

AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

**(TRANSLATION)**



**AUDITOR'S REPORT**

**TO: THE SHAREHOLDERS OF PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED**

The Office of the Auditor General of Thailand has audited the accompanying consolidated and separate financial statements of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2013, the related consolidated and separate statements of income, and of comprehensive income, the related consolidated and separate statements of changes in shareholders' equity and cash flows for the year then ended, which are presented in US Dollar and in Thai Baht, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Consolidated and Separate Financial Statements**

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

**Auditor's Responsibility**

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

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

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

### **Opinion**

In The Office of the Auditor General of Thailand's opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of PTT Exploration and Production Public Company Limited and its subsidiaries, and of PTT Exploration and Production Public Company Limited, respectively, as at December 31, 2013, and its consolidated and separate financial performance and its cash flows for the year then ended, presented in US Dollar and Thai Baht, in accordance with Thai Financial Reporting Standards.

*(Signed)*

*Sirin Phankasem  
(Sirin Phankasem)  
Inspector General 1*

*(Signed)*

*Adisorn Puawaranukroh  
(Adisorn Puawaranukroh)  
Director of Financial Audit Office No.8*



PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013  
CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	7	2,357,037,861	2,291,918,927	77,342,817,867	70,205,143,796
Investments in trading securities	8	142,836	-	4,686,955	-
Account receivable - parent company	9	894,253,219	870,244,507	29,343,637,417	26,656,981,639
Trade accounts receivable	10	152,139,850	170,371,799	4,992,250,587	5,218,760,804
Other accounts receivable		142,625,353	166,798,750	4,680,063,328	5,109,312,607
Inventories		45,386,536	19,310,641	1,489,294,031	591,515,830
Materials and supplies, net	11	327,807,047	304,395,514	10,756,518,181	9,324,121,619
Other current assets					
Working capital from co-venturers		23,991,912	41,870,830	787,260,178	1,282,570,510
Accrued interests receivable		13,843,729	539,935	454,261,848	16,539,078
Financial derivative assets	22	2,119,447	1,391,184	69,546,622	42,614,209
Other current assets	12	146,239,087	164,403,185	4,798,627,634	5,035,932,597
<b>Total Current Assets</b>		<b>4,105,586,877</b>	<b>4,031,245,272</b>	<b>134,718,964,648</b>	<b>123,483,492,689</b>
<b>Non-current Assets</b>					
Investments in available-for-sales securities	13	1,659,535	1,248,482	54,455,256	38,242,995
Investments in associates	15.4	36,842,265	31,197,587	1,208,926,093	955,632,004
Investments in subsidiaries		-	-	-	-
Long-term loans to related parties	14.2	17,675,598	18,934,694	579,999,406	579,999,981
Property, plant and equipment, net	16,17	12,671,864,746	10,970,970,462	415,809,028,442	336,058,378,798
Goodwill	18	992,292,779	901,240,414	32,560,657,075	27,606,435,871
Intangible assets, net	19	3,279,096,935	3,238,673,557	107,598,845,513	99,205,752,910
Deferred income tax assets	20.1	354,917,784	380,983,244	11,646,120,662	11,670,126,329
Other non-current assets					
Prepaid expenses	21	22,419,584	23,533,636	735,666,523	720,872,931
Deferred remuneration under agreement		21,853,423	23,611,136	717,088,761	723,246,874
Financial derivative assets	22	22,933,069	7,543,304	752,515,316	231,063,480
Other non-current assets	23	45,245,692	7,836,594	1,484,672,790	240,047,412
<b>Total Non-current Assets</b>		<b>17,466,801,410</b>	<b>15,605,773,110</b>	<b>573,147,975,837</b>	<b>478,029,799,585</b>
<b>Total Assets</b>		<b>21,572,388,287</b>	<b>19,637,018,382</b>	<b>707,866,940,485</b>	<b>601,513,292,274</b>

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

(Signed) Tevin Vongvanich

(Tevin Vongvanich)

President and Chief Executive Officer

(Signed) Yongyos Krongphanich

(Yongyos Krongphanich)

Senior Vice President, Finance and Strategic Information Technology Division

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013  
CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b>Liabilities and Shareholders' Equity</b>					
<b>Current Liabilities</b>					
Trade accounts payable		131,915,944	114,197,781	4,328,637,970	3,498,060,754
Current portion of long-term debts	24	356,523,391	163,547,251	11,698,803,980	5,009,713,971
Working capital to co-venturers		25,073,288	13,718,659	822,743,989	420,224,463
Accrued expenses		873,622,639	946,553,193	28,666,660,998	28,994,438,779
Accrued interests payable		49,505,360	35,632,785	1,624,447,135	1,091,489,235
Income tax payable		972,248,565	921,173,425	31,902,942,890	28,217,015,882
Financial derivative liabilities	22	35,869,960	2,445,751	1,177,021,317	74,917,266
Short-term provision	25	48,197,436	32,998,964	1,581,529,761	1,010,811,050
Other current liabilities		139,595,371	144,708,456	4,580,619,999	4,432,651,544
<b>Total Current Liabilities</b>		<b>2,632,551,954</b>	<b>2,374,976,265</b>	<b>86,383,408,039</b>	<b>72,749,322,944</b>
<b>Non-current Liabilities</b>					
Debentures	24	2,608,762,527	2,517,710,265	85,602,802,509	77,121,493,760
Long-term loans from financial institution	24	1,057,696,321	1,091,704,615	34,706,788,515	33,440,659,090
Deferred income tax liabilities	20.1	1,649,131,292	1,512,784,332	54,113,866,992	46,339,004,547
Employee benefit obligations	26	84,439,923	78,836,392	2,770,786,890	2,414,884,828
Provision for decommissioning costs	27	1,188,900,093	1,070,743,950	39,012,052,039	32,798,600,387
Provision for remuneration for the renewal of petroleum production	28	530,471,131	167,450,181	17,406,649,686	5,129,266,955
Other non-current liabilities					
Financial derivative liabilities	22	34,128,583	44,810,170	1,119,880,534	1,372,607,197
Deferred income	29	28,751,929	35,635,619	943,453,324	1,091,576,029
Other non-current liabilities		29,035,085	31,066,618	952,744,701	951,620,207
<b>Total Non-current Liabilities</b>		<b>7,211,316,884</b>	<b>6,550,742,142</b>	<b>236,629,025,190</b>	<b>200,659,713,000</b>
<b>Total Liabilities</b>		<b>9,843,868,838</b>	<b>8,925,718,407</b>	<b>323,012,433,229</b>	<b>273,409,035,944</b>
<b>Shareholders' Equity</b>					
Share capital	31				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	150,683,762	3,969,985,400	3,969,985,400
Share premium		3,439,036,612	3,438,921,013	105,417,619,764	105,412,493,326
Subordinated capital debentures		156,570,483	156,570,483	4,981,947,515	4,981,947,515
Retained earnings					
Appropriated					
Legal reserve	33	15,048,319	15,048,319	396,998,540	396,998,540
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		7,556,734,393	6,503,763,882	250,081,503,448	218,066,589,842
Other components of shareholders' equity		(20,785,332)	15,081,304	3,106,452,589	(21,623,758,293)
<b>Total Shareholders' Equity</b>		<b>11,728,519,449</b>	<b>10,711,299,975</b>	<b>384,854,507,256</b>	<b>328,104,256,330</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>21,572,388,287</b>	<b>19,637,018,382</b>	<b>707,866,940,485</b>	<b>601,513,292,274</b>

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

(TRANSLATION)

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## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	7	1,728,057,890	1,732,902,915	56,703,742,372	53,081,588,927
Investments in trading securities	8	137,122	-	4,499,477	-
Account receivable - parent company	9	565,995,193	567,881,695	18,572,320,874	17,395,124,938
Trade accounts receivable	10	3,749,866	2,602,212	123,046,474	79,709,901
Other accounts receivable		48,448,745	44,731,118	1,589,776,101	1,370,185,710
Inventories		4,060,174	3,521,222	133,228,790	107,860,674
Materials and supplies, net	11	115,941,644	111,001,416	3,804,458,854	3,400,150,968
Other current assets					
Working capital from co-venturers		4,904,051	3,807,823	160,919,410	116,639,712
Accrued interests receivable		13,723,866	8,224,205	450,328,973	251,920,560
Other current assets	12	58,091,606	39,236,292	1,906,192,768	1,201,870,407
<b>Total Current Assets</b>		<b>2,543,110,157</b>	<b>2,513,908,898</b>	<b>83,448,514,093</b>	<b>77,005,051,797</b>
<b>Non-current Assets</b>					
Investments in associates	15.4	25,577,427	25,577,427	839,286,615	783,477,526
Investments in subsidiaries	15.3	616,236,293	616,235,970	20,220,910,528	18,876,293,739
Long-term loans to related parties	14.2	5,628,631,109	4,743,939,086	184,695,460,880	145,314,444,512
Property, plant and equipment, net	16,17	3,840,780,923	3,425,840,742	126,029,720,011	104,938,983,257
Intangible assets, net	19	173,793,017	118,511,130	5,702,768,703	3,630,185,534
Deferred income tax assets	20.1	11,254,571	14,929,141	369,302,606	457,303,463
Other non-current assets					
Deferred remuneration under agreement		21,853,423	23,611,136	717,088,761	723,246,874
Financial derivative assets	22	4,922,434	5,485,939	161,522,624	168,043,102
Other non-current assets	23	5,287,227	5,326,847	173,492,743	163,169,844
<b>Total Non-current Assets</b>		<b>10,328,336,424</b>	<b>8,979,457,418</b>	<b>338,909,553,471</b>	<b>275,055,147,851</b>
<b>Total Assets</b>		<b>12,871,446,581</b>	<b>11,493,366,316</b>	<b>422,358,067,564</b>	<b>352,060,199,648</b>

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b><u>Liabilities and Shareholders' Equity</u></b>					
<b>Current Liabilities</b>					
Trade accounts payable		12,203,148	9,785,952	400,428,808	299,759,371
Current portion of long-term debts	24	356,523,391	163,547,251	11,698,803,980	5,009,713,971
Working capital to co-venturers		1,989,010	-	65,266,515	-
Accrued expenses		445,396,775	421,453,532	14,615,056,663	12,909,796,011
Accrued interests payable		11,231,311	5,185,174	368,539,362	158,830,175
Income tax payable		705,605,581	626,683,082	23,153,435,617	19,196,305,508
Financial derivative liabilities	22	34,177,424	2,415,674	1,121,483,170	73,995,970
Short-term provision	25	36,643,754	10,728,120	1,202,412,252	328,619,478
Other current liabilities		45,155,815	42,795,113	1,481,723,349	1,310,882,784
<b>Total Current Liabilities</b>		<b>1,648,926,209</b>	<b>1,282,593,898</b>	<b>54,107,149,716</b>	<b>39,287,903,268</b>
<b>Non-current Liabilities</b>					
Debentures	24	726,005,194	626,520,150	23,822,819,686	19,191,314,641
Long-term loans from financial institution	24	50,000,000	50,000,000	1,640,678,322	1,531,580,000
Deferred income tax liabilities	20.1	394,913,040	266,485,703	12,958,505,276	8,162,883,476
Employee benefit obligations	26	74,962,879	70,471,359	2,459,799,400	2,158,650,476
Provision for decommissioning costs	27	494,170,035	525,410,288	16,215,481,270	16,094,157,775
Provision for remuneration for the renewal of petroleum production	28	530,471,131	167,450,181	17,406,649,686	5,129,266,955
Other non-current liabilities					
Financial derivative liabilities	22	34,128,583	42,864,385	1,119,880,534	1,313,004,681
Other non-current liabilities		14,473,352	11,659,327	474,922,306	357,143,829
<b>Total Non-current Liabilities</b>		<b>2,319,124,214</b>	<b>1,760,861,393</b>	<b>76,098,736,480</b>	<b>53,938,001,833</b>
<b>Total Liabilities</b>		<b>3,968,050,423</b>	<b>3,043,455,291</b>	<b>130,205,886,196</b>	<b>93,225,905,101</b>
<b>Shareholders' Equity</b>					
Share capital	31				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	150,683,762	3,969,985,400	3,969,985,400
Share premium		3,439,036,612	3,438,921,013	105,417,619,764	105,412,493,326
Subordinated capital debentures		156,570,483	156,570,483	4,981,947,515	4,981,947,515
Retained earnings					
Appropriated					
Legal reserve	33	15,048,319	15,048,319	396,998,540	396,998,540
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		4,715,744,481	4,285,805,868	157,673,217,489	144,598,691,270
Other components of shareholders' equity		(4,918,711)	(28,349,632)	2,812,412,660	(17,425,821,504)
<b>Total Shareholders' Equity</b>		<b>8,903,396,158</b>	<b>8,449,911,025</b>	<b>292,152,181,368</b>	<b>258,834,294,547</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>12,871,446,581</b>	<b>11,493,366,316</b>	<b>422,358,067,564</b>	<b>352,060,199,648</b>

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

## CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b>Revenues</b>					
Sales		7,171,896,024	6,689,555,581	220,337,054,859	207,851,433,297
Revenue from pipeline transportation		150,674,519	150,684,094	4,635,632,404	4,685,259,911
Other income					
Interest income		33,065,093	15,874,324	1,007,748,293	493,576,690
Other income		89,262,737	164,556,694	2,760,372,561	5,106,608,054
<b>Total Revenues</b>		<b>7,444,898,373</b>	<b>7,020,670,693</b>	<b>228,740,808,117</b>	<b>218,136,877,952</b>
<b>Expenses</b>					
Operating expenses		827,377,479	705,653,588	25,490,360,126	21,897,188,719
Exploration expenses		172,019,669	213,036,138	5,351,260,290	6,629,826,119
Administrative expenses		333,289,536	312,223,367	10,348,931,702	9,680,204,427
Petroleum royalties and remuneration	34	816,740,536	788,218,724	25,077,211,295	24,492,236,277
Depreciation, depletion and amortization		1,637,399,962	1,373,835,903	50,350,889,350	42,691,786,883
Other expenses					
Loss on foreign exchange	35	90,931,190	23,964,304	2,892,622,679	727,575,252
Loss from Montara incident		-	537,982	-	17,536,421
Loss on financial derivatives		5,440,122	12,257,360	190,575,128	384,729,401
Management's remuneration	14.1	6,185,128	4,714,102	187,766,054	146,387,442
Impairment loss on assets		-	204,167,195	-	6,365,544,635
Finance costs		200,764,848	187,010,015	6,175,112,086	5,812,483,387
<b>Total Expenses</b>		<b>4,090,148,470</b>	<b>3,825,618,678</b>	<b>126,064,728,710</b>	<b>118,845,498,963</b>
Share of gain from associates		6,157,234	4,656,698	190,404,871	144,705,969
<b>Profit before income taxes</b>		<b>3,360,907,137</b>	<b>3,199,708,713</b>	<b>102,866,484,278</b>	<b>99,436,084,958</b>
Income tax expenses	20.2	(1,515,265,605)	(1,354,189,342)	(46,711,717,835)	(42,120,122,368)
<b>Profit for the year</b>		<b>1,845,641,532</b>	<b>1,845,519,371</b>	<b>56,154,766,443</b>	<b>57,315,962,590</b>
<b>Earnings per share</b>					
	37				
Basic earnings per share		0.46	0.55	14.07	17.08
Diluted earnings per share		0.46	0.55	14.07	17.08

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2013  
CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit for the year	1,845,641,532	1,845,519,371	56,154,766,443	57,315,962,590
Other comprehensive income (loss)				
Exchange differences on translating financial statement	(51,469,073)	21,315,074	24,242,149,067	(6,909,018,937)
Unrealized gain (loss) on available-for-sales securities	411,053	(85,848)	12,381,574	(2,634,623)
Gain (loss) on cash flow hedges	12,938,848	(24,409,643)	396,991,033	(758,245,823)
Income taxes relating to cash flow hedges	2,252,536	4,308,464	78,689,208	132,310,743
Other comprehensive income (loss) for the year - net of tax	<u>(35,866,636)</u>	<u>1,128,047</u>	<u>24,730,210,882</u>	<u>(7,537,588,640)</u>
Total comprehensive income for the year	<u>1,809,774,896</u>	<u>1,846,647,418</u>	<u>80,884,977,325</u>	<u>49,778,373,950</u>

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

## THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2013	2012	2013	2012
<b>Revenues</b>					
Sales		3,751,832,878	3,428,020,465	115,194,020,076	106,506,305,943
Other income					
Gain on foreign exchange	35	-	10,039,418	-	310,219,825
Interest income		158,477,221	134,908,625	4,858,078,929	4,192,468,497
Gain on financial derivatives		4,212,815	3,474,715	127,361,078	103,308,360
Other income		14,265,465	21,658,514	441,735,705	673,238,911
Dividends received from related parties		176,464,304	172,277,403	5,654,986,601	5,253,030,900
<b>Total Revenues</b>		<b>4,105,252,683</b>	<b>3,770,379,140</b>	<b>126,276,182,389</b>	<b>117,038,572,436</b>
<b>Expenses</b>					
Operating expenses		261,829,283	211,200,304	8,074,905,854	6,547,670,226
Exploration expenses		8,473,099	21,871,291	265,590,653	686,679,583
Administrative expenses		189,196,980	145,176,899	5,897,080,073	4,496,120,214
Petroleum royalties and remuneration	34	468,979,976	428,489,548	14,401,629,926	13,312,877,442
Depreciation, depletion and amortization		881,362,675	685,673,682	27,097,072,353	21,324,927,334
Other expenses					
Loss on foreign exchange	35	105,993,605	-	3,461,447,647	-
Management's remuneration	14.1	6,185,128	4,714,102	187,766,054	146,387,442
Finance costs		51,395,360	58,304,558	1,584,346,191	1,814,054,025
<b>Total Expenses</b>		<b>1,973,416,106</b>	<b>1,555,430,384</b>	<b>60,969,838,751</b>	<b>48,328,716,266</b>
<b>Profit before income taxes</b>		<b>2,131,836,577</b>	<b>2,214,948,756</b>	<b>65,306,343,638</b>	<b>68,709,856,170</b>
Income tax expenses	20.2	(909,226,943)	(714,291,367)	(28,091,964,582)	(22,211,809,366)
<b>Profit for the year</b>		<b>1,222,609,634</b>	<b>1,500,657,389</b>	<b>37,214,379,056</b>	<b>46,498,046,804</b>
<b>Earnings per share</b>					
	37				
Basic earnings per share		0.31	0.45	9.30	13.85
Diluted earnings per share		0.31	0.45	9.30	13.85

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2013  
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit for the year	1,222,609,634	1,500,657,389	37,214,379,056	46,498,046,804
Other comprehensive income (loss)				
Exchange differences on translating financial statement	-	-	19,501,983,555	(5,300,224,162)
Gain (loss) on cash flow hedges	17,048,693	(23,516,967)	525,232,891	(728,762,260)
Income taxes relating to cash flow hedges	6,382,228	4,696,148	211,017,718	144,187,786
Other comprehensive income (loss) for the year - net of tax	<u>23,430,921</u>	<u>(18,820,819)</u>	<u>20,238,234,164</u>	<u>(5,884,798,636)</u>
Total comprehensive income for the year	<u>1,246,040,555</u>	<u>1,481,836,570</u>	<u>57,452,613,220</u>	<u>40,613,248,168</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2013  
CONSOLIDATED

Unit : US Dollar

Notes	Retained earnings						Other components of shareholders' equity						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)				Total other components of shareholders' equity		
							Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating			
										to cash flows hedges		Total	
Balance - as at January 1, 2012	129,475,062	469,655,446	-	12,963,632	431,231,212	5,254,384,351	23,482,070	-	(11,920,073)	2,391,260	13,953,257	6,311,662,960	
<b>Changes in shareholders' equity for the year</b>													
Share capital issued and paid-up	21,208,700	2,990,426,719	-	-	-	-	-	-	-	-	-	3,011,635,419	
Transaction cost of capital	-	(21,161,152)	-	-	-	-	-	-	-	-	-	(21,161,152)	
Legal reserve	33	-	-	2,084,687	-	(2,084,687)	-	-	-	-	-	-	
Subordinated capital debentures	-	-	156,570,483	-	-	-	-	-	-	-	-	156,570,483	
Interest expenses for subordinated capital debentures	-	-	-	-	-	(4,757,745)	-	-	-	-	-	(4,757,745)	
Dividends paid	40	-	-	-	-	(589,297,408)	-	-	-	-	-	(589,297,408)	
Total comprehensive income (loss) for the year	-	-	-	-	-	1,845,519,371	21,315,074	(85,848)	(24,409,643)	4,308,464	1,128,047	1,846,647,418	
<b>Balance - as at December 31, 2012</b>	<b>150,683,762</b>	<b>3,438,921,013</b>	<b>156,570,483</b>	<b>15,048,319</b>	<b>431,231,212</b>	<b>6,503,763,882</b>	<b>44,797,144</b>	<b>(85,848)</b>	<b>(36,329,716)</b>	<b>6,699,724</b>	<b>15,081,304</b>	<b>10,711,299,975</b>	

Unit : US Dollar

Note	Retained earnings						Other components of shareholders' equity						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)				Total other components of shareholders' equity		
							Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating			
										to cash flows hedges		Total	
Balance - as at January 1, 2013	150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	6,503,763,882	44,797,144	(85,848)	(36,329,716)	6,699,724	15,081,304	10,711,299,975	
<b>Changes in shareholders' equity for the year</b>													
Transaction cost of capital	-	115,599	-	-	-	-	-	-	-	-	-	115,599	
Interest expenses for subordinated capital debentures	-	-	-	-	-	(9,392,901)	-	-	-	-	-	(9,392,901)	
Dividends paid	40	-	-	-	-	(783,278,120)	-	-	-	-	-	(783,278,120)	
Total comprehensive income (loss) for the year	-	-	-	-	-	1,845,641,532	(51,469,073)	411,053	12,938,848	2,252,536	(35,866,636)	1,809,774,896	
<b>Balance - as at December 31, 2013</b>	<b>150,683,762</b>	<b>3,439,036,612</b>	<b>156,570,483</b>	<b>15,048,319</b>	<b>431,231,212</b>	<b>7,556,734,393</b>	<b>(6,671,929)</b>	<b>325,205</b>	<b>(23,390,868)</b>	<b>8,952,260</b>	<b>(20,785,332)</b>	<b>11,728,519,449</b>	

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013  
CONSOLIDATED

Unit : Baht

Notes	Retained earnings						Other components of shareholders' equity					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)			Total other components of shareholders' equity		
							Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges		Income taxes relating to cash flows hedges	
Balance - as at January 1, 2012	3,319,985,400	14,411,841,900	-	332,200,000	16,900,000,000	179,146,315,584	(13,794,783,769)	-	(365,525,566)	74,139,682	(14,086,169,653)	200,024,173,231
<b>Changes in shareholders' equity for the year</b>												
Share capital issued and paid-up	650,000,000	91,650,000,000	-	-	-	-	-	-	-	-	-	92,300,000,000
Transaction cost of capital	-	(649,348,574)	-	-	-	-	-	-	-	-	-	(649,348,574)
Legal reserve	33	-	-	64,798,540	-	(64,798,540)	-	-	-	-	-	-
Subordinated capital debentures	-	-	4,981,947,515	-	-	-	-	-	-	-	-	4,981,947,515
Interest expenses for subordinated capital debentures	-	-	-	-	-	(146,621,437)	-	-	-	-	-	(146,621,437)
Dividends paid	40	-	-	-	-	(18,184,268,355)	-	-	-	-	-	(18,184,268,355)
Total comprehensive income (loss) for the year	-	-	-	-	-	57,315,962,590	(6,909,018,937)	(2,634,623)	(758,245,823)	132,310,743	(7,537,588,640)	49,778,373,950
Balance - as at December 31, 2012	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	218,066,589,842	(20,703,802,706)	(2,634,623)	(1,123,771,389)	206,450,425	(21,623,758,293)	328,104,256,330

Unit : Baht

Note	Retained earnings						Other components of shareholders' equity					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)			Total other components of shareholders' equity		
							Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges		Income taxes relating to cash flows hedges	
Balance - as at January 1, 2013	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	218,066,589,842	(20,703,802,706)	(2,634,623)	(1,123,771,389)	206,450,425	(21,623,758,293)	328,104,256,330
<b>Changes in shareholders' equity for the year</b>												
Transaction cost of capital	-	5,126,438	-	-	-	-	-	-	-	-	-	5,126,438
Interest expenses for subordinated capital debentures	-	-	-	-	-	(291,783,757)	-	-	-	-	-	(291,783,757)
Dividends paid	40	-	-	-	-	(23,848,069,080)	-	-	-	-	-	(23,848,069,080)
Total comprehensive income (loss) for the year	-	-	-	-	-	56,154,766,443	24,242,149,067	12,381,574	396,991,033	78,689,208	24,730,210,882	80,884,977,325
Balance - as at December 31, 2013	3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	250,081,503,448	3,538,346,361	9,746,951	(726,780,356)	285,139,633	3,106,452,589	384,854,507,256

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2013  
 THE COMPANY

Unit : US Dollar

Notes	Retained earnings						Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)				
							Cash flow hedges	Income taxes relating		Total other components of shareholders' equity	Total shareholders' equity
								to cash flows hedges	to cash flows hedges		
Balance - as at January 1, 2012	129,475,062	469,655,446	-	12,963,632	431,231,212	3,381,288,319	(11,920,073)	2,391,260	(9,528,813)	4,415,084,858	
<b>Changes in shareholders' equity for the year</b>											
Share capital issued and paid-up	21,208,700	2,990,426,719	-	-	-	-	-	-	-	3,011,635,419	
Transaction cost of capital	-	(21,161,152)	-	-	-	-	-	-	-	(21,161,152)	
Legal reserve	33	-	-	2,084,687	-	(2,084,687)	-	-	-	-	
Subordinated capital debentures	-	-	156,570,483	-	-	-	-	-	-	156,570,483	
Interest expenses for subordinated capital debentures	-	-	-	-	-	(4,757,745)	-	-	-	(4,757,745)	
Dividends paid	40	-	-	-	-	(589,297,408)	-	-	-	(589,297,408)	
Total comprehensive income (loss) for the year	-	-	-	-	-	1,500,657,389	(23,516,967)	4,696,148	(18,820,819)	1,481,836,570	
Balance - as at December 31, 2012	150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	4,285,805,868	(35,437,040)	7,087,408	(28,349,632)	8,449,911,025	

Unit : US Dollar

Note	Retained earnings						Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)				
							Cash flow hedges	Income taxes relating		Total other components of shareholders' equity	Total shareholders' equity
								to cash flows hedges	to cash flows hedges		
Balance - as at January 1, 2013	150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	4,285,805,868	(35,437,040)	7,087,408	(28,349,632)	8,449,911,025	
<b>Changes in shareholders' equity for the year</b>											
Transaction cost of capital	-	115,599	-	-	-	-	-	-	-	115,599	
Interest expenses for subordinated capital debentures	-	-	-	-	-	(9,392,901)	-	-	-	(9,392,901)	
Dividends paid	40	-	-	-	-	(783,278,120)	-	-	-	(783,278,120)	
Total comprehensive income (loss) for the year	-	-	-	-	-	1,222,609,634	17,048,693	6,382,228	23,430,921	1,246,040,555	
Balance - as at December 31, 2013	150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,715,744,481	(18,388,347)	13,469,636	(4,918,711)	8,903,396,158	

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

THE COMPANY

Unit : Baht

Notes	Retained earnings						Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)			Total other components of shareholders' equity	Total shareholders' equity
							Exchange differences		Income taxes relating		
							on translating financial statement	Cash flows hedges	to cash flows hedges		
Balance - as at January 1, 2012	3,319,985,400	14,411,841,900	-	332,200,000	16,900,000,000	116,496,332,798	(11,249,636,984)	(365,525,566)	74,139,682	(11,541,022,868)	139,919,337,230
<b>Changes in shareholders' equity for the year</b>											
Share capital issued and paid-up	650,000,000	91,650,000,000	-	-	-	-	-	-	-	-	92,300,000,000
Transaction cost of capital	-	(649,348,574)	-	-	-	-	-	-	-	-	(649,348,574)
Legal reserve	33	-	-	64,798,540	-	(64,798,540)	-	-	-	-	-
Subordinated capital debentures	-	-	4,981,947,515	-	-	-	-	-	-	-	4,981,947,515
Interest expenses for subordinated capital debentures	-	-	-	-	-	(146,621,437)	-	-	-	-	(146,621,437)
Dividends paid	40	-	-	-	-	(18,184,268,355)	-	-	-	-	(18,184,268,355)
Total comprehensive income (loss) for the year	-	-	-	-	-	46,498,046,804	(5,300,224,162)	(728,762,260)	144,187,786	(5,884,798,636)	40,613,248,168
Balance - as at December 31, 2012	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,598,691,270	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,834,294,547

Unit : Baht

Note	Retained earnings						Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (loss)			Total other components of shareholders' equity	Total shareholders' equity
							Exchange differences		Income taxes relating		
							on translating financial statement	Cash flows hedges	to cash flows hedges		
Balance - as at January 1, 2013	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,598,691,270	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,834,294,547
<b>Changes in shareholders' equity for the year</b>											
Transaction cost of capital	-	5,126,438	-	-	-	-	-	-	-	-	5,126,438
Interest expenses for subordinated capital debentures	-	-	-	-	-	(291,783,757)	-	-	-	-	(291,783,757)
Dividends paid	40	-	-	-	-	(23,848,069,080)	-	-	-	-	(23,848,069,080)
Total comprehensive income (loss) for the year	-	-	-	-	-	37,214,379,056	19,501,983,555	525,232,891	211,017,718	20,238,234,164	57,452,613,220
Balance - as at December 31, 2013	3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	157,673,217,489	2,952,122,409	(569,054,935)	429,345,186	2,812,412,660	292,152,181,368

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>				
Profit before income taxes	3,360,907,137	3,199,708,713	102,866,484,278	99,436,084,958
Adjustment to reconcile profit before income taxes to net cash provided by (used in) operating activities				
Share of gain from associates	(6,157,234)	(4,656,698)	(190,404,871)	(144,705,969)
Depreciation, depletion and amortization	1,637,399,962	1,373,835,903	50,350,889,350	42,691,786,883
Impairment loss on assets	-	204,167,195	-	6,365,544,635
Amortization of prepaid expenses	6,952,585	15,537,897	213,625,292	480,586,032
Amortization of exploration expenses	71,438,300	94,679,845	2,227,119,087	2,945,387,459
Loss on disposal of assets	7,833,817	2,323,566	248,222,951	71,970,189
Income recognized from deferred income	(6,883,690)	(735,484)	(211,508,444)	(22,969,804)
Loss on financial derivatives	11,322,090	12,257,360	347,882,817	384,729,401
Employee benefit obligations	13,223,857	15,618,738	408,127,228	484,007,425
Other income	(387)	-	(11,891)	-
Loss on foreign exchange	27,820,860	6,096,128	854,678,632	189,486,528
Interest income less than interest expenses	161,221,515	156,457,765	4,961,729,334	4,864,312,654
	<u>5,285,078,812</u>	<u>5,075,290,928</u>	<u>162,076,833,763</u>	<u>157,746,220,391</u>
Changes in operating assets (increase) decrease				
Investments in trading securities	(156,629)	-	(4,812,597)	-
Account receivable - parent company	(49,460,691)	(371,696,645)	(1,519,730,435)	(11,553,483,992)
Trade accounts receivable	34,135,296	(13,918,887)	1,048,841,977	(432,642,161)
Other accounts receivable	13,550,110	57,025,148	416,341,015	1,772,518,388
Inventories	(7,338,640)	(1,658,214)	(225,487,236)	(51,542,417)
Materials and supplies, net	(27,521,436)	(31,481,226)	(845,624,342)	(978,534,105)
Working capital from co-venturers	18,172,347	5,202,664	558,363,994	161,714,930
Other current assets	30,563,297	61,014,732	939,088,651	1,896,527,006
Prepaid expenses	1,114,052	9,199,927	34,230,384	285,962,265
Other non-current assets	(35,980,542)	(503,339)	(1,105,539,047)	(15,645,333)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(34,516,208)	44,792,888	(1,060,545,885)	1,392,301,823
Working capital to co-venturers	11,354,629	(21,946,630)	348,882,612	(682,169,302)

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

## CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2013	2012	2013	2012
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(277,255,564)	(231,744,299)	(8,518,961,443)	(7,203,331,216)
Other current liabilities	(8,663,976)	(19,467,751)	(266,209,552)	(605,118,061)
Other non-current liabilities	(11,064,490)	(12,132,258)	(339,967,796)	(377,108,203)
Currency translation differences	95,781,502	(26,406,696)	2,942,984,858	(820,801,962)
Interest received from bank deposits	36,549,470	31,001,878	1,123,019,935	963,634,436
Taxation paid	(1,334,494,866)	(1,097,766,737)	(41,003,722,958)	(34,121,993,262)
	<u>(1,545,232,339)</u>	<u>(1,620,485,445)</u>	<u>(47,478,847,865)</u>	<u>(50,369,711,166)</u>
<b>Net cash provided by operating activities</b>	<b>3,739,846,473</b>	<b>3,454,805,483</b>	<b>114,597,985,898</b>	<b>107,376,509,225</b>
<b>Cash flows from investing activities</b>				
Cash received from long-term loans to related parties	-	183,757	-	5,711,787
Cash payment from purchase of business	(240,945,349)	(1,883,984,939)	(7,403,292,864)	(58,560,092,268)
Loss from investments in related parties	-	(140,827)	-	(4,377,345)
Dividends received from associates	512,943	523,200	15,760,708	16,262,678
Interest received from loans	800,521	853,004	24,596,827	26,514,035
Increase in property, plant and equipment	(2,633,408,679)	(2,805,792,914)	(80,914,181,565)	(87,212,741,738)
Increase in intangible assets	(32,847,317)	(47,119,073)	(1,009,267,487)	(1,464,606,867)
	<u>(2,905,887,881)</u>	<u>(4,735,477,792)</u>	<u>(89,286,384,381)</u>	<u>(147,193,329,718)</u>
<b>Net cash used in investing activities</b>	<b>(2,905,887,881)</b>	<b>(4,735,477,792)</b>	<b>(89,286,384,381)</b>	<b>(147,193,329,718)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans with maturity date within 3 months from financial institution	-	(5,336,878)	-	(165,886,724)
Proceeds from short-term loans with maturity date within 1 year from financial institution	-	1,502,769,967	-	46,710,749,161
Payments of short-term loans with maturity date within 1 year from financial institution	-	(1,849,946,177)	-	(57,502,062,025)
Payments of short-term loans	(62,000,000)	-	(1,905,013,566)	-
Proceeds from issuance of debentures	500,000,000	500,000,000	15,363,012,625	15,541,550,000
Payments of debentures	(175,604,589)	(779,224,772)	(5,395,631,036)	(24,220,721,506)
Proceeds from long-term loans from financial institution	-	478,117,500	-	14,861,374,064
Interest paid for loans	(164,333,052)	(173,184,838)	(5,049,301,496)	(5,383,121,651)
Cash payments for financial costs	(9,778,197)	(20,708,702)	(300,445,133)	(643,690,633)
Proceeds from issuance of subordinated capital debentures	-	157,137,829	-	4,884,330,844
Interest paid for subordinated capital debentures	(9,392,901)	(4,757,745)	(288,606,526)	(147,885,456)
Cash payments for financial costs from issuance of subordinated capital debentures	-	(567,346)	-	(17,634,862)
Proceeds from issuance of common stock	-	3,011,635,419	-	93,610,964,898
Cash payments for transaction cost of capital	-	(21,161,152)	-	(657,754,189)
Dividends paid	(783,293,240)	(587,634,391)	(24,067,487,881)	(18,265,498,552)
	<u>(704,401,979)</u>	<u>2,207,138,714</u>	<u>(21,643,473,013)</u>	<u>68,604,713,369</u>
<b>Net cash provided by (used in) financing activities</b>	<b>(704,401,979)</b>	<b>2,207,138,714</b>	<b>(21,643,473,013)</b>	<b>68,604,713,369</b>

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net increase in cash and cash equivalents	129,556,613	926,466,405	3,668,128,504	28,787,892,876
Cash and cash equivalents at the beginning of the year	<u>2,291,918,927</u>	<u>1,350,529,553</u>	<u>70,205,143,796</u>	<u>42,799,902,166</u>
	2,421,475,540	2,276,995,958	73,873,272,300	71,587,795,042
Adjustment for the effect of exchange rate changes	<u>(64,437,679)</u>	<u>14,922,969</u>	<u>3,469,545,567</u>	<u>(1,382,651,246)</u>
Cash and cash equivalents at the end of the year	<u><u>2,357,037,861</u></u>	<u><u>2,291,918,927</u></u>	<u><u>77,342,817,867</u></u>	<u><u>70,205,143,796</u></u>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	560,478,214	307,857,854	17,221,267,770	9,569,176,465

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

## THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>				
Profit before income taxes	2,131,836,577	2,214,948,756	65,306,343,638	68,709,856,170
Adjustment to reconcile profit before income tax to net cash provided by (used in) operating activities				
Depreciation, depletion and amortization	881,362,675	685,673,682	27,097,072,353	21,324,927,334
Amortization of prepaid expenses	1,802,479	1,424,706	54,303,305	44,341,647
Amortization of exploration expenses	2,467,577	12,615,104	75,786,686	398,284,664
Loss on disposal of assets	645,522	541,915	20,739,613	16,722,680
Income recognized from deferred income	-	(104,083)	-	(3,235,211)
Gain on financial derivatives	(949,546)	(3,474,715)	(29,163,409)	(103,308,360)
Dividends received from related parties	(176,464,304)	(172,277,403)	(5,654,986,601)	(5,253,030,900)
Employee benefit obligations	11,264,722	13,167,068	347,591,275	408,031,565
(Gain) loss on foreign exchange	105,041,770	(54,618,157)	3,226,148,123	(1,697,701,682)
Interest income higher than interest expenses	(108,351,310)	(77,214,525)	(3,313,911,088)	(2,397,767,333)
	<u>2,848,656,162</u>	<u>2,620,682,348</u>	<u>87,129,923,895</u>	<u>81,447,120,574</u>
Changes in operating assets (increase) decrease				
Investments in trading securities	(150,364)	-	(4,863,368)	-
Account receivable - parent company	(18,650,864)	(262,360,325)	(572,824,015)	(8,154,972,203)
Trade accounts receivable	(1,204,184)	(117,223)	(36,984,093)	(3,643,664)
Other accounts receivable	(6,788,831)	(20,385,183)	(208,505,370)	(633,634,670)
Inventories	(116,841)	(285,070)	(3,588,553)	(8,860,857)
Materials and supplies, net	(5,441,134)	(5,247,716)	(167,113,559)	(163,115,288)
Working capital from co-venturers	(1,082,524)	(2,280,841)	(33,247,574)	(70,895,612)
Other current assets	(12,580,398)	(14,557,318)	(386,381,788)	(452,486,569)
Other non-current assets	(548,570)	(493,262)	(16,848,243)	(15,332,114)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(19,764,541)	(12,336,179)	(607,028,396)	(383,446,687)
Working capital to co-venturers	1,989,009	-	61,088,451	-

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

## THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(162,121,457)	60,057,287	(4,979,236,678)	1,866,766,654
Other current liabilities	53,791,729	(34,565,694)	1,652,105,490	(1,074,408,923)
Other non-current liabilities	1,227,319	962,485	37,694,665	29,917,015
Interest received from bank deposits	27,515,507	25,137,559	845,083,831	781,353,247
Taxation paid	(710,169,015)	(567,583,232)	(21,811,422,635)	(17,642,246,361)
	<u>(854,095,159)</u>	<u>(834,054,712)</u>	<u>(26,232,071,835)</u>	<u>(25,925,006,032)</u>
<b>Net cash provided by operating activities</b>	<b>1,994,561,003</b>	<b>1,786,627,636</b>	<b>60,897,852,060</b>	<b>55,522,114,542</b>
<b>Cash flows from investing activities</b>				
Cash received from long-term loans to related parties	1,395,339,053	2,593,493,278	42,855,051,603	80,613,810,894
Cash payments for long-term loans to related parties	(2,354,308,851)	(4,184,804,025)	(72,307,893,266)	(130,076,681,626)
Increase in investments in subsidiaries	(322)	-	(9,904)	-
Dividends received from related parties	176,464,304	172,277,403	5,654,986,601	5,253,030,900
Interest received from loans	100,396,660	118,200,741	3,083,482,853	3,674,045,077
Increase in property, plant and equipment	(739,582,773)	(830,371,281)	(22,714,807,432)	(25,810,513,557)
Increase in intangible assets	(61,742,136)	(78,560,672)	(1,896,286,368)	(2,441,909,229)
	<u>(1,483,434,065)</u>	<u>(2,209,764,556)</u>	<u>(45,325,475,913)</u>	<u>(68,788,217,541)</u>
<b>Net cash used in investing activities</b>	<b>(1,483,434,065)</b>	<b>(2,209,764,556)</b>	<b>(45,325,475,913)</b>	<b>(68,788,217,541)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans with maturity date within 3 months from financial institution	-	(5,336,878)	-	(165,886,724)
Payments of short-term loans with maturity date within 1 year from financial institution	-	(324,220,574)	-	(10,077,780,516)
Proceeds from issuance of debentures	500,000,000	-	15,356,501,175	-
Payments of debentures	(165,604,589)	(779,224,772)	(5,086,214,131)	(24,220,721,506)
Interest paid for loans	(30,543,644)	(58,254,561)	(938,087,010)	(1,810,732,345)
Cash payments for financial costs	(2,557,595)	(1,134,772)	(78,551,421)	(35,272,232)
Proceeds from issuance of subordinated capital debentures	-	157,137,829	-	4,884,330,844
Interest paid for subordinated capital debentures	(9,392,901)	(4,757,745)	(288,484,203)	(147,885,456)
Cash payments for financial costs from issuance of subordinated capital debentures	-	(567,346)	-	(17,634,862)
Proceeds from issuance of common stock	-	3,011,635,419	-	93,610,964,898
Cash payments for transaction cost of capital	-	(21,161,152)	-	(657,754,189)
Dividends paid	(783,293,240)	(587,634,391)	(24,057,287,130)	(18,265,498,552)
	<u>(491,391,969)</u>	<u>1,386,481,057</u>	<u>(15,092,122,720)</u>	<u>43,096,129,360</u>
<b>Net cash provided by (used in) financing activities</b>	<b>(491,391,969)</b>	<b>1,386,481,057</b>	<b>(15,092,122,720)</b>	<b>43,096,129,360</b>
Net increase in cash and cash equivalents	19,734,969	963,344,137	480,253,427	29,830,026,361
Cash and cash equivalents at the beginning of the year	<u>1,732,902,915</u>	<u>744,934,786</u>	<u>53,081,588,927</u>	<u>23,607,877,304</u>
	1,752,637,884	1,708,278,923	53,561,842,354	53,437,903,665
Adjustment for the effect of exchange rate changes	(24,579,994)	24,623,992	3,141,900,018	(356,314,738)
	<u>1,728,057,890</u>	<u>1,732,902,915</u>	<u>56,703,742,372</u>	<u>53,081,588,927</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,728,057,890</b>	<b>1,732,902,915</b>	<b>56,703,742,372</b>	<b>53,081,588,927</b>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	215,781,299	117,922,593	6,627,291,545	3,665,399,740
Long-term loans to related parties for interest rollover	32,645,145	3,812,282	1,002,630,417	118,497,538

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

## PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

## 1. General Information

PTT Exploration and Production Public Company Limited (the Company) is registered as a company in Thailand and listed on the Stock Exchange of Thailand. The address of its registered office is 555/1 Energy Complex Building A, 6<sup>th</sup> and 19<sup>th</sup> – 36<sup>th</sup> Floor, Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900.

The principal business operations of the Company, subsidiaries, and associates (the Group) are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation, and investment in projects strategically connected to the energy business.

As at December 31, 2013, the Group has operations related to the exploration and production of petroleum in 11 countries and has investments in exploration and production projects with a percentage of interest as follows:

Project	Country	Operator	Company's percentage of interest	
			2013	2012
<b>PTT Exploration and Production Public Company Limited</b>				
Bongkot	Thailand	PTT Exploration and Production Plc.	44.4445	44.4445
Arthit	Thailand	PTT Exploration and Production Plc.	80	80
Contract 4	Thailand	Chevron Thailand Exploration and Production, Ltd.	45	45
Sinphuhorm (E5 North)	Thailand	Hess (Thailand) Ltd.	20	20
S1	Thailand	PTTEP Siam Limited	25	25
Contract 3	Thailand	Chevron Thailand Exploration and Production, Ltd.	5	5
E5	Thailand	ExxonMobil Exploration and Production Khorat Inc.	20	20
Algeria Hassi Bir Rekaiz	Algeria	PTT Exploration and Production Plc.	24.5	24.5

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Project	Country	Operator	Company's percentage of interest	
			2013	2012
<b>PTTEP International Limited (PTTEPI)</b>				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	100
G4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G9/43	Thailand-	PTTEP International Limited	100	100
	Cambodia			
L22/43	Thailand	PTTEP International Limited	100	100
L53/43 and L54/43	Thailand	PTTEP International Limited	100	100
G4/48	Thailand	Chevron Pattani, Ltd.	5	5
Bongkot (G12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L21 and 28/48	Thailand	PTTEP International Limited	70	70
A4/48 and 5/48				
- A4/48 and A5/48	Thailand	PTTEP International Limited	100	100
- A6/48 <sup>1</sup>	Thailand	PTTEP International Limited	-	100
Contract 3 (G6/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	5	5
Contract 4 (G7/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	45	45
Arthit (G8/50)	Thailand	PTTEP International Limited	80	80
Cambodia B <sup>2</sup>	Cambodia	PTTEP International Limited	-	33.333334
Zawtika	Myanmar	PTTEP International Limited	80	80
Myanmar M3 <sup>3</sup>	Myanmar	PTTEP International Limited	80	100
Myanmar M11 <sup>4</sup>	Myanmar	PTTEP International Limited	45	45
MTJDA -B17	Thailand -	Carigali-PTTEPI Operating Company Sendirian	50	50
	Malaysia	Berhad		
<b>PTTEP Offshore Investment Company Limited (PTTEPO)</b>				
B8/32 and 9A <sup>5</sup>	Thailand	Chevron Offshore (Thailand) Ltd.	25.0010	25.0010
<b>PTTEP Southwest Vietnam Company Limited (PTTEP SV)</b>				
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7	7

## (TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2013	2012
<b>PTTEP Kim Long Vietnam Company Limited (PTTEP KV)</b>				
Vietnam B and 48/95	Vietnam	Chevron Vietnam (Block B), Ltd.	8.50	8.50
<b>PTTEP Hoang-Long Company Limited (PTTEP HL)</b>				
Vietnam 16-1	Vietnam	Hoang Long Joint Operating Company	28.50	28.50
<b>PTTEP Hoan-Vu Company Limited (PTTEP HV)</b>				
Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	25	25
<b>PTTEP Oman Company Limited (PTTEP OM)</b>				
Oman 44	Oman	PTTEP Oman Company Limited	100	100
<b>PTTEP Algeria Company Limited (PTTEP AG)</b>				
Algeria 433a and 416b	Algeria	Groupement Bir Seba	35	35
<b>PTTEP Siam Limited (PTTEPS)</b>				
Sinphuhorm (EU-1)	Thailand	Hess (Thailand) Ltd.	20	20
B6/27	Thailand	PTTEP Siam Limited	60	60
S1	Thailand	PTTEP Siam Limited	75	75
<b>PTTEP Australia Offshore Pty Limited (PTTEP AO)</b>				
Australia WA 423 P <sup>6</sup>	Australia	Murphy Australia Oil Pty Ltd.	-	30
<b>PTTEP Semai II Limited (PTTEP SM)</b>				
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd	28.33	28.33
<b>PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)</b>				
Sidi Abd El Rahman Offshore <sup>7</sup>	Egypt	Edison International SPA	-	30
<b>PTTEP South Asia Limited (PTTEP SA)</b>				
Myanmar PSC G and EP 2 <sup>8</sup>	Myanmar	PTTEP South Asia Limited	90	90
Myanmar MD-7 and MD-8 <sup>9</sup>	Myanmar	PTTEP South Asia Limited	100	-

## (TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2013	2012
<b>PTTEP New Zealand Limited (PTTEP NZ)</b>				
New Zealand Great South <sup>10</sup>	New Zealand	Shell GSB Limited	18	18
<b>PTTEP South Mandar Limited (PTTEP SMD)</b>				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34	34
<b>PTTEP Malunda Limited (PTTEP ML)</b>				
Indonesia Malunda	Indonesia	PTTEP Malunda Limited	100	100
<b>PTTEP Sadang Limited (PTTEP SD)</b>				
Indonesia Sadang <sup>11</sup>	Indonesia	Talisman Sadang B.V.	30	30
<b>PTTEP South Sageri Limited (PTTEP SS)</b>				
Indonesia South Sageri <sup>12</sup>	Indonesia	Talisman South Sageri B.V.	20	20
<b>PTTEP Canada Ltd. (PTTEP CA)</b>				
Canada Oil Sands KKD	Canada	Statoil Canada Ltd	40	40

**PTTEP Australia Perth Pty Ltd (PTTEP AP)**

PTTEP Australasia \* Australia

\* Details of operators and percentage of interest in PTTEP Australasia project are as follows:

Block	Operator	Company's percentage of interest	
		2013	2012
AC/L7, AC/L8, AC/RL7, AC/P33, AC/P34, and AC/P54	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/L1, AC/L2 and AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Ltd	89.6875	89.6875
AC/RL10 <sup>13</sup>	PTTEP Australia Timor Sea Pty Ltd	90	90
AC/RL4 (Tenacious)	PTTEP Australia Timor Sea Pty Ltd	100	100
AC/RL6 (Audacious), AC/P4, AC/RL4 (exclusive of Tenacious), AC/RL5, AC/RL6 (exclusive of Audacious)	PTTEP Australia Timor Sea Pty Ltd	50	50
WA-396-P and WA-397-P	Woodside Energy Limited	20	20
AC/P17 <sup>14</sup>	PTTEP Australia Timor Sea Pty Ltd	-	100
AC/P40 <sup>15</sup>	PTTEP Australasia (Ashmore Cartier) Pty Ltd	-	100

## (TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2013	2012
<b>Cove Energy Limited (Cove)</b>				
Mozambique Rovuma Offshore Area 1	Mozambique	Anadarko Mozambique Area 1 Limitada	8.5	8.5
Mozambique Rovuma Onshore	Mozambique	Anadarko Mozambique Area 1 Limitada	10	10
Kenya L10 A and L10 B				
- L10 A <sup>16</sup>	Kenya	BG Kenya Ltd	31.25	25
- L10 B	Kenya	BG Kenya Ltd	15	15
Kenya L5, L7, L11 A, L11 B and L12	Kenya	Anadarko Kenya Company	10	10
<b>Natuna 2 B.V. (Natuna 2)</b>				
Natuna Sea A <sup>17</sup>	Indonesia	Premier Oil Natuna Sea BV	11.5	-

<sup>1</sup> On December 7, 2012, PTTEP International Limited (PTTEPI), an operator of the exploration block A4/48, A5/48 and A6/48 has sent the notification letter to the Department of Mineral Fuels for an extension of exploration period that became expired on February 12, 2013 for another 3 years period to February 12, 2016. On May 22, 2013, the Department of Mineral Fuels has officially approved the extension for the exploration period for the exploration block A4/48 and A5/48. However, the exploration block A6/48 had not been approved.

<sup>2</sup> On November 20, 2013, the Cambodian National Petroleum Authority issued an approval letter to withdraw its investment in the Cambodia B project, in which PTTEP International Limited is an operator.

<sup>3</sup> - On March 13, 2013, PTTEP International Limited (PTTEPI), a 100% holder of participating interests and operator of exploration block Myanmar M3, has entered into the Farmout Agreement with a wholly-owned subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO) for the Myanmar M3 project by transferring its 20% participating interest in Myanmar M3 to a wholly-owned subsidiary of MOECO. However, PTTEPI will continue to be an operator with 80% participating interest in this project. The termination was officially approved by the government of the Republic of the Union of Myanmar on September 3, 2013.

- Change name from Burma M3 to Myanmar M3

<sup>4</sup> Change name from Burma M11 to Myanmar M11

<sup>5</sup> PTTEPO has shareholding in Orange Energy Limited and B 8/32 Partners Limited, which holds the project's concession.

<sup>6</sup> On May 1, 2013, Murphy Australia Oil Pty Ltd, an operator of the WA-423-P concession block in which PTTEP Australia Offshore Pty Limited, a subsidiary of the Company, is a joint venture at the participating interest of 30%, has submitted a request to relinquish the petroleum permit. The termination was officially approved by the government of Australia on August 1, 2013.

<sup>7</sup> In March 2011, PTTEP Sidi Abd El Rahman Company Limited has withdrawn its entire 30% participation interest from the Sidi Abd El Rahman Offshore Project in the Arab Republic of Egypt after fulfillment of the exploration work commitment. The Company has registered for the dissolution by striking off the Companies name from its registration with the registrar office of Cayman Island. The dissolution was effective as of September 30, 2013.

<sup>8</sup> Change name from Burma PSC G and EP 2 to Myanmar PSC G and EP 2

<sup>9</sup> On February 14, 2013, PTTEP South Asia Limited (PTTEP SA) has been approved to operate the MD-7 and MD-8 onshore exploration blocks from the Republic of the Union of Myanmar.

<sup>10</sup> On October 31, 2013, PTTEP New Zealand Limited (PTTEP NZ) has sent the notification letter to its joint partners to withdraw its 18% participation interest under the New Zealand Great South Project. The withdrawal is under the process of approval of the Government of New Zealand.

<sup>11</sup> On June 3, 2013, PTTEP Sadang Limited (PTTEP SD) and its joint ventures has submitted a request to terminated and returned the exploration block of Indonesia Sadang's project after fulfilled the minimum operating requirements of exploration phase 1. The termination will be effective after the official approval from the government of Indonesia.

<sup>12</sup> On September 13, 2013, PTTEP South Sageri Limited (PTTEP SS) has withdrawn its 20% participation interest in the Indonesia South Sageri Project. The withdrawal is under the process of approval of the Government of Indonesia.

<sup>13</sup> On March 22, 2013, PTTEP Australia Timor Sea Pty Ltd was granted petroleum retention lease over 2 areas within the AC/P 24 concession block and changed its name to AC/RL 10. The concession for exploration of the remaining 2 areas within AC/P 24 concession block was expired on February 7, 2013.

<sup>14</sup> On June 18, 2013, PTTEP Australia Timor Sea Pty Ltd has submitted a request to relinquish a participating interest of 100% in petroleum permit of the AC/P17 concession block. The termination was officially approved by the government of Australia on December 18, 2013.

<sup>15</sup> On October 10, 2012, PTTEP Australasia (Ashmore Cartier) Pty Ltd has notified the government of Australian to terminate the 100% participation interest in the AC/P40 concession block. The termination was officially approved by the government of Australia on March 27, 2013.

<sup>16</sup> On December 2, 2013, the government of Kenya has approved the transfer of the 20% participating interests in L10A block from Premier Oil Limited to other joint ventures. As a result, Cove Energy Kenya Limited (CEKL) holds participating interest in the block increased from 25% to 31.25%.

<sup>17</sup> The additional information is disclosed in Note 6 to financial statements, Acquisition.

## 2. Basis of Financial Statement Preparation

The consolidated and the Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act, B.E. 2547 including the interpretation and accounting guidance announced by the Federation of Accounting Professions, as well as the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535.

On September 28, 2011, the Department of Business Development announced the Notification about minimum requirement in relation to the format of the financial statements B.E. 2554, under the Accounting Act, B.E. 2543, section 11 and clause 3. The notification will come into effect for the accounting periods beginning on or after January 1, 2011. The consolidated and the Company financial statements have complied with the above notification and there are no material impacts to the financial statements presented herewith.

Commencing January 1, 2011, the Company's management has determined US Dollar as the functional currency and presents its financial statements in US Dollar in accordance with Thai Accounting Standard No. 21 "The Effects of Changes in Foreign Exchange Rates". In addition, the Stock Exchange of Thailand and the Department of Business Development require the entity to present its financial statements in Thai Baht. The Group, therefore, presents its financial statements in Thai Baht by translating from US Dollar.

Where the Group has entered into joint interest operations with other parties to participate in exploration, development and production of petroleum businesses, the Group records its share of expenses, assets and liabilities incurred in accordance with the Statements of Expenditures prepared by the operators of the Concession or the Production Sharing Contract. The Statements of Expenditures have been audited by another independent auditor on an annual basis and by the joint venture committee on a regular basis.

The consolidated and the Company financial statements have been prepared under the historical cost basis except as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. Estimates and assumptions are based on management's experience and other information available which is reasonable in a particular circumstance. Although these estimates and assumptions are based on management's best knowledge of current events and actions, actual results may differ from these estimates and assumptions.

An English-language version of the consolidated and the Company financial statements has been translated from the statutory financial statements which are prepared in the Thai language. In the event of a conflict or difference in the interpretation between the two languages, the Thai-language version of the statutory financial statements shall prevail.

### 3. New Accounting Standards, New Financial Reporting Standards, New Interpretation to Accounting Standards and New Interpretation to Financial Reporting Standards

The following new accounting standards, new financial reporting standards, new interpretation to accounting standards and new interpretation to financial reporting standards which are published in the Government Gazette during the year are as follows:

- Effective for the periods beginning on or after January 1, 2014

Thai Accounting Standard No. 1 (Revised 2012)	Presentation of financial statements
Thai Accounting Standard No. 7 (Revised 2012)	Statement of cash flows
Thai Accounting Standard No. 12 (Revised 2012)	Income taxes
Thai Accounting Standard No. 17 (Revised 2012)	Leases
Thai Accounting Standard No. 18 (Revised 2012)	Revenue
Thai Accounting Standard No. 19 (Revised 2012)	Employee benefits
Thai Accounting Standard No. 21 (Revised 2012)	The effects of changes in foreign exchange rates
Thai Accounting Standard No. 24 (Revised 2012)	Related party disclosures
Thai Accounting Standard No. 28 (Revised 2012)	Investments in associates
Thai Accounting Standard No. 31 (Revised 2012)	Interests in joint ventures
Thai Accounting Standard No. 34 (Revised 2012)	Interim financial reporting
Thai Accounting Standard No. 38 (Revised 2012)	Intangible assets
Thai Financial Reporting Standard No. 2 (Revised 2012)	Share-based payment
Thai Financial Reporting Standard No. 3 (Revised 2012)	Business combinations
Thai Financial Reporting Standard No. 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
Thai Financial Reporting Standard No. 8 (Revised 2012)	Operating segments
Thai Standing Interpretations Committee No. 15	Operating leases - incentives
Thai Standing Interpretations Committee No. 27	Evaluating the substance of transactions involving the legal form of a lease
Thai Standing Interpretations Committee No. 29	Disclosure of service concession arrangements
Thai Standing Interpretations Committee No. 32	Intangible assets – web site costs
Thai Financial Reporting Interpretations Committee No. 1	Changes in existing decommissioning, restoration and similar liabilities
Thai Financial Reporting Interpretations Committee No. 4	Determining whether an arrangement contains a lease

Thai Financial Reporting Interpretations Committee No. 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
Thai Financial Reporting Interpretations Committee No. 7	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
Thai Financial Reporting Interpretations Committee No. 10	Interim financial reporting and impairment
Thai Financial Reporting Interpretations Committee No. 12	Service concession arrangements
Thai Financial Reporting Interpretations Committee No. 13	Customer loyalty programmes
Thai Financial Reporting Interpretations Committee No. 17	Distributions of non-cash assets to owners
Thai Financial Reporting Interpretations Committee No. 18	Transfers of assets from customers
<ul style="list-style-type: none"> <li>■ Effective for the periods beginning on or after January 1, 2016</li> </ul>	
Thai Financial Reporting Standard No. 4	Insurance contracts

The Group's management has assessed that if the new accounting standards, new financial reporting standards, new interpretation to accounting standards and new interpretation to financial reporting standards are implemented, there will not be any material impact to the financial information.

#### 4. Significant Accounting Policies

##### 4.1 Preparation of Consolidated Financial Statements

The consolidated financial statements comprise the Company, subsidiaries, associates and joint ventures. The major inter-company transactions between the Company, subsidiaries and joint ventures are eliminated from the consolidated financial statements.

##### **Subsidiaries**

Subsidiaries are those entities over which the Group has the power to govern their financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus other costs directly attributable to the acquisition. Identifiable assets and liabilities acquired from a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the Group's share of the subsidiary's identifiable net assets acquired is recorded as goodwill. On the other hand, if the cost of acquisition is less than the fair value of the Group's share of the subsidiary's identifiable net assets, the difference is recognized directly in the statement of income.

The investments in the subsidiaries are presented by using the cost method in the Company's financial statements.

A list of subsidiaries is set out in Note 15.

### **Associates**

Associates are those entities over which the Group has significant influence over their financial and operating policies, but does not control. Investments in associates are initially recognized at cost and are accounted for using the equity method in the consolidated financial statements from the date on which the Group gains significant influence and are no longer consolidated from the date that significant influence ceases.

The Group's shares of the associates' post-acquisition profits or losses are recognized in the statement of income, and its shares of post-acquisition movements in surplus are recognized in reserves. The Group does not recognize further losses that exceed its investment in the associates, unless it has incurred obligations or made payments on behalf of the associates.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in the associates are presented by using the cost method in the Company's financial statements.

A list of associates is set out in Note 15.

### **Joint Ventures**

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. Under this method, the Group includes its shares of the joint ventures' individual income, expenses, assets, liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

The Group's interests in jointly controlled assets are accounted for by proportionate consolidation. Under this method, the Group includes its shares of the expenses, assets, liabilities and cash flows based on Joint Operating Agreement on a line-by-line basis with similar items in the Group's financial statements.

Gains or losses from the joint ventures are presented by using the cost method in the Company's financial statements.

For details of jointly controlled entities and jointly controlled assets, please refer to Note 15 and Note 1, respectively.

#### **Related Parties**

Related parties are those entities that directly or indirectly control, or are controlled by the Company, or are under common control with the Company. They also include holding companies, subsidiaries, fellow subsidiaries and associates.

In considering each relationship between parties, attention is directed to the substance of the relationship, not merely the legal form.

#### **4.2 Foreign Currency Translation**

Transactions included in the financial statements of each entity in the Group are measured using US Dollar which is the Group's functional currency.

Foreign currency transactions are translated into functional currency at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currency remaining at the statement of financial position date are translated into functional currency at the exchange rate ruling on the statement of financial position date. Gains and losses arising from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income in the period in which they are incurred.

To comply with the financial reporting requirements of the Stock Exchange of Thailand and the Department of Business Development, the Group presents the consolidated financial statements by translating from US Dollar to Thai Baht. The assets and liabilities are translated into Thai Baht using the average buying and selling rates determined by the Bank of Thailand at year-end, whereas the statement of income is translated using average exchange rates during the period. Differences from such translations have been presented in the statement of other comprehensive Income.

#### **4.3 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and at banks, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

#### **4.4 Investments in Trading Securities**

Investments in trading securities are acquired principally for the purpose of generating a profit from fluctuation in price.

Investments in trading securities are subsequently measured at fair value. The fair value of investments is based on net assets value of trust unit. The unrealized gains and losses of investments in trading securities are recognized in the statement of income.

#### **4.5 Trade Accounts Receivable**

Trade accounts receivable are carried at net realizable value. An allowance for doubtful accounts is provided, based on the Group's review of all outstanding receivables at the statements of financial position date. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collected. Doubtful accounts are written-off and recorded as expenses in the statement of income when they are identified.

#### **4.6 Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

#### **4.7 Materials and Supplies**

Material and supplies are stated at the lower of cost or net realizable value less the allowance for obsolete and unserviceable items used in petroleum exploration and production activities. Materials and supplies costs are determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses.

#### **4.8 Investments in Available-For-Sale Securities**

Investments in available-for-sales securities are initially recognised at cost, which is equal to the fair value of consider paid plus transaction cost and subsequently measured at fair value. The fair value of investment is based on the quoted bid price at the close of business on the statement of financial position date by reference to the latest quoted bid price from Alternative Investment Market (AIM) in the London Stock Exchange. Unrealized gain or loss of investments in available-for-sales securities are recognized within other comprehensive income.

A test for impairment is carried out 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 loss is recognized in the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognized in the statement of income.

#### **4.9 Financing Costs**

Finance costs directly attributable to finance the construction or the production of the qualifying assets for their intended use are capitalized as part of the cost of the respective assets until such qualifying assets are ready for use.

For general borrowings, the Company capitalized the borrowing costs as part of the respective assets using the weighted average interest rate of the borrowings during the year.

When borrowings are incurred for specific construction or production of qualifying assets, the borrowing

costs which are capitalized as part of the cost of the respective assets are borrowing costs incurred during the year less income earned from temporary investment of such borrowings.

For transaction cost of capital, the Company deducted the amount directly from share premium. Transaction cost of capital comprises of direct expense incurred for capital raising activities, such as fees, cost of printing the offering memorandum, and financial advisor fees, etc.

#### 4.10 Property, Plant and Equipment

Property, plant and equipment are presented at cost, after deducting accumulated depreciation and the provision for the impairment of assets.

- **Oil and Gas Properties**

The Company follows the Successful Efforts Method in accounting for its assets used for oil and gas exploration and production activities as follows:

Cost of Properties

Costs of properties comprise total acquisition costs of petroleum rights or the portion of costs applicable to properties as well as the decommissioning costs.

Exploratory drilling costs are capitalized and will be classified as assets of the projects if their exploratory wells have identified proved reserves that have been found to be commercially producible. If, however, the exploratory wells have not identified proved reserves or have identified proved reserves but have not been found to be commercially producible, such drilling costs will be expensed in the statement of income.

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

Development costs, whether relating to the successful or unsuccessful development of wells, are capitalized.

Depreciation, Depletion and Amortization

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

Depreciation for remuneration for the renewal of petroleum production is calculated using the straight-line method according to the duration of the 10-year agreement.

Depreciation of processing facilities of oil sand business is calculated using the straight-line method with an estimated useful life of 36 years.

Proved reserves and proved developed reserves are calculated by the engineers of the Company and are based on the information received from the joint ventures.

■ **Pipelines and Others**

Costs of properties comprise purchase prices and other direct costs necessary to bring the asset to working condition suitable for its intended use.

Depreciation of pipelines and others are determined using the straight-line method with an estimated useful life of 1 – 40 years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amount and are taken into account in the statement of income when incurred.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Repair and maintenance costs are recognized as expenses when incurred.

**4.11 Carried Costs under Petroleum Sharing Contract**

Under Petroleum Sharing Contracts in which the government has a participation interest, some contracts require the contracting parties, excluding the government, to fund the costs of all exploration operations until the first development area is determined. During the exploration period, the contracting parties will carry an agreed upon proportion of the government's exploration costs (carried costs). When the project commences production, such carried costs will be fully recouped without interest by the contracting parties from the production of petroleum under the agreed procedures.

The Group classifies the carried costs based on petroleum activities under the Successful Efforts Method. The majority of them are recognized in oil and gas properties in the statement of financial position and exploration expenses in the statement of income. (For details, please refer to Note 17.)

#### 4.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries or associates undertaking at the date of acquisition. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance of the investments in associates.

Goodwill is annually tested for impairment and presented at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to a single cash-generating unit or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

#### 4.13 Intangible Assets

- **Probable Reserves**

Probable reserves represent reserves that were assessed by the Group at the time when there was a purchase of business. Probable reserves will be classified as oil and gas properties once they are proved reserves and amortized using the unit of production method.

- **Other Intangible Assets**

Other intangible assets comprise expenditures incurred for licenses acquired for computer software which are amortized using the straight-line method over the remaining contract period, or a maximum of 10 years. The carrying amount is reviewed by the Group and the allowance for impairment will be provided whenever events or circumstances indicate that the carrying amount may exceed recoverable amount.

- **Exploration and evaluation assets**

Exploration and evaluation expenditures are capitalized at cost as intangible assets if the projects have identified proved reserves that have been found to be commercially producible. Capitalized exploration and evaluation expenditures are transferred to assets of the project once the proved reserve has been found. Subsequent accounting is described in the accounting policy for property, plant and equipment in Note 4.10.

The capitalized exploration and evaluation expenditure is charged to statement of income in the period in which the projects have not identified proved reserves or have identified proved reserves, but have not been found to be commercially producible.

#### 4.14 Impairment of Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually. Other assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use, and is recorded in the statement of income. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Estimates of future cash flows used in the evaluation for impairment of assets related to petroleum production are made using risk assessment on field and reservoir performance which includes the estimate of proved and unproved reserves.

Allowance for impairment of assets, except when related to goodwill, is reversed as applicable to the extent that the events or circumstances that triggered the original allowance for impairment change. For this circumstance, the carrying amount of the asset is increased to its recoverable amount. The increased amount from the reversal could not exceed the carrying amount, net of depreciation of the assets, if the Group did not recognize the impairment loss for assets in the prior year.

#### 4.15 Deferred Taxes

##### Current income 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) with an amendment B.E. 2532 (1989), and other applicable laws and regulation in the countries where the Group has investments.

Current income tax represents the expected tax payable on the taxable profit for the year using the enacted tax rate as at the statement of financial position date, including any adjustments to tax payable as a result of transaction in previous year.

##### Deferred tax

Deferred tax is provided in full, using the statement of financial positions liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from accumulated depreciation of plant and equipment, the amortization of decommissioning costs and the difference between the fair value of the acquired net assets and their tax bases.

Tax rates that have been enacted or substantially enacted on the statement of financial position date are used to determine deferred tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized and will be reduced to the extent that a tax benefit will be realized.

The Group recognized the deferred taxes in the shareholders' equity if such deferred taxes are derived from the transactions which are directly recorded in the shareholders' equity.

Deferred tax assets and liabilities can be offset only when there is a legal right and they both relate to the same legal tax authority.

#### **4.16 Deferred Remuneration under Agreement**

The Company has an obligation to make a payment to the buyer (PTT) under the conditions in the Gas Sales Agreement of Arthit project. The remuneration is classified as non-current asset, presented under the caption "Deferred Remuneration under Agreement", and amortized over the contract life using the straight-line method.

#### **4.17 Borrowings**

The Group records its borrowings at the fair value of the proceeds received, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

#### **4.18 Leases**

##### **■ Leases - where a Group company is the lessee**

Leases of property, plant and equipment which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant interest rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter period of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

■ **Leases - where a Group company is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognized on a straight-line basis over the lease term.

**4.19 Employee Benefits**

The Group's employees have become members of the following provident funds: "Employee of PTTEP Registered Provident Fund", "Sinsataporn Registered Provident Fund" and "TISCO Ruamtun 1 Registered Provident Fund"

The provident funds are funded by payments from employees and from the Group which are held in a separate trustee-administered fund. The Group contributes to the funds at a rate of 3% - 15% of the employees' salaries which are charged to the statement of income in the period the contributions are made.

This obligation in respect of employees' retirement benefits is presented in the statement of financial position under the provision for employee benefits as discussed in Note 26. In addition, the transitional liabilities will be amortized as expenses in the statement of income on a straight-line basis over 5 years.

The Group's obligation in respect of the retirement benefit plans is calculated by estimating the amount of future benefits that employees will earn in return for their services to the Company and subsidiaries in the current period and in future periods. Such benefits are discounted to the present value using the rate of government debenture yields. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

When the benefits under the plans change, the portion of the increased benefits relating to the past services of employees is recognized in the statement of income on a straight-line basis over the average remaining period until the benefits become vested.

Salaries, wages, bonuses and contributions to the social security and provident funds are recognized as expenses when incurred.

**4.20 Capital Risk Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### 4.21 Reserve for Expansion

The Group has a reserve for expanding its investments in new projects in the exploration phase, which is generally susceptible to high risk, and for finding additional petroleum reserves. The reserve for expansion is set aside at no more than 35% of the net taxable income from its exploration and production activities.

#### 4.22 Income Recognition

Sales are recognized upon delivery of products and customer acceptance.

Service income from gas pipeline construction is recognized on the percentage of completion basis.

Interest income is recognized on a time proportion basis, taking into account the effective yield on the asset.

Revenues other than those mentioned above are recognized on an accrual basis.

#### 4.23 Deferred Income under Agreements (Take-or-Pay)

Under the Gas Sales Agreements, the Group has obligations to supply minimum quantities of gas to a customer in each contract year. If in any contract year, the customer has not taken the minimum quantities of gas according to the Gas Sales Agreements, customer shall pay for quantities of gas not taken (Take-or-Pay). If the customer is unable to take the minimum contracted quantities in a given year, the volume of gas that the customer has paid for but has not taken in that year (Make-up) can be taken free of charge in subsequent years. Payments received in advance under these agreements are recognized as deferred income. This deferred income is recognized in the statement of income when the gas is subsequently taken. (For details, please refer to Note 29)

The Group made prepayments to the government of Myanmar for royalty related to cash received in advance under the Take-or-Pay Agreement. The prepayment will be expensed when the gas is subsequently taken by the customers. (For details, please refer to Note 21)

#### 4.24 Income Taxes

The Group's expenditures and revenues for tax purposes comprise:

- Current period tax which is calculated in accordance with the Petroleum Income Tax Act, B.E. 2514 and Amendment B.E. 2532 and the Revenue Code
- Income tax in the Union of Myanmar
- Income tax for the Petroleum business in the Malaysia – Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541
- Income tax in the Socialist Republic of Vietnam
- Corporate income tax in Australia
- Petroleum resource rent tax in Australia
- Corporate income tax in the Sultanate of Oman
- Corporate income tax in Canada
- Corporate income tax in Netherlands
- Corporate income tax in Kenya
- Corporate income tax in Mozambique
- Corporate income tax in Indonesia
- Deferred taxes, which are calculated as disclosed in Note 20.

#### 4.25 Earnings per Share

Basic earnings per share are calculated by dividing the income for the year attributable to shareholders less interest expense for subordinated capital debentures by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share are calculated by dividing the income for the year attributable to shareholders less interest expense for subordinated capital debentures by the weighted average number of ordinary shares in issue during the year, adjusted with dilutive potential ordinary shares.

The Company assumes that all dilutive potential ordinary shares are converted into ordinary shares in the earning per share calculation.

#### 4.26 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker according to Thai Financial Reporting Standard No. 8, "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments that makes strategic decisions

In considering the segment reporting, the chief operating decision-maker considers products including geographical segment that are subject to risks and returns that are different from those of other business segments.

#### 4.27 Financial Instruments

##### **Financial assets and financial liabilities**

The Group classifies its financial assets into 4 categories: (1) at fair value through statement of income, (2) held-to-maturity, (3) loans and receivables and (4) available for sale. The classification depends on the purpose for which the financial assets were acquired. Financial liabilities are classified as (1) at fair value through statement of income, and (2) at amortized cost.

Financial assets and financial liabilities are recognized initially at fair value. In case of financial assets or financial liabilities are not initially recognized at fair value through statement of income, they are recognized using transaction price plus directly attributable transaction costs of such financial assets or financial liabilities. The subsequent measurement of financial assets or financial liabilities depends on their classification.

Loan and receivables, and held-to-maturity investment, including financial liabilities measured at amortized cost are initially recognized at fair value, normally being the transaction cost and are subsequently measured at amortized cost using the effective interest method with gains or losses recognized in the statement of income.

##### **Impairment of financial assets**

The Group assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between futures cash flows discounted at the financial assets original effective interest rate and is recognized in the statement of income.

##### **Derivative financial instruments and hedging**

The Group recognized derivative financial instruments at fair value with changes in the fair value recognize in the statement of income.

For instruments which the Group wishes to claim for hedge accounting, the hedging instrument effectiveness portion is offset against the hedged item's fair value. The change in fair value of a hedge derivative as well as the change in the fair value of the hedged item attributable to the risk being hedged are recognize in the statement of income.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognized within other comprehensive income. Amounts taken to other comprehensive income are transferred to the statement of income when the hedged transaction affects profit or loss. The ineffective portion is immediately recognized in the statement of income when incurred.

## 5. Major Estimates and Assumptions

In order to prepare the financial statements in conformity with the accounting standards, management is required to use estimates and assumptions which impact assets, liabilities, revenues and expenses. The data relating to the major assumptions and uncertainties in the estimate which may have an impact on the carrying amount of assets, liabilities, revenues and expenses presented in the financial statements are as follows:

### Estimate for Oil and Gas Reserves

Oil and gas reserves are key elements in the Group's investment decision-making process which is focused on generating value. They are also important elements in testing for impairment. Changes in proved oil and gas reserves will also affect the present value of the net cash flows and the unit-of-production depreciation.

Proved reserves are the estimated quantities of petroleum that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions including government rules and regulations. The proved reserves have to be examined and assessed annually by the Group's geologists and reservoir engineers.

### Exploration Costs

Capitalized exploration drilling costs more than 12 months old are expensed unless (1) proved reserves are booked or (2) they have found commercially producible quantities of reserves and they are subject to further exploration or appraisal activity. In making decisions about whether to continue capitalizing exploration drilling costs for a period longer than 12 months, it is necessary to make judgments about the satisfaction of each condition in the present event. If there is a change in one of these judgments in a subsequent period, the related capitalized exploration drilling costs would be expensed in that period.

### Impairment of Assets

The Company assessed the impairment of assets based on the estimate using the discounted future cash flows. The expected future cash flows are based on management's estimates in relation to the future selling price, demand and supply in the market, margin rate and estimated future production volume. The expected future production volumes, which include both proved and unproved reserves, are used for impairment testing because the Group believes this is the most appropriate indicator of expected future

cash flows, used as a measure of value in use. The discounted rate for the impairment testing reflects the current market assessment of the time value of money and the risk specific to the assets for which the future cash flow estimates have not been adjusted.

#### **Goodwill and Intangible Assets**

For recognition and measurement of goodwill and intangible assets as of acquisition date including subsequent impairment testing, management uses estimated future cash flow from assets or cash-generating unit and appropriate discount rate for present value of future cash flow calculation.

#### **Income Tax**

The Group is subject to income taxes in numerous jurisdictions. Significant judgments are required to determine the worldwide provision for income taxes due to the fact that there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Management is required to make an estimate of the number of the deferred tax assets that should be recognized by considering the assumption about the probable future tax benefits in each period. There may be uncertainty associated with the assumption used for the future taxable income in terms of whether any change will affect the recognition of the deferred tax asset.

#### **Lease**

In considering whether a lease agreement is an operating lease or a finance lease, management has exercised judgment in assessing terms and conditions of the agreement to ensure whether the risks and rewards of assets are transferred to the Group or not.

#### **Employee Retirement Plans**

The Group's obligation regarding the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to the Company and subsidiaries in the current and in future periods. The calculation is performed by an independent actuary using the Projected Unit Credit Method and the relevant assumptions which include financial and demographic assumptions as disclosed in Note 26.

When the benefits under the plans change, the portion of the increased benefits relating to the past services of employees is recognized in the statement of income on a straight-line basis over the average remaining period until the benefits become vested. The expense is recognized immediately in the statement of income when the benefits are paid.

## Provisions

The provisions, excluding the provisions for employee benefits, are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

### Provision for Decommissioning Costs

The Group records a provision for decommissioning costs whenever it is probable that there would be an obligation as a result of a past event and the amount of that obligation is reliably estimated by the Group's engineers and management judgment. The Group recognizes provision for decommissioning costs as part of oil and gas properties, using the discount present value before tax based on the estimated eventual costs that relate to the removal of the production facilities and amortized based on the unit of production of the proved reserve. The Group recognized an increase that reflect the passage of time from the unwinding discount in each period, as a finance cost in the statement of income.

The provisions are based on the current situation such as regulations, technologies and prices. The actual results could differ from these estimates as future confirming events occur.

### Provision for Remuneration for the Renewal of Petroleum Production

The Group has entered into the Supplemental Petroleum Concession Agreement with the Ministry of Energy to extend the petroleum production period for another 10 years. As a result of this extension, the Group has to pay remuneration fee to the Ministry of Energy. The management has estimated the provision for remuneration using the discounted cash flows based on the duration of the new agreement and significant assumptions, such as sales volume data and petroleum price, etc.

## 6. Acquisition

On November 30, 2013, PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH) a subsidiary of the Group, and Pertamina Hulu Energi Oil and Gas, a subsidiary of Pertamina, has entered into the 50:50 Share Purchase Agreements (SPAs) to purchase Natuna 2 B.V., the subsidiary of Hess Corporation, which holds 23% interest in the Natuna Sea A project, in an offshore Indonesia.

On December 6, 2013, PTTEP NH and Pertamina Hulu Energi Oil and Gas have completed the acquisition of Natuna 2 B.V. As a result, the Group has obtained 11.5% participating interest in the Natuna Sea A project. PTTEP NH has recognized the investment in this joint venture in its company's financial statements at cost, while on the consolidated financial statements the Company recognized using the proportionate accounting.

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Details of net assets acquired at the acquisition date and goodwill arising from the business acquisition are as follow:

	Unit: Million US Dollar	Unit: Million Baht
	Fair Value	Fair Value
Cash and cash equivalents	25.07	809.56
Trade accounts receivable	17.49	564.85
Materials and supplies	2.08	67.23
Working capital from co-venturers	0.29	9.38
Other receivable	0.82	26.35
Other current assets	2.39	77.07
Property, plant and equipment, net	271.78	8,776.91
Intangible assets, net	29.23	943.94
Other non-current assets	1.92	62.08
Trade accounts payable	(6.93)	(223.90)
Short-term loan from related company	(62.00)	(2,002.21)
Accrued expenses	(8.63)	(278.64)
Accrued interests payable	(0.06)	(1.88)
Income tax payable	(1.32)	(42.84)
Other current liabilities	(1.23)	(39.78)
Deferred income tax liabilities	(6.78)	(218.98)
Provision for decommissioning costs	(35.95)	(1,160.82)
Other non-current liabilities	(8.22)	(265.39)
Net assets	219.95	7,102.93
<u>Less</u> Deferred income tax liabilities from the effect of accounting	(66.33)	(2,141.91)
Goodwill	112.39	3,629.55
Total consideration transferred	266.01	8,590.57

Total goodwill from business acquisition of US Dollar 112.39 million (Baht 3,629.55 million) was primarily derived from the recognition of deferred income tax liabilities of US Dollar 66.33 million (Baht 2,141.91 million) which represents the deferred income tax liabilities from the differences between the assigned fair value and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value. The remaining goodwill balance of US Dollar 46.06 million (Baht 1,487.64 million) represents the future benefits that the Company expects to receive from entering into the project which aligns with the Company's strategy to increase the production volumes in the future.

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

## 7. Cash and Cash Equivalents

Cash and cash equivalents comprised:

	Unit : Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash on hand and at banks	1,637.06	1,378.46	53,717.79	42,224.48
Cash equivalents				
- Fixed deposits	676.59	42.44	22,201.33	1,300.03
- Treasury bills	43.39	871.02	1,423.70	26,680.63
Total	2,357.04	2,291.92	77,342.82	70,205.14

	Unit : Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash on hand and at banks	1,051.47	934.21	34,502.41	28,616.33
Cash equivalents				
- Fixed deposits	676.59	40.03	22,201.33	1,226.26
- Treasury bills	-	758.66	-	23,239.00
Total	1,728.06	1,732.90	56,703.74	53,081.59

The interest rate on saving deposits held at call with banks for the year ended December 31, 2013 is between 0.00% – 2.55% per annum (during the year 2012 : interest rate is between 0.00% – 4.25% per annum).

The interest rate on fixed deposits with banks for the year ended December 31, 2013 is between 0.48% – 4.57% per annum (during the year 2012 : interest rate is between 0.50% – 5.65% per annum).

The interest rate on treasury bills for the year ended December 31, 2013 is between 2.39% – 2.70% per annum (during the year 2012 : interest rate is between 2.50% – 3.09% per annum).



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## 9. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Sales of petroleum products	864.01	834.17	28,351.29	25,551.99
Gas pipeline construction service	30.24	36.07	992.35	1,104.99
Total	894.25	870.24	29,343.64	26,656.98

  

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Sales of petroleum products	535.76	531.81	17,579.97	16,290.13
Gas pipeline construction service	30.24	36.07	992.35	1,104.99
Total	566.00	567.88	18,572.32	17,395.12

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Outstanding accounts receivable – parent company can be analyzed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Not yet due	843.51	825.71	27,678.69	25,292.79
Past due				
- Up to 3 months	3.78	0.01	124.06	0.30
- 3 - 6 months	-	1.07	-	32.92
- Over 6 months	46.96	43.45	1,540.89	1,330.97
Total	894.25	870.24	29,343.64	26,656.98

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Not yet due	532.71	528.55	17,480.14	16,190.30
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	33.29	39.33	1,092.18	1,204.82
Total	566.00	567.88	18,572.32	17,395.12

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## 10. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Binh Son Refining & Petrochemical Co.,Ltd.	8.84	11.81	290.00	361.86
Chevron Product Company	6.25	16.49	205.19	504.67
Chevron U.S.A. INC.	-	2.72	-	83.40
Ministry of Oil and Gas (Oman)	1.31	1.55	42.95	47.44
Mobil Oil Australia Pty Ltd.	9.58	-	314.52	-
Myanmar Oil and Gas Enterprise	39.48	32.31	1,295.44	989.61
Myanmar Petrochemical Enterprise	-	3.80	-	116.36
Petro Diamond Co.,Ltd	6.65	-	218.24	-
Petrobras Singapore Private Limited	6.25	-	205.12	-
Sembawang Corporation	8.51	-	279.33	-
Shell International Eastern Trading Company (SIETCO)	-	18.89	-	578.75
SK Energy Co.,Ltd.	-	18.92	-	579.66
Star Petroleum Refining Co., Limited	10.57	2.26	346.76	69.13
Statoil Canada Ltd.	19.24	22.43	631.23	687.04
Thai Oil Plc.	-	8.17	-	250.39
Unipecc Asia Co.,Ltd.	27.99	19.50	918.42	597.18
Vietnam National Oil and Gas Group	5.95	-	195.20	-
Vitol Asia PTE Limited	-	10.15	-	310.94
Electricity Generating Authority of Thailand	1.41	1.30	46.39	39.93
Others	0.11	0.07	3.46	2.40
<b>Total</b>	<b>152.14</b>	<b>170.37</b>	<b>4,992.25</b>	<b>5,218.76</b>

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Star Petroleum Refining Co., Limited	3.37	2.26	110.58	69.13
Electricity Generating Authority of Thailand	0.35	0.33	11.60	9.98
Others	0.03	0.01	0.87	0.60
Total	3.75	2.60	123.05	79.71

Outstanding trade accounts receivable can be analysed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Not yet due	145.89	161.02	4,787.13	4,932.28
Past due				
- Up to 3 months	6.25	9.35	205.12	286.48
- 3 - 6 months	-	-	-	-
- Over 6 months	-	-	-	-
Total	152.14	170.37	4,992.25	5,218.76

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Not yet due	3.75	2.60	123.05	79.71
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	-	-	-	-
Total	3.75	2.60	123.05	79.71

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## 11. Materials and Supplies, Net

Materials and supplies, net comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Materials and supplies-at cost	329.22	306.54	10,802.82	9,389.90
Provision for obsolescence	(1.41)	(2.14)	(46.30)	(65.78)
Materials and supplies, net	327.81	304.40	10,756.52	9,324.12

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Materials and supplies-at cost	116.55	111.77	3,824.45	3,423.61
Provision for obsolescence	(0.61)	(0.77)	(19.99)	(23.46)
Materials and supplies, net	115.94	111.00	3,804.46	3,400.15

## 12. Other Current Assets

Other current assets comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Prepaid expenses	48.76	87.63	1,599.92	2,684.27
Accrued income	5.44	12.05	178.69	369.13
Withholding tax and VAT	11.06	7.59	362.92	232.45
Refundable income tax	38.67	28.45	1,268.87	871.54
Others	42.31	28.68	1,388.23	878.54
Total	146.24	164.40	4,798.63	5,035.93

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Prepaid expenses	24.45	20.87	802.20	639.35
Accrued income	7.85	14.98	257.79	458.93
Withholding tax and VAT	2.92	1.51	95.76	46.07
Refundable income tax	18.04	-	591.93	-
Others	4.83	1.88	158.51	57.52
Total	58.09	39.24	1,906.19	1,201.87

## 13. Investments in Available-For-Sale Securities

Investments in available-for-sales securities represent the investment in listed equity security in the Alternative Investment Market (AIM) in the London Stock Exchange held by Cove Energy East Africa Limited.

Movements in the investments in available-for-sales securities for the year are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2013	1.25	38.24
Unrealised loss on investments in available-for- sales securities	0.41	12.38
Currency translation differences	-	3.84
Balance as at December 31, 2013	1.66	54.46

#### 14. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

##### 14.1 Revenues and Expenses with Related Parties

Significant transactions with related parties for the years are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	5,978.42	5,331.68	183,717.88	165,668.17
Amortization of deferred remuneration under agreement	1.76	1.76	52.48	54.79
Subsidiaries, associates and jointly controlled entities				
Interest income	0.91	0.85	27.27	26.51
Rental and service expenses	22.58	13.51	693.72	420.04
Information technology and communication expenses	19.24	21.37	591.26	664.29
Management's Remuneration				
Director's remuneration	2.60	1.90	79.24	58.90
Senior management's remuneration *	3.59	2.81	108.53	87.49
	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	3,722.49	3,400.98	114,292.06	105,667.33
Amortization of deferred remuneration under agreement	1.76	1.76	52.48	54.79
Subsidiaries, associates and jointly controlled entities				
Interest income	135.03	125.76	4,233.62	3,908.07
Management and service fees	0.32	0.32	9.95	10.03
Rental and service expenses	22.58	13.51	693.72	420.04
Information technology and communication expenses	19.24	21.36	591.26	664.00
Management's Remuneration				
Director's remuneration	2.60	1.90	79.24	58.90
Senior management's remuneration *	3.59	2.81	108.53	87.49

\* Exclusive of the remuneration for senior management seconded to PTT Public Company Limited.

## 14.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Associates</b>				
Energy Complex Company				
Limited	17.68	18.93	580.00	580.00
Total	17.68	18.93	580.00	580.00

Loans to	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Subsidiaries</b>				
PTTEP International Limited	940.34	875.92	30,856.04	26,830.71
PTTEP Services Limited	4.77	1.85	156.58	56.58
PTTEP Offshore Investment Company Limited	4,665.84	3,847.24	153,102.84	117,847.15
<b>Associates</b>				
Energy Complex Company				
Limited	17.68	18.93	580.00	580.00
Total	5,628.63	4,743.94	184,695.46	145,314.44

Movements in the long-term loans to related parties for the year are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2013	18.93	580.00
Addition	-	-
Repayment	-	-
Currency exchange differences	(1.25)	(38.69)
Currency translation differences	-	38.69
Balance as at December 31, 2013	17.68	580.00



## 15. Investments in Subsidiaries, Associates and Jointly Controlled Entities

## 15.1 Details of subsidiaries, associates and jointly controlled entities

Unit: Million US Dollar													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
								Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012		
<b>Subsidiary Companies</b>													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	516.38	516.38	PTTEP	100%	100%	516.38	516.38	2,154.44	1,805.54	-	-
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	0.007	0.007	PTTEP	75%	75%	0.005	0.005	1,285.22	903.81	-	-
					PTTEPI	25%	25%	0.002	0.002	428.21	301.76	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(13.73)	(12.19)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(21.20)	(19.23)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	148.21	(7.54)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(4.97)	(19.22)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(67.29)	(101.45)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(141.55)	(120.99)	-	-
PTTEP (Thailand) Limited (PTTEPT) <sup>1</sup>	Thailand	Petroleum	-	2.54	PTTEPI	-	100%	-	2.54	-	(2.59)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	0.03	0.03	PTTEP	25%	25%	0.01	0.01	2.25	0.57	-	-
					PTTEPI	75%	75%	0.04	0.04	9.79	4.75	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	4.00	4.00	PTTEP	51%	51%	99.79	99.79	139.85	155.12	175.69	172.28
					PTTEPO	49%	49%	95.18	95.18	108.65	123.32	168.80	165.52
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP OM	100%	100%	0.05	0.05	(85.19)	(81.81)	-	-
PTTEP Bahrain Company Limited (PTTEP BH) <sup>2</sup>	Cayman Islands	Petroleum	-	0.05	PTTEP OM	-	100%	-	0.05	-	(34.05)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(1,136.28)	(865.74)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(106.19)	(111.65)	-	-
PTTEP Bengara I Company Limited (PTTEPB) <sup>3</sup>	Cayman Islands	Petroleum	-	0.05	PTTEP ID	-	100%	-	0.05	-	(11.21)	-	-
PTTEP Andaman Limited (PTTEPA) <sup>4</sup>	Thailand	Petroleum	0.007	0.007	PTTEPS	100%	100%	0.007	0.007	(0.003)	(0.004)	-	-
PTTEP Africa Investment Limited (PTTEP AI)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(177.45)	(121.98)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP AI	100%	100%	0.05	0.05	(16.22)	(15.62)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER) <sup>3</sup>	Cayman Islands	Petroleum	-	0.05	PTTEP AI	-	100%	-	0.05	-	(33.76)	-	-

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Unit: Million US Dollar													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
					Dec. 31, 2013	Dec. 31, 2012			Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013
<b>Subsidiary Companies</b>													
PTTEP Australia Pty Ltd (PTTEP AU) *	Australia	Petroleum	0.45	0.45	PTTEPH	100%	100%	0.05	0.05	(72.08)	(66.18)	-	-
PTTEP Bangladesh Limited (PTTEP BD) <sup>2</sup>	Cayman Islands	Petroleum	-	0.05	PTTEPH	-	100%	-	0.05	-	(11.30)	-	-
PTTEP South Asia Limited (PTTEP SA)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(29.76)	(1.70)	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(21.00)	(19.07)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(80.14)	(74.93)	-	-
PTTEP Australia Perth Pty Ltd (PTTEP AP) *	Australia	Petroleum	0.04	0.04	PTTEPH	100%	100%	0.04	0.04	(313.98)	(255.09)	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(473.88)	(278.14)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(0.34)	(0.17)	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.001	0.001	PTTEP IH	100%	100%	0.001	0.001	(17.68)	(16.88)	-	-
JV Shore Base Limited (JV Shore Base)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(3.74)	(3.47)	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(483.49)	(257.29)	-	-
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	2.57	1.11	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(4.85)	(3.61)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(8.01)	(2.75)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(4.75)	(3.74)	-	-
PTTEP Malunda Limtied (PTTEP ML)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(18.22)	(15.10)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) <sup>6</sup>	Netherlands	Petroleum	1,485.05	1,000.05	PTTEP IH	0.00005%	0.00005%	0.0005	0.0005	(1.43)	(1.43)	-	-
					PTTEP NL	99.99995%	99.99995%	1,485.05	1,000.05	1,110.54	794.51	-	-
PTTEP Canada Ltd. (PTTEP CA) <sup>6</sup>	Canada	Petroleum	1,485.05	1,000.05	PTTEP NC	100%	100%	1,485.05	1,000.05	1,383.11	790.01	-	-
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Petroleum	0.05	0.05	PTTEP NC	100%	100%	0.05	0.05	4.06	2.32	-	-
PTTEP MEA Limited (PTTEP MEA) <sup>5</sup>	Cayman Islands	Petroleum	0.05	0.05	PTTEP	100%	100%	0.05	0.05	0.04	0.04	-	-
Cove Energy Limited (Cove) **	England	Petroleum	21.13	21.13	PTTEP AI	100%	100%	21.13	21.13	(24.90)	14.73	-	-
PTTEP HK Holding Limited (PTTEP HK) <sup>9</sup>	Hong Kong	Petroleum	0.001	-	PTTEP	25%	-	0.0003	-	0.0003	-	-	-
					PTTEPI	75%	-	0.001	-	0.001	-	-	-
PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH) <sup>10</sup>	Netherlands	Petroleum	23.08	-	PTTEPI	25%	-	5.77	-	5.57	-	-	-
					PTTEP HK	75%	-	17.31	-	16.72	-	-	-
PTTEP Brazil Investment B.V. (PTTEP BI) <sup>10</sup>	Brazil	Petroleum	23.08	-	PTTEP NH	100%	-	23.08	-	23.08	-	-	-
PTTEP Brazil Investments in Oil and Gas	Brazil	Petroleum	23.03	-	PTTEP BI	99.999998%	-	23.03	-	22.75	-	-	-
Exploration and Production Limitada (PTTEP BL) <sup>11</sup>					PTTEP NH	0.000002%	-	0.0000004	-	0.0000004	-	-	-

## (TRANSLATION)

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Unit: Million US Dollar													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
								Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012		
<b>Associated Companies</b>													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	49.58	49.58	PTTEP	50%	50%	24.79	24.79	27.12	24.05	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	3.94	3.94	PTTEP	20%	20%	0.79	0.79	4.15	3.70	0.51	-
PTTEP AP's Associates <sup>7</sup>	Australia	Services	0.97	0.97	PTTEP AAO	50%	50%	1.50	0.48	5.57	3.45	-	-
UAQ Petroleum Limited (UAQ) <sup>8</sup>	Hong Kong	Petroleum	0.001	-	PTTEP FH	30%	30%	0.0004	-	0.0004	-	-	-
<b>Jointly Controlled Entities</b>													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	0.10	0.10	PTTEPI	50%	50%	0.05	0.05	0.05	0.05	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.03	0.03	PTTEPO	25.5%	25.5%	0.008	0.008	72.85	69.16	140.33	125.82
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	0.10	0.10	PTTEPO	19.3178%	19.3178%	8.01	8.01	48.74	49.04	91.92	84.86
Orange Energy Limited (Orange)	Thailand	Petroleum	4.00	4.00	PTTEPO	53.9496%	53.9496%	329.77	329.77	177.39	184.07	56.65	86.32
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	4.40	4.40	PTTEPO	25.0009%	25.0009%	109.95	109.95	45.35	51.06	29.38	32.50
PTT FLNG Limited (PTT FLNG)	Hong Kong	Produce and sale of petroleum product	0.001	0.001	PTTEP FH	50%	50%	0.0006	0.0006	(18.22)	(16.83)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	FSO rental service	0.0001	0.0001	JV Marine	13.11%	13.11%	20.98	22.29	25.21	23.79	1.18	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	3,966.47	3,966.47	PTTEP CA	40%	40%	2,900.97	2,484.17	2,835.38	2,482.75	270.98	-
Leismer Aerodrome Limited (LAL)	Canada	Services	21.17	21.17	PTTEP CA	32%	32%	5.58	6.09	6.31	6.36	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	0.06	0.06	PTTEPO	80%	80%	0.05	0.05	(33.20)	(26.11)	-	-
NST Supply Base Company Limited (NST)	Thailand	Petroleum supply base, port and warehouse	32.20	32.20	JV Shore Base	15.67%	15.67%	5.05	5.05	0.88	1.66	-	-
Natuna 2 B.V. (Natuna 2) <sup>12</sup>	Netherlands	Petroleum	0.10	-	PTTEP NH	50%	-	266.01	-	267.87	-	-	-

Relationship: The Company directly or indirectly holds the shares in subsidiaries, associates and jointly controlled entities. Subsidiaries' management teams are from the Company.

## (TRANSLATION)

59

Unit: Million Baht													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
								Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012		
<b>Subsidiary Companies</b>													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	20,000.00	20,000.00	PTTEP	100%	100%	16,944.39	15,817.66	70,694.77	55,306.45	-	-
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	0.17	0.17	PTTEP	75%	75%	0.16	0.15	42,192.42	27,685.02	-	-
					PTTEPI	25%	25%	0.05	0.05	14,051.10	9,243.24	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.64	1.53	(450.57)	(373.30)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.64	1.53	(695.53)	(588.93)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	2.12	2.12	PTTEPO	100%	100%	1.64	1.53	4,863.33	(231.05)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.64	1.53	(163.21)	(588.89)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.64	1.53	(2,207.98)	(3,107.47)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	2.10	2.10	PTTEPO	100%	100%	1.64	1.53	(4,644.83)	(3,706.22)	-	-
PTTEP (Thailand) Limited (PTTEPT) <sup>1</sup>	Thailand	Petroleum	-	100.00	PTTEPI	-	100%	-	77.78	-	(79.28)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	1.00	1.00	PTTEP	25%	25%	0.21	0.19	73.79	17.42	-	-
					PTTEPI	75%	75%	1.45	1.35	321.27	145.49	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	100.00	100.00	PTTEP	51%	51%	3,274.49	3,056.75	4,588.92	4,751.54	5,610.00	5,253.03
					PTTEPO	49%	49%	3,122.87	2,915.22	3,565.19	3,777.62	5,390.00	5,046.97
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	1.91	1.91	PTTEP OM	100%	100%	1.64	1.53	(2,795.26)	(2,505.84)	-	-
PTTEP Bahrain Company Limited (PTTEP BH) <sup>2</sup>	Cayman Islands	Petroleum	-	1.90	PTTEP OM	-	100%	-	1.53	-	(1,042.94)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	1.88	1.88	PTTEPO	100%	100%	1.64	1.53	(37,285.49)	(26,519.12)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	1.88	1.88	PTTEPH	100%	100%	1.64	1.53	(3,484.49)	(3,419.97)	-	-
PTTEP Bengara I Company Limited (PTTEPB) <sup>3</sup>	Cayman Islands	Petroleum	-	1.88	PTTEP ID	-	100%	-	1.53	-	(343.26)	-	-
PTTEP Andaman Limited (PTTEPA) <sup>4</sup>	Thailand	Petroleum	0.25	0.25	PTTEPS	100%	100%	0.24	0.23	(0.12)	(0.12)	-	-
PTTEP Africa Investment Limited (PTTEP AI)	Cayman Islands	Petroleum	1.69	1.69	PTTEPH	100%	100%	1.64	1.53	(5,822.86)	(3,736.47)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	1.69	1.69	PTTEP AI	100%	100%	1.64	1.53	(532.12)	(478.62)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER) <sup>3</sup>	Cayman Islands	Petroleum	-	1.69	PTTEP AI	-	100%	-	1.53	-	(1,034.25)	-	-

## (TRANSLATION)

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Unit: Million Baht													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
								Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012		
<b>Subsidiary Companies</b>													
PTTEP Australia Pty Ltd (PTTEP AU) *	Australia	Petroleum	1.53	1.53	PTTEPH	100%	100%	1.48	1.38	(2,365.22)	(2,027.08)	-	-
PTTEP Bangladesh Limited (PTTEP BD) <sup>2</sup>	Cayman Islands	Petroleum	-	1.67	PTTEPH	-	100%	-	1.53	-	(346.17)	-	-
PTTEP South Asia Limited (PTTEP SA)	Cayman Islands	Petroleum	1.59	1.59	PTTEPH	100%	100%	1.64	1.53	(976.42)	(52.22)	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	1.70	1.70	PTTEPH	100%	100%	1.64	1.53	(688.96)	(584.29)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	1.74	1.74	PTTEP ID	100%	100%	1.64	1.53	(2,629.73)	(2,295.16)	-	-
PTTEP Australia Perth Pty Ltd (PTTEP AP) *	Australia	Petroleum	1.20	1.20	PTTEPH	100%	100%	1.15	1.07	(10,302.81)	(7,813.76)	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	1.77	1.77	PTTEPH	100%	100%	1.64	1.53	(15,549.73)	(8,519.77)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	1.64	1.64	PTTEPH	100%	100%	1.64	1.53	(11.32)	(5.23)	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.04	0.04	PTTEP IH	100%	100%	0.04	0.04	(580.09)	(517.01)	-	-
JV Shore Base Limited (JV Shore Base)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.64	1.53	(122.62)	(106.20)	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.64	1.53	(15,865.13)	(7,913.52)	-	-
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.64	1.53	84.31	34.05	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.64	1.53	(159.30)	(110.55)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.64	1.53	(262.70)	(84.21)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.64	1.53	(155.95)	(114.53)	-	-
PTTEP Malunda Limtied (PTTEP ML)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.64	1.53	(597.82)	(462.60)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) <sup>6</sup>	Netherlands	Petroleum	48,729.79	31,692.79	PTTEP IH	0.00005%	0.00005%	0.02	0.02	(46.87)	(43.75)	-	-
					PTTEP NL	99.99995%	99.99995%	48,729.77	30,633.12	36,440.74	24,337.21	-	-
PTTEP Canada Limited (PTTEP CA) <sup>6</sup>	Canada	Petroleum	48,729.75	31,692.75	PTTEP NC	100%	100%	48,729.75	30,633.09	45,384.65	24,199.40	-	-
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Petroleum	1.55	1.55	PTTEP NC	100%	100%	1.66	1.55	133.22	71.15	-	-
PTTEP MEA Limited (PTTEP MEA) <sup>5</sup>	Cayman Islands	Petroleum	1.56	1.56	PTTEP	100%	100%	1.64	1.53	1.25	1.30	-	-
Cove Energy Limited (Cove) **	England	Petroleum	647.23	647.23	PTTEP AI	100%	100%	693.33	647.23	(816.99)	451.32	-	-
PTTEP HK Holding Limited (PTTEP HK) <sup>9</sup>	Hong Kong	Petroleum	0.04	-	PTTEP	25%	-	0.01	-	0.01	-	-	-
					PTTEPI	75%	-	0.03	-	0.03	-	-	-
PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH) <sup>10</sup>	Netherlands	Petroleum	755.01	-	PTTEPI	25%	-	189.36	-	182.83	-	-	-
					PTTEP HK	75%	-	568.07	-	548.50	-	-	-
PTTEP Brazil Investment B.V. (PTTEP BI) <sup>10</sup>	Brazil	Petroleum	755.04	-	PTTEP NH	100%	-	757.42	-	757.26	-	-	-
PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL) <sup>11</sup>	Brazil	Petroleum	753.41	-	PTTEP BI	99.999998%	-	755.78	-	746.55	-	-	-
					PTTEP NH	0.000002%	-	0.00002	-	0.00001	-	-	-

## (TRANSLATION)

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Unit: Million Baht													
Company name	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investment				Dividends for the years ended	
			Dec. 31, 2013	Dec. 31, 2012		Dec. 31, 2013	Dec. 31, 2012	Cost Method		Equity Method		Dec. 31, 2013	Dec. 31, 2012
								Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012		
<b>Associated Companies</b>													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	1,800.00	1,800.00	PTTEP	50%	50%	813.43	759.34	890.04	736.55	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	150.00	150.00	PTTEP	20%	20%	25.86	24.14	136.06	113.25	15.00	-
PTTEP AP's Associates <sup>7</sup>	Australia	Services	33.77	33.77	PTTEP AAO	50%	50%	49.14	14.70	182.82	105.83	-	-
UAQ Petroleum Limited (UAQ) <sup>8</sup>	Hong Kong	Petroleum	0.04	-	PTTEP FH	30%	30%	0.01	-	0.01	-	-	-
<b>Jointly Controlled Entities</b>													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	3.68	3.68	PTTEPI	50%	50%	1.59	1.48	1.59	1.48	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.76	0.76	PTTEPO	25.5%	25.5%	0.25	0.23	2,390.36	2,118.44	4,275.51	3,919.95
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	2.62	2.62	PTTEPO	19.3178%	19.3178%	262.71	245.24	1,599.40	1,502.27	2,807.85	2,641.69
Orange Energy Limited (Orange)	Thailand	Petroleum	100.00	100.00	PTTEPO	53.9496%	53.9496%	10,820.88	10,101.34	5,820.68	5,638.33	1,730.14	2,632.02
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	110.00	110.00	PTTEPO	25.0009%	25.0009%	3,607.88	3,367.97	1,488.17	1,563.93	917.98	997.61
PTT FLNG Limited (PTT FLNG)	Hong Kong	Produce and sale of petroleum product	0.04	0.04	PTTEP FH	50%	50%	0.02	0.02	(597.79)	(515.68)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	FSO rental service	0.003	0.003	JV Marine	13.11%	13.11%	688.30	682.69	827.38	728.76	36.67	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	127,684.27	127,684.27	PTTEP CA	40%	40%	101,245.17	76,094.04	98,956.04	76,050.53	8,891.95	-
Leismer Aerodrome Limited (LAL)	Canada	Services	681.63	681.63	PTTEP CA	32%	32%	194.81	186.62	220.21	194.96	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	2.13	2.13	PTTEPO	80%	80%	1.64	1.53	(1,089.37)	(799.70)	-	-
NST Supply Base Company Limited (NST)	Thailand	Petroleum supply base, port and warehouse	1,000.00	1,000.00	JV Shore Base	15.67%	15.67%	165.57	154.56	28.99	50.99	-	-
Natuna 2 B.V. (Natuna 2) <sup>12</sup>	Netherlands	Petroleum	3.22	-	PTTEP NH	50%	-	8,728.87	-	8,789.91	-	-	-

Relationship: The Company directly or indirectly holds the shares in subsidiaries, associates and jointly controlled entities. Subsidiaries' management teams are from the Company.

<sup>1</sup> As at December 24, 2010, PTTEP (Thailand) Limited has registered for the dissolution with the Ministry of Commerce and complete liquidation on December 6, 2013.

<sup>2</sup> On April 11, 2013, the Board of Directors of PTTEP Bangladesh Limited and PTTEP Bahrain Company Limited, subsidiaries of PTTEP Holding Company Limited and PTTEP Oman Company Limited, respectively, have approved the dissolution of these companies by striking off the Companies' name from their registrations with the registrar officer of Cayman Island. The dissolution was effective as of June 28, 2013.

<sup>3</sup> On June 12, 2013, the Board of Directors of PTTEP Sidi Abd El Rahman Company Limited and PTTEP Bengara I Company Limited, subsidiaries of PTTEP Africa Investment Limited and PTTEP Indonesia Company Limited, respectively, have approved the dissolution of these companies by striking off the Companies name from their registrations with the registrar office of Cayman Island. The dissolution was effective as of September 30, 2013.

<sup>4</sup> On October 18, 2013 PTTEP Andaman Limited has registered for the dissolution with the Ministry of Commerce and in the process of liquidation.

<sup>5</sup> As at December 31, 2013, PTTEP MEA has share receivables.

<sup>6</sup> On February 4, 2013, PTTEP Netherlands Coöperatie U.A. (PTTEP NC), a subsidiary of the Group, has increased its share capital from US Dollar 1,000,050,000 to US Dollar 1,395,050,000 by issuing of 395,000,000 newly issued ordinary shares, at the par value of US Dollar 1, resulting in a total registered ordinary share of 1,395,050,000 shares. PTTEP NC used the proceed from the capital increased to increase share capital of PTTEP Canada Limited (PTTEP CA), a subsidiary of PTTEP NC, from Canadian Dollar 1,017,891,500 million to Canadian Dollar 1,411,983,000 million by issuing of 394,091,500 shares, at the par value of Canadian Dollar 1, resulting in a total registered ordinary shares of Canadian Dollar 1,411,983,000 million. Subsequently on December 27, 2013, PTTEP NC has increased its registered share capital from US Dollar 1,395,050,000 to US Dollar 1,485,050,000 by issuing new ordinary shares of 90,000,000 shares with the par value of US Dollar 1 totalling to 1,485,050,000 ordinary shares. PTTEP NC used this proceed to increased its share in PTTEP CA, a subsidiary of PTTEP NC by increased PTTEP CA's registered share capital from Canadian Dollar 1,411,983,000 to Canadian Dollar 1,508,256,000 by issuing new ordinary shares of 96,273,000 shares with a par value of Canadian Dollar 1 totaling to Canadian Dollar 1,508,256,000.

<sup>7</sup> PTTEP AP's associates are ShoreAir Pty Ltd and Troughton Island Pty Ltd. On August 7, 2013, Shoreair Pty Limited has changed its name to Mungalalu Truscott Airbase Pty Ltd. and registered with the Australian Securities and Investments Commission.

<sup>8</sup> On January 7, 2013, PTTEP FLNG Holding Company Limited (PTTEP FH), a subsidiary of the Company, together with Canemir Petroleum (UAQ) Corp. has established UAQ Petroleum Limited, a Hong Kong registered company with a registered capital of HKD 10,000, consisting of 10,000 ordinary shares with a par value of HKD 1. PTTEP FH holds 30% of share capital and Canemir Petroleum (UAQ) Corp. holds 70% of share capital. UAQ Petroleum Limited has become an associate of the Company.

<sup>9</sup> On September 6, 2013, the Company and PTTEP International Limited (PTTEPI), a subsidiary of the Company, have established PTTEP HK Holding Limited with a registered capital of HKD 10,000. The registered capital comprises of 10,000 ordinary shares with a par value of HKD 1 per share. The Company and PTTEPI have shareholding interest of 25% and 75%, respectively.

<sup>10</sup> On October 4, 2013, the Group has established a subsidiary and legal entity as follows.

- PTTEP Netherlands Holding Coöperative U.A. with a share capital of USD 50,000. PTTEPI and PTTEP HK Holding Limited, subsidiaries of the Company have a shareholding interest of 25% and 75%, respectively.
- PTTEP Brazil Investment B.V. with a registered capital of USD 50,000. The registered capital comprises of 50,000 ordinary shares with a par value of USD 1 per share and PTTEP Netherlands Holding Coöperative U.A. holds all of its shares.

<sup>11</sup> On November 7, 2013, the Company has established PTTEP Brazil Investment in Oil and Gas Exploration and Production Ltda. with a registered capital of Brazillian Real of 53,500,000 by issuing ordinary shares of 53,500,000 shares with a par value of Brazillian Real 1. PTTEP Brazil Investment B.V, and PTTEP Netherlands Holding Coöperatie U.A., subsidiaries of the Company, are the shareholder with shareholding interests of 99.999998% and 0.000002%, respectively.

<sup>12</sup> The additional information is disclosed in Note 6 to financial statements, Acquisition.

\* Details of PTTEP AU's and PTTEP AP group's subsidiaries are as follows:

Company name	Registered country	Percentage of interest
<b>PTTEP Australia Pty Limited (PTTEP AU)'s subsidiaries</b>		
PTTEP Australia Offshore Pty Limited (PTTEP AO)	Australia	100%
<b>PTTEP Australia Perth Pty Limited (PTTEP AP) group's subsidiaries</b>		
PTTEP Australia Browse Basin Pty Limited (PTTEP AB)	Australia	100%
PTTEP Australia International Finance Pty Limited (PTTEP AIF)	Australia	100%
PTTEP Australasia Pty Limited (PTTEP AA)	Australia	100%
PTTEP Australia Timor Sea Pty Limited (PTTEP AT)	Australia	100%
PTTEP Australasia (Finance) Pty Limited (PTTEP AAF)	Australia	100%
PTTEP Australasia (Petroleum) Pty Limited (PTTEP AAP)	Australia	100%
Tullian Pty Limited (PTTEP AAT)	Australia	100%
PTTEP Australasia (Operations) Pty Limited (PTTEP AAO)	Australia	100%
PTTEP Australasia (Ashmore Cartier) Pty Limited (PTTEP AAA)	Australia	100%
PTTEP Australasia (Staff) Pty Limited (PTTEP AAS)	Australia	100%

\*\* Details of Cove Energy Limited group's subsidiaries are as follows:

Company name	Registered country	Percentage of interest
Cove Energy Mozambique Rovuma Onshore Limited (CEMROL)	Cyprus	100%
Cove Energy East Africa Limited (CEEAL)	Cyprus	100%
Cove Energy Mozambique Rovuma Offshore Limited (CEMROFL)	Cyprus	100%
Cove Mozambique Terra Limitada (CMTL)	Mozambique	100%
Cove Mozambique Energia Limitada (CMEL)	Mozambique	100%
Cove Energy Kenya Limited (CEKL)	Kenya	100%

## 15.2 Investments in Subsidiaries and Associates

Changes of investments in subsidiaries and associates which are accounted for using the equity method for the consolidated financial statements and using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Balance as at January 1	31.20	26.92	955.63	853.23
Share of net gain from investment after				
income taxes	6.15	4.66	190.41	144.70
Dividend received from associates	(0.51)	-	(15.00)	-
Increase in investment	0.0004	-	0.01	-
Decrease in investment	-	(0.38)	-	(11.87)
Currency translation differences	-	-	77.88	(30.43)
Balance as at December 31	<u>36.84</u>	<u>31.20</u>	<u>1,208.93</u>	<u>955.63</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Balance as at January 1	641.82	641.82	19,659.77	20,339.84
Increase in investment	0.0003	-	0.01	-
Currency translation differences	-	-	1,400.42	(680.07)
Balance as at December 31	<u>641.82</u>	<u>641.82</u>	<u>21,060.20</u>	<u>19,659.77</u>

**15.3 Investments in Subsidiaries**

Investments in subsidiaries accounted for using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
PTTEP International Limited	516.38	516.38	16,944.39	15,817.66
PTTEP Services Limited	0.01	0.01	0.21	0.20
PTTEP Siam Limited	99.79	99.79	3,274.49	3,056.75
PTTEP Offshore Investment Company Limited	0.005	0.005	0.17	0.15
PTTEP MEA Limited	0.05	0.05	1.64	1.53
PTTEP HK Holding Limited	0.0003	-	0.01	-
Total	<u>616.24</u>	<u>616.24</u>	<u>20,220.91</u>	<u>18,876.29</u>

**15.4 Investments in Associates**

Investments in associates accounted for using the equity method for the consolidated financial statements and using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Energy Complex Company Limited	27.12	24.05	890.04	736.55
PTT ICT Solutions Company Limited	4.15	3.70	136.06	113.25
PTTEP AP group's associates	5.57	3.45	182.82	105.83
UAQ Petroleum Limited	0.0004	-	0.01	-
Total	<u>36.84</u>	<u>31.20</u>	<u>1,208.93</u>	<u>955.63</u>

## (TRANSLATION)

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2013	2012	2013	2012
Energy Complex Company Limited	24.79	24.79	813.43	759.34
PTT ICT Solutions Company Limited	0.79	0.79	25.86	24.14
Total	25.58	25.58	839.29	783.48

Share of assets, liabilities, income and gains (losses) from associates are as follows:

	Unit : Million US Dollar					
	EnCo		ICT		PTTEP AP group's associates	
	2013	2012	2013	2012	2013	2012
Assets	110.66	121.26	11.86	11.66	4.91	3.16
Liabilities	81.44	93.05	7.23	7.62	0.92	0.47
Income	22.27	20.48	15.43	15.18	5.13	4.44
Gains	2.99	2.27	1.43	1.48	2.12	1.01

	Unit : Million Baht					
	EnCo		ICT		PTTEP AP group's associates	
	2013	2012	2013	2012	2013	2012
Assets	3,631.06	3,714.35	389.27	357.18	161.05	96.64
Liabilities	2,672.49	2,850.37	237.33	233.54	30.06	14.34
Income	684.21	636.53	474.12	471.69	157.61	138.13
Gains	91.75	70.68	43.93	46.04	65.03	31.46

## (TRANSLATION)

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## 15.5 Investments in Jointly Controlled Entities

The transactions of jointly controlled entities included in the Company's financial statements are as follows:

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012						
Statements of financial position :										
Current assets	0.09	8.50	41.57	38.29	28.19	24.53	133.08	145.76	24.30	37.44
Non-current assets	-	-	67.15	71.70	38.45	40.60	184.58	182.88	64.42	62.37
Current liabilities	(0.04)	(8.45)	(0.54)	(1.00)	(4.09)	(1.45)	(53.85)	(70.15)	(15.49)	(23.98)
Non-current liabilities	-	-	(35.33)	(39.83)	(12.76)	(13.62)	(107.68)	(98.42)	(33.40)	(31.30)
Net assets	0.05	0.05	72.85	69.16	49.79	50.06	156.13	160.07	39.83	44.53

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2013	Dec. 31, 2012								
Statements of financial position :										
Current assets	1.01	1.41	4.50	2.65	96.01	120.72	1.31	0.46	19.63	27.96
Non-current assets	0.01	-	21.64	22.83	2,668.09	2,686.53	5.34	6.03	1.22	-
Current liabilities	(9.74)	(8.75)	(0.35)	(0.03)	(71.13)	(132.74)	(0.13)	(0.12)	(20.85)	(27.96)
Non-current liabilities	(9.50)	(9.50)	(2.00)	(1.91)	(529.87)	(585.17)	-	-	-	-
Net assets	(18.22)	(16.84)	23.79	23.54	2,163.10	2,089.34	6.52	6.37	-	-

(TRANSLATION)

69

Unit: Million US Dollar

	ATL		NST		Natuna 2 B.V.	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of financial position :						
Current assets	6.92	16.09	1.41	2.05	51.15	-
Non-current assets	554.70	360.25	-	-	414.67	-
Current liabilities	(66.23)	(28.83)	(0.53)	(0.39)	(81.00)	-
Non-current liabilities	(528.42)	(359.86)	-	-	(116.95)	-
Net assets	(33.03)	(12.35)	0.88	1.66	267.87	-

## (TRANSLATION)

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Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the years ended									
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of income :										
Revenues	-	-	188.55	194.57	128.21	125.21	243.66	293.24	96.35	112.62
Expenses	-	-	(8.79)	(8.53)	(6.68)	(5.79)	(129.99)	(133.06)	(44.63)	(45.70)
Profit (loss) before income taxes	-	-	179.76	186.04	121.53	119.42	113.67	160.18	51.72	66.92
Income taxes	-	-	(35.75)	(52.40)	(29.88)	(29.59)	(61.04)	(77.11)	(27.08)	(33.29)
Net profit (loss)	-	-	144.01	133.64	91.65	89.83	52.63	83.07	24.64	33.63

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the years ended									
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of income :										
Revenues	0.06	0.21	4.07	2.11	276.69	259.37	2.16	1.65	-	-
Expenses	(1.44)	(10.27)	(1.31)	(0.82)	(326.23)	(318.18)	(1.57)	(1.46)	-	-
Profit (loss) before income taxes	(1.38)	(10.06)	2.76	1.29	(49.54)	(58.81)	0.59	0.19	-	-
Income taxes	-	-	(0.02)	(0.01)	12.35	25.78	-	-	-	-
Net profit (loss)	(1.38)	(10.06)	2.74	1.28	(37.19)	(33.03)	0.59	0.19	-	-

(TRANSLATION)

71

Unit: Million US Dollar

	ATL		NST		Natuna 2 B.V.	
	For the years ended					
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of income :						
Revenues	-	0.03	-	-	7.74	-
Expenses	(20.68)	(6.65)	(0.70)	(3.31)	(3.52)	-
Profit (loss) before income taxes	(20.68)	(6.62)	(0.70)	(3.31)	4.22	-
Income taxes	-	-	-	-	(2.36)	-
Net profit (loss)	(20.68)	(6.62)	(0.70)	(3.31)	1.86	-

## (TRANSLATION)

72

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012						
Statements of financial position :										
Current assets	2.80	260.41	1,364.10	1,173.03	925.15	751.25	4,366.92	4,464.80	797.50	1,146.81
Non-current assets	-	-	2,203.39	2,196.40	1,261.74	1,243.77	6,056.70	5,601.90	2,113.77	1,910.62
Current liabilities	(1.24)	(258.95)	(17.83)	(30.88)	(134.42)	(44.39)	(1,767.00)	(2,148.81)	(508.29)	(734.75)
Non-current liabilities	-	-	(1,159.30)	(1,220.11)	(418.62)	(417.14)	(3,533.26)	(3,014.63)	(1,095.91)	(958.66)
Net assets	1.56	1.46	2,390.36	2,118.44	1,633.85	1,533.49	5,123.36	4,903.26	1,307.07	1,364.02

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2013	Dec. 31, 2012								
Statements of financial position :										
Current assets	33.32	43.30	147.66	81.07	3,150.32	3,697.86	42.91	13.99	644.28	856.34
Non-current assets	0.24	-	710.12	699.47	87,549.37	82,292.77	175.06	184.78	40.05	-
Current liabilities	(319.63)	(267.97)	(11.45)	(0.82)	(2,334.00)	(4,066.12)	(4.17)	(3.81)	(684.33)	(856.34)
Non-current liabilities	(311.73)	(291.00)	(65.75)	(58.51)	(17,386.79)	(17,924.58)	-	-	-	-
Net assets	(597.80)	(515.67)	780.58	721.21	70,978.90	63,999.93	213.80	194.96	-	-

## (TRANSLATION)

73

Unit: Million Baht

	ATL		NST		Natuna 2 B.V.	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of financial position :						
Current assets	227.18	492.94	46.34	62.99	1,678.42	-
Non-current assets	18,201.50	11,034.98	-	-	13,606.93	-
Current liabilities	(2,173.12)	(883.12)	(17.34)	(12.01)	(2,657.87)	-
Non-current liabilities	(17,339.46)	(11,023.16)	-	-	(3,837.57)	-
Net assets	(1,083.90)	(378.36)	29.00	50.98	8,789.91	-

## (TRANSLATION)

74

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the years ended									
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of income :										
Revenues	-	-	5,858.01	6,049.94	3,987.01	3,891.77	7,482.85	9,115.66	2,956.23	3,500.70
Expenses	-	-	(270.34)	(264.99)	(206.53)	(179.96)	(3,997.50)	(4,133.11)	(1,370.58)	(1,419.55)
Profit (loss) before income taxes	-	-	5,587.67	5,784.95	3,780.48	3,711.81	3,485.35	4,982.55	1,585.65	2,081.15
Income taxes	-	-	(1,106.52)	(1,625.67)	(919.41)	(917.39)	(1,881.26)	(2,399.90)	(833.47)	(1,036.02)
Net profit (loss)	-	-	4,481.15	4,159.28	2,861.07	2,794.42	1,604.09	2,582.65	752.18	1,045.13

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the years ended									
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statements of income :										
Revenues	1.58	6.36	125.47	65.24	8,511.66	8,053.41	66.01	51.27	-	-
Expenses	(44.26)	(317.04)	(40.43)	(25.57)	(10,036.90)	(9,874.66)	(48.30)	(45.32)	-	-
Profit (loss) before income taxes	(42.68)	(310.68)	85.04	39.67	(1,525.24)	(1,821.25)	17.71	5.95	-	-
Income taxes	-	-	(0.66)	(0.31)	381.02	805.12	-	-	-	-
Net profit (loss)	(42.68)	(310.68)	84.38	39.36	(1,144.22)	(1,016.13)	17.71	5.95	-	-

## (TRANSLATION)

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Unit: Million Baht

	ATL		NST		Natuna 2 B.V.	
	For the years ended					
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Statements of income :						
Revenues	0.02	0.88	0.08	0.10	250.22	-
Expenses	(642.65)	(206.71)	(22.06)	(101.45)	(113.68)	-
Profit (loss) before income taxes	(642.63)	(205.83)	(21.98)	(101.35)	136.54	-
Income taxes	-	-	-	-	(76.37)	-
Net profit (loss)	<u>(642.63)</u>	<u>(205.83)</u>	<u>(21.98)</u>	<u>(101.35)</u>	<u>60.17</u>	<u>-</u>

## 16. Property, Plant and Equipment, Net

Unit: Million US Dollar

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
<u>Historical cost</u>						
Balance as at January 1, 2012	14,103.94	153.33	694.94	353.83	109.27	15,415.31
Acquisition	-	1.65	-	-	-	1.65
Increase	2,553.90	18.35	338.06	162.30	22.80	3,095.41
Transfer	88.47	-	-	-	-	88.47
Decrease	(86.54)	(4.09)	(0.66)	-	(2.28)	(93.57)
Currency translation differences*	44.01	0.41	0.29	-	-	44.71
Balance as at December 31, 2012	16,703.78	169.65	1,032.63	516.13	129.79	18,551.98
Acquisition	314.81	-	34.25	-	-	349.06
Increase	2,820.75	17.95	170.38	199.61	16.15	3,224.84
Transfer	122.20	-	-	-	-	122.20
Decrease	(14.23)	(1.68)	(171.33)	-	(7.46)	(194.70)
Currency translation differences*	(131.26)	(0.98)	(0.74)	-	(0.08)	(133.06)
Balance as at December 31, 2013	19,816.05	184.94	1,065.19	715.74	138.40	21,920.32
<u>Accumulated depreciation</u>						
Balance as at January 1, 2012	(5,541.75)	(91.66)	(341.58)	(91.28)	(28.02)	(6,094.29)
Depreciation for the year	(1,246.12)	(14.28)	(42.72)	(6.94)	(9.61)	(1,319.67)
Decrease	33.91	1.83	6.06	-	1.51	43.31
Currency translation differences*	(1.01)	(0.05)	(0.01)	-	-	(1.07)
Balance as at December 31, 2012	(6,754.97)	(104.16)	(378.25)	(98.22)	(36.12)	(7,371.72)
Acquisition	(70.68)	-	(6.60)	-	-	(77.28)
Depreciation for the year	(1,506.63)	(16.66)	(107.70)	(8.38)	(11.56)	(1,650.93)
Decrease	0.03	0.50	47.87	-	6.16	54.56
Currency translation differences*	5.86	0.17	0.07	-	-	6.10
Balance as at December 31, 2013	(8,326.39)	(120.15)	(444.61)	(106.60)	(41.52)	(9,039.27)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2012	(20.01)	(0.10)	-	-	-	(20.11)
Increase	(196.86)	-	-	-	-	(196.86)
Decrease	7.68	-	-	-	-	7.68
Balance as at December 31, 2012	(209.19)	(0.10)	-	-	-	(209.29)
Increase	-	-	-	-	-	-
Decrease	-	0.10	-	-	-	0.10
Balance as at December 31, 2013	(209.19)	-	-	-	-	(209.19)
Net book value as at December 31, 2012	9,739.62	65.39	654.38	417.91	93.67	10,970.97
Net book value as at December 31, 2013	11,280.47	64.79	620.58	609.14	96.88	12,671.86
Depreciation included in the statement of income for the year ended December 31, 2012				US Dollar	1,319.67	million
Depreciation included in the statement of income for the year ended December 31, 2013				US Dollar	1,650.93	million

\* Net foreign exchange rate differences in translating financial statements.

## (TRANSLATION)

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Unit: Million Baht

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
<u>Historical cost</u>						
Balance as at January 1, 2012	446,970.69	4,859.32	22,023.40	11,213.34	3,462.84	488,529.59
Acquisition	-	51.86	-	-	-	51.86
Increase	79,203.65	565.19	10,350.54	5,102.97	712.00	95,934.35
Transfer	2,749.05	-	-	-	-	2,749.05
Decrease	(2,677.56)	(126.71)	(20.46)	-	(70.82)	(2,895.55)
Currency translation differences*	(14,582.20)	(152.84)	(722.37)	(506.57)	(128.21)	(16,092.19)
Balance as at December 31, 2012	511,663.63	5,196.82	31,631.11	15,809.74	3,975.81	568,277.11
Acquisition	10,166.42	-	1,106.24	-	-	11,272.66
Increase	86,115.80	550.55	5,312.28	6,180.56	509.00	98,668.19
Transfer	3,879.35	-	-	-	-	3,879.35
Decrease	(446.52)	(52.65)	(5,305.05)	(0.07)	(234.83)	(6,039.12)
Currency translation differences*	38,856.70	373.89	2,208.06	1,495.60	291.48	43,225.73
Balance as at December 31, 2013	650,235.38	6,068.61	34,952.64	23,485.83	4,541.46	719,283.92
<u>Accumulated depreciation</u>						
Balance as at January 1, 2012	(175,624.71)	(2,904.96)	(10,825.13)	(2,892.71)	(887.82)	(193,135.33)
Depreciation for the year	(38,738.85)	(444.13)	(1,327.56)	(215.58)	(298.67)	(41,024.79)
Decrease	1,052.32	56.77	186.05	-	46.67	1,341.81
Currency translation differences*	6,395.43	101.69	380.19	99.86	33.29	7,010.46
Balance as at December 31, 2012	(206,915.81)	(3,190.63)	(11,586.45)	(3,008.43)	(1,106.53)	(225,807.85)
Acquisition	(2,282.53)	-	(213.22)	-	-	(2,495.75)
Depreciation for the year	(46,335.76)	(511.13)	(3,293.97)	(258.77)	(356.05)	(50,755.68)
Decrease	0.79	15.19	1,403.44	-	193.07	1,612.49
Currency translation differences*	(17,685.25)	(256.05)	(899.04)	(230.62)	(92.99)	(19,163.95)
Balance as at December 31, 2013	(273,218.56)	(3,942.62)	(14,589.24)	(3,497.82)	(1,362.50)	(296,610.74)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2012	(634.03)	(3.17)	-	-	-	(637.20)
Increase	(6,134.03)	-	-	-	-	(6,134.03)
Decrease	219.79	-	-	-	-	219.79
Currency translation differences*	140.56	-	-	-	-	140.56
Balance as at December 31, 2012	(6,407.71)	(3.17)	-	-	-	(6,410.88)
Increase	-	-	-	-	-	-
Decrease	-	3.16	-	-	-	3.16
Currency translation differences*	(456.44)	0.01	-	-	-	(456.43)
Balance as at December 31, 2013	(6,864.15)	-	-	-	-	(6,864.15)
Net book value as at December 31, 2012	298,340.11	2,003.02	20,044.66	12,801.31	2,869.28	336,058.38
Net book value as at December 31, 2013	370,152.67	2,125.99	20,363.40	19,988.01	3,178.96	415,809.03

Depreciation included in the statement of income for the year ended December 31, 2012 Baht 41,024.79 million

Depreciation included in the statement of income for the year ended December 31, 2013 Baht 50,755.68 million

\* Net foreign exchange rate differences in translating financial statements.

## (TRANSLATION)

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Unit: Million US Dollar

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
<u>Historical cost</u>					
Balance as at January 1, 2012	5,778.00	56.97	272.37	73.41	6,180.75
Increase	1,003.63	2.28	210.65	10.77	1,227.33
Decrease	(38.01)	(0.58)	(0.42)	(2.12)	(41.13)
Balance as at December 31, 2012	6,743.62	58.67	482.60	82.06	7,366.95
Increase	1,335.58	2.63	2.41	6.14	1,346.76
Decrease	(2.53)	(0.26)	(52.66)	(7.36)	(62.81)
Balance as at December 31, 2013	8,076.67	61.04	432.35	80.84	8,650.90
<u>Accumulated depreciation</u>					
Balance as at January 1, 2012	(3,066.95)	(40.54)	(167.10)	(21.20)	(3,295.79)
Depreciation for the year	(656.76)	(3.22)	(17.40)	(7.40)	(684.78)
Decrease	31.83	0.18	5.94	1.51	39.46
Balance as at December 31, 2012	(3,691.88)	(43.58)	(178.56)	(27.09)	(3,941.11)
Depreciation for the year	(805.70)	(3.61)	(57.69)	(8.33)	(875.33)
Decrease	-	0.18	-	6.14	6.32
Balance as at December 31, 2013	(4,497.58)	(47.01)	(236.25)	(29.28)	(4,810.12)
Net book value as at December 31, 2012	3,051.74	15.09	304.04	54.97	3,425.84
Net book value as at December 31, 2013	3,579.09	14.03	196.10	51.56	3,840.78

Depreciation included in the statement of income for the year ended December 31, 2012 US Dollar 684.78 million

Depreciation included in the statement of income for the year ended December 31, 2013 US Dollar 875.33 million

## (TRANSLATION)

79

Unit: Million Baht

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
<u>Historical cost</u>					
Balance as at January 1, 2012	183,111.68	1,805.44	8,631.63	2,326.60	195,875.35
Increase	31,062.62	70.06	6,452.45	331.74	37,916.87
Decrease	(1,182.47)	(17.73)	(12.81)	(65.92)	(1,278.93)
Currency translation differences*	(6,423.96)	(60.41)	(288.60)	(78.76)	(6,851.73)
Balance as at December 31, 2012	206,567.87	1,797.36	14,782.67	2,513.66	225,661.56
Increase	40,536.03	81.31	76.04	194.00	40,887.38
Decrease	(79.91)	(7.98)	(1,664.19)	(231.84)	(1,983.92)
Currency translation differences*	18,000.46	132.27	992.24	176.78	19,301.75
Balance as at December 31, 2013	265,024.45	2,002.96	14,186.76	2,652.60	283,866.77
<u>Accumulated depreciation</u>					
Balance as at January 1, 2012	(97,195.39)	(1,284.84)	(5,295.40)	(672.01)	(104,447.64)
Depreciation for the year	(20,426.08)	(100.41)	(540.79)	(229.41)	(21,296.69)
Decrease	987.97	5.63	182.11	46.59	1,222.30
Currency translation differences*	3,545.18	44.59	184.64	25.04	3,799.45
Balance as at December 31, 2012	(113,088.32)	(1,335.03)	(5,469.44)	(829.79)	(120,722.58)
Depreciation for the year	(24,768.00)	(110.71)	(1,771.34)	(256.25)	(26,906.30)
Decrease	-	5.48	-	192.33	197.81
Currency translation differences*	(9,725.41)	(102.11)	(511.35)	(67.11)	(10,405.98)
Balance as at December 31, 2013	(147,581.73)	(1,542.37)	(7,752.13)	(960.82)	(157,837.05)
Net book value as at December 31, 2012	93,479.55	462.33	9,313.23	1,683.87	104,938.98
Net book value as at December 31, 2013	117,442.72	460.59	6,434.63	1,691.78	126,029.72

Depreciation included in the statement of income for the year ended December 31, 2012 Baht 21,296.69 million

Depreciation included in the statement of income for the year ended December 31, 2013 Baht 26,906.30 million

\* Net foreign exchange rate differences in translating financial statements.

### 17. Carried Costs under Petroleum Sharing Contract

As at December 31, 2013, the Group presented carried costs paid to foreign governments under oil and gas properties, exploration and evaluation assets and other non-current assets in the statement of financial position and presented exploration expenses in the statement of income for the following projects:

Unit: Million US Dollar

Consolidated				
Projects	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2013)
Vietnam 52/97	-	-	1.01	-
Vietnam B & 48/95	-	-	1.06	-
Vietnam 16-1 <sup>(1)</sup>	25.82	-	-	35.49
Vietnam 9-2 <sup>(1)</sup>	33.18	-	-	19.93
Algeria 433a & 416b	7.60	-	-	12.82
Algeria Hassi Ber Rekaiz	0.13	43.28	-	9.94
Myanmar PSC G & EP 2	-	0.44	-	2.90
Mozambique Rovuma Offshore Area 1	0.58	36.76	-	11.71
Mozambique Rovuma Onshore	-	0.19	-	0.62

Unit: Million Baht

Consolidated				
Projects	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2013)
Vietnam 52/97	-	-	33.11	-
Vietnam B & 48/95	-	-	34.65	-
Vietnam 16-1 <sup>(1)</sup>	847.25	-	-	1,268.59
Vietnam 9-2 <sup>(1)</sup>	1,088.66	-	-	791.82
Algeria 433a & 416b	249.32	-	-	428.92
Algeria Hassi Ber Rekaiz	4.12	1,335.94	-	308.10
Myanmar PSC G & EP 2	-	14.56	-	89.79
Mozambique Rovuma Offshore Area 1	19.07	1,206.25	-	360.96
Mozambique Rovuma Onshore	-	6.16	-	19.20

<sup>(1)</sup> Vietnam 16-1 and Vietnam 9-2 projects had received the full recoupment of the carried cost from the recoupment based on its participating interests.

Unit: Million US Dollar

The Company				
Project	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2013)
Algeria Hassi Ber Rekaiz	0.13	43.28	-	9.94

Unit: Million Baht

The Company				
Project	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2013)
Algeria Hassi Ber Rekaiz	4.12	1,335.94	-	308.10

## 18. Goodwill

	Consolidated	
	Unit: Million US Dollar	Unit: Million Baht
<u>Historical Cost</u>		
Balance as at January 1, 2012	329.70	10,448.43
Acquisition	570.58	17,980.52
Currency translation differences*	8.27	(598.48)
Balance as at December 31, 2012	908.55	27,830.47
Acquisition	112.39	3,629.55
Currency translation differences*	(21.34)	1,340.63
Balance as at December 31, 2013	999.60	32,800.65
<u>Allowance for impairment of assets</u>		
Balance as at January 1, 2012	-	-
Increase	(7.31)	(231.51)
Decrease	-	-
Currency translation differences*	-	7.48
Balance as at December 31, 2012	(7.31)	(224.03)
Increase	-	-
Decrease	-	-
Currency translation differences*	-	(15.96)
Balance as at December 31, 2013	(7.31)	(239.99)
Net Book Value as at December 31, 2012	901.24	27,606.44
Net Book Value as at December 31, 2013	992.29	32,560.66

\* Net foreign exchange rate differences in translating financial statements.

## 19. Intangible Assets, Net

Unit: Million US Dollar

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical Cost</u>			
Balance as at January 1, 2012	1,107.49	53.65	1,161.14
Acquisition	2,037.75	-	2,037.75
Increase	157.89	30.98	188.87
Transfer	(88.47)	-	(88.47)
Decrease	(56.60)	(0.01)	(56.61)
Currency translation differences*	22.55	-	22.55
Balance as at December 31, 2012	3,180.61	84.62	3,265.23
Acquisition	29.23	-	29.23
Increase	254.48	52.84	307.32
Transfer	(122.20)	-	(122.20)
Decrease	(116.83)	(0.08)	(116.91)
Currency translation differences*	(53.12)	(0.01)	(53.13)
Balance as at December 31, 2013	3,172.17	137.37	3,309.54
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(21.10)	(21.10)
Amortization for the year	-	(2.01)	(2.01)
Decrease	-	0.01	0.01
Balance as at December 31, 2012	-	(23.10)	(23.10)
Amortization for the year	-	(7.44)	(7.44)
Decrease	-	0.05	0.05
Currency translation differences*	-	0.05	0.05
Balance as at December 31, 2013	-	(30.44)	(30.44)
<u>Allowance for impairment of assets</u>			
Balance as at January 1, 2012	(3.49)	-	(3.49)
Decrease	0.03	-	0.03
Balance as at December 31, 2012	(3.46)	-	(3.46)
Increase	-	-	-
Decrease	3.46	-	3.46
Balance as at December 31, 2013	-	-	-
Net Book Value as at December 31, 2012	3,177.15	61.52	3,238.67
Net Book Value as at December 31, 2013	3,172.17	106.93	3,279.10

\* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2012	35,097.72	1,700.30	36,798.02
Acquisition	64,214.49	-	64,214.49
Increase	4,154.22	955.19	5,109.41
Transfer	(2,749.05)	-	(2,749.05)
Decrease	(1,764.06)	(0.36)	(1,764.42)
Currency translation differences*	(1,526.13)	(63.07)	(1,589.20)
Balance as at December 31, 2012	97,427.19	2,592.06	100,019.25
Acquisition	943.94	-	943.94
Increase	7,847.61	1,652.44	9,500.05
Transfer	(3,879.34)	-	(3,879.34)
Decrease	(3,684.89)	(2.49)	(3,687.38)
Currency translation differences*	5,435.61	265.65	5,701.26
Balance as at December 31, 2013	104,090.12	4,507.66	108,597.78
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(668.71)	(668.71)
Amortization for the year	-	(62.57)	(62.57)
Decrease	-	0.36	0.36
Currency translation differences*	-	23.22	23.22
Balance as at December 31, 2012	-	(707.70)	(707.70)
Amortization for the year	-	(232.53)	(232.53)
Decrease	-	1.54	1.54
Currency translation differences*	-	(60.24)	(60.24)
Balance as at December 31, 2013	-	(998.93)	(998.93)
<u>Allowance for impairment of assets</u>			
Balance as at January 1, 2012	(110.53)	-	(110.53)
Decrease	1.04	-	1.04
Currency translation differences*	3.69	-	3.69
Balance as at December 31, 2012	(105.80)	-	(105.80)
Increase	-	-	-
Decrease	109.15	-	109.15
Currency translation differences*	(3.35)	-	(3.35)
Balance as at December 31, 2013	-	-	-
Net Book Value as at December 31, 2012	97,321.39	1,884.36	99,205.75
Net Book Value as at December 31, 2013	104,090.12	3,508.73	107,598.85

\* Net foreign exchange rate differences in translating financial statements.

## (TRANSLATION)

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Unit: Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2012	10.81	49.04	59.85
Increase	56.39	30.09	86.48
Decrease	(7.92)	-	(7.92)
Balance as at December 31, 2012	59.28	79.13	138.41
Increase	17.88	43.84	61.72
Decrease	-	(0.06)	(0.06)
Balance as at December 31, 2013	77.16	122.91	200.07
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(18.20)	(18.20)
Amortization for the year	-	(1.70)	(1.70)
Balance as at December 31, 2012	-	(19.90)	(19.90)
Amortization for the year	-	(6.46)	(6.46)
Decrease	-	0.04	0.04
Currency translation differences*	-	0.04	0.04
Balance as at December 31, 2013	-	(26.28)	(26.28)
Net Book Value as at December 31, 2012	59.28	59.23	118.51
Net Book Value as at December 31, 2013	77.16	96.63	173.79

\* Net foreign exchange rate differences in translating financial statements.

## (TRANSLATION)

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Unit: Million Baht

	The Company		
	Exploration and	Other Intangible	Total
	Evaluation Assets	Assets	
<u>Historical Cost</u>			
Balance as at January 1, 2012	342.59	1,554.08	1,896.67
Increase	1,748.78	927.77	2,676.55
Decrease	(250.70)	-	(250.70)
Currency translation differences*	(24.87)	(57.96)	(82.83)
Balance as at December 31, 2012	1,815.80	2,423.89	4,239.69
Increase	535.65	1,369.14	1,904.79
Decrease	-	(1.80)	(1.80)
Currency translation differences*	180.25	242.10	422.35
Balance as at December 31, 2013	2,531.70	4,033.33	6,565.03
<u>Accumulated Amortization</u>			
Balance as at January 1, 2012	-	(576.73)	(576.73)
Amortization for the year	-	(52.78)	(52.78)
Currency translation differences*	-	20.00	20.00
Balance as at December 31, 2012	-	(609.51)	(609.51)
Amortization for the year	-	(202.22)	(202.22)
Decrease	-	1.23	1.23
Currency translation differences*	-	(51.76)	(51.76)
Balance as at December 31, 2013	-	(862.26)	(862.26)
Net Book Value as at December 31, 2012	1,815.80	1,814.38	3,630.18
Net Book Value as at December 31, 2013	2,531.70	3,171.07	5,702.77

\* Net foreign exchange rate differences in translating financial statements.

## 20. Income Taxes and Deferred Income Taxes

Income tax rates for the Group are as follows:

	<u>Tax Rate (%)</u>
Petroleum income tax on petroleum businesses in Thailand pursuant to Petroleum Income Tax Act, B.E. 2514 and 2532	50
Income tax under Revenue Code	20–30 (for 2012), 20–23 (for 2013), 20 (commencing 2014)
Corporate income tax in the Union of Myanmar	25
Corporate income tax from the Petroleum business in the Malaysia - Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541	
- From first to eighth accounting period	0
- From ninth to fifteenth accounting period	10
- From sixteenth onward	20
Corporate income tax in the Socialist Republic of Vietnam	50
Corporate income tax in Australia	30
Petroleum resource rent tax in Australia	40
Corporate income tax in the Sultanate of Oman	55
Corporate income tax in Canada	25
Corporate income tax in Netherlands	25
Corporate income tax in the Republic of Kenya	30
Corporate income tax in the Republic of Mozambique	24 (for the first eight year after production commencing) 32 (from year ninth after production commencing)
Corporate income tax in Indonesia	30

Royal Decree Issued under Revenue Code Governing Reduction of Rates and Exemption of Taxes and Duties (No.530) B.E. 2554 to reduce of the corporate income tax rate of 30% to 23% for the accounting period beginning on or after January 1, 2012 and to 20% for the following two accounting periods beginning on or after January 1, 2013.

Subsequently, the Federation of Accounting Professions (FAP) has published the announcement to clarify the tax rate used in deferred income tax calculation for deferred income tax assets and liabilities under the Royal Decree for the future tax benefit for the year 2012 of 23% and 2013 onward of 20%.

## (TRANSLATION)

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20.1 Deferred income tax assets and liabilities are as follows:

	Unit : Million US Dollar			
	Consolidated		The Company	
	2013	2012	2013	2012
Deferred income tax assets	354.92	380.98	11.25	14.93
Deferred income tax liabilities	1,649.13	1,512.78	394.91	266.48
	<u>(1,294.21)</u>	<u>(1,131.80)</u>	<u>(383.66)</u>	<u>(251.55)</u>

	Unit : Million Baht			
	Consolidated		The Company	
	2013	2012	2013	2012
Deferred income tax assets	11,646.12	11,670.13	369.30	457.30
Deferred income tax liabilities	54,113.87	46,339.00	12,958.51	8,162.88
	<u>(42,467.75)</u>	<u>(34,668.87)</u>	<u>(12,589.21)</u>	<u>(7,705.58)</u>

20.2 The corporate income taxes in statement of income in the consolidated and the Company financial statements for the years are as follows:

	Unit : Million US Dollar			
	Consolidated		The Company	
	2013	2012	2013	2012
Income Taxes :				
Current income tax expenses	1,361.57	1,276.77	742.78	621.76
Prior year income tax expenses recognized in current period	30.16	(3.65)	27.97	(2.55)
	<u>1,391.73</u>	<u>1,273.12</u>	<u>770.75</u>	<u>619.21</u>
Deferred Income Taxes :				
Change in temporary differences	(20.66)	116.03	34.60	120.71
Tax effect of currency translation on tax base	144.20	(34.96)	103.88	(25.63)
	<u>123.54</u>	<u>81.07</u>	<u>138.48</u>	<u>95.08</u>
Total	<u>1,515.27</u>	<u>1,354.19</u>	<u>909.23</u>	<u>714.29</u>

## (TRANSLATION)

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Unit : Million Baht

	Consolidated		The Company	
	2013	2012	2013	2012
Income Taxes :				
Current income tax expenses	41,987.15	39,667.72	22,980.42	19,314.57
Prior year income tax expenses recognized in current period	898.76	(114.50)	832.86	(79.87)
	<u>42,885.91</u>	<u>39,553.22</u>	<u>23,813.28</u>	<u>19,234.70</u>
Deferred Income Taxes :				
Change in temporary differences	(630.27)	3,590.62	1,069.29	3,724.75
Tax effect of currency translation on tax base	4,456.08	(1,023.72)	3,209.39	(747.64)
	<u>3,825.81</u>	<u>2,566.90</u>	<u>4,278.68</u>	<u>2,977.11</u>
Total	<u>46,711.72</u>	<u>42,120.12</u>	<u>28,091.96</u>	<u>22,211.81</u>

## (TRANSLATION)

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20.3 The income tax on the Group's income before income tax differs from the theoretical amount that would arise using the basic tax rate of the country in which the Company is located are as follows:

	Unit : Million US Dollar			
	Consolidated		The Company	
	2013	2012	2013	2012
Income before income tax	3,360.91	3,199.71	2,131.84	2,214.95
Tax calculated at a tax rate of 50%	1,680.45	1,599.85	1,065.92	1,107.47
Tax effect of :				
Associates' results reported, net of tax	(3.08)	(2.33)	-	-
Income not subject to tax	(92.36)	(81.39)	(87.98)	(86.14)
Undeductible expenses – Corporate income tax	(3.01)	(1.62)	(4.83)	(3.90)
Undeductible expenses – Petroleum income tax	334.01	273.62	261.57	219.85
Undeductible expenses – Foreign income tax	31.22	195.00	-	-
Tax loss for which no deferred tax asset was recognized	97.18	86.38	-	-
Differences between tax rate on undeductible expenses – Corporate income tax	(2.71)	(2.25)	(95.40)	74.38
Differences between taxes rate on income before income tax – Corporate income tax	(81.70)	(98.38)	(44.01)	(90.56)
Remeasurement of gain on exchange rate of US Dollar financial statement	55.53	(2.39)	52.99	(5.02)
Remeasurement of gain on exchange rate of Baht financial statement	33.51	(31.39)	122.65	(27.08)
Deferred tax on functional currency	144.20	(34.96)	103.88	(25.63)
Tax credit on petroleum royalty	(589.41)	(538.52)	(468.98)	(429.74)
Tax credit on foreign corporate income tax	(36.49)	(43.10)	-	-
Remeasurement of deferred tax – Change in tax rate	-	3.19	-	2.01
Adjustment in respect of prior year	25.18	(13.53)	27.97	(2.37)
Difference in tax rate of the Group's operating business	(12.69)	(23.95)	-	-
Others	(64.56)	69.96	(24.55)	(18.98)
<b>Income tax</b>	<b>1,515.27</b>	<b>1,354.19</b>	<b>909.23</b>	<b>714.29</b>

## (TRANSLATION)

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	Unit : Million Baht			
	Consolidated		The Company	
	2013	2012	2013	2012
Income before income tax	102,866.48	99,436.08	65,306.34	68,709.86
Tax calculated at a tax rate of 50%	51,433.24	49,718.04	32,653.17	34,354.93
Tax effect of :				
Associates' results reported, net of tax	(94.91)	(72.36)	-	-
Income not subject to tax	(2,847.31)	(2,529.47)	(2,718.14)	(2,672.10)
Undeductible expenses – Corporate income tax	(92.86)	(50.46)	(149.11)	(121.09)
Undeductible expenses – Petroleum income tax	10,296.56	8,503.25	8,081.73	6,819.94
Undeductible expenses – Foreign income tax	962.44	6,060.01	-	-
Tax loss for which no deferred tax asset was recognized	2,995.77	2,684.33	-	-
Differences between tax rate on undeductible expenses				
– Corporate income tax	(83.54)	(69.79)	(2,947.62)	2,307.46
Differences between taxes rate on income before income				
tax – Corporate income tax	(2,518.68)	(3,057.46)	(1,359.69)	(2,809.15)
Remeasurement of gain on exchange rate of US Dollar				
financial statement	1,711.85	(74.42)	1,637.10	(155.72)
Remeasurement of gain on exchange rate of Baht				
financial statement	1,032.91	(975.45)	3,789.41	(840.13)
Deferred tax on functional currency	4,456.08	(1,086.33)	3,209.39	(795.19)
Tax credit on petroleum royalty	(18,169.91)	(16,735.37)	(14,489.86)	(13,330.91)
Tax credit on foreign corporate income tax	(1,124.99)	(1,339.45)	-	-
Remeasurement of deferred tax – Change in tax rate	-	99.05	-	62.29
Adjustment in respect of prior year	776.27	(420.35)	864.07	(73.46)
Difference in tax rate of the Group's operating business	(391.24)	(744.16)	-	-
Others	(1,629.96)	2,210.51	(478.49)	(535.06)
<b>Income tax</b>	<b>46,711.72</b>	<b>42,120.12</b>	<b>28,091.96</b>	<b>22,211.81</b>

## (TRANSLATION)

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20.4 Changes in deferred income tax assets and liabilities are as follows:

Unit : Million US Dollar

	Consolidated				At December 31, 2013
	At January 1, 2013	Statement of income	Shareholders' equity	Others	
Deferred income tax assets :					
Decommissioning costs and currency translation differences from					
decommissioning costs	96.91	21.99	-	-	118.90
Employee benefit obligations	2.35	0.18	0.05	-	2.58
Property, plant and equipment and intangible assets	(17.81)	(39.19)	-	-	(57.00)
Petroleum resource rent tax in Australia	50.74	0.92	-	(2.28)	49.38
Loss carried forward	287.73	-	-	-	287.73
Unrealized foreign exchange	(47.50)	(1.19)	-	-	(48.69)
Revaluation in value of oil and gas properties according to Australian law	(85.62)	-	-	-	(85.62)
Financial derivative	15.05	(8.82)	6.38	-	12.61
Others	58.40	24.64	-	(0.02)	83.02
	360.25	(1.47)	6.43	(2.30)	362.91
Tax effect of currency translation on tax base	20.73	(28.72)	-	-	(7.99)
<b>Total</b>	<b>380.98</b>	<b>(30.19)</b>	<b>6.43</b>	<b>(2.30)</b>	<b>354.92</b>

## (TRANSLATION)

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Unit : Million US Dollar

	Consolidated				At December 31, 2013
	At January 1, 2013	Statement of income	Shareholders' equity	Others	
Deferred income tax liabilities :					
Decommissioning costs and currency translation differences from decommissioning costs	(152.03)	(43.51)	0.20	-	(195.34)
Employee benefit obligations	(35.53)	(2.25)	-	-	(37.78)
Allowance for impairment of assets	(6.39)	-	-	-	(6.39)
Property, plant and equipment and intangible assets	1,956.66	82.15	(39.78)	73.11	2,072.14
Loss carried forward	(62.03)	(39.84)	4.40	-	(97.47)
Advance payment	(12.84)	1.66	-	-	(11.18)
Financial derivative	0.47	(0.29)	4.13	-	4.31
Others	(17.03)	(20.05)	0.94	-	(36.14)
	<u>1,671.28</u>	<u>(22.13)</u>	<u>(30.11)</u>	<u>73.11</u>	<u>1,692.15</u>
Tax effect of currency translation on tax base	(158.50)	115.48	-	-	(43.02)
<b>Total</b>	<u>1,512.78</u>	<u>93.35</u>	<u>(30.11)</u>	<u>73.11</u>	<u>1,649.13</u>

## (TRANSLATION)

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Unit : Million Baht

	Consolidated				At December 31, 2013
	At January 1, 2013	Statement of income	Shareholders' equity	Others	
Deferred income tax assets :					
Decommissioning costs and currency translation differences from decommissioning costs	2,968.59	668.82	264.14	-	3,901.55
Employee benefit obligations	72.19	5.48	6.92	-	84.59
Property, plant and equipment and intangible assets	(545.55)	(1,210.31)	(114.40)	-	(1,870.26)
Petroleum resource rent tax in Australia	1,554.02	36.38	100.16	(70.46)	1,620.10
Loss carried forward	8,813.60	-	627.82	-	9,441.42
Unrealized foreign exchange	(1,455.07)	(37.50)	(105.15)	-	(1,597.72)
Revaluation in value of oil and gas properties according to Australian law	(2,622.77)	-	(186.83)	-	(2,809.60)
Financial derivative	460.89	(272.46)	225.34	-	413.77
Others	1,789.05	772.04	164.00	(0.70)	2,724.39
	<u>11,034.95</u>	<u>(37.55)</u>	<u>982.00</u>	<u>(71.16)</u>	<u>11,908.24</u>
Tax effect of currency translation on tax base	635.18	(890.38)	(6.92)	-	(262.12)
<b>Total</b>	<u><u>11,670.13</u></u>	<u><u>(927.93)</u></u>	<u><u>975.08</u></u>	<u><u>(71.16)</u></u>	<u><u>11,646.12</u></u>

## (TRANSLATION)

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Unit : Million Baht

	Consolidated				At December 31, 2013
	At January 1, 2013	Statement of income	Shareholders' equity	Others	
Deferred income tax liabilities :					
Decommissioning costs and currency translation differences from decommissioning costs	(4,656.94)	(1,351.27)	(401.50)	-	(6,409.71)
Employee benefit obligations	(1,088.26)	(69.48)	(81.83)	-	(1,239.57)
Allowance for impairment of assets	(195.84)	-	(13.94)	-	(209.78)
Property, plant and equipment and intangible assets	59,935.92	2,567.14	3,131.07	2,360.89	67,995.02
Loss carried forward	(1,900.09)	(1,238.63)	(59.80)	-	(3,198.52)
Advance payment	(393.14)	51.35	(25.08)	-	(366.87)
Financial derivative	14.24	(9.04)	135.77	-	140.97
Others	(521.84)	(617.89)	(46.24)	-	(1,185.97)
	51,194.05	(667.82)	2,638.45	2,360.89	55,525.57
Tax effect of currency translation on tax base	(4,855.05)	3,565.70	(122.35)	-	(1,411.70)
<b>Total</b>	<b>46,339.00</b>	<b>2,897.88</b>	<b>2,516.10</b>	<b>2,360.89</b>	<b>54,113.87</b>

Unit : Million US Dollar

	The Company			
	At January 1, 2013	Statement of income	Shareholders' equity	At December 31, 2013
Deferred income tax assets :				
Financial derivative	15.05	(8.82)	6.38	12.61
Others	(0.21)	(0.19)	-	(0.40)
	14.84	(9.01)	6.38	12.21
Tax effect of currency translation on tax base	0.09	(1.05)	-	(0.96)
<b>Total</b>	<b>14.93</b>	<b>(10.06)</b>	<b>6.38</b>	<b>11.25</b>

## (TRANSLATION)

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Unit : Million US Dollar

	The Company			
	At January 1, 2013	Statement of income	Shareholders' equity	At December 31, 2013
Deferred income tax liabilities :				
Decommissioning costs and currency translation differences from decommissioning costs	(110.69)	(38.35)	-	(149.04)
Employee benefit obligations	(35.23)	(2.25)	-	(37.48)
Property, plant and equipment and intangible assets	565.67	78.94	-	644.61
Others	(2.02)	(12.74)	-	(14.76)
	417.73	25.60	-	443.33
Tax effect of currency translation on tax base	(151.25)	102.83	-	(48.42)
<b>Total</b>	<b>266.48</b>	<b>128.43</b>	<b>-</b>	<b>394.91</b>

Unit : Million Baht

	The Company			
	At January 1, 2013	Statement of income	Shareholders' equity	At December 31, 2013
Deferred income tax assets :				
Financial derivative	460.89	(272.46)	225.34	413.77
Others	(6.26)	(5.82)	(0.80)	(12.88)
	454.63	(278.28)	224.54	400.89
Tax effect of currency translation on tax base	2.67	(32.44)	(1.82)	(31.59)
<b>Total</b>	<b>457.30</b>	<b>(310.72)</b>	<b>222.72</b>	<b>369.30</b>

Unit : Million Baht

	The Company			
	At January 1, 2013	Statement of income	Shareholders' equity	At December 31, 2013
Deferred income tax liabilities :				
Decommissioning costs and currency translation differences from decommissioning costs	(3,390.46)	(1,184.93)	(315.04)	(4,890.43)
Employee benefit obligations	(1,079.32)	(69.38)	(81.20)	(1,229.90)
Property, plant and equipment and intangible assets	17,327.55	2,438.97	1,385.64	21,152.16
Others	(61.85)	(393.65)	(28.82)	(484.32)
	12,795.92	791.01	960.58	14,547.51
Tax effect of currency translation on tax base	(4,633.04)	3,176.95	(132.91)	(1,589.00)
<b>Total</b>	<b>8,162.88</b>	<b>3,967.96</b>	<b>827.67</b>	<b>12,958.51</b>

## 21. Prepaid Expenses

As at December 31, 2013, the major prepaid expenses totaling to US Dollar 19.85 million or Baht 651.35 million are the prepayments for investment in the Myanmar Zawtika pipeline project to facilitate the construction of a gas pipeline for Moattama Gas Transportation Company (MGTC). These prepayments will be amortized as expenses in according with the concession period of MGTC.

In addition, prepayments totalling to US Dollar 1.82 million or Baht 59.69 million in which PTTEPI had recorded as advance royalty fee to the Myanmar's government for the Yadana project will be amortized as expense together with the recognition of deferred income as disclosed in Note 29 to the financial statements.

## 22. Financial Derivatives

Financial derivatives are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Financial derivative assets</b>				
<u>Financial derivative assets - Current</u>				
Oil price hedge	2.12	1.39	69.55	42.61
Total financial derivative assets - Current	2.12	1.39	69.55	42.61
<u>Financial derivative assets - Non - current</u>				
Interest rate swap	4.92	5.49	161.52	168.04
Cross currency and interest rate swap	18.01	2.05	591.00	63.02
Total financial derivative assets - Non - current	22.93	7.54	752.52	231.06
<b>Financial derivative liabilities</b>				
<u>Financial derivative liabilities - Current</u>				
Oil price hedge	1.69	-	55.54	-
Cross currency and interest rate swap	34.18	2.42	1,121.48	74.00
Forward foreign exchange	-	0.03	-	0.92
Total financial derivative liabilities - Current	35.87	2.45	1,177.02	74.92
<u>Financial derivative liabilities - Non - current</u>				
Interest rate swap	1.28	2.43	42.06	74.57
Cross currency and interest rate swap	32.85	42.38	1,077.82	1,298.04
Total financial derivative liabilities - Non - current	34.13	44.81	1,119.88	1,372.61

## (TRANSLATION)

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Financial derivative assets</b>				
<u>Financial derivative assets - Non - current</u>				
Interest rate swap	4.92	5.49	161.52	168.04
Total financial derivative assets - Non - current	4.92	5.49	161.52	168.04
<b>Financial derivative liabilities</b>				
<u>Financial derivative liabilities - Current</u>				
Cross currency and interest rate swap	34.18	2.42	1,121.48	74.00
Total financial derivative liabilities - Current	34.18	2.42	1,121.48	74.00
<u>Financial derivative liabilities - Non - current</u>				
Interest rate swap	1.28	0.48	42.06	14.96
Cross currency and interest rate swap	32.85	42.38	1,077.82	1,298.04
Total financial derivative liabilities - Non - current	34.13	42.86	1,119.88	1,313.00

## (TRANSLATION)

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Fair values of financial derivative classified by fair value measurement are as follows:

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2013				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial derivative assets</b>								
Oil price hedge	-	2.12	-	2.12	-	69.55	-	69.55
Interest rate swap	-	4.92	-	4.92	-	161.52	-	161.52
Cross currency and interest rate swap	-	18.01	-	18.01	-	591.00	-	591.00
<b>Financial derivative liabilities</b>								
Oil price hedge	-	1.69	-	1.69	-	55.54	-	55.54
Interest rate swap	-	1.28	-	1.28	-	42.06	-	42.06
Cross currency and interest rate swap	-	67.03	-	67.03	-	2,199.30	-	2,199.30

  

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2012				December 31, 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial derivative assets</b>								
Oil price hedge	-	1.39	-	1.39	-	42.61	-	42.61
Interest rate swap	-	5.49	-	5.49	-	168.04	-	168.04
Cross currency and interest rate swap	-	2.05	-	2.05	-	63.02	-	63.02
<b>Financial derivative liabilities</b>								
Interest rate swap	-	2.43	-	2.43	-	74.57	-	74.57
Cross currency and interest rate swap	-	44.80	-	44.80	-	1,372.04	-	1,372.04
Forward foreign exchange	-	0.03	-	0.03	-	0.92	-	0.92

## (TRANSLATION)

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Unit : Million US Dollar

Unit : Million Baht

	The Company				The Company			
	December 31, 2013				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial derivative assets</b>								
Interest rate swap	-	4.92	-	4.92	-	161.52	-	161.52
<b>Financial derivative liabilities</b>								
Interest rate swap	-	1.28	-	1.28	-	42.06	-	42.06
Cross currency and interest rate swap	-	67.03	-	67.03	-	2,199.30	-	2,199.30

Unit : Million US Dollar

Unit : Million Baht

	The Company				The Company			
	December 31, 2012				December 31, 2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial derivative assets</b>								
Interest rate swap	-	5.49	-	5.49	-	168.04	-	168.04
<b>Financial derivative liabilities</b>								
Interest rate swap	-	0.48	-	0.48	-	14.96	-	14.96
Cross currency and interest rate swap	-	44.80	-	44.80	-	1,372.04	-	1,372.04

Level 1: Fair value based on quoted prices in an active market for identical assets and liabilities.

Level 2: Fair value based on inputs other than quoted prices included with Level 1 that are observable for the assets and liabilities either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on internal valuation model or that are not based on observable market data (that is, unobservable inputs).

Cash flow hedges

The Company entered into the currency forward or option that were being used to hedge cash flow risk of highly probable forecast transactions, as well as cross currency and interest rate swaps to fix the US Dollar interest rate and US Dollar redemption value to reduce the impact of foreign exchange rates volatility, with matching critical terms, i.e. the interest payment interval, maturity date on the currency leg of the swap with the underlying Thai Baht debentures or debt issuance.

In 2013, the Company follows the accounting for hedge on cross currency and interest rate swaps in which the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts that had been recognized in other comprehensive income shall be reclassified to statement of income in the same period when the swap and the underlying debt affect the statement of income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The Company had reclassified loss previously recognized in other comprehensive income to the statement of income during 2013 in the amount of USD 1.95 million.

**23. Other Non-current Assets**

Other non-current assets comprised :

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Carried cost for PetroVietnam in projects:				
- Vietnam B & 48/95	1.06	1.06	34.65	32.34
- Vietnam 52/97	1.01	1.01	33.11	30.91
Deposits	4.03	3.78	132.28	115.94
Decommissioning fund	35.51	-	1,165.36	-
Others	3.64	1.99	119.27	60.86
Total	<u>45.25</u>	<u>7.84</u>	<u>1,484.67</u>	<u>240.05</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deposits	4.00	3.77	131.23	115.34
Others	1.29	1.56	42.26	47.83
Total	<u>5.29</u>	<u>5.33</u>	<u>173.49</u>	<u>163.17</u>

## 24. Loans and Debentures

Loans and debentures comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<u>Current Liabilities</u>				
Current portion of debentures	356.52	163.55	11,698.80	5,009.71
Total current liabilities	356.52	163.55	11,698.80	5,009.71
<u>Non-current Liabilities</u>				
Debentures	2,608.76	2,517.71	85,602.80	77,121.49
Long-term loans from financial institutions	1,057.70	1,091.70	34,706.79	33,440.66
Total non-current liabilities	3,666.46	3,609.41	120,309.59	110,562.15
	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<u>Current Liabilities</u>				
Current portion of debentures	356.52	163.55	11,698.80	5,009.71
Total current liabilities	356.52	163.55	11,698.80	5,009.71
<u>Non-current Liabilities</u>				
Debentures	726.01	626.52	23,822.82	19,191.32
Long-term loans from financial institution	50.00	50.00	1,640.68	1,531.58
Total non-current liabilities	776.01	676.52	25,463.50	20,722.90



Debentures

The carrying value of unsecured and unsubordinated debentures comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
				December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Maturity date within 1 year							
- Debentures Baht 5,000 million <sup>1</sup>	Year 1-2 : 3.00	3.517	May 29, 2013	-	163.55	-	5,009.71
	Year 3-4 : 4.00 or 6-M THB FIX + 1.25 <sup>2</sup>						
- Debentures Baht 11,700 million <sup>3</sup>	4.00	4.089	May 29, 2014	356.52	381.82	11,698.80	11,695.62
Maturity date over 1 year but not exceeding 3 years							
- Debentures USD 500 million <sup>4</sup>	4.152	4.366	July 19, 2015	498.45	497.48	16,355.87	15,238.53
- Debentures USD 200 million	4.152	4.326	August 4, 2015	199.42	199.11	6,543.72	6,099.28
Maturity date over 3 years but not exceeding 5 years							
- Debentures Baht 2,500 million <sup>5</sup>	4.625	4.625	March 27, 2018	76.19	81.61	2,500.00	2,500.00
- Debentures USD 500 million <sup>4,7</sup>	3.707	3.831	September 16, 2018	497.55	-	16,326.18	-
Maturity date over 5 years							
- Debentures Baht 5,000 million <sup>6</sup>	4.80	4.873	May 29, 2019	152.27	163.09	4,996.64	4,995.69
- Debentures USD 700 million <sup>4</sup>	5.692	5.732	April 5, 2021	698.34	698.16	22,914.99	21,385.74
- Debentures USD 490 million <sup>4,8</sup>	6.350	6.404	June 12, 2042	486.54	496.44	15,965.40	15,206.63
Total Carrying Value				2,965.28	2,681.26	97,301.60	82,131.20

## (TRANSLATION)

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	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
				December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Maturity date within 1 year							
- Debentures Baht 5,000 million <sup>1</sup>	Year 1-2 : 3.00	3.517	May 29, 2013	-	163.55	-	5,009.71
	Year 3-4 : 4.00 or 6-M THB FIX + 1.25 <sup>2</sup>						
- Debentures Baht 11,700 million <sup>3</sup>	4.00	4.089	May 29, 2014	356.52	381.82	11,698.80	11,695.62
Maturity date over 3 years but not exceeding 5 years							
- Debentures Baht 2,500 million <sup>5</sup>	4.625	4.625	March 27, 2018	76.19	81.61	2,500.00	2,500.00
- Debentures USD 500 million <sup>4,7</sup>	3.707	3.831	September 16, 2018	497.55	-	16,326.18	-
Maturity date over 5 years							
- Debentures Baht 5,000 million <sup>6</sup>	4.80	4.873	May 29, 2019	152.27	163.09	4,996.64	4,995.69
Total Carrying Value				1,082.53	790.07	35,521.62	24,201.02

<sup>1</sup> In May 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 165.89 million at the exchange rate of Baht 30.14 per US Dollar. Subsequently, in February 2013, this Cross Currency Swap had been unwound.

<sup>2</sup> Minimum and maximum repayments are 3.25% and 6.00% per annum, respectively, with interests for the 3<sup>rd</sup> year and 4<sup>th</sup> year at 4.00% per annum.

<sup>3</sup> In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 389.50 million at the exchange rate of Baht 30.039 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 2.668% per annum.

<sup>4</sup> The Company has Optional Redemption rights. The redemption price is the sum of the debenture par value, accrued interest, and interest payable up to the day before the maturity date plus an applicable premium whereby the applicable premium is the higher of the following:

(1) 1 % per annum of the debenture par value or

(2) Present value that is higher than the debenture par value. Present value is the debenture par value and the interest receivable if the debenture is redeemed on the maturity date minus accrued interest and interest payable to the date of early redemption discounted using Treasury Rate as at the early redemption date plus 0.35% per annum.

<sup>5</sup> On September 27, 2005, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 60.82 million. Under this agreement, interest was charged at the rate of 3.85% per annum. On May 2, 2007, the Company swapped the US Dollar debenture with the same bank for Baht 2,500 million. Under this agreement, the interest rate was reduced to 3.30% per annum until the expiration date. In May 2011, the Company swapped Thai Baht debenture of 2,500 million for US Dollar 82.92 million at the exchange rate of Baht 30.15 per US Dollar. Under this agreement, interest rate was charged at the rate of 3.30% per annum.

<sup>6</sup> In June 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 161.81 million at the exchange rate of Baht 30.90 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 4.93% per annum.

<sup>7</sup> On September 16, 2013, the Company has issued the 5 years senior unsecured debentures in the amount of USD 500 million with a fixed interest rate of 3.707% per annum.

<sup>8</sup> During the year 2013, PTTEP Canada International Finance Limited (PTTEP CIF) bought back its debenture of US Dollar 10 million and has cancelled this buyback debenture. As a result, the principle amount of the debenture has been decreased from USD 500 million to USD 490 million.

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Long-term loans from financial institutions

Long-term loans from financial institutions comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
				December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million <sup>1</sup>	LIBOR + 1.30	1.70	December 9, 2015	50.00	50.00	1,640.68	1,531.58
Maturity date over 3 years but not exceeding 5 years							
- Loan Canadian Dollar 300 million	CDOR + 1.70	3.38	May 11, 2017	278.50	296.70	9,138.63	9,088.43
- Loan Canadian Dollar 75 million	CDOR + 1.90	3.26	May 11, 2017	70.33	75.13	2,307.72	2,301.48
- Loan US Dollar 500 million <sup>2</sup>	LIBOR + 0.985	1.78	November 24, 2017 <sup>4</sup>	492.11	496.23	16,147.76	15,200.49
- Loan US Dollar 75 million	LIBOR + 0.985	1.78	December 1, 2017 <sup>4</sup>	73.79	74.42	2,421.37	2,279.50
Maturity date over 5 years							
- Loan Canadian Dollar 100 million <sup>3</sup>	CDOR + 2.10	3.60	September 19, 2019	92.97	99.22	3,050.63	3,039.18
				<u>1,057.70</u>	<u>1,091.70</u>	<u>34,706.79</u>	<u>33,440.66</u>

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	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
				December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million <sup>1</sup>	LIBOR + 1.30	1.70	December 9, 2015	50.00	50.00	1,640.68	1,531.58
				50.00	50.00	1,640.68	1,531.58

<sup>1</sup> In April 2012, the Company swapped the interest rate on Loan amounting to US Dollar 50 million to average interest rate of 2.25% per annum.

<sup>2</sup> In May 2012, the Company swapped the interest rate on Loan amounting to US Dollar 150 million to average interest rate of 1.91% per annum. And in July 2012, the Company swapped the interest rate on Loan amounting to US Dollar 100 million to average interest rate of 1.78% per annum. In March 2013, the maturity of these 2 loans was extended from 2015 to 2017. In addition, the Company had extended the interest rate swap contract to match against the extended loan resulting in the change in the average interest rate after extension of the interest rate swap contract to 2.1389 % per annum. Subsequently in May 2013, the Company has entered into the Basis Swap Contract by swapping interest rate between 6-M LIBOR and 1-M LIBOR amounting to US Dollar 250 million. The Company has cancelled the US Dollar 250 million interest rate swap contract, including the aforementioned Basis Swap Contract of US Dollar 250 million in July 2013.

<sup>3</sup> Amortized loan with the repayment schedule of 4 installments will start from Year 5.5.

<sup>4</sup> In March 2013, the Company has been approved for the extension of the term loan from 2015 to 2017.

## 25. Short-term Provision

Short-term provision comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for decommissioning cost that will be due within 1 year	11.56	20.76	379.12	635.90
Provision for Montara incident	-	1.51	-	46.29
Provision for remuneration for the renewal of petroleum production	36.64	10.73	1,202.41	328.62
Total	<u>48.20</u>	<u>33.00</u>	<u>1,581.53</u>	<u>1,010.81</u>

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for remuneration for the renewal of petroleum production	36.64	10.73	1,202.41	328.62
Total	<u>36.64</u>	<u>10.73</u>	<u>1,202.41</u>	<u>328.62</u>

## 26. Employee Benefit Obligations

The reconciliation details for the present value of the defined benefit obligation plans and liabilities recognized in the statement of financial position are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Present value of the defined benefit obligation plans as at January 1, 2013	100.20	3,069.34
Current service cost	9.10	280.84
Interest cost	3.49	107.93
Benefits paid	(1.78)	(55.02)
Currency exchange differences	(7.21)	(222.65)
Currency translation differences	-	225.63
Present value of the defined benefit obligation plans as at December 31, 2013	<u>103.80</u>	<u>3,406.07</u>
Unrealized actuarial loss	(19.36)	(635.28)
Net liabilities recorded in the statement of financial position	<u>84.44</u>	<u>2,770.79</u>

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	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Present value of the defined benefit obligation plans as at January 1, 2013	91.75	2,810.47
Current service cost	7.39	228.16
Interest cost	3.24	100.07
Benefits paid	(1.60)	(49.35)
Currency exchange differences	(6.55)	(202.20)
Currency translation differences	-	205.06
Present value of the defined benefit obligation plans as at December 31, 2013	94.23	3,092.21
Unrealized actuarial gain	(19.27)	(632.41)
Net liabilities recorded in the statement of financial position	74.96	2,459.80

Expenses recognized in the statements of income for the years are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Current service cost	9.10	6.26	280.84	193.86
Interest cost	3.49	3.19	107.93	98.73
Transitional liabilities recognized during the year	-	6.03	-	186.78
Actuarial loss recognized during the year	0.63	0.14	19.36	4.64
Expenses recognized in the statements of income	13.22	15.62	408.13	484.01

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Current service cost	7.39	4.62	228.16	143.10
Interest cost	3.24	2.80	100.07	86.75
Transitional liabilities recognized during the year	-	5.75	-	178.18
Actuarial loss recognized during the year	0.63	-	19.36	-
Expenses recorded in the statements of income	11.26	13.17	347.59	408.03

**Major Actuarial Assumptions**The Group's financial assumptions

	% per annum
Discount rate	3.6
Inflation rate	2.0
Credit interest rate on provident funds	4.8 – 6.6

The Group's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2008 (TMO08) issued by the Office of the Insurance Commission. The TMO08 contains the results of the most recent mortality investigation of policyholders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the working population in Thailand.
- Turnover rate assumption:

Age-related scale	% per annum
Prior to age 30	2.5 - 16.0
Age 30-39	1.5 - 10.0
Age 40 thereafter	0.0 - 5.0

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.

**27. Provision for Decommissioning Costs**

Provision for decommissioning costs is as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for decommissioning costs	1,200.46	1,091.50	39,391.17	33,434.50
<u>Less</u> Current portion	(11.56)	(20.76)	(379.12)	(635.90)
Non-current portion of provision for decommissioning costs	1,188.90	1,070.74	39,012.05	32,798.60

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for decommissioning costs	494.17	525.41	16,215.48	16,094.16
<u>Less</u> Current portion	-	-	-	-
Non-current portion of provision for decommissioning costs	494.17	525.41	16,215.48	16,094.16

Movements of provision for decommissioning costs during the year are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2013	1,091.50	33,434.50
Additional provision – Business acquisition	35.95	1,160.82
Additional provision	137.83	4,235.08
Estimated liability incurred during the year	(9.21)	(283.10)
Finance cost	37.79	1,161.12
Reverse provision	(91.27)	(2,804.33)
Currency translation differences	(2.13)	2,487.08
Balance as at December 31, 2013	1,200.46	39,391.17

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2013	525.41	16,094.16
Additional provision	4.13	126.80
Estimated liability incurred during the year	-	-
Finance cost	19.01	584.12
Reverse provision	(54.38)	(1,670.81)
Currency translation differences	-	1,081.21
Balance as at December 31, 2013	494.17	16,215.48

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## 28. Provision for Remuneration for the Renewal of Petroleum Production

Provision for remuneration for the renewal of petroleum production is as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for remuneration for the renewal of petroleum production	567.11	178.18	18,609.06	5,457.89
<u>Less</u> Current portion	<u>(36.64)</u>	<u>(10.73)</u>	<u>(1,202.41)</u>	<u>(328.62)</u>
Non-current portion of provision for remuneration for the renewal of petroleum production	<u>530.47</u>	<u>167.45</u>	<u>17,406.65</u>	<u>5,129.27</u>

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for remuneration for the renewal of petroleum production	567.11	178.18	18,609.06	5,457.89
<u>Less</u> Current portion	<u>(36.64)</u>	<u>(10.73)</u>	<u>(1,202.41)</u>	<u>(328.62)</u>
Non-current portion of provision for remuneration for the renewal of petroleum production	<u>530.47</u>	<u>167.45</u>	<u>17,406.65</u>	<u>5,129.27</u>

Movements of provision for remuneration for the renewal of petroleum production during the year are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
Balance as at January 1, 2013		178.18		5,457.89
Additional provision		484.90		14,899.19
Finance cost		1.32		40.58
Estimated liability incurred during the year		(97.29)		(2,989.34)
Currency translation differences		-		1,200.74
Balance as at December 31, 2013		<u>567.11</u>		<u>18,609.06</u>

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	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2013	178.18	5,457.89
Additional provision	484.90	14,899.19
Finance cost	1.32	40.58
Estimated liability incurred during the year	(97.29)	(2,989.34)
Currency translation differences	-	1,200.74
Balance as at December 31, 2013	567.11	18,609.06

## 29. Deferred Income

Deferred income comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deferred income for the year 2000	28.75	35.59	943.45	1,090.01
Deferred income for the year 2001	-	0.05	-	1.57
Total	28.75	35.64	943.45	1,091.58

Deferred income mainly comprises of the advance received for the payment of natural gas from PTT to PTTEPI and the payment from MOGE to MGTC for transportation of gas in which PTT could not fulfill its obligation during the period from 2000 to 2001 based on agreed deliverable quantity as per natural gas sale agreement of Yadana project. PTTEPI and MGTC will recognize revenue when PTT receives this gas in subsequent years.

## 30. Financial Assets and Financial Liabilities

Financial assets and financial liabilities are as follows:

Unit : Million US Dollar

	Consolidated							
	December 31, 2013				December 31, 2012			
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets
<b>Financial assets</b>								
Cash and cash equivalents	-	-	2,357.04	-	-	-	2,291.92	-
Investments in trading securities	0.14	-	-	-	-	-	-	-
Account receivable - parent company	-	-	894.25	-	-	-	870.24	-
Trade and other accounts receivables	-	-	294.77	-	-	-	337.17	-
Other current assets	-	-	83.17	-	-	-	67.83	-
Investments in available-for-sales securities	-	-	-	1.66	-	-	-	1.25
Long-term loans to related parties	-	-	17.68	-	-	-	18.93	-
Financial derivative assets	7.08	17.97	-	-	7.39	1.54	-	-
Other non-current assets	-	-	6.84	-	-	-	6.78	-
<b>Total financial assets</b>	<b>7.22</b>	<b>17.97</b>	<b>3,653.75</b>	<b>1.66</b>	<b>7.39</b>	<b>1.54</b>	<b>3,592.87</b>	<b>1.25</b>

Unit : Million US Dollar

	Consolidated					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
<b>Financial liabilities</b>						
Short-term loans and current portion of long-term debts	-	-	356.52	-	-	163.55
Trade accounts payable and working capital to co-venturers	-	-	156.99	-	-	127.92
Accrued expenses and interest payable	-	-	923.13	-	-	982.19
Other current liabilities	-	-	56.09	-	-	96.28
Financial derivative liabilities	2.60	67.40	-	2.45	44.81	-
Debentures and long-term loans	-	-	3,666.46	-	-	3,609.41
Other non-current liabilities	-	-	14.56	-	-	19.05
<b>Total financial liabilities</b>	<b>2.60</b>	<b>67.40</b>	<b>5,173.75</b>	<b>2.45</b>	<b>44.81</b>	<b>4,998.40</b>

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Unit : Million Baht

	Consolidated							
	December 31, 2013				December 31, 2012			
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets
<b>Financial assets</b>								
Cash and cash equivalents	-	-	77,342.82	-	-	-	70,205.14	-
Investments in trading securities	4.69	-	-	-	-	-	-	-
Account receivable - parent company	-	-	29,343.64	-	-	-	26,656.98	-
Trade and other accounts receivables	-	-	9,672.31	-	-	-	10,328.07	-
Other current assets	-	-	2,729.16	-	-	-	2,077.66	-
Investments in available-for-sales securities	-	-	-	54.46	-	-	-	38.24
Long-term loans to related parties	-	-	580.00	-	-	-	580.00	-
Financial derivative assets	232.23	589.83	-	-	226.40	47.27	-	-
Other non-current assets	-	-	224.49	-	-	-	207.70	-
<b>Total financial assets</b>	<b>236.92</b>	<b>589.83</b>	<b>119,892.42</b>	<b>54.46</b>	<b>226.40</b>	<b>47.27</b>	<b>110,055.55</b>	<b>38.24</b>

Unit : Million Baht

	Consolidated					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
<b>Financial liabilities</b>						
Short-term loans and current portion of long-term debts	-	-	11,698.80	-	-	5,009.71
Trade accounts payable and working capital to co-venturers	-	-	5,151.38	-	-	3,918.29
Accrued expenses and interest payable	-	-	30,291.11	-	-	30,085.93
Other current liabilities	-	-	1,840.46	-	-	2,949.10
Financial derivative liabilities	85.16	2,211.74	-	74.92	1,372.61	-
Debentures and long-term loans	-	-	120,309.59	-	-	110,562.15
Other non-current liabilities	-	-	477.82	-	-	583.51
<b>Total financial liabilities</b>	<b>85.16</b>	<b>2,211.74</b>	<b>169,769.16</b>	<b>74.92</b>	<b>1,372.61</b>	<b>153,108.69</b>

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Unit : Million US Dollar

	The Company					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1,728.06	-	-	1,732.90
Investments in trading securities	0.14	-	-	-	-	-
Account receivable - parent company	-	-	566.00	-	-	567.88
Trade and other accounts receivables	-	-	52.20	-	-	47.33
Other current assets	-	-	47.15	-	-	19.82
Long - term loans to related parties	-	-	5,628.63	-	-	4,743.94
Financial derivative assets	4.92	-	-	5.49	-	-
Other non-current assets	-	-	4.29	-	-	4.27
<b>Total financial assets</b>	<b>5.06</b>	<b>-</b>	<b>8,026.33</b>	<b>5.49</b>	<b>-</b>	<b>7,116.14</b>

Unit : Million US Dollar

	The Company					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
<b>Financial liabilities</b>						
Short-term loans and current portion of long-term debts	-	-	356.52	-	-	163.55
Trade accounts payable	-	-	14.19	-	-	9.79
Accrued expenses and interest payable	-	-	456.63	-	-	426.64
Other current liabilities	-	-	2.88	-	-	2.72
Financial derivative liabilities	0.90	67.40	-	2.42	42.86	-
Debentures and long-term loans	-	-	776.01	-	-	676.52
<b>Total financial liabilities</b>	<b>0.90</b>	<b>67.40</b>	<b>1,606.23</b>	<b>2.42</b>	<b>42.86</b>	<b>1,279.22</b>

Unit : Million Baht

	The Company					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable
<b>Financial assets</b>						
Cash and cash equivalents	-	-	56,703.74	-	-	53,081.59
Investments in trading securities	4.50	-	-	-	-	-
Account receivable - parent company	-	-	18,572.32	-	-	17,395.12
Trade and other accounts receivables	-	-	1,712.82	-	-	1,449.90
Other current assets	-	-	1,547.23	-	-	607.21
Long - term loans to related parties	-	-	184,695.46	-	-	145,314.44
Financial derivative assets	161.52	-	-	168.04	-	-
Other non-current assets	-	-	140.77	-	-	130.83
<b>Total financial assets</b>	<b>166.02</b>	<b>-</b>	<b>263,372.34</b>	<b>168.04</b>	<b>-</b>	<b>217,979.09</b>

Unit : Million Baht

	The Company					
	December 31, 2013			December 31, 2012		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
<b>Financial liabilities</b>						
Short-term loans and current portion of long-term debts	-	-	11,698.80	-	-	5,009.71
Trade accounts payable	-	-	465.70	-	-	299.76
Accrued expenses and interest payable	-	-	14,983.60	-	-	13,068.63
Other current liabilities	-	-	94.34	-	-	83.19
Financial derivative liabilities	29.62	2,211.74	-	74.00	1,313.00	-
Debentures and long-term loans	-	-	25,463.50	-	-	20,722.89
<b>Total financial liabilities</b>	<b>29.62</b>	<b>2,211.74</b>	<b>52,705.94</b>	<b>74.00</b>	<b>1,313.00</b>	<b>39,184.18</b>

The majority of financial assets are classified as short-term. The interest rate on loans is approximate the market interest rate. The management of the Group believes that the book value of these financial assets are approximate similar to market value.

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The Group calculated the fair value of long-term liabilities using the discounted cash flow based on a discounted rate of borrowing with similar terms. Details of the book value and fair value of these instruments are as follows:

Unit : Million US Dollar

Consolidated		
December 31, 2013		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	584.98	592.26
Unsecured and unsubordinated debentures – US Dollar	2,380.30	2,472.82
Long-term loans from financial institutions – US Dollar	615.90	615.90
Long-term loans from financial institutions – Canadian Dollar	441.80	441.80

Unit : Million Baht

Consolidated		
December 31, 2013		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	19,195.44	19,434.10
Unsecured and unsubordinated debentures – US Dollar	78,106.16	81,141.98
Long-term loans from financial institutions – US Dollar	20,209.81	20,209.81
Long-term loans from financial institutions – Canadian Dollar	14,496.98	14,496.98

Unit : Million US Dollar

The Company		
December 31, 2013		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	584.98	592.26
Unsecured and unsubordinated debentures – US Dollar	497.55	508.15
Long-term loans from financial institution – US Dollar	50.00	50.00

Unit : Million Baht

The Company		
December 31, 2013		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	19,195.44	19,434.10
Unsecured and unsubordinated debentures – US Dollar	16,326.18	16,674.21
Long-term loans from financial institution – US Dollar	1,640.68	1,640.68

**31. Share Capital**

As at December 31, 2013, the Company's registered capital consists of 3,969.98 million ordinary shares at Baht 1 per share, with a total of Baht 3,969.98 million. During the year 2012, the Company offered and allocated of new ordinary shares of up to 650 million ordinary shares at the par value of Baht 1 per share. These shares were fully paid-up. The Company registered the change in its issued and fully paid-up capital to 3,969.98 million ordinary shares at Baht 1 per share, with a total of Baht 3,969.98 million. The details of the change in the issued and fully paid-up ordinary shares are as follows:

	Unit: Million Shares
<u>Ordinary shares issued and fully paid-up</u>	
Balance as at January 1, 2013	3,969.98
New ordinary shares issued during the year	-
Balance as at December 31, 2013	<u>3,969.98</u>
 <u>Ordinary shares issued and fully paid-up</u>	
Balance as at January 1, 2012	3,319.98
New ordinary shares issued during the year	650.00
Balance as at December 31, 2012	<u>3,969.98</u>

**32. Subordinated Capital Debentures**

On June 15, 2012, the Company issued 5 million units of subordinated capital debentures with a face value of Baht 1,000 each totaling to Baht 5,000 million. These subordinated capital debentures are perpetual long-term, unsecured, nonconvertible and no final maturity date. The principle payment will be paid upon liquidation or early redemption by the Company, subject to certain restrictions under the agreement. These subordinated capital debentures bear a step-up fixed interest based on the life of these debentures starting from 5.85 to 7.85 percent per annum. The interest is paid on a quarterly basis. However, the Company can defer the interest payment at its sole discretion. All deferred interest will be accumulated, but not bear any interests. If the Company deferred the interest payment, the Company shall not declare or make any dividend payment, make any interest payment or distribution of any sort of any instrument or security issued by the Company which ranks pari passu or junior to this subordinated capital debentures. In addition, the Company shall not redeem, reduce, cancel, acquire or buy-back for any consideration on any instrument or security issued by the Company which rank pari passu or junior to this subordinated capital debentures. These subordinated capital debentures are recognized as a part of shareholder equity.

There was no issuance of subordinated capital debentures during 2013.

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## 33. Legal Reserve

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Balance as at January 1	15.05	12.96	397.00	332.20
Appropriation during the year	-	2.09	-	64.80
Balance as at December 31	15.05	15.05	397.00	397.00

  

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Balance as at January 1	15.05	12.96	397.00	332.20
Appropriation during the year	-	2.09	-	64.80
Balance as at December 31	15.05	15.05	397.00	397.00

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 % of its net profit until the reserve is not less than 10% percent of the registered capital. The legal reserve is non-distributable by the Company. The Company has fully set aside the legal reserve as required by the law.

## 34. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the years comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Petroleum royalties	815.88	769.76	25,058.53	23,918.67
Special remuneration benefits	0.86	18.46	18.68	573.57
Total	816.74	788.22	25,077.21	24,492.24

  

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Petroleum royalties	468.98	428.49	14,401.63	13,312.88
Special remuneration benefits	-	-	-	-
Total	468.98	428.49	14,401.63	13,312.88

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## 35. Gain (loss) on Foreign Exchange

Gain (loss) on foreign exchange for the years comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Realized loss on foreign exchange	(0.92)	(85.66)	(160.73)	(2,673.70)
Unrealized gain (loss) on foreign exchange	(90.01)	61.70	(2,731.89)	1,946.12
Total	(90.93)	(23.96)	(2,892.62)	(727.58)

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Realized gain (loss) on foreign exchange	2.87	(43.40)	(35.94)	(1,368.26)
Unrealized gain (loss) on foreign exchange	(108.86)	53.44	(3,425.51)	1,678.48
Total	(105.99)	10.04	(3,461.45)	310.22

## 36. Expenses by Nature

Significant expenses by nature of the Group which comprise the expenses based on its percentage of interest in each project for the years are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Salary, wages and employees' benefits	137.27	103.91	4,217.83	3,229.80
Repair and maintenance	101.77	74.65	3,126.93	2,320.36
Exploration well write-off	70.79	94.68	2,206.78	2,945.39
Geological and geophysical	61.19	105.14	1,880.25	3,267.96

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2013	2012	2013	2012
Salary, wages and employees' benefits	61.78	47.33	1,898.28	1,471.32
Repair and maintenance	68.95	50.04	2,118.61	1,555.47
Exploration well write-off	2.47	12.62	78.91	398.28
Geological and geophysical	2.41	5.73	74.06	178.17

## 37. Earnings per Share

Basic earnings per share for the years are calculated as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Profit attributable to shareholders (unit: million)	1,845.64	1,845.52	56,154.77	57,315.96
<u>Less</u> : Interest expenses for subordinated capital debentures (unit: million)	(9.39)	(4.76)	(291.78)	(146.62)
Profit used to determine basic earnings per share (unit: million)	1,836.25	1,840.76	55,862.99	57,169.34
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,346.62	3,969.98	3,346.62
Basic earnings per share	0.46	0.55	14.07	17.08

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2013	2012	2013	2012
Profit attributable to shareholders (unit: million)	1,222.61	1,500.66	37,214.38	46,498.05
<u>Less</u> : Interest expenses for subordinated capital debentures (unit: million)	(9.39)	(4.76)	(291.78)	(146.62)
Profit used to determine basic earnings per share (unit: million)	1,213.22	1,495.90	36,922.60	46,351.43
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,342.62	3,969.98	3,346.62
Basic earnings per share	0.31	0.45	9.30	13.85

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Diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the year adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares are converted into ordinary shares.

Diluted earnings per share for the years are calculated as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2013	2012	2013	2012
Profit attributable to shareholders (unit: million)	1,845.64	1,845.52	56,154.77	57,315.96
<u>Less</u> : Interest expenses for subordinated capital debentures (unit: million)	<u>(9.39)</u>	<u>(4.76)</u>	<u>(291.78)</u>	<u>(146.62)</u>
Profit used to determine diluted earnings per share (unit: million)	1,836.25	1,840.76	55,862.99	57,169.34
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,346.62	3,969.98	3,346.62
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (million shares)	3,969.98	3,346.62	3,969.98	3,346.62
Diluted earnings per share	0.46	0.55	14.07	17.08

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2013	2012	2013	2012
Profit attributable to shareholders (unit: million)	1,222.61	1,500.66	37,214.38	46,498.05
<u>Less</u> : Interest expenses for subordinated capital debentures (unit: million)	<u>(9.39)</u>	<u>(4.76)</u>	<u>(291.78)</u>	<u>(146.62)</u>
Profit used to determine diluted earnings per share (unit: million)	1,213.22	1,495.90	36,922.60	46,351.43
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,346.62	3,969.98	3,346.62
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (million shares)	3,969.98	3,346.62	3,969.98	3,346.62
Diluted earnings per share	0.31	0.45	9.30	13.85

## 38. Segment Information

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	257.40	646.61	-	275.79	-	13.67	150.68	-	-	1,344.15
- Related parties	5,323.92	446.81	110.22	-	-	97.47	165.16	-	(165.16)	5,978.42
Other revenues - Third parties	14.67	9.35	32.32	2.78	0.33	0.10	0.83	117.26	(101.26)	76.38
Total Revenues	5,595.99	1,102.77	142.54	278.57	0.33	111.24	316.67	117.26	(266.42)	7,398.95
Operating expenses	430.61	244.79	29.64	244.28	-	27.59	9.78	15.95	(175.26)	827.38
Administrative expenses	77.38	43.45	20.52	12.81	9.04	4.94	5.40	85.46	(91.16)	167.84
Exploration expenses										
- Amortization of dry holes and projects	14.36	11.71	3.27	3.78	38.24	0.08	-	-	-	71.44
- Geological and geophysical	21.43	41.36	(4.44)	15.97	9.62	16.64	-	-	-	100.58
Depreciation, depletion and amortization	1,301.11	150.33	73.82	44.37	1.21	41.72	7.25	3.33	(0.15)	1,622.99
Petroleum royalties and remuneration	698.50	112.13	-	6.11	-	-	-	-	-	816.74
Loss on financial derivatives	-	-	-	-	-	-	-	5.44	-	5.44
(Gain) loss on foreign exchange	21.00	6.82	3.13	0.14	0.11	-	(0.04)	1.84	-	33.00
Share of gain from associates	-	-	(2.12)	-	-	-	-	(4.04)	-	(6.16)
Total Expenses	2,564.39	610.59	123.82	327.46	58.22	90.97	22.39	107.98	(266.57)	3,639.25
Segment result	3,031.60	492.18	18.72	(48.89)	(57.89)	20.27	294.28	9.28	0.15	3,759.70
Depreciation - general										(14.41)
Administrative expenses - general										(165.45)
Operating profit										3,579.84
Other income, net										12.88
Finance costs										
- Interest income										33.07
- Interest expenses and other finance costs										(200.76)
Loss on foreign exchange										(57.93)
Management's remuneration										(6.19)
Income before tax										3,360.91
Tax - Project	(1,159.26)	(216.65)	0.92	12.35	-	(13.33)	(65.63)	(7.53)		(1,449.13)
- Group										(66.14)
<b>Net Profit (Loss)</b>	<b>1,872.34</b>	<b>275.53</b>	<b>19.64</b>	<b>(36.54)</b>	<b>(57.89)</b>	<b>6.94</b>	<b>228.65</b>	<b>1.75</b>		<b>1,845.64</b>

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Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
<b>Assets</b>										
Segment assets	6,530.93	2,470.88	3,034.28	2,877.19	2,512.26	29.58	662.19	125.15		18,242.46
Investments under equity method	-	-	5.57	-	-	-	-	31.27		36.84
Unallocated assets										3,293.09
<b>Total assets</b>										<b>21,572.39</b>
<b>Liabilities</b>										
Segment liabilities	3,691.59	514.46	291.47	600.84	54.04	26.08	64.15	31.97		5,274.60
Unallocated liabilities										4,569.27
<b>Total liabilities</b>										<b>9,843.87</b>
<b>Capital Expenditures</b>	<b>1,841.87</b>	<b>1,129.06</b>	<b>349.94</b>	<b>204.96</b>	<b>226.01</b>	<b>2.46</b>	<b>204.16</b>	<b>64.38</b>		<b>4,022.84</b>

## (TRANSLATION)

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Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	7,888.21	19,828.39	-	8,483.95	-	418.63	4,635.63	-	-	41,254.81
- Related parties	163,491.18	13,758.92	3,485.01	-	-	2,982.77	5,180.88	-	(5,180.88)	183,717.88
Other revenues - Third parties	447.97	279.85	1,013.99	85.03	10.68	3.23	25.47	3,677.46	(3,181.84)	2,361.84
Total Revenues	171,827.36	33,867.16	4,499.00	8,568.98	10.68	3,404.63	9,841.98	3,677.46	(8,362.72)	227,334.53
Operating expenses	13,254.27	7,633.94	938.60	7,506.31	-	849.94	302.13	502.74	(5,497.57)	25,490.36
Administrative expenses	2,395.75	1,335.95	635.34	394.43	278.84	152.95	165.85	2,672.11	(2,865.14)	5,166.08
Exploration expenses										
- Amortization of dry holes and projects	454.99	378.87	100.86	117.92	1,172.23	2.25	-	-	-	2,227.12
- Geological and geophysical	659.83	1,280.71	(126.72)	496.67	292.37	521.28	-	-	-	3,124.14
Depreciation, depletion and amortization	40,015.61	4,580.42	2,328.20	1,364.89	36.89	1,252.89	222.90	102.79	(4.78)	49,899.81
Petroleum royalties and remuneration	21,444.90	3,443.40	-	188.91	-	-	-	-	-	25,077.21
Loss on financial derivatives	-	-	(0.20)	-	-	-	-	190.77	-	190.57
(Gain) loss on foreign exchange	614.48	217.11	94.31	4.26	3.35	(0.08)	(0.82)	58.67	-	991.28
Share of gain from associates	-	-	(65.08)	-	-	-	-	(125.32)	-	(190.40)
Total Expenses	78,839.83	18,870.40	3,905.31	10,073.39	1,783.68	2,779.23	690.06	3,401.76	(8,367.49)	111,976.17
Segment result	92,987.53	14,996.76	593.69	(1,504.41)	(1,773.00)	625.40	9,151.92	275.70	4.77	115,358.36
Depreciation - general										(451.08)
Administrative expenses - general										(5,182.85)
Operating profit										109,724.43
Other income, net										398.53
Finance costs										
- Interest income										1,007.75
- Interest expenses and other finance costs										(6,175.11)
Loss on foreign exchange										(1,901.34)
Management's remuneration										(187.77)
Income before tax										102,866.49
Tax - Project	(35,642.38)	(6,684.47)	36.38	381.02	-	(396.31)	(2,025.92)	(229.83)		(44,561.51)
- Group										(2,150.21)
Net Profit (Loss)	57,345.15	8,312.29	630.07	(1,123.39)	(1,773.00)	229.09	7,126.00	45.87		56,154.77

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Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
<b>Assets</b>										
Segment assets	214,302.99	81,078.34	99,565.61	94,410.99	82,436.11	970.76	21,728.83	4,106.53		598,600.16
Investments under equity method	-	-	182.82	-	-	-	-	1,026.11		1,208.93
Unallocated assets										108,057.85
<b>Total assets</b>										<b>707,866.94</b>
<b>Liabilities</b>										
Segment liabilities	121,134.25	16,881.25	9,564.10	19,715.79	1,772.99	855.84	2,105.07	1,049.13		173,078.42
Unallocated liabilities										149,934.01
<b>Total liabilities</b>										<b>323,012.43</b>
<b>Capital Expenditures</b>	<b>56,198.41</b>	<b>35,523.48</b>	<b>10,680.81</b>	<b>6,231.81</b>	<b>7,025.34</b>	<b>76.83</b>	<b>6,259.35</b>	<b>2,018.36</b>		<b>124,014.39</b>

(TRANSLATION)

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Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	425.17	662.48	-	255.52	-	14.71	150.68	-	-	1,508.56
- Related parties	4,786.56	447.38	-	-	-	97.74	168.27	-	(168.27)	5,331.68
Other revenues - Third parties	25.37	-	178.99	7.62	2.01	-	0.82	23.90	(98.34)	140.37
<b>Total Revenues</b>	<b>5,237.10</b>	<b>1,109.86</b>	<b>178.99</b>	<b>263.14</b>	<b>2.01</b>	<b>112.45</b>	<b>319.77</b>	<b>23.90</b>	<b>(266.61)</b>	<b>6,980.61</b>
Operating expenses	371.89	237.51	7.94	219.43	-	31.99	8.12	0.86	(172.09)	705.65
Administrative expenses	76.09	35.64	20.55	22.27	14.06	5.88	2.96	10.83	(2.20)	186.08
Exploration expenses										
- Amortization of dry holes and projects	25.25	9.55	6.89	14.92	12.06	26.01	-	-	-	94.68
- Geological and geophysical	34.46	27.93	26.00	20.75	8.33	0.89	-	-	-	118.36
Depreciation, depletion and amortization	1,039.99	165.14	57.88	42.70	0.13	49.46	7.28	2.21	-	1,364.79
Petroleum royalties and remuneration	670.25	111.62	-	6.35	-	-	-	-	-	788.22
Loss from Montara incident	-	-	0.54	-	-	-	-	-	-	0.54
Impairment loss on assets	-	-	204.17	-	-	-	-	-	-	204.17
Loss on financial derivatives	-	-	-	-	-	-	-	12.26	-	12.26
(Gain) loss on foreign exchange	(0.86)	(1.08)	4.34	0.07	(0.35)	-	0.07	(1.26)	-	0.93
Share of gain from associates	-	-	(1.01)	-	-	-	-	(3.65)	-	(4.66)
<b>Total Expenses</b>	<b>2,217.07</b>	<b>586.31</b>	<b>327.30</b>	<b>326.49</b>	<b>34.23</b>	<b>114.23</b>	<b>18.43</b>	<b>21.25</b>	<b>(174.29)</b>	<b>3,471.02</b>
Segment result	3,020.03	523.55	(148.31)	(63.35)	(32.22)	(1.78)	301.34	2.65	(92.32)	3,509.59
Depreciation - general										(9.05)
Administrative expenses - general										(126.14)
Operating profit										3,374.40
Other income, net										24.19
Finance costs										
- Interest income										15.87
- Interest expenses and other finance costs										(187.01)
Loss on foreign exchange										(23.03)
Management's remuneration										(4.71)
Income before tax										3,199.71
Tax - Project	(1,136.34)	(189.73)	(65.09)	26.88	(0.63)	(8.73)	(85.06)	(3.08)		(1,461.78)
- Group										107.59
<b>Net Profit (Loss)</b>	<b>1,883.69</b>	<b>333.82</b>	<b>(213.40)</b>	<b>(36.47)</b>	<b>(32.85)</b>	<b>(10.51)</b>	<b>216.28</b>	<b>(0.43)</b>		<b>1,845.52</b>

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Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
<b>Assets</b>										
Segment assets	6,150.53	1,566.79	2,811.52	2,870.17	2,972.78	104.25	225.02	118.88		16,819.94
Investments under equity method	-	-	3.46	-	-	-	-	27.74		31.20
Unallocated assets										2,785.88
<b>Total assets</b>										<b>19,637.02</b>
<b>Liabilities</b>										
Segment liabilities	3,252.45	344.17	351.40	687.97	658.82	54.75	43.64	26.31		5,419.51
Unallocated liabilities										3,506.21
<b>Total liabilities</b>										<b>8,925.72</b>
<b>Capital Expenditures</b>	<b>1,633.48</b>	<b>483.87</b>	<b>634.97</b>	<b>153.94</b>	<b>2,730.16</b>	<b>50.45</b>	<b>167.87</b>	<b>39.52</b>		<b>5,894.26</b>

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Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	13,214.57	20,576.41	-	7,934.90	-	457.38	4,685.26	-	-	46,868.52
- Related parties	148,717.59	13,911.13	-	-	-	3,039.45	5,230.86	-	(5,230.86)	165,668.17
Other revenues - Third parties	788.69	-	5,516.26	235.09	61.46	-	25.53	743.05	(3,018.65)	4,351.43
Total Revenues	162,720.85	34,487.54	5,516.26	8,169.99	61.46	3,496.83	9,941.65	743.05	(8,249.51)	216,888.12
Operating expenses	11,538.83	7,381.61	244.20	6,809.03	-	993.89	252.45	27.02	(5,349.84)	21,897.19
Administrative expenses	2,366.85	1,106.91	638.47	692.47	435.53	183.07	91.55	334.75	(68.37)	5,781.23
Exploration expenses										
- Amortization of dry holes and projects	783.59	297.88	211.53	456.95	378.51	816.93	-	-	-	2,945.39
- Geological and geophysical	1,066.49	869.45	817.19	645.86	257.82	27.63	-	-	-	3,684.44
Depreciation, depletion and amortization	32,336.82	5,131.23	1,781.32	1,328.30	4.13	1,534.14	226.15	68.83	-	42,410.92
Petroleum royalties and remuneration	20,825.88	3,468.85	-	197.51	-	-	-	-	-	24,492.24
Loss from Montara incident	-	-	17.54	-	-	-	-	-	-	17.54
Impairment loss on assets	-	-	6,365.54	-	-	-	-	-	-	6,365.54
Loss on financial derivatives	-	-	-	-	-	-	-	384.73	-	384.73
(Gain) loss on foreign exchange	(31.98)	(33.74)	133.34	1.94	(11.01)	-	2.20	(39.14)	-	21.61
Share of gain from associates	-	-	(31.67)	-	-	-	-	(113.04)	-	(144.71)
Total Expenses	68,886.48	18,222.19	10,177.46	10,132.06	1,064.98	3,555.66	572.35	663.15	(5,418.21)	107,856.12
Segment result	93,834.37	16,265.35	(4,661.20)	(1,962.07)	(1,003.52)	(58.83)	9,369.30	79.90	(2,831.30)	109,032.00
Depreciation - general										(280.87)
Administrative expenses - general										(3,898.97)
Operating profit										104,852.16
Other income, net										755.18
Finance costs										
- Interest income										493.58
- Interest expenses and other finance costs										(5,812.48)
Loss on foreign exchange										(705.97)
Management's remuneration										(146.39)
Income before tax										99,436.08
Tax - Project	(35,316.77)	(5,900.02)	(2,030.42)	839.20	(19.17)	(279.13)	(2,638.08)	(96.22)		(45,440.61)
- Group										3,320.49
<b>Net Profit (Loss)</b>	<b>58,517.60</b>	<b>10,365.33</b>	<b>(6,691.62)</b>	<b>(1,122.87)</b>	<b>(1,022.69)</b>	<b>(337.96)</b>	<b>6,731.22</b>	<b>(16.32)</b>		<b>57,315.96</b>

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Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Souteast Asia			
<b>Assets</b>										
Segment assets	188,400.51	47,993.31	86,121.40	87,917.80	91,060.95	3,193.51	6,892.77	3,641.51		515,221.76
Investments under equity method	-	-	105.83	-	-	-	-	849.80		955.63
Unallocated assets										85,335.90
<b>Total assets</b>										<b>601,513.29</b>
<b>Liabilities</b>										
Segment liabilities	99,627.63	10,542.51	10,764.02	21,073.67	20,180.86	1,676.95	1,336.66	805.86		166,008.16
Unallocated liabilities										107,400.88
<b>Total liabilities</b>										<b>273,409.04</b>
<b>Capital Expenditures</b>	<b>50,493.37</b>	<b>14,995.13</b>	<b>19,723.22</b>	<b>5,470.28</b>	<b>84,542.91</b>	<b>1,571.54</b>	<b>5,275.89</b>	<b>1,218.29</b>		<b>183,290.63</b>

The Group is organized into the following business segments:

- Exploration and production: The Group operates in oil and gas exploration and production both domestically and overseas, either as an operator or as a joint venture partner with international oil and gas companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects are located in Southeast Asia, Australia, North America, Africa and the Middle East. As at the financial statement date, the Group had 22 projects in the production phase and 23 projects in the development and exploration phases.
- Overseas pipelines: The Group has investments with its joint venture partners to operate pipelines to transport natural gas from the exploration and production projects where the Group has working interests i.e., the Yadana, Yetagun and Zawtika gas transportation projects.
- Others: The Group's other operations consist mainly of investments in projects strategically connected to the energy business; this does not constitute a separately reportable segment.

### 39. Risk Management

The Group exposes to various risks from its business and operation as follows:

#### Market Risk

Market risk is the situation whereby changes in commodity prices, interest rates, and foreign exchange rates may positively or adversely impact the Group's revenues, cash flows, assets, and liabilities.

The Group uses various financial instruments for the purpose of managing the risk exposure on the fluctuation in the commodity prices, interest rates and foreign exchange rates.

#### ■ Price Risk

In 2013, world oil prices fluctuated. The price of Brent crude oil was in the range of US Dollar 98 - 119 per barrel. The Group's product prices vary with those of world oil prices, which are subject to factors beyond its control, for instance, market demand and supply, political and economic stability of various countries, OPEC's production policy, oil reserves and the change in the global climate each season. Fluctuations in world oil prices affect the Group's revenue and investment planning.

In this regard, when world oil prices change, so do the prices of the Group's crude oil and condensate. However, because of built-in natural gas pricing mechanisms found in the Gas Sale Agreement (GSA) which cushion natural gas prices from oil prices volatility (Natural Hedge), when the reference oil prices change, the typical prices of natural gas do change in the same direction. Most of the Group's contractual natural gas prices are adjusted every 6 or 12 months depending on the gas price formula of each project, the natural gas price will move correspondingly to a certain degree compared to the prices of crude oil and condensate.

The Group has managed the oil price risk by analyzing the impact of the level of oil price changes to revenue and net profit of the Group annually. The risk mitigation plan is reviewed by the Risk Management Committee and endorsed by the Board of Directors for future cash flows. In addition, the Group entered into a derivative on oil price hedged for the Group's petroleum products using the Brent oil price during January 2014 to June 2014 totaling to 6.04 million barrels.

■ **Interest Rate Risk**

The Group is exposed to interest rate risk from the changes in interest rate that will affect future cash flows and fair values of financial instruments. The majority of the Group's debts are subject to fixed interest rates, resulting in stable cash outflows. However, fixed interest rates would result in a higher interest expense if the market interest rates decrease. In order to manage the risk from falling interest rates, the Group has a policy to maintain a proper proportion between fixed-interest rate debts and floating-interest rate debts. The Group considers both fixed and floating-interest rate borrowings as well as using the financial instruments, such as interest rate swap to swap from floating interest rate to fixed - interest rate and vice versa in order to prevent interest rate risks. The Group considers costs, market conditions, and acceptable risks in using the financial instrument to prevent the risk.

As at December 31, 2013, the Group has proportion of floating rate debt net of interest rate swaps at 25 % of total debt (in 2012 at 21%). The weighted average interest rate on debt was 3.99 % per annum (in 2012 was 3.99% per annum).

The Group's income before income taxes is sensitive to changes in interest rates on the floating rate element of the Group's debt as at January 1, 2014. If the interest rate applicable to floating rate instruments were to have increased by 1% per annum, it is estimated that the Group's income before income taxes for 2014 would decrease by approximately US Dollars 11 million (in 2012 decrease by US Dollars 8 million). This assumes that the debt amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2014. Furthermore, the effect on the Group's income before income taxes shown by this analysis does not consider the effect of any changes in general economic activity that may accompany such increase or decrease in interest rates.

■ **Foreign Currency Risk**

The vast majority of the Group's domestic and international business (revenues and expenses) are in US Dollar. Commencing January 1, 2011, the Company's management has determined the US Dollar as the functional currency by considering revenue from and operating expenses used in the primary economic environment in which the entity operates. The Group is exposed to the exchange rate risks from transactions which are denominated in currencies that are not the Group's functional currency. Foreign exchange gains and losses are presented in Note 35.

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The Group is aware of the risks surrounding financial assets and liabilities denominated in foreign currencies. As a result, the Group has a policy of asset and liability management by which the structure and features of transactions regarding assets, liabilities and shareholders' equity are aligned with each other. In addition, the Group has considered managing foreign currency risk with financial derivatives together with the consideration yields and risks arising in each interval.

The Group's income before income taxes are sensitive to changes in foreign currency of net assets and liabilities denominated in currencies other than functional currency. If at December 31, 2013 and 2012, the other currencies had fluctuated 10% against the functional currency, the possible change to the Group's income before income taxes is as follows:

	Unit: Million US Dollar	
	Consolidated	
	Exposure of asset and liability position to the exchange rate	
	Baht to US Dollar	Canadian Dollar to US Dollar
For the year ended December 31, 2013		
Income before income taxes increase (decrease)		
(10% US Dollar appreciate)	(57)	(84)
Income before income taxes increase (decrease)		
(10% US Dollar depreciate)	57	84
For the year ended December 31, 2012		
Income before income taxes increase (decrease)		
(10% US Dollar appreciate)	10	(134)
Income before income taxes increase (decrease)		
(10% US Dollar depreciate)	(10)	134

Credit Risk

The Group seeks to ensure that sales of products are made to the customers with acceptable credit profiles, with the overwhelming majority of sales being made to PTT Public Company Limited, PTTEP's parent company. The credit risks are carefully assessed and regularly reviewed.

All of banks in which the Group places deposits are rated at investment grade level. The Group regularly assesses credit quality and stability of these banks by taking into account of their credit rating, investment portfolio, and other financial factors which demonstrate their performance and the ability of their business risk management process, such as, debt to deposit ratio, non-performing to gross loan ratio. These factors are used to manage risks and to consider the amount of bank deposit limit in order to ensure that deposits are well-diversified and to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

Before entering into financial derivative contracts, the Group has assessed the financial position and credit worthiness, including setting up credit exposure limit, of counterparty bank in the same way as when the Group assesses banks before placing deposit as described above. Currently all banks in which the Group has entered into financial derivative contracts are rated at investment grade level. In addition, the Group has adjust, based on the timing and type of transaction, the outstanding balance of each derivative financial instrument made with banks to reflect the risk-adjusted exposure and has diversified transactions to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

The Group's maximum exposure to credit risks is the fair value of financial assets.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. The Group's contractual maturity of liabilities and interest are as follows:

	Unit: Million US Dollar				
	Within 1 year	Over 1 year but not exceeding 3 years	Over 3 years but not exceeding 5 years	Over 5 years	Total
Trade accounts payable and working capital to co-venturers	156.99	-	-	-	156.99
Accrued expenses	873.62	-	-	-	873.62
Other current liabilities	56.09	-	-	-	56.09
Loans from financial institution with floating interest rate					
Principle	-	50.00	974.33	46.98	1,071.31
Interest*	21.85	43.26	19.23	0.79	85.13
Debenture with fixed interest rate					
Principle	356.56	700.00	576.19	1,342.38	2,975.13
Interest*	135.52	227.71	197.39	834.47	1,395.09
Foreign currency and interest rate swap	33.78	5.22	11.94	-	50.94

The major assumptions for the data presented in the table above are that all the interest expenses are calculated based on the contractual interest rate and there is no change in aggregate principle amounts of loans other than repayment at scheduled maturity. The floating interest rate is based on the nominal interest rate at December 31, 2013.

- Thai Baht liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 27, 2013 at Baht 32.8136 per US Dollar.
- Canadian Dollar liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 27, 2013 at Baht 30.8318 per Canadian Dollar for conversion to Thai Baht and at Baht 32.8136 for conversion from Thai Baht to US Dollar, respectively.

\* Interest represents the interest payment due within one year.

The Group manages its liquidity risks by preparing cash flow forecasts and adjusting financial estimates regularly. The Group operates a Short-Term Financing Program in order to access Thailand's capital market by issuing short-term debt securities, and credit facilities with commercial banks. This credit facilities are available within 3-5 business days after notifying to the bank with the agreed upon interest rate in advance.

The outstanding principle amount and undrawn facilities are summarized below:

	Credit limit	Undrawn amount
Committed bank credit facility	611.33	611.33
Uncommitted bank credit facility	380.29	380.29
Short-term debt securities	1,523.76	1,523.76

Unit: Million US Dollar

Uncommitted bank credit facility equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 27, 2013 at Baht 32.8136 per US Dollar.

The Group's Receivables Purchase Financing Facility has been launched for the purpose of converting credit terms to immediate cash to ensure flexible working capital.

The Company's International Credit Rating is comparable with the Sovereign Rating of Thailand and the National Credit Rating is at the AAA. As a result, the Company can access to the source of fund for the long-term loan at the interest rate approximate the market interest rate. For the years ended 2013 and 2012, the Company's credit ratings as assigned by prominent credit rating agencies are as follows:

Rating Agency	2013		2012	
	Foreign Currency	Domestic Currency	Foreign Currency	Domestic Currency
Moody's	Baa1	Baa1	Baa1	Baa1
Standard and Poor's	BBB+	BBB+	BBB+	BBB+
Japan Credit Rating	A-	A	A-	A
TRIS Rating (National Rating)	-	AAA	-	AAA

**40. Dividends**

On March 27, 2013, the Annual General Meeting of the Shareholders approved payment of a dividend for the year 2012 of Baht 5.80 per share. The Company made interim dividend payment for the first half-year operations of 2012 at the rate of Baht 2.80 per share on August 22, 2012 and for the second half-year operations of 2012 at the rate of Baht 3.00 per share on April 9, 2013.

The Company estimated the dividend to its shareholders for the year 2013 at Baht 6.00 per share. The Company made an interim dividend payment for the first half-year operations of 2013 at the rate of Baht 3.00 per share on August 23, 2013 and still has to pay the dividend for the second half-year operations of 2013 at the rate of Baht 3.00 per share. This dividend will be paid upon approval by the Annual General Meeting of the Shareholders.

**41. Commitments, Contingent Liabilities and Significant Litigation**

- Commitment under operating leases – the Group as a lessee

The future minimum lease payments for the non-cancellable operating leases are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Within 1 year	75.13	93.38	2,465.23	2,860.19
Over 1 year but not exceeding 5 years	81.17	82.86	2,663.86	2,538.93
Over 5 years	65.83	74.78	2,160.60	2,290.69
Total	222.13	251.02	7,289.69	7,689.81

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Within 1 year	42.33	60.50	1,389.25	1,852.84
Over 1 year but not exceeding 5 years	34.79	23.52	1,141.58	720.94
Over 5 years	0.01	0.31	0.56	9.53
Total	77.13	84.33	2,531.39	2,583.31

- Commitment from loan agreements
  - The Company had a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at December 31, 2013 was US Dollar 17.68 millions (Baht 580 million).
  
- Commitment from loan and debenture guarantee of subsidiaries
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 500 million and US Dollar 200 million, respectively to guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF).
  - The Company has commitment from loan guarantee within the credit facility of US Dollar 500 million and US Dollar 75 million, respectively to guarantee for PTTEP Offshore Investment Company Limited (PTTEPO).
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 490 million and US Dollar 700 million and loan guarantee of Canadian Dollar 300 million, Canadian Dollar 75 million and Canadian Dollar 100 million, respectively, to guarantee for PTTEP Canada International Finance Limited (PTTEP CIF).
  
- Obligation under Gas Sale Agreement
  - According to the Gas Sales Agreement of MTJDA B-17 Project, if PTTEP International Limited (PTTEPI) and the joint operation, as the sellers, fail to deliver the quantity of natural gas notified by the buyer on the date agreed upon, the buyer has the right to take the deficient quantity of natural gas (Shortfall) at a price equal to 75% of the current price applicable at the time the Shortfall occurred.  
  
On December 31, 2013, PTTEPI have an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 13.72 million (Baht 450.34 million). Currently, negotiation between the buyer (PTT) and the seller are in process.
  
- Contingent liabilities
  - On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to an incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 1, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven and unsubstantiated. No verifiable scientific evidence has yet been provided to support the claim.

Currently, there are uncertainties for this claim and charge, and the Company is in discussion with the Government of Indonesia to agree on the Memorandum of Understanding (MOU). The discussion is on-going and the conclusion regarding to this matter has not be finalized.

- As at December 31, 2013, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 19.22 million or Baht 630.75 million for the Company's financial statements and US Dollar 21.01 million (Baht 689.27 million) for the consolidated financial statements.

- Significant litigation

Cove Energy Limited (Cove), a subsidiary of the Company has been claimed by The Tanzanian Revenue Authority (TRA) for the additional Value Added Tax (VAT), including interest based on the Farm-in agreement made in 2009. The TRA has requested for the additional payment of VAT including interest total to US Dollar 0.51 million (Baht 16.70 million). Cove is currently negotiated with the TRA. However, in order for Cove to proceed for the negotiation, the TRA has requested Cove to pay the one-third of the assessed amount total to US Dollar 0.17 million (Baht 5.57 million) upfront in which Cove has paid in June 2012.

As at December 31, 2013, the Company has already recognized the remaining amount of assessed claim, plus interest total to US Dollar 0.34 million (Baht 11.13 million) in the consolidated financial statement.

#### 42. Events after the Statement of Financial Position Date

- On January 30, 2014, PTTEP Canada Limited (PTTEPCA), a subsidiary of the Company, has entered into a Partnership Units Redemption Agreement (PURA) with Statoil Canada Limited, a joint venture partner in the Canada Oil Sands KKD (KKD) project, to restructure the ownership interests of the five areas of the KKD project, whereby PTTEPCA will exchange its 40% participating interests in Leismer and Corner areas with the 60% participating interests in Thournbury, Hangingstone and South Leismer areas plus cash of US Dollar 200 million and cash calculated from the working capital adjustment relating to expenditures and revenues of the KKD project from January 1, 2013 until the effective date of the agreement. The agreement will become effective when PTTEP CA has fulfilled all the terms and conditions as prescribed in the PURA and the government of Canada has approved the transaction. If the agreement becomes effective, PTTEP CA will own 100% and become an operator in Thornbury, Hangington and South Leismer areas.
  - The Board of Directors of the Company authorized for the issue of these financial statements on February 17, 2014.
-