,562.21
Associates	5.82	5,753.88	-	5,740.05
Total	5.82	5,753.88	52,697.71	55,302.26

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

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	5,753.88	5,489.44	55,302.26	24,916.50
- Payment for loans granted	-	270.55	5,163.53	30,885.76
- Receipt from loans granted	(698.37)	(3.88)	(698.03)	-
- Currency translation differences	0.36	(2.23)	-	-
- Current portion of long-term loans	(5,050.05)	-	(7,070.05)	(500.00)
Balance as at December 31	5.82	5,753.88	52,697.71	55,302.26

Long-term loans to related parties as at December 31, 2011 are unsecured and bear interest at rates ranging from 3.46% to 5.58% per annum (December 31, 2010: interest rates ranging from 3.03% to 7.25% per annum).

9.4 Trade accounts payable – related parties as at December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiaries	-	-	13,381.95	12,611.56
Jointly controlled entities	-	-	5,093.66	3,997.20
Associates	40,834.31	32,908.67	39,028.26	31,347.20
Other related parties	4,450.62	3,219.07	337.42	147.96
Total	45,284.93	36,127.74	57,841.29	48,103.92

9.5 Other accounts payable and short-term loans – related parties as at December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Other accounts payable</u>				
Subsidiaries	-	-	1,313.44	1,545.32
Jointly controlled entities	-	-	4.02	7.49
Associates	747.94	934.87	589.66	899.88
Other related parties	117.96	107.37	116.51	107.26
Total	865.90	1,042.24	2,023.63	2,559.95

Short-term loans*

Subsidiaries	-	-	6,094.30	2,564.78
--------------	---	---	----------	----------

* 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. Interest on these was calculated using market interest rates.

9.6 Other long-term accounts payable – related parties as at December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiaries	-	-	0.17	0.33
Jointly controlled entities	-	-	13.15	13.87
Associates	17.21	18.94	17.21	18.94
Other related parties	654.50	686.29	654.50	686.29
Total	671.71	705.23	685.03	719.43

9.7 Revenue and expense transactions carried out with related parties

For the years ended December 31, 2011 and 2010

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Revenues				
<u>Sales:</u>				
Subsidiaries	-	-	107,139.32	98,656.57
Jointly controlled entities	-	-	6,651.42	2,595.21
Associates	873,320.98	658,397.53	871,692.85	656,600.92
Other related parties	48,602.82	29,921.93	46,828.44	29,137.08
<u>Interest income:</u>				
Subsidiaries	-	-	2,906.87	2,686.59
Jointly controlled entities	-	-	-	90.95
Associates	342.17	251.93	342.17	251.93
<u>Dividend income:</u>				
Subsidiaries	-	-	11,579.28	8,542.95
Jointly controlled entities	-	-	1,774.27	1,109.33
Associates	-	-	10,921.66	8,664.27
Other related parties	528.03	514.28	436.96	514.28
<u>Other income:</u>				
Subsidiaries	-	-	765.17	813.19
Jointly controlled entities	-	-	66.77	87.83
Associates	5,485.96	4,120.49	5,482.18	4,116.71
Other related parties	74.71	72.95	69.73	72.14

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Expenses				
<u>Purchases:</u>				
Subsidiaries	-	-	151,913.76	118,976.95
Jointly controlled entities	-	-	30,115.02	28,348.00
Associates	596,441.85	484,861.64	577,506.58	467,180.69
Other related parties	49,455.00	29,620.71	6,089.91	5,516.66
<u>Interest expense:</u>				
Subsidiaries	-	-	77.55	11.78
<u>Other expenses:</u>				
Subsidiaries	-	-	1,335.02	747.65
Jointly controlled entities	-	-	3.70	0.88
Associates	1,323.17	1,269.29	1,243.46	1,212.04
Other related parties	894.49	797.34	855.12	789.23

The above 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 48.1.

9.9 Crude oil and refined products 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, 2011 and 2010, these transactions are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Sales</u>				
Subsidiaries	-	-	-	8.12
Associates	6,729.79	1,773.21	6,729.79	1,773.21
Other related parties	914.44	-	914.44	-
<u>Purchases</u>				
Subsidiaries	-	-	-	8.12
Associates	6,729.79	1,773.21	6,729.79	1,773.21
Other related parties	914.44	-	914.44	-

9.10 Executives' remunerations

For the years ended December 31, 2011 and 2010, remunerations are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Directors' remunerations</u>				
Meeting remuneration and bonuses	122.94	116.75	40.16	40.88
<u>Management's remunerations</u>				
Salaries, bonuses, and other short-term employee benefits	527.84	580.26	80.93	78.63
Post-employment benefits	5.02	12.38	3.99	3.61
Total	655.80	709.39	125.08	123.12

* Management 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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Oil products	19,918.86	26,727.85	15,512.90	6,070.89
Gas products	3,261.99	1,981.98	3,061.94	1,980.02
Petrochemical products	1,939.40	1,150.48	-	-
Others	1,190.46	1,393.27	598.58	578.09
	26,310.71	31,253.58	19,173.42	8,629.00
<u>Less</u> Allowance for decline in value of inventories and obsolescence	(310.42)	(22.92)	(310.42)	(21.45)
Total	26,000.29	31,230.66	18,863.00	8,607.55

During 2011, the Group wrote down inventories to their net realizable values, recording decreases of Baht 75.99 million in the consolidated financial statements (December 31, 2010: Baht 22.92 million) and Baht 75.99 million in the separate financial statements (December 31, 2010: Baht 21.45 million). The Group reversed the previous allowance for decline in value of inventories recorded in the consolidated financial statements, amounting to Baht 22.92 million (December 31, 2010: Baht 18.98 million) and in the separate financial statements, amounting to Baht 21.45 million (December 31, 2010: Baht 15.60 million). In addition, the Group recognized allowance for obsolescence of inventories amounting to Baht 234.43 million in the consolidated and the separate financial statements.

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

11. Materials and Supplies

Materials and supplies as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Spare parts, equipment and others	13,283.34	11,230.41	4,125.34	3,555.57
<u>Less</u> Allowance for obsolescence	(81.76)	(127.88)	(13.76)	(61.53)
Total	13,201.58	11,102.53	4,111.58	3,494.04

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 (%)	
			2011	2010
Subsidiaries:				
PTT Exploration and Production Public Co., Ltd. (PTTEP)	Thailand	Petroleum exploration and production	65.29	65.34
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
Retail Business Alliance Co., Ltd. (RBA)	Thailand	Management services and oil marketing	-	49.00
PTT International Trading Pte Ltd (PTTT)	Singapore	International oil trading	100.00	100.00
PTT Natural Gas Distribution Co., Ltd. (PTTNGD)	Thailand	Natural gas	58.00	58.00
PTT LNG Co., Ltd. (PTTLNG)	Thailand	Natural gas	100.00	100.00
PTT Polymer Marketing Co., Ltd. (PTTPM)	Thailand	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
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

Company	Country of Incorporation	Business	Shareholding (%)	
			2011	2010
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. (PMBC)	Thailand	Petrochemicals	50.00	-
Associates:				
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	28.29
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

Company	Country of Incorporation	Business	Shareholding (%)	
			2011	2010
IRPC Public Co., Ltd. (IRPC)	Thailand	Petrochemicals and refining	38.51	39.02
Independent Power (Thailand) Co., Ltd (IPT)	Thailand	Electricity generation	20.00	20.00
Thai Oil Power Co., Ltd. (TP)	Thailand	Generation and supply of electricity	26.00	26.00
PTT Phenol Co., Ltd. (PPCL)	Thailand	Petrochemicals	40.00	40.00
PTT Chemical Public Co., Ltd. (PTTCH)*	Thailand	Petrochemicals	-	48.68
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 Aromatics and Refining Public Co., Ltd. (PTTAR)*	Thailand	Petrochemicals and refining	-	48.60
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	-
PTT Energy Solutions Co., Ltd. (PTTES)	Thailand	Technical and operational services	40.00	-
Bangpa-in Cogeneration Limited (BIC)	Thailand	Generation and supply of electricity, steam	25.00	-
PTT Global Chemical Public Co., Ltd. (PTTGC)*	Thailand	Petrochemicals and refining	48.92	-

* PTTGC was founded on October 19, 2011 through the amalgamation of PTTCH and PTTAR.

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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
Subsidiaries of PTTEP:					
PTTEP International Co., Ltd. (PTTEPI)	Thailand	Petroleum	PTTEP	100.00	100.00
PTTEP Offshore Investment Co., Ltd. (PTTEPO)	Cayman Islands	Petroleum	PTTEP	75.00	75.00
			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) Co., Ltd. (PTTEPT)*	Thailand	Petroleum	PTTEPI	100.00	100.00
PTTEP Services Co., Ltd. (PTTEP Services)	Thailand	Service operation	PTTEP	25.00	25.00
			PTTEPI	75.00	75.00
PTTEP Siam Co., Ltd. (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	100.00

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

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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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	100.00
PTTEP Andaman Co., Ltd. (PTTEPA)	Thailand	Petroleum	PTTEPS	100.00	100.00
PTTEP Egypt Co., Ltd. (PTTEP EG)	Cayman Islands	Petroleum	PTTEPH	100.00	100.00
PTTEP Rommana Co., Ltd. (PTTEPR)	Cayman Islands	Petroleum	PTTEP EG	100.00	100.00
PTTEP Sidi Abd El Rahman Co., Ltd. (PTTEP SAER)	Cayman Islands	Petroleum	PTTEP EG	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
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	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

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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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
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	1.00
			PTTEP NL	99.99995	99.00
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	-
PTTEP MEA Limited (PTTEP MEA)	Cayman Islands	Petroleum	PTTEP	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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
PTTEP Australia Timor Sea Pty Limited (PTTEP AT)	Australia	Petroleum	PTTEP AP	100.00	100.00
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
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 PTNGD:					
Amata Natural Gas Distribution Co., Ltd. (AMATA NGD)	Thailand	Natural gas	PTNGD	80.00	80.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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	51.05	51.05
			PTT	48.95	48.95
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	-
PTT Asia Pacific Mining Pty Ltd (PTTAPM)	Australia	Investment in mining	PTTML	60.00	60.00
			ICH	40.00	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	45.40	45.60

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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 (SA Energy) (Former: Straits Asia Energy Pte Ltd)	Singapore	Investment in other companies	SAR	100.00	100.00
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	99.00	99.00
			SMI	1.00	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	80.00	80.00
			RWD	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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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
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	-
PT Makassar Prima Coal (MPC)	Indonesia	Coal mining	SUL	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 (%)	
				2011	2010
Subsidiaries of PTTGE:					
Sabran Brothers Pte Ltd (Sabarn)	Singapore	Investment in other companies	PTTGE	100.00	100.00
Chancellor Oil Pte Ltd (Chancellor)	Singapore	Investment in other companies	PTTGE	77.56	77.56
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	-
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
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

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
PT Wahana Hamparan Hijau (PT. WHH)	Indonesia	Palm oil	PT. FBP	95.00	95.00
PT Mitra Kapuas Agro (PT. MK A)	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
PTT GE Services Netherlands BV (PTTGE BV)	Netherlands	Financing	PTTGE Coop	100.00	100.00
PTT Green Energy (Thailand) Co., Ltd.	Thailand	Management services	PTTGE BV	50.00	-
			Sabran	25.00	100.00
			PTTGE	25.00	-
PT Kalpataru Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Kutai Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Sawit Khatulistiwa Plantation	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Kutai Inti Utama	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Kota Bangun Plantation	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Mahakam Sawit Plantation	Indonesia	Palm oil	PTTGE BV	75.00	-
PT Malaya Sawit Khatulistiwa	Indonesia	Palm oil	PTTGE BV	75.00	-
Subsidiary of BSA:					
Sport Services Alliance Co., Ltd. (SSA)	Thailand	Management services for sport tournaments	BSA	100.00	100.00
Subsidiary of TTM (T):					
TTM Sukuk Bhd (TTMT SPV)	Malaysia	Funding	TTM(T)	100.00	100.00

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
Jointly Controlled Entities of PTTEP:					
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
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	-
KKD Oil Sands Partnership (KOSP) (Former: Statoil Canada Partnership (SCP))	Canada	Petroleum	PTTEP CA	40.00	-
Leismer Aerodrome Limited (LAL)	Canada	Services	PTTEP CA	40.00	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	PTTEP AG	35.00	35.00
Jointly Controlled Entities of PTTI:					
FEE (Bru) Pte Ltd	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

Project	Country	Operator	Shareholding (%)	
			2011	2010
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	100.00
Contract 4 (Former: Pailin)	Thailand	Chevron Thailand Exploration and Production Co., Ltd.	45.00	45.00
Sinphuhorm (E 5 North)	Thailand	Hess (Thailand) Co., Ltd.	20.00	20.00
S 1	Thailand	PTTEP Siam Co., Ltd.	25.00	25.00
Contract 3 (Former: Unocal 3)	Thailand	Chevron Thailand Exploration and Production Co., Ltd.	5.00	5.00
E 5	Thailand	Exxon Mobil 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 (%)	
			2011	2010
Projects of PTTEP International Co., Ltd. (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 Co., Ltd.	100.00	100.00
G 4/43	Thailand	Chevron Offshore (Thailand) Co., Ltd.	21.375	21.375
G 9/43	Thailand- Cambodia	PTTEP International Co., Ltd.	100.00	100.00
L 22/43	Thailand	PTTEP International Co., Ltd.	100.00	100.00
L 53/43 & L54/43	Thailand	PTTEP International Co., Ltd.	100.00	100.00
G 4/48	Thailand	Chevron Pattani Co., Ltd.	5.00	5.00
Arthit (G 9/48)	Thailand	PTTEP International Co., Ltd.	80.00	80.00
Bongkot (G 12/48)	Thailand	PTTEP International Co., Ltd.	44.4445	44.4445
L 21, 28 & 29/48	Thailand	PTTEP International Co., Ltd.	70.00	70.00
A 4, 5 & 6/48	Thailand	PTTEP International Co., Ltd.	100.00	100.00
Contract 3 (G 6/50)	Thailand	Chevron Petroleum Thailand Co., Ltd.	5.00	5.00
Contract 4 (G 7/50)	Thailand	Chevron Petroleum Thailand Co., Ltd.	45.00	45.00
Arthit (G 8/50)	Thailand	PTTEP International Co., Ltd.	80.00	80.00
Cambodia B	Cambodia	PTTEP International Co., Ltd.	33.333334	33.333334
Myanmar Zawtika	Myanmar	PTTEP International Co., Ltd.	80.00	100.00
Myanmar M3, M7 & M11	Myanmar	PTTEP International Co., Ltd.	100.00	100.00
Joint Development Areas Thailand – Malaysia - B17	Thailand - Malaysia	Carigali – PTTEPI Operating Company Sendirian Berhad	50.00	50.00

Project	Country	Operator	Shareholding (%)	
			2011	2010
Project of PTTEP Offshore Investment Co., Ltd. (PTTEPO)				
B8/32 & 9A *	Thailand	Chevron Offshore (Thailand) Co., 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 (for development phase) - PetroVietnam Exploration & Production Corporation (for exploration phase)	35.00	35.00

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

Project	Country	Operator	Shareholding (%)	
			2011	2010
Projects of PTTEP Siam Co., Ltd. (PTTEPS)				
Sinphuhorm (Block EU-1)	Thailand	Hess (Thailand) Co., Ltd.	20.00	20.00
B6/27	Thailand	PTTEP Siam Co., Ltd.	60.00	60.00
S1	Thailand	PTTEP Siam Co., Ltd.	75.00	75.00
Projects of PTTEP Australia Offshore Pty. Ltd. (PTTEP AO)				
Australia AC/P 36	Australia	Murphy Australia Oil Pty Ltd	-	22.21
Australia WA 423	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	100.00
Project of PTTEP Rommana Co., Ltd. (PTTEPR)				
Rommana	Egypt	Sipetrol International S.A.	30.00	30.00
Project of PTTEP Semai II Limited (PTTEP SM)				
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd.	28.33	33.33
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 New Zealand Limited (PTTEP NZ)				
New Zealand Great South	New Zealand	OMV New Zealand Limited	18.00	36.00

Project	Country	Operator	Shareholding (%)	
			2011	2010
Project of PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34.00	67.00
Project of PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Limited	100.00	100.00
Project of PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang	Indonesia	Talisman Sadang B.V.	30.00	40.00
Project of PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri	Indonesia	Talisman South sageri B.V.	20.00	30.00
Project of PTTEP Canada Limited (PTTEP CA)				
Canada Oil Sand KKD	Canada	Statoil Canada Ltd	40.00	-

Project	Country	Operator	Shareholding (%)	
			2011	2010

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:

Project	Operator	Shareholding (%)	
		2011	2010
AC/L7, AC/L8, AC/P33 AC/P34 & AC/P40	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	80.00
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	90.00	60.00
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) & AC/P17	PTTEP Australasia (Ashmore Cartier) Pty Ltd	50.00	50.00
AC/P32	PTTEP Australasia (Ashmore Cartier) Pty Ltd	35.00	35.00
WA378P*, WA396P & WA397P	Woodside Energy Limited	20.00	20.00
AC/P54	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100.00	-

* On September 29, 2011, PTTEP Australasia Pty Ltd withdrew its entire 20% participation interest from the concession WA378P. The withdrawal will be fully effective upon receiving an official approval from the government of Australia.

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
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- overseas	PTTI	25.00	25.00
Red Island Mineral (RIM)	Australia	Investment in other companies	PTTAPM	33.50	33.50
Xayaburi Power Company Limited (XPCL)	Lao People’s Democratic Republic	Hydroelectric power plant	NSC	25.00	-

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

12.3 Investments in associates in the consolidated financial statements as at December 31, 2011 and 2010

Unit : Million Baht

Company	Shareholding (%)		2011		2010		Dividend	
	2011	2010	Cost method	Equity Method	Cost method	Equity Method	2011	2010
<u>Refining Business Group</u>								
1. TOP	49.10	49.10	11,380.83	39,274.55	11,380.83	34,481.73	2,704.45	2,103.46
2. SPRC	36.00	36.00	14,770.48	21,573.08	14,770.48	18,613.23	-	812.38
3. BCP	27.22	28.29	5,585.26	8,249.06	4,060.18	6,562.57	426.69	432.80
4. PTTAR	-	48.60	-	-	12,820.01	30,472.62	2,600.03	1,802.48
5. IRPC	38.51	39.02	28,467.24	30,366.79	28,467.24	30,339.10	1,416.55	1,309.22
<u>Oil Business Group</u>								
6. THAPPLINE	33.19	33.19	2,682.35	1,659.74	2,682.35	1,174.33	-	-
7. PA (Thailand)	35.00	35.00	131.25	-	131.25	-	-	-
8. VLPG	45.00	45.00	87.35	119.12	87.35	102.89	-	-
9. KPL	40.00	40.00	21.49	-	21.49	(0.96)	-	-
10. FST	25.00	25.00	1.13	1.42	1.13	1.40	-	-
<u>Petrochemicals Business Group</u>								
11. PTTCH	-	48.68	-	-	33,520.89	57,129.11	3,759.94	2,152.83
12. PPCL	40.00	40.00	3,340.48	4,940.00	3,340.48	3,967.24	-	-
13. PTTME	40.00	40.00	66.40	205.98	66.40	174.63	27.20	27.80
14. PTTGC	48.92	-	49,562.99	104,910.14	-	-	-	-

Unit : Million Baht

Company	Shareholding (%)		2011		2010		Dividend	
	2011	2010	Cost method	Equity Method	Cost method	Equity Method	2011	2010
<u>Natural Gas Business Group</u>								
15. IPT	20.00	20.00	400.19	1,648.32	400.19	1,526.18	-	-
16. TP	26.00	26.00	2,304.76	2,258.96	2,304.76	2,136.92	73.06	73.06
17. PTTUT	40.00	40.00	2,743.60	2,773.36	2,743.60	2,617.27	-	-
18. EMG	25.00	25.00	16,544.61	13,325.85	16,544.61	14,063.82	-	-
19. B.Grimm BIP	23.00	23.00	31.17	30.86	4.95	4.91	-	-
20. NNEG	30.00	-	24.60	23.59	-	-	-	-
21. XPCL	25.00	-	250.00	236.96	-	-	-	-
22. BIC	25.00	-	113.75	113.44	-	-	-	-
<u>Coal Business Group</u>								
23. RIM	33.50	33.50	1,267.73	1,541.57	1,267.73	1,538.42	-	-
<u>Other Business Group</u>								
24. PTTICT	20.00	20.00	60.00	144.41	60.00	73.42	-	-
25. PTES	40.00	-	62.50	63.06	-	-	-	-
26. ShoreAir	50.00	50.00	16.88	94.02	16.88	83.86	-	-
			139,917.04	233,554.28	134,692.80	205,062.69		
<u>Less Allowance for impairment</u>			(9,202.12)	(5,821.64)	(131.25)	-		
Total			130,714.92	227,732.64	134,561.55	205,062.69	11,007.92	8,714.03

12.4 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at December 31, 2011 and 2010

Unit : Million Baht

Company	Shareholding (%)		Cost method		Dividend	
	2011	2010	2011	2010	2011	2010
Subsidiaries:						
1. PTTEP	65.29	65.34	11,131.33	11,131.33	11,032.58	8,128.13
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	493.00	406.00
6. PTTLNG	100.00	100.00	6,403.00	1,638.25	-	-
7. PTTPM	50.00	50.00	20.00	20.00	-	-
8. EnCo	50.00	50.00	900.00	900.00	-	-
9. RBA	49.00	49.00	-	0.49	46.00	-
10. PTTPL	100.00	100.00	1,200.00	1,200.00	-	-
11. PTTRB	100.00	100.00	5,100.00	5,100.00	-	-
12. CHPP	100.00	100.00	316.22	270.00	-	-
13. PTTI	100.00	100.00	33,157.00	13,524.00	-	-
14. PTTGE	100.00	100.00	10,834.08	7,044.58	-	-
15. BSA	25.00	25.00	0.50	0.50	-	-
16. PTT TANK	100.00	100.00	2,500.37	2,500.37	-	-
17. TLBC	48.95	48.95	140.00	140.00	7.70	8.82
Total investments in subsidiaries			73,278.18	45,045.20	11,579.28	8,542.95

Unit : Million Baht

Company	Shareholding (%)		Cost method		Dividend	
	2011	2010	2011	2010	2011	2010
Jointly Controlled Entities:						
Natural Gas Business Group						
18. TTM (T)	50.00	50.00	5,666.80	5,666.80	-	1,060.00
19. TTM (M)	50.00	50.00	281.32	281.32	-	-
20. DCAP	35.00	35.00	584.50	428.75	-	-
Petrochemicals Business Group						
21. PTTAC	48.50	48.50	6,909.41	6,573.63	-	-
22. HMC	41.44	41.44	9,117.12	9,117.12	1,774.27	49.33
23. PMBC	50.00	-	180.12	-	-	-
Total investments in jointly controlled entities			22,739.27	22,067.62	1,774.27	1,109.33
Associates:						
Refining Business Group						
24. TOP	49.10	49.10	11,380.83	11,380.83	2,704.45	2,103.46
25. SPRC	36.00	36.00	14,770.48	14,770.48	-	812.39
26. BCP	27.22	28.29	5,585.26	4,060.18	426.69	432.80
27. PTTAR	-	48.60	-	12,820.01	2,600.03	1,802.48
28. IRPC	38.51	39.02	28,467.24	28,467.24	1,416.55	1,309.22
Oil Business Group						
29. THAPPLINE	33.19	33.19	2,682.35	2,682.35	-	-
30. PA (Thailand)	35.00	35.00	131.25	131.25	-	-
31. VLPG	45.00	45.00	87.35	87.35	-	-
32. KPL	40.00	40.00	21.49	21.49	-	-

Unit : Million Baht

Company	Shareholding (%)		Cost method		Dividend	
	2011	2010	2011	2010	2011	2010
Petrochemicals Business Group						
33. PTTCH	-	48.68	-	32,079.42	3,673.68	2,103.06
34. PPCL	40.00	40.00	3,340.48	3,340.48	-	-
35. PTTME	40.00	40.00	66.40	66.40	27.20	27.80
36. PTTGC	48.92	-	48,121.52	-	-	-
Natural Gas Business Group						
37. IPT	20.00	20.00	400.19	400.19	-	-
38. TP	26.00	26.00	2,304.76	2,304.76	73.06	73.06
39. PTTUT	40.00	40.00	2,743.60	2,743.60	-	-
40. B.Grimm BIP	23.00	23.00	31.17	4.95	-	-
41. NNEG	30.00	-	24.60	-	-	-
42. BIC	25.00	-	113.75	-	-	-
Other Business Group						
43. PTTICT	20.00	20.00	30.00	30.00	-	-
44. PTES	40.00	-	62.50	-	-	-
Investments in associates			120,365.22	115,390.98		
<u>Less Allowance for impairment</u>			(152.74)	(131.25)		
			(131.25)	(131.25)		
Total investments in associates			120,212.48	115,259.73	10,921.66	8,664.27
Total			216,229.93	182,372.55	24,275.21	18,316.55

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

	2011	2010
Balance as at January 1	205,062.69	192,803.70
- Share of income from investments in associates	29,462.62	18,815.96
- Dividends received	(11,007.92)	(8,714.03)
- Reclassification	585.60	(259.89)
- Additional investments	4,252.00	2,671.57
- Disposal of investments	(973.86)	-
- Unrealized gain (loss) on available-for-sale investments	(2.27)	(2.21)
- Surplus on dilution of investments	-	(91.69)
- Currency translation differences	152.91	(160.72)
- Surplus on amalgamation of associates	6,026.49	-
- Impairment of investments	(5,821.64)	-
- Others	(3.98)	-
Balance as at December 31	227,732.64	205,062.69

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

	2011	2010
Balance as at January 1	182,372.55	174,037.31
- Additional investments	32,909.63	8,335.24
- Disposal of investments	(555.83)	-
- Reclassification	585.60	-
- Adjustment	939.47	-
- Impairment of investments	(21.49)	-
Balance as at December 31	216,229.93	182,372.55

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, 2011 and 2010 are as follows:

The statements of financial position:

As at December 31, 2011 and 2010

	2011						2010					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC
Current assets	3,318.28	122.56	115.76	1,597.05	3,922.08	170.83	2,625.16	90.53	155.96	2,039.69	4,041.78	-
Non-current assets	13,146.17	622.59	1,302.00	12,333.11	12,511.04	8.55	13,935.19	635.97	837.00	10,564.51	11,782.46	-
Current liabilities	(1,232.54)	(85.72)	(207.22)	(1,950.21)	(1,567.74)	(3.42)	(1,242.57)	(82.15)	(62.24)	(559.28)	(1,227.56)	-
Non-current liabilities	(8,298.64)	(358.17)	(794.26)	(5,420.67)	(5,055.13)	-	(8,607.73)	(390.75)	(598.84)	(5,382.54)	(5,300.30)	-
Net assets	6,933.27	301.26	416.28	6,559.28	9,810.25	175.96	6,710.05	253.60	331.88	6,662.38	9,296.38	-

Unit : Million Baht

Statements of Income:

For the years ended December 31, 2011 and 2010

	2011						2010					
	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC	TTM (T)	TTM (M)	DCAP	PTTAC	HMC	PMBC
Income*	1,977.20	140.21	584.92	(247.47)	12,862.89	3.48	2,721.36	132.06	587.87	320.29	7,718.35	-
Expenses	(1,753.98)	(98.40)	(656.28)	(191.43)	(10,197.84)	(7.53)	(1,729.98)	(100.16)	(596.40)	(176.89)	(6,554.59)	-
Gain (loss) before taxes	223.22	41.81	(71.36)	(438.90)	2,665.05	(4.05)	991.38	31.90	(8.53)	143.40	1,163.76	-
Income taxes	-	-	-	0.01	(426.38)	-	-	-	-	(38.75)	(227.70)	-
Net profit (loss)	223.22	41.81	(71.36)	(438.89)	2,238.67	(4.05)	991.38	31.90	(8.53)	104.65	936.06	-

Unit : Million Baht

* including gain (loss) on foreign exchange rate

12.7 Significant events during the year ended December 31, 2011

PTTEP

On February 25, 2011, PTTEP established PTTEP Canada International Finance Limited with registered capital of CAD 50,000 comprising 50,000 ordinary shares at a par value of CAD 1 each. PTTEP Netherlands Coöperatie U.A. had a 100% shareholding in PTTEP Canada International Finance Limited.

On August 1, 2011, PTTEP established PTTEP MEA Limited with registered capital of USD 50,000 comprising 50,000 ordinary shares at a par value of USD 1 each. PTTEP had a 100% shareholding in PTTEP MEA Limited.

During the year, PTTEP's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 31. This event resulted in the decrease in the Company's ownership interest in the subsidiary, recorded under shareholders' equity in the statement of financial position amounting to Baht 70.92 million. Consequently, as at December 31, 2011, the Company's shareholding in PTTEP was 65.29%.

IRPC

During the period, IRPC's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 31. The loss from this exercise of rights amounting to Baht 98.95 million was recorded in the statements of income. Consequently, as at December 31, 2011, the Company's shareholding in IRPC was 38.51%.

PTTAR

During the year, PTTAR's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 31. The profit from this exercise of rights amounting to Baht 15.06 million was recorded in the statements of income.

The Company purchased 5.30 million shares from dissenting shareholders of PTTAR and PTTCH for a total of Baht 225.87 million, which incurred goodwill of Baht 106.25 million.

On October 19, 2011, PTTGC registered the amalgamation between PTTCH and PTTAR at the Ministry of Commerce. As a result, PTTCH and PTTAR are no longer legal entities. The Company swapped all ordinary shares that it held in PTTAR for the new ordinary shares issued by PTTGC (the details are in Note PTTGC).

PTTCH

During the year, PTTCH's employees exercised their rights to purchase ordinary shares under the Employee Stock Ownership Plan (ESOP) project as detailed in Note 31. The loss from this exercise of rights amounting to Baht 96.84 million was recorded in the statements of income.

The Company sold 12.77 million shares of PTTCH on the Stock Exchange of Thailand, for a total of Baht 1,967.91 million, resulted in gain from disposal of investments in the consolidated financial statements and separate financial statements totalling Baht 994.00 million and Baht 1,412.51 million, respectively.

The Company purchased 21.32 million shares from dissenting shareholders of PTTAR and PTTCH for a total of Baht 3,513.63 million, which incurred goodwill of Baht 1,888.41 million.

On October 19, 2011, PTTGC registered the amalgamation between PTTCH and PTTAR with the Ministry of Commerce. As a result, PTTCH and PTTAR are no longer legal entities. The Company swapped all ordinary shares that it held in PTTCH for the new ordinary shares issued by PTTGC (the details are in Note PTTGC).

BCP

During the year, the holders of convertible debenture warrants exercised their rights to convert to ordinary shares as detailed in Note 31. The resulting gain of Baht 30.71 million was recorded in the statements of income. In addition, the Company exercised its rights to convert 58,560 units of convertible subordinated debentures to 41,828,571 ordinary shares of BCP. Consequently, as at December 31, 2011, the Company's shareholding in BCP was 27.22%.

PTTI

On February 4, 2011, PTTI's extraordinary shareholders' meeting No.1/2011 passed a resolution to increase its authorized share capital by Baht 19,445 million, from Baht 16,600 million to Baht 36,045 million, by issuing 1,944.50 million ordinary shares with a par value of Baht 10 each. PTTI called for the first 25% payment of the additional authorized share capital amounting to Baht 4,861.25 million. The Company made the share payment on February 15, 2011.

On February 17, 2011, PTTI called for the second payment of its second issue of additional authorized share capital amounting to Baht 12,681.44 million and the Company made this share payment on March 2, 2011.

On February 24, 2011, PTTI called for the seventh payment of its first issue of additional authorized share capital amounting to Baht 214.99 million and the Company made this share payment on March 9, 2011.

On March 15, 2011, PTTML, a subsidiary of PTTI, acquired a 100% shareholding in International Coal Holdings Limited (ICH), which operates investment business as a holding company, for a total amount of AUD 544.11 million, or approximately Baht 16,831.22 million. The acquisition was pursuant to a resolution of PTTI's board of director meeting No.9/2010 held on October 14, 2010.

On March 1, 2011, Natee Synergy Co., Ltd. (NSC), a subsidiary of PTTI, agreed to jointly invest in Xayaburi Power Co., Ltd. (XPCL) with CH. Karnchang Public Company Limited, Electricity Generating Public Company Limited, and P.T. Construction & Irrigation Co., Ltd. for development of the Xayaburi Hydroelectric Power Project in the Lao People's Democratic Republic with an authorized share capital amounting to Baht 800 million. NSC's shareholding in XPCL was 25% or Baht 200 million of investment. Subsequently, XPCL issued an additional authorized share capital, resulting in an increase in its authorized share capital from Baht 800 million to Baht 1,000 million. NSC paid Baht 50 million for the additional shares on April 22, 2011.

On September 23, 2011, PTTI called for the third payment of the second issue of an additional authorized share capital, amounting to Baht 1,875.32 million and the Company made the share payment on September 30, 2011.

On October 1, 2011, PTTI assessed impairment of its investment in EMG caused by the unrest in Egypt. EMG's business was affected significantly and since there were indications of impairment in the investment, PTTI tested for impairment and recognized impairment losses amounting to Baht 5,821.64 million and Baht 9,049.38 million in the consolidated financial statements and the separate financial statements, respectively.

CHPP

On October 4, 2011, CHPP called for the additional payment of authorized share capital of Baht 46.22 million. The Company paid for these shares on October 20, 2011.

PTTGE

On January 20, 2011, PTTGE called for payment of additional authorized share capital of USD 40 million or approximately Baht 1,237.59 million. The Company made the share payment on February 9, 2011.

On May 26, 2011, PTTGE called for the second payment of additional authorized share capital amounting to USD 60 million or approximately Baht 1,823.89 million. The Company made the share payment on June 10, 2011.

On December 28, 2011, PTTGE increased its authorized share capital by USD 23 million or Baht 728.02 million. The Company made the share payment on December 30, 2011.

PTTAC

On February 24, 2011, PTTAC called for the third payment (the last call) of its additional authorized share capital amounting to Baht 335.78 million and the Company made the share payment on March 3, 2011.

PMBC

On February 11, 2011, the Company's extraordinary Board of Directors' meeting No.2/2011 passed a resolution to invest in a Polybutylene Succinate (PBS) project, through a joint investment in PTT MCC BioChem Co., Ltd. (PMBC) with Mitsubishi Chemical Corporation (MCC). The Company has a 50% share in the jointly controlled entity which has total authorized share capital of USD 12 million or approximately Baht 360 million. On March 29, 2011, the Company made payment of Baht 180 million for its shares in this business.

PTTLNG

PTTLNG's Board of Directors' meeting No.3/2011 held on March 31, 2011 and No.8/2011 held on July 27, 2011 passed resolutions to call for payment of additional authorized share capital of Baht 1,200 million and Baht 610.61 million, respectively. The Company made the share payment on May 31, 2011 and September 30, 2011, respectively. On December 2, 2011, PTTLNG called for further payment of additional authorized share capital of Baht 2,954.15 million. The Company made this share payment on December 30, 2011.

B.Grimm BIP

On April 4, 2011, B.Grimm BIP's shareholders' meeting No.1/2011 passed a resolution to increase authorized share capital by Baht 114 million, from Baht 21.50 million to Baht 135.50 million, by issuing 1.14 million additional shares with a par value of Baht 100 each. The Company paid Baht 26.22 million for these additional shares on April 12, 2011, in proportion to its shareholding.

NNEG

On April 29, 2011, the Company's Board of Directors' meeting No.4/2011 passed a resolution to invest in a 30% share in Nava Nakorn Electricity Generating Co., Ltd. (NNEG) to operate a combined heat power plant project in Nava Nakorn Industrial Estate. The authorized share capital of NNEG was Baht 2 million, comprising 200,000 ordinary shares with a par value of Baht 10 each. The Company paid Baht 0.60 million for its shareholding percentage on May 30, 2011.

On September 27, 2011, the extraordinary shareholders' meeting No.2/2011 of NNEG passed a resolution to increase authorized share capital from Baht 2 million to Baht 302 million, with a first issue of 8,000,000 additional shares, amounting to Baht 80 million. On October 10, 2011, the Company paid Baht 24 million to subscribe to this first issue of additional shares in proportion to its shareholding.

DCAP

On April 19 and 25, 2011, DCAP called for the second and the third payments of its additional authorized share capital, amounting to Baht 31.65 million and Baht 124.10 million. The Company made the share payments on April 22, 2011 and May 6, 2011, respectively.

PTTES

On February 11, 2011, the Company's extraordinary Board of Directors' meeting No.2/2011 passed a resolution to jointly establish, with companies within the Group, PTT Energy Solutions Co., Ltd. (PTTES) to provide engineering technique consulting services with the Company holding 40%. The authorized share capital of PTTES was Baht 150 million, comprising 1.5 million ordinary shares with a par value of Baht 100 each. PTTES called for the first share payment of Baht 75 per share. The Company paid Baht 47.50 million on June 9, 2011, in proportion to its shareholding. On November 11, 2011, PTTES's Board of Directors' meeting passed a resolution to call for the remaining share capital of Baht 25 per share. The Company made payment of Baht 15 million on December 15, 2011, in proportion to its shareholding.

RBA

On June 28, 2011, RBA's extraordinary shareholders' meeting No.1/2011 passed a resolution to dissolve the Company and to appoint a member of the Board of Directors to oversee its liquidation.

On June 30, 2011, RBA registered its dissolution with the Ministry of Commerce. The liquidation was completed on November 22, 2011.

BIC

On May 27, 2011, the Company's Board of Directors' meeting No.5/2011 passed a resolution to invest in a 25% share in Bangpa-in Cogeneration Limited (BIC), which operates a cogeneration power plant project at Bangpa-in Industrial Estate. The authorized share capital of BIC was Baht 1,370 million, comprising 137 million ordinary shares with a par value of Baht 10 each. The Company paid Baht 113.75 million for its shareholding on August 18, 2011.

PTTGC

PTT Global Chemical Public Company Limited (PTTGC) was established as a result of the amalgamation between PTT Chemical Public Company Limited (PTTCH) and PTT Aromatics and Refining Public Company Limited (PTTAR). PTTGC registered the amalgamation with the Ministry of Commerce on October 19, 2011. The share swap rates applied for amalgamation purposes for the shareholders of PTTCH and PTTAR are as follow;

One share of PTTCH for 1.980122323 shares of PTTGC

One share of PTTAR for 0.501296791 shares of PTTGC

The amalgamation was completed on October 19, 2011. PTTGC received all current business of PTTCH and PTTAR, including all assets, liabilities, rights, responsibilities, and obligations of those entities as well as any agreements entered into by PTTCH and PTTAR prior to the amalgamation. In this case, PTTCH was identified as the purchaser in the amalgamation because the market value of PTTCH was higher than that of PTTAR. In the financial statements of PTTGC, book value of PTTCH and the identified net asset value of PTTAR are used as the basis for recording the transaction. The Company swapped all ordinary shares in PTTCH and PTTAR for new ordinary shares issued by PTTGC at the rate stipulated above. As a result, the Company has a 48.92% shareholding in PTTGC.

In the consolidated financial statements in which investments in associates are recognized under the equity method, the Company recognized a loss on dilution amounting to Baht 40.86 million in the statements of income. Moreover, the Company recognized the difference of Baht 5,934.31 million between the investment in PTTGC under the equity method and those in PTTCH and PTTAR under the equity method, due to the increase in the net asset value of the acquire (PTTAR) recorded upon measurement at fair value on the amalgamation date as surplus on amalgamation of associates under share of other comprehensive gain (loss) of associates in the statements of comprehensive income.

In the separate financial statement in which investments in associates are recognized under the cost method, the Company recorded investment in PTTGC at the combined book value of PTTCH and PTTAR at the amalgamation date.

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, 2011 and 2010 are as follows:

Statements of financial position:

As at December 31, 2011 and 2010

Unit : Million Baht

	2011					2010				
	Gas	Oil	Petro-chemicals	Refinery	Others	Gas	Oil	Petro-chemicals	Refinery	Others
Current assets	4,742.97	900.99	54,407.83	89,054.58	305.87	3,988.34	1,429.02	21,080.09	104,603.73	181.50
Non-current assets	11,391.67	2,215.24	137,283.60	84,542.00	92.85	11,592.89	2,276.54	69,979.64	131,254.20	91.65
Current liabilities	(2,335.32)	(414.50)	(30,319.47)	(35,376.98)	(211.61)	(2,066.35)	(448.86)	(9,065.47)	(50,266.71)	(179.45)
Non-current liabilities	(6,234.85)	(992.96)	(54,548.60)	(36,934.91)	(48.72)	(6,583.42)	(2,049.15)	(24,954.35)	(63,949.46)	(51.47)
Net assets	7,564.47	1,708.77	106,823.36	101,284.69	138.39	6,931.46	1,207.55	57,039.91	121,641.76	42.23

Statements of income:

For the years ended December 31, 2011 and 2010

Unit : Million Baht

	2011					2010				
	Gas	Oil	Petro-chemicals	Refinery	Others	Gas	Oil	Petro-chemicals	Refinery	Others
Income	10,344.71	1,927.84	117,795.32	580,664.59	439.33	6,624.71	1,958.95	57,004.86	489,599.06	238.68
Expenses	(9,786.13)	(1,287.83)	(105,999.34)	(558,003.22)	(388.93)	(6,381.31)	(1,428.29)	(50,111.57)	(473,767.93)	(246.02)
Income (loss) before taxes	558.58	640.01	11,795.98	22,661.37	50.40	243.40	530.66	6,893.29	15,831.13	(7.34)
Income taxes	(86.84)	(138.41)	(889.17)	(4,675.17)	(14.26)	(33.51)	(114.21)	(709.46)	(3,467.77)	0.90
Net Profit (loss)	471.74	501.60	10,906.81	17,986.20	36.14	209.89	416.45	6,183.83	12,363.36	(6.44)

- 12.8.2 The Company has not recognized its shares of gain (loss) from some associates for the year ended December 31, 2011 amounting to Baht (7.68) million (for the year ended December 31, 2010: Baht 3.65 million) because the Company had an unrealized allowance for its share of loss from these associates amounting to Baht 72.29 million as at December 31, 2011 (December 31, 2010: Baht 63.62 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

Associates	2011	2010
BCP	7,045.27	6,125.73
IRPC	32,108.35	50,759.53
TOP	58,596.38	78,378.92
PTTAR	-	55,156.02
PTTCH	-	108,473.84
PTTGC	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: %

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 Available-for-sale investments of the Company

Company	Country of Incorporation	Business	Shareholding (%)	
			2011	2010
<u>Investments in equity securities</u>				
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
<u>Investments in debt securities</u>				
Convertible subordinated debenture of Bangchak Petroleum Public Co., Ltd.	Thailand	Refining		
<u>Investments in mutual funds</u>				
MFC Energy Fund	Thailand	Mutual fund	32.57	32.57
Finansa Asset Management - Energy and Petrochemical Index Fund (FAM EPIF)	Thailand	Mutual fund		

13.2 Available-for-sale investments of a subsidiary

Company	Country of Incorporation	Business	Held by	Shareholding (%)	
				2011	2010
<u>Investments in equity securities of PTTL:</u>					
Xanadu Mines Ltd (XML)	Mongolia	Mining exploration	SET	13.18	12.72

13.3 Available-for-sale investments as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends	
	2011	2010	2011	2010	2011	2010	2011	2010
<u>Investments in Equity</u>								
<u>Securities</u>								
TIP	13.33	13.33	312.00	312.00	312.00	312.00	70.00	62.00
BAFS	7.06	7.06	24.00	24.00	24.00	24.00	21.96	17.28
XML	13.18	12.72	246.59	221.79	-	-	-	-
Total investments in equity securities			582.59	557.79	336.00	336.00		
<u>Investments in Debt</u>								
<u>Securities</u>								
			-	585.60	-	585.60		
<u>Investments in Mutual Funds</u>								
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	-
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 and currency translation differences			7,387.48	7,948.28	7,140.89	7,726.49		
Currency translation differences			(11.07)	67.83	-	-		
Allowance for changes in value of investments			4,304.01	5,574.49	4,280.62	5,496.81		
Total			11,680.42	13,590.60	11,421.51	13,223.30	163.79	79.28

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

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	13,590.60	8,124.17	13,223.30	8,124.17
- Additional investments	24.80	1,309.97	-	1,250.00
- Reclassifications (Note 12.7)	(585.60)	161.82	(585.60)	-
- Allowance for changes in value of investments	(1,270.48)	3,895.74	(1,216.19)	3,849.13
- Currency translation differences	(78.90)	98.90	-	-
Balance as at December 31	<u>11,680.42</u>	<u>13,590.60</u>	<u>11,421.51</u>	<u>13,223.30</u>

14. Other Long-term Investments

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

Company	Country of Incorporation	Business	Shareholding (%)	
			2011	2010
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	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

14.2 Details of other long-term investments of the subsidiaries and jointly controlled entities:

Company	Country of Incorporation	Business	Shareholding (%)	
			2011	2010
<u>Other long-term investments of PTTT:</u>				
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
<u>Other long-term investments of HMC:</u>				
Rayong Olefins Co., Ltd. (ROC)	Thailand	Petrochemicals	5.91	5.91
Basell Advanced Polyolefins (Thailand) Co., Ltd. (BAPT)	Thailand	Petrochemicals	2.07	2.07

14.3 Other long-term investments, net as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

Company	Shareholding (%)		Consolidated financial statements		Separate financial statements		Dividends	
	2011	2010	2011	2010	2011	2010	2011	2010
General Investments								
1. PA (Huizhou)	25.00	25.00	15.16	15.16	15.16	15.16	-	-
2. FPT	2.76	2.76	44.00	44.00	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	345.00	435.00
5. ROC	5.91	5.91	643.73	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	117.93	117.93	-	-	-	-
10. KIF	10.00	10.00	48.84	48.84	-	-	-	-
11. K I	10.00	10.00	245.39	245.39	-	-	-	-
12. K II	10.00	10.00	65.52	65.52	-	-	-	-
13. Corpus	0.48	0.48	0.60	0.60	0.60	0.60	-	-
Total investments accounted for under the cost method			2,319.02	2,319.02	1,179.42	1,179.42		
Currency translation differences			(38.84)	(48.18)	-	-		
<u>Less</u> Allowance for impairment of investments			(530.33)	(91.49)	(73.30)	(73.30)		
Total			1,749.85	2,179.35	1,106.12	1,106.12	436.07	435.00

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

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at January 1	2,179.35	2,379.89	1,106.12	1,106.12
- Additional investments	-	0.60	-	0.60
- Disposal of investments	-	(78.40)	-	(78.40)
- Reclassifications	-	(222.66)	-	(60.84)
- Allowance for impairment loss on investments	(438.84)	138.64	-	138.64
- Currency translation differences	9.34	(38.72)	-	-
Balance as at December 31	1,749.85	2,179.35	1,106.12	1,106.12

14.5 Significant events during the year ended December 31, 2011

PA (Shantou)

On January 27, 2010, the Company's Board of Directors' meeting No.1/2010 passed a resolution to sell 15% of its shares in Petro Asia (Shantou) Co., Ltd. (PA(Shantou)) to a company (the Buyer). Due to the loss communication with the Buyer, the Company's Board of Directors' meeting No.9/2011 on September 23, 2011 passed a resolution to seek a new buyer. On January 27, 2012, the Company had a new buyer.

PTTT

In 2011, PTTT assessed impairment of long-term investments in four companies comprising KOT, KIF, KI and KII because there were indications of impairment. The impairment losses of Baht 438.84 million were fully recognized in the statements of income.

15. Investment Properties

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, 2011	4,422.64	5,649.19	-	10,071.83
- Additions	-	10.70	23.18	33.88
- Reclassifications	(0.96)	(130.59)	(23.18)	(154.73)
- Disposals	-	(38.77)	-	(38.77)
As at December 31, 2011	4,421.68	5,490.53	-	9,912.21
Accumulated Depreciation				
As at January 1, 2011	-	(1,339.90)	-	(1,339.90)
- Depreciation for the period	-	(264.53)	-	(264.53)
- Reclassifications	-	(0.02)	-	(0.02)
- Disposals	-	37.53	-	37.53
As at December 31, 2011	-	(1,566.92)	-	(1,566.92)
Net Book Value				
As at December 31, 2010	4,422.64	4,309.29	-	8,731.93
As at December 31, 2011	4,421.68	3,923.61	-	8,345.29

Unit : Million Baht

Separate financial statements

	Land	Buildings and building improvements	Construction in progress	Total
Cost				
As at January 1, 2011	4,422.64	1,842.98	-	6,265.62
- Additions	-	0.52	23.18	23.70
- Reclassifications	(0.96)	32.96	(23.18)	8.82
- Disposals	-	(38.77)	-	(38.77)
As at December 31, 2011	4,421.68	1,837.69	-	6,259.37
Accumulated Depreciation				
As at January 1, 2011	-	(1,126.11)	-	(1,126.11)
- Depreciation for the period	-	(71.47)	-	(71.47)
- Reclassifications	-	(0.02)	-	(0.02)
- Disposals	-	37.53	-	37.53
As at December 31, 2011	-	(1,160.07)	-	(1,160.07)
Net Book Value				
As at December 31, 2010	4,422.64	716.87	-	5,139.51
As at December 31, 2011	4,421.68	677.62	-	5,099.30

The fair values of investment properties in the consolidated financial statements and the separate financial statements are Baht 11,286.02 million and Baht 7,537.65 million, respectively.

16. Property, Plant and Equipment

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, 2011	6,464.86	33,082.91	274,477.07	350,950.33	12,364.56	78,888.77	756,228.50
- Business acquisition							
(Note 42)	136.81	1.48	329.28	43,168.72	1,085.25	11.95	44,733.49
- Additions	305.57	923.48	2,530.55	66,325.29	2,286.63	30,481.03	102,852.55
- Borrowing costs	-	-	-	-	-	1,137.23	1,137.23
- Reclassifications	(1,099.08)	9,760.78	61,448.21	-	685.26	(76,025.48)	(5,230.31)
- Disposals	-	(191.44)	(543.29)	(1,776.91)	(1,781.52)	-	(4,293.16)
- Currency translation							
differences	15.09	154.79	437.33	22,959.04	123.05	57.39	23,746.69
As at December 31, 2011	5,823.25	43,732.00	338,679.15	481,626.47	14,763.23	34,550.89	919,174.99
Accumulated Depreciation							
As at January 1, 2011	-	(11,957.71)	(90,070.35)	(149,057.49)	(7,713.07)	-	(258,798.62)
- Business acquisition (Note							
42)	-	(0.08)	(10.02)	(1,427.60)	(0.13)	-	(1,437.83)
- Depreciation for the							
period	-	(2,024.02)	(15,731.54)	(31,474.97)	(1,284.54)	-	(50,515.07)
- Reclassifications	-	12.40	72.27	(86.42)	395.05	-	393.30
- Disposals	-	157.91	419.40	-	1,678.96	-	2,256.27
- Currency translation							
differences	-	(305.59)	292.59	(8,723.67)	(14.81)	-	(8,751.48)
As at December 31, 2011	-	(14,117.09)	(105,027.65)	(190,770.15)	(6,938.54)	-	(316,853.43)
Allowance for Impairment of							
Assets							
As at January 1, 2011	(81.27)	(12.20)	(290.21)	(385.54)	-	-	(769.22)
- Impairment losses	-	(0.33)	-	(225.05)	-	-	(225.38)
- Reversal of							
impairment losses	-	2.94	35.97	-	-	-	38.91
- Currency translation							
differences	-	-	(1.00)	(23.46)	-	-	(24.46)
As at December 31, 2011	(81.27)	(9.59)	(255.24)	(634.05)	-	-	(980.15)
Net Book Value							
As at December 31, 2010	6,383.59	21,113.00	184,116.51	201,507.30	4,651.49	78,888.77	496,660.66
As at December 31, 2011	5,741.98	29,605.32	233,396.26	290,222.27	7,824.69	34,550.89	601,341.41

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, 2011	3,621.56	23,242.46	233,105.50	10,065.78	37,002.17	307,037.47
- Additions	-	201.54	1,261.55	549.79	19,553.61	21,566.49
- Borrowing costs	-	-	-	-	301.16	301.16
- Reclassifications	167.06	3,046.63	35,381.87	352.30	(40,205.82)	(1,257.96)
- Disposals	-	(78.53)	(312.31)	(1,647.77)	-	(2,038.61)
As at December 31, 2011	3,788.62	26,412.10	269,436.61	9,320.10	16,651.12	325,608.55
Accumulated Depreciation						
As at January 1, 2011	-	(9,217.49)	(77,970.58)	(6,519.34)	-	(93,707.41)
- Depreciation for the period	-	(1,174.42)	(12,593.39)	(1,016.93)	-	(14,784.74)
- Reclassifications	-	15.81	6.15	426.85	-	448.81
- Disposals	-	70.03	310.57	1,560.19	-	1,940.79
As at December 31, 2011	-	(10,306.07)	(90,247.25)	(5,549.23)	-	(106,102.55)
Allowance for Impairment of Assets						
As at January 1, 2011	(81.27)	(12.20)	(255.11)	-	-	(348.58)
- Impairment losses	-	(0.33)	-	-	-	(0.33)
- Reversal of impairment losses	-	2.93	-	-	-	2.93
As at December 31, 2011	(81.27)	(9.60)	(255.11)	-	-	(345.98)
Net Book Value						
As at December 31, 2010	3,540.29	14,012.77	154,879.81	3,546.44	37,002.17	212,981.48
As at December 31, 2011	3,707.35	16,096.43	178,934.25	3,770.87	16,651.12	219,160.02

Borrowing costs amounting to Baht 1,137.23 million in the consolidated financial statements (December 31, 2010: Baht 2,042.11 million) and amounting to Baht 301.16 million in the separate financial statements (December 31, 2010: Baht 886.78 million) were capitalized as part of costs of property, plant and equipment. The Group used capitalization rates ranging from 1.63% - 5.58% (December 31, 2010: 1.67% - 7.25%).

As at December 31, 2011 and 2010, other assets include vehicles acquired under finance leases. Details are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost	996.40	981.36	825.21	844.84
<u>Less</u> Accumulated depreciation	<u>(254.10)</u>	<u>(204.58)</u>	<u>(157.68)</u>	<u>(142.26)</u>
Net book value	<u>742.30</u>	<u>776.78</u>	<u>667.53</u>	<u>702.58</u>

As at December 31, 2011, PTTEP had the following carried cost to be reimbursed from the 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, 2011)
Vietnam 52/97	-	31.97	-
Vietnam B and 48/95	-	33.46	-
Vietnam 16-1	813.54	-	1,268.59
Vietnam 9-2	1,051.72	-	791.82
Algeria 433A and 416 B	502.12	-	168.68
Algeria Hassi Bir Rekaiz	343.71	-	345.75

17. Intangible Assets

Intangible assets as at 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, 2011	3,063.34	18,504.51	5,204.28	1,422.41	28,194.54
- Business acquisition (Note 42)	-	-	34,389.67	319.00	34,708.67
- Additions	1,066.44	25.82	4,525.86	263.00	5,881.12
- Reclassifications	209.30	106.34	(7,267.56)	1,400.49	(5,551.43)
- Disposals	(659.99)	(0.02)	(2,940.57)	(0.17)	(3,600.75)
- Currency translation differences	61.57	12.11	1,186.04	23.04	1,282.76
As at December 31, 2011	3,740.66	18,648.76	35,097.72	3,427.77	60,914.91
Accumulated amortization					
As at January 1, 2011	(1,825.24)	(5,083.30)	-	(573.55)	(7,482.09)
- Amortization for the period	(354.78)	(509.86)	-	(236.94)	(1,101.58)
- Reclassifications	0.34	32.44	-	(242.91)	(210.13)
- Disposals	657.12	0.01	-	0.10	657.23
- Currency translation differences	(28.90)	(7.59)	-	(17.56)	(54.05)
As at December 31, 2011	(1,551.46)	(5,568.30)	-	(1,070.86)	(8,190.62)
Allowance for impairment of assets					
As at January 1, 2011	-	-	-	-	-
- Loss on impairment of assets	-	-	(109.49)	-	(109.49)
- Currency translation differences	-	-	(1.02)	-	(1.02)
As at December 31, 2011	-	-	(110.51)	-	(110.51)
Net Book Value					
As at December 31, 2010	1,238.10	13,421.21	5,204.28	848.86	20,712.45
As at December 31, 2011	2,189.20	13,080.46	34,987.21	2,356.91	52,613.78

Unit : Million Baht

Separate financial statements

	Computer software	Right of use	Other intangible asset	Total
Cost				
As at January 1, 2011	1,722.67	18,241.50	51.55	20,015.72
- Additions	245.42	-	-	245.42
- Reclassifications	209.73	89.14	-	298.87
- Disposals	(656.06)	(0.02)	-	(656.08)
As at December 31, 2011	1,521.76	18,330.62	51.55	19,903.93
Accumulated Amortization				
As at January 1, 2011	(1,026.55)	(4,941.35)	(51.55)	(6,019.45)
- Amortization for the period	(225.68)	(480.17)	-	(705.85)
- Reclassifications	0.89	30.40	-	31.29
- Disposals	656.04	0.01	-	656.05
As at December 31, 2011	(595.30)	(5,391.11)	(51.55)	(6,037.96)
Net Book Value				
As at December 31, 2010	696.12	13,300.15	-	13,996.27
As at December 31, 2011	926.46	12,939.51	-	13,865.97

18. Mining properties

Mining properties in the consolidated financial statements are as follows:

Unit : Million Baht

Cost

As at January 1, 2011	36,245.46
- Additions	1,466.91
- Reclassifications	439.77
- Disposals	(59.25)
- Currency translation differences	1,151.39
As at December 31, 2011	39,244.28

Accumulated Amortization

As at January 1, 2011	(3,504.40)
- Amortization for the period	(1,575.15)
- Reclassifications	-
- Currency translation differences	(208.49)
As at December 31, 2011	(5,288.04)

Allowance for Impairment of Assets

As at January 1, 2011	(41.76)
- Currency translation differences	-
As at December 31, 2011	(41.76)

Net Book Value

As at December 31, 2010	32,699.30
As at December 31, 2011	33,914.48

19. Goodwill

Movements of goodwill are as follows:

Unit : Million Baht

Consolidated financial statements		
	2011	2010
Net book value as at January 1	17,541.83	17,381.94
- Additions (Note 42)	10,453.38	926.01
- Reclassifications (Note 42)	(70.51)	(37.23)
- Impairment losses	(52.81)	(33.52)
- Currency translation differences	475.81	(695.37)
Net book value as at December 31	28,347.70	17,541.83

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	
- Income tax of the Company	30
- Income tax of subsidiaries and jointly controlled entities	15 - 30
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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Deferred tax assets	19,318.40	16,446.49	1,807.79	1,974.18
Deferred tax liabilities	43,174.14	19,850.54	4,961.29	6,319.41
	<u>(23,855.74)</u>	<u>(3,404.05)</u>	<u>(3,153.50)</u>	<u>(4,345.23)</u>

20.2 Income tax expenses recognized in the consolidated and the separate statements of income for the year ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Income tax:				
Current income tax	41,646.08	43,239.70	4,274.77	12,350.12
Adjustments in respect of current income tax of previous year	<u>704.09</u>	<u>271.92</u>	<u>451.57</u>	<u>288.31</u>
	<u>42,350.17</u>	<u>43,511.62</u>	<u>4,726.34</u>	<u>12,638.43</u>
Deferred tax:				
Change in temporary differences	(3,225.90)	(4,807.08)	(90.50)	30.35
Decrease in tax rate*	40.35	-	(308.33)	-
Tax effect of currency translation on tax base	<u>4,066.00</u>	<u>(4,744.00)</u>	<u>-</u>	<u>-</u>
	<u>880.45</u>	<u>(9,551.08)</u>	<u>(398.83)</u>	<u>30.35</u>
Total	<u>43,230.62</u>	<u>33,960.54</u>	<u>4,327.51</u>	<u>12,668.78</u>

* According to the Royal Decree under the Revenue Code regarding reduction and exemption from income taxes (No. 530), 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, 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	2,591.29	(1,615.35)	290.03	1,265.97
	<u>16,446.49</u>	<u>2,371.45</u>	<u>500.46</u>	<u>19,318.40</u>
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	4,340.77	(2,798.07)	1,317.55	2,860.25
	<u>19,850.54</u>	<u>3,251.90</u>	<u>20,071.70</u>	<u>43,174.14</u>

Unit : Million Baht

Consolidated financial statements

	As at January 1, 2010	Statements of income	Shareholders' equity	As at December 31, 2010
Deferred tax assets:				
Trade and other accounts receivable	493.32	(32.08)	(0.58)	460.66
Inventories	18.20	0.26	-	18.46
Investments	50.38	(41.59)	-	8.79
Property, plant and equipment	(328.73)	(259.44)	75.82	(512.35)
Intangible assets	217.44	(2.24)	-	215.20
Employee benefit obligations	652.72	69.48	(0.79)	721.41
Cumulative loss carried forward	6,104.52	1,997.00	(734.00)	7,367.52
Petroleum resource rent tax in				
Australia	5,327.51	830.00	(582.00)	5,575.51
Others	(1,151.02)	3,735.21	7.10	2,591.29
	<u>11,384.34</u>	<u>6,296.60</u>	<u>(1,234.45)</u>	<u>16,446.49</u>
Deferred tax liabilities:				
Property, plant and equipment	16,664.50	2,023.00	(1,757.00)	16,930.50
Other accounts receivable	3,143.43	(874.81)	-	2,268.62
Available-for-sale investments	494.31	-	1,154.74	1,649.05
Loans	1,042.38	736.99	-	1,779.37
Tax effect of currency translation				
on tax base	(3,712.77)	(3,962.00)	557.00	(7,117.77)
Others	5,292.50	(1,177.66)	225.93	4,340.77
	<u>22,924.35</u>	<u>(3,254.48)</u>	<u>180.67</u>	<u>19,850.54</u>

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
	<u>1,974.18</u>	<u>(166.39)</u>	<u>-</u>	<u>1,807.79</u>
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
	<u>6,319.41</u>	<u>(565.21)</u>	<u>(792.91)</u>	<u>4,961.29</u>

Unit : Million Baht

Separate financial statements

	As at January 1, 2010	Statements of income	Shareholders' equity	As at December 31, 2010
Deferred tax assets:				
Trade and other accounts receivable	490.65	(38.63)	-	452.02
Inventories	18.20	0.26	-	18.46
Investments	50.38	(41.59)	-	8.79
Property, plant and equipment	273.86	(92.15)	-	181.71
Intangible assets	217.44	(2.24)	-	215.20
Employee benefit obligations	643.28	51.07	-	694.35
Others	416.24	(12.59)	-	403.65
	<u>2,110.05</u>	<u>(135.87)</u>	<u>-</u>	<u>1,974.18</u>
Deferred tax liabilities:				
Other accounts receivable	3,143.43	(874.81)	-	2,268.62
Available-for-sale investments	494.31	-	1,154.73	1,649.04
Loans	1,042.38	736.99	-	1,779.37
Others	590.08	32.30	-	622.38
	<u>5,270.20</u>	<u>(105.52)</u>	<u>1,154.73</u>	<u>6,319.41</u>

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	
	2011	2010	2011	2010
Balance as at January 1	8,304.60	16,735.19	9,743.47	19,343.93
- Additions	282.43	-	282.43	-
- Make-up right	(1,240.80)	(8,430.59)	(1,530.33)	(9,600.46)
Balance as at December 31	<u>7,346.23</u>	<u>8,304.60</u>	<u>8,495.57</u>	<u>9,743.47</u>

The Company made advance payments for committed gas purchases according to the established minimum volume in the Export 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, 2011, advanced payments for gas purchases comprised the remaining of advance payments for gas purchases from the Yadana and the Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 2000-2001 as well as the remaining advance payments for gas purchases from the Unocal 123 gas fields in the Gulf of Thailand, irrespective of take-up in 2011.

22. Other Non-current Assets

Other non-current assets as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Retention and refundable deposits	714.87	10,461.88	43.98	44.83
Advances	9,489.49	8,972.71	4,015.26	4,131.81
Inventories - legal reserves	16,698.38	13,911.72	16,698.38	13,894.99
Deferred compensation	804.12	817.90	-	-
Others	1,012.11	3,203.22	6.02	1,886.33
Total	<u>28,718.97</u>	<u>37,367.43</u>	<u>20,763.64</u>	<u>19,957.96</u>

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 2011 and 2010, 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, 2011, the bank overdrafts and short-term loans from financial institutions in the consolidated financial statements bear interest at rates ranging from 1.16% to 4.85% per annum (December 31, 2010: interest at rates ranging from 1.84% to 6.45% per annum). There is no bank overdrafts and short-term loans from financial institutions in the separate financial statements.

24. Other Current Liabilities

Other current liabilities as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Undue output VAT	3,003.79	2,636.90	2,573.85	2,198.11
Retention	80.01	164.64	-	-
Others	1,508.57	2,131.03	936.82	980.49
Total	<u>4,592.37</u>	<u>4,932.57</u>	<u>3,510.67</u>	<u>3,178.60</u>

25. Long-term Loans

Long-term loans as at December 31, 2011 and 2010 are as follows:

Current Portion of Long-term Loans

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Loans – Baht currency	5,025.33	9,975.85	4,000.00	9,500.00
Loans – Baht currency – EPPO	214.35	211.64	214.35	211.64
Loans – Foreign currencies	4,246.05	3,512.16	2,593.25	2,651.91
Debentures – Baht currency	45,296.32	11,356.50	23,500.00	11,356.50
Debentures – Foreign currencies	-	3,286.60	-	3,286.60
Liabilities under finance leases	196.74	219.52	164.52	188.61
Total	54,978.79	28,562.27	30,472.12	27,195.26

Long-term Loans

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Loans – Baht currency	32,251.00	36,002.44	23,500.00	27,500.00
Loans – Baht currency – EPPO	297.42	504.71	297.42	504.71
Loans – Foreign currencies	62,331.22	43,854.43	21,422.30	22,436.28
Debentures – Baht currency	146,521.98	197,809.40	119,304.20	148,804.20
Debentures – Foreign currencies	95,513.07	63,788.49	48,321.77	39,933.29
Liabilities under finance leases	509.12	507.31	453.95	451.96
Total	337,423.81	342,466.78	213,299.64	239,630.44

As at December 31, 2011, Baht 10,205.86 million (December 31, 2010: Baht 18,575.61 million) of the Company's loans are secured by the Ministry of Finance.

Long-term loans, including the current portion, outstanding as at December 31, 2011 and 2010 can be classified by interest types as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Floating interest rate	47,702.09	51,826.39	24,072.24	28,664.50
Fixed interest rate	344,700.51	319,202.66	219,699.52	238,161.20
Total	392,402.60	371,029.05	243,771.76	266,825.70

Interest rates charged on long-term loans as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
PTT bonds	5.07%-7.83%	3.90%-7.83%	5.07%-7.83%	3.90%-7.83%
Loans – Baht currency	3.87%-5.80%	2.32%-4.75%	3.87%-3.93%	2.32%-4.75%
Loans – Baht currency – EPPO	0.50%	0.50%	0.50%	0.50%
Loans – Foreign currencies				
- US dollar	0.77%-6.05%	0.46%-6.05%	0.77%-4.19%	0.46%-3.83%
- Yen	4.45%	4.45%	4.45%	4.45%
Debentures – Baht currency	3.00%-7.40%	3.00%-7.40%	3.20%-7.40%	3.20%-7.40%
Debentures – Foreign currencies	1.38%-5.88%	1.57%-5.88%	1.38%-5.88%	1.57%-5.88%
Liabilities under finance leases	3.33%-7.28%	3.33%-6.75%	3.33%-5.10%	3.33%-6.33%

25.1 Loans

Movements of loans in Baht currency and foreign currencies for the year ended December 31, 2011 are as follows:

Unit : Million

	Consolidated financial statements			
	Currency			Total in Baht equivalent
	Baht	USD	JPY	
Balance as at January 1, 2011	46,694.63	1,284.24	23,000.00	94,061.23
- Additions	1,562.05	625.00	-	20,906.89
- Repayments	(10,468.58)	(116.03)	-	(13,993.58)
- Loss on exchange rates	-	-	-	2,978.49
- Currency translation differences	-	-	-	394.45
- Others	-	0.59	-	17.89
Balance as at December 31, 2011	37,788.10	1,793.80	23,000.00	104,365.37
- Current portion	(5,239.68)	(112.14)	-	(9,485.73)
Long-term loans	32,548.42	1,681.66	23,000.00	94,879.64

Unit : Million

	Separate financial statements			
	Currency			Total in Baht equivalent
	Baht	USD	JPY	
Balance as at January 1, 2011	37,716.35	544.00	23,000.00	62,804.54
- Additions	8.28	-	-	8.28
- Repayments	(9,712.86)	(87.53)	-	(12,364.77)
- Loss on exchange rates	-	-	-	1,579.27
Balance as at December 31, 2011	28,011.77	456.47	23,000.00	52,027.32
- Current portion	(4,214.35)	(81.47)	-	(6,807.60)
Long-term loans	23,797.42	375.00	23,000.00	45,219.72

Loans – Baht currency from Energy Policy and Planning Office (EPPO)

On March 25, 2011, the Company drew down the fifth loan installment amounting to Baht 8.28 million with a maturity period of five years, bearing interest at a fixed rate of 0.50% per annum, to fund promotion of energy conservation in accordance with the working capital for NGV (natural gas for vehicles) project. The interest is payable every three months and the principal is payable in 20 quarterly installments of Baht 0.42 million. The first principal repayment was due in June 2011 and the last repayment is due in March 2016.

Loans – Baht currencies

On August 23, 2011, a subsidiary entered into a loan agreement with a financial institution amounting to Baht 1,300 million with a maturity period of five years, bearing interest at a fixed rate. The interest and the principal are payable every three months, with the first payment due on November 30, 2011.

Loans – Foreign currencies

PTTEP entered into an unsecured loan agreement with a financial institution granting a facility of USD 50 million and with a maturity period of five years. During the period, PTTEP drew down the full amount of the loan.

PTTEP Offshore Investment Company Limited (PTTEPO) entered into unsecured loan agreements with four financial institutions granting total facilities of USD 575 million and with a maturity period of five years. The loans were fully guaranteed by PTTEP. During the period, PTTEPO drew down the full amount of the loans.

Loans – Baht currency

As at December 31, 2011, 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		Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with		Terms of hedging instruments
			with loan agreements	with hedging contracts						
02/04/2009	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	In 2010, the Company entered into an Interest Rate Swap agreement, with an effective date of June 30, 2010 until the principal maturity date of March 30, 2019.	Floating rate of 6M THBFIX + a fixed rate	The interest rate swap contract granted the contracted parties a one-time right on June 30, 2012, to change from a floating rate of 6M THBFIX + a fixed rate to a fixed rate of 4.355% per annum.	

Loans – Foreign currencies

As at December 31, 2011, 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:

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
Date	Currency	Principal (unit: million)										
05/04/2006	JPY	23,000	4.45	Semi-annual	Maturity on	In 2008, the Company entered	Fixed rate of	The equivalent amount in				
			on USD principal		April 7, 2036	into a participating swap (P –	approximately	USD depends on the range				
						SWAP) contract for JPY long-	1.38% on USD	of exchange rates between				
						term loans to hedge USD: JPY	principal (premium)	USD and 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.						

Date	Currency	Principal (unit: million)	Interest rate with loan agreements (% per annum) in accordance	Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
14/11/2006	USD	150*	LIBOR + a fixed rate on USD principal	Semi-annual	Partial repayment and last payment on November 30, 2013	- In 2008, the Company entered into an interest rate swap (IRS) 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.

* The principal decreased from USD 300 million to USD 150 million because during 2010 – 2011 the Company made partial repayment of USD 75 million per year.

Date	Currency	Principal (unit: million)	Interest rate (% per annum) in accordance		Interest payment	Principal repayment	Hedging instruments	Interest rate (% per annum) in accordance with		Terms of hedging instruments
			with loan agreements	hedging contracts						
25/05/2011	USD	300	LIBOR + a fixed rate on USD principal	Semi-annual	Maturity on May 25, 2015	- In 2010, the Company entered into an interest rate swap (IRS) contract. - In 2011, the parties of some interest rate swap contract (IRS), 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.	Fixed rate ranging from 2.66-2.989 % on the USD principal	-		

25.2 Debentures

Debentures as at December 31, 2011 and 2010 are as follows:

Unit: Million

Consolidated financial statements				
	2011		2010	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	92,472.15	2,911.17	64,147.91	2,126.57
- Baht currency	191,818.30	-	209,165.90	-
Secured unsubordinated debentures				
- USD currency	3,040.92	96.62	2,927.18	96.50
Total	287,331.37	3,007.79	276,240.99	2,223.07
Current portion	(45,296.32)	-	(14,643.10)	(108.48)
Long-term debentures	242,035.05	3,007.79	261,597.89	2,114.59

Unit: Million

Separate financial statements				
	2011		2010	
	Baht	USD	Baht	USD
Unsecured unsubordinated debentures				
- USD currency	48,321.77	1,518.03	43,219.89	1,426.57
- Baht currency	142,804.20	-	160,160.70	-
Total	191,125.97	1,518.03	203,380.59	1,426.57
Current portion	(23,500.00)	-	(14,643.10)	(108.48)
Long-term debentures	167,625.97	1,518.03	188,737.49	1,318.09

On September 21 and 26, 2011, the Company entered into cross-currency swap contracts with two financial institutions to swap Baht 6,000 million of debentures, with a coupon rate of 3.2% per annum, for USD 198 million of debentures, with a coupon rate of 1.375% per annum. The interest rates are effective from September 23 and 28, 2011 until the principal payment is due on December 14, 2014.

On April 5, 2011, PTTEP Canada International Finance Co., Ltd. (PTTEP CIF), a subsidiary of PTTEP, issued and offered USD 700 million of unsecured unsubordinated debentures with a tenor of ten years to foreign institutional investors. The debentures with a coupon rate of 5.692% per annum mature on April 5, 2021 and are fully guaranteed by PTTEP.

During the period, PTTEP entered into cross-currency swap contracts with financial institutions to swap most of its Baht-denominated debentures for USD-denominated ones.

As at December 31, 2011, 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		Interest payment	Principal repayment	Hedging instruments		Interest rate (% per annum) in accordance with hedging contracts	Terms of hedging instruments
			with loan agreements							
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 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 with loan agreements (% per annum)	Interest payment	Principal repayment	Hedging instruments	Interest rate with hedging contracts (% per annum)	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	6,000	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 198 million.	A fixed rate of 1.375% on USD principal	-

25.3 Liabilities under Finance Leases

Liabilities under finance leases as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Liabilities under finance leases				
- Within 1 year	222.32	245.30	186.38	210.50
- Over 1 year but not over 5 years	535.61	541.71	477.24	482.95
Future finance charges on finance leases	(52.07)	(60.18)	(45.15)	(52.88)
Present value of liabilities under finance leases	<u>705.86</u>	<u>726.83</u>	<u>618.47</u>	<u>640.57</u>
Present value of liabilities under finance leases				
- Current liabilities	196.74	219.52	164.52	188.61
- Non-current liabilities	<u>509.12</u>	<u>507.31</u>	<u>453.95</u>	<u>451.96</u>
Total	<u>705.86</u>	<u>726.83</u>	<u>618.47</u>	<u>640.57</u>

25.4 Maturities of long-term loans as at December 31, 2011 and 2010 are as follows:

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	-	196.74	54,978.79
Over 1-2 years	3,170.75	191.59	5,382.51	41,275.79	-	176.12	50,196.76
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	<u>37,276.33</u>	<u>511.77</u>	<u>66,577.27</u>	<u>191,818.30</u>	<u>95,513.07</u>	<u>705.86</u>	<u>392,402.60</u>

Unit : Million Baht

Consolidated financial statements**2010**

	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	9,975.85	211.64	3,512.16	11,356.50	3,286.60	219.52	28,562.27
Over 1-2 years	4,585.78	212.70	3,968.16	45,287.71	-	160.12	54,214.47
Over 2-5 years	9,331.93	292.01	23,294.63	70,372.45	35,965.78	347.19	139,603.99
Over 5 years	22,084.73	-	16,591.64	82,149.24	27,822.71	-	148,648.32
Total	<u>45,978.29</u>	<u>716.35</u>	<u>47,366.59</u>	<u>209,165.90</u>	<u>67,075.09</u>	<u>726.83</u>	<u>371,029.05</u>

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

Unit : Million Baht

Separate financial statements

2010

	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	9,500.00	211.64	2,651.91	11,356.50	3,286.60	188.61	27,195.26
Over 1-2 years	4,000.00	212.70	2,468.15	23,500.00	-	129.26	30,310.11
Over 2-5 years	7,000.00	292.01	11,361.12	53,686.20	14,793.82	322.70	87,455.85
Over 5 years	16,500.00	-	8,607.01	71,618.00	25,139.47	-	121,864.48
Total	37,000.00	716.35	25,088.19	160,160.70	43,219.89	640.57	266,825.70

26. Employee Benefit Obligations

Employees are entitled to retirement benefits under Thai labour law or the labour laws of other countries in which the Group is incorporated, or when employees complete their terms in accordance with agreements between employees and the Group. Employee benefit liability is a defined benefit obligation calculated using the projected unit credit method on an actuarial basis. This basis determines the present value of future payments by discounting the future cash flows using the yields on government bonds with a currency and term similar to the estimated term of the benefit obligations. Actuarial gains or losses are recognized as profit or loss in the period in which they arise. Any expenses related to benefits are recognized in profit or loss in order to attribute benefits to periods of service.

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

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
As at January 1	5,147.73	4,566.44	2,314.50	2,144.28
Current service costs	406.29	447.58	140.06	123.68
Interest on obligations	198.38	184.55	92.09	97.40
Actuarial (gains) losses	(0.01)	93.66	-	93.64
Currency translation differences	(25.66)	-	-	-
Actual payment	(226.68)	(144.50)	(159.25)	(144.50)
As at December 31	<u>5,500.05</u>	<u>5,147.73</u>	<u>2,387.40</u>	<u>2,314.50</u>

Since January 1, 2011, the Group has recognized employee retirement benefit expenses as liabilities, based on the assessment of an actuary (actuarial valuation) calculated based on assumptions regarding employee salaries, turnover rates, ages to retirement, mortality rates, service years and other factors. The Group has adopted and applied the new standard retrospectively.

Expenses recognized in the statements of income for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current service costs	406.29	447.58	140.06	123.68
Interest on obligations	198.38	184.55	92.09	97.40
Actuarial (gains) losses	(0.01)	93.66	-	93.64
Total	604.66	725.79	232.15	314.72
Cost of sales	92.45	125.82	30.40	58.37
Selling expenses	42.15	27.14	41.06	27.14
Administrative expenses	465.04	560.45	156.70	225.60
Management remuneration	5.02	12.38	3.99	3.61
Total	604.66	725.79	232.15	314.72

Principal actuarial assumptions

- Financial assumptions of the Group

	Annual percentage (%)
Discount rate	3.60 - 4.80
Inflation rate	2.00 - 3.00

- Demographic assumptions of the Group

Assumptions regarding mortality rates are based on the published statistics and mortality tables B.E. 2540 (1997) (Thailand TM097) issued by the Office of Insurance Commission. The TM097 comprises data from Thailand insurance company surveys, which provides assurance about that these figures reflect actual mortality rates of Thai citizens.

27. Provision for Decommissioning Costs

Provision for decommissioning costs as at December 31, 2011 and 2010 were Baht 24,941.52 million and Baht 25,905.15 million, respectively. The provision for decommissioning costs is reviewed and estimated by engineers and the management of the Group.

Provision for decommissioning costs as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht		
Consolidated financial statements		
	2011	2010
Provision for decommissioning costs	24,941.52	25,905.15
<u>Less</u> Current portion	(2,312.67)	(3,753.37)
Provision for long-term portion	<u>22,628.85</u>	<u>22,151.78</u>

Movements of the provision for expected decommissioning costs are as follows:

Unit : Million Baht		
Consolidated financial statements		
	2011	2010
As at January 1	25,905.15	23,678.37
- Additions	3,554.85	5,836.52
- Currency translation differences	1,225.41	(2,301.85)
- Utilized during the year	(2,728.94)	(1,307.89)
- Reversal	(3,014.95)	-
As at December 31	<u>24,941.52</u>	<u>25,905.15</u>

28. Other Non-current Liabilities

Other non-current liabilities as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Retention	1,161.88	1,213.42	798.72	897.82
Deferred revenue	349.63	372.27	346.34	372.22
Other advances received	205.08	216.34	205.07	216.33
Long-term liability: Make-up	3,672.12	3,036.24	3,672.12	3,036.24
Others	1,592.83	832.50	-	-
Total	<u>6,981.54</u>	<u>5,670.77</u>	<u>5,022.25</u>	<u>4,522.61</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 and Yetagun 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, 2010	10	2,857,245,725	28,572,457,250
As at December 31, 2011	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 January 1, 2011	2,849,042,025	28,490,420,250	27,585,429,566	56,075,849,816
Additions	7,257,600	72,576,000	1,625,702,400	1,698,278,400
As at December 31, 2011	2,856,299,625	28,562,996,250	29,211,131,966	57,774,128,216

The Company issued and offered warrants as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant per ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
September 1, 2005*	183	1 : 1	39.41	0.59	August 31, 2010
September 29, 2006*	234	1 : 1	19.65	0.35	September 28, 2011
			59.06	0.94	

* As at December 31, 2011, the warrants of the Company issued and offered on September 1, 2005, and September 29, 2006, have expired. There are 0.59 and 0.35 million units of unexercised warrants, respectively.

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	
	2011	2010	2011	2010
Balance as at January 1	1,005.09	988.61	1,005.09	988.61
Appropriated during the years	29.77	16.48	29.77	16.48
Balance as at December 31	<u>1,034.86</u>	<u>1,005.09</u>	<u>1,034.86</u>	<u>1,005.09</u>

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

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

Basic earnings per share and diluted earnings per share for the years ended December 31, 2011 and 2010 are calculated as follows:

Consolidated financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders (Baht)	105,296,408,824	83,992,053,512	105,296,408,824	83,992,053,512
Adjustment of net income (Baht)	-	-	(611,224)	(132,614,145)
Net income for calculation of earnings per share (Baht)	105,296,408,824	83,992,053,512	105,295,797,600	83,859,439,367
Weighted average number of ordinary shares for calculation of earnings per share (shares)	2,853,013,472	2,839,222,607	2,853,958,913	2,842,237,569
Earnings per share (Baht/share)	36.91	29.58	36.89	29.50

Separate financial statements

	Basic Earnings per Share		Diluted Earnings per Share	
	2011	2010	2011	2010
Net income attributable to ordinary shareholders (Baht)	73,434,002,942	54,457,274,823	73,434,002,942	54,457,274,823
Weighted average number of ordinary shares for calculation of earnings per share (shares)	2,853,013,472	2,839,222,607	2,853,958,913	2,842,237,569
Earnings per share (Baht/share)	25.74	19.18	25.73	19.16

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

The Company issued warrants to its directors, management and employees under the Employee Stock Ownership Plan (ESOP). Details are described in Note 29.

PTTEP

PTTEP issued and offered warrants under the Employee Stock Ownership Plan (ESOP) to its employees as follows:

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant: ordinary shares)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
August 1, 2002*	22.20	1 : 5	9.78	0.22	July 31, 2007
August 1, 2003*	23.40	1 : 5	9.72	0.28	July 31, 2008
August 1, 2004*	36.60	1 : 5	13.61	0.39	July 31, 2009
August 1, 2005*	55.60	1 : 5	13.53	0.47	July 31, 2010
August 1, 2006*	91.20	1 : 5	13.35	0.65	July 31, 2011
			59.99	2.01	

* As at December 31, 2011, the warrants of PTTEP issued and offered on August 1, 2002, August 1, 2003, August 1, 2004, August 1, 2005 and August 1, 2006 have expired. There are 0.04 million units, 0.06 million units, 0.08 million units, 0.09 million units and 0.13 million units of unexercised warrants, respectively.

PTTCH

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant: ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
September 29, 2006*	66.50	1 : 1	28.96	0.04	September 28, 2011

* As at December 31, 2011, the warrants of PTTCH issued and offered on September 29, 2006 have expired. There are 0.04 million units of unexercised warrants.

PTTGC

In accordance with the registration of PTTGC, the amalgamation of PTTAR and PTTCH, on October 19, 2011, PTTAR and PTTCH were terminated, and the remaining warrants under ESOP of PTTAR were transferred to PTTGC. There were 12,939,342 units of PTTAR ESOP warrants outstanding, with a conversion ratio of one warrant per 0.5167553 ordinary shares of PTTAR, and an exercise price of Baht 23.22 per share. According to the terms and conditions of PTTAR ESOP warrants, PTTAR was required to adjust the exercise price and exercise ratio when it entered into an amalgamation. The details 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 units)	Number of reserved shares (million units)	Last exercise date of warrants
October 19, 2011	46.32	1 : 0.2590478	0.13	3.33	October 19, 2016

IRPC

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant : ordinary share)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
June 29, 2007*	2.88	1 : 1	898.66	9.21	June 28, 2011
September 28, 2007*	2.88	1 : 1	35.76	2.34	September 27, 2011
			934.42	11.55	

* As at December 31, 2011, the warrants of IRPC issued and offered on June 29, 2007 and September 28, 2007 have expired. There are 9.21 million units and 2.34 million units of unexercised warrants, respectively.

BCP

BCP issued and offered convertible debentures to institutional investors and companies as follows:

Date of issue and offer of convertible debentures	Exercise price (Baht per share)	Exercise ratio (convertible debenture: ordinary shares)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of convertible debentures
January 29, 2004	14.30	1 : 699	279.67	-	September 30, 2013
May 16, 2006	14.00	1 : 714	41.81	-	May 15, 2016
			321.48	-	

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

Date of issue and offer of warrants	Exercise price (Baht per share)	Exercise ratio (warrant: ordinary shares)	Number of allotted shares (million units)	Number of reserved shares (million units)	Last exercise date of warrants
May 15, 2006*	18.00	1 : 1	63.86	5.23	May 14, 2011

* As at December 31, 2011, the warrants of BCP issued and offered on May 15, 2006 have expired. There are 5.23 million units of unexercised warrants.

32. Share-based Payment

The Company issued two warrant arrangements, which are described below.

	Warrant 1	Warrant 2
Date of grant	April 12, 2005	April 11, 2006
Date of issue	September 1, 2005	September 29, 2006
Number granted (warrants)	40,000,000	20,000,000
Exercise price (Baht per share)	183	234
Exercise ratio (warrant : ordinary share)	1 : 1	1 : 1
Contractual life	5 years from the date of issue	5 years from the date of issue
Last exercise date	August 31, 2010	September 28, 2011
Vesting condition	Warrants were granted to directors, managing director, management and employees of the Company or secondments from related companies who had been working for the Company not less than six months. Each warrant was divided into four parts or 25%, with the first exercise dates of each part being at the end of the first, second, third and fourth years, respectively, from the issue dates. Thereafter, the warrants are exercisable on the last working day of each period of three months after the first exercise dates throughout the contractual lives.	

Details of the warrant movements are as follows:

For the year ended December 31, 2011

Unit: Million units

Arrangement	Balance at the beginning of period	Number exercised	Balance at the end of period	Exercisable at the end of period
Warrant 2	7.61	7.26	0.35	-

For the year ended December 31, 2010

Unit: Million units

Arrangement	Balance at the beginning of period	Number exercised	Balance at the end of period	Exercisable at the end of period
Warrant 1	8.14	7.55	0.59	-
Warrant 2	15.32	7.71	7.61	7.61
	23.46	15.26	8.20	7.61

The weighted-average share price as at the exercise dates of Warrant 2 during the year ended December 31, 2011 was Baht 326. (December 31, 2010: Warrant 1 and Warrant 2 were Baht 254 and Baht 300, respectively.)

As at December 31, 2011, both Warrant 1 and Warrant 2 have expired.

As at December 31, 2010, Warrant 1 has expired and the weighted-average remaining of the contractual life of Warrant 2 was nine months, ending on September 28, 2011.

33. Sales and Service Income

Sales and service income for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Oil products	1,786,905.31	1,363,596.49	1,676,252.48	1,306,582.48
Gas products	449,525.56	402,943.77	447,556.07	401,915.20
Petrochemical products	145,627.92	94,730.17	71,753.38	48,674.17
Mining products	30,850.50	24,652.15	-	-
Other products	1,453.81	151.28	-	-
Utility income	624.66	614.03	-	-
Non-core businesses	6,002.55	5,616.65	1,993.12	1,578.75
Services	7,174.37	6,377.63	-	-
Total	<u>2,428,164.68</u>	<u>1,898,682.17</u>	<u>2,197,555.05</u>	<u>1,758,750.60</u>

Sales and service income for the years ended December 31, 2011 and 2010 include sales to government agencies and state enterprises amounting to Baht 107,630.57 million and Baht 132,291.42 million in the consolidated financial statements, and Baht 106,755.32 million and Baht 132,055.89 million in the separate financial statements, respectively.

34. Other Income

Details of other income for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Transportation income	3,486.61	4,373.00	3,584.63	3,901.42
Dividend income	599.86	514.28	24,784.00	18,830.84
Interest income	3,477.51	2,679.08	4,873.46	3,852.36
Compensation for loan interest on advance payments for gas purchases	269.61	447.06	269.61	447.06
Others	8,767.87	5,012.47	5,438.81	4,009.62
Total	16,601.46	13,025.89	38,950.51	31,041.30

Compensation for loan interest on advance payments for gas purchases (Take-or-Pay) represents the compensation that the Company received from the Electricity Generating Authority of Thailand (EGAT) and Independent Power Plants (IPPs) to absorb interest on loans the Company obtained to make advance payments for gas purchases.

35. Expenses by Nature

Details of expenses by nature for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Changes in finished goods and work in process	(9,869.08)	(2,393.26)	(9,583.69)	(2,393.17)
Goods purchased and raw materials used	2,120,810.16	1,648,026.08	2,095,669.17	1,674,302.10
Staff costs	13,743.06	12,318.13	6,996.57	6,502.49
Outsourcing	6,582.58	4,925.77	5,078.85	4,258.86
Transportation	14,728.83	13,683.07	7,370.15	7,523.82
Depreciation and amortization	55,318.16	46,704.93	15,907.76	10,283.09
Repairment	5,792.69	5,302.40	3,352.02	2,681.71
Utilities	12,041.09	8,578.44	10,575.07	7,373.52

36. Petroleum Royalties and Remuneration

Details of petroleum royalties and remuneration for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht		
Consolidated financial statements		
	2011	2010
Petroleum royalties	21,691.27	18,034.43
Special remuneration benefits	338.33	505.64
Total	22,029.60	18,540.07

37. Shares of Net Income from Investments in Associates

The shares of net income from investment in associates for the years ended December 31, 2011 and 2010 includes gain on foreign exchange as follows:

Unit : Million Baht		
Consolidated financial statements		
	2011	2010
Shares of net income before gain on foreign exchange	28,827.85	13,953.30
Gain on foreign exchange	634.77	4,862.66
Total	29,462.62	18,815.96

38. Finance Costs

Details of finance costs for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Interest expenses:				
Loans from financial institutions	2,862.45	2,292.09	1,392.39	1,102.98
Bonds and debentures	14,197.61	12,847.98	10,880.82	10,548.30
Liabilities under finance leases	27.62	20.95	23.75	16.57
Others	318.39	17.74	0.04	12.04
Other finance costs	635.56	1,624.47	445.47	563.31
Total	18,041.63	16,803.23	12,742.47	12,243.20

39 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, 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	-	30,850.50	1,601.60	-	2,428,164.68
- 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	-	30,850.50	2,909.34	(249,288.80)	2,428,164.68
Gross margin*	150,048.38	76,695.10	20,751.02	3,805.14	5,052.04	-	13,443.37	992.08	(1,346.64)	269,440.49
EBITDA	118,011.99	62,195.10	13,224.24	3,289.95	3,777.44	-	9,274.79	646.36	327.98	210,747.85
Depreciation and amortization	33,531.66	15,202.79	2,443.71	13.30	883.51	-	2,070.71	1,174.81	(2.33)	55,318.16
EBIT	84,480.33	46,992.31	10,780.53	3,276.65	2,893.93	-	7,204.08	(528.45)	330.31	155,429.69
Share of net income										
(loss) from associates	-	(302.58)	507.37	-	11,221.15	18,018.21	(61.99)	80.46	-	29,462.62
Interest income										3,477.51
Other income (expenses)										(3,137.40)
Gain on foreign exchange										1,265.81
Finance costs										(18,041.63)
EBT										168,456.60
Income taxes										(43,230.62)
Net income for the year										125,225.98
Attributable to:										
Equity holders of the Company										105,296.41
Non-controlling interests										19,929.57
Net income for the year										125,225.98

* Gross margin excludes depreciation and amortization 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	Petrochemicals	Refining					
Segment assets	415,476.18	333,350.25	89,893.46	111,035.45	42,062.81	-	50,050.80	113,492.10	-	-	1,155,361.05
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	-	14,589.70	1,780.28	-	110,056.12	99,463.48	1,541.57	301.49	-	-	227,732.64
Total segment assets	430,612.21	352,651.75	93,179.96	116,249.44	152,194.16	99,463.48	51,592.37	144,616.06	(57,465.74)	-	1,383,093.69
Non-allocated assets											19,318.40
Total Assets											1,402,412.09
Segment liabilities	215,080.78	65,642.48	42,683.87	97,380.17	21,094.21	-	14,943.40	258,464.47	-	-	715,289.38
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	263,620.63	(57,465.74)	-	715,289.38
Non-allocated liabilities											43,174.14
Total Liabilities											758,463.52
Capital Expenditure	72,835.45	22,640.56	2,574.46	2,168.59	4,910.81	-	2,697.00	3,114.49	-	-	110,941.36

Consolidated financial statements

For the year ended December 31, 2010

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	18,671.33	336,468.91	476,141.98	995,413.87	46,455.56	-	24,652.15	878.37	-	1,898,682.17
- related parties	121,984.40	20,548.95	4,558.20	66,280.30	3.42	-	-	1,135.73	(214,511.00)	-
Net sales	140,655.73	357,017.86	480,700.18	1,061,694.17	46,458.98	-	24,652.15	2,014.10	(214,511.00)	1,898,682.17
Gross margin *	126,121.56	56,698.80	20,017.00	2,946.64	2,409.04	-	8,822.34	573.69	(1,202.71)	216,386.36
EBITDA	101,838.96	47,211.71	12,126.18	2,352.95	1,199.10	-	5,361.60	49.31	190.22	170,330.03
Depreciation and amortization	32,303.34	9,257.00	2,409.59	10.63	367.61	-	1,425.69	933.40	(2.33)	46,704.93
EBIT	69,535.62	37,954.71	9,716.59	2,342.32	831.49	-	3,935.91	(884.09)	192.55	123,625.10
Share of net income (loss)										
from associates	-	(115.24)	409.59	-	6,193.72	12,362.42	(23.68)	(10.85)	-	18,815.96
Interest income										2,679.08
Other income										785.92
Gain on foreign exchange										6,361.93
Finance costs										(16,803.23)
EBT										135,464.76
Income taxes										(33,960.54)
Net income for the year										101,504.22

* Gross margin excludes depreciation and amortization 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				
Attributable to:										
Equity holders of the Company										83,992.05
Non-controlling interests										17,512.17
Net income for the year										101,504.22
Segment assets	293,982.87	313,471.64	82,183.11	107,457.02	37,940.98	-	44,273.93	128,290.46	-	1,007,600.01
Inter-company assets	13,684.78	2,751.17	1,511.35	5,499.74	313.67	-	-	30,025.91	(53,786.62)	-
Investments in associates	-	20,349.10	1,277.66	-	61,270.98	120,469.25	1,538.42	157.28	-	205,062.69
Total segment assets	307,667.65	336,571.91	84,972.12	112,956.76	99,525.63	120,469.25	45,812.35	158,473.65	(53,786.62)	1,212,662.70
Non-allocated assets										16,446.50
Total Assets										1,229,109.20
Segment liabilities	151,987.39	49,010.93	42,171.79	90,691.12	18,312.17	-	14,781.27	284,890.12	-	651,844.79
Inter-company liabilities	2,227.00	31,803.45	10,488.82	4,590.42	1,844.90	-	-	2,832.03	(53,786.62)	-
Total segment liabilities	154,214.39	80,814.38	52,660.61	95,281.54	20,157.07	-	14,781.27	287,722.15	(53,786.62)	651,844.79
Non-allocated liabilities										19,850.54
Total Liabilities										671,695.33
Capital Expenditure	54,714.02	30,463.40	2,804.94	8.72	11,732.26	-	2,663.07	3,527.84	-	105,914.25

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 segment 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

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.

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.

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.

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.

40. 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

40.1 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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Forward foreign exchange purchase contracts				
Baht 30.8850 – 31.7815 = 1 USD	29,738.75	-	29,738.75	-
Baht 29.8970 – 30.1980 = 1 USD	-	18,565.56	-	18,565.56
THBFX-0.1120 – THBFX-0.0140 = 1 USD	-	8,022.75	-	-
Forward foreign exchange sale contracts				
Baht 30.0187 – 32.0800 = 1 USD	20,680.76	-	17,957.97	-
Baht 29.5500 – 31.8992 = 1 USD	-	30,796.90	-	21,037.51

40.2 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, 2011 and 2010 detailed as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
JPY 23,000 million/USD 196.94 million	6,269.07	5,966.65	6,269.07	5,966.65

This contract has a maturity later than five years.

40.3 Currency and Interest Rate Risk

The Group 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, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
- JPY 36,000 million/USD 290.51 million	9,247.49	8,801.38	9,247.49	8,801.38
- Baht 3,053.80 million /USD 90 million	2,864.87	2,726.67	2,864.87	2,726.67
- Baht 3,643.50 million /USD 108.48 million	-	3,286.60	-	3,286.60
- Baht 2,636 million /USD 79.45 million	2,528.90	2,406.90	2,528.90	2,406.90
- Baht 4,000 million /USD 120.55 million	3,837.48	3,652.36	3,837.48	3,652.36
- MYR 300 million /USD 96.50 million	3,040.92	2,927.18	-	-
- Baht 6,000 million /USD 198.47 million	6,317.80	-	6,317.80	-
- 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	83,854.71	23,801.09	24,796.54	20,873.91

The following are the maturities of contracts:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Due within 1 year	31,796.32	3,286.60	-	3,286.60
Over 1 year but not over 5 years	26,377.27	2,970.60	9,182.67	2,726.67
Over 5 years	25,681.12	17,543.89	15,613.87	14,860.64
Total	83,854.71	23,801.09	24,796.54	20,873.91

40.4 Interest Rate Risk

The Group entered into interest rate swap contracts. The terms of the outstanding interest rate swap contracts as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Interest rate swap contracts to swap floating for fixed rate in USD currency*	19,211.19	18,714.25	14,324.36	12,875.93
Interest rate swap contracts to swap floating for decreasing floating rate in Baht currency**	5,000.00	5,000.00	5,000.00	5,000.00
Interest rate swap contracts to swap floating for decreasing floating rate in USD currency***	-	3,029.63	-	3,029.63
Interest rate swap contracts to swap fixed for decreasing fixed rate in Baht currency	2,500.00	2,500.00	-	-
Total	26,711.19	29,243.88	19,324.36	20,905.56

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

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

*** The contract party exercised the right to change the interest rate from a floating to a fixed rate in 2011.

The following are the maturity periods of contracts:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Due within 1 year	2,439.69	2,833.26	2,387.39	2,272.22
Over 1 year but not over 5 years	14,143.48	16,045.43	12,936.97	13,633.34
Over 5 years	10,128.02	10,365.19	4,000.00	5,000.00
Total	26,711.19	29,243.88	19,324.36	20,905.56

40.5 Fluctuations in Oil Market Price Risk

As at December 31, 2011, the outstanding forward oil price contracts of the Group have a maturity period within December 2012. The volume of oil according to such contracts is 117.13 million barrels in both the consolidated financial statements and the separate financial statements (December 31, 2011: 5.97 million barrels in the consolidated financial statements and the separate financial statements).

40.6 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 and trade credit insurance. The Company also reduces credit risk by determining procedures for risk prevention and mitigation, including credit rating for all trading partners of the Company.

40.7 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, 2011 and 2010 as follows:

Unit : Million Baht

Consolidated financial statements				
	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term loans–Baht currency	37,276.33	38,219.81	45,978.29	47,205.37
Long-term loans–Foreign currencies	66,577.27	67,586.86	47,366.59	48,075.23
Unsecured unsubordinated debentures –				
Baht currency	191,818.30	202,083.71	209,165.90	219,864.43
Unsecured unsubordinated debentures –				
Foreign currencies	92,472.15	97,291.70	64,147.91	65,100.28
Secured unsubordinated debentures –				
Foreign currencies	3,040.92	3,040.92	2,927.18	2,927.18
Forward foreign exchange contracts bought	-	308.33	-	49.55
Forward foreign exchange contracts sold	-	(305.50)	-	(12.44)
Participating swaps contracts	-	89.96	-	109.21
Cross-currency and interest rate swap contracts	-	4,191.56	-	6,915.24
Interest rate swap contracts	-	(947.66)	-	(576.28)
Forward oil price contracts	-	89.86	-	(131.45)

Unit : Million Baht

Separate financial statements

	2011		2010	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Long-term loans – Baht currency	27,500.00	28,443.48	37,000.00	38,227.08
Long-term loans – Foreign currencies	24,015.55	25,025.15	25,088.19	25,796.83
Unsecured unsubordinated debentures –				
Baht currency	142,804.20	152,584.44	160,160.70	170,179.44
Unsecured unsubordinated debentures –				
Foreign currencies	48,321.77	50,965.50	43,219.89	44,053.84
Forward foreign exchange contracts bought	-	308.33	-	49.55
Forward foreign exchange contracts sold	-	(305.50)	-	18.52
Participating swap contracts	-	89.96	-	109.21
Cross-currency and interest rate swap contracts	-	7,170.13	-	6,915.24
Interest rate swap contracts	-	(530.49)	-	(302.69)
Forward oil price contracts	-	89.96	-	(131.45)

41. Dividend Payment

On April 20, 2011, the annual shareholders' meeting of the Company approved the dividend payment for the year 2010 performance at Baht 10.25 per share, amounting to Baht 29,169 million. On September 24, 2010, the Company paid an interim dividend for the first half of 2010 performance at Baht 4.75 per share for 2,841,960,601 shares, amounting to Baht 13,499.31 million. The 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 2010	July 1, 2010 – December 31, 2010	5.50	2,848,651,651	15,667.58	May 13, 2011

On August 25, 2011, the Board of directors' meeting of the Company approved an interim dividend payment for the first half of 2011 performance as follows:

Dividends	For operating period	Dividend payment rate (Baht/share)	Number of shares (shares)	Total dividends (million Baht)	Payment date
Interim	January 1, 2011 – June 30, 2011	6.00	2,854,189,126	17,125.13	September 23, 2011

42. Business Acquisition

According to the 30% additional shareholding acquisition of Amata Natural Gas Distribution Co., Ltd. (AMATA NGD) by PTTNGD from the former shareholder on August 3, 2010, which resulted in the increase in shareholding percentage of PTTNGD in AMATA NGD from 50% to 80%, PTTNGD reviewed the fair value of net assets and revised the allocation of the initial purchasing price as shown below.

The details of net assets acquired and goodwill are as follows:

	Unit : Million Baht
Purchase consideration (Cash paid)	504.00
Fair value of net assets acquired	(377.68)
Goodwill	126.32
The assets and liabilities arising from the acquisition are as follows:	
Cash and cash equivalents	207.04
Trade accounts receivable	106.67
Materials and supplies	18.43
Property, plant and equipment	383.64
Intangible assets	979.10
Other assets	24.70
Accounts payable- related parties	(88.89)
Other accounts payable	(15.64)
Deferred tax liabilities	(300.01)
Other liabilities	(56.10)
Non-controlling interests	(251.79)
Net shareholders' equity	1,007.15
<u>Less: Fair value of investment as at the acquisition date</u>	<u>(629.47)</u>
Fair value of net assets acquired	377.68
Goodwill	126.32
Total purchase consideration	504.00
<u>Less: Cash and cash equivalents in the subsidiary</u>	<u>(207.04)</u>
Cash outflow on the acquisition	296.96

The value of goodwill as at December 31, 2010 is decreased by Baht 70.51 million (Note 19) from Baht 196.83 million due to the revision of the fair value of net assets acquired. Consequently, goodwill as at December 31, 2011, was Baht 126.32 million.

On October 14, 2010, PTTI's Board of Directors' meeting No.9/2010 passed a resolution for PTTML, a subsidiary of PTTI, to acquire a 100% shareholding in the coal business of Straits Resources Limited (SRL), a company listed on the Australian Securities Exchange. Subsequently, SRL demerged its coal business from other mining businesses. On February 11, 2011, SRL's coal business changed its name from SRL to International Coal Holdings Limited (ICH) and operates as a holding company. ICH had a 40% shareholding in PTTAPM.

On March 15, 2011, PTTML acquired a 100% shareholding in ICH, amounting to AUD 544.11 million or approximately Baht 16,831.22 million.

The details of the net assets acquired and the decrease in shareholders' equity from the acquisition of additional investment in the subsidiary are as follows:

	Unit : Million Baht
Purchase consideration (cash paid)	16,831.22
Fair value of net assets acquired	(5,888.13)
Decrease in shareholders' equity from the acquisition of additional investment in the subsidiary	10,943.09

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	2,272.79
Other current assets	3.83
Other accounts payable	(708.81)
Tax payable	(35.84)
Other current liabilities	(4.74)
Non-controlling interests	4,360.90
Fair value of net assets acquired	5,888.13
Decrease in shareholders' equity from the acquisition of additional investment in the subsidiary	10,943.09
Total purchase consideration	16,831.22
<u>Less: Cash and cash equivalents in the subsidiary</u>	<u>(2,272.79)</u>
Cash outflow on the acquisition	14,558.43

On November 22, 2010, PTTEP entered into the Partnership Unit Sale Agreement with Statoil Canada Ltd. and Statoil Canada Holdings Corp., a subsidiary of Statoil ASA (Statoil), to acquire a 40% shareholding in Statoil Canada Partnership (SCP). The Partnership Unit Sale Agreement came into effect on January 21, 2011 with the 40% share shareholding retrospectively effective from January 1, 2011. During 2011, PTTEP obtained additional information from Statoil Canada Ltd. regarding an increase in tax benefit of USD 7.13 million, which resulted in decreases in deferred tax liabilities from business acquisition of USD 1.78 million, or approximately Baht 53.76 million. Moreover, PTTEP and Statoil Canada Ltd. agreed to reduce the purchase price by USD 0.6 million, or Baht 18.21 million. As a result, goodwill decreased by USD 2.39 million, or Baht 71.91 million.

The details of net assets acquired and goodwill are as follows:

	Unit : Million Baht
Purchase consideration (cash paid)	68,649.63
Fair value of net assets acquired	(58,494.31)
Goodwill (Note 19)	10,155.32

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	1,365.19
Trade accounts receivable	28.33
Accounts receivable from joint venture	32.83
Inventories	139.76
Other current assets	15.02
Property, plant and equipment (Note 16)	42,157.81
Intangible assets (Note 17)	34,389.67
Trade accounts payable	(658.30)
Accounts payable from joint venture	(464.97)
Deferred tax liabilities	(18,311.95)
Provision for decommissioning costs	(199.08)
Fair value of net assets acquired	58,494.31
Goodwill (Note 19)	10,155.32
Total purchase consideration	68,649.63
<u>Less: Cash and cash equivalents</u>	(1,365.19)
Deposits for the purchase of partnership units	(10,311.74)
Cash outflow on the acquisition	56,972.70

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

The details of net assets acquired and goodwill are as follows:

	Unit : Million Baht
Purchase consideration (cash paid)	1,458.97
Fair value of net assets acquired	(1,160.91)
Goodwill (Note 19)	298.06

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	0.76
Property, plant and equipment (Note 16)	1,137.84
Advance payment	13.79
Other current assets	23.59
Other accounts payable	(11.90)
Other current liabilities	(3.17)
Fair value of net assets acquired	1,160.91
Goodwill (Note 19)	298.06
Total purchase consideration	1,458.97
<u>Less:</u> Cash and cash equivalents	(0.76)
Cash outflow on the acquisition	1,458.21

As at December 31, 2011, PTTGE BV is in a process of reviewing the fair value of net assets acquired. The aforementioned fair value of net assets acquired will be revised after the first payment of the purchase price allocation.

43. Reclassification

The Group adjusted and reclassified certain items in the consolidated and the separate financial statements for the year ended December 31, 2010 to conform with the presentation in the consolidated and the separate financial statements for the year ended December 31, 2011. These items were presented in accordance with the announcement of the Department of Business Development disclosed in Note 2.

44. 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 2011, the Company utilizes the privileges for the Ethane Separation Plant project, the Gas Separation Plant Unit#6, the Power and Steam Production for Bangchak Refinery project and the improvement of production efficiency in energy and environmental aspect project.

The sales from the promoted and non-promoted businesses for the years ended December 31, 2011 and 2010 are as follows:

Unit : Million Baht

Separate financial statements

	2011	2010
Promoted businesses	139,690.29	37,985.57
Non-promoted businesses	2,057,864.76	1,720,765.03
Total	2,197,555.05	1,758,750.60

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.

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.

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.

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

On June 19, 2009, the Stop Global Warming Association and 43 persons filed a complaint with the Central Administrative Court (the Court) for the Case No. Black 908/2552, 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 the 76 projects until the final judgment had been made or ordered had been amended, except for projects or activities which had received the permits before the effective date of the Constitution B.E. 2550 (2007) or projects which were not required to submit the Environmental Impact Assessment (EIA) reports pursuant to the Notification of the Ministry of Natural Resources and Environment dated June 16, 2010. The 25 projects of the suspended projects belonged to the Group, three of which belonged to the Company.

On October 16, 2009, the Group, as an interested person, submitted an appeal objecting to the Court injunction to the Supreme Administrative Court.

On December 2, 2009, the Supreme Administrative Court issued an order No.592/2552 amending the injunction of the Court by requiring the eight accused government agencies to order the temporary suspension of the projects or activities listed in the complaint except for 11 projects, which would apparently not cause severe impact since they are merely intended to control or minimize the pollution or install additional equipment. From these 11 projects, seven projects belonged to the Group, comprising one project of the Company and six projects of other companies in the Group. The Company has invested in its two projects under the temporary injunction.

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

On June 7 and 24, 2010, the Company submitted a letter to the public prosecutors to request for providing additional facts to the Court. The Court ordered that June 25, 2011 was the last date of fact findings for this case.

On September 2, 2010, the Court rendered a judgment to withdraw permits which were issued to projects in the list attached to the petition those may cause severe impacts to the local community and have not fully complied with Section 67 Paragraph Two of the Constitution. This withdrawal shall be effective from the date the Court rendered the judgment. One project of the Group is in the scope.

On October 1, 2010, the 43 prosecutors filed an appeal to the Supreme Administrative Court regarding the Court's judgment on September 2, 2010. On December 7, 2010, the eight accused government agencies by the public prosecutors filed a defense of the appeal. Currently, the appeal is on the proceedings of the Supreme Administrative Court.

46. Proceeding regarding the Offshore Natural Gas Pipeline Leakage Incident

On June 25, 2011, the Company reported a gas leakage in an offshore natural gas pipeline operated by a natural gas pipeline construction contracting companies (the Contractors). The Contractors and the Company completely repaired the pipeline system and resumed its operation on August 15, 2011. Currently, the Company is estimating the damages incurred in order to claim them from the Contractors.

47. Effect from Floods

Some operations of the Company and its subsidiaries were temporarily affected by the floods from October to December 2011. However, the Company has a business continuity management plan and insurance coverage against all property loss due to flooding.

As at December 31, 2011, the Group has resumed all operations which were affected by the floods. Associated net loss on disposals of assets amounting to Baht 127.98 million and Baht 61.22 million were recognized as expenses in, respectively, the consolidated and the separate statements of income for the year ended December 31, 2011. The Company and the Group are in a process of claiming indemnities from insurance companies.

48. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

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

- 48.1.1 The Group has provided loans to its subsidiaries and associates with credit limits totalling Baht 60,326.18 million. As at December 31, 2011, the Group made payments in respect of these loans totalling Baht 58,661.71 million. The remaining credit limits were Baht 1,664.47 million. (December 31, 2010: Baht 6,841 million) .
- 48.1.2 The Company has obligations under a commercial credit agreement with a subsidiary in a foreign country that provide an extended credit term for purchases of raw materials under a credit limit of USD 100 million. As at December 31, 2011, the subsidiary has drawn down USD 99.81 million of the commercial credit. The remaining commercial credit line was USD 0.19 million or approximately Baht 6.05 million. (December 31, 2010: USD 0.19 million or approximately Baht 5.76 million).
- 48.1.3 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, 2011, the Company had commitments of USD 435.51 million or approximately Baht 13,863.11 million. (December 31, 2010: USD 224.60 million or approximately Baht 6,804.55 million).
- 48.1.4 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, 2011, the Company had a commitment of Baht 1,028 million (December 31, 2010: nil).
- 48.1.5 The Company had obligations under the Shareholder Agreements to pay for ordinary shares in proportion to its shareholding. As at December 31, 2011, the Company had remaining obligations amounting to Baht 3,686.11 million (December 31, 2010: Baht 10,541.51 million).

48.2 Commitments under operating leases – the Group as a lessee

The future minimum lease payments under uncancellable operating leases as at December 31, 2011 and 2010 are as follows:

Unit : Million Baht

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Within 1 year	2,376.22	4,731.09	225.23	220.76
Over 1 year but not over 5 years	4,829.45	5,928.36	406.52	427.39
Over 5 years	5,062.27	5,153.56	872.26	773.01
Total	12,267.94	15,813.01	1,504.01	1,421.16

48.3 As at December 31, 2011, the Group had obligations in the form of unused letter of credit amounting to Baht 37,222.42 million in the consolidated financial statements (December 31, 2010: Baht 21,712.80 million) and Baht 23,500 million in the separate financial statements (December 31, 2010: Baht 17,561.84 million).

48.4 As at December 31, 2011, the Group had contingent liabilities in the form of letter of guarantee amounting to Baht 2,669.92 million in the consolidated financial statements (December 31, 2010: Baht 3,452.32 million) and Baht 102.24 million in the separate financial statements (December 31, 2010: Baht 101.12 million).

48.5 An associate entered into a product sales agreement with the Company whereby the Company is to resell the product to a listed company. The term of the agreement is 15 years, expiring on January 31, 2012. Before the expiration date, the associate notified the Company not to renew the agreement. Consequently, the Company had to submit an advance notice to the listed company in order to comply with a condition on prior notice stipulated in the agreement, advising that the Company would not renew the agreement. On December 3, 2009 the listed company submitted a claim with the Thai Arbitration Institute (the "Institute") requesting that the Company and the associate, as the seller and the supplier, respectively, comply with the agreement by continuing to sell the product to the listed company or by mutually paying an indemnity to it.

On February 10, 2010, the associate submitted a petition with the Institute to dismiss the claim against it from the case-list. Subsequently, the arbitrator ordered in favour of the associate dismissing the claim on its part from the case-list.

The Company submitted the case to the Office of the Attorney General to file a statement of defense with the Institute. On April 28, 2010, the public prosecutor filed the statement of defense with the Institute for the Company. Currently, the case is on the proceedings of the Institute.

48.6 On May 26, 2010 and September 8, 2010, a natural gas pipeline construction contracting company submitted claims to the Thai Arbitration Institute (the "Institute") seeking damages from the Company on the ground of the Company's breach of the contract. The Company, however, considered that the contractor's submission of the claims was not in accordance with the dispute resolution procedure agreed upon under the contract and the contractor was, in fact, in breach of the contract. Therefore, the Company rejected all of the contractor's claims and submitted counterclaims seeking damages from the contractor. At present, the Institute is currently appointing the Umpire (the chairperson of the arbitration tribunal) in order to begin the arbitration hearing of one case. In another case, an arbitration tribunal has been appointed and the case is currently being heard.

48.7 On September 22, 2011, the Thailand Watch Foundation and six individuals filed a law suit with the Central Administrative Court (the Court) against the Company and the Ministry of Finance alleging that the Company's privatization, the share distribution and the asset evaluation were in violation of law. Therefore, they asked the Court to order that the sale of the Company's shares be null and void and be redistributed. They 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, they 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 submitted the case to the Office of the Attorney General to file testimony of defense.

48.8 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 because no verifiable scientific evidence provided by the Government of Indonesia to support the claim. In December 2010, PTTEP AA and the Indonesian Government agreed to provide each other with additional facts and to conduct a joint survey to verify the Government of Indonesia's data on the claimed damage on the fishery sector. Currently, the discussion with the Indonesian government is on-going and the compensation regarding this matter has not been finalized.

49. Events after the Financial Statement Date

- 49.1 On January 27, 2012, the Company offered two tranches of unsecured unsubordinated debentures with a credit limit of Baht 20,000 million to general investors and public. The details are as follow:

Conditions	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)	3.8	Year 1-4: 4.00 Year 5-6: 4.40 The remaining period: 5.50
Interest instalments	Payable every six months on February 15 and August 15 (The first instalment will be on August 15, 2012)	
Issue date	January 27, 2012	
Maturity date	October 17, 2015	November 15, 2018

- 49.2 On January 27, 2012, the Company cancelled an interest rate swap contract for a USD 50 million loan with a contract party. Consequently, an interest rate changed from a fixed rate of 2.989% per annum to a floating rate of LIBOR plus such fixed rate. On the same day, the Company entered into a new interest rate swap contract for the identical loan with another contract party which resulted in a change of the interest rate from the floating rate of LIBOR plus a fixed rate to a fixed rate of 1.585% per annum. The new interest rate is effective from February 7, 2012 to the maturity date of the loan contract on May 25, 2015.
- 49.3 On February 17, 2012, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval the dividend payment for 2011 at Baht 13.00 per share. On September 23, 2011 the Company paid an interim dividend of Baht 6.00 per share as describe in Note 41. Accordingly, the remaining dividend for Baht 7.00 per share or approximately Baht 19,994 million. The approval for such dividend payment will be proposed to the Annual General Meeting of the Company's shareholders for the year 2012.
- 49.4 The board of directors of the Company approved these financial statements for public issuance on February 17, 2012.

Audit Fee / of the Auditors

The Company, Subsidiaries and jointly controlled entities paid for the audit fees to the auditors' companies for the last year accounting period amounting to Baht 51,948,042 (Fifty one million, nine hundred and forty eight thousand, forty two baht)



PTT Public Company Limited

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

