

AUDITOR'S REPORT AND FINANCIAL STATEMENTS
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2014

(TRANSLATION)



AUDITOR'S REPORT

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

The Office of the Auditor General of Thailand has audited the accompanying consolidated and separate financial statements of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, the related consolidated and separate statements of income, and of comprehensive income, the related consolidated and separate statements of changes in shareholders' equity and cash flows for the year then ended, which are presented in US Dollar and in Thai Baht, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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



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

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

Opinion

In The Office of the Auditor General of Thailand's opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of PTT Exploration and Production Public Company Limited and its subsidiaries, and of PTT Exploration and Production Public Company Limited, respectively, as at December 31, 2014, and its consolidated and separate financial performance and its cash flows for the year then ended, presented in US Dollar and Thai Baht, in accordance with Thai Financial Reporting Standards.

(Signed)

Sirin Phankasem
(Sirin Phankasem)
Deputy Auditor General

(Signed)

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

Office of the Auditor General

February 17, 2015

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

CONSOLIDATED

Unit : US Dollar					Unit : Baht		
	Notes	December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013	January 1, 2013
			(Restated)	(Beginning)		(Restated)	(Beginning)
				(Restated)			(Restated)
Assets							
Current Assets							
Cash and cash equivalents	8	3,935,915,264	2,357,037,861	2,291,918,927	129,739,774,330	77,342,817,867	70,205,143,796
Investments in trading securities	9	176,019	142,836	-	5,802,123	4,686,955	-
Account receivable - parent company	10	643,989,463	894,253,219	870,244,507	21,227,855,839	29,343,637,417	26,656,981,639
Trade accounts receivable	11	154,366,052	152,139,850	170,371,799	5,088,375,654	4,992,250,587	5,218,760,804
Other accounts receivable		116,540,071	142,625,353	166,798,750	3,841,542,933	4,680,063,328	5,109,312,607
Inventories		31,113,645	45,386,536	19,310,641	1,025,600,601	1,489,294,031	591,515,830
Materials and supplies, net	12	365,073,239	327,807,047	304,395,514	12,033,926,868	10,756,518,181	9,324,121,619
Other current assets							
Working capital from co-venturers		52,675,040	23,991,912	41,870,830	1,736,329,893	787,260,178	1,282,570,510
Accrued interests receivable		15,703,763	13,843,729	539,935	517,644,333	454,261,848	16,539,078
Financial derivative assets	23	32,846,690	2,119,447	1,391,184	1,082,727,049	69,546,622	42,614,209
Other current assets	13	237,550,126	146,239,087	164,403,185	7,830,385,815	4,798,627,634	5,035,932,597
Total Current Assets		5,585,949,372	4,105,586,877	4,031,245,272	184,129,965,438	134,718,964,648	123,483,492,689
Non-current Assets							
Investments in available-for-sales securities	14	900,004	1,659,535	1,248,482	29,666,869	54,455,256	38,242,995
Investments in associates	16.4	39,096,736	36,842,265	31,197,587	1,288,747,596	1,208,926,093	955,632,004
Investments in subsidiaries		-	-	-	-	-	-
Long-term loans to related parties	15.3	17,595,486	17,675,598	18,934,694	580,000,852	579,999,406	579,999,981
Property, plant and equipment, net	17, 18	11,507,422,919	12,671,864,746	10,970,970,462	379,319,740,800	415,809,028,442	336,058,378,798
Goodwill	19	1,126,774,429	992,292,779	901,240,414	37,141,920,076	32,560,657,075	27,606,435,871
Intangible assets, net	18, 20	4,525,101,828	3,279,096,935	3,238,673,557	149,161,206,042	107,598,845,513	99,205,752,910
Deferred tax assets	21.1	280,581,332	354,942,781	381,009,010	9,248,818,438	11,646,940,919	11,670,915,595
Other non-current assets							
Prepaid expenses	22	23,340,334	22,419,584	23,533,636	769,368,559	735,666,523	720,872,931
Deferred remuneration under agreement		20,095,711	21,853,423	23,611,136	662,415,889	717,088,761	723,246,874
Financial derivative assets	23	89,051,328	22,933,069	7,543,304	2,935,406,611	752,515,316	231,063,480
Other non-current assets	24	74,561,132	45,245,692	7,836,594	2,457,762,330	1,484,672,790	240,047,412
Total Non-current Assets		17,704,521,239	17,466,826,407	15,605,798,876	583,595,054,062	573,148,796,094	478,030,588,851
Total Assets		23,290,470,611	21,572,413,284	19,637,044,148	767,725,019,500	707,867,760,742	601,514,081,540

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

(Signed) Tevin Vongvanich

(Tevin Vongvanich)

President and Chief Executive Officer

(Signed) Yongyos Krongphanich

(Yongyos Krongphanich)

Senior Vice President, Finance Division

Acting Senior Vice President, Accounting Division

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

CONSOLIDATED

Unit : US Dollar				Unit : Baht		
Notes	December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013	January 1, 2013
		(Restated)	(Beginning)		(Restated)	(Beginning)
			(Restated)			(Restated)
Liabilities and Shareholders' Equity						
Current Liabilities						
Trade accounts payable	130,222,600	131,915,944	114,197,781	4,292,534,398	4,328,637,970	3,498,060,754
Current portion of long-term debts	25 749,215,502	356,523,391	163,547,251	24,696,426,871	11,698,803,980	5,009,713,971
Working capital to co-venturers	10,620,546	25,073,288	13,718,659	350,085,572	822,743,989	420,224,463
Accrued expenses	927,309,636	873,622,639	946,553,193	30,566,961,729	28,666,660,998	28,994,438,779
Accrued interests payable	57,676,032	49,505,360	35,632,785	1,901,178,249	1,624,447,135	1,091,489,235
Income tax payable	865,714,044	972,248,565	921,173,425	28,536,573,935	31,902,942,890	28,217,015,882
Financial derivative liabilities	23 213,376	35,869,960	2,445,751	7,033,525	1,177,021,317	74,917,266
Short-term provision	26 54,913,549	48,197,436	32,998,964	1,810,117,977	1,581,529,761	1,010,811,050
Other current liabilities	83,877,651	139,595,371	144,708,456	2,764,862,723	4,580,619,999	4,432,651,544
Total Current Liabilities	2,879,762,936	2,632,551,954	2,374,976,265	94,925,774,979	86,383,408,039	72,749,322,944
Non-current Liabilities						
Debentures	25 2,504,874,682	2,608,762,527	2,517,710,265	82,568,305,427	85,602,802,509	77,121,493,760
Long-term loans from financial institution	25 974,625,168	1,057,696,321	1,091,704,615	32,126,616,620	34,706,788,515	33,440,659,090
Deferred tax liabilities	21.1 1,499,847,105	1,639,494,811	1,502,144,592	49,439,533,766	53,797,659,688	46,013,092,146
Employee benefit obligations	27 110,896,022	103,800,747	100,209,992	3,655,482,695	3,406,084,578	3,069,592,650
Provision for decommissioning costs	28 2,166,219,456	1,188,900,093	1,070,743,950	71,405,196,827	39,012,052,039	32,798,600,387
Provision for remuneration for the renewal of petroleum production	29 492,510,772	530,471,131	167,450,181	16,234,656,418	17,406,649,686	5,129,266,955
Other non-current liabilities						
Financial derivative liabilities	23 55,799,494	34,128,583	44,810,170	1,839,321,419	1,119,880,534	1,372,607,197
Deferred income	30 31,816,507	28,751,929	35,635,619	1,048,769,060	943,453,324	1,091,576,029
Other non-current liabilities	26,134,822	29,035,085	31,066,618	861,483,404	952,744,701	951,620,207
Total Non-current Liabilities	7,862,724,028	7,221,041,227	6,561,476,002	259,179,365,636	236,948,115,574	200,988,508,421
Total Liabilities	10,742,486,964	9,853,593,181	8,936,452,267	354,105,140,615	323,331,523,613	273,737,831,365
Shareholders' Equity						
Share capital	32					
Authorized share capital						
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400	3,969,985,400
Issued and paid-up share capital						
3,969,985,400 ordinary shares of Baht 1 each	150,683,762	150,683,762	150,683,762	3,969,985,400	3,969,985,400	3,969,985,400
Share premium	3,439,036,612	3,439,036,612	3,438,921,013	105,417,619,764	105,417,619,764	105,412,493,326
Subordinated capital debentures	33 1,152,102,940	156,570,483	156,570,483	37,188,504,448	4,981,947,515	4,981,947,515
Retained earnings						
Appropriated						
Legal reserve	34 15,048,319	15,048,319	15,048,319	396,998,540	396,998,540	396,998,540
Reserve for expansion	431,231,212	431,231,212	431,231,212	16,900,000,000	16,900,000,000	16,900,000,000
Unappropriated	7,462,227,174	7,547,030,327	6,493,055,788	247,056,626,655	249,784,387,847	217,738,583,687
Other components of Shareholders' Equity	(102,346,372)	(20,780,612)	15,081,304	2,690,144,078	3,085,298,063	(21,623,758,293)
Total Shareholders' Equity	12,547,983,647	11,718,820,103	10,700,591,881	413,619,878,885	384,536,237,129	327,776,250,175
Total Liabilities and Shareholders' Equity	23,290,470,611	21,572,413,284	19,637,044,148	767,725,019,500	707,867,760,742	601,514,081,540

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
THE COMPANY

		Unit : US Dollar				Unit : Baht	
	Notes	December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013	January 1, 2013
			(Restated)	(Beginning)		(Restated)	(Beginning)
				(Restated)			(Restated)
<u>Assets</u>							
Current Assets							
Cash and cash equivalents	8	2,877,077,661	1,728,057,890	1,732,902,915	94,837,250,254	56,703,742,372	53,081,588,927
Investments in trading securities	9	168,978	137,122	-	5,570,038	4,499,477	-
Account receivable - parent company	10	296,604,463	565,995,193	567,881,695	9,776,987,276	18,572,320,874	17,395,124,938
Trade accounts receivable	11	1,929,830	3,749,866	2,602,212	63,613,075	123,046,474	79,709,901
Other accounts receivable		50,059,743	48,448,745	44,731,118	1,650,121,719	1,589,776,101	1,370,185,710
Short-term loans to related parties	15.2	60,051,106	-	-	1,979,467,504	-	-
Inventories		6,334,111	4,060,174	3,521,222	208,791,622	133,228,790	107,860,674
Materials and supplies, net	12	125,324,710	115,941,644	111,001,416	4,131,084,469	3,804,458,854	3,400,150,968
Other current assets							
Working capital from co-venturers		9,794,987	4,904,051	3,807,823	322,872,625	160,919,410	116,639,712
Accrued Interests receivable		22,311,941	13,723,866	8,224,205	735,469,603	450,328,973	251,920,560
Other current assets	13	51,584,569	58,091,606	39,236,292	1,700,384,649	1,906,192,768	1,201,870,407
Total Current Assets		3,501,242,099	2,543,110,157	2,513,908,898	115,411,612,834	83,448,514,093	77,005,051,797
Non-current Assets							
Investments in associates	16.4	25,577,427	25,577,427	25,577,427	843,109,979	839,286,615	783,477,526
Investments in subsidiaries	16.3	616,236,293	616,236,293	616,235,970	20,313,026,750	20,220,910,528	18,876,293,739
Long-term loans to related parties	15.3	6,278,771,022	5,628,631,109	4,743,939,086	206,967,433,244	184,695,460,880	145,314,444,512
Property, plant and equipment, net	17, 18	4,319,870,054	3,840,780,923	3,425,840,742	142,396,085,782	126,029,720,011	104,938,983,257
Intangible assets, net	18, 20	188,982,801	173,793,017	118,511,130	6,229,449,228	5,702,768,703	3,630,185,534
Deferred tax assets	21.1	8,088,641	11,254,571	14,929,141	266,626,258	369,302,606	457,303,463
Other non-current assets							
Deferred remuneration under agreement		20,095,711	21,853,423	23,611,136	662,415,889	717,088,761	723,246,874
Financial derivative assets	23	8,779,365	4,922,434	5,485,939	289,394,648	161,522,624	168,043,102
Other non-current assets	24	5,250,556	5,287,227	5,326,847	173,074,322	173,492,743	163,169,844
Total Non-current Assets		11,471,651,870	10,328,336,424	8,979,457,418	378,140,616,100	338,909,553,471	275,055,147,851
Total Assets		14,972,893,969	12,871,446,581	11,493,366,316	493,552,228,934	422,358,067,564	352,060,199,648

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

THE COMPANY

Unit : US Dollar				Unit : Baht		
Notes	December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013	January 1, 2013
		(Restated)	(Beginning)		(Restated)	(Beginning)
			(Restated)			(Restated)
Liabilities and Shareholders' Equity						
Current Liabilities						
Trade accounts payable	17,124,015	12,203,148	9,785,952	564,459,743	400,428,808	299,759,371
Current portion of long-term debts	25 50,000,000	356,523,391	163,547,251	1,648,152,421	11,698,803,980	5,009,713,971
Short-term loans from related parties	15.4 151,811,337	-	-	5,004,164,456	-	-
Working capital to co-venturers	1,411,327	1,989,010	-	46,521,621	65,266,515	-
Accrued expenses	479,753,688	445,396,775	421,453,532	15,814,144,045	14,615,056,663	12,909,796,011
Accrued interests payable	12,900,096	11,231,311	5,185,174	425,226,495	368,539,362	158,830,175
Income tax payable	570,329,076	705,605,581	626,683,082	18,799,784,950	23,153,435,617	19,196,305,508
Financial derivative liabilities	23 213,376	34,177,424	2,415,674	7,033,525	1,121,483,170	73,995,970
Short-term provision	26 54,913,549	36,643,754	10,728,120	1,810,117,977	1,202,412,252	328,619,478
Other current liabilities	45,197,102	45,155,815	42,795,113	1,489,834,260	1,481,723,349	1,310,882,784
Total Current Liabilities	1,383,653,566	1,648,926,209	1,282,593,898	45,609,439,493	54,107,149,716	39,287,903,268
Non-current Liabilities						
Debentures	25 1,319,423,720	726,005,194	626,520,150	43,492,227,984	23,822,819,686	19,191,314,641
Long-term loans from financial institution	25 -	50,000,000	50,000,000	-	1,640,678,322	1,531,580,000
Deferred tax liabilities	21.1 347,681,050	385,276,559	255,845,963	11,460,627,284	12,642,297,972	7,836,971,075
Employee benefit obligations	27 100,515,659	94,235,841	91,750,839	3,313,302,550	3,092,214,007	2,810,475,279
Provision for decommissioning costs	28 1,087,355,470	494,170,035	525,410,288	35,842,550,997	16,215,481,270	16,094,157,775
Provision for remuneration for the renewal of petroleum production	29 492,510,772	530,471,131	167,450,181	16,234,656,418	17,406,649,686	5,129,266,955
Other non-current liabilities						
Financial derivative liabilities	23 55,799,494	34,128,583	42,864,385	1,839,321,419	1,119,880,534	1,313,004,681
Deferred income	30 3,989,896	-	-	131,519,142	-	-
Other non-current liabilities	17,746,329	14,473,352	11,659,327	584,973,105	474,922,306	357,143,829
Total Non-current Liabilities	3,425,022,390	2,328,760,695	1,771,501,133	112,899,178,899	76,414,943,783	54,263,914,235
Total Liabilities	4,808,675,956	3,977,686,904	3,054,095,031	158,508,618,392	130,522,093,499	93,551,817,503
Shareholders' Equity						
Share capital	32					
Authorized share capital						
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400	3,969,985,400
Issued and paid-up share capital						
3,969,985,400 ordinary shares of Baht 1 each	150,683,762	150,683,762	150,683,762	3,969,985,400	3,969,985,400	3,969,985,400
Share premium	3,439,036,612	3,439,036,612	3,438,921,013	105,417,619,764	105,417,619,764	105,412,493,326
Subordinated capital debentures	33 1,152,102,940	156,570,483	156,570,483	37,188,504,448	4,981,947,515	4,981,947,515
Retained earnings						
Appropriated						
Legal reserve	34 15,048,319	15,048,319	15,048,319	396,998,540	396,998,540	396,998,540
Reserve for expansion	431,231,212	431,231,212	431,231,212	16,900,000,000	16,900,000,000	16,900,000,000
Unappropriated	4,998,233,771	4,706,108,000	4,275,166,128	167,363,550,031	157,378,172,002	144,272,778,868
Other components of Shareholders' Equity	(22,118,603)	(4,918,711)	(28,349,632)	3,806,952,359	2,791,250,844	(17,425,821,504)
Total Shareholders' Equity	10,164,218,013	8,893,759,677	8,439,271,285	335,043,610,542	291,835,974,065	258,508,382,145
Total Liabilities and Shareholders' Equity	14,972,893,969	12,871,446,581	11,493,366,316	493,552,228,934	422,358,067,564	352,060,199,648

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

CONSOLIDATED

		Unit : US Dollar		Unit : Baht	
	Notes	2014	2013 (Restated)	2014	2013 (Restated)
Revenues					
Sales		7,496,158,435	7,171,896,024	243,342,374,374	220,337,054,859
Revenue from pipeline transportation		137,925,125	150,674,519	4,474,742,634	4,635,632,404
Other income					
Interest income		22,570,530	33,065,093	734,555,107	1,007,748,293
Gain on financial derivatives		197,017,990	-	6,405,408,189	-
Other income	6	163,825,094	89,262,737	5,319,462,800	2,760,372,561
Total Revenues		8,017,497,174	7,444,898,373	260,276,543,104	228,740,808,117
Expenses					
Operating expenses		856,506,747	827,377,479	27,815,025,219	25,490,360,126
Exploration expenses		332,916,528	172,019,669	10,826,088,494	5,351,260,290
Administrative expenses		358,033,691	332,662,213	11,637,592,407	10,329,574,913
Petroleum royalties and remuneration	35	785,772,464	816,740,536	25,508,120,950	25,077,211,295
Depreciation, depletion and amortization		2,563,256,439	1,637,399,962	83,214,666,257	50,350,889,350
Other expenses					
Loss on foreign exchange	36	49,050,431	89,550,457	1,596,572,273	2,850,198,359
Loss on financial derivatives		-	5,440,122	-	190,575,128
Management's remuneration	15.1	6,058,739	6,185,128	197,186,026	187,766,054
Impairment loss on assets		996,790,379	-	32,795,975,207	-
Other expenses	6	41,125,056	-	1,337,669,245	-
Finance costs		259,435,205	200,764,848	8,433,547,479	6,175,112,086
Total Expenses		6,248,945,679	4,088,140,414	203,362,443,557	126,002,947,601
Share of gain from associates		3,467,479	6,157,234	112,381,687	190,404,871
Profit before income taxes		1,772,018,974	3,362,915,193	57,026,481,234	102,928,265,387
Income tax expenses	21.2	(1,094,560,281)	(1,516,269,633)	(35,536,029,976)	(46,742,608,390)
Profit for the year		677,458,693	1,846,645,560	21,490,451,258	56,185,656,997
Earnings per share					
	38				
Basic earnings per share		0.16	0.46	5.19	14.08
Diluted earnings per share		0.16	0.46	5.19	14.08

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Profit for the year	677,458,693	1,846,645,560	21,490,451,258	56,185,656,997
Other comprehensive income (loss)				
Exchange differences on translating financial statement	(53,088,922)	(51,464,353)	531,799,051	24,220,994,541
Unrealized gain (loss) on available-for-sales securities	(706,535)	411,053	(22,992,792)	12,381,574
Gain (loss) on cash flow hedges	(3,682,231)	12,938,848	(123,038,218)	396,991,033
Income taxes relating to cash flow hedges	(24,088,072)	2,252,536	(780,922,026)	78,689,208
Other comprehensive income (loss) for the year - net of tax	<u>(81,565,760)</u>	<u>(35,861,916)</u>	<u>(395,153,985)</u>	<u>24,709,056,356</u>
Total comprehensive income for the year	<u>595,892,933</u>	<u>1,810,783,644</u>	<u>21,095,297,273</u>	<u>80,894,713,353</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

THE COMPANY

		Unit : US Dollar		Unit : Baht	
	<u>Notes</u>	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Revenues					
Sales		3,478,555,681	3,751,832,878	112,965,735,461	115,194,020,076
Other income					
Gain on foreign exchange	36	1,003,541	-	31,547,485	-
Interest income		169,459,503	158,477,221	5,505,540,473	4,858,078,929
Gain on financial derivatives		-	4,212,815	-	127,361,078
Other income		18,374,105	14,265,465	595,673,867	441,735,705
Dividends received from related parties		48,526,640	176,464,304	1,567,971,907	5,654,986,601
Total Revenues		3,715,919,470	4,105,252,683	120,666,469,193	126,276,182,389
Expenses					
Operating expenses		285,830,223	261,829,283	9,280,732,668	8,074,905,854
Exploration expenses		19,454,921	8,473,099	630,020,267	265,590,653
Administrative expenses		225,021,130	188,569,657	7,325,752,497	5,877,723,284
Petroleum royalties and remuneration	35	434,819,461	468,979,976	14,120,723,251	14,401,629,926
Depreciation, depletion and amortization		1,046,505,320	881,362,675	33,990,717,590	27,097,072,353
Other expenses					
Loss on foreign exchange	36	-	104,614,410	-	3,419,070,607
Loss on financial derivatives		852,941	-	27,885,247	-
Management's remuneration	15.1	6,058,739	6,185,128	197,186,026	187,766,054
Finance costs		101,292,103	51,395,360	3,298,834,686	1,584,346,191
Total Expenses		2,119,834,838	1,971,409,588	68,871,852,232	60,908,104,922
Profit before income taxes		1,596,084,632	2,133,843,095	51,794,616,961	65,368,077,467
Income tax expenses	21.2	(541,697,015)	(910,230,202)	(17,591,026,482)	(28,122,831,496)
Profit for the year		1,054,387,617	1,223,612,893	34,203,590,479	37,245,245,971
Earnings per share					
38					
Basic earnings per share		0.26	0.31	8.40	9.31
Diluted earnings per share		0.26	0.31	8.40	9.31

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Profit for the year	1,054,387,617	1,223,612,893	34,203,590,479	37,245,245,971
Other comprehensive income (loss)				
Exchange differences on translating financial statement	-	-	1,577,786,900	19,480,821,739
Gain (loss) on cash flow hedges	(9,259,906)	17,048,693	(306,119,232)	525,232,891
Income taxes relating to cash flow hedges	(7,939,986)	6,382,228	(255,966,153)	211,017,718
Other comprehensive income (loss) for the year - net of tax	<u>(17,199,892)</u>	<u>23,430,921</u>	<u>1,015,701,515</u>	<u>20,217,072,348</u>
Total comprehensive income for the year	<u>1,037,187,725</u>	<u>1,247,043,814</u>	<u>35,219,291,994</u>	<u>57,462,318,319</u>

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
CONSOLIDATED

Unit : US Dollar

							Other components of shareholders' equity							
Retained earnings							Other comprehensive income (loss)							
		Issued and paid-up	Share	Subordinated	Legal	Reserve for		Exchange differences	Available-for-sales	Cash flow	Income taxes relating	Total other components	Total	
Notes		share capital	premium	capital debentures	reserve	expansion	Unappropriated	on translating	securities	hedges	to cash flow	of shareholders' equity	shareholders' equity	
								financial statement			hedges			
Balance - as at January 1, 2013		150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	6,503,763,882	44,797,144	(85,848)	(36,329,716)	6,699,724	15,081,304	10,711,299,975	
Effects from changes in accounting policy	4.19	-	-	-	-	-	(10,708,094)	-	-	-	-	-	(10,708,094)	
Balance - as at January 1, 2013 after adjustment		150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	6,493,055,788	44,797,144	(85,848)	(36,329,716)	6,699,724	15,081,304	10,700,591,881	
Changes in shareholders' equity for the year														
Transaction cost of capital		-	115,599	-	-	-	-	-	-	-	-	-	115,599	
Interest expenses for subordinated capital debentures		-	-	-	-	-	(9,392,901)	-	-	-	-	-	(9,392,901)	
Dividends paid	41	-	-	-	-	-	(783,278,120)	-	-	-	-	-	(783,278,120)	
Total comprehensive income (loss) for the year		-	-	-	-	-	1,846,645,560	(51,464,353)	411,053	12,938,848	2,252,536	(35,861,916)	1,810,783,644	
Balance - as at December 31, 2013		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	7,547,030,327	(6,667,209)	325,205	(23,390,868)	8,952,260	(20,780,612)	11,718,820,103	

Unit : US Dollar

								Other components of shareholders' equity									
								Retained earnings					Other comprehensive income (loss)				
													Exchange differences			Income taxes relating	
Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	on translating financial statement	Available-for-sales securities	Cash flow hedges	to cash flow hedges							
Balance - as at January 1, 2014		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	7,556,734,393	(6,671,929)	325,205	(23,390,868)	8,952,260	(20,785,332)	11,728,519,449				
Effects from changes in accounting policy	4.19	-	-	-	-	-	(9,704,066)	4,720	-	-	-	4,720	(9,699,346)				
Balance - as at January 1, 2014 after adjustment		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	7,547,030,327	(6,667,209)	325,205	(23,390,868)	8,952,260	(20,780,612)	11,718,820,103				
Changes in shareholders' equity for the year																	
Subordinated capital debentures	33	-	-	995,532,457	-	-	-	-	-	-	-	-	995,532,457				
Interest expenses for subordinated capital debentures		-	-	-	-	-	(26,689,174)	-	-	-	-	-	(26,689,174)				
Dividends paid	41	-	-	-	-	-	(735,572,672)	-	-	-	-	-	(735,572,672)				
Total comprehensive income (loss) for the year		-	-	-	-	-	677,458,693	(53,088,922)	(706,535)	(3,682,231)	(24,088,072)	(81,565,760)	595,892,933				
Balance - as at December 31, 2014		150,683,762	3,439,036,612	1,152,102,940	15,048,319	431,231,212	7,462,227,174	(59,756,131)	(381,330)	(27,073,099)	(15,135,812)	(102,346,372)	12,547,983,647				

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014
CONSOLIDATED

Unit : Baht

							Other components of shareholders' equity					
Retained earnings							Other comprehensive income (loss)					
	Issued and paid-up	Share	Subordinated	Legal	Reserve for		Exchange differences	Available-for-sales	Cash flow	Income taxes relating	Total other components	Total
Notes	share capital	premium	capital debentures	reserve	expansion	Unappropriated	on translating	securities	hedges	to cash flow	of shareholders' equity	shareholders' equity
							financial statement			hedges		
Balance - as at January 1, 2013	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	218,066,589,842	(20,703,802,706)	(2,634,623)	(1,123,771,389)	206,450,425	(21,623,758,293)	328,104,256,330
Effects from changes in accounting policy	4.19	-	-	-	-	(328,006,155)	-	-	-	-	-	(328,006,155)
Balance - as at January 1, 2013 after adjustment	3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	217,738,583,687	(20,703,802,706)	(2,634,623)	(1,123,771,389)	206,450,425	(21,623,758,293)	327,776,250,175
Changes in shareholders' equity for the year												
Transaction cost of capital	-	5,126,438	-	-	-	-	-	-	-	-	-	5,126,438
Interest expenses for subordinated capital debentures	-	-	-	-	-	(291,783,757)	-	-	-	-	-	(291,783,757)
Dividends paid	41	-	-	-	-	(23,848,069,080)	-	-	-	-	-	(23,848,069,080)
Total comprehensive income (loss) for the year	-	-	-	-	-	56,185,656,997	24,220,994,541	12,381,574	396,991,033	78,689,208	24,709,056,356	80,894,713,353
Balance - as at December 31, 2013	3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	249,784,387,847	3,517,191,835	9,746,951	(726,780,356)	285,139,633	3,085,298,063	384,536,237,129

Unit : Baht

							Other components of shareholders' equity						Total shareholders' equity				
							Retained earnings					Other comprehensive income (loss)					
												Exchange differences			Income taxes relating		Total other components of shareholders' equity
Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	on translating financial statement	Available-for-sales securities	Cash flow hedges	to cash flow hedges							
Balance - as at January 1, 2014		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	250,081,503,448	3,538,346,361	9,746,951	(726,780,356)	285,139,633	3,106,452,589	384,854,507,256				
Effects from changes in accounting policy	4.19	-	-	-	-	-	(297,115,601)	(21,154,526)	-	-	-	(21,154,526)	(318,270,127)				
Balance - as at January 1, 2014 after adjustment		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	249,784,387,847	3,517,191,835	9,746,951	(726,780,356)	285,139,633	3,085,298,063	384,536,237,129				
Changes in shareholders' equity for the year																	
Subordinated capital debentures	33	-	-	32,206,556,933	-	-	-	-	-	-	-	-	32,206,556,933				
Interest expenses for subordinated capital debentures		-	-	-	-	-	(875,170,585)	-	-	-	-	-	(875,170,585)				
Dividends paid	41	-	-	-	-	-	(23,343,041,865)	-	-	-	-	-	(23,343,041,865)				
Total comprehensive income (loss) for the year		-	-	-	-	-	21,490,451,258	531,799,051	(22,992,792)	(123,038,218)	(780,922,026)	(395,153,985)	21,095,297,273				
Balance - as at December 31, 2014		3,969,985,400	105,417,619,764	37,188,504,448	396,998,540	16,900,000,000	247,056,626,655	4,048,990,886	(13,245,841)	(849,818,574)	(495,782,393)	2,690,144,078	413,619,878,885				

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
THE COMPANY

Unit : US Dollar

							Other components of shareholders' equity			
Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Retained earnings			Other comprehensive income (loss)		Total other components of shareholders' equity	Total shareholders' equity
				Legal reserve	Reserve for expansion	Unappropriated	Income taxes relating			
							Cash flow hedges	to cash flow hedges		
Balance - as at January 1, 2013	150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	4,285,805,868	(35,437,040)	7,087,408	(28,349,632)	8,449,911,025
Effects from changes in accounting policy	4.19	-	-	-	-	(10,639,740)	-	-	-	(10,639,740)
Balance - as at January 1, 2013 after adjustment	150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	4,275,166,128	(35,437,040)	7,087,408	(28,349,632)	8,439,271,285
Changes in shareholders' equity for the year										
Transaction cost of capital	-	115,599	-	-	-	-	-	-	-	115,599
Interest expenses for subordinated capital debentures	-	-	-	-	-	(9,392,901)	-	-	-	(9,392,901)
Dividends paid	41	-	-	-	-	(783,278,120)	-	-	-	(783,278,120)
Total comprehensive income (loss) for the year	-	-	-	-	-	1,223,612,893	17,048,693	6,382,228	23,430,921	1,247,043,814
Balance - as at December 31, 2013	150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,706,108,000	(18,388,347)	13,469,636	(4,918,711)	8,893,759,677

Unit : US Dollar

							Other components of shareholders' equity				
Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Retained earnings			Other comprehensive income (loss)		Total other components of shareholders' equity	Total shareholders' equity	
				Legal reserve	Reserve for expansion	Unappropriated	Income taxes relating				
							Cash flow hedges	to cash flow hedges			
Balance - as at January 1, 2014	150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,715,744,481	(18,388,347)	13,469,636	(4,918,711)	8,903,396,158	
Effects from changes in accounting policy	4.19	-	-	-	-	(9,636,481)	-	-	-	(9,636,481)	
Balance - as at January 1, 2014 after adjustment	150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,706,108,000	(18,388,347)	13,469,636	(4,918,711)	8,893,759,677	
Changes in shareholders' equity for the year											
Subordinated capital debentures	33	-	-	995,532,457	-	-	-	-	-	-	995,532,457
Interest expenses for subordinated capital debentures		-	-	-	-	-	(26,689,174)	-	-	-	(26,689,174)
Dividends paid	41	-	-	-	-	-	(735,572,672)	-	-	-	(735,572,672)
Total comprehensive income (loss) for the year		-	-	-	-	-	1,054,387,617	(9,259,906)	(7,939,986)	(17,199,892)	1,037,187,725
Balance - as at December 31, 2014		150,683,762	3,439,036,612	1,152,102,940	15,048,319	431,231,212	4,998,233,771	(27,648,253)	5,529,650	(22,118,603)	10,164,218,013

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014
THE COMPANY

Unit : Baht

							Other components of shareholders' equity								
							Retained earnings				Other comprehensive income (loss)			Total other components of shareholders' equity	Total shareholders' equity
							Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement		
Notes															
		3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,598,691,270	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,834,294,547			
Effects from changes in accounting policy	4.19	-	-	-	-	-	(325,912,402)	-	-	-	-	(325,912,402)			
Balance - as at January 1, 2013 after adjustment		3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,272,778,868	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,508,382,145			
Changes in shareholders' equity for the year															
Transaction cost of capital		-	5,126,438	-	-	-	-	-	-	-	-	5,126,438			
Interest expenses for subordinated capital debentures		-	-	-	-	-	(291,783,757)	-	-	-	-	(291,783,757)			
Dividends paid	41	-	-	-	-	-	(23,848,069,080)	-	-	-	-	(23,848,069,080)			
Total comprehensive income (loss) for the year		-	-	-	-	-	37,245,245,971	19,480,821,739	525,232,891	211,017,718	20,217,072,348	57,462,318,319			
Balance - as at December 31, 2013		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	157,378,172,002	2,930,960,593	(569,054,935)	429,345,186	2,791,250,844	291,835,974,065			

Unit : Baht

							Other components of shareholders' equity								
							Retained earnings			Other comprehensive income (loss)				Total other components of shareholders' equity	Total shareholders' equity
										Exchange differences on translating financial statement		Cash flow hedges	Income taxes relating to cash flow hedges		
Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated									
Balance - as at January 1, 2014		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	157,673,217,489	2,952,122,409	(569,054,935)	429,345,186	2,812,412,660	292,152,181,368			
Effects from changes in accounting policy	4.19	-	-	-	-	-	(295,045,487)	(21,161,816)	-	-	(21,161,816)	(316,207,303)			
Balance - as at January 1, 2014 after adjustment		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	157,378,172,002	2,930,960,593	(569,054,935)	429,345,186	2,791,250,844	291,835,974,065			
Changes in shareholders' equity for the year															
Subordinated capital debentures	33	-	-	32,206,556,933	-	-	-	-	-	-	-	32,206,556,933			
Interest expenses for subordinated capital debentures		-	-	-	-	-	(875,170,585)	-	-	-	-	(875,170,585)			
Dividends paid	41	-	-	-	-	-	(23,343,041,865)	-	-	-	-	(23,343,041,865)			
Total comprehensive income (loss) for the year		-	-	-	-	-	34,203,590,479	1,577,786,900	(306,119,232)	(255,966,153)	1,015,701,515	35,219,291,994			
Balance - as at December 31, 2014		3,969,985,400	105,417,619,764	37,188,504,448	396,998,540	16,900,000,000	167,363,550,031	4,508,747,493	(875,174,167)	173,379,033	3,806,952,359	335,043,610,542			

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

(TRANSLATION)

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PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Cash flows from operating activities				
Profit before income taxes	1,772,018,974	3,362,915,193	57,026,481,234	102,928,265,387
Adjustment to reconcile profit before income taxes to net cash provided by (used in) operating activities				
Share of gain from associates	(3,467,479)	(6,157,234)	(112,381,687)	(190,404,871)
Depreciation, depletion and amortization	2,563,256,439	1,637,399,962	83,214,666,257	50,350,889,350
Impairment loss on assets	996,790,379	-	32,795,975,207	-
Amortization of prepaid expenses	7,939,672	6,952,585	257,893,200	213,625,292
Amortization of exploration expenses	266,422,768	71,438,300	8,666,271,415	2,227,119,087
(Gain) loss on disposal of assets	(1,723,355)	7,833,817	(57,668,271)	248,222,951
Income recognized from deferred income	(1,037,193)	(6,883,690)	(33,687,780)	(211,508,444)
(Gain) loss on financial derivatives	(24,266,880)	11,322,090	(748,026,894)	347,882,817
Gain from restructuring of the ownership interests in KKD project	(32,136,047)	-	(1,041,962,279)	-
Employee benefit obligations	11,892,836	12,596,534	386,217,423	388,770,439
Other income	(11,383,969)	(387)	(369,748,639)	(11,891)
Loss on foreign exchange	28,958,218	26,440,127	940,556,099	812,254,312
Interest income less than interest expenses	229,683,236	161,221,515	7,465,729,971	4,961,729,334
	<u>5,802,947,599</u>	<u>5,285,078,812</u>	<u>188,390,315,256</u>	<u>162,076,833,763</u>
Changes in operating assets (increase) decrease				
Investments in trading securities	-	(156,629)	-	(4,812,597)
Account receivable - parent company	319,042,603	(49,460,691)	10,362,428,802	(1,519,730,435)
Trade accounts receivable	(1,805,340)	34,135,296	(58,637,004)	1,048,841,977
Other accounts receivable	28,106,200	13,550,110	912,882,771	416,341,015
Inventories	8,900,153	(7,338,640)	289,074,874	(225,487,236)
Materials and supplies, net	(33,535,230)	(27,521,436)	(1,089,216,380)	(845,624,342)
Working capital from co-venturers	(20,206,039)	18,172,347	(656,287,411)	558,363,994
Other current assets	(81,371,917)	30,563,297	(2,642,940,748)	939,088,651
Prepaid expenses	(920,750)	1,114,052	(29,905,729)	34,230,384
Other non-current assets	(29,387,855)	(35,980,542)	(954,510,631)	(1,105,539,047)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(154,299,332)	(34,516,208)	(5,011,606,058)	(1,060,545,885)
Working capital to co-venturers	(14,452,255)	11,354,629	(469,405,844)	348,882,612

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(88,103,656)	(277,255,564)	(2,861,586,034)	(8,518,961,443)
Other current liabilities	(30,875,293)	(8,663,976)	(1,002,822,278)	(266,209,552)
Deferred income	111,875	-	3,633,670	-
Other non-current liabilities	(5,760,392)	(11,064,490)	(187,096,193)	(339,967,796)
Currency translation differences	(4,259,830)	95,781,502	(138,358,293)	2,942,984,858
Interest received from bank deposits	22,554,093	36,549,470	732,551,657	1,123,019,935
Taxation paid	(1,397,175,684)	(1,334,494,866)	(45,379,938,043)	(41,003,722,958)
	<u>(1,483,438,649)</u>	<u>(1,545,232,339)</u>	<u>(48,181,738,872)</u>	<u>(47,478,847,865)</u>
Net cash provided by operating activities	<u>4,319,508,950</u>	<u>3,739,846,473</u>	<u>140,208,576,384</u>	<u>114,597,985,898</u>
Cash flows from investing activities				
Cash received from restructuring of the ownership interests in KKD project	388,487,823	-	12,617,993,249	-
Cash payment from purchase of business	(812,832,638)	(240,945,349)	(26,400,613,166)	(7,403,292,864)
Dividends received from associates	1,213,008	512,943	39,398,200	15,760,708
Interest received from loans	659,349	800,521	21,415,486	24,596,827
Increase in property, plant and equipment	(2,051,490,142)	(2,633,408,679)	(66,631,917,926)	(80,914,181,565)
Increase in intangible assets	(532,001,271)	(32,847,317)	(17,279,276,305)	(1,009,267,487)
	<u>(3,005,963,871)</u>	<u>(2,905,887,881)</u>	<u>(97,633,000,462)</u>	<u>(89,286,384,381)</u>
Net cash used in investing activities				
Cash flows from financing activities				
Payments of short-term loans	-	(62,000,000)	-	(1,905,013,566)
Proceeds from issuance of debentures	601,455,768	500,000,000	19,535,142,082	15,363,012,625
Payments of debentures	(360,086,421)	(175,604,589)	(11,695,522,372)	(5,395,631,036)
Interest paid for loans	(182,547,611)	(164,333,052)	(5,929,103,538)	(5,049,301,496)
Net cash payment for financial derivative contract	(29,413,579)	-	(955,346,137)	-
Cash payments for financial costs	(735,207)	(9,778,197)	(23,879,373)	(300,445,133)
Proceeds from issuance of subordinated capital debentures	1,000,000,000	-	32,479,765,106	-
Interest paid for subordinated capital debentures	(33,398,721)	(9,392,901)	(1,084,782,597)	(288,606,526)
Cash payments for financial costs from issuance of subordinated capital debentures	(4,467,543)	-	(145,104,752)	-
Dividends paid	(735,572,774)	(783,293,240)	(23,891,230,923)	(24,067,487,881)
	<u>255,233,912</u>	<u>(704,401,979)</u>	<u>8,289,937,496</u>	<u>(21,643,473,013)</u>
Net cash provided by (used in) financing activities				
Net increase in cash and cash equivalents	1,568,778,991	129,556,613	50,865,513,418	3,668,128,504
Cash and cash equivalents at the beginning of the year	<u>2,357,037,861</u>	<u>2,291,918,927</u>	<u>77,342,817,867</u>	<u>70,205,143,796</u>
	3,925,816,852	2,421,475,540	128,208,331,285	73,873,272,300
Adjustment for the effect of exchange rate changes	10,098,412	(64,437,679)	1,531,443,045	3,469,545,567
Cash and cash equivalents at the end of the year	<u>3,935,915,264</u>	<u>2,357,037,861</u>	<u>129,739,774,330</u>	<u>77,342,817,867</u>
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	673,248,380	560,478,214	21,866,949,233	17,221,267,770

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Cash flows from operating activities				
Profit before income taxes	1,596,084,632	2,133,843,095	51,794,616,961	65,368,077,467
Adjustment to reconcile profit before income taxes to net cash provided by (used in) operating activities				
Depreciation, depletion and amortization	1,046,505,320	881,362,675	33,990,717,590	27,097,072,353
Amortization of prepaid expenses	2,494,225	1,802,479	81,005,354	54,303,305
Amortization of exploration expenses	2,067,805	2,467,577	67,289,499	75,786,686
Loss on disposal of assets	1,148,492	645,522	37,727,083	20,739,613
Loss (gain) on financial derivatives	852,941	(949,546)	27,885,247	(29,163,409)
Dividends received from related parties	(48,526,640)	(176,464,304)	(1,567,971,907)	(5,654,986,601)
Employee benefit obligations	10,530,117	10,637,399	341,960,473	328,234,486
(Gain) loss on foreign exchange	(10,830,198)	103,662,575	(351,762,301)	3,183,771,083
Interest income higher than interest expenses	(69,898,392)	(108,351,310)	(2,262,915,835)	(3,313,911,088)
	<u>2,530,428,302</u>	<u>2,848,656,162</u>	<u>82,158,552,164</u>	<u>87,129,923,895</u>
Changes in operating assets (increase) decrease				
Investments in trading securities	-	(150,364)	-	(4,863,368)
Account receivable - parent company	279,767,223	(18,650,864)	9,086,773,685	(572,824,015)
Trade accounts receivable	1,872,487	(1,204,184)	60,817,946	(36,984,093)
Other accounts receivable	2,244,265	(6,788,831)	72,893,214	(208,505,370)
Inventories	(875,974)	(116,841)	(28,451,438)	(3,588,553)
Materials and supplies, net	(10,483,369)	(5,441,134)	(340,497,348)	(167,113,559)
Working capital from co-venturers	(4,849,392)	(1,082,524)	(157,507,118)	(33,247,574)
Other current assets	2,709,509	(12,580,398)	88,004,204	(386,381,788)
Other non-current assets	(96,791)	(548,570)	(3,143,747)	(16,848,243)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(113,415,481)	(19,764,541)	(3,683,708,183)	(607,028,396)
Working capital to co-venturers	(577,684)	1,989,009	(18,763,030)	61,088,451

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2014	2013	2014	2013
		(Restated)		(Restated)
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	26,213,554	(162,121,457)	851,410,078	(4,979,236,678)
Other current liabilities	(197,522)	53,791,729	(6,415,466)	1,652,105,490
Other non-current liabilities	905,897	1,227,319	29,423,332	37,694,665
Interest received from bank deposits	16,674,824	27,515,507	541,594,373	845,083,831
Taxation paid	(716,613,611)	(710,169,015)	(23,275,441,775)	(21,811,422,635)
	<u>(516,722,065)</u>	<u>(854,095,159)</u>	<u>(16,783,011,273)</u>	<u>(26,232,071,835)</u>
Net cash provided by operating activities	2,013,706,237	1,994,561,003	65,375,540,891	60,897,852,060
Cash flows from investing activities				
Increase in short-term loans to related parties	(59,841,008)	-	(1,943,621,879)	-
Cash received from long-term loans to related parties	1,898,126,627	1,395,339,053	61,650,707,005	42,855,051,603
Cash payments for long-term loans to related parties	(2,528,689,821)	(2,354,308,851)	(82,131,251,403)	(72,307,893,266)
Increase in investments in subsidiaries	-	(322)	-	(9,904)
Dividends received from related parties	48,526,640	176,464,304	1,576,133,856	5,654,986,601
Interest received from loans	122,239,690	100,396,660	3,970,316,411	3,083,482,853
Increase in property, plant and equipment	(859,312,758)	(739,582,773)	(27,910,276,534)	(22,714,807,432)
Increase in intangible assets	(28,732,501)	(61,742,136)	(933,224,876)	(1,896,286,368)
	<u>(1,407,683,131)</u>	<u>(1,483,434,065)</u>	<u>(45,721,217,420)</u>	<u>(45,325,475,913)</u>
Cash flows from financing activities				
Increase in short-term loans from related parties	155,493,606	-	5,050,395,789	-
Proceeds from issuance of debentures	601,455,768	500,000,000	19,535,142,082	15,356,501,175
Payments of debentures	(360,086,421)	(165,604,589)	(11,695,522,372)	(5,086,214,131)
Interest paid for loans	(59,065,725)	(30,543,644)	(1,918,440,879)	(938,087,010)
Net cash payment for financial derivative contract	(29,413,579)	-	(955,346,137)	-
Cash payments for financial costs	(735,207)	(2,557,595)	(23,879,373)	(78,551,421)
Proceeds from issuance of subordinated capital debentures	1,000,000,000	-	32,479,765,106	-
Interest paid for subordinated capital debentures	(33,398,721)	(9,392,901)	(1,084,782,597)	(288,484,203)
Cash payments for financial costs from issuance of subordinated capital debentures	(4,467,543)	-	(145,104,752)	-
Dividends paid	(735,572,774)	(783,293,240)	(23,891,230,923)	(24,057,287,130)
	<u>534,209,404</u>	<u>(491,391,969)</u>	<u>17,350,995,944</u>	<u>(15,092,122,720)</u>
Net cash provided by (used in) financing activities	534,209,404	(491,391,969)	17,350,995,944	(15,092,122,720)
Net increase in cash and cash equivalents	1,140,232,510	19,734,969	37,005,319,415	480,253,427
Cash and cash equivalents at the beginning of the year	1,728,057,890	1,732,902,915	56,703,742,372	53,081,588,927
	<u>2,868,290,400</u>	<u>1,752,637,884</u>	<u>93,709,061,787</u>	<u>53,561,842,354</u>
Adjustment for the effect of exchange rate changes	8,787,261	(24,579,994)	1,128,188,467	3,141,900,018
	<u>2,877,077,661</u>	<u>1,728,057,890</u>	<u>94,837,250,254</u>	<u>56,703,742,372</u>
Cash and cash equivalents at the end of the year	2,877,077,661	1,728,057,890	94,837,250,254	56,703,742,372
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	221,712,083	215,781,299	7,201,156,378	6,627,291,545
Long-term loans to related parties for interest rollover	24,746,840	32,645,145	803,771,546	1,002,630,417

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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, associates, and jointly controlled entities (the Group) are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation, and investment in projects strategically connected to the energy business.

As at December 31, 2014, the Group has operations related to the exploration and production of petroleum in 11 countries and has investments in exploration and production projects with participating interests as follows:

Project	Country	Operator	Company's participating interest	
			2014	2013
PTT Exploration and Production Public Company Limited				
Bongkot	Thailand	PTT Exploration and Production Plc.	44.4445	44.4445
Arthit	Thailand	PTT Exploration and Production Plc.	80	80
Contract 4 (B12/27)	Thailand	Chevron Thailand Exploration and Production, Ltd.	45	45
Sinphuhorm (E5 North)	Thailand	PTTEP SP Limited	20	20
S1	Thailand	PTTEP Siam Limited	25	25
Contract 3 (B10, B11, B12 and B13)	Thailand	Chevron Thailand Exploration and Production, Ltd.	5	5
E5	Thailand	ExxonMobil Exploration and Production Khorat Inc.	20	20
Algeria Hassi Bir Rekaiz	Algeria	PTT Exploration and Production Plc.	24.5	24.5

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Project	Country	Operator	Company's participating interest	
			2014	2013
PTTEP International Limited (PTTEPI)				
Yadana	Republic of the Union of Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Republic of the Union of Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	100
G4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G9/43	Thailand- Kingdom of Cambodia	PTTEP International Limited	100	100
L22/43	Thailand	PTTEP International Limited	100	100
L53/43 and L54/43	Thailand	PTTEP International Limited	100	100
G4/48	Thailand	Chevron Pattani, Ltd.	5	5
Bongkot (G12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L21/48 and L28/48				
- L21/48 ¹	Thailand	PTTEP International Limited	-	70
- L28/48	Thailand	PTTEP International Limited	70	70
A4/48 and A5/48 ²	Thailand	PTTEP International Limited	100	100
Contract 3 (G6/50) ³	Thailand	Chevron Petroleum (Thailand), Ltd.	-	5
Contract 4 (G7/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	45	45
Arthit (G8/50)	Thailand	PTTEP International Limited	80	80
Zawtika	Republic of the Union of Myanmar	PTTEP International Limited	80	80
Myanmar M3	Republic of the Union of Myanmar	PTTEP International Limited	80	80
Myanmar M11 ⁴	Republic of the Union of Myanmar	PTTEP International Limited	52.9412	45
MTJDA-B17	Thailand - Malaysia	Carigali-PTTEPI Operating Company Sendirian Berhad	50	50

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Project	Country	Operator	Company's participating interest	
			2014	2013
PTTEP Offshore Investment Company Limited (PTTEPO)				
B8/32 and 9A ⁵	Thailand	Chevron Offshore (Thailand) Ltd.	25.0010	25.0010
PTTEP Southwest Vietnam Company Limited (PTTEP SV)				
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7	7
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)				
Vietnam B and 48/95	Vietnam	Chevron Vietnam (Block B), Ltd.	8.50	8.50
PTTEP Hoang-Long Company Limited (PTTEP HL)				
Vietnam 16-1	Vietnam	Hoang-Long Joint Operating Company	28.50	28.50
PTTEP Hoan-Vu Company Limited (PTTEP HV)				
Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	25	25
PTTEP Oman Company Limited (PTTEP OM)				
Oman 44	Oman	PTTEP Oman Company Limited	100	100
PTTEP Algeria Company Limited (PTTEP AG)				
Algeria 433a and 416b	Algeria	Groupement Bir Seba	35	35
PTTEP Siam Limited (PTTEPS)				
Sinphuhorm (EU-1)	Thailand	PTTEP SP Limited	20	20
B6/27 ⁶	Thailand	PTTEP Siam Limited	60	60
S1	Thailand	PTTEP Siam Limited	75	75
PTTEP Semai II Limited (PTTEP SM)				
Indonesia Semai II ⁷	Indonesia	Murphy Semai Oil Co., Ltd	28.33	28.33

Project	Country	Operator	Company's participating interest	
			2014	2013
PTTEP South Asia Limited (PTTEP SA)				
Myanmar PSC G and EP 2	Republic of the Union of Myanmar	PTTEP South Asia Limited	90	90
Myanmar MD-7 and MD-8	Republic of the Union of Myanmar	PTTEP South Asia Limited	100	100
Myanmar MOGE 3 ⁸	Republic of the Union of Myanmar	PTTEP South Asia Limited	85	-
PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South ⁹	New Zealand	Shell GSB Limited	-	18
PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar ¹⁰	Indonesia	PTTEP South Mandar Limited	50.7463	34
PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Limited	100	100
PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang ¹¹	Indonesia	Talisman Sadang B.V.	30	30
PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri ¹²	Indonesia	Talisman South Sageri B.V.	-	20
PTTEP Canada Limited (PTTEP CA)				
Canada Oil Sands KKD ¹³	Canada	Statoil Canada Limited	-	40
Mariana Oil Sands ¹³	Canada	PTTEP Canada Limited	100	-
PTTEP Australia Perth Pty Limited (PTTEP AP)				
PTTEP Australasia *	Australia			

* Details of operators and participating interests in PTTEP Australasia project are as follows:

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Block	Operator	Company's participating interest	
		2014	2013
AC/L7, AC/L8, AC/RL7, AC/P33, AC/P34, and AC/P54	PTTEP Australasia (Ashmore Cartier) Pty Limited	100	100
AC/L1, AC/L2 and AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Limited	89.6875	89.6875
AC/RL10	PTTEP Australia Timor Sea Pty Limited	90	90
AC/RL4 (Tenacious)	PTTEP Australia Timor Sea Pty Limited	100	100
AC/RL6 (Audacious), AC/RL4 (exclusive of Tenacious), AC/RL5, AC/RL6 (exclusive of Audacious)	PTTEP Australia Timor Sea Pty Limited	50	50
AC/P 4 ¹⁴	PTTEP Australia Timor Sea Pty Limited	-	50
WA-396-P and WA-397-P	Woodside Energy Limited	20	20

Project	Country	Operator	Company's participating interest	
			2014	2013
Cove Energy Limited (Cove)				
Mozambique Rovuma Offshore Area 1	Mozambique	Anadarko Mozambique Area 1 Limitada	8.5	8.5
Mozambique Rovuma Onshore	Mozambique	Anadarko Mozambique Area 1 Limitada	10	10
Kenya L10 A and L10 B				
- L10 A	Kenya	BG Kenya Limited	31.25	31.25
- L10 B ¹⁵	Kenya	BG Kenya Limited	-	15
Kenya L5, L7, L11 A, L11 B and L12	Kenya	Anadarko Kenya Company	10	10
Natuna 2 B.V. (Natuna 2)				
Natuna Sea A	Indonesia	Premier Oil Natuna Sea BV	11.5	11.5
PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL)				
Bararinas AP 1 ¹⁶	Federative Republic of Brazil	BG E&P Brasil Limitada	25	-
Brazil BM-ES-23 ¹⁷	Federative Republic of Brazil	Petrobras	20	-

Project	Country	Operator	Company's participating interest	
			2014	2013
PTTEP SP Limited (PTTEP SP)				
Contract 4 (B12/27) ¹⁸	Thailand	Chevron Thailand Exploration and Production, Ltd.	15	-
Sinphuhorm (E5 North and EU-1) ¹⁸	Thailand	PTTEP SP Limited	35	-
PTTEP G7 Limited (PTTEP G7)				
Contract 4 (G7/50) ¹⁸	Thailand	Chevron Petroleum (Thailand), Ltd.	15	-

¹ On April 10, 2014, PTTEP International Limited (PTTEPI), an operator of the exploration Block L21/48 and L28/48 had received the approval of the return of the concession Block L21/48 after the fulfilment of the concession requirements for the year one of the exploration phase 3.

² On December 23, 2014, PTTEP International Limited (PTTEPI), an operator of the exploration Block A4/48 and A5/48 had submitted the notification letter to return the whole participating interests in exploration Block A4/48 and A5/48. The return will be effective after the official approval from the Department of Mineral Fuels.

³ The concession for exploration Block G6/50, in which PTTEP International Limited (PTTEPI) is a 5% holder of participating interests, was expired on December 18, 2013.

⁴ On August 12, 2014, another joint venture of Myanmar M11 Project had submitted a request to terminate its 15% participating interests. The termination was effective on October 22, 2014 based on Joint Operating Agreement. As a result, PTTEP International Limited (PTTEPI)'s participating interests in Myanmar M11 increased from 45% to 52.9412% and PTTEPI continues to be an operator of this project.

⁵ PTTEPO has shareholding in Orange Energy Limited and B8/32 Partners Limited, which hold the project's concession.

⁶ On November 28, 2014, another joint venture of the B6/27 Project, in which PTTEP Siam Limited (PTTEPS) is an operator, had terminated its 40% participating interests which was effective on January 1, 2015 based on Joint Operating Agreement. The termination is under the process of approval from the Department of Mineral Fuels.

⁷ On November 7, 2014, PTTEP Semai II Limited (PTTEP SM) and its joint ventures had submitted a request to terminate and return the exploration block of Indonesia Semai II Project after the fulfilment of the requirements of the Production Sharing Contract. The termination will be effective after receiving the official approval from the government of Indonesia.

⁸ On August 8, 2014, PTTEP South Asia Limited (PTTEP SA) had entered into the Production Sharing Contract (PSC) with Myanmar Oil and Gas Enterprise (MOGE) to obtain the exploration and production rights of Block MOGE 3 located in the Republic of the Union of Myanmar. Upon entering into the contract, PTTEP SA holds 85% participating interests and is the operator of this project.

- ⁹ On September 24, 2014, PTTEP New Zealand Limited (PTTEP NZ) had received the approval from the government of New Zealand to terminate its 18% participating interests in the New Zealand Great South Project.
- ¹⁰ On June 1, 2013, PTTEP South Mandar Limited (PTTEP SMD) had received the transfer of the participating interests in the Indonesia South Mandar Project from Talisman South Mandar B.V. As a result, the participating interests in the project increased from 34% to 50.7463%. The transfer will be effective after receiving the official approval from the government of Indonesia.
- ¹¹ On June 3, 2013, PTTEP Sadang Limited (PTTEP SD) and its joint ventures had submitted a request to terminate and return the exploration block of Indonesia Sadang Project after the fulfilment of the minimum operating requirements of exploration phase 1. The termination will be effective after receiving the official approval from the government of Indonesia.
- ¹² On September 13, 2013, PTTEP South Sageri Limited (PTTEP SS) had terminated its 20% participating interests in the Indonesia South Sageri Project. The termination was officially approved by the government of Indonesia on July 8, 2014
- ¹³ The additional information is disclosed in Note 6 to the financial statements, Restructuring of the Ownership Interests in Canada Oil Sands KKD (KKD) Project.
- ¹⁴ On September 18, 2014, PTTEP Australasia (Ashmore Cartier) Pty Ltd had submitted a request to terminate its 50% participating interests in the AC/P 4 concession block. The termination was officially approved by the government of Australia on October 29, 2014.
- ¹⁵ On May 29, 2014, Cove Energy Kenya Limited (CEKL) had been approved by the government of Kenya for the termination of the 15% participating interests in Kenya L10 B Project. The termination was effective on May 31, 2014.
- ¹⁶ On April 3, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL), had entered into an agreement with BG E&P Brasil Ltda. (BG Brasil) to farm-in and hold the 25% participating interests in the exploration blocks BAR-M-215, BAR-M-217, BAR-M-252 and BAR-M-254. The agreement had been officially approved by the Brazil's National Agency of Petroleum, Natural Gas and Biofuels (The ANP) on August 6, 2014.
- ¹⁷ On July 22, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL) had entered into an agreement to acquire the 20% participating interests in the exploration block BM-ES-23 from Shell Brasil Petroleo Ltda. (Shell Brasil). The agreement had been officially approved by the Brazil's National Agency of Petroleum, Natural Gas and Biofuels (The ANP) on October 31, 2014.
- ¹⁸ The additional information is disclosed in Note 7 to the financial statements, Acquisition.

2. Basis of Financial Statement Preparation

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

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

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

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

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

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

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

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

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

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

Thai Accounting Standard No. 1 (Revised 2012)	Presentation of financial statements
Thai Accounting Standard No. 7 (Revised 2012)	Statement of cash flows
Thai Accounting Standard No. 12 (Revised 2012)	Income taxes
Thai Accounting Standard No. 17 (Revised 2012)	Leases
Thai Accounting Standard No. 18 (Revised 2012)	Revenue
Thai Accounting Standard No. 19 (Revised 2012)	Employee benefits
Thai Accounting Standard No. 21 (Revised 2012)	The effects of changes in foreign exchange rates
Thai Accounting Standard No. 24 (Revised 2012)	Related party disclosures
Thai Accounting Standard No. 28 (Revised 2012)	Investments in associates
Thai Accounting Standard No. 31 (Revised 2012)	Interests in joint ventures
Thai Accounting Standard No. 34 (Revised 2012)	Interim financial reporting
Thai Accounting Standard No. 36 (Revised 2012)	Impairment of assets
Thai Accounting Standard No. 38 (Revised 2012)	Intangible assets
Thai Financial Reporting Standard No. 2 (Revised 2012)	Share-based payment
Thai Financial Reporting Standard No. 3 (Revised 2012)	Business combinations
Thai Financial Reporting Standard No. 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
Thai Financial Reporting Standard No. 8 (Revised 2012)	Operating segments
Thai Standing Interpretations Committee No. 15	Operating leases - incentives
Thai Standing Interpretations Committee No. 27	Evaluating the substance of transactions in the legal form of a lease
Thai Standing Interpretations Committee No. 29	Disclosure - service concession arrangements
Thai Standing Interpretations Committee No. 32	Intangible assets – web site costs
Thai Financial Reporting Interpretations Committee No. 1	Changes in existing decommissioning, restoration and similar liabilities
Thai Financial Reporting Interpretations Committee No. 4	Determining whether an arrangement contains a lease

Thai Financial Reporting Interpretations Committee No. 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
Thai Financial Reporting Interpretations Committee No. 7	Applying the restatement approach under TAS 29 financial reporting in hyper-inflationary economies
Thai Financial Reporting Interpretations Committee No. 10	Interim financial reporting and impairment
Thai Financial Reporting Interpretations Committee No. 12	Service concession arrangements
Thai Financial Reporting Interpretations Committee No. 13	Customer loyalty programmes
Thai Financial Reporting Interpretations Committee No. 17	Distributions of non-cash assets to owners
Thai Financial Reporting Interpretations Committee No. 18	Transfers of assets from customers

The implementation of the new accounting standards, new financial reporting standards, new interpretation to accounting standards and new interpretation to financial reporting standards will not have any material impact to the financial statements presented.

■ Effective for the periods beginning on or after January 1, 2015

Thai Accounting Standard No. 1 (Revised 2014)	Presentation of financial statements
Thai Accounting Standard No. 2 (Revised 2014)	Inventories
Thai Accounting Standard No. 7 (Revised 2014)	Statement of cash flows
Thai Accounting Standard No. 8 (Revised 2014)	Accounting policies, changes in accounting estimates and errors
Thai Accounting Standard No. 10 (Revised 2014)	Events after the reporting period
Thai Accounting Standard No. 11 (Revised 2014)	Construction contracts
Thai Accounting Standard No. 12 (Revised 2014)	Income taxes
Thai Accounting Standard No. 16 (Revised 2014)	Property, plant and equipment
Thai Accounting Standard No. 17 (Revised 2014)	Leases
Thai Accounting Standard No. 18 (Revised 2014)	Revenue
Thai Accounting Standard No. 19 (Revised 2014)	Employee benefits
Thai Accounting Standard No. 20 (Revised 2014)	Accounting for government grants and disclosure of government assistance
Thai Accounting Standard No. 21 (Revised 2014)	The effects of changes in foreign exchange rates
Thai Accounting Standard No. 23 (Revised 2014)	Borrowing cost
Thai Accounting Standard No. 24 (Revised 2014)	Related party disclosures
Thai Accounting Standard No. 26 (Revised 2014)	Accounting and reporting by retirement benefit plans

Thai Accounting Standard No. 27 (Revised 2014)	Separate financial statements
Thai Accounting Standard No. 28 (Revised 2014)	Investments in associates and joint ventures
Thai Accounting Standard No. 29 (Revised 2014)	Financial reporting in hyperinflationary economies
Thai Accounting Standard No. 33 (Revised 2014)	Earnings per share
Thai Accounting Standard No. 34 (Revised 2014)	Interim financial reporting
Thai Accounting Standard No. 36 (Revised 2014)	Impairment of assets
Thai Accounting Standard No. 37 (Revised 2014)	Provisions, contingent liabilities and contingent assets
Thai Accounting Standard No. 38 (Revised 2014)	Intangible assets
Thai Accounting Standard No. 40 (Revised 2014)	Investment property
Thai Financial Reporting Standard No. 2 (Revised 2014)	Share-based payment
Thai Financial Reporting Standard No. 3 (Revised 2014)	Business combinations
Thai Financial Reporting Standard No. 5 (Revised 2014)	Non-current assets held for sale and discontinued operations
Thai Financial Reporting Standard No. 6 (Revised 2014)	Exploration for and evaluation of mineral resources
Thai Financial Reporting Standard No. 8 (Revised 2014)	Operating segments
Thai Financial Reporting Standard No. 10	Consolidated financial statements
Thai Financial Reporting Standard No. 11	Joint arrangements
Thai Financial Reporting Standard No. 12	Disclosure of interests in other entities
Thai Financial Reporting Standard No. 13	Fair value measurement
Thai Standing Interpretations Committee No. 10 (Revised 2014)	Government assistance – no specific relation to operating activities
Thai Standing Interpretations Committee No. 15 (Revised 2014)	Operating leases - incentives
Thai Standing Interpretations Committee No. 25 (Revised 2014)	Income taxes – changes in the tax status of an entity or its shareholders
Thai Standing Interpretations Committee No. 27 (Revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
Thai Standing Interpretations Committee No. 29 (Revised 2014)	Service concession arrangements : Disclosures
Thai Standing Interpretations Committee No. 31 (Revised 2014)	Revenue – barter transactions involving advertising services
Thai Standing Interpretations Committee No. 32 (Revised 2014)	Intangible assets – web site costs

Thai Financial Reporting Interpretation Committee No. 1 (Revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
Thai Financial Reporting Interpretation Committee No. 4 (Revised 2014)	Determining whether an arrangement contains a lease
Thai Financial Reporting Interpretation Committee No. 5 (Revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
Thai Financial Reporting Interpretation Committee No. 7 (Revised 2014)	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
Thai Financial Reporting Interpretation Committee No. 10 (Revised 2014)	Interim financial reporting and impairment
Thai Financial Reporting Interpretation Committee No. 12 (Revised 2014)	Service concession arrangements
Thai Financial Reporting Interpretation Committee No. 13 (Revised 2014)	Customer loyalty programmes
Thai Financial Reporting Interpretation Committee No. 14	TAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction
Thai Financial Reporting Interpretation Committee No. 15 (Revised 2014)	Agreements for the construction of real estate
Thai Financial Reporting Interpretation Committee No. 17 (Revised 2014)	Distributions of non-cash assets to owners
Thai Financial Reporting Interpretation Committee No. 18 (Revised 2014)	Transfers of assets from customers
Thai Financial Reporting Interpretation Committee No. 20	Stripping costs in the production phase of a surface mine

■ Effective for the periods beginning on or after January 1, 2016

Thai Financial Reporting Standard No. 4 (Revised 2014)	Insurance contracts
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The Group's management has assessed and concluded that if these new accounting standards, new financial reporting standards, new interpretation to accounting standards and new interpretation to financial reporting standards are implemented, there will be no significant impact to the financial statements presented, except for the following group of standards;

From January 1, 2015, the Group has adopted Thai Financial Reporting Standards No. 10 "Consolidated financial statements", No. 11 "Joint arrangements" and No. 12 "Disclosure of interests in other entities", including Thai Accounting Standards No. 27 (Revised 2014) "Separate financial statements" and No. 28 (Revised 2014) "Investments in associates and joint ventures", respectively. Thai Accounting Standard No. 27 (Revised 2014) provides accounting guidance for separate financial statements while Thai Accounting Standard No. 28 (Revised 2014) provides accounting guidance for investments in associates and joint ventures accounted for using equity method.

Thai Financial Reporting Standard No. 10 has established principles of control for the determination of which entities should be included within the consolidated financial statements and will be applied to all types of entities, including structured entities. This new standard provides the guidance to determine that the investor has control over the investee once it has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its return.

Thai Financial Reporting Standard No. 11 has established an accounting principle for all joint arrangements, whereby parties to the arrangements account for their underlying contractual rights and obligations relating to the joint arrangements. Under this standard, it classifies the joint arrangements into "Joint Operations" and "Joint Ventures".

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The standard requires the entity classified as joint operation to recognize for its share of assets, liabilities, revenues and expenses relating to the joint operation, and the joint venturer to recognize its investment in joint arrangement using equity method.

Thai Financial Reporting Standard No. 12 combines and provides all the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure standard.

The Group has assessed the impact from the adoption of these standards which primarily relates to the consideration of the definition of Group's joint arrangements that are currently defined as joint operations and accounted for by recognizing their shares of assets, liabilities, revenues and expenses relating to the joint operations, but will fall under the definition of joint ventures and should be accounted for using the equity method. The Group has preliminarily concluded that the adoption of these standards will have no material impact to the result of operation and net assets, but will impact the classification of the consolidated statements of financial position, the consolidated statements of income, and of comprehensive income for the year ended December 31, 2014.

The Group estimated that the consolidated statements of financial position as at December 31, 2014 would report an increase in investments in jointly controlled entities in the amount of US Dollar 23.66 million (Baht 779.99 million) and a decrease in the proportion of assets and liabilities that the Group has currently recognized in the proportion of its joint controlled interest, principally the Group's property, plant and equipment. In the consolidated statements of income and of comprehensive income for the year then ended, the Group has recognized the relevant line items of its share of the revenue and expenses using the equity method for these arrangements instead of the proportion of joint operation.

However, this preliminary assessment is based on the current information which may be different from the final assessment. The Group is currently assessing the final impact from the adoption of these Thai financial reporting standards and revised Thai accounting standards.

4. Significant Accounting Policies

4.1 Preparation of Consolidated Financial Statements

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

Subsidiaries

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

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

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

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

A list of subsidiaries is set out in Note 16.

Associates

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

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

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

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

A list of associates is set out in Note 16.

Joint Ventures

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

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

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

For details of jointly controlled entities and jointly controlled assets, please refer to Note 16 and Note 1, respectively.

Related Parties

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

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

4.2 Foreign Currency Translation

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

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

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

4.3 Cash and Cash Equivalents

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

4.4 Investments in Trading Securities

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

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

4.5 Trade Accounts Receivable

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

4.6 Inventories

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

4.7 Materials and Supplies

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

4.8 Investments in Available-For-Sale Securities

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

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is recognized in the statement of income.

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

4.9 Financing Costs

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

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

When borrowings are incurred for specific construction or production of qualifying assets, the borrowing costs which are capitalized as part of the cost of the respective assets are borrowing costs incurred during the year less income earned from temporary investment of such borrowings.

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

4.10 Property, Plant and Equipment

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

■ Oil and Gas Properties

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

Cost of Properties

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

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

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

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

Depreciation, Depletion and Amortization

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

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

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

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

■ **Pipelines and Others**

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

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

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

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

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

Repair and maintenance costs are recognized as expenses when incurred.

4.11 Carried Costs under Petroleum Sharing Contract

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

The Group classifies the carried costs based on petroleum activities under the Successful Efforts Method. The majority of them are recognized in oil and gas properties in the statement of financial position and exploration expenses in the statement of income. (For details, please refer to Note 18.)

4.12 Goodwill

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

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

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

4.13 Intangible Assets

- **Probable Reserves**

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

- **Other Intangible Assets**

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

- **Exploration and Evaluation Assets**

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

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

4.14 Impairment of Assets

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

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

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

4.15 Deferred Taxes

Current income tax

The Group is taxed on its non-promoted businesses pursuant to the Revenue Code of Thailand, the Petroleum Income Tax Act, B.E. 2514 (1971) with an amendment B.E. 2532 (1989), and other applicable laws and regulation in the countries where the Group has investments.

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

Deferred tax

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

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

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

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

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

4.16 Deferred Remuneration under Agreement

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

4.17 Borrowings

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

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

4.18 Leases

■ Leases - where a Group company is the lessee

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

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

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

■ Leases - where a Group company is the lessor

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

4.19 Employee Benefits

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

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

This obligation in respect of employees' retirement benefits is presented in the statement of financial position under the provision for employee benefits as discussed in Note 27.

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

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

From January 1, 2014, the Group has changed the accounting policy for the recognition of gain and loss from changes in actuarial assumption under Thai Accounting Standard No.19 (revised 2012) "Employee benefits". The Group has changed the recognition of the portion of gain and loss resulted from the changes in actuarial assumption from recognition the excess of the greater of 10% of present value of employee benefit obligations (as administrative revenues or expenses) to recognition the total amount of actuarial gain or loss to the other comprehensive income (which is immediately recognized in the retained earnings).

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The Group has retrospectively adjusted for the change in the accounting policy. The impacts to the consolidated and the Company's financial statements are as follows:

	Unit : US Dollar		Unit : Baht	
	Consolidated		Consolidated	
	December 31,	January 1,	December 31,	January 1,
	2013	2013	2013	2013
Statement of Financial Position				
Increase in deferred tax assets	24,997	25,766	820,257	789,266
Decrease in deferred tax liabilities	(9,636,481)	(10,639,740)	(316,207,304)	(325,912,401)
Increase in employee benefit obligations	19,360,824	21,373,600	635,297,688	654,707,822
Decrease in retained earnings	(9,704,066)	(10,708,094)	(297,115,601)	(328,006,155)
Increase (decrease) in other components of shareholders' equity	4,720	-	(21,154,526)	-
Decrease in shareholders' equity	(9,699,346)	(10,708,094)	(318,270,127)	(328,006,155)

	Unit : US Dollar		Unit : Baht	
	The Company		The Company	
	December 31,	January 1,	December 31,	January 1,
	2013	2013	2013	2013
Statement of Financial Position				
Decrease in deferred tax liabilities	(9,636,481)	(10,639,740)	(316,207,304)	(325,912,401)
Increase in employee benefit obligations	19,272,962	21,279,480	632,414,607	651,824,803
Decrease in retained earnings	(9,636,481)	(10,639,740)	(295,045,487)	(325,912,402)
Decrease in other components of shareholders' equity	-	-	(21,161,816)	-
Decrease in shareholders' equity	(9,636,481)	(10,639,740)	(316,207,303)	(325,912,402)

	Unit : US Dollar	Unit : Baht
	Consolidated	Consolidated
	December 31, 2013	December 31, 2013
Statement of Comprehensive Income		
for the Year Ended		
Decrease in administrative expenses	(627,323)	(19,356,789)
Decrease in loss on foreign exchange	(1,380,733)	(42,424,320)
Increase in income tax expenses	1,004,028	30,890,555
Increase in profit for the year	1,004,028	30,890,554
Increase in basic earnings per share	-	0.01
Increase in diluted earnings per share	-	0.01

	Unit : US Dollar	Unit : Baht
	The Company	The Company
	December 31, 2013	December 31, 2013
Statement of Comprehensive Income		
for the Year Ended		
Decrease in administrative expenses	(627,323)	(19,356,789)
Decrease in loss on foreign exchange	(1,379,195)	(42,377,040)
Increase in income tax expenses	1,003,259	30,866,914
Increase in profit for the year	1,003,259	30,866,915
Increase in basic earnings per share	-	0.01
Increase in diluted earnings per share	-	0.01

4.20 Capital Risk Management

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

4.21 Reserve for Expansion

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

4.22 Income Recognition

Sales are recognized upon delivery of products and customer acceptance.

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

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

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

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

Under the Gas Sales Agreements, the Group has obligations to supply minimum quantities of gas to a customer in each contract year. If in any contract year, the customer has not taken the minimum quantities of gas according to the Gas Sales Agreements, customer shall pay for quantities of gas not taken (Take-or-Pay). If the customer is unable to take the minimum contracted quantities in a given year, the volume of gas that the customer has paid for but has not taken in that year (Make-up) can be taken free of charge in subsequent years. Payments received in advance under these agreements are recognized as deferred income. This deferred income is recognized in the statement of income when the gas is subsequently taken. (For details, please refer to Note 30)

The Group made prepayments to the government of the Republic of the Union of Myanmar for royalty related to cash received in advance under the Take-or-Pay Agreement. The prepayment will be expensed when the gas is subsequently taken by the customers. (For details, please refer to Note 22)

4.24 Income Taxes

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

- Current period tax which is calculated in accordance with the Petroleum Income Tax Act, B.E. 2514 and Amendment B.E. 2532 and the Revenue Code
- Corporate income tax in the Republic of the Union of Myanmar
- Income tax from the Petroleum business in the Malaysia – Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541
- Corporate income tax in the Socialist Republic of Vietnam
- Corporate income tax in Australia
- Petroleum resource rent tax in Australia
- Corporate income tax in the Sultanate of Oman
- Corporate income tax in Canada
- Corporate income tax in the Netherlands
- Corporate income tax in the Republic of Kenya
- Corporate income tax in the Republic of Mozambique
- Corporate income tax in Indonesia
- Corporate income tax in the Federative Republic of Brazil
- Deferred taxes, which are calculated as disclosed in Note 21.

4.25 Earnings per Share

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

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

4.26 Segment Reporting

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

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

4.27 Financial Instruments

Financial assets and financial liabilities

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

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

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

Impairment of financial assets

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

Derivative financial instruments and hedging

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

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

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

5. Major Estimates and Assumptions

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

Estimate for Oil and Gas Reserves

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

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

Exploration Costs

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

Impairment of Assets

The Company assessed the impairment of assets based on the estimate using the discounted future cash flows. The expected future cash flows are based on management's estimates in relation to the future selling price, demand and supply in the market, margin rate and estimated future production volume. The Group used the expected future production volumes for impairment testing because the Group believes this is the most appropriate indicator of expected future cash flows, used as a measurement of value in use. The discounted rate for the impairment testing reflects the current market assessment of the time value of money and the risk specific to the assets for which the future cash flow estimates have not been adjusted.

Goodwill and Intangible Assets

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

Income Tax

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

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

Lease

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

Employee Retirement Plans

The Group's obligation regarding the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to the Company and subsidiaries in the current and in future periods. The calculation is performed by an independent actuary using the Projected Unit Credit Method and the relevant assumptions which include financial and demographic assumptions as disclosed in Note 27.

When the benefits under the plans change, the portion of the increased benefits relating to the past services of employees is recognized in the statement of comprehensive income in the period the change occurred.

Provisions

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

Provision for Decommissioning Costs

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

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

Provision for Remuneration for the Renewal of Petroleum Production

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

6. Restructuring of the Ownership Interests in Canada Oil Sands KKD (KKD) Project

On January 30, 2014, PTTEP Canada Limited (PTTEP CA), a subsidiary of the Company, had signed a Partnership Units Redemption Agreement (PURA) with Statoil Canada Limited, a joint venture partner of Canada Oil Sands KKD (KKD) Project, to restructure the ownership interests of the five areas of the KKD Project, whereby PTTEP CA exchanged its 40% participating interests in Leismer and Corner (L&C) areas with the 60% participating interests in Thounbury, Hangingstone and South Leismer (THSL) areas (Mariana Oil Sands project).

On May 28, 2014, PTTEP CA had fulfilled all the terms and conditions as prescribed in the PURA and the government of Canada had approved the transaction, therefore the Company became the owner of 100% participating interests and the sole operator in THSL areas, and received cash of US Dollar 200 million (Baht 6,558 million) and net cash of US Dollar 219 million (Baht 7,195 million) derived from the price adjustment to reflect the exchange value of the ownership interests.

The Company recognized the intangible assets of US Dollar 1,546 million (Baht 50,694 million) from the acquisition of 60% participating interests in THSL areas and recognized gain from the restructuring of the ownership interests in KKD Project of US Dollar 25 million (Baht 819 million) as other income in the consolidated financial statements. During the second quarter of 2014, the Company also recognized revenue from sale of bitumen of US Dollar 56 million (Baht 1,816 million) and cash call for KKD Project of US Dollar 41 million (Baht 1,338 million), as parts of other income and other expenses, respectively. Moreover, the Company received the additional net cash from the calculation of the exchange value of the ownership interests under the PURA in amount of US Dollar 7 million (Baht 223 million) which was recognized as parts of other income in the consolidated financial statements for the year ended December 31, 2014.

7. Acquisition

On April 22, 2014, PTTEP Offshore Investment Company Limited and PTTEP International Limited, subsidiaries of the Group, had signed the Share Purchase Agreement (SPA) to acquire 100% equity stakes in Hess Thailand Holdings II Limited (HTH) and Hess Exploration Thailand Company Limited (HETCL), Hess Corporation's subsidiaries.

The transaction of HTH was completed on April 22, 2014. As a result, the Company's participating interests in Block B12/27 of Contract 4 Project and Block EU-1 and Block E5 North of Sindhuhorm Project increased by 15% and 35%, respectively. Also, the transaction of HETCL was completed on May 28, 2014, which made the Company's participating interests in Block G7/50 of Contract 4 Project increased by 15%. The Group has become the operator of Sindhuhorm Project after the acquisition.

Subsequently, the Company changes name of HTH and HETCL to Sindhuhorm Holdings Limited and PTTEP G7 Limited, respectively.

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

Hess Thailand Holdings II Limited (HTH)

	Unit : Million US Dollar	Unit : Million Baht
	Fair Value	Fair Value
Cash and cash equivalents	194.01	6,265.29
Account receivable – parent company	54.19	1,750.07
Other accounts receivable	0.09	2.92
Inventories	0.49	15.86
Materials and supplies, net	8.80	284.07
Working capital from co-venturers	8.58	277.02
Other current assets	0.34	10.97
Property, plant and equipment, net	590.18	19,059.00
Intangible assets, net	350.97	11,333.93
Other non-current assets	0.08	2.57

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	Unit : Million US Dollar	Unit : Million Baht
	Fair Value	Fair Value
Trade accounts payable	0.01	0.48
Working capital to co-venturers	0.0005	0.02
Accrued expenses	(43.42)	(1,402.38)
Income tax payable	(120.64)	(3,896.01)
Other current liabilities	(1.97)	(63.79)
Deferred tax liabilities	(61.60)	(1,989.19)
Provision for decommissioning costs	(52.52)	(1,696.00)
Net assets	927.59	29,954.83
<u>Less</u> Deferred tax liabilities from the accounting impact	(365.22)	(11,794.20)
Goodwill	443.53	14,323.19
Total consideration transferred	1,005.90	32,483.82

Hess Exploration Thailand Company Limited (HETCL)

	Unit : Million US Dollar	Unit : Million Baht
	Fair Value	Fair Value
Cash and cash equivalents	0.49	16.09
Other current assets	0.08	2.54
Intangible assets, net	0.61	19.95
Accrued expenses	(0.01)	(0.19)
Net assets	1.17	38.39
Goodwill	0.27	8.63
Total consideration transferred	1.44	47.02

Goodwill from HTH business acquisition of US Dollar 443.53 million (Baht 14,323.19 million) was primarily derived from the recognition of deferred tax liabilities of US Dollar 365.22 million (Baht 11,794.20 million) which represents the differences between the assigned fair value and the tax based of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value. The remaining goodwill balance of US Dollar 78.31 million (Baht 2,528.99 million) represents the future benefits that the Company expects to receive from entering into the project which aligns with the Company's strategy to increase the production volumes in the future.

Goodwill from HETCL business acquisition of US Dollar 0.27 million (Baht 8.63 million) represents the future benefits that the Company expects to receive from entering into the project which aligns with the Company's strategy to increase the production volumes in the future.

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

8. Cash and Cash Equivalents

Cash and cash equivalents comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Cash on hand and at banks	2,598.55	1,637.06	85,655.99	53,717.79
Cash equivalents				
- Fixed deposits	1,334.17	676.59	43,978.34	22,201.33
- Treasury bills	3.20	43.39	105.44	1,423.70
Total	3,935.92	2,357.04	129,739.77	77,342.82

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Cash on hand and at banks	1,876.01	1,051.47	61,839.01	34,502.41
Cash equivalents				
- Fixed deposits	1,001.07	676.59	32,998.24	22,201.33
Total	2,877.08	1,728.06	94,837.25	56,703.74

The interest rate on saving deposits held at call with banks for the year ended December 31, 2014 is between 0.00% – 2.05% per annum (during the year 2013 : interest rate is between 0.00% – 2.55% per annum).

The interest rate on fixed deposits with banks for the year ended December 31, 2014 is between 0.65% – 10.39% per annum (during the year 2013 : interest rate is between 0.48% – 4.57% per annum).

The interest rate on treasury bills for the year ended December 31, 2014 is between 1.979% – 2.19% per annum (during the year 2013 : interest rate is between 2.39% – 2.70% per annum).

9. Investments in Trading Securities

Movements in the investments in trading securities for the year are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	0.143	4.687
Gain on changes in fair value	0.034	1.087
Currency translation differences	(0.001)	0.028
Balance as at December 31, 2014	0.176	5.802

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	0.137	4.499
Gain on changes in fair value	0.033	1.043
Currency translation differences	(0.001)	0.028
Balance as at December 31, 2014	0.169	5.570

10. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Sales of petroleum products	613.89	864.01	20,235.51	28,351.29
Gas pipeline construction service	30.10	30.24	992.35	992.35
Total	643.99	894.25	21,227.86	29,343.64

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Sales of petroleum products	266.50	535.76	8,784.64	17,579.97
Gas pipeline construction service	30.10	30.24	992.35	992.35
Total	296.60	566.00	9,776.99	18,572.32

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Not yet due	600.24	843.51	19,785.75	27,678.69
Past due				
- Up to 3 months	1.18	3.78	38.98	124.06
- 3 - 6 months	2.26	-	74.41	-
- Over 6 months	40.31	46.96	1,328.72	1,540.89
Total	643.99	894.25	21,227.86	29,343.64

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Not yet due	293.64	532.71	9,679.33	17,480.14
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	2.96	33.29	97.66	1,092.18
Total	296.60	566.00	9,776.99	18,572.32

11. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Binh Son Refining & Petrochemical Co.,Ltd.	18.72	8.84	617.15	290.00
Chevron Product Company	-	6.25	-	205.19
Ministry of Oil and Gas (Oman)	-	1.31	-	42.95
Mobil Oil Australia Pty Ltd.	5.72	9.58	188.54	314.52
Myanmar Oil and Gas Enterprise	100.89	39.48	3,325.67	1,295.44
Myanmar Petrochemical Enterprise	2.75	-	90.66	-
Perusahaan Gas Negara	0.12	-	4.06	-
Petro Diamond Co.,Ltd	-	6.65	-	218.24
Petrobras Singapore Private Limited	-	6.25	-	205.12
SembCorp Gas Pte. Ltd	5.76	8.51	189.77	279.33
Star Petroleum Refining Co., Limited	9.32	10.57	307.18	346.76
Statoil Canada Limited	-	19.24	-	631.23
Unipet Asia Co.,Ltd.	8.51	27.99	280.45	918.42
Vietnam National Oil and Gas Group	0.99	5.95	32.64	195.20
Electricity Generating Authority of Thailand	1.53	1.41	50.26	46.39
Others	0.06	0.11	2.00	3.46
Total	154.37	152.14	5,088.38	4,992.25

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Star Petroleum Refining Co., Limited	1.53	3.37	50.54	110.58
Electricity Generating Authority of Thailand	0.38	0.35	12.57	11.60
Others	0.02	0.03	0.50	0.87
Total	1.93	3.75	63.61	123.05

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Not yet due	153.26	145.89	5,051.89	4,787.13
Past due				
- Up to 3 months	-	6.25	-	205.12
- 3 - 6 months	-	-	-	-
- Over 6 months	1.11	-	36.49	-
Total	154.37	152.14	5,088.38	4,992.25

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Not yet due	1.93	3.75	63.61	123.05
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- Over 6 months	-	-	-	-
Total	1.93	3.75	63.61	123.05

12. Materials and Supplies, Net

Materials and supplies, net comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Materials and supplies-at cost	367.50	329.22	12,114.00	10,802.82
Provision for obsolescence	(2.43)	(1.41)	(80.07)	(46.30)
Materials and supplies, net	365.07	327.81	12,033.93	10,756.52

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Materials and supplies-at cost	126.90	116.55	4,183.17	3,824.45
Provision for obsolescence	(1.58)	(0.61)	(52.09)	(19.99)
Materials and supplies, net	125.32	115.94	4,131.08	3,804.46

13. Other Current Assets

Other current assets comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Prepaid expenses	54.47	48.76	1,795.34	1,599.92
Accrued income	13.72	5.44	452.25	178.69
Withholding tax and VAT	11.94	11.06	393.65	362.92
Refundable income tax	53.61	38.67	1,767.18	1,268.87
Receivable from entering into the derivative contract	86.11	-	2,838.50	-
Others	17.70	42.31	583.47	1,388.23
Total	237.55	146.24	7,830.39	4,798.63

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Prepaid expenses	22.91	24.45	755.15	802.20
Accrued income	4.10	7.85	135.06	257.79
Withholding tax and VAT	3.06	2.92	101.16	95.76
Refundable income tax	18.03	18.04	594.27	591.93
Others	3.48	4.83	114.74	158.51
Total	51.58	58.09	1,700.38	1,906.19

14. Investments in Available-For-Sale Securities

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

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	1.66	54.46
Unrealised loss on investments in available-for- sales securities	(0.71)	(22.99)
Foreign exchange differences	(0.05)	(1.72)
Currency translation differences	-	(0.08)
Balance as at December 31, 2014	0.90	29.67

15. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

15.1 Revenues and Expenses with Related Parties

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	6,405.35	5,978.42	207,925.41	183,717.88
Amortization of deferred remuneration under agreement	1.76	1.76	57.09	52.48
Subsidiaries, associates and jointly controlled entities				
Interest income	0.66	0.91	21.42	27.27
Rental and service expenses	17.19	22.58	558.25	693.72
Information technology and communication expenses	17.54	19.24	569.59	591.26
Director and senior management				
Director's remuneration	2.37	2.60	77.21	79.24
Senior management's remuneration *	3.69	3.59	119.98	108.53

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	3,458.53	3,722.49	112,315.38	114,292.06
Amortization of deferred remuneration under agreement	1.76	1.76	57.09	52.48
Subsidiaries, associates and jointly controlled entities				
Interest income	154.15	135.03	5,006.98	4,233.62
Management and service fees	0.32	0.32	10.51	9.95
Rental and service expenses	17.19	22.58	558.25	693.72
Information technology and communication expenses	17.54	19.24	569.59	591.26
Director and senior management				
Director's remuneration	2.37	2.60	77.21	79.24
Senior management's remuneration *	3.69	3.59	119.98	108.53

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

15.2 Short-term Loans to Related Parties

Short-term loans to related parties comprised:

Loans to	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Subsidiaries				
PTTEP Offshore Investment Company Limited	52.39	-	1,726.98	-
PTTEP Services Limited	7.66	-	252.49	-
Total	60.05	-	1,979.47	-

15.3 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Associates				
Energy Complex Company Limited	17.60	17.68	580.00	580.00
Total	17.60	17.68	580.00	580.00

Loans to	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Subsidiaries				
PTTEP International Limited	1,016.94	940.34	33,521.38	30,856.04
PTTEP Services Limited	-	4.77	-	156.58
PTTEP Offshore Investment Company Limited	5,244.23	4,665.84	172,866.05	153,102.84
Associates				
Energy Complex Company Limited	17.60	17.68	580.00	580.00
Total	6,278.77	5,628.63	206,967.43	184,695.46

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

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	17.68	580.00
Foreign exchange differences	(0.08)	(2.60)
Currency translation differences	-	2.60
Balance as at December 31, 2014	17.60	580.00

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	5,628.63	184,695.46
Addition	2,553.44	82,935.02
Repayment	(1,898.13)	(61,650.71)
Foreign exchange differences	(5.17)	(167.92)
Currency translation differences	-	1,155.58
Balance as at December 31, 2014	6,278.77	206,967.43

The Company has provided loans to subsidiaries for the year ended December 31, 2014 with an interest rate between 0.70% – 4.40% per annum (during the year 2013: interest rate is between 0.65% – 4.02% per annum). The subsidiaries shall occasionally repay the loans. In addition, the Company has provided loans to an associate for the year ended December 31, 2014 with an interest rate between 3.55% – 4.10% per annum (during the year 2013: interest rate is 4.25% per annum).

15.4 Short-term Loans from Related Parties

Short-term loans from related parties comprised:

	Unit : Million US Dollar		Unit : Million Baht	
Loans from	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Subsidiaries				
PTTEP International Limited	151.81	-	5,004.16	-
Total	151.81	-	5,004.16	-

16. Investments in Subsidiaries, Associates and Jointly Controlled Entities

16.1 Details of subsidiaries, associates and jointly controlled entities

Company name	Registered country	Type of business	Participating interest (including indirect holding)	
			2014	2013
<u>Subsidiary Companies</u>				
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	100	100
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	100	100
PTTEP Services Limited (PTTEP Services)	Thailand	Human resource support	100	100
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	100	100
PTTEP MEA Limited (PTTEP MEA)	Cayman Islands	Petroleum	100	100
PTTEP HK Holding Limited (PTTEP HK)	Hong Kong	Petroleum	100	100
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	100	100
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	100	100
PTTEP Hoang-Long Company Limited (PTTEP HL) ¹	Cayman Islands	Petroleum	100	100
PTTEP Hoan-Vu Company Limited (PTTEP HV) ²	Cayman Islands	Petroleum	100	100
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	100	100
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	100	100
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	100	100
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	100	100
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	100	100
PTTEP Andaman Limited (PTTEPA)	Thailand	Petroleum	-	100
PTTEP Africa Investment Limited (PTTEP AI)	Cayman Islands	Petroleum	100	100
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	100	100
PTTEP Australia Pty Limited (PTTEP AU)	Australia	Petroleum	100	100
PTTEP Australia Offshore Pty Limited (PTTEP AO)	Australia	Petroleum	100	100
PTTEP South Asia Limited (PTTEP SA)	Cayman Islands	Petroleum	100	100
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	100	100
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	100	100
PTTEP Australia Perth Pty Limited (PTTEP AP)	Australia	Petroleum	100	100
PTTEP Australia Browse Basin Pty Limited (PTTEP AB)	Australia	Petroleum	100	100
PTTEP Australia International Finance Pty Limited (PTTEP AIF)	Australia	Investment funding for the Group's business	100	100
PTTEP Australasia Pty Limited (PTTEP AA)	Australia	Petroleum	100	100

Company name	Registered country	Type of business	Participating interest (including indirect holding)	
			2014	2013
<u>Subsidiary Companies (Continued)</u>				
PTTEP Australia Timor Sea Pty Limited (PTTEP AT)	Australia	Petroleum	100	100
PTTEP Australasia (Finance) Pty Limited (PTTEP AAF)	Australia	Petroleum	100	100
PTTEP Australasia (Petroleum) Pty Limited (PTTEP AAP)	Australia	Petroleum	100	100
Tullian Pty Limited (PTTEP AAT)	Australia	Petroleum	100	100
PTTEP Australasia (Operations) Pty Limited (PTTEP AAO)	Australia	Petroleum	100	100
PTTEP Australasia (Ashmore Cartier) Pty Limited (PTTEP AAA)	Australia	Petroleum	100	100
PTTEP Australasia (Staff) Pty Limited (PTTEP AAS)	Australia	Petroleum	100	100
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	100	100
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	100	100
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	100	100
JV Shore Base Limited (JV Shore Base)	Cayman Islands	Petroleum	100	100
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	100	100
JV Marine Limited (JV Marine)	Cayman Islands	Petroleum	100	100
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	100	100
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	100	100
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	100	100
PTTEP Malunda Limited (PTTEP ML)	Cayman Islands	Petroleum	100	100
PTTEP Netherlands Coöperatie U.A. (PTTEP NC)	Netherlands	Petroleum	100	100
PTTEP Canada Limited (PTTEP CA)	Canada	Petroleum	100	100
PTTEP Canada International Finance Limited (PTTEP CIF)	Canada	Investment funding for the Group's business	100	100
Cove Energy Limited (Cove)	England	Petroleum	100	100
Cove Energy Mozambique Rovuma Onshore Limited (CEMROL)	Cyprus	Petroleum	100	100
Cove Energy East Africa Limited (CEEAL)	Cyprus	Petroleum	100	100
Cove Energy Mozambique Rovuma Offshore Limited (CEMROFL)	Cyprus	Petroleum	100	100
Cove Mozambique Terra Limitada (CMTL)	Mozambique	Petroleum	100	100
Cove Mozambique Energia Limitada (CMEL)	Mozambique	Petroleum	100	100
Cove Energy Kenya Limited (CEKL)	Kenya	Petroleum	100	100
PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH)	Netherlands	Petroleum	100	100
PTTEP Brazil Investment B.V. (PTTEP BI)	Netherlands	Petroleum	100	100

Company name	Registered country	Type of business	Participating interest (including indirect holding)	
			2014	2013
<u>Subsidiary Companies (Continued)</u>				
PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL)	Federative Republic of Brazil	Petroleum	100	100
Sinphuhorm Holdings Limited (SHL) ³	Cayman Islands	Petroleum	100	-
PTTEP SP Limited (PTTEP SP) ³	England	Petroleum	100	-
PTTEP G7 Limited (PTTEP G7) ³	Thailand	Petroleum	100	-
<u>Associated Companies</u>				
Energy Complex Company Limited (EnCo)	Thailand	Property rental services	50	50
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Information technology and communication services	20	20
PTTEP AP Group's Associates ⁴	Australia	Platform and air base services	50	50
UAQ Petroleum Limited (UAQ)	Hong Kong	Petroleum	30	30
<u>Jointly Controlled Entities</u>				
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	50	50
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	25.50	25.50
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	19.3178	19.3178
Orange Energy Limited (Orange)	Thailand	Petroleum	53.9496	53.9496
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	25.0009	25.0009
PTT FLNG Limited (PTT FLNG)	Hong Kong	Produce and sale of petroleum product	50	50
Erawan 2 FSO Bahamas Limited (Erawan 2) ⁵	Bahamas	FSO rental services	13.11	13.11
KKD Oil Sands Partnership (KOSP) ⁶	Canada	Petroleum	-	40

Company name	Registered country	Type of business	Participating interest (including indirect holding)	
			2014	2013
<u>Jointly Controlled Entities (Continued)</u>				
Leismer Aerodrome Limited (LAL)	Canada	Airports and flying field services	32	32
Groupeement Bir Seba (GBRS)	Algeria	Petroleum	35	35
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	80	80
NST Supply Base Company Limited (NST)	Thailand	Petroleum supply base, port and warehouse	15.67	15.67
Natuna 2 B.V. (Natuna 2)	Netherlands	Petroleum	50	50

¹ has shareholding in Hoang-Long Joint Operating Company 28.5%

² has shareholding in Hoan-Vu Joint Operating Company 25%

³ The additional information is disclosed in Note 7 to the financial statements, Acquisition.

⁴ PTTEP AP's group associates are Mungalalu Truscott Airbase Pty Ltd. and Troughton Island Pty Ltd.

⁵ has shareholding in Asia Pacific Marine Services (EF) B.V. 100%

⁶ The additional information is disclosed in Note 6 to the financial statements, Restructuring of the Ownership Interests in Canada Oil Sands KKD (KKD) Project.

16.2 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

	Cost method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
PTTEP International Limited	516.38	516.38	-	-
PTTEP Services Limited	0.01	0.01	-	-
PTTEP Siam Limited	99.79	99.79	47.29	175.69
PTTEP Offshore Investment Company Limited	0.005	0.005	-	-
PTTEP MEA Limited	0.05	0.05	-	-
PTTEP HK Holding Limited	0.0003	0.0003	-	-
Total	616.24	616.24	47.29	175.69

Unit : Million Baht

	Cost method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
PTTEP International Limited	17,021.58	16,944.39	-	-
PTTEP Services Limited	0.21	0.21	-	-
PTTEP Siam Limited	3,289.41	3,274.49	1,495.52	5,610.00
PTTEP Offshore Investment Company Limited	0.17	0.17	-	-
PTTEP MEA Limited	1.65	1.64	-	-
PTTEP HK Holding Limited	0.01	0.01	-	-
Total	20,313.03	20,220.91	1,495.52	5,610.00

16.3 Investments in Associates

Investments in associates accounted for using the equity method for the consolidated financial statements are as follows:

Unit : Million US Dollar

	Cost method		Equity method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013	2014	2013
Energy Complex Company Limited	24.79	24.79	27.57	27.12	0.84	-
PTT ICT Solutions Company Limited	0.79	0.79	5.17	4.15	0.37	0.51
PTTEP AP group's associates	1.50	1.50	6.36	5.57	-	-
UAQ Petroleum Limited	0.0004	0.0004	0.0004	0.0004	-	-
Total	<u>27.08</u>	<u>27.08</u>	<u>39.10</u>	<u>36.84</u>	<u>1.21</u>	<u>0.51</u>

Unit : Million Baht

	Cost method		Equity method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013	2014	2013
Energy Complex Company Limited	817.13	813.43	908.58	890.04	27.47	-
PTT ICT Solutions Company Limited	25.98	25.86	170.43	136.06	12.00	15.00
PTTEP AP group's associates	49.36	49.14	209.73	182.82	-	-
UAQ Petroleum Limited	0.01	0.01	0.01	0.01	-	-
Total	<u>892.48</u>	<u>888.44</u>	<u>1,288.75</u>	<u>1,208.93</u>	<u>39.47</u>	<u>15.00</u>

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

Unit : Million US Dollar

	Cost method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Energy Complex Company Limited	24.79	24.79	0.84	-
PTT ICT Solutions Company Limited	0.79	0.79	0.37	0.51
Total	25.58	25.58	1.21	0.51

Unit : Million Baht

	Cost method		Dividends for the years ended	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Energy Complex Company Limited	817.13	813.43	27.47	-
PTT ICT Solutions Company Limited	25.98	25.86	12.00	15.00
Total	843.11	839.29	39.47	15.00

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

Unit : Million US Dollar

	EnCo		ICT		PTTEP AP Group's Associates	
	2014	2013	2014	2013	2014	2013
Assets	102.55	110.66	15.36	11.86	8.34	4.91
Liabilities	73.04	81.44	9.69	7.23	2.15	0.92
Income	19.15	22.27	18.61	15.43	4.87	5.13
Gains	1.29	2.99	1.46	1.43	1.68	2.12

Unit : Million Baht

	EnCo		ICT		PTTEP AP Group's Associates	
	2014	2013	2014	2013	2014	2013
Assets	3,380.39	3,631.06	506.15	389.27	274.90	161.05
Liabilities	2,407.63	2,672.49	319.50	237.33	70.76	30.06
Income	622.07	684.21	604.58	474.12	158.07	157.61
Gains	41.77	91.75	47.53	43.93	54.67	65.03

16.4 Investments in Subsidiaries and Associates

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Balance as at January 1	36.84	31.20	1,208.93	955.63
Share of net gain from investments				
after income taxes	3.47	6.15	112.38	190.41
Dividends received from associates	(1.21)	(0.51)	(39.47)	(15.00)
Increase in investment	-	0.0004	-	0.01
Currency translation differences	-	-	6.91	77.88
Balance as at December 31	39.10	36.84	1,288.75	1,208.93

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Balance as at January 1	641.82	641.82	21,060.20	19,659.77
Increase in investment	-	0.0003	-	0.01
Currency translation differences	-	-	95.94	1,400.42
Balance as at December 31	641.82	641.82	21,156.14	21,060.20

16.5 Investments in Jointly Controlled Entities

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

Unit : Million US Dollar										
	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :										
Current assets	0.24	0.09	40.79	41.57	26.84	28.19	105.85	133.08	10.23	24.30
Non-current assets	-	-	62.38	67.15	36.17	38.45	249.02	184.58	86.16	64.42
Current liabilities	(0.19)	(0.04)	(1.34)	(0.54)	(7.20)	(4.09)	(34.67)	(53.85)	(12.29)	(15.49)
Non-current liabilities	-	-	(33.41)	(35.33)	(11.98)	(12.76)	(187.85)	(107.68)	(60.32)	(33.40)
Net assets	0.05	0.05	68.42	72.85	43.83	49.79	132.35	156.13	23.78	39.83

Unit : Million US Dollar										
	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :										
Current assets	0.07	1.01	4.63	4.50	-	96.01	0.89	1.31	2.51	20.85
Non-current assets	0.01	0.01	21.48	21.64	-	2,668.09	4.86	5.34	-	-
Current liabilities	(2.63)	(9.74)	(0.39)	(0.35)	-	(71.13)	(0.16)	(0.13)	(2.51)	(20.85)
Non-current liabilities	-	(9.50)	(3.10)	(2.00)	-	(529.87)	-	-	-	-
Net assets	(2.55)	(18.22)	22.62	23.79	-	2,163.10	5.59	6.52	-	-

(TRANSLATION)

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Unit : Million US Dollar

	ATL		NST		Natuna 2 B.V.	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :						
Current assets	80.61	6.92	0.93	1.41	24.52	51.15
Non-current assets	694.69	566.27	-	-	411.31	414.67
Current liabilities	(43.76)	(66.22)	-	(0.53)	(19.01)	(81.00)
Non-current liabilities	(674.22)	(528.42)	-	-	(122.33)	(116.95)
Net assets	<u>57.32</u>	<u>(21.45)</u>	<u>0.93</u>	<u>0.88</u>	<u>294.49</u>	<u>267.87</u>

(TRANSLATION)

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Unit : Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
					For the years ended					
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :										
Revenues	-	-	178.94	188.55	99.01	128.21	223.27	243.66	91.03	96.35
Expenses	-	-	(9.34)	(8.79)	(6.64)	(6.68)	(135.94)	(129.99)	(47.94)	(44.63)
Profit (loss) before income taxes	-	-	169.60	179.76	92.37	121.53	87.33	113.67	43.09	51.72
Income taxes	-	-	(42.49)	(35.75)	(23.25)	(29.88)	(43.67)	(61.04)	(21.44)	(27.08)
Net profit (loss)	-	-	127.11	144.01	69.12	91.65	43.66	52.63	21.65	24.64

Unit : Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
					For the years ended					
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :										
Revenues	16.30	0.06	4.07	4.07	68.32	276.69	1.19	2.16	-	-
Expenses	(0.64)	(1.44)	(1.29)	(1.31)	(74.67)	(326.23)	(1.59)	(1.57)	-	-
Profit (loss) before income taxes	15.66	(1.38)	2.78	2.76	(6.35)	(49.54)	(0.40)	0.59	-	-
Income taxes	-	-	(0.02)	(0.02)	-	12.35	-	-	-	-
Net profit (loss)	15.66	(1.38)	2.76	2.74	(6.35)	(37.19)	(0.40)	0.59	-	-

(TRANSLATION)

74

Unit : Million US Dollar

	ATL		NST		Natuna 2 B.V.	
			For the years ended			
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :						
Revenues	132.80	-	-	-	108.27	7.74
Expenses	(54.03)	(9.10)	0.05	(0.70)	(55.62)	(3.52)
Profit (loss) before income taxes	78.77	(9.10)	0.05	(0.70)	52.65	4.22
Income taxes	-	-	-	-	(26.04)	(2.36)
Net profit (loss)	78.77	(9.10)	0.05	(0.70)	26.61	1.86

(TRANSLATION)

75

Unit : Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :										
Current assets	7.87	2.80	1,344.53	1,364.10	884.78	925.15	3,489.20	4,366.92	337.15	797.50
Non-current assets	-	-	2,056.35	2,203.39	1,192.40	1,261.74	8,208.60	6,056.70	2,839.99	2,113.77
Current liabilities	(6.30)	(1.24)	(44.02)	(17.83)	(237.42)	(134.42)	(1,142.78)	(1,767.00)	(405.13)	(508.29)
Non-current liabilities	-	-	(1,101.42)	(1,159.30)	(394.82)	(418.62)	(6,192.13)	(3,533.26)	(1,988.19)	(1,095.91)
Net assets	1.57	1.56	2,255.44	2,390.36	1,444.94	1,633.85	4,362.89	5,123.36	783.82	1,307.07

Unit : Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :										
Current assets	2.25	33.32	152.64	147.66	-	3,150.32	29.40	42.91	82.89	684.33
Non-current assets	0.19	0.24	708.05	710.12	-	87,549.37	160.29	175.06	-	-
Current liabilities	(86.74)	(319.63)	(13.00)	(11.45)	-	(2,334.00)	(5.28)	(4.17)	(82.89)	(684.33)
Non-current liabilities	-	(311.73)	(102.17)	(65.75)	-	(17,386.79)	-	-	-	-
Net assets	(84.30)	(597.80)	745.52	780.58	-	70,978.90	184.41	213.80	-	-

(TRANSLATION)

76

Unit : Million Baht

	ATL		NST		Natuna 2 B.V.	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of financial position :						
Current assets	2,657.13	227.18	30.73	46.34	808.11	1,678.42
Non-current assets	22,898.96	18,581.42	-	-	13,558.15	13,606.93
Current liabilities	(1,442.62)	(2,173.12)	(0.06)	(17.34)	(626.74)	(2,657.87)
Non-current liabilities	(22,224.19)	(17,339.46)	-	-	(4,032.31)	(3,837.57)
Net assets	1,889.28	(703.98)	30.67	29.00	9,707.21	8,789.91

(TRANSLATION)

77

Unit : Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
					For the years ended					
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :										
Revenues	-	-	5,805.35	5,858.01	3,213.52	3,987.01	7,247.16	7,482.85	2,954.90	2,956.23
Expenses	-	-	(303.75)	(270.34)	(215.91)	(206.53)	(4,413.87)	(3,997.50)	(1,556.90)	(1,370.58)
Profit (loss) before income taxes	-	-	5,501.60	5,587.67	2,997.61	3,780.48	2,833.29	3,485.35	1,398.00	1,585.65
Income taxes	-	-	(1,378.22)	(1,106.52)	(754.42)	(919.41)	(1,415.93)	(1,881.26)	(695.15)	(833.47)
Net profit (loss)	-	-	4,123.38	4,481.15	2,243.19	2,861.07	1,417.36	1,604.09	702.85	752.18

Unit : Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
					For the years ended					
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :										
Revenues	536.06	1.58	132.19	125.47	2,228.70	8,511.66	38.78	66.01	-	-
Expenses	(20.75)	(44.26)	(41.96)	(40.43)	(2,436.27)	(10,036.90)	(51.73)	(48.30)	-	-
Profit (loss) before income taxes	515.31	(42.68)	90.23	85.04	(207.57)	(1,525.24)	(12.95)	17.71	-	-
Income taxes	-	-	(0.54)	(0.66)	-	381.02	-	-	-	-
Net profit (loss)	515.31	(42.68)	89.69	84.38	(207.57)	(1,144.22)	(12.95)	17.71	-	-

(TRANSLATION)

78

Unit : Million Baht

	ATL		NST		Natuna 2 B.V.	
			For the years ended			
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Statements of income :						
Revenues	4,312.98	0.13	0.06	0.08	3,514.85	250.22
Expenses	(1,750.90)	(277.45)	1.61	(22.06)	(1,807.78)	(113.68)
Profit (loss) before income taxes	2,562.08	(277.32)	1.67	(21.98)	1,707.07	136.54
Income taxes	-	-	-	-	(844.37)	(76.37)
Net profit (loss)	2,562.08	(277.32)	1.67	(21.98)	862.70	60.17

16.6 Significant transactions during the year ended December 31, 2014

■ PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH), PTTEP Brazil Investment B.V. (PTTEP BI), and PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL)

On April 4, 2014, PTTEP Netherlands Holding Coöperatie U.A. (PTTEP NH), a subsidiary of the Group, has increased its share capital at the same proportion of existing shareholders from US Dollar 23,082,546.93 to US Dollar 42,923,816.77. PTTEP NH used the proceed from the capital increased to increase share premium of PTTEP Brazil Investment B.V. (PTTEP BI), a subsidiary of PTTEP NH, from US Dollar 23,032,546.93 to US Dollar 42,873,816.77. PTTEP BI used the proceed from the share premium to increase its share capital in PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL), a subsidiary of PTTEP BI. PTTEP BL has increased its share capital from Brazillian Real 53,500,000.00 to Brazillian Real 98,500,000.00 by issuing of 45,000,000 newly issued ordinary shares, at the par value of Brazillian Real 1, resulting in a total registered ordinary share of 98,500,000 shares.

Subsequently on September 2, 2014, PTTEP NH, a subsidiary of the Group, has increased its share capital at the same proportion of existing shareholders from US Dollar 42,923,816.77 to US Dollar 144,423,816.77. PTTEP NH used the proceed from the capital increased to increase share premium in PTTEP BI, a subsidiary of PTTEP NH, from US Dollar 42,873,816.77 to US Dollar 144,373,816.77. PTTEP BI used the proceed from share premium to increase its share capital in PTTEP BL, a subsidiary of PTTEP BI. PTTEP BL has increased its share capital from Brazillian Real 98,500,000.00 to Brazillian Real 329,493,700.00 by issuing of 230,993,700 newly issued ordinary shares, at the par value of Brazillian Real 1, resulting in a total registered ordinary share of 329,493,700 shares.

On November 21, 2014, PTTEP NH, a subsidiary of the Group, has increased its share capital at the same proportion of existing shareholders from US Dollar 144,423,816.77 to US Dollar 324,423,816.77. PTTEP NH used the proceed from the capital increased to increase share premium in PTTEP BI, a subsidiary of PTTEP NH, from US Dollar 144,373,816.77 to US Dollar 324,373,816.77. PTTEP BI used the proceed from share premium to increase its share capital in PTTEP BL, a subsidiary of PTTEP BI. PTTEP BL has increased its share capital from Brazillian Real 329,493,700.00 to Brazillian Real 790,293,700.00 by issuing of 460,800,000 newly issued ordinary shares, at the par value of Brazillian Real 1, resulting in a total registered ordinary share of 790,293,700 shares.

■ NST Supply Base Company Limited (NST)

On April 30, 2014 NST Supply Base Company Limited has registered for the dissolution with the Ministry of Commerce and in the process of liquidation.

■ **PTTEP Canada Limited (PTTEP CA) and PTTEP Netherland Coöperatie U.A. (PTTEP NC)**

On May 28, 2014, the Board of Directors of PTTEP Canada Limited (PTTEP CA), a subsidiary of PTTEP Netherland Coöperatie U.A. (PTTEP NC), has approved the reduction of its registered share capital amounting to Canadian Dollar 434,963,367 (equivalent to US Dollar 400,000,000), a decrease from Canadian Dollar 1,508,256,000 to Canadian Dollar 1,073,292,633. The capital reduction has no effect to its existing registered ordinary share of 1,508,256,000 shares whereby PTTEP CA had repaid the above amount to PTTEP NC, a subsidiary of PTTEP Netherlands Holding Limited (PTTEP NL). Subsequently on May 29, 2014, the Board of Directors of PTTEP NC has approved the reduction of its registered share capital amounting to US Dollar 400,000,000, a decrease from US Dollar 1,485,050,000 to US Dollar 1,085,050,000. PTTEP NC used the proceeds from PTTEP CA to pay back to PTTEP NL, a subsidiary of the Group. The capital reduction has no effect to its existing registered ordinary share of 1,485,050,000 shares.

■ **PTTEP Andaman Limited (PTTEPA)**

On October 18, 2013 PTTEP Andaman Limited has registered for the dissolution with the Ministry of Commerce and completed liquidation on October 7, 2014.

■ **PTT FLNG Limited (PTT FLNG)**

On December 26, 2014 the Board of Directors of PTTEP FLNG Limited, a 50:50 jointly controlled entity between PTTEP FLNG Holding Company Limited (PTTEP FH) and PTT International (Singapore) PTE. LTD. has approved the dissolution of this company. The dissolution is expected to be completed at the end of 2015.

17. 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, 2013	16,703.78	169.65	1,032.63	516.13	129.79	18,551.98
Acquisition	314.81	-	34.25	-	-	349.06
Increase	2,820.75	17.95	170.38	199.61	16.15	3,224.84
Transfer	122.20	-	-	-	-	122.20
Decrease	(14.23)	(1.68)	(171.33)	-	(7.46)	(194.70)
Currency translation differences	(131.26)	(0.98)	(0.74)	-	(0.08)	(133.06)
Balance as at December 31, 2013	19,816.05	184.94	1,065.19	715.74	138.40	21,920.32
Acquisition	959.35	0.72	44.84	-	-	1,004.91
Increase	2,151.47	22.34	882.46	138.34	14.37	3,208.98
Transfer	5.03	-	-	-	-	5.03
Decrease	(132.97)	(12.15)	(2.72)	-	(0.51)	(148.35)
Decrease from restructuring of the ownership interests in KKD project	(1,978.22)	(8.41)	(6.03)	-	-	(1,992.66)
Currency translation differences	(46.90)	(0.77)	(0.15)	-	(0.03)	(47.85)
Balance as at December 31, 2014	20,773.81	186.67	1,983.59	854.08	152.23	23,950.38
<u>Accumulated depreciation</u>						
Balance as at January 1, 2013	(6,754.97)	(104.16)	(378.25)	(98.22)	(36.12)	(7,371.72)
Acquisition	(70.68)	-	(6.60)	-	-	(77.28)
Depreciation for the year	(1,506.63)	(16.66)	(107.70)	(8.38)	(11.56)	(1,650.93)
Decrease	0.03	0.50	47.87	-	6.16	54.56
Currency translation differences	5.86	0.17	0.07	-	-	6.10
Balance as at December 31, 2013	(8,326.39)	(120.15)	(444.61)	(106.60)	(41.52)	(9,039.27)
Acquisition	(389.91)	(0.49)	(24.33)	-	-	(414.73)
Depreciation for the year	(2,317.19)	(13.89)	(181.52)	(24.03)	(13.41)	(2,550.04)
Decrease	-	12.00	2.59	-	0.30	14.89
Decrease from restructuring of the ownership interests in KKD project	116.41	2.02	1.35	-	-	119.78
Currency translation differences	2.42	0.15	0.03	-	-	2.60
Balance as at December 31, 2014	(10,914.66)	(120.36)	(646.49)	(130.63)	(54.63)	(11,866.77)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2013	(209.19)	(0.10)	-	-	-	(209.29)
Increase	-	-	-	-	-	-
Decrease	-	0.10	-	-	-	0.10
Balance as at December 31, 2013	(209.19)	-	-	-	-	(209.19)
Increase	(367.00)	-	-	-	-	(367.00)
Decrease	-	-	-	-	-	-
Balance as at December 31, 2014	(576.19)	-	-	-	-	(576.19)
Net book value as at December 31, 2013	11,280.47	64.79	620.58	609.14	96.88	12,671.86
Net book value as at December 31, 2014	9,282.96	66.31	1,337.10	723.45	97.60	11,507.42

Depreciation included in the statement of income for the year ended December 31, 2013 US Dollar 1,650.93 million

Depreciation included in the statement of income for the year ended December 31, 2014 US Dollar 2,550.04 million

(TRANSLATION)

82

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, 2013	511,663.63	5,196.82	31,631.11	15,809.74	3,975.81	568,277.11
Acquisition	10,166.42	-	1,106.24	-	-	11,272.66
Increase	86,115.80	550.55	5,312.28	6,180.56	509.00	98,668.19
Transfer	3,879.35	-	-	-	-	3,879.35
Decrease	(446.52)	(52.65)	(5,305.05)	(0.07)	(234.83)	(6,039.12)
Currency translation differences	38,856.70	373.89	2,208.06	1,495.60	291.48	43,225.73
Balance as at December 31, 2013	650,235.38	6,068.61	34,952.64	23,485.83	4,541.46	719,283.92
Acquisition	30,980.78	23.25	1,448.01	-	-	32,452.04
Increase	69,879.11	725.40	28,662.05	4,493.38	466.96	104,226.90
Transfer	163.36	-	-	-	-	163.36
Decrease	(4,318.87)	(394.64)	(88.29)	-	(16.62)	(4,818.42)
Decrease from restructuring of the ownership interests in KKD project	(64,868.52)	(275.59)	(197.72)	-	-	(65,341.83)
Currency translation differences	2,696.72	6.33	608.57	173.85	26.24	3,511.71
Balance as at December 31, 2014	684,767.96	6,153.36	65,385.26	28,153.06	5,018.04	789,477.68
<u>Accumulated depreciation</u>						
Balance as at January 1, 2013	(206,915.81)	(3,190.63)	(11,586.45)	(3,008.43)	(1,106.53)	(225,807.85)
Acquisition	(2,282.53)	-	(213.22)	-	-	(2,495.75)
Depreciation for the year	(46,335.76)	(511.13)	(3,293.97)	(258.77)	(356.05)	(50,755.68)
Decrease	0.79	15.19	1,403.44	-	193.07	1,612.49
Currency translation differences	(17,685.25)	(256.05)	(899.04)	(230.62)	(92.99)	(19,163.95)
Balance as at December 31, 2013	(273,218.56)	(3,942.62)	(14,589.24)	(3,497.82)	(1,362.50)	(296,610.74)
Acquisition	(12,591.40)	(15.94)	(785.70)	-	-	(13,393.04)
Depreciation for the year	(75,220.41)	(450.98)	(5,893.02)	(778.10)	(435.60)	(82,778.11)
Decrease	-	389.65	84.18	-	9.72	483.55
Decrease from restructuring of the ownership interests in KKD project	3,817.01	66.34	44.29	-	-	3,927.64
Currency translation differences	(2,567.16)	(13.98)	(170.77)	(30.02)	(12.45)	(2,794.38)
Balance as at December 31, 2014	(359,780.52)	(3,967.53)	(21,310.26)	(4,305.94)	(1,800.83)	(391,165.08)
<u>Allowance for impairment of assets</u>						
Balance as at January 1, 2013	(6,407.71)	(3.17)	-	-	-	(6,410.88)
Increase	-	-	-	-	-	-
Decrease	-	3.16	-	-	-	3.16
Currency translation differences	(456.44)	0.01	-	-	-	(456.43)
Balance as at December 31, 2013	(6,864.15)	-	-	-	-	(6,864.15)
Increase	(12,074.87)	-	-	-	-	(12,074.87)
Decrease	-	-	-	-	-	-
Currency translation differences	(53.84)	-	-	-	-	(53.84)
Balance as at December 31, 2014	(18,992.86)	-	-	-	-	(18,992.86)
Net book value as at December 31, 2013	370,152.67	2,125.99	20,363.40	19,988.01	3,178.96	415,809.03
Net book value as at December 31, 2014	305,994.58	2,185.83	44,075.00	23,847.12	3,217.21	379,319.74

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

Depreciation included in the statement of income for the year ended December 31, 2014 Baht 82,778.11 million

Impairment of Assets

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

During the year ended December 31, 2014, PTTEP Australia Perth Pty Limited (PTTEP AP) recognized the impairment loss of US Dollar 367 million in Montara project because there was an indicator of continuing decrease in oil price since the year ended 2014. The recoverable amount used in assessing the impairment loss is based on fair value less cost to sell. The Group estimates fair value less cost to sell using discounted cash flow over the life of the project. The cash flow projections are based on a proved and probable reserve production profile and various estimates and assumptions. The key assumptions used in the cash flow projections include the oil prices, exchange rates, discount rates, capital expenditure, and operating expenditure etc.

The short term oil price was determined based on the forward price curve and long term oil price was determined based on long-term view of global supply and demand, building upon past experience of the industry and consistent with external sources. For the exchange rate, the Company used the forward prices of United States dollars /Australian dollars. The Company used the weighted average cost of capital of 7.74% as a discount rate and the capital expenditure and operating expenditure were determined based on forecasts by project management team.

(TRANSLATION)

84

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, 2013	6,743.62	58.67	482.60	82.06	7,366.95
Increase	1,335.58	2.63	2.41	6.14	1,346.76
Decrease	(2.53)	(0.26)	(52.66)	(7.36)	(62.81)
Balance as at December 31, 2013	8,076.67	61.04	432.35	80.84	8,650.90
Increase	931.70	4.43	571.05	10.38	1,517.56
Decrease	(2.07)	(7.57)	-	(0.51)	(10.15)
Balance as at December 31, 2014	9,006.30	57.90	1,003.40	90.71	10,158.31
<u>Accumulated depreciation</u>					
Balance as at January 1, 2013	(3,691.88)	(43.58)	(178.56)	(27.09)	(3,941.11)
Depreciation for the year	(805.70)	(3.61)	(57.69)	(8.33)	(875.33)
Decrease	-	0.18	-	6.14	6.32
Balance as at December 31, 2013	(4,497.58)	(47.01)	(236.25)	(29.28)	(4,810.12)
Depreciation for the year	(949.80)	(3.32)	(73.24)	(9.82)	(1,036.18)
Decrease	-	7.56	-	0.30	7.86
Balance as at December 31, 2014	(5,447.38)	(42.77)	(309.49)	(38.80)	(5,838.44)
Net book value as at December 31, 2013	3,579.09	14.03	196.10	51.56	3,840.78
Net book value as at December 31, 2014	3,558.92	15.13	693.91	51.91	4,319.87

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

Depreciation included in the statement of income for the year ended December 31, 2014 US Dollar 1,036.18 million

(TRANSLATION)

85

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, 2013	206,567.87	1,797.36	14,782.67	2,513.66	225,661.56
Increase	40,536.03	81.31	76.04	194.00	40,887.38
Decrease	(79.91)	(7.98)	(1,664.19)	(231.84)	(1,983.92)
Currency translation differences	18,000.46	132.27	992.24	176.78	19,301.75
Balance as at December 31, 2013	265,024.45	2,002.96	14,186.76	2,652.60	283,866.77
Increase	30,261.39	143.99	18,547.47	337.28	49,290.13
Decrease	(67.16)	(245.82)	-	(16.62)	(329.60)
Currency translation differences	1,656.60	7.61	340.61	16.85	2,021.67
Balance as at December 31, 2014	296,875.28	1,908.74	33,074.84	2,990.11	334,848.97
<u>Accumulated depreciation</u>					
Balance as at January 1, 2013	(113,088.32)	(1,335.03)	(5,469.44)	(829.79)	(120,722.58)
Depreciation for the year	(24,768.00)	(110.71)	(1,771.34)	(256.25)	(26,906.30)
Decrease	-	5.48	-	192.33	197.81
Currency translation differences	(9,725.41)	(102.11)	(511.35)	(67.11)	(10,405.98)
Balance as at December 31, 2013	(147,581.73)	(1,542.37)	(7,752.13)	(960.82)	(157,837.05)
Depreciation for the year	(30,849.91)	(107.94)	(2,379.04)	(318.97)	(33,655.86)
Decrease	-	245.42	-	9.72	255.14
Currency translation differences	(1,130.72)	(4.98)	(70.47)	(8.94)	(1,215.11)
Balance as at December 31, 2014	(179,562.36)	(1,409.87)	(10,201.64)	(1,279.01)	(192,452.88)
Net book value as at December 31, 2013	117,442.72	460.59	6,434.63	1,691.78	126,029.72
Net book value as at December 31, 2014	117,312.92	498.87	22,873.20	1,711.10	142,396.09

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

Depreciation included in the statement of income for the year ended December 31, 2014 Baht 33,655.86 million

18. Carried Costs under Petroleum Sharing Contract

As at December 31, 2014, the Group presented carried costs paid to foreign governments under oil and gas properties, exploration and evaluation assets and other non-current assets in the statement of financial position and presented exploration expenses in the statement of income for the following projects:

Unit : Million US Dollar

Consolidated				
Projects	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2014)
Vietnam 52/97	-	-	1.01	-
Vietnam B & 48/95	-	-	1.06	-
Vietnam 16-1 ⁽¹⁾	25.82	-	-	35.49
Vietnam 9-2 ⁽¹⁾	33.18	-	-	19.93
Algeria 433a & 416b	7.56	-	-	12.82
Algeria Hassi Ber Rekaiz	0.14	51.03	-	18.74
Myanmar PSC G & EP 2	-	3.50	-	3.33
Myanmar MOGE 3	-	-	-	0.01
Mozambique Rovuma Offshore Area 1	0.74	45.77	-	13.84
Mozambique Rovuma Onshore	-	0.20	-	2.36

Unit : Million Baht

Consolidated				
Projects	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2014)
Vietnam 52/97	-	-	33.26	-
Vietnam B & 48/95	-	-	34.81	-
Vietnam 16-1 ⁽¹⁾	851.11	-	-	1,268.59
Vietnam 9-2 ⁽¹⁾	1,093.61	-	-	791.82
Algeria 433a & 416b	249.27	-	-	428.92
Algeria Hassi Ber Rekaiz	4.55	1,682.18	-	593.10
Myanmar PSC G & EP 2	-	115.29	-	103.76
Myanmar MOGE 3	-	-	-	0.26
Mozambique Rovuma Offshore Area 1	24.46	1,508.81	-	431.02
Mozambique Rovuma Onshore	-	6.65	-	76.36

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

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Unit : Million US Dollar

The Company				
Project	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2014)
Algeria Hassi Ber Rekaiz	0.14	51.03	-	18.74

Unit : Million Baht

The Company				
Project	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2014)
Algeria Hassi Ber Rekaiz	4.55	1,682.18	-	593.10

19. Goodwill

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
<u>Historical cost</u>		
Balance as at January 1, 2013	908.55	27,830.47
Acquisition	112.39	3,629.55
Currency translation differences	(21.34)	1,340.63
Balance as at December 31, 2013	999.60	32,800.65
Acquisition	443.80	14,331.82
Decrease from restructuring of the ownership interests in KKD project	(302.74)	(9,927.24)
Currency translation differences	(6.58)	177.77
Balance as at December 31, 2014	1,134.08	37,383.00
<u>Allowance for impairment of assets</u>		
Balance as at January 1, 2013	(7.31)	(224.03)
Currency translation differences	-	(15.96)
Balance as at December 31, 2013	(7.31)	(239.99)
Currency translation differences	-	(1.09)
Balance as at December 31, 2014	(7.31)	(241.08)
Net Book Value as at December 31, 2013	992.29	32,560.66
Net Book Value as at December 31, 2014	1,126.77	37,141.92

20. 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, 2013	3,180.61	84.62	3,265.23
Acquisition	29.23	-	29.23
Increase	254.48	52.84	307.32
Transfer	(122.20)	-	(122.20)
Decrease	(116.83)	(0.08)	(116.91)
Currency translation differences	(53.12)	(0.01)	(53.13)
Balance as at December 31, 2013	3,172.17	137.37	3,309.54
Acquisition	351.58	-	351.58
Increase	484.26	15.20	499.46
Increase from restructuring of the ownership interests in KKD project	1,545.96	-	1,545.96
Transfer	(5.03)	-	(5.03)
Decrease	(134.63)	(0.85)	(135.48)
Decrease from restructuring of the ownership interests in KKD project	(228.01)	-	(228.01)
Currency translation differences	(144.37)	(0.01)	(144.38)
Balance as at December 31, 2014	5,041.93	151.71	5,193.64
<u>Accumulated amortization</u>			
Balance as at January 1, 2013	-	(23.10)	(23.10)
Amortization for the year	-	(7.44)	(7.44)
Decrease	-	0.05	0.05
Currency translation differences	-	0.05	0.05
Balance as at December 31, 2013	-	(30.44)	(30.44)
Amortization for the year	-	(12.94)	(12.94)
Decrease	-	0.85	0.85
Currency translation differences	-	0.01	0.01
Balance as at December 31, 2014	-	(42.52)	(42.52)
<u>Allowance for impairment of assets</u>			
Balance as at January 1, 2013	(3.46)	-	(3.46)
Decrease	3.46	-	3.46
Balance as at December 31, 2013	-	-	-
Increase	(629.79)	-	(629.79)
Currency translation differences	3.77	-	3.77
Balance as at December 31, 2014	(626.02)	-	(626.02)
Net Book Value as at December 31, 2013	3,172.17	106.93	3,279.10
Net Book Value as at December 31, 2014	4,415.91	109.19	4,525.10

	Unit : Million Baht		
	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2013	97,427.19	2,592.06	100,019.25
Acquisition	943.94	-	943.94
Increase	7,847.61	1,652.44	9,500.05
Transfer	(3,879.34)	-	(3,879.34)
Decrease	(3,684.89)	(2.49)	(3,687.38)
Currency translation differences	5,435.61	265.65	5,701.26
Balance as at December 31, 2013	104,090.12	4,507.66	108,597.78
Acquisition	11,353.88	-	11,353.88
Increase	15,728.45	493.87	16,222.32
Increase from restructuring of the ownership interests in KKD project	50,694.10	-	50,694.10
Transfer	(163.36)	-	(163.36)
Decrease	(4,372.60)	(27.66)	(4,400.26)
Decrease from restructuring of the ownership interests in KKD project	(7,476.73)	-	(7,476.73)
Currency translation differences	(3,656.33)	27.06	(3,629.27)
Balance as at December 31, 2014	166,197.53	5,000.93	171,198.46
<u>Accumulated amortization</u>			
Balance as at January 1, 2013	-	(707.70)	(707.70)
Amortization for the year	-	(232.53)	(232.53)
Decrease	-	1.54	1.54
Currency translation differences	-	(60.24)	(60.24)
Balance as at December 31, 2013	-	(998.93)	(998.93)
Amortization for the year	-	(420.28)	(420.28)
Decrease	-	27.66	27.66
Currency translation differences	-	(10.09)	(10.09)
Balance as at December 31, 2014	-	(1,401.64)	(1,401.64)
<u>Allowance for impairment of assets</u>			
Balance as at January 1, 2013	(105.80)	-	(105.80)
Decrease	109.15	-	109.15
Currency translation differences	(3.35)	-	(3.35)
Balance as at December 31, 2013	-	-	-
Increase	(20,721.10)	-	(20,721.10)
Currency translation differences	85.49	-	85.49
Balance as at December 31, 2014	(20,635.61)	-	(20,635.61)
Net Book Value as at December 31, 2013	104,090.12	3,508.73	107,598.85
Net Book Value as at December 31, 2014	145,561.92	3,599.29	149,161.21

Impairment of Assets

Exploration and evaluation assets that are subject to amortization are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. An impairment loss is recognized, if the carrying amount of the asset is higher than its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell or value in use.

During the year ended December 31, 2014, PTTEP Canada Limited (PTTEP CA) recognized the impairment loss of US Dollar 630 million in Mariana Oil Sands project because there was an indicator of significant continuing decrease in oil price. The Group has carefully reconsidered the development plan of the Mariana Oil Sands project and decided to postpone its investment plan to develop the project.

The postponement also impacted the timing of the projected cash flow which resulted in the value in use lower than the carrying amount of assets. The value in use is calculated using discounted cash flow over the life of the project with a discount rate of 10% based on weighted average cost of capital which is consistent with the industry. Other key assumptions used in the cash flow projections include production profile based on the recoverable reserves, the oil prices, capital expenditure and operating expenditure, etc.

Unit : Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2013	59.28	79.13	138.41
Increase	17.88	43.84	61.72
Decrease	-	(0.06)	(0.06)
Balance as at December 31, 2013	77.16	122.91	200.07
Increase	15.19	11.72	26.91
Decrease	-	(0.70)	(0.70)
Balance as at December 31, 2014	92.35	133.93	226.28
<u>Accumulated amortization</u>			
Balance as at January 1, 2013	-	(19.90)	(19.90)
Amortization for the year	-	(6.46)	(6.46)
Decrease	-	0.04	0.04
Currency translation differences	-	0.04	0.04
Balance as at December 31, 2013	-	(26.28)	(26.28)
Amortization for the year	-	(11.72)	(11.72)
Decrease	-	0.70	0.70
Balance as at December 31, 2014	-	(37.30)	(37.30)
Net Book Value as at December 31, 2013	77.16	96.63	173.79
Net Book Value as at December 31, 2014	92.35	96.63	188.98

Unit : Million Baht

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
<u>Historical cost</u>			
Balance as at January 1, 2013	1,815.80	2,423.89	4,239.69
Increase	535.65	1,369.14	1,904.79
Decrease	-	(1.80)	(1.80)
Currency translation differences	180.25	242.10	422.35
Balance as at December 31, 2013	2,531.70	4,033.33	6,565.03
Increase	493.43	380.61	874.04
Decrease	-	(22.62)	(22.62)
Currency translation differences	18.87	23.70	42.57
Balance as at December 31, 2014	3,044.00	4,415.02	7,459.02
<u>Accumulated Amortization</u>			
Balance as at January 1, 2013	-	(609.51)	(609.51)
Amortization for the year	-	(202.22)	(202.22)
Decrease	-	1.23	1.23
Currency translation differences	-	(51.76)	(51.76)
Balance as at December 31, 2013	-	(862.26)	(862.26)
Amortization for the year	-	(380.66)	(380.66)
Decrease	-	22.62	22.62
Currency translation differences	-	(9.27)	(9.27)
Balance as at December 31, 2014	-	(1,229.57)	(1,229.57)
Net Book Value as at December 31, 2013	2,531.70	3,171.07	5,702.77
Net Book Value as at December 31, 2014	3,044.00	3,185.45	6,229.45

21. Income Taxes and Deferred Taxes

Income tax rates for the Group are as follows:

	<u>Tax Rate (%)</u>
Petroleum income tax on petroleum businesses in Thailand pursuant to Petroleum Income Tax Act, B.E. 2514 and 2532	50
Income tax under Revenue Code	20–23 (for 2013), 20 (for 2014 - 2015)
Corporate income tax in the Republic of the Union of Myanmar	25
Income tax from the Petroleum business in the Malaysia - Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541	
- From first to eighth accounting period	0
- From ninth to fifteenth accounting period	10
- From sixteenth onward	20
Corporate income tax in the Socialist Republic of Vietnam	50
Corporate income tax in Australia	30
Petroleum resource rent tax in Australia	40
Corporate income tax in the Sultanate of Oman	55
Corporate income tax in Canada	25
Corporate income tax in Netherlands	25
Corporate income tax in the Republic of Kenya	30
Corporate income tax in the Republic of Mozambique	24 (for the first eight year after production commencing) 32 (from year ninth after production commencing)
Corporate income tax in Indonesia	
- Corporate income tax	30
- Income tax from the profit distribution	20
Corporate income tax in the Federative Republic of Brazil	34

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

Subsequently, during the year 2014, the Royal Decree issued under Revenue Code Governing Reduction of Rates and Exemption of Taxes and Duties (No.577) B.E. 2557 to remain of the corporate income tax rate of 20% for the accounting period beginning on or after January 1, 2015 but not later than December 31, 2015.

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

21.1 Deferred tax assets and liabilities are as follows:

	Consolidated		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Deferred tax assets	280.58	354.94	8.09	11.25
Deferred tax liabilities	1,499.85	1,639.50	347.68	385.28
	(1,219.27)	(1,284.56)	(339.59)	(374.03)

	Consolidated		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Deferred tax assets	9,248.82	11,646.94	266.63	369.30
Deferred tax liabilities	49,439.53	53,797.66	11,460.63	12,642.30
	(40,190.71)	(42,150.72)	(11,194.00)	(12,273.00)

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

	Consolidated		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Income Taxes :				
Current income tax expenses	1,149.91	1,361.57	585.66	742.78
Prior year income tax expenses recognized in current period	(2.10)	30.16	(1.58)	27.97
	1,147.81	1,391.73	584.08	770.75
Deferred Taxes :				
Change in temporary differences	(70.40)	(19.66)	(54.34)	35.60
Tax effect of currency translation on tax base	17.15	144.20	11.96	103.88
	(53.25)	124.54	(42.38)	139.48
Total	1,094.56	1,516.27	541.70	910.23

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Unit : Million Baht

	Consolidated		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Income Taxes :				
Current income tax expenses	37,286.29	41,987.15	19,018.15	22,980.42
Prior year income tax expenses recognized in current period	(68.38)	898.76	(51.29)	832.86
	<u>37,217.91</u>	<u>42,885.91</u>	<u>18,966.86</u>	<u>23,813.28</u>
Deferred Taxes :				
Change in temporary differences	(2,237.65)	(599.38)	(1,764.17)	1,100.16
Tax effect of currency translation on tax base	555.77	4,456.08	388.34	3,209.39
	<u>(1,681.88)</u>	<u>3,856.70</u>	<u>(1,375.83)</u>	<u>4,309.55</u>
Total	<u>35,536.03</u>	<u>46,742.61</u>	<u>17,591.03</u>	<u>28,122.83</u>

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

	Consolidated		Unit : Million US Dollar	
	The Company			
	2014	2013 (Restated)	2014	2013 (Restated)
Profit before income taxes	1,772.02	3,362.92	1,596.08	2,133.84
Tax calculated at a tax rate of 50%	886.01	1,681.46	798.04	1,066.92
Tax effect of :				
Associates' results reported, net of tax	(1.73)	(3.08)	-	-
Income not subject to tax	(71.60)	(92.36)	(24.26)	(87.98)
Undeductible expenses – Corporate income tax	11.35	(3.01)	2.34	(4.83)
Undeductible expenses – Petroleum income tax	135.79	334.01	221.16	261.57
Undeductible expenses – Foreign income tax	730.43	31.22	-	-
Tax loss for which no deferred tax asset was recognized	101.27	97.18	-	-
Differences between tax rate on undeductible expenses				
– Corporate income tax	(10.83)	(2.71)	(0.62)	(95.40)
Differences between taxes rate on profit before income				
tax – Corporate income tax	(94.03)	(81.70)	(44.12)	(44.01)
Remeasurement of gain on exchange rate of US Dollar				
financial statement	(33.73)	55.53	(0.80)	52.99
Remeasurement of gain on exchange rate of Baht				
financial statement	17.71	33.51	10.70	122.65
Deferred tax on functional currency	17.15	144.20	11.96	103.88
Tax credit on petroleum royalty	(563.04)	(589.41)	(434.82)	(468.98)
Tax credit on foreign corporate income tax	23.71	(36.49)	-	-
Adjustment in respect of prior year	(2.10)	25.18	(1.58)	27.97
Difference in tax rate of the Group's operating business	(78.15)	(12.69)	-	-
Offset transactions of the Group's interests	76.81	-	-	-
Others	(50.46)	(64.57)	3.70	(24.55)
Income taxes	1,094.56	1,516.27	541.70	910.23

	Unit : Million Baht			
	Consolidated		The Company	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit before income taxes	57,026.48	102,928.27	51,794.62	65,368.08
Tax calculated at a tax rate of 50%	28,513.24	51,464.14	25,897.31	32,684.04
Tax effect of :				
Associates' results reported, net of tax	(56.29)	(94.91)	-	-
Income not subject to tax	(2,324.71)	(2,847.31)	(787.93)	(2,718.14)
Undeductible expenses – Corporate income tax	368.56	(92.86)	75.98	(149.11)
Undeductible expenses – Petroleum income tax	4,408.44	10,296.56	7,181.80	8,081.73
Undeductible expenses – Foreign income tax	23,714.07	962.44	-	-
Tax loss for which no deferred tax asset was recognized	3,287.77	2,995.77	-	-
Differences between tax rate on undeductible expenses				
– Corporate income tax	(351.62)	(83.54)	(20.00)	(2,947.62)
Differences between taxes rate on profit before income				
tax – Corporate income tax	(3,052.79)	(2,518.68)	(1,432.66)	(1,359.69)
Remeasurement of gain on exchange rate of US Dollar				
financial statement	(1,095.20)	1,711.85	(25.97)	1,637.10
Remeasurement of gain on exchange rate of Baht				
financial statement	575.02	1,032.91	347.38	3,789.41
Deferred tax on functional currency	555.77	4,456.08	388.34	3,209.39
Tax credit on petroleum royalty	(18,279.80)	(18,169.91)	(14,120.29)	(14,489.86)
Tax credit on foreign corporate income tax	769.76	(1,124.99)	-	-
Adjustment in respect of prior year	(68.20)	776.27	(51.21)	864.07
Difference in tax rate of the Group's operating business	(2,537.08)	(391.24)	-	-
Offset transactions of the Group's interests	2,493.78	-	-	-
Others	(1,384.69)	(1,629.97)	138.28	(478.49)
Income taxes	35,536.03	46,742.61	17,591.03	28,122.83

21.4 Changes in deferred tax assets and liabilities are as follows:

Unit : Million US Dollar

	Consolidated							
	As at January 1, 2014	Effects from changes in an accounting policy	As at January 1, 2014 (Restated)	Statement of income	Statement of comprehensive income	Currency translation differences	Others	As at December 31, 2014
Deferred tax assets :								
Decommissioning costs and currency translation								
differences from decommissioning costs	118.90	-	118.90	(140.48)	-	-	-	(21.58)
Employee benefit obligations	2.58	0.02	2.60	(0.03)	0.01	-	-	2.58
Property, plant and equipment and intangible assets	(57.00)	-	(57.00)	6.88	-	-	-	(50.12)
Petroleum resource rent tax in Australia	49.38	-	49.38	32.21	-	-	-	81.59
Loss carried forward	287.73	-	287.73	(56.78)	-	-	-	230.95
Unrealized foreign exchange	(48.69)	-	(48.69)	47.76	-	-	-	(0.93)
Revaluation in value of oil and gas properties according								
to Australian law	(85.62)	-	(85.62)	142.32	-	-	-	56.70
Financial derivative	12.61	-	12.61	4.77	(7.94)	-	-	9.44
Others	83.02	-	83.02	(99.82)	-	-	-	(16.80)
	362.91	0.02	362.93	(63.17)	(7.93)	-	-	291.83
Tax effect of currency translation on tax base	(7.99)	-	(7.99)	(3.26)	-	-	-	(11.25)
Total	354.92	0.02	354.94	(66.43)	(7.93)	-	-	280.58

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Unit : Million US Dollar

	Consolidated							
	As at January 1, 2014	Effects from changes in an accounting policy	As at January 1, 2014 (Restated)	Statement of income	Statement of comprehensive income	Currency translation differences	Others	As at December 31, 2014
Deferred tax liabilities :								
Decommissioning costs and currency translation								
differences from decommissioning costs	(195.34)	-	(195.34)	(65.35)	-	0.01	(14.35)	(275.03)
Employee benefit obligations	(37.78)	(9.63)	(47.41)	(14.58)	-	-	-	(61.99)
Allowance for impairment of assets	(6.39)	-	(6.39)	-	-	-	-	(6.39)
Property, plant and equipment and intangible assets	2,072.14	-	2,072.14	(149.79)	-	(11.28)	(10.98)	1,900.09
Loss carried forward	(97.47)	-	(97.47)	107.74	-	(4.87)	(8.14)	(2.74)
Advance payment	(11.18)	-	(11.18)	1.65	-	-	-	(9.53)
Financial derivative	4.31	-	4.31	0.19	15.48	-	-	19.98
Others	(36.14)	-	(36.14)	(13.43)	-	13.78	0.38	(35.41)
	1,692.15	(9.63)	1,682.52	(133.57)	15.48	(2.36)	(33.09)	1,528.98
Tax effect of currency translation on tax base	(43.02)	-	(43.02)	13.89	-	-	-	(29.13)
Total	1,649.13	(9.63)	1,639.50	(119.68)	15.48	(2.36)	(33.09)	1,499.85

(TRANSLATION)

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Unit : Million Baht

	Consolidated							
	As at January 1, 2014	Effects from changes in an accounting policy	As at January 1, 2014 (Restated)	Statement of income	Statement of comprehensive income	Currency translation differences	Others	As at December 31, 2014
Deferred tax assets :								
Decommissioning costs and currency translation								
differences from decommissioning costs	3,901.55	-	3,901.55	(4,608.76)	-	(4.29)	-	(711.50)
Employee benefit obligations	84.59	0.82	85.41	(0.13)	0.45	(0.57)	-	85.16
Property, plant and equipment and intangible assets	(1,870.26)	-	(1,870.26)	222.94	-	(4.95)	-	(1,652.27)
Petroleum resource rent tax in Australia	1,620.10	-	1,620.10	1,056.41	-	12.87	-	2,689.38
Loss carried forward	9,441.42	-	9,441.42	(1,861.98)	-	33.29	-	7,612.73
Unrealized foreign exchange	(1,597.72)	-	(1,597.72)	1,566.41	-	0.77	-	(30.54)
Revaluation in value of oil and gas properties according								
to Australian law	(2,809.60)	-	(2,809.60)	4,667.08	-	11.42	-	1,868.90
Financial derivative	413.77	-	413.77	154.80	(257.83)	0.33	-	311.07
Others	2,724.39	-	2,724.39	(3,269.59)	-	(8.12)	-	(553.32)
	11,908.24	0.82	11,909.06	(2,072.82)	(257.38)	40.75	-	9,619.61
Tax effect of currency translation on tax base	(262.12)	-	(262.12)	(105.37)	-	(3.30)	-	(370.79)
Total	11,646.12	0.82	11,646.94	(2,178.19)	(257.38)	37.45	-	9,248.82

(TRANSLATION)

102

Unit : Million Baht

	Consolidated							
	As at January 1, 2014	Effects from changes in an accounting policy	As at January 1, 2014 (Restated)	Statement of income	Statement of comprehensive income	Currency translation differences	Others	As at December 31, 2014
Deferred tax liabilities :								
Decommissioning costs and currency translation								
differences from decommissioning costs	(6,409.71)	-	(6,409.71)	(2,118.74)	-	(83.94)	(453.38)	(9,065.77)
Employee benefit obligations	(1,239.57)	(316.21)	(1,555.78)	(471.28)	-	(16.44)	-	(2,043.50)
Allowance for impairment of assets	(209.78)	-	(209.78)	-	-	(0.96)	-	(210.74)
Property, plant and equipment and intangible assets	67,995.02	-	67,995.02	(4,838.34)	-	(88.83)	(435.34)	62,632.51
Loss carried forward	(3,198.52)	-	(3,198.52)	3,496.12	-	(123.87)	(264.07)	(90.34)
Advance payment	(366.87)	-	(366.87)	53.34	-	(0.48)	-	(314.01)
Financial derivative	140.97	-	140.97	6.31	502.47	8.59	0.12	658.46
Others	(1,185.97)	-	(1,185.97)	(437.88)	-	444.66	12.46	(1,166.73)
	55,525.57	(316.21)	55,209.36	(4,310.47)	502.47	138.73	(1,140.21)	50,399.88
Tax effect of currency translation on tax base	(1,411.70)	-	(1,411.70)	450.40	-	0.95	-	(960.35)
Total	54,113.87	(316.21)	53,797.66	(3,860.07)	502.47	139.68	(1,140.21)	49,439.53

(TRANSLATION)

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Unit : Million US Dollar

	The Company					
	As at	Effects from	As at	Statement	Statement of	As at
	January 1, 2014	changes in an	January 1, 2014	of income	comprehensive	December 31, 2014
		accounting policy	(Restated)		income	
Deferred tax assets :						
Financial derivative	12.61	-	12.61	4.77	(7.94)	9.44
Others	(0.40)	-	(0.40)	0.12	-	(0.28)
	12.21	-	12.21	4.89	(7.94)	9.16
Tax effect of currency translation on tax base	(0.96)	-	(0.96)	(0.11)	-	(1.07)
Total	11.25	-	11.25	4.78	(7.94)	8.09
Deferred tax liabilities :						
Decommissioning costs and currency translation						
differences from decommissioning costs	(149.04)	-	(149.04)	(47.69)	-	(196.73)
Employee benefit obligations	(37.48)	(9.63)	(47.11)	(12.02)	-	(59.13)
Property, plant and equipment and intangible assets	644.61	-	644.61	31.15	-	675.76
Others	(14.76)	-	(14.76)	(20.89)	-	(35.65)
	443.33	(9.63)	433.70	(49.45)	-	384.25
Tax effect of currency translation on tax base	(48.42)	-	(48.42)	11.85	-	(36.57)
Total	394.91	(9.63)	385.28	(37.60)	-	347.68

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Unit : Million Baht

	The Company						
	As at January 1, 2014	Effects from changes in an accounting policy	As at January 1, 2014 (Restated)	Statement of income	Statement of comprehensive income	Currency translation differences	As at December 31, 2014
Deferred tax assets :							
Financial derivative	413.77	-	413.77	154.80	(257.83)	0.33	311.07
Others	(12.88)	-	(12.88)	3.70	-	-	(9.18)
	400.89	-	400.89	158.50	(257.83)	0.33	301.89
Tax effect of currency translation on tax base	(31.59)	-	(31.59)	(3.47)	-	(0.20)	(35.26)
Total	369.30	-	369.30	155.03	(257.83)	0.13	266.63
Deferred tax liabilities :							
Decommissioning costs and currency translation							
differences from decommissioning costs	(4,890.43)	-	(4,890.43)	(1,548.56)	-	(45.68)	(6,484.67)
Employee benefit obligations	(1,229.90)	(316.21)	(1,546.11)	(390.09)	-	(12.93)	(1,949.13)
Property, plant and equipment and intangible assets	21,152.16	-	21,152.16	1,011.42	-	111.59	22,275.17
Others	(484.32)	-	(484.32)	(678.44)	-	(12.43)	(1,175.19)
	14,547.51	(316.21)	14,231.30	(1,605.67)	-	40.55	12,666.18
Tax effect of currency translation on tax base	(1,589.00)	-	(1,589.00)	384.87	-	(1.42)	(1,205.55)
Total	12,958.51	(316.21)	12,642.30	(1,220.80)	-	39.13	11,460.63

22. Prepaid Expenses

As at December 31, 2014, prepaid expenses amounting to US Dollar 23.34 million or Baht 769.37 million are mainly the prepayments for investment in the Myanmar Zawtika pipeline project to facilitate the construction of a gas pipeline. The Group will amortize these prepayments as expenses in accordance with Facilities, services and information sharing agreement.

Prepaid expenses are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Prepayments for the construction of a gas pipeline	18.49	19.85	609.45	651.35
Prepayments for advance royalty fee	1.75	1.82	57.56	59.69
Prepayments for rental fee	2.38	-	78.41	-
Others	0.72	0.75	23.95	24.63
Total	23.34	22.42	769.37	735.67

23. Financial Derivatives

Financial derivatives are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Financial derivative assets				
<u>Financial derivative assets - Current</u>				
Oil price hedge	32.85	2.12	1,082.73	69.55
Total financial derivative assets - Current	32.85	2.12	1,082.73	69.55
<u>Financial derivative assets - Non - current</u>				
Interest rate swap	6.02	4.92	198.56	161.52
Cross currency and interest rate swap	83.03	18.01	2,736.85	591.00
Total financial derivative assets - Non - current	89.05	22.93	2,935.41	752.52

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Financial derivative liabilities				
<u>Financial derivative liabilities - Current</u>				
Oil price hedge	-	1.69	-	55.54
Interest rate swap	0.21	-	7.03	-
Cross currency and interest rate swap	-	34.18	-	1,121.48
Total financial derivative liabilities - Current	0.21	35.87	7.03	1,177.02
<u>Financial derivative liabilities - Non - current</u>				
Interest rate swap	2.89	1.28	95.24	42.06
Cross currency and interest rate swap	52.91	32.85	1,744.08	1,077.82
Total financial derivative liabilities - Non - current	55.80	34.13	1,839.32	1,119.88
	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Financial derivative assets				
<u>Financial derivative assets - Non - current</u>				
Interest rate swap	6.02	4.92	198.56	161.52
Cross currency and interest rate swap	2.76	-	90.83	-
Total financial derivative assets - Non - current	8.78	4.92	289.39	161.52
Financial derivative liabilities				
<u>Financial derivative liabilities - Current</u>				
Interest rate swap	0.21	-	7.03	-
Cross currency and interest rate swap	-	34.18	-	1,121.48
Total financial derivative liabilities - Current	0.21	34.18	7.03	1,121.48
<u>Financial derivative liabilities - Non - current</u>				
Interest rate swap	2.89	1.28	95.24	42.06
Cross currency and interest rate swap	52.91	32.85	1,744.08	1,077.82
Total financial derivative liabilities - Non - current	55.80	34.13	1,839.32	1,119.88

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

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2014				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Oil price hedge	-	32.85	-	32.85	-	1,082.73	-	1,082.73
Interest rate swap	-	6.02	-	6.02	-	198.56	-	198.56
Cross currency and interest rate swap	-	83.03	-	83.03	-	2,736.85	-	2,736.85
Financial derivative liabilities								
Interest rate swap	-	3.10	-	3.10	-	102.27	-	102.27
Cross currency and interest rate swap	-	52.91	-	52.91	-	1,744.08	-	1,744.08

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

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	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	December 31, 2014				December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.02	-	6.02	-	198.56	-	198.56
Cross currency and interest rate swap	-	2.76	-	2.76	-	90.83	-	90.83
Financial derivative liabilities								
Interest rate swap	-	3.10	-	3.10	-	102.27	-	102.27
Cross currency and interest rate swap	-	52.91	-	52.91	-	1,744.08	-	1,744.08
	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	December 31, 2013				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	4.92	-	4.92	-	161.52	-	161.52
Financial derivative liabilities								
Interest rate swap	-	1.28	-	1.28	-	42.06	-	42.06
Cross currency and interest rate swap	-	67.03	-	67.03	-	2,199.30	-	2,199.30

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

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

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

Cash flow hedges

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

In 2014, the Company follows the accounting for hedge on cross currency and interest rate swaps in which the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts that had been recognized in other comprehensive income shall be reclassified to statement of income in the same period when the swap and the underlying debt affect the statement of income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The Company had reclassified loss previously recognized in other comprehensive income to the statement of income during 2014 in the amount of US Dollar 7.54 million.

24. Other Non-current Assets

Other non-current assets comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Carried cost for PetroVietnam in projects:				
- Vietnam B & 48/95	1.06	1.06	34.80	34.65
- Vietnam 52/97	1.01	1.01	33.26	33.11
Deposits	4.49	4.03	147.93	132.28
Decommissioning fund	66.44	35.51	2,190.23	1,165.36
Others	1.56	3.64	51.54	119.27
Total	74.56	45.25	2,457.76	1,484.67

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Deposits	4.37	4.00	144.16	131.23
Others	0.88	1.29	28.91	42.26
Total	5.25	5.29	173.07	173.49

25. Loans and Debentures

Loans and debentures comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>Current Liabilities</u>				
Current portion of debentures	699.22	356.52	23,048.28	11,698.80
Current portion of long-term loans from financial institution	50.00	-	1,648.15	-
Total current liabilities	749.22	356.52	24,696.43	11,698.80
<u>Non-current Liabilities</u>				
Debentures	2,504.87	2,608.76	82,568.30	85,602.80
Long-term loans from financial institutions	974.63	1,057.70	32,126.62	34,706.79
Total non-current liabilities	3,479.50	3,666.46	114,694.92	120,309.59

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>Current Liabilities</u>				
Current portion of debentures	-	356.52	-	11,698.80
Current portion of long-term loans from financial institution	50.00	-	1,648.15	-
Total current liabilities	50.00	356.52	1,648.15	11,698.80
<u>Non-current Liabilities</u>				
Debentures	1,319.42	726.01	43,492.23	23,822.82
Long-term loans from financial institution	-	50.00	-	1,640.68
Total non-current liabilities	1,319.42	776.01	43,492.23	25,463.50

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Movements in the loans and debentures for the year are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	4,022.98	132,008.39
Additional loans	60.99	1,981.01
Issuance of debentures	601.46	19,535.14
Repayment of loans	(61.62)	(2,001.31)
Repayment of debentures	(360.09)	(11,695.52)
Deferred financing cost	5.82	188.08
Foreign exchange differences	(40.82)	(1,326.01)
Currency translation differences	-	701.57
Balance as at December 31, 2014	4,228.72	139,391.35

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	1,132.53	37,162.30
Additional loans	60.99	1,981.01
Issuance of debentures	601.46	19,535.14
Repayment of loans	(61.62)	(2,001.31)
Repayment of debentures	(360.09)	(11,695.52)
Deferred financing cost	(0.12)	(4.40)
Foreign exchange differences	(3.73)	(121.05)
Currency translation differences	-	284.21
Balance as at December 31, 2014	1,369.42	45,140.38

Debentures

The carrying value of unsecured and unsubordinated debentures comprised:

					Unit : Million US Dollar		Unit : Million Baht	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Consolidated		Consolidated		
				December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
Maturity date within 1 year								
- Debentures Baht 11,700 million ¹	4.00	4.089	May 29, 2014	-	356.52	-	11,698.80	
- Debentures US Dollar 500 million ²	4.152	4.152	July 19, 2015	499.47	498.45	16,463.99	16,355.87	
- Debentures US Dollar 200 million	4.152	4.152	August 4, 2015	199.75	199.42	6,584.29	6,543.72	
Maturity date over 3 years but not exceeding 5 years								
- Debentures Baht 2,500 million ³	4.625	4.625	March 27, 2018	75.84	76.19	2,500.00	2,500.00	
- Debentures US Dollar 500 million ²	3.707	3.831	September 16, 2018	498.06	497.55	16,417.72	16,326.18	
- Debentures Baht 5,000 million ⁴	4.80	4.873	May 29, 2019	151.60	152.27	4,997.28	4,996.64	
- Debentures Baht 8,200 million ⁵	3.91	3.976	June 6, 2019	248.49	-	8,190.92	-	
Maturity date over 5 years								
- Debentures US Dollar 700 million ²	5.692	5.815	April 5, 2021	698.67	698.34	23,030.17	22,914.99	
- Debentures Baht 11,400 million ⁶	4.82	4.890	June 6, 2029	345.43	-	11,386.31	-	
- Debentures US Dollar 490 million ²	6.350	6.507	June 12, 2042	486.78	486.54	16,045.90	15,965.40	
Total carrying value				3,204.09	2,965.28	105,616.58	97,301.60	

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	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit : Million US Dollar		Unit : Million Baht	
				The Company		The Company	
				December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Maturity date within 1 year							
- Debentures Baht 11,700 million ¹	4.00	4.089	May 29, 2014	-	356.52	-	11,698.80
Maturity date over 3 years but not exceeding 5 years							
- Debentures Baht 2,500 million ³	4.625	4.625	March 27, 2018	75.84	76.19	2,500.00	2,500.00
- Debentures US Dollar 500 million ²	3.707	3.831	September 16, 2018	498.06	497.55	16,417.72	16,326.18
- Debentures Baht 5,000 million ⁴	4.80	4.873	May 29, 2019	151.60	152.27	4,997.28	4,996.64
- Debentures Baht 8,200 million ⁵	3.91	3.976	June 6, 2019	248.49	-	8,190.92	-
Maturity date over 5 years							
- Debentures Baht 11,400 million ⁶	4.82	4.890	June 6, 2029	345.43	-	11,386.31	-
Total carrying value				1,319.42	1,082.53	43,492.23	35,521.62

¹ In April 2011, the Company entered into a Cross Currency Swap transaction with a financial institution to swap Thai Baht debentures for US Dollar 389.50 million at the average 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.

² The Company has Optional Redemption rights. The redemption price is the sum of the debenture par value, accrued interest, and interest payable up to the day before the maturity date plus an applicable premium whereby the applicable premium is the higher of the following:

(1) 1.00% per annum of the debenture par value or

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

³ On September 27, 2005, the Company entered into a Cross Currency Swap transaction with a financial institution to swap Thai Baht debentures for US Dollar 60.82 million. Under this agreement, the interest was charged at the rate of 3.85% per annum. On May 2, 2007, the Company swapped the US Dollar debentures with the same financial institution for Baht 2,500 million. Under this agreement, the interest rate was reduced to 3.30% per annum until the expiration date. In May 2011, the Company swapped Thai Baht debentures of 2,500 million for US Dollar 82.92 million with a financial institution at the exchange rate of Baht 30.15 per US Dollar. Under this agreement, the interest rate was charged at the rate of 3.30% per annum.

⁴ In June 2011, the Company entered into a Cross Currency Swap transaction with a financial institution to swap Thai Baht debentures for US Dollar 161.81 million at the average 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.

⁵ On June 6, 2014, the Company has issued and offered the 5 years senior unsecured and subordinated debentures in the amount of Baht 8,200 million with a fixed interest rate of 3.91% per annum. The Company entered into a Cross Currency Swap transaction with a financial institution to swap Thai Baht debentures for US Dollar 251.07 million at the average exchange rate of Baht 32.66 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 3.013% per annum.

⁶ On June 6, 2014, the Company has issued and offered the 15 years senior unsecured and subordinated debentures in the amount of Baht 11,400 million with a fixed interest rate of 4.82% per annum. The Company entered into a Cross Currency Swap transaction with a financial institution to swap Thai Baht debentures for US Dollar 349.05 million at the average exchange rate of Baht 32.66 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 4.989% per annum.

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Long-term loans from financial institutions

Long-term loans from financial institutions comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit : Million US Dollar		Unit : Million Baht	
				Consolidated		Consolidated	
				December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Maturity date within 1 year							
- Loan US Dollar 50 million ¹	LIBOR + 1.30	1.63	December 9, 2015	50.00	50.00	1,648.15	1,640.68
Maturity date over 1 years but not exceeding 3 years							
- Loan Canadian Dollar 300 million	CDOR + 1.70	3.43	May 11, 2017	256.40	278.50	8,451.75	9,138.63
- Loan Canadian Dollar 75 million	CDOR + 1.90	3.32	May 11, 2017	64.54	70.33	2,127.41	2,307.72
- Loan US Dollar 500 million	LIBOR + 0.985	1.82	November 24, 2017	494.12	492.11	16,287.62	16,147.76
- Loan US Dollar 75 million	LIBOR + 0.985	1.83	December 1, 2017	74.10	73.79	2,442.50	2,421.37
Maturity date over 3 years but not exceeding 5 years							
- Loan Canadian Dollar 100 million ²	CDOR + 2.10	3.69	September 19, 2019	85.47	92.97	2,817.34	3,050.63
				1,024.63	1,057.70	33,774.77	34,706.79

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				Unit : Million US Dollar		Unit : Million Baht	
				The Company		The Company	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Maturity date within 1 year							
- Loan US Dollar 50 million ¹	LIBOR + 1.30	1.63	December 9, 2015	50.00	50.00	1,648.15	1,640.68
				50.00	50.00	1,648.15	1,640.68

¹ In April 2012, the Company swapped the interest rate on loan with a financial institution amounting to US Dollar 50 million to average interest rate of 2.25% per annum.

² Amortized loan with the repayment schedule of 4 installments will start from year 5.5.

26. Short-term Provision

Short-term provision comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for decommissioning cost that will be due within 1 year	-	11.56	-	379.12
Provision for remuneration for the renewal of petroleum production	54.91	36.64	1,810.12	1,202.41
Total	54.91	48.20	1,810.12	1,581.53

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for remuneration for the renewal of petroleum production	54.91	36.64	1,810.12	1,202.41
Total	54.91	36.64	1,810.12	1,202.41

27. Employee Benefit Obligations

The reconciliation details for the present value of the defined benefit obligation plans are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	84.44	2,770.79
Effects from changes in an accounting policy	19.36	635.29
Balance as at January 1, 2014 after adjustment	103.80	3,406.08
Current service cost	8.28	268.83
Interest cost	3.61	117.39
Benefits paid	(4.23)	(137.58)
Foreign exchange differences	(0.56)	(18.22)
Currency translation differences	-	18.98
Balance as at December 31, 2014	110.90	3,655.48

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	74.96	2,459.80
Effects from changes in an accounting policy	19.28	632.41
Balance as at January 1, 2014 after adjustment	94.24	3,092.21
Current service cost	7.17	232.81
Interest cost	3.36	109.15
Benefits paid	(3.75)	(121.62)
Foreign exchange differences	(0.50)	(16.41)
Currency translation differences	-	17.16
Balance as at December 31, 2014	100.52	3,313.30

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
		(Restated)		(Restated)
Current service cost	8.28	9.10	268.83	280.84
Interest cost	3.61	3.49	117.39	107.93
Expenses recognized in the statements of income	11.89	12.59	386.22	388.77

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Current service cost	7.17	7.39	232.81	228.16
Interest cost	3.36	3.24	109.15	100.07
Expenses recognized in the statements of income	10.53	10.63	341.96	328.23

Major Actuarial AssumptionsThe Group's financial assumptions

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

The Group's demographic assumptions

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

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

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

28. Provision for Decommissioning Costs

Provision for decommissioning costs are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for decommissioning costs	2,166.22	1,200.46	71,405.20	39,391.17
<u>Less</u> Current portion	-	(11.56)	-	(379.12)
Non-current portion of provision for decommissioning costs	2,166.22	1,188.90	71,405.20	39,012.05

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for decommissioning costs	1,087.36	494.17	35,842.55	16,215.48
<u>Less</u> Current portion	-	-	-	-
Non-current portion of provision for decommissioning costs	1,087.36	494.17	35,842.55	16,215.48

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

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	1,200.46	39,391.17
Additional provision – Business acquisition	52.52	1,696.00
Additional provision	885.57	28,763.00
Estimated liability incurred during the year	(2.34)	(75.83)
Finance cost	51.00	1,656.67
Reverse provision	(14.35)	(466.14)
Decrease from restructuring of the ownership interests in KKD project	(6.46)	(211.77)
Currency translation differences	(0.18)	652.10
Balance as at December 31, 2014	2,166.22	71,405.20

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	494.17	16,215.48
Additional provision	571.05	18,547.47
Finance cost	22.14	719.05
Currency translation differences	-	360.55
Balance as at December 31, 2014	1,087.36	35,842.55

29. Provision for Remuneration for the Renewal of Petroleum Production

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for remuneration for the renewal of petroleum production	547.42	567.11	18,044.78	18,609.06
<u>Less</u> Current portion	(54.91)	(36.64)	(1,810.12)	(1,202.41)
Non-current portion of provision for remuneration for the renewal of petroleum production	492.51	530.47	16,234.66	17,406.65

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Provision for remuneration for the renewal of petroleum production	547.42	567.11	18,044.78	18,609.06
<u>Less</u> Current portion	(54.91)	(36.64)	(1,810.12)	(1,202.41)
Non-current portion of provision for remuneration for the renewal of petroleum production	492.51	530.47	16,234.66	17,406.65

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

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	567.11	18,609.06
Additional provision	1.63	52.95
Estimated liability incurred during the year	(40.86)	(1,327.11)
Finance cost	39.02	1,267.24
Reverse provision	(19.48)	(632.62)
Currency translation differences	-	75.26
Balance as at December 31, 2014	547.42	18,044.78

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance as at January 1, 2014	567.11	18,609.06
Additional provision	1.63	52.95
Estimated liability incurred during the year	(40.86)	(1,327.11)
Finance cost	39.02	1,267.24
Reverse provision	(19.48)	(632.62)
Currency translation differences	-	75.26
Balance as at December 31, 2014	547.42	18,044.78

30. Deferred Income

Deferred income amount of US Dollar 31.82 million (Baht 1,048.77 million) for the consolidated financial statements mainly is the advance received for the payment of natural gas and transportation of gas, which the parties could not fulfill their obligation based on agreed deliverable quantity as per natural gas sale agreement amounting to US Dollar 27.83 million (Baht 917.25 million) and will be recognized as revenue when the they receive this gas in subsequent years.

Deferred income amount of US Dollar 3.99 million (Baht 131.52 million) for the Company's financial statements is the advance charged for the payment of the Space Utilization service and will be recognized as revenue when the Company provides this service in subsequent years.

31. Financial Assets and Financial Liabilities

Financial assets and financial liabilities are as follows:

Unit : Million US Dollar

	Consolidated							
	December 31, 2014				December 31, 2013			
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets
Financial assets								
Cash and cash equivalents	-	-	3,935.92	-	-	-	2,357.04	-
Investments in trading securities	0.18	-	-	-	0.14	-	-	-
Account receivable - parent company	-	-	643.99	-	-	-	894.25	-
Trade and other accounts receivables	-	-	270.91	-	-	-	294.77	-
Other current assets	-	-	198.13	-	-	-	83.17	-
Investments in available-for- sales securities	-	-	-	0.90	-	-	-	1.66
Long-term loans to related parties	-	-	17.60	-	-	-	17.68	-
Financial derivative assets	39.27	82.63	-	-	7.08	17.97	-	-
Other non-current assets	-	-	7.21	-	-	-	6.84	-
Total financial assets	39.45	82.63	5,073.76	0.90	7.22	17.97	3,653.75	1.66

Unit : Million US Dollar

	Consolidated					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	749.22	-	-	356.52
Trade accounts payable and working capital to co-venturers	-	-	140.84	-	-	156.99
Accrued expenses and interest payable	-	-	984.99	-	-	923.13
Other current liabilities	-	-	19.31	-	-	56.09
Financial derivative liabilities	2.89	53.12	-	2.60	67.40	-
Debentures and long-term loans	-	-	3,479.50	-	-	3,666.46
Other non-current liabilities	-	-	0.77	-	-	14.56
Total financial liabilities	2.89	53.12	5,374.63	2.60	67.40	5,173.75

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Unit : Million Baht

	Consolidated							
	December 31, 2014				December 31, 2013			
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets
Financial assets								
Cash and cash equivalents	-	-	129,739.77	-	-	-	77,342.82	-
Investments in trading securities	5.80	-	-	-	4.69	-	-	-
Account receivable - parent company	-	-	21,227.86	-	-	-	29,343.64	-
Trade and other accounts receivables	-	-	8,929.92	-	-	-	9,672.31	-
Other current assets	-	-	6,531.03	-	-	-	2,729.16	-
Investments in available-for- sales securities	-	-	-	29.67	-	-	-	54.46
Long-term loans to related parties	-	-	580.00	-	-	-	580.00	-
Financial derivative assets	1,294.52	2,723.61	-	-	232.23	589.83	-	-
Other non-current assets	-	-	237.70	-	-	-	224.49	-
Total financial assets	1,300.32	2,723.61	167,246.28	29.67	236.92	589.83	119,892.42	54.46

Unit : Million Baht

	Consolidated					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	24,696.43	-	-	11,698.80
Trade accounts payable and working capital to co-venturers	-	-	4,642.62	-	-	5,151.38
Accrued expenses and interest payable	-	-	32,468.14	-	-	30,291.11
Other current liabilities	-	-	636.47	-	-	1,840.46
Financial derivative liabilities	95.24	1,751.11	-	85.16	2,211.74	-
Debentures and long-term loans	-	-	114,694.92	-	-	120,309.59
Other non-current liabilities	-	-	25.49	-	-	477.82
Total financial liabilities	95.24	1,751.11	177,164.07	85.16	2,211.74	169,769.16

Unit : Million US Dollar

	The Company					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	2,877.08	-	-	1,728.06
Investments in trading securities	0.17	-	-	0.14	-	-
Account receivable - parent company	-	-	296.60	-	-	566.00
Trade and other accounts receivables	-	-	51.99	-	-	52.20
Short-term loans to related parties	-	-	60.05	-	-	-
Other current assets	-	-	55.64	-	-	47.15
Long-term loans to related parties	-	-	6,278.77	-	-	5,628.63
Financial derivative assets	6.02	2.76	-	4.92	-	-
Other non-current assets	-	-	4.39	-	-	4.29
Total financial assets	6.19	2.76	9,624.52	5.06	-	8,026.33

Unit : Million US Dollar

	The Company					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	201.81	-	-	356.52
Trade accounts payable and working capital to co-venturers	-	-	18.54	-	-	14.19
Accrued expenses and interest payable	-	-	492.65	-	-	456.63
Other current liabilities	-	-	1.65	-	-	2.88
Financial derivative liabilities	2.89	53.12	-	0.90	67.40	-
Debentures and long-term loans	-	-	1,319.42	-	-	776.01
Total financial liabilities	2.89	53.12	2,034.07	0.90	67.40	1,606.23

Unit : Million Baht

	The Company					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	94,837.25	-	-	56,703.74
Investments in trading securities	5.57	-	-	4.50	-	-
Account receivable - parent company	-	-	9,776.99	-	-	18,572.32
Trade and other accounts receivables	-	-	1,713.73	-	-	1,712.82
Short-term loans to related parties	-	-	1,979.47	-	-	-
Other current assets	-	-	1,834.06	-	-	1,547.23
Long-term loans to related parties	-	-	206,967.43	-	-	184,695.46
Financial derivative assets	198.56	90.83	-	161.52	-	-
Other non-current assets	-	-	144.64	-	-	140.77
Total financial assets	204.13	90.83	317,253.57	166.02	-	263,372.34

Unit : Million Baht

	The Company					
	December 31, 2014			December 31, 2013		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	6,652.32	-	-	11,698.80
Trade accounts payable and working capital to co-venturers	-	-	610.98	-	-	465.70
Accrued expenses and interest payable	-	-	16,239.37	-	-	14,983.60
Other current liabilities	-	-	54.34	-	-	94.34
Financial derivative liabilities	95.24	1,751.11	-	29.62	2,211.74	-
Debentures and long-term loans	-	-	43,492.23	-	-	25,463.50
Total financial liabilities	95.24	1,751.11	67,049.24	29.62	2,211.74	52,705.94

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

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

Unit : Million US Dollar		
Consolidated		
December 31, 2014		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	821.36	879.16
Unsecured and unsubordinated debentures – US Dollar	2,382.73	2,599.73
Long-term loans from financial institutions – US Dollar	618.22	618.22
Long-term loans from financial institutions – Canadian Dollar	406.41	406.41

Unit : Million Baht		
Consolidated		
December 31, 2014		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	27,074.51	28,979.83
Unsecured and unsubordinated debentures – US Dollar	78,542.07	85,695.00
Long-term loans from financial institutions – US Dollar	20,378.27	20,378.27
Long-term loans from financial institutions – Canadian Dollar	13,396.50	13,396.50

Unit : Million US Dollar		
The Company		
December 31, 2014		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	821.36	879.16
Unsecured and unsubordinated debentures – US Dollar	498.06	518.04
Long-term loans from financial institution – US Dollar	50.00	50.00

Unit : Million Baht		
The Company		
December 31, 2014		
	Book Value	Fair Value
Unsecured and unsubordinated debentures – Baht	27,074.51	28,979.83
Unsecured and unsubordinated debentures – US Dollar	16,417.72	17,076.18
Long-term loans from financial institution – US Dollar	1,648.15	1,648.15

32. Share Capital

As at December 31, 2014, the Company's registered capital consists of 3,969.98 million ordinary shares at Baht 1 per share, with a total of Baht 3,969.98 million. 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 at January 1, 2014	3,969.98
New ordinary shares issued during the year	-
Balance as at December 31, 2014	<u>3,969.98</u>

Unit : Million Shares

Ordinary shares issued and fully paid-up

Balance as at January 1, 2013	3,969.98
New ordinary shares issued during the year	-
Balance as at December 31, 2013	<u>3,969.98</u>

33. Subordinated Capital Debentures

On June 18, 2014, the Company issued subordinated capital debentures with a face value of US Dollar 1,000 million. These subordinated capital debentures are perpetual long-term, unsecured and no final maturity date. The principle payment will be paid once upon liquidation or early redemption by the Company, subject to certain restrictions under the agreement. These subordinated capital debentures bear a fixed interest rate of 4.875% per annum for the first five years and the rate of return from the sixth year onwards are based on terms and conditions. The interest is paid on a semi annual basis. However, the Company has unlimited rights to defer the interest payment at its sole discretion. All deferred interest will be accumulated, but not bear any interests after the interest is deferred for 12 months. If the Company deferred the interest payment, the Company shall not declare or make any dividend payment, make any interest payment or distribution of any sort of any instrument or security issued by the Company which ranks pari passu or junior to this subordinated capital debentures. In addition, the Company shall not redeem, reduce, cancel, acquire or buy-back for any consideration on any instrument or security issued by the Company which rank pari passu or junior to this subordinated capital debentures.

As at 31 December 2014, these subordinated capital debentures are presented net of finance costs as parts of "Subordinated capital debentures" in the amount of US Dollar 1,152.10 million (Baht 37,188.50 million).

34. Legal Reserve

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Balance as at January 1	15.05	15.05	397.00	397.00
Appropriation during the year	-	-	-	-
Balance as at December 31	15.05	15.05	397.00	397.00

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Balance as at January 1	15.05	15.05	397.00	397.00
Appropriation during the year	-	-	-	-
Balance as at December 31	15.05	15.05	397.00	397.00

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

35. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the years comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Petroleum royalties	783.83	815.88	25,444.97	25,058.53
Special remuneration benefits	1.94	0.86	63.15	18.68
Total	785.77	816.74	25,508.12	25,077.21

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Petroleum royalties	434.82	468.98	14,120.72	14,401.63
Special remuneration benefits	-	-	-	-
Total	434.82	468.98	14,120.72	14,401.63

36. Gain (loss) on Foreign Exchange

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
		(Restated)		(Restated)
Realized loss on foreign exchange	(18.69)	(0.92)	(613.94)	(160.73)
Unrealized loss on foreign exchange	(30.36)	(88.63)	(982.63)	(2,689.47)
Total	(49.05)	(89.55)	(1,596.57)	(2,850.20)

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Realized gain (loss) on foreign exchange	(26.81)	2.87	(876.42)	(35.94)
Unrealized gain (loss) on foreign exchange	27.81	(107.48)	907.97	(3,383.13)
Total	1.00	(104.61)	31.55	(3,419.07)

37. Expenses by Nature

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Salary, wages and employees' benefits	171.12	137.27	5,558.05	4,217.83
Repair and maintenance	147.59	101.77	4,793.82	3,126.93
Exploration well write-off	266.42	70.79	8,666.27	2,206.78
Geological and geophysical	33.96	61.19	1,103.14	1,880.25

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Salary, wages and employees' benefits	45.43	61.78	1,475.55	1,898.28
Repair and maintenance	87.63	68.95	2,846.15	2,118.61
Exploration well write-off	2.07	2.47	67.29	78.91
Geological and geophysical	14.38	2.41	467.10	74.06

38. Earnings per Share

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

	Unit : US Dollar		Unit : Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit attributable to shareholders (unit : million)	677.46	1,846.65	21,490.45	56,185.66
<u>Less</u> : Interest expenses for subordinated capital debentures (unit : million)	(26.69)	(9.39)	(875.17)	(291.78)
Profit used to determine basic earnings per share (unit : million)	650.77	1,837.26	20,615.28	55,893.88
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Basic earnings per share	0.16	0.46	5.19	14.08

	Unit : US Dollar		Unit : Baht	
	The Company		The Company	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit attributable to shareholders (unit : million)	1,054.39	1,223.61	34,203.59	37,245.25
<u>Less</u> : Interest expenses for subordinated capital debentures (unit : million)	(26.69)	(9.39)	(875.17)	(291.78)
Profit used to determine basic earnings per share (unit : million)	1,027.70	1,214.22	33,328.42	36,953.47
Weighted average number of ordinary shares in issue during the year (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Basic earnings per share	0.26	0.31	8.40	9.31

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

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

	Unit : US Dollar		Unit : Baht	
	Consolidated		Consolidated	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit attributable to shareholders (unit : million)	677.46	1,846.65	21,490.45	56,185.66
<u>Less</u> : Interest expenses for subordinated capital				
debentures (unit : million)	(26.69)	(9.39)	(875.17)	(291.78)
Profit used to determine diluted earnings per share (unit : million)	650.77	1,837.26	20,615.28	55,893.88
Weighted average number of ordinary shares				
in issue during the year (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Diluted earnings per share	0.16	0.46	5.19	14.08

	Unit : US Dollar		Unit : Baht	
	The Company		The Company	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit attributable to shareholders (unit : million)	1,054.39	1,223.61	34,203.59	37,245.25
<u>Less</u> : Interest expenses for subordinated capital				
debentures (unit : million)	(26.69)	(9.39)	(875.17)	(291.78)
Profit used to determine diluted earnings per share (unit : million)	1,027.70	1,214.22	33,328.42	36,953.47
Weighted average number of ordinary shares				
in issue during the year (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Diluted earnings per share	0.26	0.31	8.40	9.31

39. Segment Information

Unit : Million US Dollar

	Consolidated financial statements for the year ended December 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	294.19	714.42	-	67.52	-	14.68	137.93	-	-	1,228.74
- Related parties	5,034.44	623.08	677.11	-	-	70.72	271.88	-	(271.88)	6,405.35
Other revenues - Third parties	23.39	-	23.42	0.83	-	-	0.80	134.50	(103.61)	79.33
Total Revenues	5,352.02	1,337.50	700.53	68.35	-	85.40	410.61	134.50	(375.49)	7,713.42
Operating expenses	494.23	385.23	154.33	58.88	-	23.13	15.61	12.06	(286.96)	856.51
Administrative expenses	93.09	39.37	17.47	11.45	(2.29)	5.27	6.76	88.72	(88.53)	171.31
Exploration expenses										
- Amortization of dry holes and projects	69.47	33.29	87.45	13.28	62.93	-	-	-	-	266.42
- Geological and geophysical	10.34	21.99	7.36	4.57	20.46	1.77	-	-	-	66.49
Depreciation, depletion and amortization	1,633.27	267.53	595.29	11.10	1.07	5.78	24.40	4.00	0.48	2,542.92
Petroleum royalties and remuneration	668.14	115.81	-	1.82	-	-	-	-	-	785.77
(Gain) loss on foreign exchange	20.58	(1.07)	(1.40)	(5.54)	(0.50)	-	(0.18)	(0.35)	-	11.54
Impairment loss on assets	-	-	367.00	629.79	-	-	-	-	-	996.79
Share of gain from associates	-	-	(0.79)	-	-	-	-	(2.68)	-	(3.47)
Total Expenses	2,989.12	862.15	1,226.71	725.35	81.67	35.95	46.59	101.75	(375.01)	5,694.28
Segment result	2,362.90	475.35	(526.18)	(657.00)	(81.67)	49.45	364.02	32.75	(0.48)	2,019.14
Depreciation - general										(20.34)
Administrative expenses - general										(186.73)
Operating profit										1,812.07
Other income, net										84.49
Other expenses										(41.13)
Finance costs										
- Interest income										22.57
- Interest expenses and other finance costs										(259.43)
Loss on foreign exchange										(37.51)
Gain on financial derivatives										197.02
Management's remuneration										(6.06)
Profit before income taxes										1,772.02
Tax - Project	(865.34)	(186.30)	(72.73)	-	-	(27.77)	(65.74)	(2.69)		(1,220.57)
- Group										126.01
Net Profit (Loss)	1,497.56	289.05	(598.91)	(657.00)	(81.67)	21.68	298.28	30.06		677.46

(TRANSLATION)

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Unit : Million US Dollar

	Consolidated financial statements for the year ended December 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	7,721.69	2,897.59	2,085.06	1,600.54	2,663.92	49.24	798.74	125.07		17,941.85
Investments under equity method	-	-	6.36	-	-	-	-	32.74		39.10
Unallocated assets										5,309.52
Total assets										23,290.47
Liabilities										
Segment liabilities	4,856.52	627.15	261.10	4.19	48.98	39.58	68.55	28.56		5,934.63
Unallocated liabilities										4,807.86
Total liabilities										10,742.49
Capital Expenditures	3,977.71	702.67	133.66	1,801.21	210.98	26.46	150.17	51.83		7,054.69

(TRANSLATION)

135

Unit : Million Baht

	Consolidated financial statements for the year ended December 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	9,547.65	23,190.31	-	2,202.66	-	476.35	4,474.74	-	-	39,891.71
- Related parties	163,431.30	20,230.08	21,970.05	-	-	2,293.98	8,826.42	-	(8,826.42)	207,925.41
Other revenues - Third parties	758.60	-	762.58	27.02	-	-	25.99	4,376.06	(3,366.30)	2,583.95
Total Revenues	173,737.55	43,420.39	22,732.63	2,229.68	-	2,770.33	13,327.15	4,376.06	(12,192.72)	250,401.07
Operating expenses	16,045.52	12,507.34	5,008.21	1,921.14	-	750.22	507.34	390.43	(9,315.18)	27,815.02
Administrative expenses	3,023.74	1,279.41	567.59	371.52	(79.15)	171.21	219.77	2,881.28	(2,877.54)	5,557.83
Exploration expenses										
- Amortization of dry holes and projects	2,272.42	1,095.47	2,820.44	436.93	2,041.02	-	-	-	-	8,666.28
- Geological and geophysical	335.97	714.69	239.26	149.89	662.54	57.41	-	0.06	-	2,159.82
Depreciation, depletion and amortization	53,012.53	8,687.23	19,331.48	362.53	34.83	187.56	790.07	129.97	15.35	82,551.55
Petroleum royalties and remuneration	21,689.48	3,759.40	-	59.24	-	-	-	-	-	25,508.12
(Gain) loss on foreign exchange	667.25	(32.53)	(44.96)	(182.93)	(16.46)	-	(6.14)	(11.73)	-	372.50
Impairment loss on assets	-	-	12,074.87	20,721.10	-	-	-	-	-	32,795.97
Share of gain from associates	-	-	(25.03)	-	-	-	-	(87.35)	-	(112.38)
Total Expenses	97,046.91	28,011.01	39,971.86	23,839.42	2,642.78	1,166.40	1,511.04	3,302.66	(12,177.37)	185,314.71
Segment result	76,690.64	15,409.38	(17,239.23)	(21,609.74)	(2,642.78)	1,603.93	11,816.11	1,073.40	(15.35)	65,086.36
Depreciation - general										(663.12)
Administrative expenses - general										(6,079.76)
Operating profit										58,343.48
Other income, net										2,735.51
Other expenses										(1,337.67)
Finance costs										
- Interest income										734.56
- Interest expenses and other finance costs										(8,433.55)
Loss on foreign exchange										(1,224.07)
Gain on financial derivatives										6,405.41
Management's remuneration										(197.19)
Profit before income taxes										57,026.48
Tax - Project	(28,054.71)	(6,055.70)	(2,385.00)	-	-	(902.33)	(2,132.64)	(87.53)		(39,617.91)
- Group										4,081.88
Net Profit (Loss)	48,635.93	9,353.68	(19,624.23)	(21,609.74)	(2,642.78)	701.60	9,683.47	985.87		21,490.45

(TRANSLATION)

136

Unit : Million Baht

	Consolidated financial statements for the year ended December 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	254,530.66	95,513.52	68,729.88	52,758.73	87,810.82	1,623.05	26,328.82	4,122.67		591,418.15
Investments under equity method	-	-	209.73	-	-	-	-	1,079.02		1,288.75
Unallocated assets										175,018.12
Total assets										767,725.02
Liabilities										
Segment liabilities	160,085.65	20,672.66	8,606.66	138.09	1,614.68	1,304.55	2,259.64	941.47		195,623.40
Unallocated liabilities										158,481.74
Total liabilities										354,105.14
Capital Expenditures	128,859.79	22,822.38	4,341.34	58,984.30	6,852.60	859.53	4,877.56	1,683.56		229,281.06

(TRANSLATION)

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Unit : Million US Dollar

	Consolidated financial statements for the year ended December 31, 2013 (Restated)									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	257.40	646.61	-	275.79	-	13.67	150.68	-	-	1,344.15
- Related parties	5,323.92	446.81	110.22	-	-	97.47	165.16	-	(165.16)	5,978.42
Other revenues - Third parties	14.67	9.35	32.32	2.78	0.33	0.10	0.83	117.26	(101.26)	76.38
Total Revenues	5,595.99	1,102.77	142.54	278.57	0.33	111.24	316.67	117.26	(266.42)	7,398.95
Operating expenses	430.61	244.79	29.64	244.28	-	27.59	9.78	15.95	(175.26)	827.38
Administrative expenses	77.38	43.45	20.52	12.81	9.04	4.94	5.40	85.46	(91.16)	167.84
Exploration expenses										
- Amortization of dry holes and projects	14.36	11.71	3.27	3.78	38.24	0.08	-	-	-	71.44
- Geological and geophysical	21.43	41.36	(4.44)	15.97	9.62	16.64	-	-	-	100.58
Depreciation, depletion and amortization	1,301.11	150.33	73.82	44.37	1.21	41.72	7.25	3.33	(0.15)	1,622.99
Petroleum royalties and remuneration	698.50	112.13	-	6.11	-	-	-	-	-	816.74
(Gain) loss on foreign exchange	21.00	6.82	3.13	0.14	0.11	-	(0.04)	1.84	-	33.00
Share of gain from associates	-	-	(2.12)	-	-	-	-	(4.04)	-	(6.16)
Total Expenses	2,564.39	610.59	123.82	327.46	58.22	90.97	22.39	102.54	(266.57)	3,633.81
Segment result	3,031.60	492.18	18.72	(48.89)	(57.89)	20.27	294.28	14.72	0.15	3,765.14
Depreciation - general										(14.41)
Administrative expenses - general										(164.82)
Operating profit										3,585.91
Other income, net										12.88
Finance costs										
- Interest income										33.07
- Interest expenses and other finance costs										(200.76)
Loss on foreign exchange										(56.55)
Loss on financial derivatives										(5.44)
Management's remuneration										(6.19)
Profit before income taxes										3,362.92
Tax - Project	(1,159.26)	(216.65)	0.92	12.35	-	(13.33)	(65.63)	(7.53)		(1,449.13)
- Group										(67.14)
Net Profit (Loss)	1,872.34	275.53	19.64	(36.54)	(57.89)	6.94	228.65	7.19		1,846.65

(TRANSLATION)

138

Unit : Million US Dollar

	Consolidated financial statements for the year ended December 31, 2013 (Restated)									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	6,530.93	2,470.88	3,034.28	2,877.19	2,512.26	29.58	662.19	125.15		18,242.46
Investments under equity method	-	-	5.57	-	-	-	-	31.27		36.84
Unallocated assets										3,293.11
Total assets										21,572.41
Liabilities										
Segment liabilities	3,691.59	514.46	291.47	600.84	54.04	26.08	64.15	31.97		5,274.60
Unallocated liabilities										4,578.99
Total liabilities										9,853.59
Capital Expenditures	1,841.87	1,129.06	349.94	204.96	226.01	2.46	204.16	64.38		4,022.84

(TRANSLATION)

139

Unit : Million Baht

	Consolidated financial statements for the year ended December 31, 2013 (Restated)									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Southeast Asia			
Revenues - Third parties	7,888.21	19,828.39	-	8,483.95	-	418.63	4,635.63	-	-	41,254.81
- Related parties	163,491.18	13,758.92	3,485.01	-	-	2,982.77	5,180.88	-	(5,180.88)	183,717.88
Other revenues - Third parties	447.97	279.85	1,013.99	85.03	10.68	3.23	25.47	3,677.46	(3,181.84)	2,361.84
Total Revenues	171,827.36	33,867.16	4,499.00	8,568.98	10.68	3,404.63	9,841.98	3,677.46	(8,362.72)	227,334.53
Operating expenses	13,254.27	7,633.94	938.60	7,506.31	-	849.94	302.13	502.74	(5,497.57)	25,490.36
Administrative expenses	2,395.75	1,335.95	635.34	394.43	278.84	152.95	165.85	2,672.11	(2,865.14)	5,166.08
Exploration expenses										
- Amortization of dry holes and projects	454.99	378.87	100.86	117.92	1,172.23	2.25	-	-	-	2,227.12
- Geological and geophysical	659.83	1,280.71	(126.72)	496.67	292.37	521.28	-	-	-	3,124.14
Depreciation, depletion and amortization	40,015.61	4,580.42	2,328.20	1,364.89	36.89	1,252.89	222.90	102.79	(4.78)	49,899.81
Petroleum royalties and remuneration	21,444.90	3,443.40	-	188.91	-	-	-	-	-	25,077.21
(Gain) loss on foreign exchange	614.48	217.11	94.31	4.26	3.35	(0.08)	(0.82)	58.67	-	991.28
Share of gain from associates	-	-	(65.08)	-	-	-	-	(125.32)	-	(190.40)
Total Expenses	78,839.83	18,870.40	3,905.51	10,073.39	1,783.68	2,779.23	690.06	3,210.99	(8,367.49)	111,785.60
Segment result	92,987.53	14,996.76	593.49	(1,504.41)	(1,773.00)	625.40	9,151.92	466.47	4.77	115,548.93
Depreciation - general										(451.08)
Administrative expenses - general										(5,163.49)
Operating profit										109,934.36
Other income, net										398.53
Finance costs										
- Interest income										1,007.75
- Interest expenses and other finance costs										(6,175.11)
Loss on foreign exchange										(1,858.92)
Loss on financial derivatives										(190.57)
Management's remuneration										(187.77)
Profit before income taxes										102,928.27
Tax - Project	(35,642.38)	(6,684.47)	36.38	381.02	-	(396.31)	(2,025.92)	(229.83)		(44,561.51)
- Group										(2,181.10)
Net Profit (Loss)	57,345.15	8,312.29	629.87	(1,123.39)	(1,773.00)	229.09	7,126.00	236.64		56,185.66

(TRANSLATION)

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Unit : Million Baht

	Consolidated financial statements for the year ended December 31, 2013 (Restated)									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	America	Africa	Middle East	Souteast Asia			
Assets										
Segment assets	214,302.99	81,078.34	99,565.61	94,410.99	82,436.11	970.76	21,728.83	4,106.53		598,600.16
Investments under equity method	-	-	182.82	-	-	-	-	1,026.11		1,208.93
Unallocated assets										108,058.67
Total assets										707,867.76
Liabilities										
Segment liabilities	121,134.25	16,881.25	9,564.10	19,715.79	1,772.99	855.84	2,105.07	1,049.13		173,078.42
Unallocated liabilities										150,253.10
Total liabilities										323,331.52
Capital Expenditures	56,198.41	35,523.48	10,680.81	6,231.81	7,025.34	76.83	6,259.35	2,018.36		124,014.39

The Group is organized into the following business segments:

- Exploration and production: The Group operates in oil and gas exploration and production both domestics 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, America, Africa and the Middle East. As at the financial statement date, the Group had 22 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, Yetagun and Zawtika gas transportation projects.
- The Group's other operations consist mainly of investments in projects strategically connected to the energy business; and other operations. These do not constitute a separately reportable segment.

40. Risk Management

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

Market Risk

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

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

■ Price Risk

The Group's product prices vary with those of world oil prices, which are subject to various factors beyond its control, for instance, market demand and supply, political and economic stability of various countries, OPEC's production policy, oil reserves and the change in the global climate each season.

Fluctuations in world oil prices affect the prices of the Group's crude oil and condensate. However, because of built-in natural gas pricing mechanisms found in the Gas Sale Agreement (GSA) which cushion natural gas prices from oil prices volatility (Natural Hedge), when the reference oil prices change, the typical prices of natural gas do change in the same direction. Most of the Group's contractual natural gas prices are adjusted every 6 or 12 months depending on the gas price formula of each project, the natural gas price will move correspondingly to a certain degree compared to the prices of crude oil and condensate. In the first half of 2014, world crude oil prices fluctuated in a narrow range. The price of Brent crude oil was in the range of US Dollar 105 - 110 per barrel and arose to approximately US Dollar 115 per barrel in June by the news of unrest in the Republic of Iraq. However, the price of Brent crude oil has steadily dropped from an increase of production rates more than the demand, especially from a rapid growth of Shale oil production in the United States and the OPEC's decision not to reduce the crude oil production capacity to stabilize the price level.

However, the Group has managed the oil price risk by analyzing the impact of the level of oil price changes to revenue and net profit of the Group annually. The risk mitigation plan is reviewed by the Risk Management Committee and endorsed by the Groups' Management Committee. During the year 2014, the Group entered into a derivative on crude oil price according to the Company's risk management strategy. As a result, the Group could mitigate the risk from the effects of such situations.

In addition, the Group entered into a derivative on crude oil price hedged using the Brent oil price benchmark during January 2015 to June 2015 totaling to 4.5 million barrels.

■ **Interest Rate Risk**

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

As at December 31, 2014, the Group has a proportion of floating rate debt net of interest rate swaps at 23% of total debt (in 2013 at 25%). The weighted average interest rate on total debt was 4.14% per annum (in 2013 was 3.99% per annum).

The Group's profit before income taxes is sensitive to changes in interest rates on the floating rate element of the Group's debt as at January 1, 2015. If the interest rate applicable to floating rate instruments were to have increased by 1% per annum, it is estimated that the Group's profit before income taxes for 2015 would decrease by approximately US Dollars 11 million (in 2014 decrease by US Dollars 11 million). This assumes that the principal amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2015. Furthermore, the effect on the Group's profit before income taxes shown by this analysis does not consider the effect of any changes in general economic activity that may accompany such increase or decrease in interest rates.

■ Foreign Exchange Rate Risk

The vast majority of the Group's domestic and overseas business (revenues and expenses) are in US Dollar and the Group has determined the US Dollar as the functional currency by considering from revenue and operating expenses used in the primary economic environment in which the entity operates. The Group is exposed to the exchange rate risks from transactions which are denominated in currencies that are not the Group's functional currency. Foreign exchange gains and losses are presented in Note 36.

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

The Group's profit before income taxes are sensitive to changes in foreign currency of net assets and liabilities denominated in currencies other than functional currency. If at December 31, 2014 and 2013, the other currencies had fluctuated 10% against the functional currency, the possible change to the Group's profit before income taxes is as follows:

	Unit : Million US Dollar	
	Consolidated	
	Exposure of asset and liability position to the	
	exchange rate	
	Baht to US Dollar	Canadian Dollar to US Dollar
For the year ended December 31, 2014		
Profit before income taxes increase (decrease)		
(10% US Dollar appreciate)	(16)	(46)
Profit before income taxes increase (decrease)		
(10% US Dollar depreciate)	16	46
For the year ended December 31, 2013		
Profit before income taxes increase (decrease)		
(10% US Dollar appreciate)	(57)	(84)
Profit before income taxes increase		
(10% US Dollar depreciate)	57	84

Credit Risk

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

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

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

Liquidity Risk

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

	Unit : Million US Dollar				
	Within 1 year	Over 1 year but not exceeding 3 years	Over 3 years but exceeding 5 years	Over 5 years	Total
Trade accounts payable and working capital to co-venturers	147.71	-	-	-	147.71
Accrued expenses	927.31	-	-	-	927.31
Other current liabilities	12.44	-	-	-	12.44
Loans from financial institution with floating interest rate					
Principal	50.00	897.03	85.87	-	1,032.90
Interest *	21.40	36.92	2.90	-	61.22
Debenture with fixed interest rate					
Principal	700.00	-	976.29	1,535.84	3,212.13
Interest *	155.74	253.36	221.06	768.19	1,398.35
Cash outflow from foreign currency and interest rate swap **	50.01	100.25	336.39	677.06	1,163.71
Cash inflow from foreign currency and interest rate swap **	50.45	101.15	320.88	761.06	1,233.54

The major assumptions for the data presented in the table above are that all the interest expenses are calculated based on the contractual interest rate and there is no change in aggregate principal amounts of loans other than repayment at scheduled maturity. The floating interest rate is based on the nominal interest rate at December 31, 2014.

- Thai Baht liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 30, 2014 at Baht 32.9630 per US Dollar.
- Canadian Dollar liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 30, 2014 at Baht 28.3066 per Canadian Dollar for conversion to Thai Baht and at Baht 32.9630 for conversion from Thai Baht to US Dollar, respectively.

* Interest represents the interest payment due within one year.

** Cash inflow and cash outflow from entering into foreign currency and interest rate swap is not a net cash payment method; separate cash payment and cash receipt.

The Group manages its liquidity risks by preparing cash flow forecasts and adjusting financial estimates regularly, entering into Financing Program and issuing short-term debt securities in order to access Thailand's capital market. This also entering into short-term credit facilities with commercial banks with agreed interest rate in advance.

The outstanding principal amount and undrawn facilities are summarized below:

	Unit : Million US Dollar	
	Credit limit	Undrawn amount
Short-term committed bank credit facility	608.56	608.56
Short-term uncommitted bank credit facility	378.84	378.84
Short-term debt securities	1,516.85	1,516.85

Thai Baht credit facility is translated to US Dollar using the weighted average exchange rate announced by the Bank of Thailand on December 30, 2014 at Baht 32.9630 per US Dollar.

In addition, the Group has launched Receivables Purchase Financing Facility for the purpose of converting credit terms to immediate cash to increase the liquidity of working capital.

The Company's International Credit Rating is comparable with the Sovereign Rating of Thailand and the National Credit Rating is at the AAA. As a result, the Company can access to the source of fund for the long-term loan at the interest rate approximate the market interest rate. For the years ended 2014 and 2013, the Company's credit ratings as assigned by prominent credit rating agencies are as follows:

Rating Agency	2014		2013	
	Foreign Currency	Domestic Currency	Foreign Currency	Domestic Currency
Moody's	Baa1	Baa1	Baa1	Baa1
Standard and Poor's	BBB+	BBB+	BBB+	BBB+
Japan Credit Rating	A-	A	A-	A
TRIS Rating (National Rating)	-	AAA	-	AAA

41. Dividends

On March 27, 2014, the Annual General Meeting of the Shareholders approved payment of a dividend for the year 2013 of Baht 6.00 per share. The Company made interim dividend payment for the first half-year operations of 2013 at the rate of Baht 3.00 per share on August 23, 2013 and for the second half-year operations of 2013 at the rate of Baht 3.00 per share on April 9, 2014.

The Company estimated the dividend to its shareholders for the year 2014 at Baht 4.5 per share. The Company made an interim dividend payment for the first half-year operations of 2014 at the rate of Baht 3.00 per share on August 22, 2014 and still has to pay the dividend for the second half-year operations of 2014 at the rate of Baht 1.5 per share. This dividend will be paid upon approval by the Annual General Meeting of the Shareholders.

42. Commitments, Contingent Liabilities and Significant Litigation

- Commitment under operating leases – the Group as a lessee

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

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Within 1 year	52.63	75.13	1,783.53	2,465.23
Over 1 year but not exceeding 5 years	65.83	81.17	2,170.11	2,663.86
Over 5 years	56.10	65.83	1,849.37	2,160.60
Total	174.56	222.13	5,803.01	7,289.69

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Within 1 year	32.12	42.33	1,058.53	1,389.25
Over 1 year but not exceeding 5 years	20.61	34.79	679.62	1,141.58
Over 5 years	0.08	0.01	2.84	0.56
Total	52.81	77.13	1,740.99	2,531.39

- Commitment from loan agreements
 - The Company had a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at December 31, 2014 was US Dollar 17.60 millions (Baht 580 million).

- Commitment from loan and debenture guarantee of subsidiaries
 - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 500 million and US Dollar 200 million, respectively to guarantee for PTTEP Australia International Finance Pty Limited (PTTEP AIF).
 - The Company has commitment from loan guarantee within the credit facility of US Dollar 500 million and US Dollar 75 million, respectively to guarantee for PTTEP Offshore Investment Company Limited (PTTEPO).
 - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 490 million and US Dollar 700 million and loan guarantee of Canadian Dollar 300 million, Canadian Dollar 75 million and Canadian Dollar 100 million, respectively, to guarantee for PTTEP Canada International Finance Limited (PTTEP CIF).
 - The Company has commitment from entering into a Cross Currency Swap transaction for PTTEP Canada Limited (PTTEP CA) to swap US Dollar for Canadian Dollar with notional amount of US Dollar 700 million to guarantee.

- Obligation under Gas Sale Agreement
 - According to the Gas Sales Agreement of MTJDA B-17 Project, if PTTEP International Limited (PTTEPI) and the joint operation, as the sellers, fail to deliver the quantity of natural gas notified by the buyer on the agreed upon date, the buyer has the right to take the deficient quantity of natural gas (Shortfall) at a price equal to 75% of the current price applicable at the time the Shortfall occurred.

On December 31, 2014, PTTEPI have an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 15.04 million (Baht 495.84 million). Currently, negotiation between the buyer (PTT) and the seller are in process.

■ Contingent liabilities

- On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to an incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. PTTEP AA has 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.

Subsequently on October 3, 2014, PTTEP AA received a warning letter of a class action from lawyers acting on behalf of the West Timor Care Foundation (the “WTCF”), a representative of West Timorese coastal fishermen and seaweed farmers who claim to have been affected by the Montara spill in 2009.

At present, the Company considers that the claims from the Government of Indonesia and WTCF remain unproven and unsubstantiated.

- As at December 31, 2014, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 7.22 million (Baht 237.96 million) for the Company’s financial statements and US Dollar 35.49 million (Baht 1,169.88 million) for the consolidated financial statements.

■ Significant litigation

Cove Energy Limited (Cove), a subsidiary of the Company has been claimed by The Tanzanian Revenue Authority (TRA) for the additional Value Added Tax (VAT), including interest based on the Farm-in agreement made in 2009. The TRA has requested for the additional payment of VAT including interest total to US Dollar 0.51 million (Baht 16.77 million). Subsequently in June 2012, Cove has paid the one-third of the assessed amount total to US Dollar 0.17 million (Baht 5.59 million) in order to proceed for the negotiation with the TRA. The Company has already recognized the remaining amount of assessed claim of US Dollar 0.34 million (Baht 11.18 million) in the consolidated financial statements.

During the year 2014, the court ruled in favour of Cove. As a result, Cove did not have to pay for VAT, including interest on this Farm-in agreement. The Company has reversed the reserved for assessed claim of US Dollar 0.34 million (Baht 11.16 million) to other income in the consolidated financial statements for the year ended December 31, 2014.

43. Events after the Statement of Financial Position Date

- The Company’s Board of Directors authorized for the issue of these financial statements on February 17, 2015.