

AUDITOR'S REVIEW REPORT AND FINANCIAL STATEMENTS
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012



(TRANSLATION)

AUDITOR'S REVIEW REPORT

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

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and the separate statements of financial position as at June 30, 2012, the related consolidated and the separate statements of income, comprehensive income for the three-month and six-month periods ended June 30, 2012 and 2011, the related consolidated and the separate statements of changes in equity and cash flows for the six-month ended June 30, 2012 and 2011 and condensed notes to interim financial statements of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which are presented in US Dollar and in Thai Baht. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of review

The Office of the Auditor General of Thailand conducted the review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

สำนักงานการตรวจเงินแผ่นดิน
Office of the Auditor General

Conclusion

Based on the review, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Statement of financial position as at December 31, 2011 presented for comparative purpose

The Office of the Auditor General of Thailand has audited the consolidated and separate financial statements for the year ended December 31, 2011 of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which are presented in US Dollar and in Thai Baht in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those statements in the report dated February 17, 2012. The consolidated and separate statements of financial position as at December 31, 2011, presented for comparative purposes, are part of the aforementioned consolidated and separate financial statements. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date of that report.

(Signed)

Woraluk Thamkaew
(Woraluk Thamkaew)
Inspector General 1

(Signed)

Roongnapa Charoenkunwiwat
(Roongnapa Charoenkunwiwat)
Director of Audit Office

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

CONSOLIDATED

Unit : US Dollar

Unit : Baht

	<u>Notes</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	5	587,385,647	1,350,529,553	18,694,194,314	42,799,902,166
Restricted deposits at financial institution	5	600,166,637	-	19,100,963,414	-
Account receivable - parent company	6	587,657,216	484,200,308	18,702,837,346	15,344,888,772
Trade accounts receivable	7	118,259,175	150,154,941	3,763,728,343	4,758,590,271
Other accounts receivable		104,313,294	201,896,882	3,319,885,320	6,398,354,465
Inventories		25,439,041	17,360,176	809,625,465	550,164,826
Materials and supplies, net		267,390,930	271,130,269	8,510,010,471	8,592,443,590
Other current assets					
Working capital from co-venturers		80,866,832	43,557,383	2,573,675,876	1,380,385,765
Accrued interests receivable		395,349	1,376,819	12,582,408	43,633,057
Financial derivative assets	15	13,332,671	-	424,326,924	-
Other current assets		188,699,003	217,592,694	6,005,553,357	6,895,773,598
Total Current Assets		2,573,905,795	2,737,799,025	81,917,383,238	86,764,136,510
Non-current Assets					
Investments in associates	9.3	29,919,212	26,923,262	952,211,834	853,230,480
Investments in subsidiaries		-	-	-	-
Long-term loans to related parties	8.2	18,224,035	18,485,368	579,999,970	585,823,494
Property, plant and equipment, net	10, 11	9,865,463,720	9,300,911,875	313,979,234,882	294,757,058,393
Goodwill	12	319,455,456	329,695,073	10,167,021,291	10,448,432,503
Intangible assets, net	13	1,172,010,510	1,136,554,494	37,300,523,678	36,018,775,784
Deferred income tax assets	14.2	486,692,665	510,603,298	15,489,529,422	16,181,631,225
Other non-current assets					
Prepaid expenses		24,507,876	32,787,786	779,990,110	1,039,084,290
Deferred remuneration under agreement		24,497,215	25,373,664	779,650,839	804,121,869
Financial derivative assets	15	5,718,323	6,152,097	181,991,936	194,967,328
Other non-current assets		7,021,852	6,146,157	223,478,132	194,779,094
Total Non-current Assets		11,953,510,864	11,393,633,074	380,433,632,094	361,077,904,460
Total Assets		14,527,416,659	14,131,432,099	462,351,015,332	447,842,040,970

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

(Signed) Tevin Vongvanich

(Tevin Vongvanich)

President and Chief Executive Officer

(Signed) Yongyos Krongphanich

(Yongyos Krongphanich)

Senior Vice President, Accounting Div.

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

CONSOLIDATED

Unit : US Dollar

Unit : Baht

	<u>Notes</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>Liabilities and Equity</u>					
Current Liabilities					
Short-term loans from financial institution	16	281,422,681	315,545,000	8,956,586,373	9,999,999,704
Trade accounts payable		96,826,122	72,995,698	3,081,597,836	2,313,321,265
Current portion of long-term debts	16	157,782,358	687,772,029	5,021,597,112	21,796,320,923
Working capital to co-venturers		35,374,813	35,665,289	1,125,842,330	1,130,275,802
Accrued expenses		984,610,474	995,314,234	31,336,311,414	31,542,702,448
Accrued interests payable		35,906,103	29,583,190	1,142,751,245	937,526,785
Income tax payable		482,993,069	802,476,294	15,371,785,720	25,431,436,741
Financial derivative liabilities	15	15,549,103	46,419,035	494,867,286	1,471,074,934
Short-term provision		20,254,804	75,771,581	644,631,418	2,401,292,309
Other current liabilities		93,800,744	78,254,792	2,985,311,845	2,479,988,280
Total Current Liabilities		2,204,520,271	3,139,797,142	70,161,282,579	99,503,939,191
Non-current Liabilities					
Bonds	16	2,492,862,638	2,251,986,616	79,338,095,603	71,368,158,255
Long-term loans from financial institution	16	979,116,243	617,860,511	31,161,451,448	19,580,741,015
Deferred income tax liabilities	14.2	950,661,146	918,665,924	30,255,836,690	29,113,625,520
Provision for employee benefits	17	68,732,565	62,462,916	2,187,489,472	1,979,524,765
Provision for decommissioning costs		709,028,183	703,997,864	22,565,601,868	22,310,537,096
Other non-current liabilities					
Financial derivative liabilities	15	55,154,856	46,831,567	1,755,363,969	1,484,148,559
Deferred income		39,892,748	36,371,103	1,269,630,582	1,152,643,891
Other non-current liabilities		32,018,488	41,795,496	1,019,023,613	1,324,549,447
Total Non-current Liabilities		5,327,466,867	4,679,971,997	169,552,493,245	148,313,928,548
Total Liabilities		7,531,987,138	7,819,769,139	239,713,775,824	247,817,867,739
Equity					
Share capital	18				
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each				3,322,000,000	3,322,000,000
Issued and paid-up share capital					
3,319,985,400 ordinary shares of Baht 1 each		129,475,062	129,475,062	3,319,985,400	3,319,985,400
Share premium		469,655,446	469,655,446	14,411,841,900	14,411,841,900
Subordinated capital debentures	19	156,777,700	-	4,988,540,984	-
Retained earnings					
Appropriated					
Legal reserve		12,963,632	12,963,632	332,200,000	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		5,798,226,617	5,254,384,351	196,134,460,006	179,146,315,584
Other components of Equity		(2,900,148)	13,953,257	(13,449,788,782)	(14,086,169,653)
Total Equity		6,995,429,521	6,311,662,960	222,637,239,508	200,024,173,231
Total Liabilities and Equity		14,527,416,659	14,131,432,099	462,351,015,332	447,842,040,970

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

THE COMPANY

Unit : US Dollar

Unit : Baht

	<u>Notes</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>Assets</u>					
Current Assets					
Cash and cash equivalents	5	150,307,710	744,934,786	4,783,708,203	23,607,877,304
Account receivable - parent company	6	371,105,455	292,942,319	11,810,839,321	9,283,693,613
Trade accounts receivable	7	2,215,219	2,452,697	70,501,782	77,728,928
Other accounts receivable		28,395,044	23,264,914	903,703,518	737,293,049
Inventories		2,384,868	2,433,076	75,901,040	77,107,092
Materials and supplies, net		107,593,241	106,292,983	3,424,273,243	3,368,552,169
Other current assets					
Working capital from co-venturers		4,621,846	1,514,304	147,095,339	47,990,097
Accrued interests receivable		5,526,417	4,897,957	175,884,291	155,222,129
Financial derivative assets	15	91,914	-	2,925,253	-
Other current assets		40,314,478	26,195,222	1,283,052,626	830,158,034
Total Current Assets		712,556,192	1,204,928,258	22,677,884,616	38,185,622,415
Non-current Assets					
Investments in associates	9.3	25,577,427	25,577,427	814,029,764	810,579,368
Investments in subsidiaries	9.2	616,235,970	616,235,970	19,612,387,605	19,529,257,373
Long-term loans to related parties	8.2	2,982,884,657	3,101,453,770	94,933,585,381	98,288,791,696
Property, plant and equipment, net	10, 11	2,941,035,477	2,884,955,883	93,601,689,199	91,427,713,871
Intangible assets, net	13	66,632,641	41,649,920	2,120,657,093	1,319,935,944
Deferred income tax assets	14.2	16,651,066	21,284,916	529,938,477	674,544,530
Other non-current assets					
Deferred remuneration under agreement		24,497,215	25,373,664	779,650,839	804,121,869
Financial derivative assets	15	5,718,324	6,152,097	181,991,936	194,967,329
Other non-current assets		4,159,814	3,647,167	132,390,632	115,583,107
Total Non-current Assets		6,683,392,591	6,726,330,814	212,706,320,926	213,165,495,087
Total Assets		7,395,948,783	7,931,259,072	235,384,205,542	251,351,117,502

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

THE COMPANY

Unit : US Dollar

Unit : Baht

	<u>Notes</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>	<u>June 30, 2012</u>	<u>December 31, 2011</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>Liabilities and Equity</u>					
Current Liabilities					
Short-term loans from financial institution	16	281,422,681	315,545,000	8,956,586,373	9,999,999,704
Trade accounts payable		8,100,371	22,099,114	257,803,221	700,347,455
Current portion of long-term debts	16	157,782,358	687,772,029	5,021,597,112	21,796,320,924
Accrued expenses		334,522,373	334,734,862	10,646,542,500	10,608,149,473
Accrued interests payable		5,104,204	7,148,298	162,446,929	226,538,145
Income tax payable		295,974,328	565,391,437	9,419,708,558	17,917,933,101
Financial derivative liabilities	15	8,107,425	45,649,071	258,027,704	1,446,673,833
Other current liabilities		36,257,681	31,351,736	1,153,940,598	993,574,122
Total Current Liabilities		1,127,271,421	2,009,691,547	35,876,652,995	63,689,536,757
Non-current Liabilities					
Bonds	16	602,949,028	858,843,414	19,189,516,050	27,217,778,392
Long-term loans from financial institution	16	50,000,000	50,000,000	1,591,305,000	1,584,560,000
Deferred income tax liabilities	14.2	245,371,121	182,459,934	7,809,205,846	5,782,374,273
Provision for employee benefits	17	61,855,566	56,484,282	1,968,621,442	1,790,054,690
Provision for decommissioning costs		308,331,423	302,372,883	9,812,986,710	9,582,559,522
Other non-current liabilities					
Financial derivative liabilities	15	54,181,100	46,831,567	1,724,373,128	1,484,148,559
Deferred income		-	104,082	-	3,298,502
Other non-current liabilities		10,028,227	9,386,505	319,159,321	297,469,577
Total Non-current Liabilities		1,332,716,465	1,506,482,667	42,415,167,497	47,742,243,515
Total Liabilities		2,459,987,886	3,516,174,214	78,291,820,492	111,431,780,272
Equity					
Share capital	18				
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each				3,322,000,000	3,322,000,000
Issued and paid-up share capital					
3,319,985,400 ordinary shares of Baht 1 each		129,475,062	129,475,062	3,319,985,400	3,319,985,400
Share premium		469,655,446	469,655,446	14,411,841,900	14,411,841,900
Subordinated capital debentures	19	156,777,700	-	4,988,540,984	-
Retained earnings					
Appropriated					
Legal reserve		12,963,632	12,963,632	332,200,000	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		3,754,364,205	3,381,288,319	128,171,907,418	116,496,332,798
Other components of Equity		(18,506,360)	(9,528,813)	(11,032,090,652)	(11,541,022,868)
Total Equity		4,935,960,897	4,415,084,858	157,092,385,050	139,919,337,230
Total Liabilities and Equity		7,395,948,783	7,931,259,072	235,384,205,542	251,351,117,502

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

CONSOLIDATED

		Unit : US Dollar		Unit : Baht	
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues					
Sales		1,567,268,704	1,420,253,743	49,028,036,714	42,982,801,616
Revenue from pipeline transportation		34,611,046	32,591,372	1,085,133,091	986,414,962
Other revenues					
Gain on foreign exchange		-	3,467,412	-	102,208,358
Interest income		5,309,389	2,780,461	167,235,078	84,230,083
Other revenues		60,280,820	28,208,434	1,884,205,147	856,716,030
Total Revenues		1,667,469,959	1,487,301,422	52,164,610,030	45,012,371,049
Expenses					
Operating expenses		152,769,963	148,754,325	4,777,589,379	4,502,612,027
Exploration expenses		57,671,959	76,035,541	1,818,980,970	2,315,030,634
Administrative expenses		64,171,259	58,828,262	2,013,153,966	1,783,342,448
Petroleum royalties and remuneration		186,063,918	171,627,884	5,819,710,187	5,194,599,558
Depreciation, depletion and amortization		318,342,409	279,413,569	9,964,749,982	8,454,568,778
Other expenses					
Loss on foreign exchange		43,445,718	-	1,368,567,510	-
Loss on financial derivatives		7,552,025	2,353,816	237,373,912	71,212,383
Management's remuneration		979,782	676,927	30,644,026	20,524,465
Impairment loss on assets		109,167,123	-	3,455,128,281	-
Finance costs		41,435,113	31,604,288	1,300,454,985	957,459,390
Total Expenses		981,599,269	769,294,612	30,786,353,198	23,299,349,683
Share of gain from associates		1,336,563	553,534	42,152,232	16,900,557
Income before income taxes		687,207,253	718,560,344	21,420,409,064	21,729,921,923
Income tax expenses	14.1	(436,701,445)	(348,521,606)	(13,687,569,768)	(10,560,046,892)
Income for the period		250,505,808	370,038,738	7,732,839,296	11,169,875,031
Earnings per share					
Basic earnings per share		0.08	0.11	2.33	3.37
Diluted earnings per share		0.08	0.11	2.33	3.36

Notes to interim 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 THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Income for the period	250,505,808	370,038,738	7,732,839,296	11,169,875,031
Other comprehensive income (expense)				
Exchange differences on translating financial statement	(27,233,972)	(132,888)	5,877,116,101	2,681,116,803
Gain (loss) on cash flow hedges	4,361,191	(13,609,843)	135,231,533	(415,595,393)
Income taxes relating to gain/loss on cash flow hedges	(989,367)	3,968,778	(31,317,321)	121,194,785
Other comprehensive income (expense) for the period - net of tax	<u>(23,862,148)</u>	<u>(9,773,953)</u>	<u>5,981,030,313</u>	<u>2,386,716,195</u>
Total comprehensive income for the period	<u>226,643,660</u>	<u>360,264,785</u>	<u>13,713,869,609</u>	<u>13,556,591,226</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

CONSOLIDATED

		Unit : US Dollar		Unit : Baht	
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues					
Sales		3,091,984,999	2,625,523,652	96,285,651,613	79,800,575,474
Revenue from pipeline transportation		75,912,891	58,623,935	2,365,620,007	1,781,524,234
Other revenues					
Gain on foreign exchange	20	-	66,245,952	-	2,008,418,801
Interest income		8,746,294	5,769,219	274,137,205	175,260,506
Other revenues		83,638,159	41,316,437	2,608,468,886	1,257,405,016
Total Revenues		3,260,282,343	2,797,479,195	101,533,877,711	85,023,184,031
Expenses					
Operating expenses		309,974,247	268,815,347	9,639,497,721	8,169,909,445
Exploration expenses		99,438,609	138,580,660	3,119,538,155	4,220,170,191
Administrative expenses		124,456,893	119,232,731	3,877,251,744	3,626,326,583
Petroleum royalties and remuneration	21	366,380,291	314,437,927	11,409,473,480	9,556,653,018
Depreciation, depletion and amortization		642,907,223	577,388,597	20,011,243,449	17,546,894,017
Other expenses					
Loss on foreign exchange	20	9,680,500	-	304,905,764	-
Loss on financial derivatives		6,993,631	5,413,154	222,654,847	164,150,697
Management's remuneration	8.1	2,165,064	1,561,723	67,379,722	47,557,617
Impairment loss on assets		109,167,123	-	3,455,128,281	-
Finance costs		73,390,942	55,558,838	2,291,825,967	1,689,717,762
Total Expenses		1,744,554,523	1,480,988,977	54,398,899,130	45,021,379,330
Share of gain from associates		2,855,123	1,206,568	88,938,420	36,738,042
Income before income taxes		1,518,582,943	1,317,696,786	47,223,917,001	40,038,542,743
Income tax expenses	14.1	(679,261,977)	(588,170,332)	(21,202,752,319)	(17,889,832,497)
Income for the period		839,320,966	729,526,454	26,021,164,682	22,148,710,246
Earnings per share					
	22				
Basic earnings per share		0.25	0.22	7.84	6.67
Diluted earnings per share		0.25	0.22	7.84	6.67

Notes to interim 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Income for the period	839,320,966	729,526,454	26,021,164,682	22,148,710,246
Other comprehensive income expense				
Exchange differences on translating financial statement	(6,902,102)	(64,188)	938,871,829	3,518,844,984
Loss on cash flow hedges	(12,296,375)	(15,924,497)	(373,507,889)	(485,942,881)
Income taxes relating to loss on cash flow hedges	2,345,072	4,663,174	71,016,931	142,282,632
Other comprehensive income (expense) for the period - net of tax	<u>(16,853,405)</u>	<u>(11,325,511)</u>	<u>636,380,871</u>	<u>3,175,184,735</u>
Total comprehensive income for the period	<u>822,467,561</u>	<u>718,200,943</u>	<u>26,657,545,553</u>	<u>25,323,894,981</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

THE COMPANY

		Unit : US Dollar		Unit : Baht	
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues					
Sales		804,311,888	824,309,257	25,157,720,652	24,947,210,838
Other revenues					
Interest income		36,118,711	28,470,114	1,130,429,933	861,315,344
Other revenues		3,621,350	896,645	113,440,389	27,234,774
Dividends received from related parties		42,237,867	16,718,154	1,275,007,500	510,003,000
Total Revenues		886,289,816	870,394,170	27,676,598,474	26,345,763,956
Expenses					
Operating expenses		41,605,773	70,914,858	1,299,462,036	2,145,936,276
Exploration expenses		12,525,169	3,951,729	396,356,946	120,041,661
Administrative expenses		32,652,712	22,298,671	1,023,817,803	676,405,076
Petroleum royalties and remuneration		100,538,986	103,045,965	3,144,715,086	3,118,624,325
Depreciation, depletion and amortization		172,947,911	155,700,597	5,418,254,504	4,712,522,791
Other expenses					
Loss on foreign exchange		37,911,515	13,468,798	1,187,970,395	408,402,195
Loss on financial derivatives		5,045,233	4,078,603	158,367,653	123,738,470
Management's remuneration		979,782	676,927	30,644,026	20,524,465
Finance costs		16,494,831	18,174,103	516,549,937	550,086,440
Total Expenses		420,701,912	392,310,251	13,176,138,386	11,876,281,699
Income before income taxes		465,587,904	478,083,919	14,500,460,088	14,469,482,257
Income tax expenses	14.1	(237,270,846)	(205,329,016)	(7,441,243,405)	(6,221,729,160)
Income for the period		228,317,058	272,754,903	7,059,216,683	8,247,753,097
Earnings per share					
Basic earnings per share		0.07	0.08	2.13	2.49
Diluted earnings per share		0.07	0.08	2.13	2.48

Notes to interim 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 THREE-MONTH PERIODS ENDED JUNE 30, 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 period	228,317,058	272,754,903	7,059,216,683	8,247,753,097
Other comprehensive income (expense)				
Exchange differences on translating financial statement	-	-	4,681,101,803	1,892,660,342
Gain (Loss) on cash flow hedges	5,334,947	(13,609,843)	166,054,693	(415,595,393)
Income taxes relating to gain/loss on cash flow hedges	(989,367)	3,968,778	(31,317,321)	121,194,785
Other comprehensive income (expense) for the period - net of tax	<u>4,345,580</u>	<u>(9,641,065)</u>	<u>4,815,839,175</u>	<u>1,598,259,734</u>
Total comprehensive income for the period	<u>232,662,638</u>	<u>263,113,838</u>	<u>11,875,055,858</u>	<u>9,846,012,831</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

THE COMPANY

		Unit : US Dollar		Unit : Baht	
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues					
Sales		1,549,687,520	1,567,521,640	48,258,341,018	47,652,746,327
Other revenues					
Interest income		68,937,311	54,909,032	2,148,191,340	1,668,909,705
Other revenues		19,555,296	3,382,766	608,214,343	103,219,471
Dividends received from related parties		108,718,750	16,718,154	3,315,019,500	510,003,000
Total Revenues		1,746,898,877	1,642,531,592	54,329,766,201	49,934,878,503
Expenses					
Operating expenses		89,377,561	129,264,190	2,773,085,873	3,928,923,048
Exploration expenses		16,602,656	19,689,079	522,812,722	598,118,696
Administrative expenses		55,329,572	56,656,707	1,724,121,931	1,723,403,321
Petroleum royalties and remuneration	21	193,697,930	195,954,201	6,031,881,823	5,957,021,694
Depreciation, depletion and amortization		306,343,911	315,989,694	9,553,683,137	9,607,105,993
Other expenses					
Loss on foreign exchange	20	9,120,049	9,304,282	283,167,484	280,682,737
Loss on financial derivatives		1,764,056	4,662,017	60,078,727	141,486,434
Management's remuneration	8.1	2,165,064	1,561,723	67,379,722	47,557,617
Finance costs		33,733,131	38,862,020	1,050,836,334	1,182,199,852
Total Expenses		708,133,930	771,943,913	22,067,047,753	23,466,499,392
Income before income taxes		1,038,764,947	870,587,679	32,262,718,448	26,468,379,111
Income tax expenses	14.1	(370,210,361)	(363,008,970)	(11,554,123,568)	(11,042,479,137)
Income for the period		668,554,586	507,578,709	20,708,594,880	15,425,899,974
Earnings per share					
	22				
Basic earnings per share		0.20	0.15	6.24	4.65
Diluted earnings per share		0.20	0.15	6.24	4.65

Notes to interim 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 SIX-MONTH PERIODS ENDED JUNE 30, 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 period	668,554,586	507,578,709	20,708,594,880	15,425,899,974
Other comprehensive income expense				
Exchange differences on translating financial statement	-	-	780,600,014	2,536,728,385
Loss on cash flow hedges	(11,322,619)	(15,924,497)	(342,684,729)	(485,942,881)
Income taxes relating to loss on cash flow hedges	2,345,072	4,663,174	71,016,931	142,282,632
Other comprehensive income (expense) for the period - net of tax	<u>(8,977,547)</u>	<u>(11,261,323)</u>	<u>508,932,216</u>	<u>2,193,068,136</u>
Total comprehensive income for the period	<u>659,577,039</u>	<u>496,317,386</u>	<u>21,217,527,096</u>	<u>17,618,968,110</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

CONSOLIDATED

Unit : US Dollar

Other components of Equity									
Retained earnings						Other comprehensive income (expense)			
Note	Share capital issued and paid-up	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total other components of Equity	Total
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 equity for the period									
Share capital issued and paid-up	49,597	4,473,676	-	-	-	-	-	-	4,523,273
Dividends paid 24	-	-	-	-	(267,077,151)	-	-	-	(267,077,151)
Total comprehensive income(expense) for the period	-	-	-	-	729,526,454	(64,188)	(11,261,323)	(11,325,511)	718,200,943
Balance - as at June 30,2011	129,440,784	466,563,559	12,963,632	431,231,212	4,807,490,436	27,256,188	(11,261,323)	15,994,865	5,863,684,488

Other components of Equity										
Retained earnings						Other comprehensive income (expense)				
Notes	Share capital issued and paid-up	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total other components of Equity	Total
Balance - as at January 1, 2012	129,475,062	469,655,446	-	12,963,632	431,231,212	5,254,384,351	23,482,070	(9,528,813)	13,953,257	6,311,662,960
Changes in equity for the period										
Share capital issued and paid-up	-	-	-	-	-	-	-	-	-	-
Subordinated capital debentures 19	-	-	156,777,700	-	-	-	-	-	-	156,777,700
Dividends paid 24	-	-	-	-	-	(295,478,700)	-	-	-	(295,478,700)
Total comprehensive income(expense) for the period	-	-	-	-	-	839,320,966	(6,902,102)	(9,951,303)	(16,853,405)	822,467,561
Balance - as at June 30, 2012	129,475,062	469,655,446	156,777,700	12,963,632	431,231,212	5,798,226,617	16,579,968	(19,480,116)	(2,900,148)	6,995,429,521

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

CONSOLIDATED

Unit : Baht

Note	Share capital issued and paid-up	Share premium	Retained earnings			Other components of Equity			
			Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)		Total other components of Equity	Total
						Exchange differences on translating financial statement	Cash flow hedge		
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 equity for the period									
Share capital issued and paid-up	1,516,900	136,824,380	-	-	-	-	-	-	138,341,280
Dividends paid 24	-	-	-	-	(8,229,715,328)	-	-	-	(8,229,715,328)
Total comprehensive income(expense) for the period	-	-	-	-	22,148,710,246	3,518,844,984	(343,660,249)	3,175,184,735	25,323,894,981
Balance - as at June 30, 2011	3,318,964,500	14,319,756,720	332,200,000	16,900,000,000	165,422,178,497	(19,657,559,794)	(343,660,249)	(20,001,220,043)	180,291,879,674

Notes	Share capital issued and paid-up	Share premium	Subordinated capital debentures	Retained earnings			Other components of Equity			
				Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)		Total other components of Equity	Total
							Exchange differences on translating financial statement	Cash flow hedge		
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)	(291,385,884)	(14,086,169,653)	200,024,173,231
Changes in equity for the period										
Share capital issued and paid-up	-	-	-	-	-	-	-	-	-	-
Subordinated capital debentures 19	-	-	4,988,540,984	-	-	-	-	-	-	4,988,540,984
Dividends paid 24	-	-	-	-	-	(9,033,020,260)	-	-	-	(9,033,020,260)
Total comprehensive income(expense) for the period	-	-	-	-	-	26,021,164,682	938,871,829	(302,490,958)	636,380,871	26,657,545,553
Balance - as at June 30, 2012	3,319,985,400	14,411,841,900	4,988,540,984	332,200,000	16,900,000,000	196,134,460,006	(12,855,911,940)	(593,876,842)	(13,449,788,782)	222,637,239,508

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

(TRANSLATION)

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(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
THE COMPANY

Unit : US Dollar

Note	Share capital issued and paid-up	Share premium	Retained earnings			Other components of Equity	Total
			Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)	
						Cash flow hedge	
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 equity for the period							
Share capital issued and paid-up	49,597	4,473,676	-	-	-	-	4,523,273
Dividends paid 24	-	-	-	-	(267,077,151)	-	(267,077,151)
Total comprehensive income(expense) for the period	-	-	-	-	507,578,709	(11,261,323)	496,317,386
Balance - as at June 30, 2011	129,440,784	466,563,559	12,963,632	431,231,212	3,131,693,751	(11,261,323)	4,160,631,615

Notes	Share capital issued and paid-up	Share premium	Subordinated capital debentures	Retained earnings			Other components of Equity	Total
				Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)	
							Cash flow hedge	
Balance - as at January 1, 2012	129,475,062	469,655,446	-	12,963,632	431,231,212	3,381,288,319	(9,528,813)	4,415,084,858
Changes in equity for the period								
Share capital issued and paid-up	-	-	-	-	-	-	-	-
Subordinated capital debentures 19	-	-	156,777,700	-	-	-	-	156,777,700
Dividends paid 24	-	-	-	-	-	(295,478,700)	-	(295,478,700)
Total comprehensive income(expense) for the period	-	-	-	-	-	668,554,586	(8,977,547)	659,577,039
Balance - as at June 30, 2012	129,475,062	469,655,446	156,777,700	12,963,632	431,231,212	3,754,364,205	(18,506,360)	4,935,960,897

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

THE COMPANY

Unit : Baht

Note	Share capital issued and paid-up	Share premium	Retained earnings			Other components of Equity			
			Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)		Total other components of Equity	Total
						Exchange differences on translating financial statement	Cash flow hedge		
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 equity for the period									
Share capital issued and paid-up	1,516,900	136,824,380	-	-	-	-	-	-	138,341,280
Dividends paid 24	-	-	-	-	(8,229,715,328)	-	-	-	(8,229,715,328)
Total comprehensive income(expense) for the period	-	-	-	-	15,425,899,974	2,536,728,385	(343,660,249)	2,193,068,136	17,618,968,110
Balance - as at June 30, 2011	3,318,964,500	14,319,756,720	332,200,000	16,900,000,000	108,720,491,881	(15,319,980,463)	(343,660,249)	(15,663,640,712)	127,927,772,389

Notes	Share capital issued and paid-up	Share premium	Subordinated capital debentures	Retained earnings			Other components of Equity			
				Legal reserve	Reserve for expansion	Unappropriated	Other comprehensive income (expense)		Total other components of Equity	Total
							Exchange differences on translating financial statement	Cash flow hedge		
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)	(291,385,884)	(11,541,022,868)	139,919,337,230
Changes in equity for the period										
Share capital issued and paid-up	-	-	-	-	-	-	-	-	-	-
Subordinated capital debentures 19	-	-	4,988,540,984	-	-	-	-	-	-	4,988,540,984
Dividends paid 24	-	-	-	-	-	(9,033,020,260)	-	-	-	(9,033,020,260)
Total comprehensive income(expense) for the period	-	-	-	-	-	20,708,594,880	780,600,014	(271,667,798)	508,932,216	21,217,527,096
Balance - as at June 30, 2012	3,319,985,400	14,411,841,900	4,988,540,984	332,200,000	16,900,000,000	128,171,907,418	(10,469,036,970)	(563,053,682)	(11,032,090,652)	157,092,385,050

Notes to interim 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 SIX-MONTH PERIODS ENDED JUNE 30, 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	1,518,582,943	1,317,696,786	47,223,917,001	40,038,542,743
Adjustment to reconcile income before income tax to net cash provided by (used in) operating activities				
Share of gain from associates	(2,855,123)	(1,206,568)	(88,938,420)	(36,738,042)
Depreciation, depletion and amortization	642,907,223	577,388,597	20,011,243,449	17,546,894,017
Impairment loss on assets	109,167,123	-	3,455,128,281	-
Amortization of prepaid expenses	4,304,123	2,708,781	134,556,737	82,675,998
Amortization of exploration expenses	43,924,721	90,832,614	1,379,537,199	2,765,787,564
Loss on disposal of assets	675,355	407,250	20,869,890	12,048,394
Income recognized from deferred income	3,521,645	(3,524,739)	108,327,640	(107,257,487)
Loss on financial derivatives	6,993,631	5,413,154	222,654,847	164,150,697
Provision for employee benefits	7,746,033	7,705,050	241,399,269	234,543,416
Gain on foreign exchange	(51,891,450)	(59,076,956)	(1,623,725,271)	(1,796,683,832)
Interest income less than interest expenses	60,616,583	48,114,085	1,891,572,143	1,463,215,972
	<u>2,343,692,807</u>	<u>1,986,458,054</u>	<u>72,976,542,765</u>	<u>60,367,179,440</u>
Changes in operating assets and liabilities				
Increase in account receivable - parent company	(104,518,990)	(155,596,300)	(3,255,338,026)	(4,732,088,033)
(Increase) decrease in trade accounts receivable	31,819,519	(22,954,002)	991,047,564	(698,090,881)
(Increase) decrease in other accounts receivable	99,582,632	(51,261,901)	3,101,590,685	(1,559,007,690)
Increase in inventories	(3,315,970)	(6,862,355)	(103,278,878)	(208,702,058)
(Increase) decrease in materials and supplies, net	2,985,102	(20,968,098)	92,973,683	(637,694,377)
Increase in working capital from co-venturers	(37,325,885)	(24,322,420)	(1,162,548,272)	(739,708,031)
Decrease in other current assets	25,727,487	22,698,247	801,305,743	690,312,707
(Increase) decrease in prepaid expenses	8,519,358	(3,107,776)	265,343,076	(94,515,548)
(Increase) decrease in other non-current assets	(901,469)	216,847	(28,077,053)	6,594,881
(Decrease) increase in trade accounts payable	23,021,877	(12,894,614)	717,037,094	(392,158,738)
Decrease in working capital to co-venturers	(290,476)	(19,552,957)	(9,047,138)	(594,656,260)

Notes to interim 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Changes in operating assets and liabilities (continued)				
(Decrease) increase in accrued expenses	(29,071,091)	81,082,501	(905,445,293)	2,465,929,670
(Decrease) increase in other current liabilities	(36,980,462)	22,074,820	(1,151,789,768)	671,352,670
Decrease in other non-current liabilities	(10,929,724)	(1,038,122)	(340,416,090)	(31,571,959)
Currency translation differences (decrease) increase	6,862,911	(12,738,766)	213,751,581	(387,418,995)
Interest received from bank deposits	19,806,845	7,195,709	616,902,021	218,840,220
Taxation paid	(919,770,315)	(815,523,607)	(28,647,074,262)	(24,802,193,250)
	<u>(924,778,651)</u>	<u>(1,013,552,794)</u>	<u>(28,803,063,333)</u>	<u>(30,824,775,672)</u>
Net cash provided by operating activities	1,418,914,156	972,905,260	44,173,479,432	29,542,403,768
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(600,166,637)	-	(19,100,963,414)	-
Decrease in long-term loans to related parties	183,758	92,156	5,723,298	2,802,704
Increase in loss from investments in related parties	(140,827)	-	(4,386,189)	-
Purchase of partnership units, net	-	(1,890,164,352)	-	(57,484,812,372)
Interest received from loans	516,023	1,741,016	16,072,004	52,948,823
Increase in property, plant and equipment	(1,402,462,520)	(772,890,885)	(43,680,957,410)	(23,505,621,329)
Increase in intangible assets	(46,981,539)	(78,330,156)	(1,463,282,324)	(2,382,223,703)
	<u>(2,049,051,742)</u>	<u>(2,739,552,221)</u>	<u>(64,227,794,035)</u>	<u>(83,316,905,877)</u>
Cash flows from financing activities				
(Decrease) increase in short-term loans from financial institution	(27,591,799)	96,422,987	(859,371,399)	2,932,473,734
Proceeds from issuance of bonds	495,646,711	698,966,148	15,437,362,905	21,257,377,872
Payments of bonds	(782,551,600)	-	(24,373,273,878)	-
Proceeds from long-term loans from financial institution	369,291,124	616,305,843	11,501,904,413	18,743,463,081
Net proceeds from issuance of subordinated capital debentures	156,777,700	-	4,882,982,559	-
Interest paid for loans	(79,677,411)	(46,845,390)	(2,481,624,685)	(1,424,690,108)
Proceeds from common stock	-	4,523,274	-	137,564,523
Dividends paid	(293,381,364)	(270,000,641)	(9,137,626,624)	(8,211,421,494)
	<u>(161,486,639)</u>	<u>1,099,372,221</u>	<u>(5,029,646,709)</u>	<u>33,434,767,608</u>
Net cash provided by (used in) financing activities	(161,486,639)	1,099,372,221	(5,029,646,709)	33,434,767,608
Net decrease in cash and cash equivalents	(791,624,225)	(667,274,740)	(25,083,961,312)	(20,339,734,501)
Cash and cash equivalents at the beginning of the period	1,350,529,553	1,979,477,802	42,799,902,166	59,683,829,065
	558,905,328	1,312,203,062	17,715,940,854	39,344,094,564
Adjustment for the effect of exchange rate changes on cash and cash equivalents	28,480,319	(8,482,815)	978,253,460	741,652,618
	<u>587,385,647</u>	<u>1,303,720,247</u>	<u>18,694,194,314</u>	<u>40,085,747,182</u>
Cash and cash equivalents at the end of the period	587,385,647	1,303,720,247	18,694,194,314	40,085,747,182
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	326,387,413	186,792,666	10,165,629,730	5,588,526,449

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

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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	1,038,764,947	870,587,679	32,262,718,448	26,468,379,111
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities				
Depreciation, depletion and amortization	306,343,911	315,989,694	9,553,683,137	9,607,105,993
Amortization of prepaid expenses	807,122	1,363,981	25,181,131	41,493,645
Amortization of exploration expenses	11,548,817	14,937,855	365,567,526	453,711,243
(Gain) loss on disposal of assets	175,098	(47,618)	5,500,347	(1,705,418)
Income recognized from deferred income	(104,083)	-	(3,241,748)	-
Loss on financial derivatives	1,764,056	4,662,017	60,078,727	141,486,434
Dividend received from related parties	(108,718,750)	(16,718,154)	(3,315,019,500)	(510,003,000)
Provision for employee benefits	6,527,306	6,485,526	203,418,186	197,420,384
(Gain) loss on foreign exchange	(35,961,368)	7,736,844	(1,127,568,550)	235,297,542
Interest income higher than interest expenses	(35,485,600)	(16,631,966)	(1,106,259,052)	(504,501,708)
	<u>1,185,661,456</u>	<u>1,188,365,858</u>	<u>36,924,058,652</u>	<u>36,128,684,226</u>
Changes in operating assets and liabilities				
Increase in account receivable - parent company	(80,057,097)	(106,738,939)	(2,493,450,337)	(3,246,208,656)
(Increase) decrease in trade accounts receivable	259,200	(301,899)	8,073,017	(9,181,534)
(Increase) decrease in other accounts receivable	(6,161,756)	10,770,490	(191,913,436)	327,558,635
(Increase) decrease in inventories	61,698	(1,762,169)	1,921,640	(53,592,141)
Increase in materials and supplies, net	(1,497,659)	(7,553,174)	(46,645,937)	(229,711,660)
Increase in working capital from co-venturers	(3,120,470)	(7,176,488)	(97,189,847)	(218,255,659)
Increase in other current assets	(14,685,656)	(8,199,745)	(457,397,973)	(249,375,565)
Decrease in prepaid expenses	-	16,301	-	495,756
(Increase) decrease in other non-current assets	(566,386)	336,634	(17,640,602)	10,237,915
Increase (decrease) in trade accounts payable	(14,004,503)	1,079,477	(436,182,850)	32,829,702
Decrease in working capital to co-venturers	-	(20,607,111)	-	(626,715,824)

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

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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 assets and liabilities (continued)				
Decrease in accrued expenses	(7,347,142)	(12,864,563)	(228,833,350)	(391,244,809)
Decrease in other current liabilities	(38,141,759)	(3,307,447)	(1,187,959,412)	(100,588,032)
(Decrease) increase in other non-current liabilities	(190,213)	402,131	(5,924,355)	12,229,849
Interest received from bank deposits	16,328,455	4,375,275	508,564,427	133,063,488
Taxation paid	(563,827,121)	(587,076,231)	(17,560,903,128)	(17,854,514,583)
	<u>(712,950,409)</u>	<u>(738,607,458)</u>	<u>(22,205,482,143)</u>	<u>(22,462,973,118)</u>
Net cash provided by operating activities	<u>472,711,047</u>	<u>449,758,400</u>	<u>14,718,576,509</u>	<u>13,665,711,108</u>
Cash flows from investing activities				
(Increase) decrease in long-term loans to related parties	121,894,308	(664,056,246)	3,796,507,928	(20,195,676,987)
Dividends received from related parties	108,718,750	16,718,154	3,315,019,500	510,003,000
Interest received from loans	62,705,673	57,078,700	1,953,024,621	1,735,911,672
Increase in property, plant and equipment	(367,639,004)	(347,960,284)	(11,450,447,655)	(10,582,376,933)
Increase in intangible assets	(25,815,776)	(10,457,541)	(804,055,578)	(318,040,981)
	<u>(100,136,049)</u>	<u>(948,677,217)</u>	<u>(3,189,951,184)</u>	<u>(28,850,180,229)</u>
Net cash used in investing activities				
Cash flows from financing activities				
(Decrease) increase in short-term loans from financial institution	(27,591,799)	96,422,987	(859,371,399)	2,932,473,734
Payment for bonds	(782,551,600)	-	(24,373,273,878)	
Proceeds from long-term loans from financial institution	-	50,000,000	-	1,520,630,000
Net proceeds from issuance of subordinated capital debentures	156,777,700	-	4,882,982,559	-
Interest paid	(36,928,820)	(32,232,249)	(1,150,181,335)	(980,266,496)
Proceeds from common stock	-	4,523,274	-	137,564,523
Dividends paid	(293,381,364)	(270,000,641)	(9,137,626,624)	(8,211,421,494)
	<u>(983,675,883)</u>	<u>(151,286,629)</u>	<u>(30,637,470,677)</u>	<u>(4,601,019,733)</u>
Net cash used in financing activities				
Net decrease in cash and cash equivalents	(611,100,885)	(650,205,446)	(19,108,845,352)	(19,785,488,854)
Cash and cash equivalents at the beginning of the period	<u>744,934,786</u>	<u>1,443,127,146</u>	<u>23,607,877,304</u>	<u>43,512,159,526</u>
	133,833,901	792,921,700	4,499,031,952	23,726,670,672
Adjustment for the effect of exchange rate changes on cash and cash equivalents	16,473,809	(5,217,078)	284,676,251	493,040,875
Cash and cash equivalents at the end of the period	<u>150,307,710</u>	<u>787,704,622</u>	<u>4,783,708,203</u>	<u>24,219,711,547</u>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	104,158,423	72,455,175	3,244,107,823	2,203,550,253

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011
(UNAUDITED BUT REVIEWED)

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.

2. Basis of Interim Financial Information Preparation

These interim financial statements are intended to provide additional information other than that included in the latest annual financial statements. Accordingly, the interim financial statements focus on the reporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

These interim consolidated and the Company's interim 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 Professions Act, B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements i.e., statement of financial position, statement of income, comprehensive income, changes in shareholders' equity and cash flows have been prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements have been prepared in a condensed format according to Thai Accounting Standard No. 34, Interim Financial Reporting and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

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 requires 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 as published in the Government Gazette. The accounting standard comes into effect for periods beginning on or after January 1, 2013.

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

An English-language version of the consolidated and the Company's 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. Summary of Significant Accounting Policies

These interim financial statements are prepared in accordance with Thai generally accepted accounting principles. For preparing of the interim financial statements, the Company applies the same accounting policies and methods of computation as in the financial statements for the year ended December 31, 2011.

4. New Financial Reporting Standards, Amendments to Accounting Standards and New Interpretation to Accounting Standards

The following new financial reporting standards, amendments to accounting standards and new interpretation to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group has not early adopted them:

Thai Financial Reporting Standard No. 8	Operating Segments
Thai Accounting Standard No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
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

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

5. Cash and Cash Equivalents and Restricted Deposits at Financial Institution

- Cash and cash equivalents comprised:

	Unit : Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Cash on hand and at banks	576.40	885.19	18,344.38	28,052.58
Cash equivalents				
- Fixed deposits	3.13	53.02	99.80	1,680.43
- Treasury bills	7.86	412.32	250.01	13,066.89
Total	587.39	1,350.53	18,694.19	42,799.90

	Unit : Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Cash on hand and at banks	149.55	338.48	4,759.61	10,726.88
Cash equivalents				
- Fixed deposits	0.76	50.65	24.10	1,605.32
- Treasury bills	-	355.80	-	11,275.68
Total	150.31	744.93	4,783.71	23,607.88

The interest rate on saving deposits held at call with banks for the six-month period ended June 30, 2012 is between 0.05% - 4.25% per annum (2011: interest rate 0.11% - 4.25% per annum).

The interest rate on fixed deposits with banks for the six-month period ended June 30, 2012 is between 0.59% - 5.75% per annum (2011: interest rate 0.56% - 6.00% per annum).

The interest rate on treasury bills for the six-month period ended June 30, 2012 is between 2.98% - 3.09% per annum (2011: interest rate 1.77% - 3.42% per annum).

- Restricted Deposits at Financial Institution in the consolidated financial statement comprised:

Restricted deposit at a financial institution of US\$600.17 million (Baht 19,100.96 million) which is a short-term fixed deposit with a financial institution for the proposed offer of Cove Energy Plc shares. The interest rates on the short-term fixed deposit account for the six months ended June 30, 2012 ranged between 0.09% - 0.155% per annum.

6. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Sales of petroleum products	552.77	448.69	17,592.43	14,219.63
Gas pipeline construction service	34.89	35.04	1,110.41	1,110.41
Sales of topside equipment on platform	-	0.47	-	14.85
Total	587.66	484.20	18,702.84	15,344.89

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Sales of petroleum products	336.22	257.43	10,700.43	8,158.43
Gas pipeline construction service	34.89	35.04	1,110.41	1,110.41
Sales of topside equipment on platform	-	0.47	-	14.85
Total	371.11	292.94	11,810.84	9,283.69

7. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Statoil Canada Ltd.	18.58	47.93	591.35	1,518.90
Myanmar Oil and Gas Enterprise	36.52	29.00	1,162.38	919.15
SK Energy Co., Ltd.	27.29	-	868.38	-
Vitol Asia PTE Limited	-	38.37	-	1,216.14
Exxap (Exxonmobile Asia Pacific Pte)	-	10.59	-	335.46
Chevron Product Company	7.30	9.42	232.36	298.42
Binh Son Refining & Petrochemical Co., Ltd.	-	9.00	-	285.18
Star Petroleum Refining Co., Limited	9.45	2.03	300.90	64.37
Electricity Generating Authority of Thailand	1.45	1.61	46.08	51.04
Ministry of Oil and Gas (Oman)	1.51	1.34	48.12	42.48
Chevron U.S.A. INC	-	0.79	-	25.05
Shell International Eastern Trading Company	16.05	-	510.65	-
Others	0.11	0.07	3.51	2.40
Total	118.26	150.15	3,763.73	4,758.59

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Star Petroleum Refining Co., Limited	1.83	2.03	58.11	64.37
Electricity Generating Authority of Thailand	0.36	0.40	11.52	12.76
Others	0.03	0.02	0.87	0.60
Total	2.22	2.45	70.50	77.73

8. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

8.1 Revenues and Expenses with Related Parties

Significant transactions with related parties for the six-month periods ended June 30, 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)	2,479.72	2,303.13	77,223.56	70,008.68
Amortization of deferred remuneration under agreement	0.88	0.87	27.30	26.51
Subsidiaries, associates and jointly controlled entities				
Interest income	0.43	0.40	13.30	12.03
Rental and service expenses	7.07	7.75	219.97	235.77
Management's Remuneration				
Director's remuneration	0.93	0.17	28.85	5.23
Senior management's remuneration *	1.24	1.39	38.53	42.33

	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)	1,536.54	1,554.42	47,850.13	47,254.38
Amortization of deferred remuneration under agreement	0.88	0.87	27.30	26.51
Subsidiaries, associates and jointly controlled entities				
Interest income	63.13	53.77	1,965.85	1,632.48
Management and services fees	0.16	0.24	5.05	7.40
Rental and service expenses	7.07	2.85	219.97	235.77
Management's Remuneration				
Director's remuneration	0.93	0.17	28.85	5.23
Senior management's remuneration *	1.24	1.39	38.53	42.33

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

8.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Associates				
EnCo	18.22	18.30	580.00	580.00
ShoreAir	-	0.19	-	5.82
Total	18.22	18.49	580.00	585.82

Loans to	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Subsidiaries				
PTTEPI	903.02	992.32	28,739.67	31,447.76
PTTEPO	2,042.82	2,088.77	65,014.99	66,195.81
PTTEP Services	2.92	2.06	92.83	65.22
PTTEPS	15.90	-	506.10	-
Associates				
EnCo	18.22	18.30	580.00	580.00
Total	2,982.88	3,101.45	94,933.59	98,288.79

(TRANSLATION)

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Movements in the long-term loans to related parties for the six-month period ended June 30, 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	(0.19)	(5.72)
Currency translation differences	(0.08)	(0.10)
Balance as at June 30, 2012	18.22	580.00

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2012	3,101.45	98,288.79
Addition	1,630.14	50,772.18
Repayment	(1,742.17)	(54,261.39)
Currency translation differences	(6.54)	134.01
Balance as at June 30, 2012	2,982.88	94,933.59

The Company has provided loans to subsidiaries for the six-month period ended June 30, 2012 with an interest rate of 3.79% - 3.93% per annum (2011: interest rate 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 six-month period ended June 30, 2012 with an interest rate of 4.60% per annum (2011: interest rate 3.90% - 4.60% per annum).

9. Investments in Subsidiaries, Associates and Jointly Controlled Entities

9.1 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	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Net book value as at the beginning of the period	26.92	24.60	853.23	741.76
Share of net loss from investment after income taxes	2.86	2.42	88.94	74.87
Increase (Decrease) in investment	0.14	(0.10)	4.46	(3.29)
Currency translation differences	-	-	5.58	39.89
Net book value as at the end of the period	29.92	26.92	952.21	853.23

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Net book value as at the beginning of the period	641.82	641.77	20,339.84	19,350.00
Increase in investment	-	0.05	-	1.58
Currency translation differences	-	-	86.58	988.26
Net book value as at the end of the period	641.82	641.82	20,426.42	20,339.84

9.2 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	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
PTTEP International Limited	516.38	516.38	16,434.48	16,364.82
PTTEP Offshore Investment Company Limited	0.005	0.005	0.16	0.16
PTTEP Services Limited	0.01	0.01	0.20	0.20
PTTEP Siam Limited	99.79	99.79	3,175.96	3,162.50
PTTEP MEA Limited	0.05	0.05	1.59	1.58
Total	616.24	616.24	19,612.39	19,529.26

9.3 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	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Energy Complex Company Limited	23.01	21.77	732.18	690.10
PTT ICT Solutions Company Limited	2.89	2.18	91.89	69.11
PTTEP AP group's associates	4.02	2.97	128.14	94.02
Total	29.92	26.92	952.21	853.23

(TRANSLATION)

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Energy Complex Company Limited	24.79	24.79	788.95	785.61
PTT ICT Solutions Company Limited	0.79	0.79	25.08	24.97
Total	25.58	25.58	814.03	810.58

(TRANSLATION)

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9.4 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		
Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	
Statements of financial position :												
Current assets	2.29	1.03	42.58	31.67	23.02	19.84	142.40	147.49	41.04	34.50	1.42	3.20
Non-current assets	-	-	73.59	75.93	41.78	42.94	146.28	154.60	49.04	51.20	-	-
Current liabilities	(2.24)	(0.98)	(0.66)	(0.94)	(2.37)	(1.13)	(66.86)	(75.29)	(22.37)	(22.13)	(2.38)	(3.47)
Non-current liabilities	-	-	(42.86)	(45.32)	(13.65)	(16.56)	(64.55)	(63.48)	(20.50)	(20.17)	(8.50)	(6.50)
Net assets	0.05	0.05	72.65	61.34	48.78	45.09	157.27	163.32	47.21	43.40	(9.46)	(6.77)

Unit: Million US Dollar												
Erawan 2		KOSP		LAL		GBRS		ATL		NST		
Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	
Statements of financial position :												
Current assets	1.10	3.98	201.95	93.99	0.71	0.31	27.88	3.30	9.96	-	2.23	-
Non-current assets	21.19	7.93	2,583.94	2,541.50	7.43	7.54	-	-	295.66	-	2.60	-
Current liabilities	(0.22)	(0.27)	(59.60)	(65.94)	(0.53)	(0.32)	(27.88)	(3.30)	(172.93)	-	(0.08)	-
Non-current liabilities	-	-	(574.04)	(595.62)	-	-	-	-	(141.29)	-	-	-
Net assets	22.07	11.64	2,152.25	1,973.93	7.61	7.53	-	-	(8.60)	-	4.75	-

(TRANSLATION)

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Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	For the six-month periods ended											
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Statements of income :												
Revenues	-	-	95.37	72.16	57.98	48.02	152.97	151.75	58.49	53.40	0.04	0.03
Expenses	-	-	(4.10)	(4.52)	(3.04)	(2.75)	(67.38)	(69.12)	(22.70)	(22.63)	(2.72)	(3.87)
Income (loss) before income taxes	-	-	91.27	67.64	54.94	45.27	85.59	82.63	35.79	30.77	(2.68)	(3.84)
Income tax	-	-	(21.36)	(19.91)	(13.09)	(13.90)	(43.08)	(40.96)	(18.73)	(18.03)	-	-
Net income (loss)	-	-	69.91	47.73	41.85	31.37	42.51	41.67	17.06	12.74	(2.68)	(3.84)

Unit: Million US Dollar

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	For the six-month periods ended											
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Statements of income :												
Revenues	0.001	0.001	113.69	41.22	1.03	0.89	-	-	0.03	-	-	-
Expenses	(0.192)	(0.004)	(136.49)	(91.10)	(0.87)	(0.73)	-	-	(2.90)	-	(0.04)	-
Income (loss) before income taxes	(0.191)	(0.003)	(22.80)	(49.88)	0.16	0.16	-	-	(2.87)	-	(0.04)	-
Income tax	-	-	16.73	12.35	-	-	-	-	-	-	-	-
Net income (loss)	(0.191)	(0.003)	(6.07)	(37.53)	0.16	0.16	-	-	(2.87)	-	(0.04)	-

(TRANSLATION)

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Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	72.83	32.68	1,355.05	1,003.74	732.79	628.87	4,532.10	4,674.03	1,306.20	1,093.31	45.19	101.35
Non-current assets	-	-	2,342.13	2,406.17	1,329.81	1,361.02	4,655.56	4,899.31	1,560.85	1,622.57	-	-
Current liabilities	(71.31)	(30.93)	(21.14)	(29.91)	(75.48)	(35.94)	(2,127.82)	(2,385.99)	(711.82)	(701.33)	(75.58)	(109.92)
Non-current liabilities	-	-	(1,363.90)	(1,436.16)	(434.64)	(524.86)	(2,054.47)	(2,011.60)	(652.75)	(639.13)	(270.53)	(205.99)
Net assets	1.52	1.75	2,312.14	1,943.84	1,552.48	1,429.09	5,005.37	5,175.75	1,502.48	1,375.42	(300.92)	(214.56)

Unit: Million Baht

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	34.96	126.13	6,427.25	2,978.55	22.71	9.72	887.23	104.68	317.11	-	70.94	-
Non-current assets	674.41	251.37	82,236.72	80,543.29	236.58	238.84	-	-	9,409.81	-	82.84	-
Current liabilities	(6.92)	(8.49)	(1,896.69)	(2,089.81)	(17.03)	(10.17)	(887.23)	(104.68)	(5,503.73)	-	(2.67)	-
Non-current liabilities	-	-	(18,269.66)	(18,875.76)	-	-	-	-	(4,496.97)	-	-	-
Net assets	702.45	369.01	68,497.62	62,556.27	242.26	238.39	-	-	(273.78)	-	151.11	-

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Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	For the six-month period ended											
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Statements of income :												
Revenues	-	-	2,972.92	2,192.91	1,806.18	1,459.46	4,761.73	4,611.51	1,820.99	1,623.16	1.15	0.88
Expenses	-	-	(127.69)	(137.55)	(94.74)	(83.52)	(2,094.04)	(2,100.04)	(705.77)	(687.66)	(84.72)	(117.58)
Income (loss) before income taxes	-	-	2,845.23	2,055.36	1,711.44	1,375.94	2,667.69	2,511.47	1,115.22	935.50	(83.57)	(116.70)
Income tax	-	-	(661.56)	(605.29)	(405.52)	(422.58)	(1,344.24)	(1,245.23)	(584.46)	(546.76)	-	-
Net income (loss)	-	-	2,183.67	1,450.07	1,305.92	953.36	1,323.45	1,266.24	530.76	388.74	(83.57)	(116.70)

Unit: Million Baht

	Erawan 2		KOSP		LAL		GBRS		ATL		NST	
	For the six-month period ended											
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Statements of income :												
Revenues	0.02	0.01	3,540.97	1,250.01	31.93	27.05	-	-	0.98	-	0.05	-
Expenses	(6.07)	(0.11)	(4,252.98)	(2,754.20)	(26.92)	(22.26)	-	-	(90.72)	-	(1.27)	-
Income (loss) before income taxes	(6.05)	(0.10)	(712.01)	(1,504.19)	5.01	4.79	-	-	(89.74)	-	(1.22)	-
Income tax	-	-	527.25	376.99	-	-	-	-	-	-	-	-
Net income (loss)	(6.05)	(0.10)	(184.76)	(1,127.20)	5.01	4.79	-	-	(89.74)	-	(1.22)	-

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Jointly controlled entities 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													
Company	Registered country	Type of business	Paid-in capital		Shareholding By (Direct and Indirect)	Percentage of interest		Investments				Dividends for the six-month periods ended	
			Jun. 30,	Dec. 31,		Jun. 30,	Dec. 31,	Cost Method		Equity Method			
			2012	2011		2012	2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Jun. 30, 2011
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	72.65	61.34	58.60	44.34
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	0.10	0.10	PTTEPO	19.3178%	19.3178%	8.01	8.01	47.79	44.14	38.16	29.67
Orange Energy Limited (Orange)	Thailand	Petroleum	4.00	4.00	PTTEPO	53.9496%	53.9496%	329.77	329.77	184.64	195.39	48.55	21.58
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	4.40	4.40	PTTEPO	25.0009%	25.0009%	109.95	109.95	54.95	52.68	13.25	14.65
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.0006	0.0006	PTTEP FH	50%	50%	0.0006	0.0006	(9.46)	(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	22.30	11.74	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	3,966.47	3,966.47	PTTEP CA	40%	40%	2,223.00	2,067.58	2,249.93	2,099.95	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	21.17	21.17	PTTEP CA	40%	40%	7.33	7.40	7.61	7.52	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL) ¹	Cayman Islands	Gas pipeline transportation	0.05	-	PTTEPO	80%	-	0.05	-	(18.93)	-	-	-
NST Supply Base Company Limited (NST) ²	Thailand	Petroleum	32.20	-	JV Shore Base	15.67%	-	5.05	-	4.75	-	-	-

¹ As at January 5, 2012, Andaman Transportation Limited (ATL) was changed from a subsidiary to a jointly controlled entity. For details, please refer to Note to the interim financial statements No. 26.

² As December 13, 2011, JV Shore Based Limited has entered into the venture agreement to purchase 19.5875% interests of NST 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%.

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Unit: Million Baht													
Company	Registered Country	Type of business	Paid-in capital		Shareholding By (Direct and Indirect)	Percentage of interest		Investment				Dividends for the six-month periods ended	
			Jun. 30, 2012	Dec. 31, 2011		Jun. 30, 2012	Dec. 31, 2011	Cost Method		Equity Method			
			2012	2011		2012	2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012	Jun. 30, 2011
<u>Jointly Controlled Entities</u>													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	3.68	3.68	PTTEPI	50%	50%	1.54	1.53	1.54	1.75	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.76	0.76	PTTEPO	25.5%	25.5%	0.24	0.24	2,312.14	1,943.85	1,818.25	1,692.48
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	2.62	2.62	PTTEPO	19.3178%	19.3178%	254.81	253.73	1,521.01	1,398.73	1,184.42	1,086.12
Orange Energy Limited (Orange)	Thailand	Petroleum	100.00	100.00	PTTEPO	53.9496%	53.9496%	10,495.25	10,450.76	5,876.47	6,192.22	1,480.51	832.30
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	110.00	110.00	PTTEPO	25.0009%	25.0009%	3,499.31	3,484.47	1,748.80	1,669.64	410.63	524.36
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.02	0.02	PTTEP FH	50%	50%	0.02	0.02	(300.92)	(214.51)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	Petroleum	0.003	0.003	JV Marine	13.11%	13.11%	709.31	369.77	709.70	372.04	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	127,684.27	127,684.27	PTTEP CA	40%	40%	70,749.32	65,524.02	71,606.50	66,550.01	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	681.63	681.63	PTTEP CA	40%	40%	233.33	234.44	242.26	238.39	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL) ¹	Cayman Islands	Gas pipeline transportation	1.74	-	PTTEPO	80%	-	1.59	-	(602.65)	-	-	-
NST Supply Base Company Limited (NST) ²	Thailand	Petroleum	1,000.00	-	JV Shore Base	15.67%	-	160.57	-	151.11	-	-	-

¹ As at January 5, 2012, Andaman Transportation Limited (ATL) was changed from a subsidiary to a jointly controlled entity. For details, please refer to Note to the interim financial statements No. 26.

² As December 13, 2011, JV Shore Based Limited has entered into the venture agreement to purchase 19.5875% interests of NST 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%.

10. Property, Plant and Equipment - Net

Unit: Million US Dollar

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
<u>Historical cost</u>						
Balance as at January 1, 2012	14,103.94	153.33	694.94	353.83	109.27	15,415.31
Increase	1,166.69	9.59	4.89	104.95	16.20	1,302.32
Decrease	(47.36)	(3.02)	(8.41)	-	(1.01)	(59.80)
Currency translation differences*	(16.76)	(0.14)	(0.11)	-	-	(17.01)
Balance as at June 30, 2012	15,206.51	159.76	691.31	458.78	124.46	16,640.82
<u>Accumulated depreciation</u>						
Balance as at January 1, 2012	(5,541.75)	(91.66)	(341.58)	(91.28)	(28.02)	(6,094.29)
Depreciation for the period	(567.08)	(7.44)	(20.55)	(3.45)	(5.03)	(603.55)
Decrease	33.76	1.38	0.85	-	0.54	36.53
Currency translation differences*	0.69	0.02	0.01	-	-	0.72
Balance as at June 30, 2012	(6,074.38)	(97.70)	(361.27)	(94.73)	(32.51)	(6,660.59)
<u>Impairment loss on assets</u>						
Balance as at January 1, 2012	(20.01)	(0.10)	-	-	-	(20.11)
Increase	(101.85)	-	-	-	-	(101.85)
Decrease	7.19	-	-	-	-	7.19
Balance as at June 30, 2012	(114.67)	(0.10)	-	-	-	(114.77)
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 June 30, 2012	9,017.46	61.96	330.04	364.05	91.95	9,865.46

Depreciation included in the statement of income for the six-month period ended June 30, 2011

USD 563.42 million

Depreciation included in the statement of income for the six-month period ended June 30, 2012

USD 603.55 million

* Net foreign exchange rate difference in translating financial statements.

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Unit: Million Baht

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties And Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
<u>Historical cost</u>						
Balance as at January 1, 2012	446,970.69	4,859.32	22,023.40	11,213.34	3,462.84	488,529.59
Increase	34,733.89	293.54	147.93	3,356.74	509.85	39,041.95
Decrease	(1,469.25)	(96.54)	(262.59)	-	(31.42)	(1,859.80)
Currency translation differences*	3,728.37	28.28	92.37	30.97	19.98	3,899.97
Balance as at June 30, 2012	483,963.70	5,084.60	22,001.11	14,601.05	3,961.25	529,611.71
<u>Accumulated depreciation</u>						
Balance as at January 1, 2012	(175,624.71)	(2,904.96)	(10,825.13)	(2,892.71)	(887.82)	(193,135.33)
Depreciation for the period	(17,669.79)	(231.80)	(639.54)	(107.36)	(156.72)	(18,805.21)
Decrease	1,052.69	37.52	26.28	-	16.58	1,133.07
Currency translation differences*	(1,081.94)	(10.12)	(58.85)	(14.65)	(6.81)	(1,172.37)
Balance as at June 30, 2012	(193,323.75)	(3,109.36)	(11,497.24)	(3,014.72)	(1,034.77)	(211,979.84)
<u>Impairment loss on assets</u>						
Balance as at January 1, 2012	(634.03)	(3.17)	-	-	-	(637.20)
Increase	(3,223.62)	-	-	-	-	(3,223.62)
Decrease	204.24	-	-	-	-	204.24
Currency translation differences*	3.95	(0.01)	-	-	-	3.94
Balance as at June 30, 2012	(3,649.46)	(3.18)	-	-	-	(3,652.64)
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 June 30, 2012	286,990.49	1,972.06	10,503.87	11,586.33	2,926.48	313,979.23

Depreciation included in the statement of income for the six-month period ended June 30, 2011

Baht 17,122.72 million

Depreciation included in the statement of income for the six-month period ended June 30, 2012

Baht 18,805.21 million

* Net foreign exchange rate difference in translating financial statements.

Impairment loss

In assessing whether a write-down is required in the carrying value of a potentially impaired tangible asset, the asset's carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. 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.

During the second quarter ended June 30, 2012, PTTEP Australasia recognized the impairment loss of USD 109 million due to the increase of the Montara project cost and the delay in the first oil production to the end of the fourth quarter of 2012. 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 at 30 June 2012. 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 fourth quarter of 2012.

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Unit: Million US Dollar

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
<u>Historical cost</u>					
Balance as at January 1, 2012	5,778.00	56.97	272.37	73.41	6,180.75
Increase	359.54	0.96	4.80	2.24	367.54
Decrease	(37.10)	(1.07)	-	(1.00)	(39.17)
Balance as at June 30, 2012	6,100.44	56.86	277.17	74.65	6,509.12
<u>Accumulated depreciation</u>					
Balance as at January 1, 2012	(3,066.95)	(40.54)	(167.10)	(21.20)	(3,295.79)
Depreciation for the period	(290.64)	(2.34)	(8.39)	(4.15)	(305.52)
Decrease	31.80	0.17	0.72	0.54	33.23
Balance as at June 30, 2012	(3,325.79)	(42.71)	(174.77)	(24.81)	(3,568.08)
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 June 30, 2012	2,774.65	14.15	102.40	49.84	2,941.04

Depreciation included in the statement of income for the six-month period ended June 30, 2011 USD 315.95 million

Depreciation included in the statement of income for the six-month period ended June 30, 2012 USD 305.52 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, 2012	183,111.68	1,805.44	8,631.63	2,326.60	195,875.35
Increase	11,197.88	30.02	149.04	69.42	11,446.36
Decrease	(1,154.67)	(33.72)	-	(31.16)	(1,219.55)
Currency translation differences*	998.15	8.04	40.50	10.93	1,057.62
Balance as at June 30, 2012	194,153.04	1,809.78	8,821.17	2,375.79	207,159.78
<u>Accumulated depreciation</u>					
Balance as at January 1, 2012	(97,195.39)	(1,284.84)	(5,295.40)	(672.01)	(104,447.64)
Depreciation for the period	(9,064.79)	(73.03)	(261.39)	(128.87)	(9,528.08)
Decrease	992.06	0.42	22.43	16.57	1,031.48
Currency translation differences*	(578.58)	(2.12)	(27.77)	(5.38)	(613.85)
Balance as at June 30, 2012	(105,846.70)	(1,359.57)	(5,562.13)	(789.69)	(113,558.09)
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 June 30, 2012	88,306.34	450.21	3,259.04	1,586.10	93,601.69

Depreciation included in the statement of income for the six-month period ended June 30, 2011 Baht 9,606.63 million

Depreciation included in the statement of income for the six-month period ended June 30, 2012 Baht 9,528.08 million

* Net foreign exchange rate difference in translating financial statements.

11. Carried Costs under Petroleum Sharing Contract

As at June 30, 2012, the Group presented carried costs 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

Project	Carried Costs		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – June 30, 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	-	12.35
Algeria Hassi Ber Rekaiz	36.08	-	15.13
Myanmar PSC-G and EP-2	0.35	-	0.05

Unit: Million Baht

Project	Carried Costs		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – June 30, 2012)
Vietnam 52/97	-	32.11	-
Vietnam B & 48/95	-	33.61	-
Vietnam 16-1	821.75	-	1,268.59
Vietnam 9-2	1,055.89	-	791.82
Algeria 433a & 416b	258.23	-	413.69
Algeria Hassi Ber Rekaiz	1,147.07	-	472.04
Myanmar PSC-G and EP-2	11.25	-	1.51

12. Goodwill

	Consolidated	
	Unit: Million US Dollar	Unit: Million Baht
<u>Historical Cost</u>		
Balance as at January 1, 2012	329.70	10,448.43
Currency translation differences*	(2.93)	(48.64)
Balance as at June 30, 2012	326.77	10,399.79
<u>Impairment loss on assets</u>		
Balance as at January 1, 2012	-	-
Increase	(7.31)	(232.77)
Balance as at June 30, 2012	(7.31)	(232.77)
Net Book Value as at December 31, 2011	329.70	10,448.43
Net Book Value as at June 30, 2012	319.46	10,167.02

* Net foreign exchange rate differences in translating financial statements.

13. Intangible Assets, Net

Unit: Million US Dollar

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical Cost</u>			
Balance as at January 1, 2012	1,107.49	53.65	1,161.14
Increase	73.86	8.46	82.32
Decrease	(37.94)	(0.01)	(37.95)
Currency translation differences*	(7.95)	-	(7.95)
Balance as at June 30, 2012	1,135.46	62.10	1,197.56
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(21.10)	(21.10)
Amortization for the period	-	(0.97)	(0.97)
Decrease	-	0.01	0.01
Balance as at June 30, 2012	-	(22.06)	(22.06)
<u>Impairment loss on assets</u>			
Balance as at January 1, 2012	(3.49)	-	(3.49)
Increase	-	-	-
Decrease	-	-	-
Balance as at June 30, 2012	(3.49)	-	(3.49)
Net Book Value as at December 31, 2011	1,104.00	32.55	1,136.55
Net Book Value as at June 30, 2012	1,131.97	40.04	1,172.01

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2012	35,097.72	1,700.30	36,798.02
Increase	1,976.86	264.18	2,241.04
Decrease	(1,192.97)	(0.36)	(1,193.33)
Currency translation differences*	255.62	12.33	267.95
Balance as at June 30, 2012	36,137.23	1,976.45	38,113.68
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(668.71)	(668.71)
Amortization for the period	-	(30.29)	(30.29)
Decrease	-	0.36	0.36
Currency translation differences*	-	(3.52)	(3.52)
Balance as at June 30, 2012	-	(702.16)	(702.16)
<u>Impairment loss on assets</u>			
Balance as at January 1, 2012	(110.53)	-	(110.53)
Increase	-	-	-
Decrease	-	-	-
Currency translation differences*	(0.47)	-	(0.47)
Balance as at June 30, 2012	(111.00)	-	(111.00)
Net Book Value as at December 31, 2011	34,987.19	1,031.59	36,018.78
Net Book Value as at June 30, 2012	36,026.23	1,274.29	37,300.52

* Net foreign exchange rate differences in translating financial statements.

Unit : Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2012	10.81	49.04	59.85
Increase	25.21	8.37	33.58
Decrease	(7.77)	-	(7.77)
Balance as at June 30, 2012	28.25	57.41	85.66
<u>Accumulated amortization</u>			
Balance as at January 1, 2012	-	(18.20)	(18.20)
Amortization for the period	-	(0.83)	(0.83)
Balance as at June 30, 2012	-	(19.03)	(19.03)
Net Book Value as at December 31, 2011	10.81	30.84	41.65
Net Book Value as at June 30, 2012	28.25	38.38	66.63

Unit: Million Baht

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical Cost</u>			
Balance as at January 1, 2012	342.59	1,554.08	1,896.67
Increase	783.07	258.82	1,041.89
Decrease	(245.81)	-	(245.81)
Currency translation differences*	19.39	14.22	33.61
Balance as at June 30, 2012	899.24	1,827.12	2,726.36
<u>Accumulated Amortization</u>			
Balance as at January 1, 2012	-	(576.73)	(576.73)
Amortization for the period	-	(25.93)	(25.93)
Currency translation differences*	-	(3.04)	(3.04)
Balance as at June 30, 2012	-	(605.70)	(605.70)
Net Book Value as at December 31, 2011	342.59	977.35	1,319.94
Net Book Value as at June 30, 2012	899.24	1,221.42	2,120.66

* Net foreign exchange rate differences in translating financial statements.

* Net foreign exchange rate differences in translating financial statements.

14. Income Tax Expenses and Deferred Income Taxes

14.1 Income Tax Expenses

Income tax expenses for the three-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Petroleum income tax				
Current tax expenses	256.80	270.36	8,025.18	8,187.45
Deferred tax expenses	17.72	0.91	560.80	29.06
	274.52	271.27	8,585.98	8,216.51
Tax Effect of currency translation on tax base	59.96	34.78	1,898.00	1,055.15
Total	334.48	306.05	10,483.98	9,271.66
Income tax under Revenue Code				
Current tax expenses	4.62	15.91	143.84	482.79
Deferred tax expenses	(2.11)	(13.49)	(66.76)	(410.01)
	2.51	2.42	77.08	72.78
Tax Effect of currency translation on tax base	6.69	4.71	211.81	143.32
Total	9.20	7.13	288.89	216.10
Income tax in foreign countries				
Current tax expenses	65.04	42.08	2,035.20	1,274.29
Deferred tax expenses	(89.57)	(8.16)	(2,827.55)	(245.46)
Total	(24.53)	33.92	(792.35)	1,028.83
Petroleum Resource Rent Tax in Australia				
Deferred tax expenses	117.55	1.42	3,707.05	43.46
Total	117.55	1.42	3,707.05	43.46
Total income taxes	436.70	348.52	13,687.57	10,560.05

Income tax expenses for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Petroleum income tax				
Current tax expenses	485.48	489.31	15,112.08	14,881.30
Deferred tax expenses	47.20	(8.05)	1,465.54	(244.66)
	532.68	481.26	16,577.62	14,636.64
Tax Effect of currency translation on tax base	16.55	50.45	565.82	1,534.60
Total	549.23	531.71	17,143.44	16,171.24
Income tax under Revenue Code				
Current tax expenses	0.24	21.92	3.34	666.49
Deferred tax expenses	5.81	(14.23)	176.34	(432.73)
	6.05	7.69	179.68	233.76
Tax Effect of currency translation on tax base	2.34	4.29	78.14	130.55
Total	8.39	11.98	257.82	364.31
Income tax in foreign countries				
Current tax expenses	130.37	78.36	4,056.97	2,381.07
Deferred tax expenses	(108.65)	(19.99)	(3,476.82)	(605.05)
Total	21.72	58.37	580.15	1,776.02
Petroleum Resource Rent Tax in Australia				
Deferred tax expenses	99.92	(13.89)	3,221.34	(421.74)
Total	99.92	(13.89)	3,221.34	(421.74)
Total income taxes	679.26	588.17	21,202.75	17,889.83

The Group recognized deferred income taxes using the liability method when there are temporary differences between the carrying amount of an asset and liability in the financial statement and its tax base. Therefore, the Group recognized gain or loss on deferred income taxes resulting from movements in the Thai Baht, which is the currency used for calculating income tax expenses of the companies incorporated in Thailand when those companies have US Dollar as the functional currency. Such gain or loss on deferred income taxes are presented as "Tax Effect of currency translation on tax base".

Income tax expenses for the three-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Petroleum income tax				
Current tax expenses	167.49	176.78	5,234.60	5,353.83
Deferred tax expenses	14.98	(2.11)	474.03	(62.71)
	182.47	174.67	5,708.63	5,291.12
Tax Effect of currency translation on tax base	52.33	28.57	1,656.49	867.87
Total	234.80	203.24	7,365.12	6,158.99
Income tax under Revenue Code				
Current tax expenses	3.76	15.12	116.80	459.16
Deferred tax expenses	(1.29)	(13.04)	(40.63)	(396.85)
	2.47	2.08	76.17	62.31
Tax Effect of currency translation on tax base	-	0.01	(0.05)	0.43
Total	2.47	2.09	76.12	62.74
Total income taxes	237.27	205.33	7,441.24	6,221.73

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Income tax expenses for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Petroleum income tax				
Current tax expenses	301.31	330.25	9,380.82	10,045.93
Deferred tax expenses	48.96	(11.26)	1,517.04	(342.45)
	350.27	318.99	10,897.86	9,703.48
Tax Effect of currency translation on tax base	13.95	36.72	478.58	1,116.92
Total	364.22	355.71	11,376.44	10,820.40
Income tax under Revenue Code				
Current tax expenses	(0.99)	20.70	(35.26)	629.71
Deferred tax expenses	6.82	(13.43)	207.97	(408.73)
	5.83	7.27	172.71	220.98
Tax Effect of currency translation on tax base	0.16	0.03	4.97	1.10
Total	5.99	7.30	177.68	222.08
Total income taxes	370.21	363.01	11,554.12	11,042.48

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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)
Corporate income tax in the Union of Myanmar	30
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 Netherland	25

The Royal Gazette has issued the Royal Decree (No. 530) 2011 to reduce and exempt the corporate income tax on net income for three accounting periods starting from a reduction 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 and followed by the subsequent announcement from the Federation of Accounting Professions (FAP) 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%. Accordingly, the Group has applied the tax rate used in deferred tax calculation following the announcement of the Royal Decree and announcement of the FAP.

14.2 Deferred Income Taxes

Deferred income taxes are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax assets				
Petroleum income tax	20.09	19.68	639.47	623.63
Income tax under Revenue Code	19.73	23.21	627.91	735.42
Corporate income tax in foreign countries	199.73	117.42	6,356.64	3,721.20
Petroleum Resource Rent Tax in Australia	236.52	336.43	7,527.54	10,662.11
	476.07	496.74	15,151.56	15,742.36
Tax effect of currency translation on tax base	10.62	13.86	337.97	439.27
Total	486.69	510.60	15,489.53	16,181.63
Deferred income tax liabilities				
Petroleum income tax	(448.18)	(400.56)	(14,263.68)	(12,694.38)
Income tax under Revenue Code	-	-	-	-
Corporate income tax in foreign countries	(617.25)	(648.53)	(19,644.81)	(20,552.31)
	(1,065.43)	(1,049.09)	(33,908.49)	(33,246.69)
Tax effect of currency translation on tax base	114.77	130.42	3,652.65	4,133.06
Total	(950.66)	(918.67)	(30,255.84)	(29,113.63)

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax assets				
Income tax under Revenue Code	16.66	21.13	530.24	669.71
Tax effect of currency translation on tax base	(0.01)	0.15	(0.30)	4.83
Total	16.65	21.28	529.94	674.54
Deferred income tax liabilities				
Petroleum income tax	(356.97)	(308.01)	(11,361.02)	(9,761.24)
Tax effect of currency translation on tax base	111.60	125.55	3,551.81	3,978.87
Total	(245.37)	(182.46)	(7,809.21)	(5,782.37)

Deferred income taxes presented by categories are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax assets				
Amortization of decommissioning costs and currency translation difference from decommissioning costs	82.54	111.67	2,626.81	3,538.98
Provision for employee benefits	2.46	1.86	78.18	59.05
Depreciation	(8.24)	(13.54)	(262.33)	(428.98)
Petroleum Resource Rent Tax in Australia	165.56	235.51	5,269.27	7,463.48
Loss carried forward	351.47	293.01	11,185.88	9,285.89
Unrealized foreign exchange	(22.14)	(38.26)	(704.61)	(1,212.53)
Revaluation in value of oil and gas properties according to Australian law	(77.81)	(63.39)	(2,476.49)	(2,009.01)
Others	(17.77)	(30.12)	(565.15)	(954.52)
	476.07	496.74	15,151.56	15,742.36
Tax Effect of currency translation on tax base	10.62	13.86	337.97	439.27
Total	486.69	510.60	15,489.53	16,181.63

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax liabilities				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	140.74	133.17	4,479.09	4,220.44
Provision for employee benefits	31.17	28.56	991.98	905.11
Provision for impairment loss	6.39	6.39	203.47	202.61
Depreciation	(1,305.40)	(1,259.30)	(41,545.82)	(39,908.86)
Loss carried forward	34.15	27.65	1,086.76	876.31
Others	27.52	14.44	876.03	457.70
	(1,065.43)	(1,049.09)	(33,908.49)	(33,246.69)
Tax Effect of currency translation on tax base	114.77	130.42	3,652.65	4,133.06
Total	(950.66)	(918.67)	(30,255.84)	(29,113.63)
	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax assets				
Derivative financial instruments	16.81	21.03	534.96	666.35
Others	(0.15)	0.10	(4.72)	3.36
	16.66	21.13	530.24	669.71
Tax Effect of currency translation on tax base	(0.01)	0.15	(0.30)	4.83
Total	16.65	21.28	529.94	674.54

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	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Deferred income tax liabilities				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	102.96	98.55	3,276.97	3,123.16
Provision for employee benefits	30.93	28.24	984.31	895.03
Depreciation	(490.86)	(434.80)	(15,622.30)	(13,779.43)
	(356.97)	(308.01)	(11,361.02)	(9,761.24)
Tax Effect of currency translation on tax	111.60	125.55	3,551.81	3,978.87
Total	(245.37)	(182.46)	(7,809.21)	(5,782.37)

In addition to the corporate income tax, there is Petroleum Resource Rent Tax imposed in Australia (PRRT) which is calculated at the rate of 40% using the specific method. The Group recorded the current tax and the deferred tax arising from PRRT in the current period by applying the same accounting policies with respect to valuation and disclosure as for the corporate income tax.

15. Financial Derivatives

Financial derivatives as at June 30, 2012 and December 31, 2011 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Financial derivative assets				
<u>Financial derivative assets - Current</u>				
Oil price hedge on petroleum product	12.65	-	402.61	-
Cross currency and interest rate swap	0.09	-	2.93	-
Forward foreign exchange	0.59	-	18.79	-
<u>Financial derivative assets - Non current</u>				
Interest rate swap	5.72	6.15	181.99	194.97
Total financial derivative assets	19.05	6.15	606.32	194.97
Financial derivative liabilities				
<u>Financial derivative liabilities - Current</u>				
Oil price hedge on petroleum product	(7.41)	(0.77)	(235.89)	(24.40)
Cross currency and interest rate swap	(8.11)	(45.65)	(258.03)	(1,446.67)
Forward foreign exchange	(0.03)	-	(0.95)	-
<u>Financial derivative liabilities - Non current</u>				
Cross currency and interest rate swap	(54.04)	(46.83)	(1,719.91)	(1,484.15)
Interest rate swap	(1.11)	-	(35.45)	-
Total financial derivative liabilities	(70.70)	(93.25)	(2,250.23)	(2,955.22)

During the period, PTTEP Offshore Investment Company Limited (PTTEPO) entered into a derivative on oil price hedged for the Group's petroleum products using the Brent crude oil price as a reference. As at June 30, 2012, PTTEPO had outstanding derivative on oil price hedging agreements for the period between July 2012 to December 2012 of 5.50 million barrels.

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	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Financial derivative assets				
<u>Financial derivative assets - Current</u>				
Cross currency and interest rate swap	0.09	-	2.93	-
<u>Financial derivative assets - Non current</u>				
Interest rate swap	5.72	6.15	181.99	194.97
Total financial derivative assets	5.81	6.15	184.92	194.97
Financial derivative liabilities				
<u>Financial derivative liabilities - Current</u>				
Cross currency and interest rate swap	(8.11)	(45.65)	(258.03)	(1,446.67)
<u>Financial derivative liabilities - Non current</u>				
Cross currency and interest rate swap	(54.04)	(46.83)	(1,719.91)	(1,484.15)
Interest rate swap	(0.14)	-	(4.46)	-
Total financial derivative liabilities	(62.29)	(92.48)	(1,982.40)	(2,930.82)

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Fair value of financial derivatives as at June 30, 2012 and December 31, 2011 presented by fair value measurement are as follows:

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	June 30, 2012				June 30, 2012			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Oil price hedge on petroleum product	-	12.65	-	12.65	-	402.61	-	402.61
Interest rate swap	-	5.72	-	5.72	-	181.99	-	181.99
Cross currency and interest rate swap	-	0.09	-	0.09	-	2.93	-	2.93
Forward foreign exchange	-	0.59	-	0.59	-	18.79	-	18.79
Financial derivative liabilities								
Oil price hedge on petroleum product	-	(7.41)	-	(7.41)	-	(235.89)	-	(235.89)
Cross currency and interest rate swap	-	(62.15)	-	(62.15)	-	(1,977.94)	-	(1,977.94)
Interest rate swap	-	(1.11)	-	(1.11)	-	(35.45)	-	(35.45)
Forward foreign exchange	-	(0.03)	-	(0.03)	-	(0.95)	-	(0.95)

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	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 on petroleum product	-	(0.77)	-	(0.77)	-	(24.40)	-	(24.40)

	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	June 30, 2012				June 30, 2012			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Cross currency and interest rate swap	-	0.09	-	0.09	-	2.93	-	2.93
Interest rate swap	-	5.72	-	5.72	-	181.99	-	181.99
Financial derivative liabilities								
Cross currency and interest rate swap	-	(62.15)	-	(62.15)	-	(1,977.94)	-	(1,977.94)
Interest rate swap	-	(0.14)	-	(0.14)	-	(4.46)	-	(4.46)

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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 quoted prices in an active market for identical assets and liabilities.

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

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

16. Loans and Bonds

Loans and bonds are as followed:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<u>Current Liabilities</u>				
Short-term loans				
- Short-term loans from financial institution	281.42	315.55	8,956.58	10,000.00
Total short-term loans	281.42	315.55	8,956.58	10,000.00
Current portion of bonds	157.78	687.77	5,021.60	21,796.32
Total current liabilities	439.20	1,003.32	13,978.18	31,796.32
<u>Non-current Liabilities</u>				
Bonds	2,492.86	2,251.99	79,338.10	71,368.16
Long-term loans from financial institutions	979.12	617.86	31,161.45	19,580.74
Total non-current liabilities	3,471.98	2,869.85	110,499.55	90,948.90

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
<u>Current Liabilities</u>				
Short-term loans				
- Short-term loans from financial institution	281.42	315.55	8,956.58	10,000.00
Total short-term loans	281.42	315.55	8,956.58	10,000.00
Current portion of bonds	157.78	687.77	5,021.60	21,796.32
Total current liabilities	439.20	1,003.32	13,978.18	31,796.32
<u>Non-current Liabilities</u>				
Bonds	602.95	858.84	19,189.52	27,217.78
Long-term loans from financial institutions	50.00	50.00	1,591.30	1,584.56
Total non-current liabilities	652.95	908.84	20,780.82	28,802.34

Movements in the loans and bonds for the six-month period ended June, 2012 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2012	3,873.17	122,745.22
Loan draw down	1,071.45	33,371.27
Bond issued	496.77	15,472.36
Repayment of loans	(732.20)	(22,804.97)
Repayment of bonds	(779.13)	(24,266.68)
Currency translation differences	(18.88)	(39.47)
Balance as at June 30, 2012	3,911.18	124,477.73

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2012	1,912.16	60,598.66
Loan draw down	699.29	21,780.03
Bond issued	-	-
Repayment of loans	(732.20)	(22,804.97)
Repayment of bonds	(779.13)	(24,266.68)
Currency translation differences	(7.97)	(548.04)
Balance as at June 30, 2012	1,092.15	34,759.00

Short-term loans from financial institution

In February 2012, the Company signed ten-year unsecured loan agreements with financial institution with a total balance of Baht 20,000 million counting from the date of first withdrawal with the floating interest at three-month fixed deposit plus 1.10% (3-M THB FIX + 1.10). As at June 30, 2012, the Company has short-term loans balanced for Baht 9,000 million.

In June 2012, the Company entered into a Cross Currency Swap transaction with a financial institution to swap liability amounting of Baht 4,500 million to US Dollar liability at the exchange rate of Baht 31.85 per US Dollar and the average interest rate was charged at the rate of 1.645% per annum.

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 monthly on a revolving basis to institutional and high net-worth investors, with a total revolving credit up to Baht 50,000 million. As at June 30, 2012, the Company has no outstanding Bills of Exchange.

Long-term loans from financial institution

In March 2012 and April 2012, PTTEP Canada International Finance Limited (PTTEP CIF) had entered into five-year unsecured loan agreement in the amount of CAD 300 million and CAD 75 million, respectively. These loans are fully guaranteed by PTTEP. PTTEP CIF fully utilized these loans in May 2012.

Bonds

On June 8, 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.

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Bonds

The carrying value of unsecured and unsubordinated bonds as at June 30, 2012 and December 31, 2011 comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
				June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Maturity date within 1 year							
- Bonds Baht 18,300 million ¹	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Bonds Baht 3,500 million ²	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Bonds 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	157.78	158.82	5,021.60	5,033.15
Maturity date between 1-3 years							
- Bonds Baht 11,700 million ⁵	4.00	4.027	May 29, 2014	367.44	368.96	11,694.11	11,692.65
Maturity date between 3-5 years							
- Bonds USD 500 million ⁶	4.152	4.366	July 19, 2015	496.86	496.50	15,813.25	15,734.43
- Bonds USD 200 million	4.152	4.326	August 4, 2015	198.75	198.66	6,325.50	6,295.81
Maturity date over 5 years							
- Bonds Baht 2,500 million ⁷	3.30	3.30	March 27, 2018	78.55	78.88	2,500.00	2,500.00
- Bonds Baht 5,000 million ⁸	4.80	4.816	May 29, 2019	156.96	157.62	4,995.41	4,995.13
- Bonds Baht 3,000 million NC5 ⁹	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
- Bonds USD 700 million ⁶	5.692	5.732	April 5, 2021	698.07	697.99	22,216.96	22,120.14
- Bonds USD 500 million	6.350	6.407	June 12, 2042	496.23	-	15,792.87	-
Total Carrying Value				2,650.64	2,939.76	84,359.70	93,164.48

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	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
				June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Maturity date within 1 year							
- Bonds Baht 18,300 million ¹	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Bonds Baht 3,500 million ²	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Bonds 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	157.78	158.82	5,021.60	5,033.15
Maturity date between 1-3 years							
- Bonds Baht 11,700 million ⁵	4.00	4.027	May 29, 2014	367.44	368.96	11,694.11	11,692.65
Maturity date over 5 years							
- Bonds Baht 2,500 million ⁷	3.30	3.30	March 27, 2018	78.55	78.88	2,500.00	2,500.00
- Bonds Baht 5,000 million ⁸	4.80	4.816	May 29, 2019	156.96	157.62	4,995.41	4,995.13
- Bonds Baht 3,000 million NC5 ⁹	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
Total Carrying Value				760.73	1,546.61	24,211.12	49,014.10

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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 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 bond 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 bond par value or

(2) Present value that is higher than the bond par value. Present value is the bond par value and the interest receivable if the bond 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 bonds in the 5th year or in 2012. On June 15, 2012, the Company exercised its rights to early redeem these bonds in full amounts.

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Loans from financial institutions

As at June 30, 2012 and December 31, 2011 comprised:

				Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
				June 30,	December 31,	June 30,	December 31,
				2012	2011	2012	2011
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date				
Maturity date between 3-5 years							
Loan USD 50 million ¹	6-M Libor+1.30	2.02	December 9, 2015	50.00	50.00	1,591.30	1,584.56
Loan USD 500 million ²	6-M Libor +0.985	2.02	November 24, 2015	495.96	493.81	15,784.21	15,649.50
Loan USD 75 million	6-M Libor +0.985	2.03	December 1, 2015	74.37	74.05	2,366.96	2,346.68
Loan CAD 300 million	3-M CDOR +1.7	3.44	May 11, 2017	286.23	-	9,109.66	-
Loan CAD 75 million	3-M CDOR +1.9	3.31	May 11, 2017	72.56	-	2,309.32	-
				<u>979.12</u>	<u>617.86</u>	<u>31,161.45</u>	<u>19,580.74</u>
				Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
				June 30,	December 31,	June 30,	December 31,
				2012	2011	2012	2011
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date				
Loan USD 50 million	6-M Libor+1.30	2.02	December 9, 2015	50.00	50.00	1,591.30	1,584.56
				<u>50.00</u>	<u>50.00</u>	<u>1,591.30</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 150 million to average interest rate of 1.91% per annum.

17. Provision for Employee Benefits

The reconciliation details for the present value of the defined benefit plan and liabilities recognized in the statement of financial position as at June 30, 2012 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Present value of the defined benefit plan as at January 1, 2012	69.27	2,195.40
Current service cost	3.10	96.72
Interest cost	1.58	49.23
Benefits paid	(1.12)	(34.83)
(Profit) loss in foreign exchange	(0.34)	0.63
Present value of the defined benefit obligation plans as at June 30, 2012	72.49	2,307.15
Unrecognized transitional liabilities	(2.94)	(93.64)
Unrealized actuarial loss	(0.82)	(26.02)
Net liabilities recorded in the statement of financial position	68.73	2,187.49

	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	2.29	71.34
Interest cost	1.39	43.25
Benefits paid	(0.83)	(25.95)
(Profit) loss in foreign exchange	(0.31)	0.58
Present value of the defined benefit obligation plans as at June 30, 2012	63.17	2,010.57
Unrecognized transitional liabilities	(2.80)	(89.34)
Unrealized actuarial gain	1.49	47.39
Net liabilities recognized in the statement of financial position	61.86	1,968.62

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Expenses recognized in the statements of income for the six-month periods ended June 30, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Current service cost	3.10	3.11	96.72	94.59
Interest cost	1.58	1.45	49.23	43.99
Transitional liabilities recognized during the period	2.99	3.06	93.13	93.15
Actuarial loss recognized during the period	0.08	0.09	2.32	2.81
Expenses recognized in the statements of income	7.75	7.71	241.40	234.54

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Current service cost	2.29	2.28	71.34	69.36
Interest cost	1.39	1.29	43.25	39.21
Transitional liabilities recognized during the period	2.85	2.92	88.83	88.85
Expenses recorded in the statements of income	6.53	6.49	203.42	197.42

Major Actuarial AssumptionsThe Group's financial assumptions

	% per annum
Discount rate	4.6
Inflation rate	2.0
Credit interest rate on provident funds	4.1

The Group's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 1997 (TMO97) issued by the Office of Insurance Commission. The TMO97 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 - 8.0
Age 40 thereafter	0.0 - 4.0

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.

18. Share capital

The Company's registered capital consists of 3,322 million ordinary shares at Baht 1 per share, or a total of Baht 3,322 million. During the year 2011, the Company registered the change in its issued and fully paid-up capital to 3,319.98 million ordinary shares at Baht 1 per share, or a total of Baht 3,319.98 million. The details of the change in the issued and fully paid-up ordinary shares are as follows:

Unit: Million Shares

Ordinary shares issued and fully paid-up

Balance as a January 1, 2012	3,319.98
Share capital issued and paid-up during the period	-
Balance as at June 30, 2012	<u>3,319.98</u>

Ordinary shares issued and fully paid-up

Balance as a January 1, 2011	3,317.45
Share capital issued and paid-up during the period	1.51
Balance as at June 30, 2011	<u>3,318.96</u>

19. Subordinated Capital Debentures

On June 15, 2012, the Company issued 5 million units of subordinated capital debentures with a face value of Baht 1,000 each totaling to Baht 5,000 million. These subordinated capital debentures are perpetual long-term, unsecured and unconvertible with 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 starting from 5.85 to 7.85 percent per annum. The interest is paid on a quarterly basis. 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, buy-back or acquire 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.

20. Gain (loss) on Foreign Currency Translation

Gain (loss) on foreign currency translation for the six-month periods ended June 30, 2012 and 2011 comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Realized gain (loss) on foreign currency translation	(71.90)	10.06	(2,252.86)	300.60
Unrealized gain on foreign currency translation	62.22	56.19	1,947.95	1,707.82
Total	<u>(9.68)</u>	<u>66.25</u>	<u>(304.91)</u>	<u>2,008.42</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Realized gain (loss) on foreign currency translation	(47.12)	3.83	(1,465.20)	115.12
Unrealized gain (loss) on foreign currency translation	38.00	(13.13)	1,182.03	(395.80)
Total	<u>(9.12)</u>	<u>(9.30)</u>	<u>(283.17)</u>	<u>(280.68)</u>

21. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the six-month periods ended June 30, 2012 and 2011 comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Petroleum royalties	359.56	308.96	11,197.40	9,390.54
Special remuneration benefits	6.82	5.48	212.07	166.11
Total	<u>366.38</u>	<u>314.44</u>	<u>11,409.47</u>	<u>9,556.65</u>

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Petroleum royalties	193.70	195.95	6,031.88	5,957.02
Special remuneration benefits	-	-	-	-
Total	193.70	195.95	6,031.88	5,957.02

22. Earnings per Share

Basic earnings per share for the six-month periods ended June 30, 2012 and 2011 are calculated as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Net income attributable to shareholders (unit: million)	839.32	729.53	26,021.16	22,148.71
Weighted average number of ordinary shares				
in issue during the period (million shares)	3,319.99	3,318.38	3,319.99	3,318.38
Basic earnings per share	0.25	0.22	7.84	6.67

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Net income attributable to shareholders (unit: million)	668.55	507.58	20,708.59	15,425.90
Weighted average number of ordinary shares				
in issue during the period (million shares)	3,319.99	3,318.38	3,319.99	3,318.38
Basic earnings per share	0.20	0.15	6.24	4.65

Diluted earnings per share is calculated based on the weighted average number of outside ordinary shares in issue during the period adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares are converted into ordinary shares. The Company has dilutive potential ordinary shares as a result from the warrants provided to employees in which the number of dilutive potential ordinary shares is calculated based on face value of the warrants (calculated from the weighted average price of the ordinary

outstanding shares during the period). This calculation serves to determine the unpurchased shares to be added to the outside ordinary shares to compute the dilution; no adjustment is made to the net income.

Diluted earnings per share for the six-month periods ended June 30, 2012 and 2011 are calculated as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Net income attributable to shareholders (unit: million)	839.32	729.53	26,021.16	22,148.71
Net income used to determine diluted earnings per share (unit: million)	839.32	729.53	26,021.16	22,148.71
Weighted average number of ordinary shares				
in issue during the period (million shares)	3,319.99	3,318.38	3,319.99	3,318.38
Adjustments for share options (million shares)	-	0.80	-	0.80
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,319.99	3,319.18	3,319.99	3,319.18
Diluted earnings per share	0.25	0.22	7.84	6.67

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2012	2011	2012	2011
Net income attributable to shareholders (unit: million)	668.55	507.58	20,708.59	15,425.90
Net income used to determine diluted earnings per share (unit: million)	668.55	507.58	20,708.59	15,425.90
Weighted average number of ordinary shares				
in issue during the period (million shares)	3,319.99	3,318.38	3,319.99	3,318.38
Adjustments for share options (million shares)	-	0.80	-	0.80
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,319.99	3,319.18	3,319.99	3,319.18
Diluted earnings per share	0.20	0.15	6.24	4.65

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23. Segment Information

Primary reporting - business segments

Unit: Million US Dollar

	Consolidated financial statements for the six-month periods ended June 30, 2012								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Revenues - Third parties	209.55	281.04	-	113.63	8.05	75.91	-	-	688.18
- Related parties	2,233.11	204.88	-	-	41.73	77.05	-	(77.05)	2,479.72
Other revenues - Third parties	23.37	-	31.71	2.21	-	14.64	11.16	(6.08)	77.01
Total Revenues	2,466.03	485.92	31.71	115.84	49.78	167.60	11.16	(83.13)	3,244.91
Operating expenses	165.25	107.15	3.06	97.97	11.25	4.05	0.54	(79.30)	309.97
Administrative expenses	39.59	15.46	8.70	11.03	8.34	1.08	3.75	(1.03)	86.92
Exploration expenses									
- Amortization of dry hole and project	4.13	11.00	1.26	-	27.54	-	-	-	43.93
- Geological and geophysical	3.82	20.41	21.04	6.14	4.10	-	-	-	55.51
Depreciation, depletion and amortization	485.79	61.21	45.59	20.88	20.02	3.62	0.89	-	638.00
Royalties and remuneration	312.21	49.93	-	4.24	-	-	-	-	366.38
Loss on financial derivatives	-	-	-	-	-	-	6.99	-	6.99
(Gain) loss on foreign exchange	13.84	-	(2.39)	(0.06)	(0.11)	(0.01)	0.15	-	11.42
Impairment loss on assets	-	-	109.17	-	-	-	-	-	109.17
Share gain from associates	-	-	(1.06)	-	-	-	(1.79)	-	(2.85)
Total Expenses	1,024.63	265.16	185.37	140.20	71.14	8.74	10.53	(80.33)	1,625.44
Segment result	1,441.40	220.76	(153.66)	(24.36)	(21.36)	158.86	0.63	(2.80)	1,619.47
Depreciation - general									(4.91)
Administrative expenses – general									(37.54)
Operating profit									1,577.02
Other income, net									6.63
Finance costs - Interest income									8.75
- Interest expenses and other finance costs									(73.39)
Gain on foreign exchange									1.74
Management's remuneration									(2.17)
Income before tax									1,518.58
Tax - Project	(577.29)	(80.80)	(22.34)	17.16	(9.05)	(35.45)	(2.01)		(709.78)
- the Group									30.52
Net Profit (Loss)	864.11	139.96	(176.00)	(7.20)	(30.41)	123.41	(1.38)		839.32

(TRANSLATION)

75

Unit: Million US Dollar

	Consolidated financial statements for the six-month periods ended June 30, 2012								
	Exploration and production					Pipeline	Others	Inter- Company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	5,201.39	1,356.43	2,777.81	2,730.92	376.82	347.83	111.14	-	12,902.34
Investments under equity method	-	-	4.03	-	-	-	25.89	-	29.92
Unallocated assets									1,595.16
Total assets									14,527.42
Liabilities									
Segment liabilities	2,182.32	314.74	443.72	630.96	157.92	46.62	15.45	-	3,791.73
Unallocated liabilities									3,740.26
Total liabilities									7,531.99
Capital Expenditures	518.88	204.28	380.03	97.53	66.67	105.94	11.31		1,384.64

(TRANSLATION)

76

Unit: Million Baht

	Consolidated financial statements for the six-month periods ended June 30, 2012								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Revenues - Third parties	6,523.13	8,749.09	-	3,539.30	250.57	2,365.62	-	-	21,427.71
- Related parties	69,535.79	6,388.64	-	-	1,299.13	2,401.42	-	(2,401.42)	77,223.56
Other revenues - Third parties	727.25	-	990.60	68.45	-	458.69	347.58	(189.29)	2,403.28
Total Revenues	76,786.17	15,137.73	990.60	3,607.75	1,549.70	5,225.73	347.58	(2,590.71)	101,054.55
Operating expenses	5,133.90	3,338.46	95.31	3,048.88	351.31	126.15	16.71	(2,471.22)	9,639.50
Administrative expenses	1,232.26	482.23	270.98	343.80	259.58	33.96	116.70	(32.24)	2,707.27
Exploration expenses									
- Amortization of dry hole and project	130.35	342.27	38.50	-	868.42	-	-	-	1,379.54
- Geological and geophysical	119.11	636.63	662.92	193.69	127.65	-	-	-	1,740.00
Depreciation, depletion and amortization	15,135.67	1,907.30	1,400.53	651.37	623.47	112.62	27.75	-	19,858.71
Royalties and remuneration	9,721.18	1,555.83	-	132.46	-	-	-	-	11,409.47
Loss on financial derivatives	-	-	-	-	-	-	222.65	-	222.65
(Gain) loss on foreign exchange	435.95	(0.07)	(73.49)	(1.79)	(3.36)	(0.44)	4.61	-	361.41
Impairment loss on assets	-	-	3,455.13	-	-	-	-	-	3,455.13
Share gain from associates	-	-	(32.93)	-	-	-	(56.01)	-	(88.94)
Total Expenses	31,908.42	8,262.65	5,816.95	4,368.41	2,227.07	272.29	332.41	(2,503.46)	50,684.74
Segment result	44,877.75	6,875.08	(4,826.35)	(760.66)	(677.37)	4,953.44	15.17	(87.25)	50,369.81
Depreciation - general									(152.53)
Administrative expenses - general									(1,169.98)
Operating profit									49,047.30
Other income, net									205.18
Finance costs - Interest income									274.14
- Interest expenses and other finance costs									(2,291.83)
Gain on foreign exchange									56.50
Management's remuneration									(67.38)
Income before tax									47,223.91
Tax - Project	(17,997.15)	(2,520.09)	(720.14)	540.68	(283.92)	(1,096.89)	(62.76)		(22,140.27)
- the Group									937.52
Net Profit (Loss)	26,880.60	4,354.99	(5,546.49)	(219.98)	(961.29)	3,856.55	(47.59)		26,021.16

(TRANSLATION)

77

Unit: Million Baht

	Consolidated financial statements for the six-month periods ended June 30, 2012								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	165,539.86	43,169.97	88,406.93	86,914.49	11,992.71	11,069.93	3,537.13	-	410,631.02
Investments under equity method	-	-	128.14	-	-	-	824.07	-	952.21
Unallocated assets									50,767.79
Total assets									462,351.02
Liabilities									
Segment liabilities	69,454.81	10,016.87	14,121.73	20,080.90	5,025.89	1,483.86	491.89	-	120,675.95
Unallocated liabilities									119,037.83
Total Liabilities									239,713.78
Capital Expenditures									
	16,164.80	6,364.20	11,837.75	1,088.18	2,087.32	3,387.84	352.90		41,282.99

(TRANSLATION)

78

Unit: Million US Dollar

	Consolidated financial statements for the six-month periods ended June 30, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Revenues - Third parties	211.51	61.86	-	41.11	7.91	58.62	-	-	381.01
- Related parties	2,112.70	162.31	-	-	28.12	61.17	-	(61.17)	2,303.13
Other revenues - Third parties	6.08	-	25.98	0.90	-	0.39	11.22	(6.44)	38.13
Total Revenues	2,330.29	224.17	25.98	42.01	36.03	120.18	11.22	(67.61)	2,722.27
Operating expenses	191.12	73.79	7.86	45.88	7.56	4.35	1.66	(63.40)	268.82
Administrative expenses	38.07	7.97	7.24	9.64	6.45	3.61	3.29	(1.15)	75.12
Exploration expenses									
- Amortization of dry hole and project	19.58	70.27	(0.04)	-	1.02	-	-	-	90.83
- Geological and geophysical	2.34	13.69	3.50	23.85	4.37	-	-	-	47.75
Depreciation, depletion and amortization	463.55	28.66	45.16	12.17	19.55	3.52	0.72	-	573.33
Royalties and remuneration	285.70	27.52	-	1.22	-	-	-	-	314.44
Loss on financial derivatives	-	-	-	-	-	-	5.41	-	5.41
(Gain) loss on foreign exchange	(0.16)	(0.25)	(0.32)	(0.01)	-	-	0.85	-	0.11
Share of (gain) loss from associates	-	-	0.01	-	-	-	(1.22)	-	(1.21)
Total Expenses	1,000.20	221.65	63.41	92.75	38.95	11.48	10.71	(64.55)	1,374.60
Segment result	1,330.09	2.52	(37.43)	(50.74)	(2.92)	108.70	0.51	(3.06)	1,347.67
Depreciation - general									(4.06)
Administrative expenses - general									(44.12)
Operating profit									1,299.49
Other income, net									3.20
Finance costs - Interest income									5.77
- Interest expenses and other finance costs									(55.56)
Gain on foreign exchange									66.36
Management's remuneration									(1.56)
Income before tax									1,317.70
Tax - Project	(545.64)	(34.67)	18.43	14.02	(6.07)	(33.81)	(1.48)		(589.22)
- the Group									1.05
Net Profit (Loss)	784.45	(32.15)	(19.00)	(36.72)	(8.99)	74.89	(0.97)		729.53

(TRANSLATION)

79

Unit: Million US Dollar

	Consolidated financial statements for the six-month periods ended June 30, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	4,900.48	1,065.44	2,124.56	2,769.76	270.50	218.19	78.06	-	11,426.99
Investments under equity method	-	-	2.66	-	-	-	23.04	-	25.70
Unallocated assets									1,706.58
Total assets									13,159.27
Liabilities									
Segment liabilities	2,098.49	175.86	385.50	1,375.73	106.82	117.92	15.70	-	4,276.02
Unallocated liabilities									3,019.57
Total liabilities									7,295.59
Capital Expenditures	481.74	155.66	137.61	2,932.74	4.19	0.19	2.93		3,715.06

(TRANSLATION)

80

Unit: Million Baht

	Consolidated financial statements for the six-month periods ended June 30, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Revenues - Third parties	6,427.17	1,877.68	-	1,246.55	240.49	1,781.53	-	-	11,573.42
- Related parties	64,221.38	4,933.63	-	-	853.67	1,859.23	-	(1,859.23)	70,008.68
Other revenues - Third parties	185.06	-	791.37	27.29	-	11.60	341.11	(195.87)	1,160.56
Total Revenues	70,833.61	6,811.31	791.37	1,273.84	1,094.16	3,652.36	341.11	(2,055.10)	82,742.66
Operating expenses	5,809.64	2,242.69	239.52	1,392.36	229.98	132.41	50.39	(1,927.08)	8,169.91
Administrative expenses	1,158.64	243.04	220.26	291.88	196.11	109.48	99.95	(35.19)	2,284.17
Exploration expenses									
- Amortization of dry hole and project	595.23	2,140.86	(1.25)	-	30.95	-	-	-	2,765.79
- Geological and geophysical	71.37	418.13	106.75	725.27	132.86	-	-	-	1,454.38
Depreciation, depletion and amortization	14,093.02	870.23	1,372.46	363.84	594.89	107.18	21.81	-	17,423.43
Royalties and remuneration	8,683.67	835.93	-	37.05	-	-	-	-	9,556.65
Loss on financial derivatives	-	-	-	-	-	-	164.15	-	164.15
(Gain) loss on foreign exchange	(1.94)	(7.81)	(10.06)	(0.39)	(0.11)	-	26.26	-	5.95
Share of (gain) loss from associates	-	-	0.41	-	-	-	(37.14)	-	(36.73)
Total Expenses	30,409.63	6,743.07	1,928.09	2,810.01	1,184.68	349.07	325.42	(1,962.27)	41,787.70
Segment result	40,423.98	68.24	(1,136.72)	(1,536.17)	(90.52)	3,303.29	15.69	(92.83)	40,954.96
Depreciation - general									(123.46)
Administrative expenses - general									(1,342.15)
Operating profit									39,489.35
Other income, net									96.84
Finance costs - Interest income									175.26
- Interest expenses and other finance costs									(1,689.72)
Gain on foreign exchange									2,014.37
Management's remuneration									(47.56)
Income before tax									40,038.54
Tax - Project	(16,591.90)	(1,051.36)	559.81	423.42	(184.02)	(1,027.87)	(45.02)		(17,916.94)
- the Group									27.11
Net Profit (Loss)	23,832.08	(983.12)	(576.91)	(1,112.75)	(274.54)	2,275.42	(29.33)		22,148.71

(TRANSLATION)

81

Unit: Million Baht

	Consolidated financial statements for the six-month periods ended June 30, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's Total Business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	150,676.07	32,759.16	65,324.42	85,162.44	8,317.06	6,708.81	2,400.16	-	351,348.12
Investments under equity method	-	-	81.78	-	-	-	708.42	-	790.20
Unallocated assets									52,472.54
Total assets									404,610.86
Liabilities									
Segment liabilities	64,522.79	5,407.00	11,853.15	42,299.82	3,284.48	3,625.63	482.79		131,475.66
Unallocated liabilities									92,843.32
Total liabilities									224,318.98
Capital Expenditures	14,721.05	4,813.55	4,015.59	90,287.02	131.88	5.80	89.74		114,064.63

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, the Middle East and others. As at the financial statement date, the Group had 20 projects in the production phase and 21 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 and Yetagun 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 five main geographical areas:

Unit: Million US Dollar

Consolidated financial statements for the six-month periods ended June, 2012						
	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	209.55	356.95	-	113.63	8.05	688.18
- Related parties	2,233.11	204.88	-	-	41.73	2,479.72
Segment assets	5,312.53	1,704.26	2,777.81	2,730.92	376.82	12,902.34
Investments under equity method	25.89	-	4.03	-	-	29.92
Capital expenditures	530.19	310.22	380.03	97.53	66.67	1,384.64
Consolidated total assets	6,933.58	1,704.26	2,781.84	2,730.92	376.82	14,527.42

Unit: Million Baht

Consolidated financial statements for the six-month periods ended June 30, 2012						
	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	6,523.13	11,114.71	-	3,539.30	250.57	21,427.71
- Related parties	69,535.79	6,388.64	-	-	1,299.13	77,223.56
Segment assets	169,076.99	54,239.90	88,406.93	86,914.49	11,992.71	410,631.02
Investments under equity method	824.07	-	128.14	-	-	952.21
Capital expenditures	16,517.70	9,752.04	11,837.75	1,088.18	2,087.32	41,282.99
Consolidated total assets	220,668.85	54,239.90	88,535.07	86,914.49	11,992.71	462,351.02

Unit: Million US Dollar

Consolidated financial statements for the six-month periods ended June 30, 2011

	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	211.51	120.48	-	41.11	7.91	381.01
- Related parties	2,112.70	162.31	-	-	28.12	2,303.13
Segment assets	4,978.54	1,283.63	2,124.56	2,769.76	270.50	11,426.99
Investments under equity method	23.04	-	2.66	-	-	25.70
Capital expenditures	484.67	155.85	137.61	2,932.74	4.19	3,715.06
Consolidated total assets	6,708.16	1,283.63	2,127.22	2,769.76	270.50	13,159.27

Unit: Million Baht

Consolidated financial statements for the six-month periods ended June 30, 2011

	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	6,427.17	3,659.21	-	1,246.55	240.49	11,573.42
- Related parties	64,221.38	4,933.63	-	-	853.67	70,008.68
Segment assets	153,076.23	39,467.97	65,324.42	85,162.44	8,317.06	351,348.12
Investments under equity method	708.42	-	81.78	-	-	790.20
Capital expenditures	14,810.79	4,819.35	4,015.59	90,287.02	131.88	114,064.63
Consolidated total assets	206,257.19	39,467.97	65,406.20	85,162.44	8,317.06	404,610.86

24. Dividend

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.

On July 23, 2012, the Board of Directors meeting approved payment of an interim dividend for the first half year operations of 2012 at the rate of 2.80 per share. The dividend payment date will be August 22, 2012.

25. Commitments and Contingent Liabilities

- Commitment under operating leases – the Group as a lessee

The future minimum lease payments for the non-cancellable operating leases as at June 30, 2012 and December 31, 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within 1 year	72.62	73.16	2,311.08	2,318.42
Between 1 - 5 years	120.25	129.57	3,827.59	4,106.54
Over 5 years	72.60	74.75	2,310.80	2,368.87
Total	265.47	277.48	8,449.47	8,793.83

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Within 1 year	53.11	47.28	1,690.00	1,498.26
Between 1 - 5 years	44.46	51.45	1,415.26	1,630.46
Over 5 years	0.44	0.29	14.12	9.23
Total	98.01	99.02	3,119.38	3,137.95

- Commitment from loan agreements

- The Company has 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 June 30, 2012 was US Dollar 18.22 million (Baht 580 million).

- Commitment from loan and bond guarantee of subsidiaries.

- The Company has commitment from unsecured and unsubordinated bond guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF) with US Dollar 700 million credit facilities.
- The Company has 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 bond guarantee for PTTEP Canada International Finance Limited (PTTEP CIF) with US Dollar 1,200 million and CA Dollar 375 million credit facilities, respectively.

- On 23 May 2012, PTTEP Offshore Investment Company Limited (PTTEPO) signed a facility agreement for an amount of £950 million with a financial institution. The facility is fully guaranteed by PTTEP and has a one-year tenor. The proceeds from the facility will be solely used for the acquisition of Cove Energy Plc.

■ Obligation under Gas Sale Agreement

According to Gas Sales Agreement of MTJDA B-17 Project, if 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. PTT, the buyer, has nominated quantities of natural gas since late December 2009 but PTTEPI and joint venture partner, the seller, could not deliver the natural gas nominated by PTT. However, MTJDA-B17 Project started up its commercial production on February 5, 2010. PTTEPI and the joint venture partner may have an obligation for the Shortfall that occurred from late December 2009 to February 5, 2010 by selling the deficient amount of gas at the 75% discounted price as per GSA with the approximate total cost for PTTEPI of US Dollar 3.56 million (Baht 113.16 million). Currently, negotiation between the buyer (PTT) and the sellers are in process.

On July 30, 2011 and between July 7 and July 17, 2012, this project ceased its production because of a problem with the production equipment. This resulted in the Shortfall. PTTEPI and joint venture partners, the seller, may have an obligation for the Shortfall that occurred by selling the deficient amount of gas at the 75% discounted price as per GSA with the approximate total cost for PTTEPI of US Dollar 0.16 million (Baht 5.14 million) and US Dollar 1.34 million (Baht 42.75 million) respectively.

■ Contingent liabilities

- On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to the 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.

In December 2010, PTTEP AA and the Government of Indonesia agreed to provide each other additional documents and will conduct a joint survey to verify the Government of

Indonesia's data on the claimed damage on the fisheries sector from the Montara oil spill. The discussion with the Government of Indonesia is on-going. The compensation regarding this matter has not been finalized.

- As at June 30, 2012, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 55.04 million (Baht 1,751.80 million) for the Company's financial statements and US Dollar 73.17 million (Baht 2,328.64 million) for the consolidated financial statements.

26. Significant Events during the Period

- On December 29, 2011, PTTEP 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 natural gas reserve from the Arhit – North Arthit project will be produced on the Arthit's production rig, the same as the normal 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.
- On January 5, 2012, PTTEP International Limited (PTTEPI) entered into a Joint Operating Agreement in the Myanmar Zawtika project with Myanmar Oil and Gas Enterprise (MOGE). Under the Production Sharing Contract, MOGE will hold 20% of participation interest in the Myanmar Zawtika project and with a supplementary arrangement between PTTEPI and MOGE, MOGE has 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 operator of this project. The agreement was retroactively effective from August 15, 2011.
- 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 Myanmar 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 participation 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 USD 6.22 million and paid for an increase in capital of its shareholders interest of USD 12,500.

- On January 18, 2012, PTTEPI which holds the concession block G9/48, had fulfilled its phase 2 exploration obligation under concession and had notified to the Department of Mineral Fuels to terminate and relinquish this concession block.
- On February 1, 2012, PTTEPI had terminated and relinquished the exploration block M7 in the Union of Myanmar after fulfillment of the exploration work commitment.
- On September 29, 2011, PTTEP Australasia Pty Limited withdrew the entire 20% of participation interest from the concession WA378P of the PTTEP Australasia Project in Australia. The withdrawal was officially approved by the government of Australia on March 7, 2012.
- On March 27, 2012, PTTEP Australasia Pty Limited withdrew the 35% of participation interest from the concession block ACP32P of the PTTEP Australasia Project in Australia. The withdrawal will be fully effective upon receiving an official approval from the Government of Australia
- On April 10, 2012, PTTEP Rommana Company Limited and joint venture had terminated their 30% joint interest from the Rommana concession block in Arab Republic of Egypt. The termination was officially approved by the government of Arab Republic of Egypt on April 11, 2012.
- On 23 May 2012, PTTEP announced the terms of a recommended cash offer for Cove Energy Plc. (Cove) at the price of 240 pence for each Cove share. The acquisition values of the entire issued share and to be issued share capital of Cove are 1,221.40 million Pound Sterling (GBP).
Cove is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and has (among other interests) an 8.5% participating interest in the Rovuma Offshore Area 1 Project, which is a world class gas discovery, in Republic of Mozambique.
During the second quarter of 2012, the Company has received a written consent from the Republic of Mozambique's Minister of Mineral Resources in relation to the indirect change of control in all assets of Cove Energy Plc. in the Republic of Mozambique, if the Company's Offer becomes successful. 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 Energy Plc. The Company has extended the offer which will be closed on July 31, 2012 at 13.00 hours (UK time).
- On June 6, 2012 PTTEP South Asia Limited (PTTEP SA) together with Win Precious Resources Pte. Ltd (WPR) have been selected to operate exploration blocks PSC-G and EP-2 in the Myanmar

Onshore Blocks in the Republic of the Union of Myanmar with the participating interests of 90% and 10% respectively.

27. Events after the Statement of Financial Position Date

■ Decrease of registered capital

On July 20 2012, the Board of Directors of the Company passed a resolution to approve the decrement in 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 1.00 per share. The total reduction of authorized share capital is Baht 2,014,600. The capital decrease is subject to the approval by the Company's extraordinary shareholders' meeting scheduled for August 24, 2012.

■ Increase of registered capital and allocation of new ordinary shares

On July 20, 2012, the Board of Directors of the Company passed a resolution to approve an increment in the Company's authorized share capital from Baht 3,319,985,400 to Baht 3,969,985,400 by issuing ordinary shares of 650,000,000 shares at the par value of Baht 1.00 per share. The offering price will be derived from a price discovery process in which demand indications are collected from institutional investors both domestic and international (book building process) and the offering price will be the same for all groups of investor. In addition, the Board of Directors of the Company passed a resolution to approve the allocations of these new registered ordinary shares as follows;

1. Allocation of new ordinary shares of up to 403,395,000 shares at the price derived from the book building process to PTT Public Company Limited to enable PTT Public Company Limited to maintain its existing shareholding ratio in the Company at approximately 65.29 percent of the Company's total issued shares after the proposed Offering (but prior to the allocation of newly issued ordinary shares to the over-allotment agent) or not less than 64.75% of the total issued shares where the over-allotment agent exercises its rights to purchase all of newly issued shares of the Company
2. Allocation of new ordinary shares of up to 214,443,000 shares and 32,162,000 shares at the price derived from the book building process to retail investors in Thailand and the Overallotment Agent, respectively. The capital increase and the allocation of new ordinary shares are subject to the approval by the Company's extraordinary shareholders' meeting scheduled for August 24, 2012.

- The Audit Committee of the Company authorized for the issue of these interim financial statements on July 23, 2012.
