

AUDITOR'S REVIEW REPORT AND FINANCIAL STATEMENTS
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012

(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, respectively and its subsidiaries and of PTT Exploration and Production Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2012, the consolidated and separate statements of comprehensive income, 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 audit. The Office of the Auditor General of Thailand conducted an audit in accordance with Thai Standards on Auditing. Those standards require that The Office of the Auditor General of Thailand complies with ethical requirements, plans and performs the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

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

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

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 financial position of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited as at December 31, 2012, and its consolidated and separate results of operations and its cash flows for the year then ended, presented in US Dollar and Thai Baht respectively, in accordance with Thai Financial Reporting Standards.

(Signed)

*Sirin Phankasem
(Sirin Phankasem)
Inspector General 1*

(Signed)

*Adisorn Puawaranukroh
(Adisorn Puawaranukroh)
Director of Audit Office for
Auditor General*



PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND 2011
 CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
Assets					
Current Assets					
Cash and cash equivalents	7	2,291,918,927	1,350,529,553	70,205,143,796	42,799,902,166
Account receivable - parent company	8	870,244,507	484,200,308	26,656,981,639	15,344,888,772
Trade accounts receivable	9	170,371,799	150,154,941	5,218,760,804	4,758,590,271
Other accounts receivable		166,798,750	201,896,882	5,109,312,607	6,398,354,465
Inventories		19,310,641	17,360,176	591,515,830	550,164,826
Materials and supplies, net	10	304,395,514	271,130,269	9,324,121,619	8,592,443,590
Other current assets					
Working capital from co-venturers		41,870,830	43,557,383	1,282,570,510	1,380,385,765
Accrued interests receivable		539,935	1,376,819	16,539,078	43,633,057
Financial derivative assets	21	1,391,184	-	42,614,209	-
Other current assets	11	164,403,185	217,592,694	5,035,932,597	6,895,773,598
Total Current Assets		4,031,245,272	2,737,799,025	123,483,492,689	86,764,136,510
Non-current Assets					
Investments in available-for-sales securities	12	1,248,482	-	38,242,995	-
Investments in associates	14.4	31,197,587	26,923,262	955,632,004	853,230,480
Investments in subsidiaries		-	-	-	-
Long-term loans to related parties	13.2	18,934,694	18,485,368	579,999,981	585,823,494
Property, plant and equipment, net	15, 16	10,970,970,462	9,300,911,875	336,058,378,798	294,757,058,393
Goodwill	17	901,240,414	329,695,073	27,606,435,871	10,448,432,503
Intangible assets, net	18	3,238,673,557	1,136,554,494	99,205,752,910	36,018,775,784
Deferred income tax assets	19.1	380,983,244	510,603,298	11,670,126,329	16,181,631,225
Other non-current assets					
Prepaid expenses	20	23,533,636	32,787,786	720,872,931	1,039,084,290
Deferred remuneration under agreement		23,611,136	25,373,664	723,246,874	804,121,869
Financial derivative assets	21	7,543,304	6,152,097	231,063,480	194,967,328
Other non-current assets	22	7,836,594	6,146,157	240,047,412	194,779,094
Total Non-current Assets		15,605,773,110	11,393,633,074	478,029,799,585	361,077,904,460
Total Assets		19,637,018,382	14,131,432,099	601,513,292,274	447,842,040,970

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

(Signed) *Tevin Vongvanich*
 (Tevin Vongvanich)
 President and Chief Executive Officer

(Signed) *Pornthip Uyakul*
 (Pornthip Uyakul)
 Senior Vice President, Accounting Div.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012 AND 2011
CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
Liabilities and Shareholders' Equity					
Current Liabilities					
Short-term loans from financial institution	23	-	315,545,000	-	9,999,999,704
Trade accounts payable		114,197,781	72,995,698	3,498,060,754	2,313,321,265
Current portion of long-term debts	23	163,547,251	687,772,029	5,009,713,971	21,796,320,923
Working capital to co-venturers		13,718,659	35,665,289	420,224,463	1,130,275,802
Accrued expenses		946,553,193	995,314,234	28,994,438,779	31,542,702,448
Accrued interests payable		35,632,785	29,583,190	1,091,489,235	937,526,785
Income tax payable		921,173,425	802,476,294	28,217,015,882	25,431,436,741
Financial derivative liabilities	21	2,445,751	46,419,035	74,917,266	1,471,074,934
Short-term provision	24	32,998,964	75,771,581	1,010,811,050	2,401,292,309
Other current liabilities		144,708,456	78,254,792	4,432,651,544	2,479,988,280
Total Current Liabilities		2,374,976,265	3,139,797,142	72,749,322,944	99,503,939,191
Non-current Liabilities					
Debentures	23	2,517,710,265	2,251,986,616	77,121,493,760	71,368,158,255
Long-term loans from financial institution	23	1,091,704,615	617,860,511	33,440,659,090	19,580,741,015
Deferred income tax liabilities	19.1	1,512,784,332	918,665,924	46,339,004,547	29,113,625,520
Provision for employee benefits	25	78,836,392	62,462,916	2,414,884,828	1,979,524,765
Provision for decommissioning costs	26	1,070,743,950	703,997,864	32,798,600,387	22,310,537,096
Provision for remuneration for the renewal of petroleum production	27	167,450,181	-	5,129,266,955	-
Other non-current liabilities					
Financial derivative liabilities	21	44,810,170	46,831,567	1,372,607,197	1,484,148,559
Deferred income	28	35,635,619	36,371,103	1,091,576,029	1,152,643,891
Other non-current liabilities		31,066,618	41,795,496	951,620,207	1,324,549,447
Total Non-current Liabilities		6,550,742,142	4,679,971,997	200,659,713,000	148,313,928,548
Total Liabilities		8,925,718,407	7,819,769,139	273,409,035,944	247,817,867,739
Shareholders' Equity					
Share capital	30				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	-
3,322,000,000 ordinary shares of Baht 1 each				-	3,322,000,000
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	-	3,969,985,400	-
3,319,985,400 ordinary shares of Baht 1 each		-	129,475,062	-	3,319,985,400
Share premium		3,438,921,013	469,655,446	105,412,493,326	14,411,841,900
Subordinated capital debentures		156,570,483	-	4,981,947,515	-
Retained earnings					
Appropriated					
Legal reserve	32	15,048,319	12,963,632	396,998,540	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		6,503,763,882	5,254,384,351	218,066,589,842	179,146,315,584
Other components of shareholders' equity		15,081,304	13,953,257	(21,623,758,293)	(14,086,169,653)
Total Shareholders' Equity		10,711,299,975	6,311,662,960	328,104,256,330	200,024,173,231
Total Liabilities and Shareholders' Equity		19,637,018,382	14,131,432,099	601,513,292,274	447,842,040,970

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, 2012 AND 2011

THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
Assets					
Current Assets					
Cash and cash equivalents	7	1,732,902,915	744,934,786	53,081,588,927	23,607,877,304
Account receivable - parent company	8	567,881,695	292,942,319	17,395,124,938	9,283,693,613
Trade accounts receivable	9	2,602,212	2,452,697	79,709,901	77,728,928
Other accounts receivable		44,731,118	23,264,914	1,370,185,710	737,293,049
Inventories		3,521,222	2,433,076	107,860,674	77,107,092
Materials and supplies, net	10	111,001,416	106,292,983	3,400,150,968	3,368,552,169
Other current assets					
Working capital from co-venturers		3,807,823	1,514,304	116,639,712	47,990,097
Accrued interests receivable		8,224,205	4,897,957	251,920,560	155,222,129
Other current assets	11	39,236,292	26,195,222	1,201,870,407	830,158,034
Total Current Assets		2,513,908,898	1,204,928,258	77,005,051,797	38,185,622,415
Non-current Assets					
Investments in associates	14.4	25,577,427	25,577,427	783,477,526	810,579,368
Investments in subsidiaries	14.3	616,235,970	616,235,970	18,876,293,739	19,529,257,373
Long-term loans to related parties	13.2	4,743,939,086	3,101,453,770	145,314,444,512	98,288,791,696
Property, plant and equipment, net	15, 16	3,425,840,742	2,884,955,883	104,938,983,257	91,427,713,871
Intangible assets, net	18	118,511,130	41,649,920	3,630,185,534	1,319,935,944
Deferred income tax assets	19.1	14,929,141	21,284,916	457,303,463	674,544,530
Other non-current assets					
Deferred remuneration under agreement		23,611,136	25,373,664	723,246,874	804,121,869
Financial derivative assets	21	5,485,939	6,152,097	168,043,102	194,967,329
Other non-current assets	22	5,326,847	3,647,167	163,169,844	115,583,107
Total Non-current Assets		8,979,457,418	6,726,330,814	275,055,147,851	213,165,495,087
Total Assets		11,493,366,316	7,931,259,072	352,060,199,648	251,351,117,502

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, 2012 AND 2011

THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Short-term loans from financial institution	23	-	315,545,000	-	9,999,999,704
Trade accounts payable		9,785,952	22,099,114	299,759,371	700,347,455
Current portion of long-term debts	23	163,547,251	687,772,029	5,009,713,971	21,796,320,924
Accrued expenses		421,453,532	334,734,862	12,909,796,011	10,608,149,473
Accrued interests payable		5,185,174	7,148,298	158,830,175	226,538,145
Income tax payable		626,683,082	565,391,437	19,196,305,508	17,917,933,101
Financial derivative liabilities	21	2,415,674	45,649,071	73,995,970	1,446,673,833
Short-term provision	24	10,728,120	-	328,619,478	-
Other current liabilities		42,795,113	31,351,736	1,310,882,784	993,574,122
Total Current Liabilities		1,282,593,898	2,009,691,547	39,287,903,268	63,689,536,757
Non-current Liabilities					
Debentures	23	626,520,150	858,843,414	19,191,314,641	27,217,778,392
Long-term loans from financial institution	23	50,000,000	50,000,000	1,531,580,000	1,584,560,000
Deferred income tax liabilities	19.1	266,485,703	182,459,934	8,162,883,476	5,782,374,273
Provision for employee benefits	25	70,471,359	56,484,282	2,158,650,476	1,790,054,690
Provision for decommissioning costs	26	525,410,288	302,372,883	16,094,157,775	9,582,559,522
Provision for remuneration for the renewal of petroleum production	27	167,450,181	-	5,129,266,955	-
Other non-current liabilities					
Financial derivative liabilities	21	42,864,385	46,831,567	1,313,004,681	1,484,148,559
Deferred income		-	104,082	-	3,298,502
Other non-current liabilities		11,659,327	9,386,505	357,143,829	297,469,577
Total Non-current Liabilities		1,760,861,393	1,506,482,667	53,938,001,833	47,742,243,515
Total Liabilities		3,043,455,291	3,516,174,214	93,225,905,101	111,431,780,272
Shareholders' Equity					
Share capital	30				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	-
3,322,000,000 ordinary shares of Baht 1 each				-	3,322,000,000
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	-	3,969,985,400	-
3,319,985,400 ordinary shares of Baht 1 each		-	129,475,062	-	3,319,985,400
Share premium		3,438,921,013	469,655,446	105,412,493,326	14,411,841,900
Subordinated capital debentures		156,570,483	-	4,981,947,515	-
Retained earnings					
Appropriated					
Legal reserve	32	15,048,319	12,963,632	396,998,540	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		4,285,805,868	3,381,288,319	144,598,691,270	116,496,332,798
Other components of shareholders' equity		(28,349,632)	(9,528,813)	(17,425,821,504)	(11,541,022,868)
Total shareholders' equity		8,449,911,025	4,415,084,858	258,834,294,547	139,919,337,230
Total Liabilities and Shareholders' Equity		11,493,366,316	7,931,259,072	352,060,199,648	251,351,117,502

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
Revenues					
Sales		6,689,555,581	5,439,721,901	207,851,433,297	165,865,642,518
Revenue from pipeline transportation		150,684,094	124,070,961	4,685,259,911	3,780,177,952
Other revenues					
Interest income		15,874,324	16,238,754	493,576,690	496,537,004
Other revenues		164,556,694	105,060,676	5,106,608,054	3,232,558,114
Total Revenues		7,020,670,693	5,685,092,292	218,136,877,952	173,374,915,588
Expenses					
Operating expenses		705,653,588	625,395,963	21,897,188,719	19,074,575,397
Exploration expenses		213,036,138	216,889,961	6,629,826,119	6,615,168,228
Administrative expenses		312,223,367	257,408,534	9,680,204,427	7,882,051,543
Petroleum royalties and remuneration	33	788,218,724	645,468,178	24,492,236,277	19,677,859,793
Depreciation, depletion and amortization		1,373,835,903	1,117,346,113	42,691,786,883	34,054,530,568
Other expenses					
Loss on foreign exchange	34	23,964,304	64,885,970	727,575,252	1,937,589,879
Loss from Montara incident		537,982	5,331,280	17,536,421	164,214,454
Loss on financial derivatives		12,257,360	11,056,631	384,729,401	339,837,932
Management's remuneration	13.1	4,714,102	4,570,629	146,387,442	140,168,865
Impairment loss on assets		204,167,195	-	6,365,544,635	-
Finance costs		187,010,015	123,557,048	5,812,483,387	3,770,867,055
Total Expenses		3,825,618,678	3,071,910,307	118,845,498,963	93,656,863,714
Share of gain from associates		4,656,698	2,429,916	144,705,969	74,867,112
Income before income taxes		3,199,708,713	2,615,611,901	99,436,084,958	79,792,918,986
Income tax expenses	19.2	(1,354,189,342)	(1,147,364,815)	(42,120,122,368)	(35,044,862,450)
Income for the year		1,845,519,371	1,468,247,086	57,315,962,590	44,748,056,536
Earnings per share					
	36				
Basic earnings per share		0.55	0.44	17.08	13.48
Diluted earnings per share		0.55	0.44	17.08	13.48

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
 CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Income for the year	1,845,519,371	1,468,247,086	57,315,962,590	44,748,056,536
Other comprehensive income (expense)				
Exchange differences on translating financial statement	21,315,074	(3,838,306)	(6,909,018,937)	9,381,621,009
Unrealised loss on available-for-sales securities	(85,848)	-	(2,634,623)	-
Loss on cash flow hedges	(24,409,643)	(11,920,073)	(758,245,823)	(365,525,566)
Income taxes relating to cash flow hedges	4,308,464	2,391,260	132,310,743	74,139,682
Other comprehensive income (expense) for the year - net of tax	<u>1,128,047</u>	<u>(13,367,119)</u>	<u>(7,537,588,640)</u>	<u>9,090,235,125</u>
Total comprehensive income for the year	<u>1,846,647,418</u>	<u>1,454,879,967</u>	<u>49,778,373,950</u>	<u>53,838,291,661</u>

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 INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

	Notes	Unit : US Dollar		Unit : Baht	
		2012	2011	2012	2011
Revenues					
Sales		3,428,020,465	3,029,294,497	106,506,305,943	92,336,351,757
Other revenues					
Gain on foreign exchange	34	10,039,418	-	310,219,825	-
Interest income		134,908,625	114,033,155	4,192,468,497	3,478,300,540
Gain on financial derivatives		3,474,715	-	103,308,360	-
Other revenues		21,658,514	11,820,711	673,238,911	357,458,531
Dividends received from related parties		172,277,403	144,855,029	5,253,030,900	4,590,027,000
Total Revenues		3,770,379,140	3,300,003,392	117,038,572,436	100,762,137,828
Expenses					
Operating expenses		211,200,304	272,328,783	6,547,670,226	8,293,193,231
Exploration expenses		21,871,291	26,945,405	686,679,583	820,100,613
Administrative expenses		145,176,899	130,846,923	4,496,120,214	4,013,008,444
Petroleum royalties and remuneration	33	428,489,548	378,674,834	13,312,877,442	11,542,452,457
Depreciation, depletion and amortization		685,673,682	590,120,004	21,324,927,334	17,980,868,289
Other expenses					
Loss on foreign exchange	34	-	45,095,046	-	1,398,927,964
Loss on financial derivatives		-	7,612,668	-	235,417,967
Management's remuneration	13.1	4,714,102	4,570,629	146,387,442	140,168,865
Finance costs		58,304,558	75,179,189	1,814,054,025	2,291,217,666
Total Expenses		1,555,430,384	1,531,373,481	48,328,716,266	46,715,355,496
Income before income taxes		2,214,948,756	1,768,629,911	68,709,856,170	54,046,782,332
Income tax expenses	19.2	(714,291,367)	(719,629,917)	(22,211,809,366)	(21,969,832,238)
Income for the year		1,500,657,389	1,048,999,994	46,498,046,804	32,076,950,094
Earnings per share					
	36				
Basic earnings per share		0.45	0.32	13.85	9.66
Diluted earnings per share		0.45	0.32	13.85	9.66

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Income for the year	1,500,657,389	1,048,999,994	46,498,046,804	32,076,950,094
Other comprehensive income (expense)				
Exchange differences on translating financial statement	-	-	(5,300,224,162)	6,607,071,864
Loss on cash flow hedges	(23,516,967)	(11,920,073)	(728,762,260)	(365,525,566)
Income taxes relating to cash flow hedges	4,696,148	2,391,260	144,187,786	74,139,682
Other comprehensive income (expense) for the year - net of tax	<u>(18,820,819)</u>	<u>(9,528,813)</u>	<u>(5,884,798,636)</u>	<u>6,315,685,980</u>
Total comprehensive income for the year	<u>1,481,836,570</u>	<u>1,039,471,181</u>	<u>40,613,248,168</u>	<u>38,392,636,074</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 YEARS ENDED DECEMBER 31, 2012 AND 2011
 CONSOLIDATED

Unit : US Dollar

Note	Retained earnings					Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)				Total shareholders' equity
						Exchange differences on translating financial statement	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	
Balance - as at January 1, 2011	129,391,187	462,089,883	12,963,632	431,231,212	4,345,041,133	27,320,376	-	-	27,320,376	5,408,037,423
Changes in shareholders' equity for the year										
Share capital issued and paid-up	83,875	7,565,563	-	-	-	-	-	-	-	7,649,438
Dividends paid	39	-	-	-	(558,903,868)	-	-	-	-	(558,903,868)
Total comprehensive income (expense) for the year	-	-	-	-	1,468,247,086	(3,838,306)	(11,920,073)	2,391,260	(13,367,119)	1,454,879,967
Balance - as at December 31, 2011	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

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 (expense)				Total shareholders' equity	
							Exchange differences on translating financial statement	Unrealised loss on available-for-sales securities	Loss on cash flow hedges	Income taxes relating to cash flows hedges		
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
Changes in shareholders' equity for the year												
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	32	-	-	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	39	-	-	-	-	(589,297,408)	-	-	-	-	-	(589,297,408)
Total comprehensive income (expense) 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
Balance - as at December 31, 2012	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

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
CONSOLIDATED

Unit : Baht

Note	Retained earnings					Other components of shareholders' equity					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)					
						Exchange differences		Income taxes relating		Total other components of shareholders' equity	
						on translating financial statement	Loss on cash flow hedges	to cash flows hedges	Total other components of shareholders' equity		
Balance - as at January 1, 2011	3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	151,503,183,579	(23,176,404,778)	-	-	(23,176,404,778)	163,059,358,741	
Changes in shareholders' equity for the year											
Share capital issued and paid-up	2,537,800	228,909,560	-	-	-	-	-	-	-	231,447,360	
Dividends paid	39	-	-	-	(17,104,924,531)	-	-	-	-	(17,104,924,531)	
Total comprehensive income (expense) for the year	-	-	-	-	44,748,056,536	9,381,621,009	(365,525,566)	74,139,682	9,090,235,125	53,838,291,661	
Balance - as at December 31, 2011	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	

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 (expense)							
							Exchange differences		Unrealised loss		Income taxes relating		Total other components of shareholders' equity	
							on translating financial statement	Loss on cash flow hedges	on available-for-sales securities	to cash flows hedges	to cash flows hedges			Total other components of shareholders' equity
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		
Changes in shareholders' equity for the year														
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	32	-	-	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	39	-	-	-	-	(18,184,268,355)	-	-	-	-	-	(18,184,268,355)		
Total comprehensive income (expense) 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		

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
 THE COMPANY

Unit : US Dollar

	Note	Retained earnings				Other components of shareholders' equity				Total shareholders' equity
		Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)			
							Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	
Balance - as at January 1, 2011		129,391,187	462,089,883	12,963,632	431,231,212	2,891,192,193	-	-	-	3,926,868,107
Changes in shareholders' equity for the year										
Share capital issued and paid-up		83,875	7,565,563	-	-	-	-	-	-	7,649,438
Dividends paid	39	-	-	-	-	(558,903,868)	-	-	-	(558,903,868)
Total comprehensive income (expense) for the year		-	-	-	-	1,048,999,994	(11,920,073)	2,391,260	(9,528,813)	1,039,471,181
Balance - as at December 31, 2011		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

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 (expense)			
								Loss on cash flow hedges	Income taxes relating to cash flows hedges		Total other components of shareholders' equity
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
Changes in shareholders' equity for the year											
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	32	-	-	-	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	39	-	-	-	-	(589,297,408)	-	-	-	-	(589,297,408)
Total comprehensive income (expense) 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

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
 THE COMPANY

Unit : Baht

Note	Retained earnings					Other components of shareholders' equity				
	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)			Total other components of shareholders' equity	Total shareholders' equity
						Exchange differences		Income taxes relating to cash flows		
						on translating financial statement	Loss on cash flow hedges			
Balance - as at January 1, 2011	3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	101,524,307,235	(17,856,708,848)	-	-	(17,856,708,848)	118,400,178,327
Changes in shareholders' equity for the year										
Share capital issued and paid-up	2,537,800	228,909,560	-	-	-	-	-	-	-	231,447,360
Dividends paid	39	-	-	-	(17,104,924,531)	-	-	-	-	(17,104,924,531)
Total comprehensive income (expense) for the year	-	-	-	-	32,076,950,094	6,607,071,864	(365,525,566)	74,139,682	6,315,685,980	38,392,636,074
Balance - as at December 31, 2011	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

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 (expense)			Total other components of shareholders' equity	Total shareholders' equity	Total shareholders' equity
							Income taxes relating					
							Loss on cash flow hedges	to 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	
Changes in shareholders' equity for the year												
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	32	-	-	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	39	-	-	-	-	(18,184,268,355)	-	-	-	-	(18,184,268,355)	
Total comprehensive income (expense) 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	

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 YEARS ENDED DECEMBER 31, 2012 AND 2011
CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Income before income taxes	3,199,708,713	2,615,611,901	99,436,084,958	79,792,918,986
Adjustment to reconcile income before income tax to net cash provided by (used in) operating activities				
Share of gain from associates	(4,656,698)	(2,429,916)	(144,705,969)	(74,867,112)
Depreciation, depletion and amortization	1,373,835,903	1,117,346,113	42,691,786,883	34,054,530,568
Impairment loss on assets	204,167,195	-	6,365,544,635	-
Amortization of prepaid expenses	15,537,897	5,714,422	480,586,032	174,182,480
Amortization of exploration expenses	94,679,845	150,449,667	2,945,387,459	4,598,349,506
Loss on disposal of assets	2,323,566	1,726,415	71,970,189	52,580,385
Income recognized from deferred income	(735,484)	(11,454,853)	(22,969,804)	(345,976,432)
Loss on financial derivatives	12,257,360	11,056,631	384,729,401	339,837,932
Provision for employee benefits	15,618,738	15,264,383	484,007,425	467,466,258
Loss (Gain) on foreign exchange	6,096,128	(62,284,366)	189,486,528	(1,899,156,233)
Interest income less than interest expenses	156,457,765	103,956,959	4,864,312,654	3,171,715,619
	<u>5,075,290,928</u>	<u>3,944,957,356</u>	<u>157,746,220,391</u>	<u>120,331,581,957</u>
Changes in operating assets (increase) decrease				
Account receivable - parent company	(371,696,645)	(168,228,759)	(11,553,483,992)	(5,129,580,851)
Trade accounts receivable	(13,918,887)	(90,666,675)	(432,642,161)	(2,764,581,054)
Other accounts receivable	57,025,148	(150,852,566)	1,772,518,388	(4,599,751,187)
Inventories	(1,658,214)	1,880,645	(51,542,417)	57,344,063
Materials and supplies, net	(31,481,226)	(34,814,024)	(978,534,105)	(1,061,538,776)
Working capital from co-venturers	5,202,664	(13,202,928)	161,714,930	(402,579,720)
Other current assets	61,014,732	(130,047,571)	1,896,527,006	(3,965,371,521)
Prepaid expenses	9,199,927	(6,221,485)	285,962,265	(189,703,654)
Other non-current assets	(503,339)	137,977	(15,645,333)	4,207,153
Changes in operating liabilities increase (decrease)				
Trade accounts payable	44,792,888	(17,577,145)	1,392,301,823	(535,957,032)
Working capital to co-venturers	(21,946,630)	1,367,467	(682,169,302)	41,696,394

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2012	2011	2012	2011
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(231,744,299)	282,902,904	(7,203,331,216)	8,626,190,478
Other current liabilities	(19,467,751)	(6,538,314)	(605,118,061)	(199,364,309)
Deferred income	-	104,083	-	3,173,668
Other non-current liabilities	(12,132,258)	(2,248,809)	(377,108,203)	(68,570,009)
Currency translation differences (decrease) increase	(26,406,696)	239,115,311	(820,801,962)	7,291,032,328
Interest received from bank deposits	31,001,878	28,342,655	963,634,436	864,215,733
Taxation paid	(1,097,766,737)	(970,306,055)	(34,121,993,262)	(29,586,281,137)
	<u>(1,620,485,445)</u>	<u>(1,036,853,289)</u>	<u>(50,369,711,166)</u>	<u>(31,615,419,433)</u>
Net cash provided by operating activities	3,454,805,483	2,908,104,067	107,376,509,225	88,716,162,524
Cash flows from investing activities				
Cash received from long-term loans to related parties	183,757	274,528	5,711,787	8,370,825
Cash payment from purchase of business	(1,883,984,939)	(1,889,560,277)	(58,560,092,268)	(57,615,905,098)
Loss from investments in related parties	(140,827)	-	(4,377,345)	-
Dividends received from associates	523,200	-	16,262,678	-
Interest received from loans	853,004	2,158,162	26,514,035	65,806,028
Increase in property, plant and equipment	(2,805,792,914)	(2,206,095,695)	(87,212,741,738)	(67,267,608,103)
Increase in intangible assets	(47,119,073)	(114,199,026)	(1,464,606,867)	(3,482,122,441)
	<u>(4,735,477,792)</u>	<u>(4,207,422,308)</u>	<u>(147,193,329,718)</u>	<u>(128,291,458,789)</u>
Net cash used in investing activities	(4,735,477,792)	(4,207,422,308)	(147,193,329,718)	(128,291,458,789)
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institution	(5,336,878)	(266,053,262)	(165,886,724)	(8,112,416,249)
Proceeds from short-term loans with maturity date within 1 year from financial institution	1,502,769,967	329,760,422	46,710,749,161	10,054,955,860
Payments of short-term loans with maturity date within 1 year from financial institution	(1,849,946,177)	-	(57,502,062,025)	-
Proceeds from issuance of debentures	500,000,000	700,000,000	15,541,550,000	21,344,190,000
Payments of debentures	(779,224,772)	-	(24,220,721,506)	-
Proceeds from long-term loans from financial institution	478,117,500	625,000,000	14,861,374,064	19,057,312,500
Interest paid for loans	(173,184,838)	(123,106,212)	(5,383,121,651)	(3,753,717,684)
Cash payments for financial costs	(20,708,702)	(10,677,272)	(643,690,633)	(325,568,174)
Proceeds from issuance of subordinated capital debentures	157,137,829	-	4,884,330,844	-
Interest paid for subordinated capital debentures	(4,757,745)	-	(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	7,649,438	93,610,964,898	233,244,369
Cash payments for transaction cost of capital	(21,161,152)	-	(657,754,189)	-
Dividends paid	(587,634,391)	(560,133,157)	(18,265,498,552)	(17,079,412,183)
	<u>2,207,138,714</u>	<u>702,439,957</u>	<u>68,604,713,369</u>	<u>21,418,588,439</u>
Net cash provided by financing activities	2,207,138,714	702,439,957	68,604,713,369	21,418,588,439

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net increase (decrease) in cash and cash equivalents	926,466,405	(596,878,284)	28,787,892,876	(18,156,707,826)
Cash and cash equivalents at the beginning of the year	<u>1,350,529,553</u>	<u>1,979,477,802</u>	<u>42,799,902,166</u>	<u>59,683,829,065</u>
	2,276,995,958	1,382,599,518	71,587,795,042	41,527,121,239
Adjustment for the effect of exchange rate changes on cash and cash equivalents	<u>14,922,969</u>	<u>(32,069,965)</u>	<u>(1,382,651,246)</u>	<u>1,272,780,927</u>
Cash and cash equivalents at the end 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>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	307,857,854	117,737,792	9,569,176,465	3,590,025,432

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, 2012 AND 2011
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Income before income taxes	2,214,948,756	1,768,629,911	68,709,856,170	54,046,782,332
Adjustment to reconcile income before income tax to net cash provided by (used in) operating activities				
Depreciation, depletion and amortization	685,673,682	590,120,004	21,324,927,334	17,980,868,289
Amortization of prepaid expenses	1,424,706	2,072,781	44,341,647	63,167,171
Amortization of exploration expenses	12,615,104	14,974,532	398,284,664	454,854,867
Loss on disposal of assets	541,915	463,640	16,722,680	14,007,503
Income recognized from deferred income	(104,083)	-	(3,235,211)	-
(Gain) loss on financial derivatives	(3,474,715)	7,612,668	(103,308,360)	235,417,967
Dividends received from related parties	(172,277,403)	(144,855,029)	(5,253,030,900)	(4,590,027,000)
Provision for employee benefits	13,167,068	12,840,667	408,031,565	393,243,066
(Gain) loss on foreign exchange	(54,618,157)	38,062,503	(1,697,701,682)	1,160,590,423
Interest income higher than interest expenses	(77,214,525)	(39,626,758)	(2,397,767,333)	(1,210,406,005)
	<u>2,620,682,348</u>	<u>2,250,294,919</u>	<u>81,447,120,574</u>	<u>68,548,498,613</u>
Changes in operating assets (increase) decrease				
Account receivable - parent company	(262,360,325)	(95,190,155)	(8,154,972,203)	(2,902,509,649)
Trade accounts receivable	(117,223)	121,376	(3,643,664)	3,700,961
Other accounts receivable	(20,385,183)	(1,272,464)	(633,634,670)	(38,799,591)
Inventories	(285,070)	747,902	(8,860,857)	22,804,803
Materials and supplies, net	(5,247,716)	(10,083,964)	(163,115,288)	(307,477,205)
Working capital from co-venturers	(2,280,841)	(1,152,384)	(70,895,612)	(35,138,147)
Other current assets	(14,557,318)	7,279,797	(452,486,569)	221,973,386
Prepaid expenses	-	16,301	-	497,045
Other non-current assets	(493,262)	342,785	(15,332,114)	10,452,097
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(12,336,179)	15,102,923	(383,446,687)	460,513,797
Working capital to co-venturers	-	(20,607,111)	-	(628,345,846)

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, 2012 AND 2011

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	60,057,287	(7,136,299)	1,866,766,654	(217,597,888)
Other current liabilities	(34,565,694)	(7,271,978)	(1,074,408,923)	(221,734,972)
Deferred income	-	104,082	-	3,173,637
Other non-current liabilities	962,485	270,085	29,917,015	8,235,351
Interest received from bank deposits	25,137,559	20,552,540	781,353,247	626,681,884
Taxation paid	(567,583,232)	(588,417,789)	(17,642,246,361)	(17,941,858,696)
	<u>(834,054,712)</u>	<u>(686,594,353)</u>	<u>(25,925,006,032)</u>	<u>(20,935,429,033)</u>
Net cash provided by operating activities	<u>1,786,627,636</u>	<u>1,563,700,566</u>	<u>55,522,114,542</u>	<u>47,613,069,580</u>
Cash flows from investing activities				
Cash received from long-term loans to related parties	2,593,493,278	2,583,578,530	80,613,810,894	78,777,701,474
Cash payments for long-term loans to related parties	(4,188,616,307)	(3,725,019,922)	(130,195,179,536)	(113,582,189,966)
Increase in investment in related party	-	(50,000)	-	(1,524,585)
Dividends received from related parties	172,277,403	144,855,029	5,253,030,900	4,590,027,000
Interest received from loans	122,013,023	111,314,972	3,792,542,987	3,394,182,732
Increase in property, plant and equipment	(830,371,281)	(814,148,727)	(25,810,513,557)	(24,824,778,739)
Increase in intangible assets	(78,560,672)	(34,866,650)	(2,441,909,229)	(1,063,143,401)
	<u>(2,209,764,556)</u>	<u>(1,734,336,768)</u>	<u>(68,788,217,541)</u>	<u>(52,709,725,485)</u>
Net cash used in investing activities	<u>(2,209,764,556)</u>	<u>(1,734,336,768)</u>	<u>(68,788,217,541)</u>	<u>(52,709,725,485)</u>
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institutor	(5,336,878)	(266,053,262)	(165,886,724)	(8,112,416,249)
Proceeds from short-term loans with maturity date within 1 year from financial institution	-	329,760,422	-	10,054,955,860
Payments of short-term loans with maturity date within 1 year from financial institution	(324,220,574)	-	(10,077,780,516)	-
Payments of debentures	(779,224,772)	-	(24,220,721,506)	-
Proceeds from long-term loans from financial institution	-	50,000,000	-	1,524,585,000
Interest paid for loans	(58,254,561)	(69,756,369)	(1,810,732,345)	(2,126,990,277)
Cash payments for financial costs	(1,134,772)	-	(35,272,232)	-
Proceeds from issuance of subordinated capital debentures	157,137,829	-	4,884,330,844	-
Interest paid for subordinated capital debentures	(4,757,745)	-	(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	7,649,438	93,610,964,898	233,244,369
Cash payments for transaction cost of capital	(21,161,152)	-	(657,754,189)	-
Dividends paid	(587,634,391)	(560,133,157)	(18,265,498,552)	(17,079,412,183)
	<u>1,386,481,057</u>	<u>(508,532,928)</u>	<u>43,096,129,360</u>	<u>(15,506,033,480)</u>
Net cash provided by (used in) financing activities	<u>1,386,481,057</u>	<u>(508,532,928)</u>	<u>43,096,129,360</u>	<u>(15,506,033,480)</u>
Net increase (decrease) in cash and cash equivalents	963,344,137	(679,169,130)	29,830,026,361	(20,602,689,385)
Cash and cash equivalents at the beginning of the year	<u>744,934,786</u>	<u>1,443,127,146</u>	<u>23,607,877,304</u>	<u>43,512,159,526</u>
	1,708,278,923	763,958,016	53,437,903,665	22,909,470,141
Adjustment for the effect of exchange rate changes on cash and cash equivalents	24,623,992	(19,023,230)	(356,314,738)	698,407,163
Cash and cash equivalents at the end 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>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	117,922,593	21,932,743	3,665,399,740	668,766,620

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 YEARS ENDED DECEMBER 31, 2012 AND 2011

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, 6th and 19th – 36th 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, 2012, the Group has operations related to the exploration and production of petroleum in 13 countries and has investments in exploration and production projects with a percentage of interest as follows:

Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTT Exploration and Production Public Company Limited				
Bongkot	Thailand	PTT Exploration and Production Plc.	44.4445	44.4445
Arthit ¹	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

(TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTTEP International Limited (PTTEPI)				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	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
Arthit (G9/48) ²	Thailand	PTTEP International Limited	-	80
Bongkot (G12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L21 and 28/48				
- L21 and 28/48	Thailand	PTTEP International Limited	70	70
- L29/48 ³	Thailand	PTTEP International Limited	-	70
A4, 5 and 6/48	Thailand	PTTEP International Limited	100	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	Cambodia	PTTEP International Limited	33.333334	33.333334
Zawtika ⁴	Myanmar	PTTEP International Limited	80	80
Myanmar M3 and M11				
- M3	Myanmar	PTTEP International Limited	100	100
- M11 ⁵	Myanmar	PTTEP International Limited	45	100
- M7 ⁶	Myanmar	PTTEP International Limited	-	100
MTJDA -B17	Thailand -	Carigali-PTTEPI Operating Company Sendirian	50	50
	Malaysia	Berhad		
PTTEP Offshore Investment Company Limited (PTTEPO)				
B8/32 and 9A ⁷	Thailand	Chevron Offshore (Thailand) Ltd.	25.0010	25.0010
PTTEP Southwest Vietnam Company Limited (PTTEP SV)				
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7	7

(TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)				
Vietnam B and 48/95	Vietnam	Chevron Vietnam (Block B), Ltd.	8.50	8.50
PTTEP Hoang-Long Company Limited (PTTEP HL)				
Vietnam 16-1	Vietnam	Hoang Long Joint Operating Company	28.50	28.50
PTTEP Hoan-Vu Company Limited (PTTEP HV)				
Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	25	25
PTTEP Oman Company Limited (PTTEP OM)				
Oman 44	Oman	PTTEP Oman Company Limited	100	100
PTTEP Algeria Company Limited (PTTEP AG)				
Algeria 433a and 416b	Algeria	Groupement Bir Seba	35	35
PTTEP Siam Limited (PTTEPS)				
Sinphuhorm (EU-1)	Thailand	Hess (Thailand) Ltd.	20	20
B6/27	Thailand	PTTEP Siam Limited	60	60
S1	Thailand	PTTEP Siam Limited	75	75
PTTEP Australia Offshore Pty Limited (PTTEP AO)				
Australia WA 423 P	Australia	Murphy Australia Oil Pty Ltd.	30	30
PTTEP Bahrain Company Limited (PTTEP BH)				
Bahrain 2 ⁸	Bahrain	PTTEP Bahrain Company Limited	-	100
PTTEP Rommana Company Limited (PTTEPR)				
Rommana ⁹	Egypt	Sipetrol International S.A.	-	30
PTTEP Semai II Limited (PTTEP SM)				
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd	28.33	28.33
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)				
Sidi Abd El Rahman Offshore ¹⁰	Egypt	Edison International SPA	30	30

(TRANSLATION)

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Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTTEP South Asia Limited (PTTEP SA)				
Myanmar PSC G and EP2 ¹¹	Myanmar	PTTEP South Asia Limited	90	-
PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South	New Zealand	Shell GSB Limited	18	18
PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34	34
PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Ltd.	100	100
PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang	Indonesia	Talisman Sadang B.V.	30	30
PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri	Indonesia	Talisman South Sageri B.V.	20	20
PTTEP Canada Ltd (PTTEP CA)				
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	
		2012	2011
AC/L7, AC/L8, AC/P33, AC/P34, AC/P40 and AC/P54 ¹²	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/RL7	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	90	90
AC/RL4 (Tenacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/RL6 (Audacious), AC/P4, AC/RL4 (exclusive of Tenacious), AC/RL5, AC/RL6 (exclusive of Audacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	50	50

Block	Operator	Company's percentage of interest	
		2012	2011
AC / P32 ¹³	PTTEP Australasia (Ashmore Cartier) Pty Ltd	-	35
WA-396-P and WA-397-P	Woodside Energy Limited	20	20
WA-378-P ¹⁴	Woodside Energy Limited	-	20
AC/P17 ¹⁵	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	50

Project	Country	Operator	Company's percentage of interest	
			2012	2011
Cove Energy Limited (Cove)				
Mozambique Rovuma Offshore Area 1	Mozambique	Anadarko Mozambique Area 1 Limitada	8.5	-
Mozambique Rovuma Onshore	Mozambique	Anadarko Mozambique Area 1 Limitada	10	-
Kenya L10 A and L10 B				
- L10 A	Kenya	BG Kenya Ltd	25	-
- L10 B	Kenya	BG Kenya Ltd	15	-
Kenya L5, L7, L11 A, L11 B and L12	Kenya	Anadarko Kenya Company	10	-

¹ On December 29, 2011, PTT Exploration and Production Public Company Limited (PTTEP) and other joint venture partners in the Arthit project which comprise of Chevron Thailand Exploration and Production Ltd. (Chevron) and Moeco Thailand Co., Ltd. (MOECO), have re-entered into the North Arthit Participation Agreement. The participation interest under the agreement for PTTEP, Chevron, and MOECO are 80%, 16%, and 4%, respectively. The remaining natural gas reserve from the Arthit – North Arthit project will be produced using the centralized production rig, which is used for the production of the Arthit project. The North Arthit Participation Agreement was effective in January 2012 and PTTEP had received the payment for re-entering for participation rights in February 2012.

² On January 18, 2012, PTTEP International Limited (PTTEPI) which holds the concession block G9/48, had fulfilled its phase 2 exploration obligation under the concession and has sent the notification to the Department of Mineral Fuels to terminate and relinquish this concession block.

³ On December 24, 2012, PTTEP International Limited had been officially approved for the relinquishment in L29/48 concession block after fulfillment of the exploration work commitment.

⁴ On January 5, 2012, PTTEP International Limited (PTTEPI) entered into a Joint Operating Agreement in the Zawtika project with Myanmar Oil and Gas Enterprise (MOGE). Under the Production Sharing Contract, MOGE will hold 20% of participation interest in the Zawtika project and with a supplementary arrangement between PTTEPI and MOGE, MOGE has the rights to invest in the project after the development project has been approved by paying the actual expenditures of the participation interest. However, PTTEPI will maintain 80% of participation interest and will be an operator of this project. The agreement was retroactively effective from August 15, 2011.

⁵ On September 3, 2012, PTTEP International Limited (PTTEPI), an operator and a sole owner of shares in concession block M11, entered into the Farmout Agreement with Total E&P Myanmar (Total) and JX Nippon Oil&Gas Exploration (Myanmar) Limited (JX Myanmar) in which, PTTEPI transferred the 40% and 15% participation interest to Total and JX Myanmar, respectively. However, PTTEPI maintain itself as an operator and hold the participation interest of 45%. On January 23, 2013, the government of the Republic of the Union of Myanmar has officially approved the transfer of PTTEPI's participation interest of Block M11 and the agreement was retroactively effective from September 3, 2012.

⁶ On February 1, 2012, PTTEP International Limited (PTTEPI) had terminated and relinquished the exploration block M7 in the Union of Myanmar after fulfillment of the exploration work commitment.

⁷ PTTEPO has shareholding in Orange Energy Limited and B 8/32 Partners Limited, which holds the project's concession.

⁸ On September 2, 2012, PTTEP Bahrain Company Limited had been officially approved by the National Oil & Gas Authority to terminate and relinquish its 100% participating interest in Bahrain 2 concession block after fulfillment of the exploration work commitment.

⁹ On April 10, 2012, PTTEP Rommana Company Limited had terminated their 30% joint interest from the Rommana concession block of the Rommana project in the Arab Republic of Egypt. The termination was officially approved by the government of the Arab Republic of Egypt on April 11, 2012.

¹⁰ In March 2011, PTTEP Sidi Abd El Rahman Company Limited has withdrawn its entire 30% participation interest from Sidi Abd El Rahman Offshore Project in the Arab Republic of Egypt after fulfillment of the exploration work commitment. The withdrawal will be fully effective upon receiving an official approval from the government of the Arab Republic of Egypt.

¹¹ On June 6, 2012, PTTEP South Asia Limited (PTTEP SA) together with Win Precious Resources Pte. Ltd. (WPR) have been selected to operate onshore exploration blocks PSC-G and EP-2 in the Republic of the Union of Myanmar with the participating interests of 90% and 10%, respectively.

¹² On October 10, 2012, PTTEP Australasia (Ashmore Cartier) Pty Ltd had terminated its 100% participating interest in AC/P 40 concession block. The termination is under the process of approval of the Government of Australia.

¹³ On March 27, 2012, PTTEP Australasia Pty Limited withdrew its 35% participation interest from the concession block AC/P32 under the PTTEP Australasia Project in Australia. The withdrawal was officially approved by the government of Australia on August 8, 2012.

¹⁴ On September 29, 2011, PTTEP Australasia Pty Limited withdrew the entire 20% of participation interest from the concession WA-378-P under the PTTEP Australasia Project in Australia. The withdrawal was officially approved by the government of Australia on March 7, 2012.

¹⁵ On September 20, 2012, PTTEP Australia Timor Sea Pty Ltd has been officially approved by the government of Australia for the transfer of 50% participating interests in the concession block AC/P17 under the PTTEP Australasia project in Australia from the existing joint venture partner, resulting in the Group holding a 100% participation interest in the concession block.

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 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.

The Group has adopted the International Accounting Standards (IAS) No. 12 "Income Taxes". The content of the standard does not differ significantly from that of Thai Accounting Standards No. 12 "Income Taxes" as published in the Government Gazette and becomes effective for periods beginning on or after January 1, 2013.

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, Amendments to Accounting Standards, New Interpretation to Accounting Standards and New Accounting Guidances

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

- Effective for the periods beginning on or after 1 January 2013

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

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

Thai Financial Reporting Interpretations Committee No. 4	Determining whether an Arrangement contains a Lease
Thai Financial Reporting Interpretations Committee No. 12	Service Concession Arrangements
Thai Financial Reporting Interpretations Committee No. 13	Customer Loyalty Program
Thai Standing Interpretations Committee No. 29	Disclosure of Service Concession Arrangements

The Group's management has assessed that if the new accounting standards, new financial reporting standards, amendments to accounting standards, new interpretation to accounting standards and new accounting guidances are implemented. There is no material impact to the financial statements.

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 as 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 14.

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 14.

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 14 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 Securities and Exchange Commission and the Department of Business Development the Group's consolidated financial statements are presented by translating from US Dollar to Thai Baht. The monetary 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 under "Currency Translation Differences" 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 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.

Factoring Policy of Accounts Receivable

The factoring of accounts receivable is made on an arms-length basis. The Company will write-off such accounts receivable when the future economic benefits and other major relevant benefits are transferred to the third party and the Company receives the funds from such factoring.

4.5 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.

4.6 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.

4.7 Available-for-sale Investments

Available-for-sale investments are initially recognised at cost, which is equal to the fair value of consideration 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 quoted price from Alternative Investment Market (AIM) in the London Stock Exchange. Unrealized gain or loss of available-for-sale investments 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.

4.8 Financing Costs

Finance costs directly attributable to finance the construction during the stipulated periods of time or the preparation 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.

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.

4.9 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 when incurred.

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

Depreciation and Depletion

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 central processing facilities of oil sand business are 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 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.

4.10 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 16.)

4.11 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.

4.12 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 not be recoverable.

■ **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 4.9.

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.

4.13 Impairment of Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 and are inclusive of expectations about proved and unproved reserves.

Impairment, except when related to goodwill, is reversed as applicable to the extent that the events or circumstances that triggered the original 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 amortization or depreciation of the assets, if the Group did not recognize the impairment loss for assets in the prior year.

4.14 Deferred Income 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 income tax

Deferred income 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 depreciation of plant and equipment, amortization of borrowing cost, and 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 by the end of the reporting period are used to determine deferred income 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.

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 statement of shareholders' equity.

Deferred income tax assets and liabilities can be offset only when they both relate to the same legal tax authority.

4.15 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.

4.16 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.

4.17 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.

4.18 Employee Benefits

The Group's employees have become members of the following provident funds: "Employee of PTTEP Registered Provident Fund", "Sinsataporn Registered Provident Fund", "TISCO Ruamtun 1 Registered Provident Fund" and "TISCO Ruamtun 2 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 25. 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.

4.19 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.

4.20 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.

4.21 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.

4.22 Deferred Income under Agreements (Take-or-Pay)

Under 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 28)

The Group made prepayments to the government of Myanmar for royalty related to cash received in advance under Take-or-Pay Agreement. The prepayment will be expensed when the gas is subsequently taken by the customers. (For details, please refer to Note 20)

4.23 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 Thai – Malaysia co-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
- Deferred income taxes, which are calculated as disclosed in Note 19.

4.24 Earnings per Share

Basic earnings per share are calculated by dividing the net income 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 net income 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.

4.25 Segment Reporting

The segment details are primarily presented by the business operations and secondly by the geographical areas.

Business segments refer to parts of an entity that carry out business activities that are subject to risks and returns different from those of other business segments. Geographical segments refer to parts of an entity that carry out business operations within a particular economic environment that are subject to risks and returns different from those of components operating in other economic environments.

4.26 Financial Instruments

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 amortised 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 future 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 income 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 25.

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. The Group recognizes provision for decommissioning costs, which is provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the oil and gas properties and are amortized based on proved reserves on a unit of production basis. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's engineers and managerial judgment.

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 May 23, 2012, PTTEP announced the terms of recommended cash offer to acquire the entire issued share and to be issued share capital of Cove Energy Plc. (Cove) which was listed on the Alternative Investment Market (AIM) of the London Stock Exchange at the price of 240 pence for each Cove Share (the Offer Price). The Acquisition values the entire issued and to be issued share capital of Cove at totally 1,221.40 million Pound Sterling (GBP). Cove's main asset is an 8.5 percent participating interest in the Rovuma Offshore Area 1 Project which is a world class gas discovery in the Republic of Mozambique. On August 17, 2012, the Company through PTTEP Africa Investment Limited (PTTEP AI), a wholly owned subsidiary, fulfilled all offering requirements and successfully acquired share of Cove. Subsequently on October 5, 2012, PTTEP AI completely acquired all shares and became 100% shareholder of Cove.

PTTEP AI has received written consent from the Republic of Mozambique's Ministry of Mineral Resources in relation to the change of indirect control in all assets of Cove in the Republic of Mozambique. In addition, the Company has received written consent from the Competition Authority of Kenya for the acquisition of the issued and to be issued share capital of Cove.

On August 17, 2012, Cove had submitted a request to the London Stock Exchange for the cancellation of trading in Cove Shares on AIM. Effective on September 18, 2012, the London Stock Exchange announced the cancellation of admission to trading of Cove's shares on AIM.

The acquisition of Cove also results in the Company obtaining a 10% indirect participating interests in the Rovuma Onshore exploration block in the Republic of Mozambique and 10% to 25% indirect participating interests in 7 deep-water exploration blocks in the Republic of Kenya which are Kenya Offshore blocks L5, L7, L10A, L10B, L11A, L11B, and L12. In addition, the Company becomes the ultimate parent company of all Cove's subsidiaries as follows:

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

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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
	<u>Fair value</u>	<u>Fair value</u>
Cash and cash equivalents	43.14	1,359.35
Other account receivable	11.62	366.26
Materials and supplies	6.80	214.32
Working capital from co-ventures	3.48	109.60
Investment in available-for-sales securities	1.33	42.05
Property, plant and equipment, net	1.65	51.86
Intangible assets, net	2,037.75	64,214.49
Accrued expenses	(175.85)	(5,541.58)
Other current liabilities	(15.52)	(488.89)
Net assets	<u>1,914.40</u>	<u>60,327.46</u>
<u>Less</u> : Deferred income tax liabilities from the effect of		
accounting recognition	(568.01)	(17,899.46)
Goodwill	<u>570.58</u>	<u>17,980.52</u>
Total consideration transferred	<u><u>1,916.97</u></u>	<u><u>60,408.52</u></u>

Total goodwill from business acquisition of US Dollar 570.58 million (Baht 17,980.52 million) was primarily derived from the recognition of deferred income tax liabilities of US Dollar 568.01 million (Baht 17,899.46 million) which represents the deferred income tax liabilities from the differences between the assigned fair values 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 2.57 million (Baht 81.06 million) represents the future benefits that the Company expects to receive from entering into the Africa market 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Cash on hand and at banks	1,378.46	885.19	42,224.48	28,052.58
Cash equivalents				
- Fixed deposits	42.44	53.02	1,300.03	1,680.43
- Treasury bills	871.02	412.32	26,680.63	13,066.89
Total	<u>2,291.92</u>	<u>1,350.53</u>	<u>70,205.14</u>	<u>42,799.90</u>

	Unit : Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Cash on hand and at banks	934.21	338.48	28,616.33	10,726.88
Cash equivalents				
- Fixed deposits	40.03	50.65	1,226.26	1,605.32
- Treasury bills	758.66	355.80	23,239.00	11,275.68
Total	<u>1,732.90</u>	<u>744.93</u>	<u>53,081.59</u>	<u>23,607.88</u>

The interest rate on saving deposits held at call with banks for the year ended December 31, 2012 is 0.05% – 2.5% per annum (During the year 2011: interest rate 0.11% - 4.25% per annum).

The interest rate on fixed deposits with banks for the year ended December 31, 2012 is 0.50% – 5.65% per annum (During the year 2011: interest rate 0.56% - 6.00% per annum).

The interest rate on treasury bills for the year ended December 31, 2012 is 2.50% – 3.09% per annum (During the year 2011: interest rate 1.77% - 3.42% per annum).

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8. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Sales of petroleum products	834.17	448.69	25,551.99	14,219.63
Gas pipeline construction service	36.07	35.04	1,104.99	1,110.41
Sales of topside equipment on platform	-	0.47	-	14.85
Total	870.24	484.20	26,656.98	15,344.89

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Sales of petroleum products	531.81	257.43	16,290.13	8,158.43
Gas pipeline construction service	36.07	35.04	1,104.99	1,110.41
Sales of topside equipment on platform	-	0.47	-	14.85
Total	567.88	292.94	17,395.12	9,283.69

Outstanding accounts receivable – parent company as at 31 December 2012 and 2011 can be analysed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Not yet due	825.71	441.78	25,292.79	14,000.48
Past due				
- Up to 3 months	0.01	-	0.30	-
- 3 - 6 months	1.07	0.16	32.92	5.11
- Over 6 months	43.45	42.26	1,330.97	1,339.30
Total	870.24	484.20	26,656.98	15,344.89

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Not yet due	528.55	254.35	16,190.30	8,060.78
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	39.33	38.59	1,204.82	1,222.91
Total	567.88	292.94	17,395.12	9,283.69

9. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Binh Son Refining & Petrochemical Co.,Ltd.	11.81	9.00	361.86	285.18
Chevron Product Company	16.49	9.42	504.67	298.42
Chevron U.S.A. INC.	2.72	0.79	83.40	25.05
Extap (Exxonmobile Asia Pacific Pte)	-	10.59	-	335.46
Ministry of Oil and Gas (Oman)	1.55	1.34	47.44	42.48
Myanmar Oil and Gas Enterprise	32.31	29.00	989.61	919.15
Myanmar Petrochemical Enterprise	3.80	-	116.36	-
Shell International Eastern Trading Company (SIETCO)	18.89	-	578.75	-
SK Energy Co.,Ltd.	18.92	-	579.66	-
Star Petroleum Refining Co., Limited	2.26	2.03	69.13	64.37
Statoil Canada Ltd.	22.43	47.93	687.04	1,518.90
Thai Oil Plc.	8.17	-	250.39	-
Unipecc Asia Co.,Ltd.	19.50	-	597.18	-
Vitol Asia PTE Limited	10.15	38.37	310.94	1,216.14
Electricity Generating Authority of Thailand	1.30	1.61	39.93	51.04
Others	0.07	0.07	2.40	2.40
Total	170.37	150.15	5,218.76	4,758.59

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Star Petroleum Refining Co., Limited	2.26	2.03	69.13	64.37
Electricity Generating Authority of Thailand	0.33	0.40	9.98	12.76
Others	0.01	0.02	0.60	0.60
Total	2.60	2.45	79.71	77.73

Outstanding trade accounts receivable as at 31 December 2012 and 2011 can be analysed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Not yet due	161.02	150.15	4,932.28	4,758.59
Past due				
- Up to 3 months	9.35	-	286.48	-
- 3 - 6 months	-	-	-	-
- Over 6 months	-	-	-	-
Total	170.37	150.15	5,218.76	4,758.59

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Not yet due	2.60	2.45	79.71	77.73
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	-	-	-	-
Total	2.60	2.45	79.71	77.73

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10. Materials and Supplies, Net

Materials and supplies, net as at December 31, 2012 and 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Materials and supplies-at cost	306.54	272.57	9,389.90	8,638.18
Provision for obsolescence	(2.14)	(1.44)	(65.78)	(45.74)
Materials and supplies, net	<u>304.40</u>	<u>271.13</u>	<u>9,324.12</u>	<u>8,592.44</u>

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Materials and supplies-at cost	111.77	106.72	3,423.61	3,382.19
Provision for obsolescence	(0.77)	(0.43)	(23.46)	(13.64)
Materials and supplies, net	<u>111.00</u>	<u>106.29</u>	<u>3,400.15</u>	<u>3,368.55</u>

11. Other Current Assets

Other current assets as at December 31, 2012 and 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Prepaid expenses	87.63	134.20	2,684.27	4,252.88
Accrued income	12.05	37.05	369.13	1,174.17
Withholding tax and VAT	7.59	7.62	232.45	241.40
Prepaid income tax	28.45	36.75	871.54	1,164.86
Others	28.68	1.97	878.54	62.46
Total	<u>164.40</u>	<u>217.59</u>	<u>5,035.93</u>	<u>6,895.77</u>

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	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Prepaid expenses	20.87	17.79	639.35	563.81
Accrued income	14.98	2.44	458.93	77.14
Withholding tax and VAT	1.51	2.69	46.07	85.22
Prepaid income tax	-	2.00	-	63.36
Others	1.88	1.28	57.52	40.63
Total	39.24	26.20	1,201.87	830.16

12. 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. This available-for-sales investment was part of the net assets acquired from the business acquisition which was disclosed in the Notes to the financial statements No. 6

Movements in the investments in available-for-sales securities for the year ended December 31, 2012 are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 31, 2012	-	-
Business acquisition	1.33	42.05
Unrealised loss on available-for-sales securities	(0.12)	(3.71)
Currency translation differences	0.04	(0.10)
Balance as at December 31, 2012	1.25	38.24

13. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

13.1 Revenues and Expenses with Related Parties

Significant transactions with related parties for the years ended December 31, 2012 and 2011 are as follows:

	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	2012	2011	2012	2011
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	5,331.68	4,596.90	165,668.17	140,106.39
Amortization of deferred remuneration under agreement	1.76	1.75	54.79	53.31
Subsidiaries, associates and jointly controlled entities				
Interest income	0.85	0.82	26.51	25.09
Rental and service expenses	13.51	14.57	420.04	443.81
Information technology and communication expenses	21.37	10.74	664.29	327.48
Management's Remuneration				
Director's remuneration	1.90	1.71	58.90	53.10
Senior management's remuneration *	2.81	2.86	87.49	87.07
	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	2012	2011	2012	2011
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	3,400.98	3,002.86	105,667.33	91,530.67
Amortization of deferred remuneration under agreement	1.76	1.75	54.79	53.31
Subsidiaries, associates and jointly controlled entities				
Interest income	125.76	107.74	3,908.07	3,286.08
Management and service fees	0.32	0.32	10.03	9.92
Rental and service expenses	13.51	14.57	420.04	443.81
Information technology and communication expenses	21.36	10.74	664.00	327.48
Management's Remuneration				
Director's remuneration	1.90	1.71	58.90	53.10
Senior management's remuneration *	2.81	2.86	87.49	87.07

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

13.2 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Associates				
Energy Complex Company	18.93	18.30	580.00	580.00
ShoreAir Pty Ltd	-	0.19	-	5.82
Total	18.93	18.49	580.00	585.82

Loans to	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Subsidiaries				
PTTEP International Limited	875.92	992.32	26,830.71	31,447.76
PTTEP Services Limited	1.85	2.06	56.58	65.22
PTTEP Offshore Investment Company Limited	3,847.24	2,088.77	117,847.15	66,195.81
Associates				
Energy Complex Company	18.93	18.30	580.00	580.00
Total	4,743.94	3,101.45	145,314.44	98,288.79

Movements in the long-term loans to related parties for the years ended December 31, 2012 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2012	18.49	585.82
Addition	-	-
Repayment	(0.18)	(5.71)
Currency translation differences	0.62	(0.11)
Balance as at December 31, 2012	18.93	580.00

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	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2012	3,101.45	98,288.79
Addition	4,188.62	130,195.18
Repayment	(2,593.49)	(80,613.81)
Currency translation differences	47.36	(2,555.72)
Balance as at December 31, 2012	<u>4,743.94</u>	<u>145,314.44</u>

The Company has provided loans to subsidiaries for the year ended December 31, 2012 with an interest rate of 3.67% – 4.02% per annum (during the year 2011: interest rate is between 3.46% - 3.86% per annum). The subsidiaries shall occasionally repay the loans. In addition, the Company has provided loans to an associate for the year ended December 31, 2012 with an interest rate of 4.35% - 4.60% per annum (during the year 2011: interest rate is between 3.90% - 4.60% per annum).

14. Investments in Subsidiaries, Associates and Jointly Controlled Entities

14.1 Details of subsidiaries, associates, and jointly controlled entities

Unit: Million US Dollar													
Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
								Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011		
Subsidiary Companies													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	516.38	516.38	PTTEP	100%	100%	516.38	516.38	1,805.54	1,496.57	-	-
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	0.007	0.007	PTTEP	75%	75%	0.005	0.005	903.81	855.68	-	-
					PTTEPI	25%	25%	0.002	0.002	301.76	285.23	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(12.19)	(10.65)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(19.23)	(17.25)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(7.54)	(166.23)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(19.22)	(37.91)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(101.45)	(85.08)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(120.99)	(103.88)	-	-
PTTEP (Thailand) Limited (PTTEPT) ¹	Thailand	Petroleum	2.54	2.54	PTTEPI	100%	100%	2.54	2.54	(2.59)	(2.96)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	0.03	0.03	PTTEP	25%	25%	0.01	0.01	0.57	0.005	-	-
					PTTEPI	75%	75%	0.04	0.04	4.75	3.06	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	4.00	4.00	PTTEP	51%	51%	99.79	99.79	155.12	162.98	172.28	144.86
					PTTEPO	49%	49%	95.18	95.18	123.32	130.88	165.52	139.17
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP OM	100%	100%	0.05	0.05	(81.81)	(74.98)	-	-
PTTEP Bahrain Company Limited (PTTEP BH)	Cayman Islands	Petroleum	0.05	0.05	PTTEP OM	100%	100%	0.05	0.05	(34.05)	(16.10)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(865.74)	(394.19)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(111.65)	(97.65)	-	-
PTTEP Bengara I Company Limited (PTTEPB)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(11.21)	(10.75)	-	-
PTTEP Andaman Limited (PTTEP A)	Thailand	Petroleum	0.007	0.007	PTTEPS	100%	100%	0.007	0.007	(0.004)	(0.002)	-	-
PTTEP Africa Investment Limited (PTTEP AI) ²	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(121.98)	(43.12)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP AI	100%	100%	0.05	0.05	(15.62)	(10.48)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)	Cayman Islands	Petroleum	0.05	0.05	PTTEP AI	100%	100%	0.05	0.05	(33.76)	(32.55)	-	-

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Unit: Million US Dollar													
Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
					Dec. 31, 2012	Dec. 31, 2011			Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012
Subsidiary Companies													
PTTEP Australia Pty Limited (PTTEP AU) *	Australia	Petroleum	0.45	0.45	PTTEPH	100%	100%	0.05	0.05	(66.18)	(58.06)	-	-
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(11.30)	(10.87)	-	-
PTTEP South Asia Limited (PTTEP SA)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(1.70)	0.03	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(19.07)	(13.27)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(74.93)	(69.93)	-	-
PTTEP Australia Perth Pty Limited (PTTEP AP) *	Australia	Petroleum	0.04	0.04	PTTEPH	100%	100%	0.04	0.04	(255.09)	30.18	-	-
Andaman Transportation Limited (ATL) ³	Cayman Islands	Gas pipeline transportation	-	0.05	PTTEPO	-	100%	-	0.05	-	(7.49)	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(278.14)	(200.96)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(0.17)	(0.04)	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.001	0.001	PTTEP IH	100%	100%	0.001	0.001	(16.88)	(6.79)	-	-
JV Shore Base Limited (JV Shore Base)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(3.47)	0.04	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(257.29)	(192.10)	-	-
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	1.11	(0.12)	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(3.61)	(1.76)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(2.75)	(1.74)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(3.74)	(2.82)	-	-
PTTEP Malunda Limited (PTTEP ML)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(15.10)	(10.34)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) ⁷	Netherlands	Petroleum	1,000.05	1,000.05	PTTEP IH	0.00005%	0.00005%	0.0005	0.0005	(1.43)	(1.85)	-	-
					PTTEP NL	99.99995%	99.99995%	1,000.05	1,000.05	794.51	816.42	-	-
PTTEP Canada Limited (PTTEP CA)	Canada	Petroleum	1,000.05	1,000.05	PTTEP NC	100%	100%	1,000.05	1,000.05	790.01	817.17	-	-
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Petroleum	0.05	0.05	PTTEP NC	100%	100%	0.05	0.05	2.32	(3.57)	-	-
PTTEP MEA Limited (PTTEP MEA) ⁷	Cayman Islands	Petroleum	0.05	0.05	PTTEP	100%	100%	0.05	0.05	0.04	0.05	-	-
Cove Energy Public Company Limited **	England	Petroleum	21.13	-	PTTEP AI	100%	-	21.13	-	14.73	-	-	-

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Unit: Million US Dollar													
Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
								Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011		
Associated Companies													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	49.58	49.58	PTTEP	50%	50%	24.79	24.79	24.05	21.78	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	3.94	3.94	PTTEP	20%	20%	0.79	0.79	3.70	2.18	-	-
PTTEP AP's Associates ⁴	Australia	Services	0.97	0.97	PTTEP AAO	50%	50%	0.48	0.48	3.45	2.97	-	-
Jointly Controlled Entities													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	0.10	0.10	PTTEPI	50%	50%	0.05	0.05	0.05	0.06	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.03	0.03	PTTEPO	25.5%	25.5%	0.008	0.008	69.16	61.34	125.82	97.74
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	0.10	0.10	PTTEPO	19.3178%	19.3178%	8.01	8.01	49.04	44.14	84.86	67.05
Orange Energy Limited (Orange)	Thailand	Petroleum	4.00	4.00	PTTEPO	53.9496%	53.9496%	329.77	329.77	184.07	195.39	86.32	70.13
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	4.40	4.40	PTTEPO	25.0009%	25.0009%	109.95	109.95	51.06	52.68	32.50	30.42
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.0006	0.0006	PTTEP FH	50%	50%	0.0006	0.0006	(16.83)	(6.77)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	Petroleum	0.0001	0.0001	JV Marine	13.11%	13.11%	22.29	11.67	23.79	11.74	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	3,966.47	3,966.47	PTTEP CA	40%	40%	2,484.17	2,067.58	2,482.75	2,099.95	-	-
Leismer Aerodrome Limited (LAL) ⁵	Canada	Services	21.17	21.17	PTTEP CA	32%	40%	6.09	7.40	6.36	7.52	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL) ³	Cayman Islands	Gas pipeline transportation	0.05	-	PTTEPO	80%	-	0.05	-	(26.11)	-	-	-
NST Supply Base Company Limited (NST) ⁶	Thailand	Petroleum	32.20	-	JV Shore Base	15.67%	-	5.05	-	1.66	-	-	-

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

¹ As at December 24, 2010, PTTEPT has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

² The name of PTTEP Egypt Company Limited (PTTEP EG) was changed to PTTEP Africa Investment Limited (PTTEP AI).

³ On January 5, 2012, PTTEP Offshore Investment Limited (PTTEPO) with Myanmar Oil and Gas Enterprise (MOGE) has entered into Shareholders Agreement with Andaman Transportation Limited (ATL) to invest in Zawtika gas transportation project. The MOGE's investment is under 'the Agreement Establishing the Rights and Obligations of the Andaman Transportation Limited', which stated that, if MOGE exercised its rights to invest 20% of participating interest under the Production Sharing Contract, MOGE will have rights to invest in the common stock of ATL at the same proportion. As a result of entering into this agreement, the proportion of shareholders' interest of PTTEPO in ATL has been changed to 80% and MOGE has held another 20% shareholders interest effective on the date that both parties signed the agreement. The proportion change in the investment resulted in the change of ATL from a subsidiary to a jointly controlled entity. MOGE had paid for the actual participation interest totaling to US Dollar 6.22 million and paid for an increase in capital of its shareholders interest of US Dollar 12,500.

⁴ PTTEP AP's Associates are ShoreAir Pty Ltd and Troughton Island Pty Ltd.

⁵ On November 8, 2012, PTTEP CA has sold 8% of its interest in LAL to FCCL PARTNERSHIP which resulted in a decrease in its interest in LAL from 40% to 32%.

⁶ As at December 13, 2011, JV Shore Base Limited entered into an agreement with NST Supply Base Company Limited to purchase 19.5875% interests of NTS Supply Based Company Limited. As at February 3, 2012, NST Supply Base Company Limited has increased its registered share capital which resulted in a decrease in the Group's interests to 15.67% and paid the full amount for capital of its shareholders interest.

⁷ As at December 31, 2012 PTTEP NC and PTTEP MEA have share receivables.

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Unit: Million Baht													
Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
								Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011		
Subsidiary Companies													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	20,000.00	20,000.00	PTTEP	100%	100%	15,817.66	16,364.82	55,306.45	47,427.95	-	-
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	0.17	0.17	PTTEP	75%	75%	0.15	0.16	27,685.02	27,117.56	-	-
					PTTEPI	25%	25%	0.05	0.05	9,243.24	9,039.37	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.53	1.58	(373.30)	(337.42)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.53	1.58	(588.93)	(546.56)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	2.12	2.12	PTTEPO	100%	100%	1.53	1.58	(231.05)	(5,267.92)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.53	1.58	(588.89)	(1,201.39)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.53	1.58	(3,107.47)	(2,696.37)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	2.10	2.10	PTTEPO	100%	100%	1.53	1.58	(3,706.22)	(3,292.15)	-	-
PTTEP (Thailand) Limited (PTTEPT) ¹	Thailand	Petroleum	100.00	100.00	PTTEPI	100%	100%	77.78	80.47	(79.28)	(93.94)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	1.00	1.00	PTTEP	25%	25%	0.19	0.20	17.42	0.16	-	-
					PTTEPI	75%	75%	1.35	1.40	145.49	96.94	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	100.00	100.00	PTTEP	51%	51%	3,056.75	3,162.50	4,751.54	5,164.91	5,253.03	4,590.03
					PTTEPO	49%	49%	2,915.22	3,016.06	3,777.62	4,147.63	5,046.97	4,409.97
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	1.91	1.91	PTTEP OM	100%	100%	1.53	1.58	(2,505.84)	(2,376.25)	-	-
PTTEP Bahrain Company Limited (PTTEP BH)	Cayman Islands	Petroleum	1.90	1.90	PTTEP OM	100%	100%	1.53	1.58	(1,042.94)	(510.08)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	1.88	1.88	PTTEPO	100%	100%	1.53	1.58	(26,519.12)	(12,492.36)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	1.88	1.88	PTTEPH	100%	100%	1.53	1.58	(3,419.97)	(3,094.52)	-	-
PTTEP Bengara I Company Limited (PTTEPB)	Cayman Islands	Petroleum	1.88	1.88	PTTEP ID	100%	100%	1.53	1.58	(343.26)	(340.73)	-	-
PTTEP Andaman Limited (PTTEP A)	Thailand	Petroleum	0.25	0.25	PTTEPS	100%	100%	0.23	0.23	(0.12)	(0.05)	-	-
PTTEP Africa Investment Limited (PTTEP AI) ²	Cayman Islands	Petroleum	1.69	1.69	PTTEPH	100%	100%	1.53	1.58	(3,736.47)	(1,366.58)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	1.69	1.69	PTTEP AI	100%	100%	1.53	1.58	(478.62)	(332.06)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)	Cayman Islands	Petroleum	1.69	1.69	PTTEP AI	100%	100%	1.53	1.58	(1,034.25)	(1,031.49)	-	-

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Unit: Million Baht													
Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
								Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011		
Subsidiary Companies													
PTTEP Australia Pty Limited (PTTEP AU) *	Australia	Petroleum	1.53	1.53	PTTEPH	100%	100%	1.38	1.43	(2,027.08)	(1,839.85)	-	-
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	1.67	1.67	PTTEPH	100%	100%	1.53	1.58	(346.17)	(344.54)	-	-
PTTEP South Asia Limited (PTTEP SA)	Cayman Islands	Petroleum	1.59	1.59	PTTEPH	100%	100%	1.53	1.58	(52.22)	1.09	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	1.70	1.70	PTTEPH	100%	100%	1.53	1.58	(584.29)	(420.57)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	1.74	1.74	PTTEP ID	100%	100%	1.53	1.58	(2,295.16)	(2,216.26)	-	-
PTTEP Australia Perth Pty Limited (PTTEP AP) *	Australia	Petroleum	1.20	1.20	PTTEPH	100%	100%	1.07	1.11	(7,813.76)	956.51	-	-
Andaman Transportation Limited (ATL) ³	Cayman Islands	Gas pipeline transportation	-	1.74	PTTEPO	-	100%	-	1.58	-	(237.36)	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	1.77	1.77	PTTEPH	100%	100%	1.53	1.58	(8,519.77)	(6,368.72)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	1.64	1.64	PTTEPH	100%	100%	1.53	1.58	(5.23)	(1.19)	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.04	0.04	PTTEP IH	100%	100%	0.04	0.04	(517.01)	(215.31)	-	-
JV Shore Base Limited (JV Shore Base)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.53	1.58	(106.20)	1.15	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.53	1.58	(7,913.52)	(6,087.95)	-	-
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.53	1.58	34.05	(3.94)	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.53	1.58	(110.55)	(55.84)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.53	1.58	(84.21)	(55.11)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.53	1.58	(114.53)	(89.41)	-	-
PTTEP Malunda Limited (PTTEP ML)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.53	1.58	(462.60)	(327.68)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) ⁷	Netherlands	Petroleum	31,692.7	31,692.79	PTTEP IH	0.00005%	0.00005%	0.02	0.02	(43.75)	(58.77)	-	-
					PTTEP NL	99.99995%	99.99995%	30,633.12	31,692.77	24,337.21	25,873.29	-	-
PTTEP Canada Limited (PTTEP CA)	Canada	Petroleum	31,692.7	31,692.75	PTTEP NC	100%	100%	30,633.09	31,692.75	24,199.40	25,896.98	-	-
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Petroleum	1.55	1.55	PTTEP NC	100%	100%	1.55	1.61	71.15	(113.25)	-	-
PTTEP MEA Limited (PTTEP MEA) ⁷	Cayman Islands	Petroleum	1.56	1.56	PTTEP	100%	100%	1.53	1.58	1.30	1.53	-	-
Cove Energy Public Company Limited **	Endland	Petroleum	647.23	-	PTTEP AI	100%	-	647.23	-	451.32	-	-	-

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Unit: Million Baht													
Company	Registered Country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investment				Dividends for the years ended	
			Dec. 31, 2012	Dec. 31, 2011		Dec. 31, 2012	Dec. 31, 2011	Cost Method		Equity Method		Dec. 31, 2012	Dec. 31, 2011
								Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011		
Associated Companies													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	1,800.00	1,800.00	PTTEP	50%	50%	759.34	785.61	736.55	690.10	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	150.00	150.00	PTTEP	20%	20%	24.14	24.97	113.25	69.12	-	-
PTTEP AP's Associates ⁴	Australia	Services	33.77	33.77	PTTEP AAO	50%	50%	14.70	15.21	105.83	94.02	-	-
Jointly Controlled Entities													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	3.68	3.68	PTTEPI	50%	50%	1.48	1.53	1.48	1.75	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.76	0.76	PTTEPO	25.5%	25.5%	0.23	0.24	2,118.44	1,943.85	3,919.95	3,039.91
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	2.62	2.62	PTTEPO	19.3178%	19.3178%	245.24	253.73	1,502.27	1,398.73	2,641.69	2,085.91
Orange Energy Limited (Orange)	Thailand	Petroleum	100.00	100.00	PTTEPO	53.9496%	53.9496%	10,101.34	10,450.76	5,638.33	6,192.22	2,632.02	2,227.83
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	110.00	110.00	PTTEPO	25.0009%	25.0009%	3,367.97	3,484.47	1,563.93	1,669.64	997.61	966.54
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.02	0.02	PTTEP FH	50%	50%	0.02	0.02	(515.68)	(214.51)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	Petroleum	0.003	0.003	JV Marine	13.11%	13.11%	682.69	369.77	728.76	372.04	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	127,684.27	127,684.27	PTTEP CA	40%	40%	76,094.04	65,524.02	76,050.53	66,550.01	-	-
Leismer Aerodrome Limited (LAL) ⁵	Canada	Services	681.63	681.63	PTTEP CA	32%	40%	186.62	234.44	194.96	238.39	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL) ³	Cayman Islands	Gas pipeline transportation	1.74	-	PTTEPO	80%	-	1.53	-	(799.70)	-	-	-
NST Supply Base Company Limited (NST) ⁶	Thailand	Petroleum	1,000.00	-	JV Shore Base	15.67%	-	154.56	-	50.99	-	-	-

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

¹ As at December 24, 2010, PTTEPT has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

² The name of PTTEP Egypt Company Limited (PTTEP EG) was changed to PTTEP Africa Investment Limited (PTTEP AI).

³ On January 5, 2012, PTTEP Offshore Investment Limited (PTTEPO) with Myanmar Oil and Gas Enterprise (MOGE) has entered into Shareholders Agreement with Andaman Transportation Limited (ATL) to invest in Zawtika gas transportation project. The MOGE's investment is under 'the Agreement Establishing the Rights and Obligations of the Andaman Transportation Limited', which stated that, if MOGE exercised its rights to invest 20% of participating interest under the Production Sharing Contract, MOGE will have rights to invest in the common stock of ATL at the same proportion. As a result of entering into this agreement, the proportion of shareholders' interest of PTTEPO in ATL has been changed to 80% and MOGE has held another 20% shareholders interest effective on the date that both parties signed the agreement. The proportion change in the investment resulted in the change of ATL from a subsidiary to a jointly controlled entity. MOGE had paid for the actual participation interest totaling to US Dollar 6.22 million and paid for an increase in capital of its shareholders interest of US Dollar 12,500.

⁴ PTTEP AP's Associates are ShoreAir Pty Ltd and Troughton Island Pty Ltd.

⁵ On November 8, 2012, PTTEP CA has sold 8% of its interest in LAL to FCCL PARTNERSHIP which resulted in a decrease in its interest in LAL from 40% to 32%.

⁶ As at December 13, 2011, JV Shore Base Limited entered into an agreement with NST Supply Base Company Limited to purchase 19.5875% interests of NTS Supply Based Company Limited. As at February 3, 2012, NST Supply Base Company Limited has increased its registered share capital which resulted in a decrease in the Group's interests to 15.67% and paid the full amount for capital of its shareholders interest.

⁷ As at December 31, 2012 PTTEP NC and PTTEP MEA have share receivables.

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

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

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

Company	Registered country	Percentage of interest
Cove Energy Mozambique Rovuma Onshore Limited	Cyprus	100%
Cove Energy East Africa Limited	Cyprus	100%
Cove Energy Mozambique Rovuma Offshore Limited	Cyprus	100%
Cove Mozambique Terra Limitada	Mozambique	100%
Cove Mozambique Energia Limitada	Mozambique	100%
Cove Energy Kenya Limited	Kenya	100%

14.2 Investments in Subsidiaries, Associates, and Jointly Controlled Entities

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	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Net book value as at the beginning of the year	26.92	24.60	853.23	741.76
Share of net profit from investment after income taxes	4.66	2.42	144.70	74.87
Decrease in investment	(0.38)	(0.10)	(11.87)	(3.29)
Currency translation differences	-	-	(30.43)	39.89
Net book value as at the end of the year	<u>31.20</u>	<u>26.92</u>	<u>955.63</u>	<u>853.23</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Net book value as at the beginning of the year	641.82	641.77	20,339.84	19,350.00
Increase in investment	-	0.05	-	1.58
Currency translation differences	-	-	(680.07)	988.26
Net book value as at the end of the year	<u>641.82</u>	<u>641.82</u>	<u>19,659.77</u>	<u>20,339.84</u>

14.3 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
PTTEP International Limited	516.38	516.38	15,817.66	16,364.82
PTTEP Services Limited	0.01	0.01	0.20	0.20
PTTEP Siam Limited	99.79	99.79	3,056.75	3,162.50
PTTEP Offshore Investment Company Limited	0.005	0.005	0.15	0.16
PTTEP MEA Limited	0.05	0.05	1.53	1.58
Total	616.24	616.24	18,876.29	19,529.26

14.4 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Energy Complex Company Limited	24.05	21.77	736.55	690.10
PTT ICT Solutions Company Limited	3.70	2.18	113.25	69.11
PTTEP AP group's associates	3.45	2.97	105.83	94.02
Total	31.20	26.92	955.63	853.23

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Energy Complex Company Limited	24.79	24.79	759.34	785.61
PTT ICT Solutions Company Limited	0.79	0.79	24.14	24.97
Total	25.58	25.58	783.48	810.58

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Share of assets, liabilities, income and gains (losses) from associates as at December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar PTTEP AP group's associates					
	EnCo		ICT		associates	
	2012	2011	2012	2011	2012	2011
Assets	121.26	121.58	11.66	9.92	3.16	2.61
Liabilities	93.05	96.55	7.62	7.55	0.47	0.43
Income	20.48	19.48	15.18	13.29	4.44	2.34
Gains	2.27	1.47	1.48	1.08	1.01	0.29

	Unit : Million Baht PTTEP AP group's associates					
	EnCo		ICT		associates	
	2012	2011	2012	2011	2012	2011
Assets	3,714.35	3,853.03	357.18	314.53	96.64	82.68
Liabilities	2,850.37	3,059.83	233.54	239.24	14.34	13.69
Income	636.53	593.85	471.69	405.25	138.13	71.44
Gains	70.68	44.92	46.04	33.08	31.46	8.93

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14.5 Investments in Jointly Controlled Entities

Investments in jointly controlled entities are recorded in the Company's financial statements using the cost method. The Company presents its share of the assets, liabilities, revenues and expenses of jointly controlled entities, together with similar items, under similar headings in the proportionate consolidated financial statements. 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		PTT FLNG	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	8.50	1.03	38.29	31.67	24.53	19.84	145.76	147.49	37.44	34.50	1.41	3.20
Non-current assets	-	-	71.70	75.93	40.60	42.94	182.88	154.60	62.37	51.20	-	-
Current liabilities	(8.45)	(0.98)	(1.00)	(0.94)	(1.45)	(1.13)	(70.15)	(75.29)	(23.98)	(22.13)	(8.75)	(3.47)
Non-current liabilities	-	-	(39.83)	(45.32)	(13.62)	(16.56)	(98.42)	(63.48)	(31.30)	(20.17)	(9.50)	(6.50)
Net assets	<u>0.05</u>	<u>0.05</u>	<u>69.16</u>	<u>61.34</u>	<u>50.06</u>	<u>45.09</u>	<u>160.07</u>	<u>163.32</u>	<u>44.53</u>	<u>43.40</u>	<u>(16.84)</u>	<u>(6.77)</u>

Unit: Million US Dollar

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	2.65	3.98	120.72	93.99	0.46	0.31	27.96	3.30	16.09	-	2.05	-
Non-current assets	22.83	7.93	2,686.53	2,541.50	6.03	7.53	-	-	360.25	-	-	-
Current liabilities	(0.03)	(0.27)	(132.74)	(65.94)	(0.12)	(0.32)	(27.96)	(3.30)	(28.83)	-	(0.39)	-
Non-current liabilities	(1.91)	-	(585.17)	(595.62)	-	-	-	-	(359.86)	-	-	-
Net assets	<u>23.54</u>	<u>11.64</u>	<u>2,089.34</u>	<u>1,973.93</u>	<u>6.37</u>	<u>7.52</u>	<u>-</u>	<u>-</u>	<u>(12.35)</u>	<u>-</u>	<u>1.66</u>	<u>-</u>

(TRANSLATION)

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Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	For the years ended											
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of income :												
Revenues	-	-	194.57	151.47	125.21	101.18	293.24	294.77	112.62	104.51	0.21	0.15
Expenses	-	-	(8.53)	(8.93)	(5.79)	(5.43)	(133.06)	(140.29)	(45.70)	(46.24)	(10.27)	(6.90)
Income (loss) before income taxes	-	-	186.04	142.54	119.42	95.75	160.18	154.48	66.92	58.27	(10.06)	(6.75)
Income taxes	-	-	(52.40)	(41.58)	(29.59)	(28.86)	(77.11)	(77.18)	(33.29)	(32.42)	-	-
Net income (loss)	-	-	133.64	100.96	89.83	66.89	83.07	77.30	33.63	25.85	(10.06)	(6.75)

Unit: Million US Dollar

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	For the years ended											
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of income :												
Revenues	2.11	0.001	259.37	149.99	1.65	1.76	-	-	0.03	-	-	-
Expenses	(0.82)	(0.025)	(318.18)	(198.30)	(1.46)	(1.50)	-	-	(6.65)	-	(3.31)	-
Income (loss) before income taxes	1.29	(0.024)	(58.81)	(48.31)	0.19	0.26	-	-	(6.62)	-	(3.31)	-
Income taxes	(0.01)	-	25.78	11.88	-	-	-	-	-	-	-	-
Net income (loss)	1.28	(0.024)	(33.03)	(36.43)	0.19	0.26	-	-	(6.62)	-	(3.31)	-

(TRANSLATION)

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Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	260.41	32.68	1,173.03	1,003.74	751.25	628.87	4,464.80	4,674.03	1,146.81	1,093.31	43.30	101.35
Non-current assets	-	-	2,196.40	2,406.17	1,243.77	1,361.02	5,601.90	4,899.31	1,910.62	1,622.57	-	-
Current liabilities	(258.95)	(30.93)	(30.88)	(29.91)	(44.39)	(35.94)	(2,148.81)	(2,385.99)	(734.75)	(701.33)	(267.97)	(109.92)
Non-current liabilities	-	-	(1,220.11)	(1,436.16)	(417.14)	(524.86)	(3,014.63)	(2,011.60)	(958.66)	(639.13)	(291.00)	(205.99)
Net assets	<u>1.46</u>	<u>1.75</u>	<u>2,118.44</u>	<u>1,943.84</u>	<u>1,533.49</u>	<u>1,429.09</u>	<u>4,903.26</u>	<u>5,175.75</u>	<u>1,364.02</u>	<u>1,375.42</u>	<u>(515.67)</u>	<u>(214.56)</u>

Unit: Million Baht

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	81.07	126.13	3,697.86	2,978.55	13.99	9.72	856.34	104.68	492.94	-	62.99	-
Non-current assets	699.47	251.37	82,292.77	80,543.29	184.78	238.84	-	-	11,034.98	-	-	-
Current liabilities	(0.82)	(8.49)	(4,066.12)	(2,089.81)	(3.81)	(10.17)	(856.34)	(104.68)	(883.12)	-	(12.01)	-
Non-current liabilities	(58.51)	-	(17,924.58)	(18,875.76)	-	-	-	-	(11,023.16)	-	-	-
Net assets	<u>721.21</u>	<u>369.01</u>	<u>63,999.93</u>	<u>62,556.27</u>	<u>194.96</u>	<u>238.39</u>	<u>-</u>	<u>-</u>	<u>(378.36)</u>	<u>-</u>	<u>(50.98)</u>	<u>-</u>

(TRANSLATION)

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Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	For the years ended											
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of income :												
Revenues	-	-	6,049.94	4,614.44	3,891.77	3,083.46	9,115.66	8,975.63	3,500.70	3,183.64	6.36	4.70
Expenses	-	-	(264.99)	(272.53)	(179.96)	(165.75)	(4,133.11)	(4,277.58)	(1,419.55)	(1,409.77)	(317.04)	(210.89)
Income (loss) before income taxes	-	-	5,784.95	4,341.91	3,711.81	2,917.71	4,982.55	4,698.05	2,081.15	1,773.87	(310.68)	(206.19)
Income taxes	-	-	(1,625.67)	(1,267.48)	(917.39)	(879.28)	(2,399.90)	(2,346.34)	(1,036.02)	(985.22)	-	-
Net income (loss)	-	-	4,159.28	3,074.43	2,794.42	2,038.43	2,582.65	2,351.71	1,045.13	788.65	(310.68)	(206.19)

Unit: Million Baht

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	For the years ended											
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of income :												
Revenues	65.24	0.04	8,053.41	4,584.50	51.27	53.54	-	-	0.88	-	0.10	-
Expenses	(25.57)	(0.78)	(9,874.66)	(6,026.32)	(45.32)	(45.72)	-	-	(206.71)	-	(101.45)	-
Income (loss) before income taxes	39.67	(0.74)	(1,821.25)	(1,441.82)	5.95	7.82	-	-	(205.83)	-	(101.35)	-
Income taxes	(0.31)	-	805.12	358.94	-	-	-	-	-	-	-	-
Net income (loss)	39.36	(0.74)	(1,016.13)	(1,082.88)	5.95	7.82	-	-	(205.83)	-	(101.35)	-

15. 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, 2011	10,684.53	119.87	750.55	204.56	94.10	11,853.61
Acquisition	1,383.85	13.82	0.54	-	-	1,398.21
Increase	1,937.94	20.87	37.26	149.27	20.37	2,165.71
Transfer	271.42	-	11.14	-	-	282.56
Decrease	(140.53)	(0.95)	(104.32)	-	(5.20)	(251.00)
Currency translation differences*	(33.27)	(0.28)	(0.23)	-	-	(33.78)
Balance as at December 31, 2011	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
<u>Accumulated depreciation</u>						
Balance as at January 1, 2011	(4,575.18)	(78.02)	(284.06)	(84.40)	(24.54)	(5,046.20)
Depreciation for the year	(968.36)	(13.10)	(57.40)	(6.88)	(8.13)	(1,053.87)
Decrease	2.29	0.37	-	-	4.65	7.31
Currency translation differences*	(0.50)	(0.91)	(0.12)	-	-	(1.53)
Balance as at December 31, 2011	(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)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2011	(12.79)	-	-	-	-	(12.79)
Increase	(7.18)	(0.10)	-	-	-	(7.28)
Decrease	(0.04)	-	-	-	-	(0.04)
Balance as at December 31, 2011	(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)
Net book value as at December 31, 2011	8,542.18	61.57	353.36	262.55	81.25	9,300.91
Net book value as at December 31, 2012	9,739.62	65.39	654.38	417.91	93.67	10,970.97
Depreciation included in the statement of income for the year ended December 31, 2011					US Dollar 1,053.87	million
Depreciation included in the statement of income for the year ended December 31, 2012					US Dollar 1,319.67	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, 2011	322,152.44	3,614.18	22,630.23	6,167.66	2,837.31	357,401.82
Acquisition	41,724.99	416.68	16.14	-	-	42,157.81
Increase	59,602.49	643.07	1,171.16	4,576.13	623.34	66,616.19
Transfer	8,183.71	-	335.98	-	-	8,519.69
Decrease	(4,393.39)	(29.58)	(3,306.00)	-	(157.04)	(7,886.01)
Currency translation differences*	19,700.45	214.97	1,175.89	469.55	159.23	21,720.09
Balance as at December 31, 2011	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
<u>Accumulated depreciation</u>						
Balance as at January 1, 2011	(137,947.88)	(2,352.47)	(8,564.87)	(2,544.74)	(739.81)	(152,149.77)
Depreciation for the year	(29,516.39)	(399.27)	(1,748.58)	(209.74)	(247.87)	(32,121.85)
Decrease	69.20	9.88	-	-	140.42	219.50
Currency translation differences*	(8,229.64)	(163.10)	(511.68)	(138.23)	(40.56)	(9,083.21)
Balance as at December 31, 2011	(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)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2011	(385.52)	-	-	-	-	(385.52)
Increase	(218.50)	(6.51)	-	-	-	(225.01)
Decrease	(6.55)	-	-	-	-	(6.55)
Currency translation differences*	(23.46)	3.34	-	-	-	(20.12)
Balance as at December 31, 2011	(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)
Net book value as at December 31, 2011	270,711.95	1,951.19	11,198.27	8,320.63	2,575.02	294,757.06
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

Depreciation included in the statement of income for the year ended December 31, 2011 Baht 32,121.85 million

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

* Net foreign exchange rate differences in translating financial statements.

Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell or value in use.

During the year ended December 31, 2012, PTTEP Australasia Pty Limited recognized the impairment loss of US Dollar 204 million due to the increase of the Montara project cost, the change and the delay in the first oil production to the end of the first quarter of 2013. The recoverable amount used in assessing the impairment loss is based on fair value less cost to sell. The group estimates fair value less cost to sell using discounted cash flow over the life of the project. The cash flow projections are based on a proved and probable reserve production profile and various estimates and assumptions. The key assumptions used in the cash flow projections include the oil prices, exchange rates, discount rates, and capital expenditure, etc.

The short term oil price was determined based on the forward price curve and long term oil price was determined based on long-term view of global supply and demand, building upon past experience of the industry and consistent with external sources. For the exchange rate, the Company used the forward prices of United States dollars / Australian dollars. The Company used the weighted average cost of capital of 8.27% as a discount rate and the capital expenditure was determined based on forecasts by project management team. The Company expects that the Montara production will be commenced in the first quarter of 2013.

(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, 2011	4,971.42	53.17	341.88	68.55	5,435.02
Increase	821.99	3.86	-	10.07	835.92
Decrease	(15.41)	(0.06)	(69.51)	(5.21)	(90.19)
Balance as at December 31, 2011	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
<u>Accumulated depreciation</u>					
Balance as at January 1, 2011	(2,527.23)	(35.59)	(132.35)	(19.18)	(2,714.35)
Depreciation for the year	(540.99)	(4.95)	(34.75)	(6.67)	(587.36)
Decrease	1.27	-	-	4.65	5.92
Balance as at December 31, 2011	(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)
Net book value as at December 31, 2011	2,711.05	16.43	105.27	52.21	2,884.96
Net book value as at December 31, 2012	3,051.74	15.09	304.04	54.97	3,425.84

Depreciation included in the statement of income for the year ended December 31, 2011 US Dollar 587.36 million

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

(TRANSLATION)

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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, 2011	149,894.78	1,602.99	10,308.19	2,066.83	163,872.79
Increase	25,177.37	118.52	-	311.55	25,607.44
Decrease	(467.80)	(1.84)	(2,203.00)	(157.04)	(2,829.68)
Currency translation differences*	8,507.33	85.77	526.44	105.26	9,224.80
Balance as at December 31, 2011	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
<u>Accumulated depreciation</u>					
Balance as at January 1, 2011	(76,199.27)	(1,072.95)	(3,990.49)	(578.31)	(81,841.02)
Depreciation for the year	(16,484.47)	(151.02)	(1,058.50)	(203.52)	(17,897.51)
Decrease	37.29	-	-	140.42	177.71
Currency translation differences*	(4,548.94)	(60.87)	(246.41)	(30.60)	(4,886.82)
Balance as at December 31, 2011	(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)
Net book value as at December 31, 2011	85,916.29	520.60	3,336.23	1,654.59	91,427.71
Net book value as at December 31, 2012	93,479.55	462.33	9,313.23	1,683.87	104,938.98

Depreciation included in the statement of income for the year ended December 31, 2011 Baht 17,897.51 million

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

* Net foreign exchange rate differences in translating financial statements.

16. Carried Costs under Petroleum Sharing Contract

As at December 31, 2012, the Group presented carried costs paid to foreign governments under oil and gas properties 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 Cost		
	Oil and Gas Properties	Other Non- Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Vietnam 52/97	-	1.01	-
Vietnam B & 48/95	-	1.06	-
Vietnam 16-1	25.82	-	35.49
Vietnam 9-2	33.18	-	19.93
Algeria 433a & 416b	8.11	-	12.31
Algeria Hassi Ber Rekaiz	34.32	-	8.44
Myanmar PSC-G & EP-2	0.36	-	0.17
Mozambique Rovuma Offshore Area 1	26.28	-	4.60
Mozambique Rovuma Onshore	0.03	-	0.60

Unit: Million Baht

Projects	Consolidated		
	Carried Cost		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Vietnam 52/97	-	30.90	-
Vietnam B & 48/95	-	32.34	-
Vietnam 16-1	790.91	-	1,268.59
Vietnam 9-2	1,016.26	-	791.82
Algeria 433a & 416b	248.28	-	412.37
Algeria Hassi Ber Rekaiz	1,051.34	-	259.38
Myanmar PSC-G & EP-2	10.95	-	5.22
Mozambique Rovuma Offshore Area 1	804.85	-	141.21
Mozambique Rovuma Onshore	0.77	-	18.40

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

Unit: Million US Dollar

Projects	The Company		
	Carried Cost		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Algeria Hassi Ber Rekaiz	34.32	-	8.44

Unit: Million Baht

Projects	The Company		
	Carried Cost		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Algeria Hassi Ber Rekaiz	1,051.34	-	259.38

17. Goodwill

	Consolidated	
	Unit: Million US Dollar	Unit: Million Baht
<u>Historical Cost</u>		
Balance as at January 1, 2011	7.31	220.52
Acquisition	336.81	10,155.32
Currency translation differences*	(14.42)	72.59
Balance as at December 31, 2011	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
<u>Allowance for impairment of assets</u>		
Balance as at December 31, 2011	-	-
Increase	(7.31)	(231.51)
Decrease	-	-
Currency translation differences*	-	7.48
Balance as at December 31, 2012	(7.31)	(224.03)
Net Book Value as at December 31, 2011	329.70	10,448.43
Net Book Value as at December 31, 2012	901.24	27,606.44

* Net foreign exchange rate differences in translating financial statements.

18. 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, 2011	172.61	29.41	202.02
Acquisition	1,140.57	-	1,140.57
Increase	191.10	24.60	215.70
Transfer	(282.57)	-	(282.57)
Decrease	(96.06)	(0.36)	(96.42)
Currency translation differences*	(18.16)	-	(18.16)
Balance as at December 31, 2011	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
<u>Accumulated amortization</u>			
Balance as at January 1, 2011	-	(18.83)	(18.83)
Amortization for the year	-	(2.40)	(2.40)
Decrease	-	0.13	0.13
Balance as at December 31, 2011	-	(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)
<u>Provision for impairment losses</u>			
Balance as at January 1, 2011	-	-	-
Increase	(9.87)	-	(9.87)
Decrease	6.38	-	6.38
Balance as at December 31, 2011	(3.49)	-	(3.49)
Increase	-	-	-
Decrease	0.03	-	0.03
Balance as at December 31, 2012	(3.46)	-	(3.46)
Net Book Value as at December 31, 2011	1,104.00	32.55	1,136.55
Net Book Value as at December 31, 2012	3,177.15	61.52	3,238.67

* Net foreign exchange rate differences in translating financial statements.

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Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2011	5,204.29	886.79	6,091.08
Acquisition	34,389.67	-	34,389.67
Increase	5,864.59	766.59	6,631.18
Transfer	(8,519.69)	-	(8,519.69)
Decrease	(2,940.57)	(11.30)	(2,951.87)
Currency translation differences*	1,099.43	58.22	1,157.65
Balance as at December 31, 2011	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
<u>Accumulated amortization</u>			
Balance as at January 1, 2011	-	(567.75)	(567.75)
Amortization for the year	-	(72.16)	(72.16)
Decrease	-	4.04	4.04
Currency translation differences*	-	(32.84)	(32.84)
Balance as at December 31, 2011	-	(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)
<u>Provision for impairment losses</u>			
Balance as at January 1, 2011	-	-	-
Increase	(304.17)	-	(304.17)
Decrease	194.68	-	194.68
Currency translation differences*	(1.04)	-	(1.04)
Balance as at December 31, 2011	(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)
Net Book Value as at December 31, 2011	34,987.19	1,031.59	36,018.78
Net Book Value as at December 31, 2012	97,321.39	1,884.36	99,205.75

* Net foreign exchange rate differences in translating financial statements.

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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, 2011	0.31	24.67	24.98
Increase	10.50	24.37	34.87
Balance as at December 31, 2011	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
<u>Accumulated amortization</u>			
Balance as at January 1, 2011	-	(16.14)	(16.14)
Amortization for the year	-	(2.06)	(2.06)
Balance as at December 31, 2011	-	(18.20)	(18.20)
Amortization for the year	-	(1.70)	(1.70)
Balance as at December 31, 2012	-	(19.90)	(19.90)
Net Book Value as at December 31, 2011	10.81	30.84	41.65
Net Book Value as at December 31, 2012	59.28	59.23	118.51

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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, 2011	9.43	743.80	753.23
Increase	327.10	756.44	1,083.54
Currency translation differences*	6.06	53.84	59.90
Balance as at December 31, 2011	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
<u>Accumulated Amortization</u>			
Balance as at January 1, 2011	-	(486.73)	(486.73)
Amortization for the year	-	(62.66)	(62.66)
Currency translation differences*	-	(27.34)	(27.34)
Balance as at December 31, 2011	-	(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)
Net Book Value as at December 31, 2011	342.59	977.35	1,319.94
Net Book Value as at December 31, 2012	1,815.80	1,814.38	3,630.18

* Net foreign exchange rate differences in translating financial statements.

19. 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	15–30 (for 2011), 20–30 (for 2012), 20–23 (for 2013), 20 (commencing 2014)
Corporate Income tax in the Union of Myanmar	30
Corporate Income tax from the Petroleum business in the Thai – Malaysia co-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 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	26.5 (for 2011), 25 (commencing 2012)
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)

The Royal Gazette has issued the Royal Decree (No. 530) 2011 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 two following 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 tax calculation for deferred tax assets and liabilities under the Royal Decree for the future tax benefit for the year 2012 of 23% and 2013 onward of 20%.

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19.1 Deferred income tax assets and liabilities for the years ended December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar			
	Consolidated		The Company	
	2012	2011	2012	2011
Deferred income tax assets	380.98	510.60	14.93	21.28
Deferred income tax liabilities	1,512.78	918.67	266.48	182.46
	<u>(1,131.80)</u>	<u>(408.07)</u>	<u>(251.55)</u>	<u>(161.18)</u>

	Unit : Million Baht			
	Consolidated		The Company	
	2012	2011	2012	2011
Deferred income tax assets	11,670.13	16,181.63	457.30	674.54
Deferred income tax liabilities	46,339.00	29,113.63	8,162.88	5,782.37
	<u>(34,668.87)</u>	<u>(12,932.00)</u>	<u>(7,705.58)</u>	<u>(5,107.83)</u>

19.2 The corporate income taxes in statement of income in the consolidated and the Company financial statements for the years ended December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar			
	Consolidated		The Company	
	2012	2011	2012	2011
Income Taxes :				
Current tax expenses	1,276.77	1,093.02	621.76	606.83
Prior year tax expenses recognized in current period	(3.65)	7.63	(2.55)	3.22
	<u>1,273.12</u>	<u>1,100.65</u>	<u>619.21</u>	<u>610.05</u>
Deferred Income Taxes :				
Temporary differences change	116.03	(99.74)	120.71	8.27
Decrease of income tax rate *	-	14.22	-	7.29
Tax Effect of currency translation on tax base	(34.96)	132.23	(25.63)	94.02
	<u>81.07</u>	<u>46.71</u>	<u>95.08</u>	<u>109.58</u>
Total	<u>1,354.19</u>	<u>1,147.36</u>	<u>714.29</u>	<u>719.63</u>

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Unit : Million Baht

	Consolidated		The Company	
	2012	2011	2012	2011
Income Taxes :				
Current tax expenses	39,667.72	33,306.07	19,314.57	18,491.05
Prior year tax expenses recognized in current period	(114.50)	230.83	(79.87)	97.53
	<u>39,553.22</u>	<u>33,536.90</u>	<u>19,234.70</u>	<u>18,588.58</u>
Deferred Income Taxes :				
Temporary differences change	3,590.62	(2,992.19)	3,724.75	268.17
Decrease of income tax rate *	-	434.42	-	223.53
Tax Effect of currency translation on tax base	(1,023.72)	4,065.73	(747.64)	2,889.55
	<u>2,566.90</u>	<u>1,507.96</u>	<u>2,977.11</u>	<u>3,381.25</u>
Total	<u>42,120.12</u>	<u>35,044.86</u>	<u>22,211.81</u>	<u>21,969.83</u>

* The Royal Gazette has issued the Royal Decree (No. 530) 2011 on December 21, 2011 to reduce of the corporate income tax rate, which affects the measurement of deferred tax assets and liabilities in the financial statements. Subsequently, the Federation of Accounting Professions (FAP) has published the announcement to clarify the tax rate used in deferred tax calculation for deferred tax assets and liabilities under the Royal Decree for the future tax benefit for the year 2012 of 23% and 2013 onward of 20%. The Group recognized the impact of corporate income tax rate changes in the statement of income.

(TRANSLATION)

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19.3 The tax on the Group's income before income tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company are as follows:

	Unit : Million US Dollar			
	Consolidated		Consolidated	
	2012	2011	2012	2011
Income before income taxes	3,199.71	2,615.61	2,214.95	1,768.63
Tax calculated at a tax rate of 50%	1,599.85	1,307.81	1,107.47	884.31
Tax effect of :				
Associates' results reported, net of tax	(2.33)	(1.22)	-	-
Income not subject to tax	(81.39)	(71.11)	(86.14)	(72.43)
Undeductible expenses – Corporate income tax	(1.62)	0.71	(3.90)	(1.54)
Undeductible expenses – Petroleum tax	273.62	258.08	219.85	203.22
Undeductible expenses – Foreign income tax	195.00	8.77	-	-
Tax loss for which no deferred income tax asset was recognized	86.38	66.10	-	-
Differences between income tax rate on undeductible expenses – Corporate income tax	(2.25)	4.64	74.38	1.89
Differences between taxes rate on income before income tax – Corporate income tax	(98.38)	(112.00)	(90.56)	(31.55)
Remeasurement of gain on exchange rate of US Dollar financial statement	(2.39)	25.49	(5.02)	22.55
Remeasurement of gain on exchange rate of Baht financial statement	(31.39)	23.75	(27.08)	38.86
Deferred tax on functional currency	(34.96)	138.05	(25.63)	94.02
Tax credit on petroleum royalty	(538.52)	(468.82)	(429.74)	(379.29)
Tax credit on foreign corporate income tax	(43.10)	(51.39)	-	-
Remeasurement of deferred tax – Change in tax rate	3.19	14.22	2.01	7.29
Adjustment in respect of prior year	(13.53)	4.66	(2.37)	3.23
Difference in tax rate of the Group's operating business	(23.95)	(12.41)	-	-
Others	69.96	12.03	(18.98)	(50.93)
Income tax	1,354.19	1,147.36	714.29	719.63

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	Unit : Million Baht			
	Consolidated		Consolidated	
	2012	2011	2012	2011
Income before income taxes	99,436.08	79,792.92	68,709.86	54,046.78
Tax calculated at a tax rate of 50%	49,718.04	39,896.46	34,354.93	27,023.39
Tax effect of :				
Associates' results reported, net of tax	(72.36)	(37.06)	-	-
Income not subject to tax	(2,529.47)	(2,169.44)	(2,672.10)	(2,213.28)
Undeductible expenses – Corporate income tax	(50.46)	21.76	(121.09)	(47.12)
Undeductible expenses – Petroleum tax	8,503.25	7,873.06	6,819.94	6,209.96
Undeductible expenses – Foreign income tax	6,060.01	267.50	-	-
Tax loss for which no deferred income tax asset was recognized	2,684.33	2,016.35	-	-
Differences between income tax rate on undeductible expenses – Corporate income tax	(69.79)	141.51	2,307.46	57.82
Differences between taxes rate on income before income tax – Corporate income tax	(3,057.46)	(3,416.61)	(2,809.15)	(964.02)
Remeasurement of gain on exchange rate of US Dollar financial statement	(74.42)	777.61	(155.72)	689.02
Remeasurement of gain on exchange rate of Baht financial statement	(975.45)	724.54	(840.13)	1,187.63
Deferred tax on functional currency	(1,086.33)	4,211.56	(795.19)	2,873.18
Tax credit on petroleum royalty	(16,735.37)	(14,302.08)	(13,330.91)	(11,590.62)
Tax credit on foreign corporate income tax	(1,339.45)	(1,567.77)	-	-
Remeasurement of deferred tax – Change in tax rate	99.05	433.73	62.29	222.80
Adjustment in respect of prior year	(420.35)	142.18	(73.46)	98.55
Difference in tax rate of the Group's operating business	(744.16)	(378.43)	-	-
Others	2,210.51	409.99	(535.06)	(1,577.48)
Income tax	42,120.12	35,044.86	22,211.81	21,969.83

(TRANSLATION)

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

Unit : Million US Dollar

	Consolidated				December 31, 2012
	January 1, 2012	The statement of income	Shareholders' equity	Others	
Deferred income tax assets :					
Amortization of decommissioning costs and currency translation differences					
from decommissioning costs	111.67	(14.76)	-	-	96.91
Provision for employee benefits	1.86	0.45	0.04	-	2.35
Property, plant and equipment and intangible assets	(13.54)	(4.27)	-	-	(17.81)
Petroleum Resource Rent Tax in Australia	235.51	(120.18)	-	(64.59)	50.74
Loss carried forward	293.01	(5.28)	-	-	287.73
Unrealized foreign exchange	(38.26)	(9.24)	-	-	(47.50)
Revaluation in value of oil and gas properties according to Australian law	(63.39)	(22.23)	-	-	(85.62)
Financial derivative	22.71	(12.36)	4.70	-	15.05
Others	(52.83)	111.23	-	-	58.40
	496.74	(76.64)	4.74	(64.59)	360.25
Tax Effect of currency translation on tax base	13.86	6.87	-	-	20.73
Total	510.60	(69.77)	4.74	(64.59)	380.98

(TRANSLATION)

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Unit : Million US Dollar

	Consolidated				December 31, 2012
	January 1, 2012	The statement of income	Shareholders' equity	Others	
Deferred income tax liabilities :					
Amortization of decommissioning costs and currency translation differences from decommissioning costs	(133.17)	(18.78)	(0.08)	-	(152.03)
Provision for employee benefits	(28.56)	(6.97)	-	-	(35.53)
Provision for impairment loss	(6.39)	-	-	-	(6.39)
Property, plant and equipment and intangible assets	1,259.30	113.94	15.41	568.01	1,956.66
Loss carried forward	(27.65)	(33.92)	(0.46)	-	(62.03)
Advance payment	(14.30)	1.46	-	-	(12.84)
Financial derivative	0.26	(0.18)	0.39	-	0.47
Others	(0.40)	(16.17)	(0.46)	-	(17.03)
	<u>1,049.09</u>	<u>39.38</u>	<u>14.80</u>	<u>568.01</u>	<u>1,671.28</u>
Tax Effect of currency translation on tax base	(130.42)	(28.08)	-	-	(158.50)
Total	<u>918.67</u>	<u>11.30</u>	<u>14.80</u>	<u>568.01</u>	<u>1,512.78</u>

(TRANSLATION)

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Unit : Million baht

	Consolidated				December 31, 2012
	January 1, 2012	The statement of income	Shareholders' equity	Others	
Deferred income tax assets :					
Amortization of decommissioning costs and currency translation differences from decommissioning costs	3,538.98	(468.68)	(101.71)	-	2,968.59
Provision for employee benefits	59.05	14.20	(1.06)	-	72.19
Property, plant and equipment and intangible assets	(428.98)	(128.81)	12.24	-	(545.55)
Petroleum Resource Rent Tax in Australia	7,463.48	(3,755.20)	(2,154.26)	-	1,554.02
Loss carried forward	9,285.89	(127.47)	(344.82)	-	8,813.60
Unrealized foreign exchange	(1,212.53)	(261.81)	19.27	-	(1,455.07)
Revaluation in value of oil and gas properties according to Australian law	(2,009.01)	(691.99)	78.23	-	(2,622.77)
Financial derivative	719.89	(380.17)	121.17	-	460.89
Others	(1,674.41)	3,418.49	44.97	-	1,789.05
	<u>15,742.36</u>	<u>(2,381.44)</u>	<u>(2,325.97)</u>	<u>-</u>	<u>11,034.95</u>
Tax Effect of currency translation on tax base	439.27	204.54	(8.63)	-	635.18
Total	<u>16,181.63</u>	<u>(2,176.90)</u>	<u>(2,334.60)</u>	<u>-</u>	<u>11,670.13</u>

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Unit : Million baht

	Consolidated				December 31, 2012
	January 1, 2012	The statement of income	Shareholders' equity	Others	
Deferred income tax liabilities :					
Amortization of decommissioning costs and currency translation differences from decommissioning costs	(4,220.44)	(582.86)	146.36	-	(4,656.94)
Provision for employee benefits	(905.11)	(214.65)	31.50	-	(1,088.26)
Provision for impairment of loss	(202.61)	-	6.77	-	(195.84)
Property, plant and equipment and intangible assets	39,908.86	3,519.55	(1,100.24)	17,607.75	59,935.92
Loss carried forward	(876.31)	(1,042.14)	18.36	-	(1,900.09)
Advance payment	(453.04)	45.14	14.76	-	(393.14)
Financial derivative	8.21	(5.73)	11.76	-	14.24
Others	(12.87)	(510.14)	1.71	-	(521.84)
	<u>33,246.69</u>	<u>1,209.17</u>	<u>(869.56)</u>	<u>17,607.75</u>	<u>51,194.05</u>
Tax effect of currency translation on tax base	(4,133.06)	(819.18)	97.19	-	(4,855.05)
Total	<u>29,113.63</u>	<u>389.99</u>	<u>(772.37)</u>	<u>17,607.75</u>	<u>46,339.00</u>

Unit : Million US Dollar

	The Company			December 31, 2012
	January 1, 2012	The statement of income	Shareholders' equity	
Deferred income tax assets :				
Financial derivative	21.24	(10.89)	4.70	15.05
Others	(0.11)	(0.10)	-	(0.21)
	<u>21.13</u>	<u>(10.99)</u>	<u>4.70</u>	<u>14.84</u>
Tax effect of currency translation on tax base	0.15	(0.06)	-	0.09
Total	<u>21.28</u>	<u>(11.05)</u>	<u>4.70</u>	<u>14.93</u>

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Unit : Million US Dollar

	The Company			
	January 1, 2012	The statement of income	Shareholders' equity	December 31, 2012
Deferred income tax liabilities :				
Decommissioning costs and currency translation differences from decommissioning costs	(98.55)	(12.14)	-	(110.69)
Provision for employee benefits	(28.24)	(6.99)	-	(35.23)
Property, plant and equipment and intangible assets	434.80	130.87	-	565.67
Others	-	(2.02)	-	(2.02)
	308.01	109.72	-	417.73
Tax effect of currency translation on tax base	(125.55)	(25.70)	-	(151.25)
Total	182.46	84.02	-	266.48

Unit : Million baht

	The Company			
	January 1, 2012	The statement of income	Shareholders' equity	December 31, 2012
Deferred income tax assets :				
Financial derivative	673.06	(333.43)	121.26	460.89
Others	(3.35)	(3.10)	0.19	(6.26)
	669.71	(336.53)	121.45	454.63
Tax Effect of currency translation on tax base	4.83	(1.97)	(0.19)	2.67
Total	674.54	(338.50)	121.26	457.30

	The Company			
	January 1, 2012	The statement of income	Shareholders' equity	December 31, 2012
Deferred income tax liabilities :				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	(3,123.16)	(377.02)	109.72	(3,390.46)
Provision for employee benefits	(895.03)	(215.55)	31.26	(1,079.32)
Property, plant and equipment and intangible assets	13,779.43	4,042.64	(494.52)	17,327.55
Others	-	(61.85)	-	(61.85)
	9,761.24	3,388.22	(353.54)	12,795.92
Tax Effect of currency translation on tax base	(3,978.87)	(749.61)	95.44	(4,633.04)
Total	5,782.37	2,638.61	(258.10)	8,162.88

20. Prepaid Expenses

As at December 31, 2012, the major prepaid expenses totaling to US Dollar 21.21 million or Baht 649.73 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 2.07 million or Baht 63.42 million in which PTTEPI had recorded as advance royalty fee to Myanmar's government for the Yadana project will be amortized as expense together with the recognition of deferred income as disclosed in Note 28 to the financial statements.

21. Financial Derivatives

Financial derivatives as at December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Financial derivative assets				
<u>Financial derivative assets - Current</u>				
Oil price hedge	1.39	-	42.61	-
Total financial derivative assets - Current	1.39	-	42.61	-
<u>Financial derivative assets – Non - current</u>				
Interest rate swap	5.49	6.15	168.04	194.97
Cross currency and interest rate swap	2.05	-	63.02	-
Total financial derivative assets - Non - current	7.54	6.15	231.06	194.97
Financial derivative liabilities				
<u>Financial derivative liabilities – Current</u>				
Oil price hedge	-	0.77	-	24.40
Cross currency and interest rate swap	2.42	45.65	74.00	1,446.67
Forward foreign exchange	0.03	-	0.92	-
Total financial derivative liabilities - Current	2.45	46.42	74.92	1,471.07
<u>Financial derivative liabilities – Non - current</u>				
Cross currency and interest rate swap	42.38	46.83	1,298.04	1,484.15
Interest rate swap	2.43	-	74.57	-
Total financial derivative liabilities – Non - current	44.81	46.83	1,372.61	1,484.15

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Financial derivative assets				
<u>Financial derivative assets – Non - current</u>				
Interest rate swap	5.49	6.15	168.04	194.97
Total financial derivative assets – Non - current	5.49	6.15	168.04	194.97
Financial derivative liabilities				
<u>Financial derivative liabilities - Current</u>				
Cross currency and interest rate swap	2.42	45.65	74.00	1,446.67
Total financial derivative liabilities - Current	2.42	45.65	74.00	1,446.67
<u>Financial derivative liabilities – Non - current</u>				
Cross currency and interest rate swap	42.38	46.83	1,298.04	1,484.15
Interest rate swap	0.48	-	14.96	-
Total financial derivative liabilities – Non - current	42.86	46.83	1,313.00	1,484.15

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Fair value of financial derivative as at December 31, 2012 and 2011 presented by fair value measurement are as follows:

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2012				December 31, 2012			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
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
Financial derivative liabilities								
Cross currency and interest rate swap	-	44.80	-	44.80	-	1,372.04	-	1,372.04
Interest rate swap	-	2.43	-	2.43	-	74.57	-	74.57
Forward foreign exchange	-	0.03	-	0.03	-	0.92	-	0.92

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2011				December 31, 2011			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap	-	92.48	-	92.48	-	2,930.82	-	2,930.82
Oil price hedge	-	0.77	-	0.77	-	24.40	-	24.40

Level 1: Fair value based on prices quoted 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).

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Unit : Million US Dollar

Unit : Million Baht

	The Company				The Company			
	December 31, 2012				December 31, 2012			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	5.49	-	5.49	-	168.04	-	168.04
Financial derivative liabilities								
Cross currency and interest rate swap	-	44.80	-	44.80	-	1,372.04	-	1,372.04
Interest rate swap	-	0.48	-	0.48	-	14.96	-	14.96

Unit : Million US Dollar

Unit : Million Baht

	The Company				The Company			
	December 31, 2011				December 31, 2011			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap	-	92.48	-	92.48	-	2,930.82	-	2,930.82

Level 1: Fair value based on prices quoted 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, notional amount, on the currency leg of the swap with the underlying Thai Baht debentures or debt issuance.

In 2012, 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 did not have any hedged transactions which were reclassified from other comprehensive income to the statement of income during 2012.

22. Other Non-current Assets

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

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
Costs carried for PetroVietnam in projects:				
- Vietnam B & 48/95	1.06	1.06	32.34	33.46
- Vietnam 52/97	1.01	1.01	30.91	31.97
Deposits	3.78	4.02	115.94	127.46
Others	1.99	0.06	60.86	1.89
Total	<u>7.84</u>	<u>6.15</u>	<u>240.05</u>	<u>194.78</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
Deposits	3.77	3.64	115.34	115.44
Others	1.56	0.01	47.83	0.14
Total	<u>5.33</u>	<u>3.65</u>	<u>163.17</u>	<u>115.58</u>

23. Loans and Debentures

Loans and debentures comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<u>Current Liabilities</u>				
Short-term loans from financial institutions	-	315.55	-	10,000.00
Current portion of debentures	163.55	687.77	5,009.71	21,796.32
Total current liabilities	163.55	1,003.32	5,009.71	31,796.32
<u>Non-current Liabilities</u>				
Debentures	2,517.71	2,251.99	77,121.49	71,368.16
Long-term loans from financial institutions	1,091.70	617.86	33,440.66	19,580.74
Total non-current liabilities	3,609.41	2,869.85	110,562.15	90,948.90
	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<u>Current Liabilities</u>				
Short-term loans from financial institutions	-	315.55	-	10,000.00
Current portion of debentures	163.55	687.77	5,009.71	21,796.32
Total current liabilities	163.55	1,003.32	5,009.71	31,796.32
<u>Non-current Liabilities</u>				
Debentures	626.52	858.84	19,191.32	27,217.78
Long-term loans from financial institutions	50.00	50.00	1,531.58	1,584.56
Total non-current liabilities	676.52	908.84	20,722.90	28,802.34

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Movements in the loans and debentures for the year ended December 31, 2012 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
	<hr/>	<hr/>
Balance as at January 1, 2012	3,873.17	122,745.22
Loan draw down	3,930.63	122,176.23
Debenture issuing	500.00	15,541.55
Repayment of loans	(3,801.41)	(118,159.42)
Repayment of debentures	(779.22)	(24,220.72)
Deferred financing cost	(5.93)	(184.26)
Currency translation differences	55.72	(2,326.74)
Balance as at December 31, 2012	<hr/> 3,772.96	<hr/> 115,571.86

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
	<hr/>	<hr/>
Balance as at January 1, 2012	1,912.16	60,598.66
Loan draw down	1,949.74	60,604.11
Repayment of loans	(2,275.68)	(70,735.13)
Repayment of debentures	(779.22)	(24,220.72)
Deferred financing cost	(0.41)	(12.80)
Currency translation differences	33.48	(501.51)
Balance as at December 31, 2012	<hr/> 840.07	<hr/> 25,732.61

Short-term loans from financial institutions

In February 2012, the Company has entered into the five-year unsecured and unsubordinated revolving credit loan agreements with financial institution of Baht 20,000 million with the floating interest at fixed deposit plus 1.10% per annum (THB FIX + 1.10) with the option to convert the outstanding balance of loan (if any) at the end of the agreement into a five-year term loan, if both lender and borrower mutually agreed. The interest rate will be reset at that date. As at December 31, 2012, the Company has no short-term loans balance outstanding.

On 23 May 2012, PTTEP Offshore Investment Company Limited (PTTEPO) signed a facility agreement for an amount of GBP 950 million with financial institution. The facility is fully guaranteed by PTTEP and has a one-year tenor with the floating interest at GBP LIBOR plus interest rate between 0.85% to 1.8555% based on the duration of the loan. The proceeds from the facility were used for the acquisition of Cove

Energy Plc. PTTEPO fully utilized this loan in August 2012 and had paid back this short-term loan in full in December 2012.

On June 27, 2012, the Company withdrew short-term loan from the uncommitted loan facilities which the Company signed with two financial institutions of Baht 1,500 million for each financial institution, totaled to Baht 3,000 million with a fixed interest rate of 3.15% per annum. The Company had paid back this short-term loan in full in June 2012.

On September 27, 2012, the Company withdrew short-term loan from the uncommitted loan facilities which the Company signed with two financial institutions of Baht 1,500 million for each financial institution, totaled to Baht 3,000 million with a fixed interest rate of 3.15% per annum. The Company had paid back this short-term loan in full in October 2012.

Bills of Exchange

The Company launched the "PTTEP Short-term Financing Program" which involved the Company's inaugural issuance of Bills of Exchange (B/Es). The B/Es are to be issued on a revolving basis to institutional and high net-worth investors, with a total revolving credit up to Baht 50,000 million. As at December 31, 2012, the Company has no outstanding Bills of Exchange.

Long-term loans from financial institutions

In March 2012, PTTEP Canada International Finance Limited (PTTEP CIF) had entered into five-year unsecured loan agreement in the amount of CAD 300 million with the floating interest rate of CDOR + 1.7% per annum with a financial institution. This loan is fully guaranteed by PTTEP. PTTEP CIF fully utilized this loan in May 2012.

In April 2012, PTTEP Canada International Finance Limited (PTTEP CIF) had entered into five-year unsecured loan agreement in the amount of CAD 75 million with the floating interest rate of CDOR + 1.9% per annum with a financial institution. This loan is fully guaranteed by PTTEP. PTTEP CIF fully utilized this loan in May 2012.

In August 2012, PTTEP Canada International Finance Limited (PTTEP CIF) had entered into seven-year unsecured loan agreement in the amount of CAD 100 million with the floating interest rate of CDOR + 2.1% per annum with a financial institution. This loan is fully guaranteed by PTTEP. PTTEP CIF fully utilized this loan in September 2012.

Debentures

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

Debentures

The carrying value of unsecured and unsubordinated debentures as at December 31, 2012 and 2011 comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
				December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date within 1 year							
- Debentures Baht 18,300 million ¹	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Debentures Baht 3,500 million ²	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Debentures Baht 5,000 million ³	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25 ⁴	3.517	May 29, 2013	163.55	158.82	5,009.71	5,033.15
Maturity date between 1-3 years							
- Debentures Baht 11,700 million ⁵	4.00	4.027	May 29, 2014	381.82	368.96	11,695.62	11,692.65
- Debentures USD 500 million ⁶	4.152	4.366	July 19, 2015	497.48	496.50	15,238.53	15,734.43
- Debentures USD 200 million	4.152	4.326	August 4, 2015	199.11	198.66	6,099.28	6,295.81
Maturity date over 5 years							
- Debentures Baht 2,500 million ⁷	4.625	4.625	March 27, 2018	81.61	78.88	2,500.00	2,500.00
- Debentures Baht 5,000 million ⁸	4.80	4.816	May 29, 2019	163.09	157.62	4,995.69	4,995.13
- Debentures Baht 3,000 million NC5 ⁹	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
- Debentures USD 700 million ⁶	5.692	5.732	April 5, 2021	698.16	697.99	21,385.74	22,120.14
- Debentures USD 500 million	6.350	6.404	June 12, 2042	496.44	-	15,206.63	-
Total Carrying Value				<u>2,681.26</u>	<u>2,939.76</u>	<u>82,131.20</u>	<u>93,164.48</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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date within 1 year							
- Debentures Baht 18,300 million ¹	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Debentures Baht 3,500 million ²	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Debentures Baht 5,000 million ³	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25 ⁴	3.517	May 29, 2013	163.55	158.82	5,009.71	5,033.15
Maturity date between 1-3 years							
- Debentures Baht 11,700 million ⁵	4.00	4.027	May 29, 2014	381.82	368.96	11,695.62	11,692.65
Maturity date over 5 years							
- Debentures Baht 2,500 million ⁷	4.625	4.625	March 27, 2018	81.61	78.88	2,500.00	2,500.00
- Debentures Baht 5,000 million ⁸	4.80	4.816	May 29, 2019	163.09	157.62	4,995.69	4,995.13
- Debentures Baht 3,000 million NC5 ⁹	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
Total Carrying Value				790.07	1,546.61	24,201.02	49,014.10

(TRANSLATION)

¹ In March 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 603.36 million at the exchange rate of Baht 30.33 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 1.452% per annum.

² In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 115.78 million at the exchange rate of Baht 30.23 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 1.73% per annum.

³ In May 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 165.89 million at the exchange rate of Baht 30.14 per US Dollar.

⁴ Minimum and maximum repayments are 3.25% and 6.00% per annum, respectively, with Interests for the 3rd year and 4th year at 4% per annum.

⁵ In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht 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.

⁶ The Company has Optional Redemption rights. The redemption price is the sum of the debenture par value, accrued interest, interest payable up to the day before the maturity date and 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.

⁷ On September 27, 2005, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht 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 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 Baht 2,500 million for US Dollar 82.92 million at the exchange rate of 30.15 per US Dollar. Under this agreement, interest rate was charged at the rate of 3.30% per annum.

⁸ In June 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht 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.

⁹ NC5 (Non Call 5 years): the Company can redeem these debentures in the 5th year or in 2012. On June 15, 2012, the Company exercised its rights to early redeem these debentures in full amounts.

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Long-term loans from financial institutions

As at December 31, 2012 and 2011 comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
				December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date between 1-3 years							
- Loan US Dollar 50 million ¹	Libor+1.30	1.97	December 9, 2015	50.00	50.00	1,531.58	1,584.56
- Loan US Dollar 500 million ²	Libor+0.985	1.98	November 24, 2015	496.23	493.81	15,200.49	15,649.50
- Loan US Dollar 75 million	Libor+0.985	1.98	December 1, 2015	74.42	74.05	2,279.50	2,346.68
Maturity date between 3-5 years							
- Loan CAD Dollar 300 million	CDOR + 1.7	3.39	May 11, 2017	296.70	-	9,088.43	-
- Loan CAD Dollar 75 million	CDOR + 1.9	3.28	May 11, 2017	75.13	-	2,301.48	-
Maturity date over 5 years							
- Loan CAD Dollar 100 million ³	CDOR + 2.10	3.61	May 19, 2019	99.22	-	3,039.18	-
				<u>1,091.70</u>	<u>617.86</u>	<u>33,440.66</u>	<u>19,580.74</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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date between 1-3 years							
- Loan US Dollar 50 million ¹	Libor+1.30	1.97	December 9, 2015	50.00	50.00	1,531.58	1,584.56
				<u>50.00</u>	<u>50.00</u>	<u>1,531.58</u>	<u>1,584.56</u>

¹ 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.

² In May 2012, the Company swapped the interest rate on Loan amounting to US Dollar 250 million to average interest rate of 1.86% per annum.

³ Amortised loan with the repayment schedule of 4 installments will start from Year 5.5.

24. Short-term Provision

Short-term provision as at December 31, 2012 and 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for decommissioning cost that will be due within 1 year	20.76	72.97	635.90	2,312.67
Provision for Montara incident	1.51	2.80	46.29	88.62
Provision for Remuneration for the renewal of petroleum production	10.73	-	328.62	-
Total	<u>33.00</u>	<u>75.77</u>	<u>1,010.81</u>	<u>2,401.29</u>

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for Remuneration for the renewal of petroleum production	10.73	-	328.62	-
Total	<u>10.73</u>	<u>-</u>	<u>328.62</u>	<u>-</u>

25. Provision for Employee Benefits

The reconciliation details for the present value of the defined benefit obligation plans and liabilities recognized in the statement of financial position as at December 31, 2012 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Present value of the defined benefit obligation plans as at January 1, 2012	69.27	2,195.40
Current service cost	6.26	193.86
Interest cost	3.19	98.73
Actuarial losses recognized in the statement of income during the period	20.29	628.84
Benefits paid	(1.61)	(49.90)
Currency translation differences	2.80	2.41
Present value of the defined benefit obligation plans as at December 31, 2012	<u>100.20</u>	<u>3,069.34</u>
Unrecognized transitional liabilities	-	-
Unrealized actuarial loss	(21.36)	(654.46)
Net liabilities recorded in the statement of financial position	<u>78.84</u>	<u>2,414.88</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, 2012	60.63	1,921.35
Current service cost	4.62	143.10
Interest cost	2.80	86.75
Actuarial losses recognized in the statement of income during the period	22.50	697.26
Benefits paid	(1.31)	(40.44)
Currency translation differences	2.51	2.45
Present value of the defined benefit obligation plans as at December 31, 2012	91.75	2,810.47
Unrecognized transitional liabilities	-	-
Unrealized actuarial gain	(21.28)	(651.82)
Net liabilities recorded in the statement of financial position	70.47	2,158.65

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

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Current service cost	6.26	6.16	193.86	188.62
Interest cost	3.19	2.86	98.73	87.66
Transitional liabilities recognized during the year	6.03	6.06	186.78	185.57
Actuarial loss recognized during the year	0.14	0.18	4.64	5.62
Expenses recognized in the statements of income	15.62	15.26	484.01	467.47

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Current service cost	4.62	4.51	143.10	138.17
Interest cost	2.80	2.55	86.75	78.09
Transitional liabilities recognized during the year	5.75	5.78	178.18	176.98
Actuarial (gain) loss recognized during the year	-	-	-	-
Expenses recorded in the statements of income	13.17	12.84	408.03	393.24

Major Actuarial AssumptionsThe 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.

26. Provision for Decommissioning Costs

Provision for decommissioning costs remaining as at December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for decommissioning costs	1,091.50	776.97	33,434.50	24,623.20
<u>Less</u> Current portion	(20.76)	(72.97)	(635.90)	(2,312.66)
Non-current portion of provision for decommissioning costs	1,070.74	704.00	32,798.60	22,310.54

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for decommissioning costs	525.41	302.37	16,094.16	9,582.56
<u>Less Current portion</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current portion of provision for decommissioning costs	<u>525.41</u>	<u>302.37</u>	<u>16,094.16</u>	<u>9,582.56</u>

Movements of provisions for decommissioning costs during the year 2012 are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance at the beginning of the year	776.97	24,623.20
Additional provision	389.77	12,115.23
Estimated liability incurred during the period	(104.55)	(3,249.64)
Finance cost	28.98	900.67
Currency translation differences	0.33	(954.96)
Balance at the end of the year	<u>1,091.50</u>	<u>33,434.50</u>

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance at the beginning of the year	302.37	9,582.56
Additional provision	210.16	6,532.46
Estimated liability incurred during the period	-	-
Finance cost	12.88	400.24
Currency translation differences	-	(421.10)
Balance at the end of the year	<u>525.41</u>	<u>16,094.16</u>

27. Provision for Remuneration for the Renewal of Petroleum Production

Provision for remuneration for the renewal of petroleum production remaining as at December 31, 2012 and 2011 are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for remuneration for the renewal of petroleum production	178.18	-	5,457.89	-
<u>Less</u> Current portion	(10.73)	-	(328.62)	-
Non-current portion of provision for the renewal of petroleum production	167.45	-	5,129.27	-

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Provision for remuneration for the renewal of petroleum production	178.18	-	5,457.89	-
<u>Less</u> Current portion	(10.73)	-	(328.62)	-
Non-current portion of provision for the renewal of petroleum production	167.45	-	5,129.27	-

Movements of provisions for remuneration for the renewal of petroleum production during the year 2012 are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance at the beginning of the year	-	-
Additional provision	187.96	5,842.29
Estimated liability incurred during the period	(9.78)	(303.95)
Currency translation differences	-	(80.45)
Balance at the end of the year	178.18	5,457.89

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	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance at the beginning of the year	-	-
Additional provision	187.96	5,842.29
Estimated liability incurred during the period	(9.78)	(303.95)
Currency translation differences	-	(80.45)
Balance at the end of the year	<u>178.18</u>	<u>5,457.89</u>

28. Deferred Income

Deferred income as at December 31, 2012 and 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Deferred income for the year 2000	35.59	36.22	1,090.01	1,147.73
Deferred income for the year 2001	0.05	0.05	1.57	1.62
Deferred income for the year 2011	-	0.10	-	3.29
Total	<u>35.64</u>	<u>36.37</u>	<u>1,091.58</u>	<u>1,152.64</u>

Deferred revenue 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.

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29. Financial Assets and Financial Liabilities

Financial assets and financial liabilities as at December 31, 2012 and 2011 are as follows:

Unit : Million US Dollar

	Consolidated							
	December 31, 2012				December 31, 2011			
	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
Financial assets								
Cash and cash equivalents	-	-	2,291.92	-	-	-	1,350.53	-
Account receivable - parent company	-	-	870.24	-	-	-	484.20	-
Trade and other accounts receivables	-	-	337.17	-	-	-	352.05	-
Other current assets	-	-	67.83	-	-	-	73.34	-
Available-for-sale investments	-	-	-	1.25	-	-	-	-
Long-term loans to related parties	-	-	18.93	-	-	-	18.49	-
Derivative financial instruments	7.39	1.54	-	-	6.15	-	-	-
Other non-current assets	-	-	6.78	-	-	-	6.15	-
Total financial assets	7.39	1.54	3,592.87	1.25	6.15	-	2,284.76	-

Unit : Million US Dollar

	Consolidated					
	December 31, 2012			December 31, 2011		
	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
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	163.55	-	-	1,003.32
Trade accounts payable and working capital to co-venturers	-	-	127.92	-	-	108.66
Accrued expenses and interest payable	-	-	982.19	-	-	1,024.89
Other current liabilities	-	-	96.28	-	-	42.47
Derivative financial instruments	2.45	44.81	-	7.54	85.71	-
Debentures and long-term loans	-	-	3,609.41	-	-	2,869.85
Other non-current liabilities	-	-	19.05	-	-	32.23
Total financial liabilities	2.45	44.81	4,998.40	7.54	85.71	5,081.42

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Unit : Million Baht

	Consolidated							
	December 31, 2012				December 31, 2011			
	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
Financial assets								
Cash and cash equivalents	-	-	70,205.14	-	-	-	42,799.90	-
Account receivable - parent company	-	-	26,656.98	-	-	-	15,344.89	-
Trade and other accounts receivables	-	-	10,328.07	-	-	-	11,156.95	-
Other current assets	-	-	2,077.66	-	-	-	2,324.24	-
Available-for-sale investments	-	-	-	38.24	-	-	-	-
Long-term loans to related parties	-	-	580.00	-	-	-	585.82	-
Derivative financial instruments	226.40	47.27	-	-	194.97	-	-	-
Other non-current assets	-	-	207.70	-	-	-	194.77	-
Total financial assets	226.40	47.27	110,055.55	38.24	194.97	-	72,406.57	-

Unit : Million Baht

	Consolidated					
	December 31, 2012			December 31, 2011		
	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
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	5,009.71	-	-	31,796.32
Trade accounts payable and working capital to co-venturers	-	-	3,918.29	-	-	3,443.60
Accrued expenses and interest payable	-	-	30,085.93	-	-	32,480.23
Other current liabilities	-	-	2,949.10	-	-	1,345.94
Derivative financial instruments	74.92	1,372.61	-	238.90	2,716.32	-
Debentures and long-term loans	-	-	110,562.15	-	-	90,948.90
Other non-current liabilities	-	-	583.51	-	-	1,021.47
Total financial liabilities	74.92	1,372.61	153,108.69	238.90	2,716.32	161,036.46

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Unit : Million US Dollar

	The Company					
	December 31, 2012			December 31, 2011		
	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
Financial assets						
Cash and cash equivalents	-	-	1,732.90	-	-	744.93
Account receivable - parent company	-	-	567.88	-	-	292.94
Trade and other accounts receivables	-	-	47.33	-	-	25.72
Other current assets	-	-	19.82	-	-	2.06
Long - term loans to related parties	-	-	4,743.94	-	-	3,101.45
Derivative financial instruments	5.49	-	-	6.15	-	-
Other non-current assets	-	-	4.27	-	-	3.65
Total financial assets	<u>5.49</u>	<u>-</u>	<u>7,116.14</u>	<u>6.15</u>	<u>-</u>	<u>4,170.75</u>

Unit : Million US Dollar

	The Company					
	December 31, 2012			December 31, 2011		
	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
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	163.55	-	-	1,003.32
Trade accounts payable	-	-	9.79	-	-	22.10
Accrued expenses and interest payable	-	-	426.64	-	-	341.88
Other current liabilities	-	-	2.72	-	-	4.12
Derivative financial instruments	2.42	42.86	-	6.77	85.71	-
Debentures and long-term loans	-	-	676.52	-	-	908.84
Total financial liabilities	<u>2.42</u>	<u>42.86</u>	<u>1,279.22</u>	<u>6.77</u>	<u>85.71</u>	<u>2,280.26</u>

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Unit : Million Baht

	The Company					
	December 31, 2012			December 31, 2011		
	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
Financial assets						
Cash and cash equivalents	-	-	53,081.59	-	-	23,607.88
Account receivable - parent company	-	-	17,395.12	-	-	9,283.69
Trade and other accounts receivables	-	-	1,449.90	-	-	815.02
Other current assets	-	-	607.21	-	-	65.02
Long - term loans to related parties	-	-	145,314.44	-	-	98,288.79
Derivative financial instruments	168.04	-	-	194.97	-	-
Other non-current assets	-	-	130.83	-	-	115.58
Total financial assets	168.04	-	217,979.09	194.97	-	132,175.98

Unit : Million Baht

	The Company					
	December 31, 2012			December 31, 2011		
	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
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	5,009.71	-	-	31,796.32
Trade accounts payable	-	-	299.76	-	-	700.35
Accrued expenses and interest payable	-	-	13,068.63	-	-	10,834.69
Other current liabilities	-	-	83.19	-	-	131.09
Derivative financial instruments	74.00	1,313.00	-	214.50	2,716.32	-
Debentures and long-term loans	-	-	20,722.89	-	-	28,802.34
Total financial liabilities	74.00	1,313.00	39,184.18	214.50	2,716.32	72,264.79

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 carrying value and fair value of these instruments are as follows:

Unit : Million US Dollar

Consolidated		
December 31, 2012		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	790.07	804.75
Unsecured and unsubordinated debentures – US Dollar	1,891.19	2,167.12
Long-term loans from financial institutions – US Dollar	620.65	620.65
Long-term loans from financial institutions – Canada Dollar	471.05	471.05

Unit : Million Baht

Consolidated		
December 31, 2012		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	24,201.02	24,650.78
Unsecured and unsubordinated debentures – US Dollar	57,930.18	66,381.93
Long-term loans from financial institutions – US Dollar	19,011.57	19,011.57
Long-term loans from financial institutions – Canada Dollar	14,429.09	14,429.09

Unit : Million US Dollar

The Company		
December 31, 2012		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	790.07	804.75
Long-term loans from financial institutions – US Dollar	50.00	50.00

Unit : Million Baht

The Company		
December 31, 2012		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	24,201.02	24,650.78
Long-term loans from financial institutions – US Dollar	1,531.58	1,531.58

30. Share Capital

On September 27, 2012, the Board of Directors of the Company passed a resolution to approve the authorized share capital decrease, the authorized share capital increase, and the allocation of new ordinary shares as follows;

- Decrease of authorized share capital

According to the Company's Extraordinary General Meeting of the shareholders No. 1/2555 on October 29, 2012, Shareholders resolved to approve for the reduction of the Company's authorized share capital from Baht 3,322,000,000 to Baht 3,319,985,400 by cancelling the Company's unissued ordinary share of 2,014,600 shares at the par value of Baht 1 per share. The total reduction of authorized share capital is Baht 2,014,600. The company registered for the decrease of authorized share capital with Ministry of Commerce on October 30, 2012.

- Increase of authorized share capital and allocation of new ordinary shares

According to the Company's Extraordinary General Meeting of the shareholders No. 1/2555 on October 29, 2012, Shareholders resolved to approve for the increase of the Company's authorized share capital from Baht 3,319,985,400 to Baht 3,969,985,400 by issuing of 650,000,000 newly issued ordinary shares, at the par value of Baht 1 per share. The Company will sell the share through the preferential public offering to all eligible existing shareholders as per following details;

- 1) Offering and allocation of new ordinary shares of up to 650,000,000 shares at the par value of Baht 1 per share to all eligible existing shareholders. Any entitlement to a fraction of a share from the calculation will be rounded down to the nearest whole share.
- 2) If there are ordinary shares remaining from clause 1 above, the remaining shares will be allocated to shareholders who over subscribe of their entitlement on a pro-rata basis for at least one more round.
- 3) Under a private placement scheme, as defined in the Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 re: Application for Permission and Grant Permission to Offer Newly Issued Shares, in the event there are remaining ordinary shares from 2) above, the Company may offer such ordinary shares to limited institutional investors, excluding PTT.

On November 30, 2012, the Company had fixed the final offering price at Baht 142 per ordinary share with the allocation ratio of 1 existing ordinary share to 0.195783 newly issued ordinary shares.

The company registered for the increase of authorized share capital with Ministry of Commerce on December 17, 2012.

The Company had completed its share offering and allocation of share increased and received the total proceed on December 17, 2012. PTT continues to maintain the same percentage of shareholding after share offering and allocation of share increased.

As at December 31, 2012, the Company's registered capital consists of 3,969.98 million ordinary shares at Baht 1 per share, or a total of Baht 3,969.98 million. The Company registered the change in its issued and fully paid-up capital to Baht 3,969.98 million ordinary shares at Baht 1 per share, or 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, 2012	3,319.98
New ordinary shares issued during the year	650.00
Balance as at December 31, 2012	<u>3,969.98</u>
<u>Ordinary shares issued and fully paid-up</u>	
Balance as at January 1, 2011	3,317.45
Share capital issued and paid-up	2.53
Balance as at December 31, 2011	<u>3,319.98</u>

31. Subordinated Capital Debenture

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, inconvertible 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.

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32. Legal Reserve

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Balance as at January 1	12.96	12.96	332.20	332.20
Appropriation during the year	2.09	-	64.80	-
Balance as at December 31	15.05	12.96	397.00	332.20

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Balance as at January 1	12.96	12.96	332.20	332.20
Appropriation during the year	2.09	-	64.80	-
Balance as at December 31	15.05	12.96	397.00	332.20

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.

33. Petroleum royalties and remuneration

Petroleum royalties and remuneration for the years ended December 31, 2012 and 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Petroleum royalties	769.76	634.43	23,918.67	19,339.53
Special remuneration benefits	18.46	11.04	573.57	338.33
Total	788.22	645.47	24,492.24	19,677.86

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Petroleum royalties	428.49	378.67	13,312.88	11,542.45
Special remuneration benefits	-	-	-	-
Total	428.49	378.67	13,312.88	11,542.45

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34. Gain (loss) on Foreign Currency Translation

Gain (loss) on foreign currency translation for the year ended December 31, 2012 and 2011 comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Realized loss on foreign currency translation	(85.66)	(18.45)	(2,673.70)	(599.63)
Unrealized gain (loss) on foreign currency translation	61.70	(46.44)	1,946.12	(1,337.96)
Total	<u>(23.96)</u>	<u>(64.89)</u>	<u>(727.58)</u>	<u>(1,937.59)</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Realized loss on foreign currency translation	(43.40)	(1.42)	(1,368.26)	(56.77)
Unrealized gain (loss) on foreign currency translation	53.44	(43.68)	1,678.48	(1,342.16)
Total	<u>10.04</u>	<u>(45.10)</u>	<u>310.22</u>	<u>(1,398.93)</u>

35. 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 year ended December 31, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Salary, wages and employees' benefits	103.91	85.72	3,229.80	2,613.95
Repair and maintenance	74.65	63.09	2,320.36	1,931.88
Exploration well write-off	94.68	150.45	2,945.39	4,587.47
Geological and geophysical	105.14	66.60	3,267.96	2,030.10

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Salary, wages and employees' benefits	47.33	42.69	1,471.32	1,301.55
Repair and maintenance	50.04	44.11	1,555.47	1,344.86
Exploration well write-off	12.62	14.97	398.28	456.60
Geological and geophysical	5.73	9.77	178.17	298.01

36. Earnings per Share

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

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,845.52	1,468.25	57,315.96	44,748.06
<u>Less</u> : Interest expenses for subordinated capital debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine basic earnings per share (unit: million)	1,840.76	1,468.25	57,169.34	44,748.06
Weighted average number of ordinary shares in issue during the year (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Basic earnings per share	0.55	0.44	17.08	13.48

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,500.66	1,049.00	46,498.05	32,076.95
<u>Less</u> : Interest expenses for subordinated capital debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine basic earnings per share (unit: million)	1,495.90	1,049.00	46,351.43	32,076.95
Weighted average number of ordinary shares in issue during the year (million shares)	3,342.62	3,319.08	3,346.62	3,319.08
Basic earnings per share	0.45	0.32	13.85	9.66

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.

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

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,845.52	1,468.25	57,315.96	44,748.06
<u>Less</u> : Interest expenses for subordinated capital				
debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine diluted earnings per share (unit: million)	1,840.76	1,468.25	57,169.34	44,748.06
Weighted average number of ordinary shares				
in issue during the year (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted				
earnings per share (million Shares)	3,346.62	3,319.08	3,346.62	3,319.08
Diluted earnings per share	0.55	0.44	17.08	13.48

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,500.66	1,049.00	46,498.05	32,076.95
<u>Less</u> : Interest expenses for subordinated capital				
debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine diluted earnings per share (unit: million)	1,495.90	1,049.00	46,351.43	32,076.95
Weighted average number of ordinary shares				
in issue during the year (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Diluted earnings per share	0.45	0.32	13.85	9.66

37. Segment Information

Primary reporting - business segments

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 South East Asia	Australia	North America	Africa	Middle East	South East 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
Total Revenues	5,237.10	1,109.86	178.99	263.14	2.01	112.45	319.77	23.90	(266.61)	6,980.61
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
Royalties and remuneration	670.25	111.62	-	6.35	-	-	-	-	-	788.22
Loss from Montara incident	-	-	0.54	-	-	-	-	-	-	0.54
Loss from impairment of assets	-	-	204.17	-	-	-	-	-	-	204.17
Financial derivative loss	-	-	-	-	-	-	-	12.26	-	12.26
Foreign exchange (gain) loss	(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)
Total Expenses	2,217.07	586.31	327.30	326.49	34.23	114.23	18.43	21.25	(174.29)	3,471.02
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
Net Income (Loss)	1,883.69	333.82	(213.40)	(36.47)	(32.85)	(10.51)	216.28	(0.43)		1,845.52

(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 South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Assets										
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
Consolidated total assets										19,637.02
Liabilities										
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
Consolidated total liabilities										8,925.72
Capital Expenditures	1,633.48	483.87	634.97	153.94	2,730.16	50.45	167.87	39.52		5,894.26

(TRANSLATION)

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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 South East Asia	Australia	North America	Africa	Middle East	South East 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
Royalties and remuneration	20,825.88	3,468.85	-	197.51	-	-	-	-	-	24,492.24
Loss from Montara incident	-	-	17.54	-	-	-	-	-	-	17.54
Loss from impairment assets	-	-	6,365.54	-	-	-	-	-	-	6,365.54
Financial derivative loss	-	-	-	-	-	-	-	384.73	-	384.73
Foreign exchange (gain) loss	(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
Net Income (Loss)	58,517.60	10,365.33	(6,691.62)	(1,122.87)	(1,022.69)	(337.96)	6,731.22	(16.32)		57,315.96

(TRANSLATION)

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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 South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Assets										
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
Consolidated total assets										601,513.29
Liabilities										
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
Consolidated total liabilities										273,409.04
Capital Expenditures	50,493.37	14,995.13	19,723.22	5,470.28	84,542.91	1,571.54	5,275.89	1,218.29		183,290.63

(TRANSLATION)

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Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Revenues - Third parties	390.61	285.52	-	149.89	-	16.80	124.07	-	-	966.89
- Related parties	4,185.42	339.80	-	-	-	71.68	127.77	-	(127.77)	4,596.90
Other revenues - Third parties	15.44	26.65	48.03	0.48	-	-	0.81	23.99	(13.43)	101.97
Total Revenues	4,591.47	651.97	48.03	150.37	-	88.48	252.65	23.99	(141.20)	5,665.76
Operating expenses	407.20	169.03	19.26	134.23	-	17.84	8.34	1.75	(132.26)	625.39
Administrative expenses	76.97	20.05	13.32	14.32	9.04	5.06	6.11	8.24	(2.38)	150.73
Exploration expenses										
- Amortization of dry holes and projects	21.63	75.06	36.33	11.05	2.24	4.14	-	-	-	150.45
- Geological and geophysical	8.34	30.31	7.31	8.06	10.73	1.69	-	-	-	66.44
Depreciation, depletion and amortization	896.59	76.00	56.86	30.85	3.70	35.85	7.21	1.88	-	1,108.94
Royalties and remuneration	573.95	68.01	-	3.51	-	-	-	-	-	645.47
Loss from Montara incident	-	-	5.33	-	-	-	-	-	-	5.33
Loss from financial derivative	-	-	-	-	-	-	-	11.06	-	11.06
Foreign exchange (gain) loss	19.85	(0.72)	2.23	(0.03)	0.01	-	-	2.59	-	23.93
Share of gain from associates	-	-	(0.29)	-	-	-	-	(2.14)	-	(2.43)
Total Expenses	2,004.53	437.74	140.35	201.99	25.72	64.58	21.66	23.38	(134.64)	2,785.31
Segment result	2,586.94	214.23	(92.32)	(51.62)	(25.72)	23.90	230.99	0.61	(6.56)	2,880.45
Depreciation - general										(8.41)
Administrative expenses - general										(106.68)
Operating profit										2,765.36
Other income, net										3.09
Finance costs										
- Interest income										16.24
- Interest expenses and other finance costs										(123.56)
Loss on foreign exchange										(40.95)
Management's remuneration										(4.57)
Income before tax										2,615.61
Tax - Project	(1,058.24)	(115.45)	88.39	12.83	-	(15.02)	(70.44)	(4.36)		(1,162.29)
- Group										14.93
Net Income (Loss)	1,528.70	98.78	(3.93)	(38.79)	(25.72)	8.88	160.55	(3.75)		1,468.25

(TRANSLATION)

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Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Assets										
Segment assets	5,049.60	1,383.32	2,607.91	2,678.08	169.22	148.54	361.37	85.00		12,483.04
Investments under equity method	-	-	2.97	-	-	-	-	23.96		26.93
Unallocated assets										1,621.46
Consolidated total assets										14,131.43
Liabilities										
Segment liabilities	2,453.54	264.26	443.46	634.93	53.52	78.56	160.99	17.97		4,107.23
Unallocated liabilities										3,712.53
Consolidated total liabilities										7,819.76
Capital Expenditures	1,119.13	384.25	513.83	2,989.11	38.75	25.90	149.65	36.40		5,257.02

(TRANSLATION)

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Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Revenues - Third parties	11,897.88	8,767.63	-	4,581.39	-	512.35	3,780.18	-	-	29,539.43
- Related parties	127,562.32	10,352.71	-	-	-	2,191.36	3,892.95	-	(3,892.95)	140,106.39
Other revenues - Third parties	467.54	831.78	1,477.67	14.89	-	-	24.74	707.76	(386.79)	3,137.59
Total Revenues	139,927.74	19,952.12	1,477.67	4,596.28	-	2,703.71	7,697.87	707.76	(4,279.74)	172,783.41
Operating expenses	12,386.51	5,157.61	590.51	4,095.57	-	545.09	254.32	52.89	(4,007.92)	19,074.58
Administrative expenses	2,346.14	613.08	405.82	437.46	275.71	153.84	186.54	251.26	(72.52)	4,597.33
Exploration expenses										
- Amortization of dry holes and projects	656.58	2,283.55	1,121.39	342.12	68.92	125.79	-	-	-	4,598.35
- Geological and geophysical	253.59	929.39	224.85	230.29	327.82	50.88	-	-	-	2,016.82
Depreciation, depletion and amortization	27,323.39	2,324.23	1,730.69	934.53	112.99	1,095.28	219.83	57.19	-	33,798.13
Royalties and remuneration	17,494.64	2,076.09	-	107.13	-	-	-	-	-	19,677.86
Loss from Montara incident	-	-	164.21	-	-	-	-	-	-	164.21
Loss from financial derivative	-	-	-	-	-	-	-	339.84	-	339.84
Foreign exchange (gain) loss	627.33	(22.62)	68.32	(1.05)	0.39	-	0.02	80.12	-	752.51
Share of gain from associates	-	-	(9.02)	-	-	-	-	(65.85)	-	(74.87)
Total Expenses	61,088.18	13,361.33	4,296.77	6,146.05	785.83	1,970.88	660.71	715.45	(4,080.44)	84,944.76
Segment result	78,839.56	6,590.79	(2,819.10)	(1,549.77)	(785.83)	732.83	7,037.16	(7.69)	(199.30)	87,838.65
Depreciation - general										(256.40)
Administrative expenses - general										(3,284.72)
Operating profit										84,297.53
Other income, net										94.97
Finance costs										
- Interest income										496.54
- Interest expenses and other finance costs										(3,770.87)
Loss on foreign exchange										(1,185.08)
Management's remuneration										(140.17)
Income before tax										79,792.92
Tax - Project	(32,279.44)	(3,537.20)	2,677.11	384.02	-	(458.75)	(2,146.76)	(133.27)		(35,494.29)
- Group										449.43
Net Income (Loss)	46,560.12	3,053.59	(141.99)	(1,165.75)	(785.83)	274.08	4,890.40	(140.96)		44,748.06

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Africa	Middle East	South East Asia			
Assets										
Segment assets	160,027.90	43,839.20	82,647.79	84,871.49	5,362.74	4,707.56	11,452.20	2,693.77		395,602.65
Investments under equity method	-	-	94.02	-	-	-	-	759.21		853.23
Unallocated assets										51,386.16
Consolidated total assets										447,842.04
Liabilities										
Segment liabilities	77,755.43	8,374.83	14,053.68	20,121.78	1,696.01	2,489.87	5,102.09	569.57		130,163.26
Unallocated liabilities										117,654.61
Consolidated total liabilities										247,817.87
Capital Expenditures	34,317.34	11,801.05	15,822.02	90,276.72	1,213.89	803.24	4,587.90	1,128.30		159,950.46

During the year, the Company had acquired Cove Energy Plc. as per details disclosed in Note 6 to the consolidated financial statement. As a result of this acquisition, business operation in Africa becomes primary business segment. The Company had adjusted the comparative segment information for the consolidated financial statement as of December 31, 2011 to conform to changes in presentation in the current period.

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, the Middle East and others. As at the financial statement date, the Group had 20 projects in the production phase and 24 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.

Secondary reporting – geographical segments

The Group's two main business segments are managed on a worldwide basis. They are operated in six main geographical areas:

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012						Group's total business
	Thailand	Other	Australia	North	Africa	Middle	
		Southeast Asia		America		East	
Revenues - Third parties	425.17	813.16	-	255.52	-	14.71	1,508.56
- Related parties	4,786.56	447.38	-	-	-	97.74	5,331.68
Segment assets	6,269.41	1,791.81	2,811.52	2,870.17	2,972.78	104.25	16,819.94
Investments under equity method	27.74	-	3.46	-	-	-	31.20
Capital expenditures	1,673.00	651.74	634.97	153.94	2,730.16	50.45	5,894.26
Consolidated total assets	9,083.03	1,791.81	2,814.98	2,870.17	2,972.78	104.25	19,637.02

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012						Group's total business
	Thailand	Other	Australia	North	Africa	Middle	
		Southeast Asia		America		East	
Revenues - Third parties	13,214.57	25,261.67	-	7,934.90	-	457.38	46,868.52
- Related parties	148,717.59	13,911.13	-	-	-	3,039.45	165,668.17
Segment assets	192,042.02	54,886.08	86,121.40	87,917.80	91,060.95	3,193.51	515,221.76
Investments under equity method	849.80	-	105.83	-	-	-	955.63
Capital expenditures	51,711.66	20,271.02	19,723.22	5,470.28	84,542.91	1,571.54	183,290.63
Consolidated total assets	278,227.72	54,886.08	86,227.23	87,917.80	91,060.95	3,193.51	601,513.29

(TRANSLATION)

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Unit: Million US Dollar

Consolidated financial statements for the year ended December 31, 2011

	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	390.61	409.59	-	149.89	-	16.80	966.89
- Related parties	4,185.42	339.80	-	-	-	71.68	4,596.90
Segment assets	5,134.60	1,744.69	2,607.91	2,678.08	169.22	148.54	12,483.04
Investments under equity method	23.96	-	2.97	-	-	-	26.93
Capital expenditures	1,155.53	533.90	513.83	2,989.11	38.75	25.90	5,257.02
Consolidated total assets	6,780.02	1,744.69	2,610.88	2,678.08	169.22	148.54	14,131.43

Unit: Million Baht

Consolidated financial statements for the year ended December 31, 2011

	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	11,897.88	12,547.81	-	4,581.39	-	512.35	29,539.43
- Related parties	127,562.32	10,352.71	-	-	-	2,191.36	140,106.39
Segment assets	162,721.67	55,291.40	82,647.79	84,871.49	5,362.74	4,707.56	395,602.65
Investments under equity method	759.21	-	94.02	-	-	-	853.23
Capital expenditures	35,445.64	16,388.95	15,822.02	90,276.72	1,213.89	803.24	159,950.46
Consolidated total assets	214,867.04	55,291.40	82,741.81	84,871.49	5,362.74	4,707.56	447,842.04

38. 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 commodities 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 commodities price, interest rates and foreign exchange rates.

■ Price Risk

In 2012, world oil prices fluctuated. The price of Brent crude oil was in the range of US Dollar 84 – 130 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 2012 to December 2012 totaling to 11.69 million barrels.

As at December 31, 2012, the Group has mark to market the value of the put option on the oil price hedged contracts of US dollars 1.39 million.

■ 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 and vice versa rate 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, 2012, the Group has proportion of floating rate debt net of interest rate swaps at 21% of total debt (in 2011 at 16%). The weighted average interest rate on debt was 3.99% per annum (in 2011 was 3.12% per annum)

The Group's income before income taxes are sensitive to changes in interest rates on the floating rate element of the Group's debt as at January 1, 2013. 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 2013 would decrease by approximately US Dollars 8 million (in 2012 decrease by US Dollars 6 million). This assumes that the debt amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2013. 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 an increase or a 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 use 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 34.

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 to manage foreign currency risk with financial derivatives together with the consideration yields and risks arising in each intervals.

(TRANSLATION)

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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, 2012 and 2011, 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 assets and liabilities position to the exchange rate	
	Baht to US Dollar	Canadian Dollar to US Dollar
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
For the year ended December 31, 2011		
Income before income taxes increase (decrease)		
(10% US Dollar appreciate)	(10)	(147)
Income before income taxes increase (decrease)		
(10% US Dollar depreciate)	10	147

For the year ended December 31, 2012, the Company changed the methodology for sensitivity calculation from using monetary assets and liabilities position denominated in currencies other than functional currency at the year ended with the closing exchange rate as of the year ended to full year weighted average of the monetary assets and liabilities denominated in currencies other than functional currency with the closing exchange rate as of the year ended. The management has considered that the new methodology using the full year weighted average of the monetary assets and liabilities denominated in currencies that are not the functional currency is more appropriate than using monetary assets and liabilities position denominated in currencies that are not the functional currency at the year ended for sensitivity calculation.

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 risks 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 derivatives contract, 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 derivatives contract 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 instruments 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 as at December 31, 2012 are as follows:

	Unit: Million US Dollar				
	Within 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Trade accounts payable and working capital to co-venturers	127.92	-	-	-	127.92
Accrued expenses	946.55	-	-	-	946.55
Other current liabilities	96.28	-	-	-	96.28
Loans from financial institution with floating interest rate					
Principle	-	625.00	376.90	100.51	1,102.41
Interest*	26.70	52.24	22.32	3.36	104.62
Debenture with fixed interest rate					
Principle	163.23	1,081.96	-	1,444.84	2,690.83
Interest*	130.19	217.98	166.44	918.03	1,432.64
Foreign currency and interest rate swap	-	7.27	0.85	4.64	12.76

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 contractual interest rate at December 31, 2012.

- Thai Baht liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 28, 2012 at Baht 30.6316 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 28, 2012 at Baht 30.7869 per Canadian Dollar for conversion to Thai baht and at Baht 30.6316 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 undrawn facilities are summarized below:

	Credit limit	Undrawn amount
Committed bank credit facility	654.88	654.88
Uncommitted bank credit facility*	435.76	435.76
Short-term debt securities	1,632.30	1,632.30

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 28, 2012 at Baht 30.6316 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 2012 and 2011, the Company's credit ratings as assigned by prominent credit rating agencies for are as follows:

Rating Agency	2012		2011	
	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

39. Dividends

On March 28, 2012, the Annual General Meeting of the Shareholders approved payment of a dividend for the year 2011 of Baht 5.40 per share. The Company made interim dividend payment for the first half-year operations of 2011 at the rate of Baht 2.61 per share on August 29, 2011 and for the second half-year operations of 2011 at the rate of Baht 2.79 per share on April 10, 2012.

The Company estimated the dividend to its shareholders for the year 2012 at Baht 5.80 per share. The Company made an 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 still has to pay the dividend for the second half-year operations of 2012 at the rate of Baht 3.00 per share. This dividend will be paid upon approval by the Annual General Meeting of the Shareholders.

40. 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 as at December 31, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Within 1 year	93.38	73.16	2,860.19	2,318.42
Between 1 - 5 years	82.86	129.57	2,538.93	4,106.54
Over 5 years	74.78	74.75	2,290.69	2,368.87
Total	251.02	277.48	7,689.81	8,793.83

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Within 1 year	60.50	47.28	1,852.84	1,498.26
Between 1 - 5 years	23.52	51.45	720.94	1,630.46
Over 5 years	0.31	0.29	9.53	9.23
Total	84.33	99.02	2,583.31	3,137.95

■ 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, 2012 was US Dollar 18.93 millions (Baht 580 million).

■ Commitment from loan and debenture guarantee of subsidiaries

- The Company had commitment from unsecured and unsubordinated debenture guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF) with US Dollar 700 million credit facilities.
- The Company had commitment from loan guarantee for PTTEP Offshore Investment Company Limited with US Dollar 575 million credit facilities.
- The Company had commitment from unsecured and unsubordinated debenture guarantee for PTTEP Canada International Finance Limited (PTTEP CIF) with US Dollar 1,200 million and 475 million Canada Dollar credit facilities.

■ 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, 2012 PTTEPIP may have an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 6.57 million (Baht 201.38 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, 2012, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 24.85 million or Baht 761.15 million for the Company's financial statements and US Dollar 29.73 million (Baht 910.59 million) for the consolidated financial statements.

■ Significant litigation

Cove Energy Plc. (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 15.58 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 5.19 million) upfront in which Cove has paid in June 2012.

As at December 31, 2012, the Company has already recognized the remaining amount of assessed claim, plus interest total to US Dollar 0.34 million (Baht 10.39 million) in the consolidated financial statement.

41. Events after the Statement of Financial Position Date

The Committee of the Company authorized for the issue of these financial statements on February 15, 2013.
