PTT Exploration and Production Public Company Limited

(registered in the Kingdom of Thailand as a public company with limited liability)

US$1,000,000,000
Subordinated Perpetual Capital Securities
Issue Price: 100.0%

The US$1,000,000,000 in aggregate principal amount of subordinated perpetual capital securities (the "Securities") will be issued by PTT Exploration and Production Public Company Limited, a company with limited liability incorporated under the laws of the Kingdom of Thailand (the "Company" or the "PTTEP"). The Securities confer a right to receive distributions (each, a "Distribution") for the period from and including June 18, 2014 (the "Issue Date") at the applicable rate described below (the "Distribution Rate"). Subject to the provisions of the Securities relating to deferral of Distribution (see "*Description of the Securities — Distributions — Distribution Deferral*"), Distributions shall be made semi-annually in arrear on June 18 and December 18 of each year (each, a "*Distribution Payment Date*") with the first Distribution Payment Date falling on December 18, 2014 (also, a "*Distribution Payment Date*").

Unless previously redeemed in accordance with the terms of the Securities, and subject to provisions relating to deferral of Distributions (see "*Description of the Securities —Distributions — Distribution Deferral*"), Distributions (i) from, and including, the Issue Date to, but excluding, June 18, 2019 (the "First Reset Date") shall accrue on the outstanding principal amount of the Securities at a rate of 4.875% per annum; (ii) from, and including, the First Reset Date to, but excluding, June 18, 2024 (the "Second Reset Date") shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable Treasury Rate (as defined in "*Description of the Securities*") plus 3.177% per annum; (iii) for each Reset Period (as defined in "*Description of the Securities*") during the period from, and including, the Second Reset Date, to, but excluding, June 18, 2039 (the "Additional Step-up Margin Reset Date") shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable Floating Rate plus 3.101% plus 0.25% per annum; and (iv) for each Reset Period during the period from, and including, the Additional Step-up Margin Reset Date, to, but excluding, any redemption date of the Securities shall accrue on the outstanding principal amount of the Securities at a rate per annum equal to the applicable Floating Rate plus 3.101% plus 0.25% per annum plus 0.75% per annum. In addition, unless an irrevocable notice to redeem the Securities has been given by the 14th day following the first occurrence of a Change of Control Triggering Event (as defined in "*Description of the Securities*"), the Distribution Rate will increase by 3.00% per annum with effect from the date on which that Change of Control Triggering Event occurs.

The Company may, at its sole discretion, elect to defer, in whole or in part, a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by providing holders of the Securities ("Holders") with not more than 10 nor less than five Business Days' (as defined in "*Description of the Securities*") notice prior to the relevant scheduled Distribution Payment Date. Any Distribution validly deferred pursuant to the terms of the Securities shall constitute Arrears of Distribution (as defined in "*Description of the Securities*"). Each amount of Arrears of Distribution shall bear additional distribution from and including the date falling 12 months from the date on which it first deferred as if it constituted the principal of the Securities at the prevailing Distribution Rate and the amount of such additional distribution ("Additional Distribution Amount") with respect to Arrears of Distribution shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution as described in "*Description of the Securities — Distribution — Cumulative Deferral*." The Company may, at its sole discretion, elect to further defer any Arrears of Distribution and Additional Distribution Amount by complying with the foregoing notice requirements. The Company is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred. See "*Description of the Securities — Distributions — Distribution Deferral*."

If on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full, the Company shall not (a) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Securities (as defined in "*Description of the Securities*") or its Parity Securities (as defined in "*Description of the Securities*") (except in relation to Parity Securities where such dividend, distribution or the payment is made, on a *pro-rata* basis with payment on the Securities); or (b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities (except in relation to Parity Securities where such redemption, reduction, cancellation or buyback is made, on a *pro-rata* basis with a *pro-rata* purchase by the Company of Securities), in each case, unless and until the Company (i) has satisfied in full all outstanding Arrears of Distributions and any Additional Distribution Amounts or (ii) is permitted to do so with the consent of the Holders of at least a majority in aggregate principal amount of the Securities then Outstanding. The restriction in (a) above does not apply to payments in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants. The restriction in (b) above does not apply to either (i) an exchange of any of the Company's Parity Securities in whole for Junior Securities or (ii) or repurchases or other acquisitions of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants.

The Securities constitute direct, unconditional, unsecured and subordinated obligations of the Company, ranking *pari passu,* without any preference or priority of payment among themselves and with any Parity Securities of the Company. In the event of a Winding-Up of the Company, the rights and claims of the Holders in respect of the Securities are subordinated as provided in "*Description of the Securities — Ranking*."

The Securities are perpetual securities and have no fixed redemption date. The Company may redeem all, but not some only, of the Securities at their principal amount plus any Distribution accrued to, but excluding the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount outstanding), on giving not less than 30 nor more than 60 days' notice: (a) on the First Reset Date (as defined in "*Description of the Securities*"), the Second Reset Date or on any Distribution Payment Date thereafter; or (b) upon the occurrence of a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event (each as defined in "*Description of the Securities*"). Further the Securities may be redeemed by the Company in whole, but not in part, on the Company giving not less than 30 nor more than 60 days' notice, if a Change of Control Triggering Event, a Rating Agency Event or an Accounting Event (each as defined in "*Description of the Securities*") occurs, at: (i) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); or (ii) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

Approval-in-principal has been obtained for the listing of the Securities on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed contained herein. Admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Securities, the Company or its subsidiaries. The Securities will be traded on the SGX-ST in a minimum board lot size of US$200,000 for as long as the Securities are listed on the SGX-ST.

Investing in the Securities involves risks. See "*Risk Factors*" beginning on page 27.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold in the United States only to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) in accordance with Rule 144A and outside the United States in offshore transactions in accordance with Regulation S under the Securities Act ("Regulation S"). For a description of these and other restrictions on offers, resales and transfers of the Securities, see "*Plan of Distribution*" and "*Transfer Restrictions*."

The Securities will be in registered form in the denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. The Company expects that delivery of the Securities will be made to investors in book-entry form through The Depository Trust Company ("DTC") for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream, Banking, *société anonyme* ("Clearstream, Banking"), on or about June 18, 2014 (or such other time and date as the Company and the Initial Purchasers (as defined herein) may agree).

Joint Lead Managers and Joint Bookrunners

BofA Merrill Lynch Credit Suisse HSBC J.P. Morgan

The date of this Offering Memorandum is June 11, 2014.

You should rely only on the information contained in this Offering Memorandum in making an investment in our Securities. The Company has not authorized anyone to provide you with any additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This Offering Memorandum may only be used where it is legal to offer and sell these Securities. The information in this Offering Memorandum may only be accurate as of the date of this Offering Memorandum. You should be aware that since the date of this Offering Memorandum there may have been changes in our business, financial condition, results of operations, prospects or otherwise that could affect the accuracy or completeness of the information set out in this Offering Memorandum. This Offering Memorandum should not be considered as a recommendation by the Initial Purchasers that any recipient of this Offering Memorandum should purchase the Securities.

The Company, to the best of its knowledge and belief, having made all reasonable enquires, confirms that (i) this Offering Memorandum contains all information with respect to the Company and the Securities which is material in the context of the issue and offering of the Securities, (ii) the statements contained herein relating to the Company and the Securities are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Memorandum with regard to the Company are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Company or the Securities the omission of which would, in the context of the issue and offering of the Securities, make any statement in this Offering Memorandum misleading in any material respect and (v) all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements. The Company accepts responsibility for the information contained in this Offering Memorandum. The Company is furnishing this Offering Memorandum on a confidential basis in connection with an offering exempt from registration under the U.S. Securities Act and applicable state securities laws solely for the purpose of enabling prospective investors to consider the purchase of the Securities. The information contained in this Offering Memorandum has been provided by the Company and other sources identified in this Offering Memorandum. None of the Trustee, Paying Agent, Registrar, Transfer Agents (each as defined below) or Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Merrill Lynch (Singapore) Pte. Ltd. (together, the "**Initial Purchasers**" and each, an "**Initial Purchaser**") has independently verified the information contained in this Offering Memorandum. No representation or warranty, express or implied, is made by the Initial Purchasers of the Securities or by their respective U.S. selling agents as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum and appendices is, or shall be relied upon as, a promise or representation by the Initial Purchasers or such agents and no responsibility or liability is accepted by any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by the Company in connection with the issue of the Securities. None of the Trustee, Paying Agent, Registrar, Transfer Agents (each as defined below) or the Initial Purchasers accepts any liability in relation to the information contained or incorporated by reference in this Offering Memorandum or any other information provided by the Company in connection with the issue of the Securities. To the fullest extent permitted by law, none of the Initial Purchasers accepts any responsibility for the contents of this Offering Memorandum or for any other statement, made or purported to be made by the Initial Purchasers or on their behalf in connection with the Company or the issue and offering of the Securities. Each of the Initial Purchasers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Memorandum or any such statement. Advisors or consultants named in this Offering Memorandum have acted pursuant to the terms of their respective engagements and do not make, and should not be taken to have verified, any statement or information in this Offering Memorandum unless expressly stated otherwise. Any reproduction or distribution of this Offering Memorandum, in whole or in part, and any disclosure of its contents or use of any information herein is prohibited, except to the extent such information is otherwise publicly available.

The Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable state securities laws pursuant to registration or exemption from registration. You should be aware that you may be required to bear the risk of an investment in the Securities for an indefinite period of time.

Each person receiving this Offering Memorandum acknowledges that: (i) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning the Company, its respective subsidiaries and affiliates, the Securities (other than as contained herein and information given by the duly authorized officers and employees of the Company in connection with investors' examination of the Company and its subsidiaries and the terms of this offering of the Securities (this "**Offering**")) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company or the Initial Purchasers.

The Securities have not been approved or disapproved by any United States federal or state securities commission or regulatory authority (including the United States Securities and Exchange Commission), nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States. Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

The distribution of this Offering Memorandum and this Offering may in certain jurisdictions be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Company and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Securities and the distribution of this Offering Memorandum, see "*Plan of Distribution*" and "*Transfer Restrictions*".

In making an investment decision, you must rely on your own examination of the Company and the terms of this Offering, including the merits and risks involved. Neither the Company nor the Initial Purchasers is making any representation to you regarding the legality of an investment in the Securities by you under any legal, investment or similar laws or regulations. You should not consider any information in this Offering Memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Securities. By accepting delivery of this Offering Memorandum, you agree to these restrictions.

The Company reserves the right to withdraw this Offering at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Securities in whole or in part and to allot to any prospective purchaser less than the full amount of the Securities sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Securities.

Notwithstanding anything in this Offering Memorandum to the contrary, each investor in the Securities (and any employee, representative, or other agent of any investor) may disclose to any and all persons, without limitation of any kind, the U.S. federal tax treatment and the U.S. federal tax structure of the transactions contemplated by this Offering Memorandum and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such U.S. federal tax treatment and U.S. federal tax structure.

This Offering Memorandum does not constitute an offer of, or an invitation to purchase, any of the Securities in any jurisdiction in which such offer or invitation would be unlawful.

UNITED STATES INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, THE ISSUER HEREBY INFORMS YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SECURITIES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NO OFFERS OR SALES OF THE SECURITIES OFFERED PURSUANT TO THIS OFFERING MEMORANDUM MAY BE MADE IN THAILAND.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To preserve the exemptions for resales and transfers pursuant to Rule 144A, the Company will furnish, upon the request of a Holder, such information as is specified in paragraph (d)(4) of Rule 144A under the U.S. Securities Act, to such Holder or beneficial owner or to a prospective purchaser of the Securities or interest therein who is a "**qualified institutional buyer**" within the meaning of Rule 144A, in order to permit compliance by such Holder or beneficial owner with Rule 144A in connection with the resale of such Securities or beneficial interest therein unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), or is exempt from the registration requirements of Section 12(g) of the U.S. Exchange Act pursuant to Rule 12g3-2(b) under the U.S. Exchange Act.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in Thailand. All of our directors and executive officers and some of the experts named in this Offering Memorandum are residents of Thailand. Also, a substantial portion of our assets are located in Thailand, and the assets of our directors, executive officers and certain of our experts are located in Thailand. As a result, you may not be able to:

- effect service of process upon us or these persons outside Thailand, or
- enforce against us judgments obtained in courts outside of Thailand, including judgments based in whole or in part on the federal securities laws of the United States.

Our Thai counsel, Clifford Chance (Thailand) Limited, has advised us that Thai courts will not enforce any judgment or order obtained outside Thailand, but such a judgment or order from a foreign court may, in the discretion of a court in Thailand, be admitted as evidence of an obligation in a new proceeding instituted in that court, which would consider the issue on the evidence before it. See "*Risk Factors — Risks Relating to Thailand — Non-enforceability of non-Thai judgments may limit your ability to recover damages from us in Thai courts*."

Under the Petroleum Act B.E. 2514 (1971) (as amended), the right to hold a petroleum concession shall not be subject to execution of judgment. Thus, to the extent investors are entitled to bring a legal action against PTTEP, they may be limited in their remedies or any recovery, and any Thai proceedings may be limited depending on the relevant court's discretion.

CERTAIN DEFINED TERMS AND CONVENTIONS

Market data and certain industry forecasts used throughout this Offering Memorandum were obtained from internal surveys, market research, publicly available information and industry publications published by third party sources that we believe are reliable. Such information has been accurately reproduced herein and, as far as we are aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company or the Initial Purchasers makes any representation as to the accuracy or completeness of this information. The industry in which we operate is subject to a high degree of uncertainty and risks due to a variety of factors, including those described under "*Risk Factors*." These and other factors could cause results to differ materially from the information contained in such publications, surveys, forecasts and market research.

All references to "**Thailand**" or "**Thai**" herein are references to the Kingdom of Thailand. All references to the "**Government**" herein are references to the government of Thailand, all references to the "**Cabinet**" herein are references to the Cabinet of Ministers of the Government, all references to the "**Ministry of Commerce**" herein are references to the Ministry of Commerce of Thailand, all references to the "**Ministry of Energy**" herein are references to the Ministry of Energy of Thailand, all references to "**MOF**" herein are references to the Ministry of Finance of Thailand and all references to the "**Ministry of Industry**" herein are references to the Ministry of Industry of Thailand. All references to the "**Myanmar**" are references to the Union of Myanmar, formerly known as Burma, all references to "**Australia**" or "**Australian**" are references to the Commonwealth of Australia, all references to "**Tanzania**" or "**Tanzanian**" are references to the United Republic of Tanzania, all references to "**Vietnam**" are references to the Socialist Republic of Vietnam, all references to "**Indonesia**" or "**Indonesian**" are references to the Republic of Indonesia, all references to "**Cambodia**" are references to the kingdom of Cambodia, all references to "**Oman**" are references to the Sultanate of Oman, all references to "**Algeria**" are references to the People's Democratic Republic of Algeria, all references to "**Kenya**" are references to the Republic of Kenya, all references to "**Mozambique**" are references to the Republic of Mozambique, all references to "**Tunisia**" are references to the Republic of Tunisia, all references to "**Egypt**" are references to the Arab Republic of Egypt, all references to "**Brazil**" are references to the Federal Republic of Brazil, and all references to "**Bahrain**" are references to the Kingdom of Bahrain.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, "**we**", "**our**", "**ourselves**", "**us**", the "**Company**" or "**PTTEP**" refers to PTT Exploration and Production Public Company Limited and, unless otherwise indicated or required by context, its consolidated subsidiaries. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, "**PTT**" or "**PTT Group**" refers to PTT Public Company Limited, any of its predecessor entities, or both, as the context may require, "**PTTEP AA**" refers to the PTTEP Australasia Group of companies, "**Cove**" refers to Cove Energy Limited, previously known as Cove Energy plc., "**PTTEPO**" refers to PTTEP Offshore Investment Company Limited and "**PTTEP CA**" refers to PTTEP Canada Limited.

All financial information, descriptions and other information in this Offering Memorandum regarding our activities, financial condition and results of operations are, unless otherwise indicated or required by context, presented on a consolidated basis.

In this Offering Memorandum, references to "**$**", "**U.S. dollars**", "**US$**" and "**dollars**" are to the legal currency of the United States of America, references to "**Thai Baht**", "**Bt**" and "**Baht**" are to the legal currency of Thailand, "**CAD**" and "**Canadian dollar**" are to the legal currency of Canada, references to "**£**", "**GBP**" and "**pence**" are to the legal currency of the United Kingdom and references to "**AU$**" or "**AUD**" are to the legal currency of the Commonwealth of Australia. This Offering Memorandum contains conversions of certain amounts into dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, all other U.S. dollar translations were calculated by using the weighted-average interbank exchange rate as of March 31, 2014 as published by the Bank of Thailand: Baht/US$ = Baht 32.435 to US$1.00. See "*Exchange Rate Information*." No representation is made that the Baht or dollar amounts referred to herein could have been or could be converted into dollars or Baht, as the case may be, at this rate, at any particular rate or at all.

Any discrepancies in the tables included herein between totals and sums of the amounts listed are due to rounding.

PRESENTATION OF OIL AND GAS RESERVES DATA

This Offering Memorandum includes estimates we have made of our proved and probable reserves which reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. These estimates are based on our Petroleum Resources Definitions and Guidelines (our "**Guidelines**"), which are substantially similar to the standards established by the Society of Petroleum Engineers (the "**SPE**"), the SPE Petroleum Resources Management System.

Investors should note, however, that different reserves reporting systems employ different assumptions, and that, in particular, our Guidelines may differ from the standards established by the United States Securities and Exchange Commission (the "**US SEC Standards**"). Accordingly, the information relating to our estimated natural gas and crude oil reserves and resources included in this Offering Memorandum is not indicative of information that would be reported under US SEC Standards. Further, US SEC Standards would not permit the disclosure of our recoverable resources estimates disclosed elsewhere in this Offering Memorandum. You should note that the magnitude of any difference between our proved and probable reserves estimates under our Guidelines and the US SEC Standards could vary greatly. Each reservoir must be analyzed based on its individual situation. In some cases, the difference could be significant, whereas in other cases, there could be very little difference.

This Offering Memorandum includes our most recent estimates of our proved and probable reserves as of December 31, 2013. However, as a result of recent acquisitions and disposals, we expect that our reserves will have changed materially since December 31, 2013. Please see "*Offering Memorandum Summary — Recent Developments*" for further discussion on recent movements in our reserves.

With regard to the resources figures of the Canada Oil Sands KKD project as of December 31, 2013, we reference the figures from the independent report prepared by McDaniel & Associates Consultants Limited, which is based on the Canadian Oil and Gas Evaluation Handbook Vol. 3, Part 3 — Detailed Guidelines for Estimation and Classification of Bitumen and Steam Assisted Gravity Drainage ("**SAGD**") Reserves and Resources, prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) (the "**COGE Handbook**"). The COGE Handbook was reviewed in reference to the SPE Petroleum Resources Management System and there is now broad alignment between the COGE Handbook and the SPE definitions.

There are uncertainties inherent in estimating petroleum reserves and in the timing of development expenditures and the projection of future rates of production. However, proved and probable reserves data set out in this Offering Memorandum represents estimates with reasonable confidence, which according to both the SPE Petroleum Resources Management System and the COGE Handbook, means that there is at least 90% chance that quantities actually recovered will equal or exceed the estimates of proved reserves, and there is at least a 50% chance that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves estimates. These reserves are defined as those quantities which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating method and government regulation.

Proved reserves do not include reserves that may produce petroleum as a result of the introduction of new technology (unless proved successfully). Our reported proved reserves reflect our working interest, which includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect.

Proved developed reserves refer to that portion of proved reserves that we expect to recover through existing wells with existing equipment and operating methods and through improved recovery techniques from successful pilot projects or installed programs without any further significant investments required.

Proved undeveloped reserves are proved reserves that are expected to be recovered from new wells in undrilled acreage, or from deepening existing wells to a different reservoir, or where a relatively significant expenditure is required to recomplete an existing well or install production or transportation facilities for primary or improved recovery project.

Probable reserves are defined as quantities of petroleum obtained from an analysis of geological and engineering data similar to that of proved reserves but are less likely to be produced due to technology, government rules and regulations, or economic conditions. Our reported probable reserves reflect our working interest, which includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect.

Recoverable resources data relating to Mozambique Rovuma Offshore Area 1 has been prepared based on the latest publicly disclosed information from the operator. The estimation of resources is subject to both technical and commercial uncertainties and may change as more data become available. Recoverable resources are production, reserves, contingent resources and prospective resources. Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

There are numerous uncertainties inherent in estimating quantities of reserves and resources, including many factors beyond our control. The reserves data set forth in this Offering Memorandum represents estimates determined by us according to industry practice. In general, estimates of commercially recoverable petroleum volumes are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reservoirs, historical production performance from the properties, the quality and quantity of technical and economic data, prevailing petroleum prices applicable to a company's production, engineering judgments, forward-looking commercial and market assumptions, the assumed effects of regulation by government agencies and future operating costs. All such estimates involve uncertainties. The classifications of reserves are attempts to define the degree of likelihood that the reserves will result in revenue for us. For these reasons, different engineers or the same engineers at different times may prepare substantially different: (i) estimates of the commercially recoverable petroleum volumes attributable to any particular group of properties, (ii) classification of such reserves based on uncertainty of recovery or (iii) estimates of future net revenues expected therefrom. In addition, such estimates can be and will be subsequently revised as additional pertinent data becomes available prompting revision. Actual recoverable petroleum volumes may vary significantly from such estimates. See "*Risk Factors — Risks Relating to Our Business — There are uncertainties inherent in estimating our reserves, and if the actual amounts of such reserves are less than estimated, our financial condition and results of operations may be materially and adversely affected*."

When converting natural gas volumes to barrel of oil equivalent ("**BOE**"), we use a formula where the BOE conversion is "volume (MMBOE) = volume (Bscf) multiplied by the gross calorific value ("**GCV**") of the petroleum divided by 6,000." The gross calorific values used to convert gas volume to barrels of oil equivalent are different and vary in each project depending on reservoir fluids composition. The gross calorific value used for BOE conversion in reserves estimations and annual production volumes are also different. Those used for reserves estimations are the average GCV of each project throughout its field life. The GCVs used for production reports were the actual GCVs that were measured in each month. Generally, the assumed GCV is 1,000 BTU/SCF, so that 1 BOE is equal to 6 MSCF.

Unless otherwise indicated, references to liquid hydrocarbons also include liquefied petroleum gas and bitumen.

For a description of how certain terms relating to reserves and other data are used in this Offering Memorandum, see "*Glossary of Technical Terms*."

PRESENTATION OF FINANCIAL INFORMATION

The Federation of Accounting Professions ("**FAP**") in Thailand revised several Thai Accounting Standards ("**TAS**") and also issued new accounting standards, new financial reporting standards, new accounting interpretations and new financial reporting interpretations based on the International Financial Reporting Standards ("**IFRS**") Bound Volume 2009, most of which were effective for the financial periods beginning on or after January 1, 2011 and January 1, 2013. These revised and new standards and accounting interpretations are referred to as Thai Financial Reporting Standards ("**TFRS**"). During 2013, the FAP revised several accounting standards and financial reporting standards and also issued new accounting interpretations and new financial reporting interpretations based on IFRS Bound Volume 2012, most of which became effective for the financial periods beginning on or after January 1, 2014. Our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and our unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 were prepared in accordance with TFRS.

For a discussion of significant differences between TFRS and IFRS that are relevant to our audited consolidated financial statements and unaudited interim financial information, see "*Summary of Certain Significant Differences Between Thai GAAP and IFRS*."

Commencing January 1, 2014, we have changed the accounting policy for the recognition of gain and loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits. We have changed the recognition of the portion of gain and loss resulting from the changes in actuarial assumptions from recognizing the excess of 10% of the present value of the defined benefit obligation at the end of the previous reporting period as administrative expenses to recognizing the total amount of actuarial gain or loss to other comprehensive income, which is immediately recognized in the retained earnings. This change in accounting policy resulted in non-material adjustments to certain line items for the three-month period ended March 31, 2013 in the consolidated statement of income and consolidated statement of comprehensive income, which include, gain on foreign exchange, administrative expenses, income tax expenses, profit for the period, basic earnings per share and diluted earnings per share. This change in accounting policy also resulted in non-material adjustments to certain line items for the year ended December 31, 2013 in the consolidated statement of financial position, which include, deferred tax assets, deferred tax liabilities, employee benefit obligations, retained earnings, other components of shareholders' equity and shareholders' equity. As a result, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the three-month period ended March 31, 2013 and the consolidated statement of financial position as of December 31, 2013 have been restated. We have not retroactively applied these adjustments to or restated any other period because the change did not have a material effect on the overall financial information presented. Unless otherwise stated or the context otherwise requires, all financial data as of and for the three-months period ended March 31, 2013 and 2014, presented in this Offering Memorandum reflect this change in accounting policy. Other than as provided in our unaudited interim consolidated financial information for the three-month period ended March 31, 2014, for comparative purposes, the financial data as of and for the fiscal year ended December 31, 2013 together with the financial data as of and for the fiscal years ended December 31, 2011 and 2012 presented in this Offering Memorandum does not reflect the change in accounting policy. As a result, certain numbers of the financial data for these periods may not be comparable to the financial data as of and for the three-month periods ended March 31, 2013 and 2014. For more information, please see Note 3 to the unaudited interim consolidated financial information for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

The audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 have been audited by and the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 have been reviewed by the Office of the Auditor General of Thailand, an agency of the Government.

TFRS are issued by the FAP and endorsed by the Government gazette. These standards and interpretations are supplemented by the Thai Securities and Exchange Commission's requirements and announcements of the FAP. If Thai GAAP does not address a particular accounting issue, IFRS and U.S. GAAP may be used for guidance.

Certain numerical figures set out in this Offering Memorandum, including financial data, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the rounded numerical data in the narrative description of the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and not numerical data in our audited consolidated financial statements, unaudited interim consolidated financial information or the tabular presentation of other data (subject to rounding) contained in this Offering Memorandum.

This Offering Memorandum contains supplemental non-GAAP financial measures and ratios that are not required by, or presented in accordance with, either Thai GAAP or IFRS.

The term "**EBITDA**" refers to earnings before interest income and expenses, taxes, depreciation and amortization. Earnings for calculating our EBITDA include sales revenue and revenue from pipeline transportation.

We believe that EBITDA is a widely accepted financial indicator of the Company's operating performance and the Company's ability to incur and service debt. EBITDA should not be considered by an investor as alternatives to net income or income from operations, or as indicators of our operating performance or other combined operations or cash flow data prepared in accordance with generally accepted accounting principles, or as an alternative to cash flows as a measure of liquidity. Our computation of EBITDA may differ from similarly titled computations of other companies.

Further, EBITDA is not a measurement of our financial performance or liquidity under TFRS or IFRS and should not be considered as an alternative to net income, gross revenues or any other performance measure derived in accordance with TFRS or IFRS or as an alternative to cash flow from operations or as a measure of our liquidity.

The non-TFRS financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results reported under TFRS or IFRS.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes statements of future expectations, projections and forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements and can generally be identified by the use of forward-looking terminology such as the words "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "probability", "project", "seek", "should", "target" and similar expressions. You are cautioned not to rely on these forward-looking statements.

These forward-looking statements include, without limitation, statements relating to:

- our future overall business development and economic performance;
- our estimated financial information regarding, and the future development and economic performance of, our business;
- our future earnings, cash flow and financial position;
- our expansion plans;
- our business strategy;
- the amount and nature of future exploration, development and other capital expenditures that we may require;
- wells we expect to drill and assets or projects we intend to acquire or develop;
- future prices and demand for natural gas, crude oil, condensate and refined petroleum products;

- estimates of our proved and probable reserves; and
- the liberalization of the Thai gas industry.

Although our management believes that our expectations, as reflected by such forward-looking statements, are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to be correct. In addition, our management's expectations with respect to our exploration, production and development activities are subject to risks arising from the inherent difficulty of predicting the presence, yield or quality of petroleum, oil and gas reserves, as well as unknown or unforeseen difficulties in extracting or transporting any petroleum, oil or gas found, or doing so on a commercial basis.

The forward-looking statements included in this Offering Memorandum reflect our current views with respect to future events and are not a guarantee of future performance. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These factors include, but are not limited to, the following:

- our success in finding, acquiring, developing, and gaining access to or otherwise exploring additional reserves;
- fluctuations in the prices of natural gas, crude oil, condensate and refined petroleum products;
- changes in the estimates of reserves;
- the continued availability of capital and financing on terms agreeable to us;
- general political, economic and business conditions globally, regionally and domestically;
- energy demand and supply in Thailand and Southeast Asia;
- natural disasters, war, civil disorder and other events of force majeure in Thailand or globally;
- challenges in managing or integrating our acquisitions;
- our failure or delays in achieving production from development projects or failure to achieve targeted production or sales volumes;
- the regulatory regimes in Thailand and other countries in which we conduct business;
- the achievement of development plans and targets in relation to our projects;
- liability for remedial actions and other damages under environmental regulations or associated third-party claims; and
- other factors beyond our control.

Our risks are more specifically described in "*Risk Factors*." If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. We do not undertake to update our forward-looking statements or risk factors to reflect future events or circumstances.

CONTENTS

OFFERING MEMORANDUM SUMMARY

This summary may not contain all of the information that is important to you. You should read the entire Offering Memorandum, including the financial statements and related notes, before making an investment decision. You should pay special attention to the "Risk Factors" section to determine whether an investment in the Securities is appropriate for you.

General Overview

Our principal activity is the exploration, development and production of oil and natural gas in Thailand and in other countries globally. We were incorporated in 1985 as the oil and natural gas exploration and production arm of PTT, a state-owned enterprise established to develop and promote Thailand's petroleum industry and to ensure the security of Thailand's energy supply. PTT had a 65.29% ownership interest in us as of February 17, 2014.

We conduct our exploration and production activities through our working interests in petroleum concessions owned and operated independently or through joint ventures with national and international petroleum companies. Under the terms of these joint venture agreements, at least one joint venture participant manages the concession on behalf of the joint venture as an operator. As of March 31, 2014, we had working interests in 42 petroleum exploration and production projects, of which 18 are Thai projects, 15 are regional projects in neighboring countries, including Myanmar, Vietnam and Indonesia, and 9 are international projects in other countries including Australia, Canada, Oman, Algeria, Kenya and Mozambique. In addition, 23 projects are in the production stage and 19 projects are under the development and exploration stage. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda entered into on April 3, 2014, we will have a total of 43 petroleum exploration and production projects across 11 countries.

Our ordinary shares were first listed on the SET in June 1993. Our market capitalization as of March 31, 2014 was Baht 623.3 billion (US$19.2 billion).

Competitive Strengths

We believe that our historical success and future prospects are directly related to a combination of strengths, including the following.

Leading regional exploration and production company benefiting from attractive opportunities in Southeast Asia

We are the only Thai international petroleum exploration and production company and one of the largest exploration and production companies in Southeast Asia in terms of reserves and production. We are also one of the five largest companies in the SET by market capitalization. As of December 31, 2013, we had total proved and probable reserves of 1,706 MMBOE, which includes proved reserves of 846 MMBOE and probable reserves of 860 MMBOE. For the year ended December 31, 2013 and for the three-month period ended March 31, 2014, we had total production of natural gas, crude oil (including LPG and bitumen) and condensate of 329 KBOE/d and 332 KBOE/d, respectively.

Our strong foundation in Thailand and status as the national exploration and production company of the country offer us attractive regional opportunities. We benefit both from Thailand's favorable natural gas supply and increasing natural gas demand, as natural gas remains one of the main sources of energy consumption in Thailand. Furthermore, we are also the national vehicle for undertaking petroleum exploration and production activities and developing a long-term natural gas supply in Thailand. We believe we are well and uniquely positioned to obtain licenses for both new and expiring concessions. We believe that we have the capability to significantly extend petroleum production in Thailand by enhancing petroleum recovery of existing fields and developing new fields, including marginal fields.

In Myanmar, one of our key growth hubs, we have over 20 years of experience in exploration and production and are an active partner to the neighboring country's petroleum industry, providing the local employees with training and support services. In 2011, we successfully won licenses for two new exploration blocks and are currently focused on the appraisal and development of major discoveries in hydrocarbon-rich areas. In 2013, we were also awarded two other exploration blocks.

Our continued business activities in Vietnam and Indonesia provide us with attractive exploration and production opportunities. As Thailand's national vehicle for undertaking petroleum exploration and production, we provide extensive assistance to the Thai Government in the discussions between Cambodia and Thailand regarding petroleum exploration and production in the overlapping area. Reaching an agreement in such discussions would not only significantly benefit both countries, but would also provide us with new opportunities for exploration and development in an area we believe has high potential. Discussions between governments are still pending.

Internationally diversified and balanced portfolio of upstream assets

We believe our large portfolio of blocks offers a diversification of reserves, production and exploration opportunities. As of March 31, 2014, our portfolio included a total of 42 projects in 10 countries, consisting of a combination of petroleum producing as well as development and exploration assets. As of December 31, 2013, we had a geographically balanced portfolio of proved reserves, with 53.2% of such reserves located in Thailand and 46.8% overseas, and probable reserves with 41.7% of such reserves located in Thailand and 58.3% overseas. We have a strong foundation in Thailand and its adjacent areas with 18 projects, of which 14 are in production and four are in various stages of exploration and development. Outside of Thailand and its adjacent areas, we have 24 projects located in the Asia Pacific, North American, Middle Eastern, North African and East African regions, with 9 in production and 15 in various stages of exploration and development. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda, we will have 43 petroleum exploration and production projects across 11 countries.

We believe that our assets, which included 23 petroleum production assets and 19 assets in various stages of development and exploration, as of March 31, 2014, provide a good balance between cash flow generation and future growth prospects in our growth hubs of Southeast Asia, East Africa and North America. The aforementioned growth hubs are regions which PTTEP has assessed as having petroleum potential while having acceptable levels of risks. Our growth hubs provide us with a strong production base with clear opportunities to enhance our business in the near to medium term. Outside of our growth hubs, we have production assets and development and exploration assets in Australia, the Middle East and North Africa.

In addition to our diversification in assets in various stages of exploration and production, we have also sought to diversify between gas and liquid assets. While gas production has historically contributed approximately two-thirds of our sales volume we have, in recent years, sought reliable energy sources in liquid and liquid-rich gas assets. For instance, our decision to invest in the Canada Oil Sands KKD project is intended to support our diversification strategy by shifting our gas to liquids asset ratio towards liquids.

Visible organic growth from strong reserves base

As of December 31, 2013, our proved reserves were 846 MMBOE, while our probable reserves were 860 MMBOE. Our compound average growth rate for average daily sales volume was 5.1% for the three years ended December 31, 2013 due to successful new developments over the period. Our EBITDA increased at a growth rate of 7.3% from 2012 to 2013, reaching US$5,167 million for 2013. We expect to continue to grow our production and sales volumes at our existing assets through our exploration and development activities to identify and appraise additional reserves and resources. We also intend to engage in opportunistic development and acquisition activities to complement our organic growth by focusing on acquisitions of assets which meet our investment criteria that are already in production or near production, will provide immediate contributions to our production and reserves base.

Our key projects targeted for near-term growth (approximately two years) include the Montara project in Australia, which commenced production in June 2013, the Zawtika project in Myanmar, which began production in March 2014 and the Algeria 433a & 416b project in Algeria, which is currently scheduled to commence production by the end of 2014. Our key projects for long-term growth include the Mozambique Offshore Area 1 LNG project (of which we have an 8.5% ownership interest) with an initial capacity of 10 MMtpa from two 5 MMtpa LNG-trains, the Canada Oil Sands KKD project, the M3 project in Myanmar, which was successful with its appraisal program in 2013, the Algeria Hassi Bir Rekaiz project, which was successful in its first exploration program during 2012 and 2013, and the potential expansion of the Mozambique LNG development into a capacity of 50 MMtpa alongside continued exploration efforts in Mozambique, Kenya and Australia, especially in Cash-Maple fields where we have already discovered gas resources.

Strong operational capabilities

As of March 31, 2014, we were the operator of 20 of our 42 projects with a track record of successful operations. Over the last five years, we have successfully developed Arthit, which achieved its first full year of production in 2009; Arthit North, which commenced production in 2009; the MTJDA-B17 project, which commenced production in February 2010; Vietnam 16-1, which commenced production in August 2011; Greater Bongkot South which started production at 320 MMscf/d in June 2012; and Zawtika which started production to supply to Myanmar at 40 MMscf/d in March 2014. In addition, in 2013, we had a drilling success rate of 69.1%, discovering petroleum in 38 of the 55 exploration and appraisal wells drilled. We also believe that our strong operational capabilities are further enhanced through our partnerships with international companies such as Total, Shell, BG, Chevron and ExxonMobil.

Since 2011, our EBITDA and EBITDA margins have grown. We believe that our EBITDA growth and EBITDA margin are evidence of our focused development objectives, synergies with PTT operations and efficient cost structure. These factors allow us to compete effectively, even when the market price of crude oil is low. We have achieved average lifting costs of below US$6/BOE and we believe that we have one of the lowest lifting costs amongst our peers. We believe our financial and operational strengths allow us better access to the domestic and international capital markets to fund our acquisition and development costs, as demonstrated by our history of successful fund raisings.

Strong relationship with majority shareholder

We are the national petroleum exploration and production company of Thailand and have a strong relationship with our majority shareholder, PTT. PTT is Thailand’s national oil company and benefits from a strong financial and operating position in the Thai petroleum markets. It is the largest supplier of petroleum and petrochemical products in Thailand, and substantially all of Thailand’s gas transmission and distribution pipeline system are owned and operated by PTT, which we use to transport natural gas to PTT.

In 1985, we were founded as the exploration and production arm of PTT. PTT had a 65.29% ownership interest in us as of February 17, 2014. Many of our directors and senior managers worked at PTT before working for us and several members of PTT’s board of directors are also members of our board of directors.

Our relationship with PTT creates synergies in the natural gas value chain, providing PTT with access to gas production and providing us with long-term off-take agreements that provide us with a stable revenue stream. We fulfill a significant proportion of PTT’s petroleum requirements. PTT purchased 85.7% of our total sales volume for 2013. Our relationship with PTT allows us to offer integrated solutions to clients. As Thailand’s national oil company, PTT provides leverage and support for our relationships with other government bodies and agencies. We work closely with PTT and related government agencies to outline and implement Thailand’s national petroleum supply plans and policies.

Experienced management team

Our management team has extensive experience in the petroleum industry, and most of our executives have been with us or PTT since our inception in 1985. Our management team and staff have had the opportunity to work closely with foreign partners both within and outside Thailand. We have been able to deploy experienced management team members across our geographic operations to implement projects and oversee operations. We believe that our management team has contributed significantly to our past success and will continue to contribute to our future growth.

Strategies

Our primary objective is to become a leading exploration and production company in Asia, and to enhance our position in our other growth hubs of East Africa and North America. We have a three-pronged strategy of achieving big production, long-life reserves, and strong returns to our stakeholders. We aspire to achieve production levels of 600 KBOE/d by 2020, while maintaining a reserves-to-production ratio of no less than ten years, through further development of our existing domestic and international projects, as well as through selective acquisitions that meet minimum return thresholds and are expected to create additional value for our shareholders. We will continue to carry out portfolio management activities to ensure appropriate investments and risk management while adding value to our projects. This includes the possibility of divesting certain assets as well as restructuring ownership interests to ensure that we maximize our value creation opportunities. Key elements of our strategy include the following.

Maximize production from existing assets

We believe that our existing portfolio has meaningful production growth potential. We intend to increase the production level, production plateau period and production life of our existing assets by focusing on maximizing the recovery at our producing projects and near-field exploration. We intend to continue actively developing our large undeveloped proved reserves, which accounted for 46.1% of our proved reserves as of December 31, 2013. We also expect to discover further resources by continuing to explore the areas near our current producing ones. In 2013, we discovered petroleum in 38 of the 55 exploration and appraisal wells drilled, representing a drilling success rate of 69.1%. For the three-month period ended March 31, 2014, we discovered petroleum in 9 of the 10 exploration and appraisal wells drilled, representing a drilling success rate of 90.0%.

We are dedicated to expanding production in our existing portfolio to ensure that Thailand has a secure supply of energy to meet its current and future needs. To respond to the dynamics of increasing energy demands, we have closely monitored petroleum demands and have been coordinating with PTT and related government agencies to collectively outline the optimal supply plan. We have also reviewed and adjusted our production and our project development plans to match energy demand.

Continue to participate in key petroleum projects in the region by leveraging our current relationships and market position

Since our Company was founded as the exploration and production arm of PTT in 1985, we have benefited from the Government's policy of encouraging Thai participation in exploration and production activities in the region. As a result, we have participated in key regional projects and have a strong position in the Gulf of Thailand and the Gulf of Moattama in Myanmar, which we believe are attractive exploration and development areas due to their resources potential, relatively low geological risks and finding costs and a developing infrastructure network of gathering systems, pipelines and platforms.

We believe that with our growing regional knowledge base, technical capability and our close relationships with PTT, the Government and international petroleum companies, we are well positioned to take advantage of the attractive exploration and development opportunities in this region. In Thailand, we believe that, as the country's national petroleum exploration and production company, we are well placed to obtain licenses with respect to both new and expiring concessions. We believe that we can expand production with the development of new petroleum exploration and production technologies. We also expect to use such technology to produce significant additional hydrocarbons by developing marginal fields that we cannot currently develop, but which we consider commercially viable. In Myanmar, we continue to benefit from our long history of investments and activities having been awarded two new exploration licenses in 2013. We are currently appraising Block M3, preparing to drill PSC-G and EP-2 and exploring MD-7 and MD-8, which we believe are important projects for our medium- and long-term production growth strategy. In Vietnam, we completed our second development program of Block 16-1 in July 2012, further increasing our production in the country. In addition, we have one production and three exploration projects in Indonesia.

Optimize our investment portfolio with a goal towards sustainable growth and a focus on targeting select acquisitions and dispositions

We conduct an annual study that provides a detailed evaluation of our competitiveness in selected countries and business technologies. We integrated the results of the study into our overall growth strategy providing a roadmap to pursue certain prioritized countries and technologies. Furthermore, as part of our portfolio optimization, we constantly monitor and evaluate our portfolio for potential acquisitions, divestments and farming in/out of various assets. In the case of farm outs/divestments, we seek opportunities to optimize ownership in assets, as part of our strategy to reduce our exposure and risks, monetize our assets, bring in technical expertise where needed and enhance value for our shareholders. We have successfully implemented this strategy through the farm out of the M3 and M11 projects in Myanmar in 2013 as well as the Canada Oil Sands KKD project asset swap in 2014.

We intend to increase our investments in those areas or countries that we believe have a high potential for petroleum and where we have an established presence in terms of existing projects or interests, including but not limited to Myanmar, Indonesia, Vietnam, Australia, North America and East Africa. We intend to focus mainly on business development, including select acquisitions such as farm-ins with respect to conventional exploration and production projects in the development and production phase, where we see value creation and where the opportunities fit with our business expansion strategies, exemplified by the acquisition of Hess Corporation's 15% interest in the Contract 4 project, 35% interest in Block EU-1 and Block E5 North of the Sinphuhorm project and 11.5% interest in the Natuna Sea A Project, all of which are in the production phase.

We also intend to selectively pursue opportunities to invest in unconventional exploration and production projects or regions outside our current activities if we believe that such opportunities can create long-term value for us and meet our strict criteria. These may include opportunities characterized by specialized technological expertise, high investment and unit costs and high return prospects (for example, oil and natural gas from shales, deep-water drilling and heavy oil). We will continue to carry out portfolio management activities to ensure appropriate investments and risk management while adding value to our projects. These activities include potential plans to divest our existing projects in order to reduce our exposure and risks, monetize our assets and bring in potential technical expertise where needed.

We are seeking and securing LNG supplies in order to satisfy Thailand's increasing gas demand. Our parent company, PTT, has more than 3,000km of onshore and offshore gas transmission pipelines, a 5 MMtpa LNG import terminal and related infrastructure to support Thailand's natural gas based economy. For example, our recent acquisition of Cove is consistent with our strategy of leveraging both the LNG value chain of PTT and the anticipated strong LNG demand in Thailand in the future. We are currently studying the viability of floating liquefied natural gas ("**FLNG**") production, which is an emerging offshore production technology for reclaiming stranded gas resources, as a possible development scenario for our Cash-Maple and Oliver fields in the Timor Sea.

We have acquired a number of potential exploration permits and acreages in our portfolio, which we expect will contribute to further development and production. As of March 31, 2014, we had 42 exploration development and production projects in 10 countries, including 23 in production and 19 under development and exploration. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda, we will have a total of 43 petroleum exploration and production projects across 11 countries.

Implement cost-saving initiatives to optimize value from existing assets

We periodically review our investment plans for existing and new assets with a view toward optimizing asset value. In particular, we focus on cost-saving initiatives such as renegotiating procurement spending to align our inventory and procurement periods to the prevailing market situation and seeking new suppliers from low-cost vendor countries. We also plan to standardize these initiatives across our existing assets. Moreover, we have initiated programs to improve our project management performance and the overall efficiency of our production and operation activities such as focusing on management of existing support vessels to increase utilization and reduce fuel consumption. In 2014, we continue to use procurement and logistics strategies such as price agreements and negotiating using long-term contracts.

Strengthen business through enhancements in operational, organizational and corporate governance structures in accordance with international standards

We are implementing programs to enhance the efficiency and productivity of our business operations, including various measures to accelerate the recruitment process to support our business expansion, and to develop and improve the skills of our personnel. On the technological side, we strive to continually gain new drilling and exploration competencies through internal development as well as partnerships, mergers, acquisitions and other means. We will complement these initiatives by developing a structured leadership development program. We are also strengthening our organizational support for business expansion and long-term growth through periodic reviews and streamlining of the supply chain process, the investment process and the portfolio management process. We aim to maintain a prudent capital structure management policy to support future growth, including policies aimed at maintaining our current credit rating on par with the Thai sovereign debt rating, a debt-to-equity ratio of approximately 50% or less and a debt-to-EBITDA of approximately 100% or less. We expect that our initiatives will allow us to maintain a high level of corporate governance.

Recent Developments

BG E&P Brasil Acquisition

On April 3, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada ("**PTTEP BL**"), a subsidiary of PTTEP, entered into an agreement with BG E&P Brasil Ltda. ("**BG Brasil**") to farm-in to concession blocks BAR-M-215, BAR-M-217, BAR-M-252 and BAR-M-254 located in the deep waters of the Barreirinhas basin. Under the agreement, PTTEP BL will hold a 25% interest, while BG Brasil will be the operator of the project and hold the remaining 75% interest. The agreement is subject to the approval of Brazil's National Agency of Petroleum, Natural Gas and Biofuels.

Hess Thailand Acquisitions

On April 22, 2014, through PTTEP Offshore Investment Company Limited and PTTEP International Limited, we signed a share purchase agreement to acquire 100% equity stakes of two subsidiaries of Hess Corporation, namely Hess Thailand Holdings II Limited ("**HTH**") and Hess Exploration Thailand Company Limited ("**HETCL**", together with HTH, "**Hess Thailand**") for approximately US$1 billion.

HTH, through its wholly owned subsidiary, Hess (Thailand) Limited, holds a 15% interest in Block B12/27 of the Contract 4 project and a 35% interest in Block EU-1 and Block E5 North of the Sinphuhorm Project. HETCL directly owns a 15% interest in Block G7/50 of the Contract 4 project.

Prior to the acquisition, we held 45% and 20% participating interests in the Contract 4 project and the Sinphuhorm project, respectively. After the completion of the acquisition, our participating interests in the Contract 4 project and the Sinphuhorm project increased to an aggregate of 60% and 55%, respectively. In addition, we will also take over as operator of the Sinphuhorm project. The HTH transaction was completed on April 22, 2014 and the HETCL transaction was completed on May 28, 2014.

Based on the most recently publicly disclosed reserves data (as of June 30, 2013), the Contract 4 project and the Sinphuhorm project reported, based on Hess Thailand's aggregate working interest at the time, approximately 46 MMBOE in proved reserves and approximately 39 MMBOE in probable reserves.

Canada Oil Sands KKD Project Asset Swap

On January 21, 2011, through our subsidiary, PTTEP CA, we acquired, from two subsidiaries of Statoil Canada Limited ("**Statoil**"), a 40% interest in KKD Oil Sands Partnership ("**KOSP**"), a partnership that owns the Canada Oil Sands KKD project in Alberta, Canada for which Statoil was the operator. The project is comprised of five areas, namely, Leismer, Corner, Thornbury, Hangingstone and South Leismer in each of which PTTEP CA owned a 40% interest. The Leismer and Corner areas are in the production phase, while the Thornbury, Hangingstone and South Leismer areas are in the appraisal phase.

On May 28, 2014, PTTEP CA, through an ownership restructuring agreement with Statoil, exchanged its 40% interest in KOSP for full ownership of the Thornbury, Hangingstone and South Leismer areas plus cash of US$200 million and an additional amount calculated from working capital adjustments related to expenditures and revenues of the Canada Oil Sands KKD project from January 1, 2013 until the closing date which was approximately CAD238 million. As a result, PTTEP CA is no longer a partner in KOSP and holds 100% participating interests in, and operates, the Thornbury, Hangingstone and South Leismer areas while Statoil holds 100% of and operates the Leismer and Corner areas.

In connection with the disposal of our interests in the Canada Oil Sands KKD project, as of March 31, 2014, we reclassified approximately US$2,442 million of assets relating to our interests in the Leismer and Corner areas as assets held-for-sale as well as liabilities directly associated with assets classified as held-for-sale of approximately US$517 million. Upon completion of the swap transaction, our property, plant and equipment relating to oil and gas properties that we already classified as part of assets held-for-sale decreased by approximately US$1,841 million, while we received exploration and evaluation assets from the acquisition of interests in the Thornbury, Hangingstone and South Leismer areas of approximately US$1,546 million, plus cash consideration after working capital adjustments of approximately US$419 million. For further explanation on the reclassification of assets and liabilities and the decrease in our property, plant and equipment, please see Note 9 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

Based on the most recently publicly disclosed reserves data (as of December 31, 2013), the Leismer and Corner areas of the Canada Oil Sands KKD project reported, based on our working interest at the time, approximately 53 MMbbl in proved reserves and approximately 349 MMbbl in probable reserves.

We believe that the new ownership structure of the Canada Oil Sands KKD project reflects an adjustment to our portfolio and timing of our capital expenditures that better align with current market conditions and allows us to more effectively pursue our own operational and strategic goals, such as optimization of our portfolio and investment returns.

Political developments in Thailand

Thailand is currently experiencing significant political uncertainty. Military leaders announced a coup d'état on May 22, 2014, following a period of protests against the previous government beginning in November 2013. For more information on these political developments and their possible effects, see "*Risk Factors — The impact of the recent political instability in Thailand remains uncertain, and any continued violence or instability could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects*."

Reserves

We categorize reserves as "proved" reserves when those quantities which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. In the case of natural gas and condensate reserves, we do not consider reserves from particular prospects as "proved" until the material terms of a sales agreement for natural gas or condensate from such prospect have been agreed with a purchaser. Thereafter, we may categorize additional reserves from such prospects as "proved" as and when we determine that additional quantities are reasonably certain to be recoverable in the future under existing economic and operating conditions. This practice is consistent with the Society of Petroleum Engineers guidelines with respect to such additional reserves. Proved reserves do not include petroleum that may be produced as a result of the introduction of new technology (unless proved successfully). Our reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

Proved Reserves

As of December 31, 2013, we had proved reserves as set forth in the table below.

	Proved Reserves as of December 31, 2013		
	Crude Oil and Condensate(1)(2)	Natural Gas(1)	Crude Oil, Condensate and Natural Gas(1)(2)
	(MMbbl)	(Bscf)	(MMBOE)
Total	250	3,877	846

Notes:

(1) The reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

(2) Includes the proved reserves and production of LPG and bitumen.

The table below sets forth information about our proved reserves as of December 31, 2011, 2012 and 2013.

	Proved Reserves of Crude and Condensate(1)(2)			Proved Reserves of Natural Gas(1)			Proved Reserves of Crude Oil, Condensate and Natural Gas(1)(2)		
	(MMbbl)			(Bscf)			(MMBOE)		
	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total
2011									
Beginning of year	121	93	214	2,992	2,333	5,325	612	431	1,043
Revision of previous estimates	24	(1)	23	(224)	(31)	(255)	(20)	(7)	(27)
Improved recovery	6	—	6	27	—	27	11	—	11
Extensions and discoveries	5	36	41	128	—	128	26	36	62
Purchases/Sales of reserves in place	—	21	21	—	(195)	(195)	—	(10)	(10)
Production	(25)	(5)	(30)	(381)	(120)	(501)	(88)	(22)	(110)
End of year	131	144	275	2,542	1,987	4,529	541	428	969

	Proved Reserves of Crude and Condensate(1)(2)			Proved Reserves of Natural Gas(1)			Proved Reserves of Crude Oil, Condensate and Natural Gas(1)(2)		
	(MMbbl)			(Bscf)			(MMBOE)		
	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total
2012									
Beginning of year	131	144	275	2,542	1,987	4,529	541	428	969
Revision of previous estimates	12	1	13	120	(18)	102	33	(5)	28
Improved recovery	7	—	7	11	—	11	9	—	9
Extensions and discoveries	2	2	4	35	2	37	7	3	10
Purchases/Sales of reserves in place	—	—	—	—	—	—	—	—	—
Production	(27)	(9)	(36)	(378)	(119)	(497)	(89)	(26)	(115)
End of year	125	138	263	2,330	1,852	4,182	501	400	901

	Proved Reserves of Crude and Condensate[1][2] (MMbbl)			Proved Reserves of Natural Gas[1] (Bscf)			Proved Reserves of Crude Oil, Condensate and Natural Gas[1][2] (MMBOE)		
	Domestic[3]	**Foreign**	**Total**	**Domestic[3]**	**Foreign**	**Total**	**Domestic[3]**	**Foreign**	**Total**
2013									
Beginning of year	125	138	263	2,330	1,852	4,182	501	400	901
Revision of previous estimates	7	8	15	13	14	27	14	10	24
Improved recovery	4	—	4	25	—	25	8	—	8
Extensions and discoveries	5	2	7	84	5	89	19	3	22
Purchases/Sales of reserves in place	—	0	0	—	61	61	—	11	11
Production	(29)	(10)	(39)	(387)	(120)	(507)	(92)	(28)	(120)
End of year	112	138	250	2,065	1,812	3,877	450	396	846

Notes:

(1) The reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

(2) Includes the proved reserves and production of LPG and bitumen.

(3) Includes MTJDA-B17 Project.

We categorize as "proved developed reserves" the portion of proved reserves that we expect to recover through existing wells with existing equipment and operating methods and through improved recovery techniques from successful pilot projects or installed programs without any further significant investments required. As of December 31, 2013, our proved developed reserves of natural gas was 2,344 Bscf while our proved developed reserves of crude oil, condensate, LPG and bitumen was 104 MMbbl. Please see " — *Recent Developments*" for further discussion on recent movements in our reserves since December 31, 2013.

Probable reserves

Probable reserves are unproved reserves, in which the analysis of geoscience and engineering data indicate that they are less likely to be recovered than proved reserves. Our reported probable reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

Our probable reserves of crude oil, condensate, LPG, bitumen and natural gas was 898 MMBOE, 885 MMBOE and 860 MMBOE for the years ended December 31, 2011, 2012 and 2013, respectively. As of December 31, 2013, approximately 54.2% of our probable reserves were crude oil, condensate, LPG, and bitumen while approximately 45.8% were natural gas. As of December 31, 2013, approximately 41.7% of our probable reserves were in domestic projects in Thailand, while approximately 58.3% were in overseas projects. Please see " — *Recent Developments*" for further discussion on recent movements in our reserves since December 31, 2013.

THE OFFERING

The following is a brief summary of the terms of the offering and is qualified in its entirety by the remainder of this Offering Memorandum. Terms used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Securities".

Issuer:	PTT Exploration and Production Public Company Limited.
Securities:	US$1,000,000,000 Subordinated Perpetual Capital Securities.
Issue price:	100% of the principal amount of the Securities.
Joint Lead Managers and Joint Bookrunners:	Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Merrill Lynch (Singapore) Pte. Ltd.
Trustee:	The Bank of New York Mellon.
Paying and Transfer Agent, Registrar and Calculation Agent:	The Bank of New York Mellon.
Issue Date:	June 18, 2014.
Status and subordination of the Securities:	The Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer, ranking pari passu, without any preference among themselves and with any Parity Securities of the Issuer. In the event of the Winding-Up of the Issuer, the rights and claims of Holders of the Securities shall rank ahead of those persons whose claims are in respect of ordinary shares of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future creditors of the Issuer, other than the claims of holders of Parity Securities of the Issuer. In a Winding-Up, the Holders' right to any payment under the Securities shall be limited to the Issuer's remaining assets, after its payment to the other preferred creditors and ordinary creditors, but shall be ranked pari passu with the right of holders of Parity Securities and shall be ranked at a higher level of priority than that of the Issuer's ordinary shareholders, as stated above. "Parity Securities" means the preference shares or, if sub-divided into classes, the most junior class of preference share capital of the Issuer and any instrument or security issued by the Issuer, or entered into or guaranteed by the Issuer: (a) which ranks or is expressed to rank, by its terms or by operation of law, pari passu with the Securities; and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer. For the avoidance of doubt, Parity Securities shall include the THB5,000,000,000 subordinated capital debentures of the Issuer issued in June 2012 for so long as such securities are outstanding.

Set-off:	Subject to applicable law, no Holder of Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities and each Holder of Securities shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator or official receiver of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or official receiver of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
Distributions:	Subject to the provisions described under "*Description of the Securities — Distribution deferral*", the Securities confer a right to receive distributions (each a "**Distribution**") from, and including, the Issue Date at the applicable Distribution Rate.
Fixed Distribution Payment Dates:	Distributions in respect of the period from and including the Issue Date, to, but excluding, the Second Reset Date (as defined below) shall be payable on the Securities semi-annually in arrear on June 18 and December 18 of each year (each, a "**Distribution Payment Date**"), with the first Distribution Payment Date falling on December 18, 2014.
Fixed Distribution Rate	The rate of distribution (the "**Distribution Rate**") applicable to the Securities in respect of the periods prior to, but excluding, the Second Reset Date (as defined below) shall be: (i) in respect of the period from, and including, the Issue Date to, but excluding, June 18, 2019 (the "**First Reset Date**"), 4.875% per annum; and (ii) in respect of the period from, and including, the First Reset Date to, but excluding, June 18, 2024 (the "**Second Reset Date**"), the Treasury Rate as at the Calculation Date in respect of the First Reset Date plus 3.177% per annum. "Calculation Date" means the second business day prior to the commencement date of the relevant Reset Distribution Period.
Floating Distribution Payment Dates:	Distributions in respect of the period from and including the Second Reset Date shall be payable on the Securities on each date (each a "**Floating Distribution Payment Date**") which falls six months after the preceding Floating Distribution Payment Date or, in the case of the first Floating Distribution Payment Date, after the Second Reset Date.

Floating Distribution Rate	The Distribution Rate applicable to the Securities in respect of the periods from and including the Second Reset Date shall be: (i) in respect of the periods from, and including, the Second Reset Date to, but excluding, the Floating Distribution Payment Date falling on June 18, 2039 (the "**Additional Step-up Margin Reset Date**"), the Floating Rate plus 3.101% plus 0.25% per annum; and (ii) in respect of the periods from, and including, the Additional Step-up Margin Reset Date to, but excluding, the immediately following Floating Distribution Payment Date, the Floating Rate plus 3.101% plus 0.25% per annum plus 0.75% per annum. "Comparable Treasury Issue" means, in relation to calculating the Reset Distribution Rate, the U.S. Treasury security selected by the Calculation Agent as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years. "Comparable Treasury Price" means, with respect to any Calculation Date, the average of three Reference Treasury Dealer Quotations for such Calculation Date. "Floating Rate" means the offered quotation (expressed as a percentage rate per annum) for six-month deposits in U.S. dollars for the relevant Floating Distribution Period which appears on the Screen Page as of 11.00 a.m. (London time) on the Calculation Date as determined by the Calculation Agent. "Reset Distribution Period" means the period beginning on and including the First Reset Date and ending on but excluding the Second Reset Date or, as the case may be, each Floating Distribution Period.

	"Treasury Rate" means the rate in percentage per annum notified by the Calculation Agent to the Issuer, the Trustee, the Paying and Transfer Agent and the Holders equal to the yield, under the heading that represents the average for the week immediately prior to the relevant Calculation Date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity corresponding to the Comparable Treasury Issue. If such release (or any successor release) is not published during the week preceding the Calculation Date or does not contain such yields, "Treasury Rate" means the rate in percentage rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Calculation Date. The Treasury Rate will be calculated on the second Business Day preceding the relevant Calculation Date. "Screen Page" means Reuters Page LIBOR01 (or such other screen page of Reuters or such other information service which is the successor to Reuters Page LIBOR01 for the purpose of displaying such rates).
Optional deferral of Distributions:	The Issuer may, at its sole discretion, elect to defer, in whole or in part, a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") to the Holders, the Trustee and the Paying and Transfer Agent not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date (an "**Optional Deferral Event**").
Arrears of Distribution:	Any Distribution validly deferred shall constitute "Arrears of Distribution". Each amount of Arrears of Distribution shall bear additional distribution from and including the date falling 12 months from the date on which it is first deferred as if it constituted the principal of the Securities at the prevailing Distribution Rate (the amount of such additional distribution being an "**Additional Distribution Amount**"). The Issuer may, at its sole discretion, further defer any Arrears of Distribution and Additional Distribution Amount by complying with the notice requirements applicable to any deferral of a Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred. The Issuer may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Holders, the Trustee and the Paying and Transfer Agent not more than 10 nor less than five Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice).

The Issuer shall in any event satisfy any outstanding Arrears of Distribution (in whole but not in part and including any Additional Distribution Amount) on the earliest to occur of:

(1) the next Distribution Payment Date falling immediately after a breach of the provisions set out under "*Description of the Securities — Restrictions in the case of deferral*";

(2) the date on which the Securities are to be redeemed pursuant to the provisions set out under "*Description of the Securities — Redemption*"; and

(3) the Winding-Up of the Issuer.

Restrictions in the case of an Optional Deferral Event:

If an Optional Deferral Event has occurred, the Issuer shall not:

(i) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Securities or its Parity Securities (except, in relation to the Parity Securities of the Issuer, where such dividend, distribution or other payment is made on a *pro rata* basis with payment on the Securities), save that such restriction shall not apply to payments in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a *pro rata* purchase by the Issuer of Securities), save that such restriction shall not apply to an exchange of any of its Parity Securities in whole for Junior Securities or a repurchase or other acquisition of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants,

in each case, unless and until the Issuer (i) has satisfied in full all outstanding Arrears of Distributions and any Additional Distribution Amounts or (ii) is permitted to do so with the consent of the Holders of at least a majority in aggregate principal amount of the Securities then Outstanding.

"Junior Security" means any class of the Issuer's share capital qualifying as equity under applicable accounting rules (other than preference shares), the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer.

No maturity:

The Securities will be perpetual securities in respect of which there is no fixed redemption date.

Additional Amounts:	The Issuer will make all payments of principal of, and Distribution (including any Arrears of Distribution and Additional Distribution Amounts) on, the Securities without withholding or deducting any present or future taxes, duties, assessments, fees or other governmental charges imposed by the Kingdom of Thailand, unless such withholding or deduction is required by law. In the event that any such withholding or deduction in respect of principal or Distribution is required by law, the Issuer will, subject to certain exceptions, pay such additional amounts ("**Additional Amounts**") as necessary to ensure that Holders receive the same amount as they would have received without any such withholding or deduction.
Redemption:	The Securities may be redeemed at the Issuer's option in whole, but not in part, on the First Reset Date, the Second Reset Date or on any Distribution Payment Date after the Second Reset Date, on the Issuer giving not less than 30 nor more than 60 days' notice, at their principal amount plus Distribution accrued to but excluding the relevant redemption date (including any Arrears of Distribution and any Additional Distribution Amount). The Securities may also be redeemed by the Issuer in whole, but not in part, on the Issuer giving not less than 30 nor more than 60 days' notice, at their principal amount together with Distribution accrued to, but excluding, the relevant redemption date (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice: (a) due to certain changes to the tax laws of the Kingdom of Thailand occurring on or after June 18, 2014, the Issuer has or will become obliged to pay Additional Amounts with respect to the Securities in excess of the level of Additional Amounts which would have been applicable to a payment with respect to the Securities on June 18, 2014 (as further described in "*Description of the Securities — Redemption — Redemption upon a Withholding Tax Event*"); or (b) less than 20% of the principal amount of the Securities initially issued are still outstanding. In addition, the Securities may be redeemed by the Issuer in whole, but not in part, on the Issuer giving not less than 30 nor more than 60 days' notice, at their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding) if, immediately before giving such notice, as a result of any change in, expiration of or amendment to, the tax laws of the Kingdom of Thailand (or of any political subdivision or taxing authority thereof or therein), amounts payable by the Issuer in respect of the Securities are no longer or will no longer be fully deductible by the Issuer for Thai corporate income tax purposes (as further described in "*Description of the Securities — Redemption*"). In addition, the Securities may be redeemed by the Issuer in whole, but not in part, on the Issuer giving not less than 30 nor more than 60 days' notice, at:

	(a) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding); or (b) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding), if, immediately before giving such notice: (a) an amendment, clarification or change has occurred in the methodology of a Rating Agency (as defined in "*Description of the Securities*"), which amendment, clarification or change results in the Securities being assigned a lower equity credit than the equity credit assigned to the Securities immediately prior to such amendment, clarification or change; or (b) as a result of any changes or amendments to relevant accounting standards, the Securities must not or must no longer be recorded as "equity" in the Issuer's consolidated financial statements pursuant to those relevant accounting standards (all as further described in "*Description of the Securities — Redemption*"). Further the Securities may be redeemed by the Issuer in whole, but not in part, on the Issuer giving not less than 30 nor more than 60 days' notice, if a Change of Control Triggering Event (as defined in "Description of the Securities") occurs, at: (i) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); or (ii) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).
Substitution or variation:	The Issuer may (without any requirement for the consent or approval of the Holders) at any time on giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent, either: (i) substitute all, but not some only, of the Securities for; or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities (as defined in "*Description of the Securities*") if, immediately prior to giving such notice, a Withholding Tax Event, Tax Deductibility Event, Rating Agency Event or Accounting Event has occurred and is continuing.
Replacement intention:	The Issuer intends (without thereby assuming a legal obligation), during the period from the Issue Date to and including the Additional Step-up Margin Reset Date, in the event of:

(a) a redemption of the Securities at the option of the Issuer or upon a Withholding Tax Event (as defined in "*Description of the Securities*");

(b) a repurchase of the Securities of more than: (i) 10% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 12 month period, or (ii) 25% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 10 year period,

if the Securities are assigned an "equity credit" (or such similar classification then used by S&P (as defined in "*Description of the Securities*")) at the time of such redemption or repurchase, that it will redeem or repurchase the Securities only to the extent the Aggregate Equity Credit at the Issue Date (taking into account any changes in the hybrid capital methodology, or another relevant methodology, of S&P or the interpretation thereof since the issuance of the Securities) of the Securities to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by the Issuer or any other Subsidiaries of the Issuer during the 365 day period prior to the date of such redemption or repurchase from securities offerings involving the sale or issuance, by the Issuer or any other Subsidiaries of the Issuer, of securities to third party purchasers other than the Issuer or any other Subsidiaries of the Issuer.

The restrictions described above (the "**Restrictions**") shall not apply if on the date of such redemption or repurchase:

(a) the Issuer has a corporate credit rating from S&P that is equal to or greater than the rating assigned to the Issuer by S&P as at the Issue Date and, to the best of the Issuer's knowledge, after giving effect to such redemption or repurchase, such rating will not be revised downward, withdrawn or placed on review or "creditwatch" with negative implications (or other similar review or change of outlook) by S&P to levels below the rating assigned to the Issuer as at the Issue Date as a result of such redemption or repurchase; or

(b) the Issuer no longer has a corporate credit rating by S&P; or

(c) a Tax Deductibility Event, Rating Agency Event, Accounting Event or Substantial Repurchase Event (each as defined in "*Description of the Securities*") has occurred and is continuing; or

(d) the statements made in the Restrictions are no longer required for the Securities to be assigned an "equity credit" that is equal to or greater than the equity credit assigned to the Securities by S&P on the Issue Date; or

(e) there shall have occurred a general moratorium on, or disruption in, commercial banking activities in Thailand, the United Kingdom, the European Economic Area or the United States by any Thai, United Kingdom, European Economic Area, New York State or United States Federal authorities, which would be likely to materially prejudice dealings in the Securities in the secondary market.

For the purpose of the Restrictions, "Aggregate Equity Credit" means the "equity credit" (as a percentage) assigned by S&P to the relevant securities multiplied by the aggregate principal amount of such securities.

Non-payment when due: If (i) the Issuer fails to pay on the due date any amount payable by it under the Securities and such failure is not remedied within 10 Business Days or (ii) a Winding-Up of the Issuer occurs, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may, by written demand to the Issuer, declare the principal amount of the Securities to be due and payable, upon which such principal amount shall become due and payable and following which (in the case of (i) above) the Trustee may institute proceedings for, or (in the case of (ii) above) prove in, the Issuer's Winding-Up.

Issue Rating: The Securities are expected to be assigned a rating of "Baa3" by Moody's and "BBB-" by S&P. A rating is not a recommendation to buy, sell or hold the Securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Use of Proceeds: See "*Use of Proceeds*".

Listing: Application has been made for the listing and quotation of the Securities on the Official List of the SGX-ST. The Securities will be traded on the SGX-ST in a minimum board lot of US$200,000 for so long as the Securities are listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Memorandum. Admission of the Securities to the Official List of the SGX-ST and quotation of the Securities on the SGX-ST and the approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies or the Securities.

Transfer restrictions: The Securities have not been registered under the Securities Act. The Securities (including beneficial interests in the Global Securities) will be subject to certain restrictions on transfer and will bear a legend regarding such restrictions as set forth under "*Transfer Restrictions*".

Governing law: The Securities and the Indenture will be governed by and construed in accordance with the laws of the State of New York (except for the provisions in relation to ranking and set-off, which will be governed by the laws of Thailand).

Risk factors:	See "*Risk Factors*" beginning on page 27 for a discussion of certain risks that you should consider in connection with an investment in the Securities.
Form and denomination:	The Securities will be issued in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Securities offered in the United States to qualified institutional buyers in reliance on Rule 144A will be represented by one or more permanent global securities in fully registered form without coupons deposited with The Bank of New York Mellon as custodian for and registered in the name of Cede & Co., as nominee of DTC. Securities offered to non-U.S. persons outside the United States in reliance on Regulation S will be represented by one or more permanent global securities in fully registered form without coupons deposited with The Bank of New York Mellon as custodian for, and registered in the name of, a nominee of DTC for the respective accounts of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream**"). DTC will credit the account of each of its participants, including Euroclear and Clearstream, with the principal amount of Securities being purchased by or through such participant. Beneficial interests in the Global Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream.
Identification numbers for the Securities:	

Rule 144A Securities	Regulation S Securities
ISIN: US69364VAC00	ISIN: USY7145PCN60
CUSIP: 69364V AC0	CUSIP: Y7145P CN6
Common Code: 107338268	Common Code: 107337539

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables present our summary consolidated financial information, which should be read in conjunction with our consolidated financial statements, interim consolidated financial information and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that appear elsewhere in this Offering Memorandum. The summary consolidated financial information for the years ended December 31, 2011, 2012 and 2013 are derived from our audited consolidated financial statements for those periods. The summary consolidated financial information for the three-month periods ended March 31, 2013 and 2014 are derived from our unaudited interim consolidated financial information for those periods. On January 1, 2011, we adopted the U.S. dollar as our functional currency. Our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and our unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 are prepared and presented in accordance with TFRS. The audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 have been audited by and the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 have been reviewed by the Office of the Auditor General of Thailand, an agency of the Government. See "Presentation of Financial Information."

Commencing January 1, 2014, we have changed the accounting policy for the recognition of gain and loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits. We have changed the recognition of the portion of gain and loss resulting from the changes in actuarial assumptions from recognizing the excess of 10% of the present value of the defined benefit obligation at the end of the previous reporting period as administrative expenses to recognizing the total amount of actuarial gain or loss to other comprehensive income, which is immediately recognized in the retained earnings. This change in accounting policy resulted in non-material adjustments to certain line items for the three-month period ended March 31, 2013 in the consolidated statement of income and consolidated statement of comprehensive income, which include, gain on foreign exchange, administrative expenses, income tax expenses, profit for the period, basic earnings per share and diluted earnings per share. This change in accounting policy also resulted in non-material adjustments to certain line items for the year ended December 31, 2013 in the consolidated statement of financial position, which include, deferred tax assets, deferred tax liabilities, employee benefit obligations, retained earnings, other components of shareholders' equity and shareholders' equity. As a result, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the three-month period ended March 31, 2013 and the consolidated statement of financial position as of December 31, 2013 have been restated. We have not retroactively applied these adjustments to or restated any other period because the change did not have a material effect on the overall financial information presented. Unless otherwise stated or the context otherwise requires, all financial data as of and for the three-months period ended March 31, 2013 and 2014, presented in this Offering Memorandum reflect this change in accounting policy. Other than as provided in our unaudited interim consolidated financial information for the three-month period ended March 31, 2014, for comparative purposes, the financial data as of and for the fiscal year ended December 31, 2013 together with the financial data as of and for the fiscal years ended December 31, 2011 and 2012 presented in this Offering Memorandum does not reflect the change in accounting policy. As a result, certain numbers of the financial data for these periods may not be comparable to the financial data as of and for the three-month periods ended March 31, 2013 and 2014. For more information, please see Note 3 to the unaudited interim consolidated financial information for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

The following table presents consolidated statements of income data for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011(1)	2012(1)	2013(1)	2013	2014
				(restated)	
	(US$ in millions, except per share amounts)				
	(audited)			(unaudited)	
Consolidated Statements of Income Data:					
Revenues					
Sales	5,440	6,690	7,172	1,798	1,785
Revenue from pipeline transportation	124	151	151	38	28
Other income					
Gain on foreign exchange	—	—	—	41	—
Interest income	16	16	33	12	6
Gain on financial derivatives	—	—	—	1	—
Other income	105	164	89	16	9
Total revenues	5,685	7,021	7,445	1,906	1,828
Expenses					
Operating expenses	625	706	827	185	284
Exploration expenses	217	213	172	37	16
Administrative expenses	257	312	333	63	52
Petroleum royalties and remuneration	646	788	817	211	191
Depreciation, depletion and amortization	1,117	1,374	1,637	391	499
Other expenses					
Loss on foreign exchange	65	24	91	—	4
Loss from Montara incident	5	1	—	—	—
Loss on financial derivatives	11	12	6	—	1
Management's remuneration	5	5	6	2	1
Impairment loss on assets	—	204	—	—	—
Finance costs	124	187	201	48	57
Total expenses	3,072	3,826	4,090	937	1,105
Share of gain (loss) from associates	2	5	6	2	—
Profit before income taxes	2,615	3,200	3,361	971	723
Income taxes expenses	(1,147)	(1,354)	(1,515)	(291)	(343)
Profit for the year/period	1,468	1,846	1,846	680	380
Basic earnings per share(2)	0.44	0.55	0.46	0.17	0.10
Diluted earnings per share(3)	0.44	0.55	0.46	0.17	0.10

Notes:

(1) The selected consolidated statements of income for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Basic earnings per share are calculated by dividing the income attributable to shareholders less interest expenses for subordinated capital debentures, if any, by the weighted average number of ordinary shares in issue during the year or period.

(3) Diluted earnings per share are calculated by dividing the income attributable to shareholders less interest expenses for subordinated capital debentures, if any, by the weighted average number of ordinary shares in issue during the year or period adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares have been converted into ordinary shares. See Note 34, Note 36 and Note 37 of our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, respectively, and Note 23 of our unaudited interim consolidated financial information for the three-month periods ended March 31, 2103 and 2014.

The following table presents certain data from the consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of March 31,
	2011[(1)]	2012[(1)]	2013[(1)]	2014
	(US$ in millions)			
	(audited)			(unaudited)
Consolidated Statements of Financial Position Data:				
Cash and cash equivalents[(2)]	1,351	2,292	2,357	3,071
Total current assets	2,738	4,031	4,105	6,959
Property, plant and equipment - net	9,301	10,971	12,672	10,801
Total assets	14,131	19,637	21,572	22,086
Total current liabilities	3,140	2,375	2,633	3,605
Total non-current liabilities[(3)]	4,680	6,551	7,211	6,792
Total liabilities	7,820	8,926	9,844	10,397
Total shareholders' equity	6,311	10,711	11,728	11,689

Notes:

(1) The selected consolidated statements of financial position for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Cash and cash equivalents includes 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.

(3) Total non-current liabilities includes debentures, long-term loans from financial institution, deferred income tax liabilities, employee benefit obligations, provision for decommissioning costs, provision for remuneration for the renewal of petroleum production and other non-current liabilities such as financial derivatives liabilities, deferred income, among others.

The following table presents certain consolidated cash flow data for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011[(1)]	2012[(1)]	2013[(1)]	2013	2014
				(restated)	
	(US$ in millions)				
	(audited)			(unaudited)	
Consolidated Cash Flow Data:					
Net cash from operating activities before changes in operating assets and liabilities	3,945	5,075	5,285	1,442	1,226
Net cash provided by operating activities	2,908	3,455	3,740	1,553	1,388
Net cash used in investing activities	(4,207)	(4,735)	(2,906)	(732)	(609)
Net cash provided by (used in) financing activities	703	2,207	(704)	(41)	(40)

Note:

(1) The selected consolidated statements of cash flow for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

The following table presents certain other consolidated financial data as for the periods indicated.

	For the years ended December 31,			For the three-month period ended March 31,
	2011[1]	2012[1]	2013[1]	2014
	(US$ in millions) (unaudited)			
EBITDA Calculation:				
Sales	5,440	6,690	7,172	1,785
Revenue from pipeline transportation	124	151	151	28
Operating expenses	(625)	(706)	(827)	(284)
Exploration expenses	(217)	(213)	(172)	(16)
Administrative expenses	(257)	(312)	(333)	(52)
Petroleum royalties and remuneration	(646)	(788)	(817)	(191)
Management's remuneration	(5)	(5)	(6)	(1)
EBITDA [2]	3,814	4,817	5,168	1,269
Depreciation, depletion and amortization	(1,117)	(1,374)	(1,637)	(499)
EBIT	2,697	3,443	3,531	770

Notes:

(1) The selected consolidated financial information for each of the years ended December 31, 2011, 2012, and 2013 presented has not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) EBITDA is not a measure prepared in accordance with TFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest income and expense or other non-operating cash expenses. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as operating expenses and exploration expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition.

	As of December 31,			As of March 31,
	2011[1]	2012[1]	2013[1]	2014
	(US$ in millions) (unaudited)			
Other Financial Data:				
Net debt[2]	2,522	1,482	1,666	943
EBITDA margin (%)[3]	68.55%	70.41%	70.56%	69.97%[4]
EBITDA interest coverage ratio (times)[5]	42.39	30.49	31.97	30.67[6]
Total debt / EBITDA	1.02	0.78	0.78	0.79[7]
Total debt / equity	0.61	0.35	0.34	0.34
Total debt / capital[8]	0.38	0.26	0.26	0.26
Net debt / EBITDA	0.66	0.31	0.32	0.18[7]
Net debt / equity	0.40	0.14	0.14	0.08
Return on equity (%)[9]	25.06%	21.68%	16.45%	13.64%[10]

Notes:

(1) The selected consolidated financial information for each of the years ended December 31, 2011, 2012, and 2013 presented has not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Net debt comprises total interest bearing debt net cash and cash equivalents.

(3) EBITDA margin is equal to EBITDA divided by sales and revenue from pipeline transportation.

(4) EBITDA, sales and revenue from pipeline used for this calculation are EBITDA, sales and revenue from pipeline for the three-month period ended March 31, 2014

(5) EBITDA interest coverage ratio is equal to EBITDA for any period, divided by interest expense during such period.

(6) EBITDA and interest expense used for this calculation is the EBITDA and interest expense for the twelve-month period ended March 31, 2014.

(7) EBITDA used for this calculation is the EBITDA for the twelve-month period ended March 31, 2014.

(8) Capital comprises total debt and shareholders' equity.

(9) Return on equity comprises net profit divided by the average of shareholders' equity at the beginning and end of the period.

(10) Net profit used for the calculation is the net profit for the twelve-month period ended March 31, 2014. Average shareholders' equity is calculated by adding the shareholders' equity as of March 31, 2013 and March 31, 2014, divided by two.

SUMMARY OPERATING, SALES AND ASSET DATA

The summary consolidated operating data set forth below is derived from unaudited reports we prepared and should be read in conjunction with the section of this Offering Memorandum entitled "Business." The proved and probable reserves attributable to us are derived according to our Guidelines, which are substantially the same as the standards established by the SPE. Investors should note, however, that different reserves reporting systems employ different assumptions, and that, in particular, our Guidelines may differ from the US SEC Standards.

We follow substantially the procedures recommended by standards issued by the SPE for preparing estimates of reserves for each of the concessions in which we have a working interest. See "Risk Factors — Risks Relating to Our Business — There are uncertainties inherent in estimating our reserves, and if the actual amounts of such reserves are less than estimated, our financial condition and results of operations may be materially and adversely affected."

As a result of recent acquisitions and disposals, we expect that our reserves will have changed materially since December 31, 2013. Please see "Offering Memorandum Summary — Recent Developments" for further discussion on our acquisitions and disposals.

	For the year ended December 31,		
	2011	**2012**	**2013**
Reserves Data:			
Proved Reserves: (1)			
Natural gas (Bscf)	4,529	4,182	3,877
Oil, condensate, LPG and bitumen (MMbbl)	275	263	250
Total proved reserves (MMBOE) (2)	969	901	846
Proved reserves developed (%)	46.5	45.1	54.0
Reserves Replacement Data:			
Five year average finding costs (U.S. dollars per BOE) (3)	19.7	29.0	33.5
Reserves Replacement Ratio (times) (4)	1.10	0.91	0.82
Lifting cost data (U.S. dollars per BOE)	4.35	4.28	4.88
Production Volumes for the period:			
Natural gas (Bscf)	501.3	497.1	507.5
Oil, condensate and bitumen (MMbbl)	30.2	35.9	39.3
Total production (MMBOE) (2)	110.0	114.7	120.2
Reserves life index(5)	8.8	7.9	7.0
Sales Volume (BOE/d)			
Gas	186,982	183,314	191,798
Liquid hydrocarbons	78,065	92,609	100,831
Average volume	265,047	275,923	292,629
Average Unit Prices:			
Natural gas (U.S. dollars per MMbtu)	6.0	7.6	7.9
Crude oil, condensate and bitumen (U.S. dollars per barrel ("**Bbl**"))	102.2	103.3	100.2
Weighted Average (U.S. dollars per BOE)	55.5	64.9	65.6
Oil Prices:			
Average Dubai (U.S. dollars per Bbl)	105.5	109.0	105.5
Average HSFO (U.S. dollars per Bbl)	99.8	103.3	97.5

Notes:

(1) Both reserves and actual production data presented reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Business — Reserves*" for a description of our policies regarding the classification of reserves and please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

(2) The Gross Calorific Values ("**GCV**") used to convert gas volume to barrels of oil equivalent ("**BOE**") are different and vary for each project. The GCVs used for BOE conversion in reserves estimations and annual production volumes are also different. GCV used for reserves estimations are the average GCV of each project throughout its field life, while those used for production reports are the actual GCVs measured in each month.

(3) Five-year average finding costs are calculated on a rolling-year basis and are defined as acquisition costs, exploration and development costs incurred divided by reserves additions and revisions to previous reserves estimates from existing periods.

(4) Calculated by dividing five-year average reserves additions through acquisitions of reserves, extensions and discoveries, improved recovery, and revisions to prior estimates by the production for such period.

(5) Calculated by dividing year-end proved reserves by annual actual production of that year.

RISK FACTORS

An investment in our Securities involves risks. You should carefully consider all of the information in this Offering Memorandum and, in particular, the risks described below before deciding to invest in our Securities.

The following describes some of the significant risks that could affect us and the value of our Securities. Additionally, some risks may be unknown to us, and other risks, currently believed to be immaterial, may also impair our business operations, financial condition, results of operations and prospects, and could turn out to be material. All of these could materially and adversely affect our business, financial condition, results of operations and prospects. In general, investing in securities of issuers in emerging market countries such as Thailand involves risks not typically associated with investing in the securities of companies in countries with more developed economies. This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Memorandum. You should also consider the information provided below in connection with the forward-looking statements in this Offering Memorandum and the disclaimer regarding forward-looking statements at the beginning of this Offering Memorandum.

To the extent it relates to the Government, Thai macroeconomic data or the petroleum industry, the following information has been extracted from official Government publications or other third party sources and has not been independently verified by us.

Risks Relating to Our Business

The volatility of prices for natural gas, crude oil, condensate, bitumen and refined petroleum products and the cyclical nature of the petroleum industry affect our results of operations

Most of our revenues are attributable to the sale of natural gas, crude oil, condensate and bitumen. Domestic and international prices for our products generally reflect price fluctuations in international markets and are sensitive to other factors outside our control, including changes in worldwide industry capacity and output levels, cyclical changes in regional and global economic conditions, the price and availability of substitute products and changes in consumer demand, all of which from time to time have had a significant impact on product prices.

Historically, the price of natural gas, crude oil, condensate, bitumen (which is closely correlated with the market prices of heavy crude oil) and refined petroleum products have fluctuated widely in response to many factors. For example, in 2008, the Organization of Petroleum Exporting Countries ("**OPEC**") basket price for crude oil fluctuated between US$33.36 and US$140.73 per Bbl. In early 2009, the world oil market suffered from the global economic crisis which began in 2008, resulting in a sharp drop in demand for oil and a significant decrease in oil prices to a low of US$35.58 per Bbl, though prices recovered in the second half of the year, fluctuating between US$59.66 and US$77.88 per Bbl as economic stimulus plans led to renewed confidence in the global economy. In 2010, the price of crude oil fluctuated between US$66.84 and US$90.73 per Bbl, while in 2011, the price of crude oil increased and fluctuated between US$89.81 and US$120.91 per Bbl due to political developments in the Middle East and North Africa. The OPEC basket price of crude oil fluctuated between US$88.74 and US$124.64 per Bbl in 2012, fluctuated between US$96.35 and US$114.94 per Bbl in 2013 and fluctuated between US$102.37 and US$107.80 per Bbl in the three months ended March 31, 2014, due to a combination of uncertainties stemming from the European sovereign debt crisis, announcements of further monetary easing from major central banks, increased supply from North America, West Africa and the Middle East and ongoing geopolitical instabilities.

We do not and will not have control over the factors affecting international prices for natural gas, crude oil, condensate, bitumen and refined petroleum products. The factors affecting the prices of these products include, but are not limited to:

- global and regional economic and political developments in natural gas, crude oil and condensate producing regions, particularly in the Middle East and North Africa;
- the ability of OPEC and other petroleum producing nations to set and maintain petroleum production levels and prices;

- global and regional supply and demand for natural gas, crude oil, condensate, bitumen and refined petroleum products;
- competition from other energy sources;
- the overall level of energy demand;
- domestic and foreign government regulations, policies and taxes;
- currency exchange rates;
- the availability of transportation infrastructure;
- the effect of worldwide environmental and/or energy conservation measures;
- the price and availability of alternative energy supplies; and
- weather conditions.

A majority of our natural gas production is sold to PTT under long-term gas sales agreements ("**GSAs**") at prices that are adjusted periodically to reflect changes in benchmark prices based on an average price per Bbl of certain high sulphur fuel oils and other factors, including the Baht-U.S. dollar exchange rate. The price that we may receive for our natural gas sales, as well as our profitability, is dependent on the level of these benchmark prices, which is beyond our control. An increase in the value of the Baht against the U.S. dollar generally has the effect of decreasing our cash received in Baht terms. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Results of Operations*."

Substantially all of our domestic crude oil production is sold to PTT under sales agreements at prices that are adjusted periodically to reflect changes in prevailing market prices for petroleum products. While we attempt to manage the risk of oil price volatility by entering into oil price hedging for our production of petroleum products using the Brent crude oil prices as a reference, the price that we receive for our crude oil production is dependent on the prevailing market price at the time, which is beyond our control. Outside of Thailand, sales are made at prevailing market prices on a case-by-case basis.

There is no generally recognized approach to determine the price for bitumen because the bitumen market is not yet mature and there are no published reference prices for bitumen. To price bitumen, marketers apply formulas that take as a reference point the prices published for crude oil of particular qualities such as West Canada Select, Edmonton Light, Lloydminster Blend, or the more internationally known West Texas Intermediate ("**WTI**"). The price of bitumen fluctuates widely during the course of a year, with the lowest prices typically occurring at the end of the calendar year because of decreased seasonal demand for asphalt and other bitumen-derived products.

Accordingly, the volatility of the prices for natural gas, crude oil, condensate, bitumen and refined petroleum products may materially and adversely affect our business, financial condition, results of operations and prospects.

Our failure to manage our existing projects and growth effectively may adversely impact our business

We plan to rapidly expand our exploration and production activities, in particular those located outside of Thailand. For instance, in 2011, we acquired a 40% interest in KOSP, a partnership that owns the Canada Oil Sands KKD project, in 2012, we acquired Cove, which has assets in Mozambique and Kenya, in 2013, we acquired a 50% stake in Natuna 2 B.V., which has a project in Indonesia and in 2014 we invested in a petroleum exploration project in Brazil and we acquired subsidiaries of Hess Corporation which held concessions in Thailand. This rapid expansion has presented, and will continue to present, significant challenges for our management, operational and administrative systems and our ability to maintain effective systems of internal controls. In addition, many petroleum producing countries where we have made investments are subject to risks and uncertainties associated with political instability and difficult economic climates. There can be no assurance that we will not experience difficulties in managing our existing projects and growth effectively because of issues such as political difficulties, capacity and capital constraints, construction delays and operational difficulties relating to our projects. We may also face difficulties in upgrading or expanding existing facilities, locating and providing suitable local senior management and training an increasing number of personnel to manage and oversee those projects.

Further, we must manage relationships with a large and growing number of partners, suppliers, contractors, service providers, lenders and other third parties. We may encounter difficulties integrating new acquisitions to meet our efficiency and performance standards, or keeping existing projects up to those same standards. In addition, key personnel, either from existing or newly acquired projects, may not continue to work for us. We will also be required to constantly develop and adjust management and administrative responsibilities to match market conditions and our growth and expansion. Our continued development as an international petroleum exploration and production company requires us to identify new qualified personnel with extensive knowledge of our industry and the countries in which we operate. Our failure to identify suitable personnel for these management and administrative positions may adversely affect our ability to manage our growth and continue to pursue our growth strategy. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses, which could have an adverse impact on our results of operations, financial condition and prospects, or lead to results that may differ from our expectations, projections and statements regarding growth.

Our failure to find, acquire or gain access to additional reserves, replace existing reserves and to develop reserves may adversely affect our ability to achieve our growth aspirations

Our ability to achieve our growth aspirations depends upon our success in finding and acquiring or gaining access to additional reserves. Approximately 46.1% of our proved reserves were undeveloped as of December 31, 2013. Our future success will depend partially on our ability to develop these reserves in a timely and cost-effective manner. We must continue to find, acquire, explore and develop new reserves to replace those produced and sold in order to maintain or grow production from current levels. We face challenges in sustaining production growth due to the maturity and depletion of our proved reserves in crude oil, condensate and natural gas. The success of presently contemplated exploration, development and production activities cannot be assured. The decision to explore or develop a property depends in part on geophysical and geological analyses and engineering studies, the results of which may be inconclusive or subject to varying interpretations. During the exploration phase, drilling activities are subject to numerous risks, including the risk that no commercially viable petroleum accumulations will be discovered. The cost of drilling and operating wells is also often uncertain. Drilling may be curtailed, delayed or cancelled as a result of many factors, including weather conditions, government requirements and contractual conditions, shortages of or delays in obtaining equipment and reductions in product prices or limitations in the market for petroleum products. Geological uncertainties and unusual or unexpected formations and pressures may result in dry wells, which may result in unprofitable efforts. In addition, we face substantial competition in the search for and acquisition of potential resources, which requires a substantial investment. The possibility of finding or being able to acquire additional resources is uncertain.

Our future drilling, exploration and acquisition activities may not be successful. If our drilling, exploration and acquisition activities are unsuccessful, we may not be able to achieve our growth aspirations within the time we expect, or at all, and future proved reserves will decline, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

There are uncertainties inherent in estimating our reserves, and if the actual amounts of such reserves are less than estimated, our financial condition and results of operations may be materially and adversely affected

This Offering Memorandum includes estimates we have made of our proved and probable reserves which reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting. These estimates are based on our Guidelines, which are substantially similar to the standards established by the SPE, the SPE Petroleum Resources Management System. Our Guidelines may differ from the US SEC Standards. With regard to the reserves and resources classification provided for the Canada Oil Sands KKD project, we refer to the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") Vol. 3, Part 3 — Detailed Guidelines for Estimation and

Classification of Bitumen and SAGD Reserves and Resources, which is broadly aligned with the SPE Petroleum Resources Management System. There are uncertainties inherent in estimating quantities of proved and probable reserves and in the timing of development expenditures and the projection of future rates of production. The proved and probable reserves data set out in this Offering Memorandum represents estimates with reasonable confidence, which according to both the SPE Petroleum Resources Management System and the COGE Handbook, means that there is at least 90% chance that quantities actually recovered will equal or exceed the estimates of proved reserves, and there is at least a 50% chance that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves estimates. Adverse changes in economic conditions may render it uneconomical to develop certain reserves.

The reliability of reserves estimates depends on, among other things:

- the quality and quantity of technical and commercial data;
- the prevailing petroleum prices applicable to production;
- the production performance of the reservoirs;
- extensive reservoir and geological judgments; and
- the assumed effects of regulation by governmental agencies.

Determination of reserves estimates is an inexact, interpretative activity generally based upon the guidelines and definitions. There often exist various professional interpretative differences of guidelines and reserves classification between companies, other independent petroleum engineering consultants and operators. This is often evidenced by different reported reserves between consortium members of the same exploration or producing block. Such differences may include assigning volumes to proved, probable or possible reserves categories or to contingent resources, based on interpretation of guidelines or on views of the commercial viability of given petroleum reserves or resources, at a particular point in time. There is no assurance that we, other independent petroleum engineering consultants or other operators will not change their views on the interpretation of such guidelines or change their interpretation of the commercial viability of given reserves or resources, and thus causing such resources or reserves to be reclassified into another category under SPE, COGE or other similar guidelines.

There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond our control. The reserves data set forth in this Offering Memorandum represent estimates we have determined according to industry practice. In general, estimates of commercially recoverable petroleum volumes are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reservoirs, historical production performance from the properties, the quality and quantity of technical and economic data, prevailing petroleum prices applicable to a company's production, extensive engineering judgments, forward-looking commercial and market assumptions, the assumed effects of regulation by government agencies and future operating costs. All such estimates involve uncertainties, and classifications of reserves are attempts to define the degree of likelihood that the reserves will result in revenue for us. For these reasons, estimates of the commercially recoverable petroleum volumes attributable to any particular group of properties, classification of such reserves based on uncertainty of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. In addition, such estimates can be and will be subsequently revised as additional pertinent data becomes available prompting revision. Actual recoverable petroleum volumes may vary significantly from such estimates. To the extent actual recoverable petroleum volumes are significantly less than our estimates, our financial condition and results of operations are likely to be materially and adversely impacted. See "*Business — Reserves*."

Additionally, estimates of reserves based on uncertainty of recovery and estimates of future net revenues expected from those reserves may vary substantially. Finally, new drilling, testing and production after the date the estimates are made may cause substantial upward or downward revisions in the estimates. Our actual production, revenues, taxes and development and operating expenditures with respect to our reserves may vary materially from estimates.

The estimation of resources quantities for an accumulation is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated, potentially recoverable volumes. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available. There is no assurance that the actual recoverable volumes of our reserves will be in line with our estimates. If our actual recoverable volumes are below our estimates, we may not be able to produce expected quantities of petroleum, which may have an adverse effect on our business, financial condition and results of operations.

Successful implementation of our growth strategy will require us to make acquisitions, which involves certain risks

In addition to organic growth through existing assets, we will have to make acquisitions to achieve our growth strategy. Potential risks involved in these acquisitions include the inability to identify business entities or assets for acquisition or the inability to make acquisitions on terms that we consider economically acceptable. Furthermore, there is intense competition for acquisition opportunities in the petroleum exploration and production industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Our strategy of completing acquisitions would be dependent upon, among other things, our ability to obtain debt and equity financing and, in some cases, regulatory approvals. Our ability to pursue our growth strategy would be hindered if we were not able to obtain required financing or regulatory approvals. Our ability to grow through acquisitions and manage growth would require us to continue to invest in operational, financial and management information systems and to attract, retain, motivate and effectively manage our employees. The inability to effectively manage the integration of acquisitions could reduce our focus on subsequent acquisitions and current operations, which, in turn, could negatively impact our earnings and growth. Our financial position and results of operations may fluctuate significantly from period to period, based on whether or not significant acquisitions are completed in particular periods.

Competition in the petroleum industry may have significant effects on our business

Our competitors for the acquisition, exploration, development and production of petroleum properties and for the capital to finance such activities include companies that have greater financial and other resources. Our ability to successfully bid on new concessions or otherwise acquire additional property rights, to explore for and develop reserves and to enter into commercial arrangements with customers will be dependent upon the continuation of our close working relationships with our joint venture partners and operators and our ability to select and evaluate suitable projects and consummate transactions in a highly competitive environment.

In addition, we compete with other petroleum companies for equipment and human resources, such as petroleum drilling rigs, which are a limited resource given the competitive market in the petroleum sector. An increase in demand for such equipment and personnel has resulted in increased competition for available resources and higher prices that we have to pay in order to secure our access to such equipment and human resources. If we are unable to obtain the equipment that we need to carry out our development plans with respect to our production assets, we may have to delay or restructure our development plans, which may have an adverse effect on our ability to commercialize our petroleum reserves on a timely basis. Our inability to successfully develop new and existing projects due to competition may have an adverse effect on our business, financial condition and results of operations.

The development of our projects involves construction, financing, regulatory and operational risks that could lead to an increase in expenses, delays in production and lost revenues

The development of our petroleum concession areas, or blocks, involve many risks, including:

- the breakdown or failure of plant equipment or processes;
- failure to obtain required government permits or approvals;
- work stoppages and other industrial actions by employees or contractors;
- opposition from local communities and special-interest groups;

- engineering and environmental problems;
- construction and operational delays;
- inability to obtain capital to meet the capital expenditure requirements;
- unanticipated cost overruns; and
- adverse impact of economic and geo-political conditions.

If we experience any of these or other problems, we may not be able to derive income and cash flows from our projects and investments in a timely manner, in the amounts expected or at all. Furthermore, the projects we are developing and in which we invest require substantial capital outlay and a long gestation period before we will realize any benefits or returns on investments. The time and costs required in completing a project may be subject to increases due to factors including:

- shortages of, or increased competition or market prices for, materials, equipment, skilled personnel and labor;
- adverse weather conditions;
- natural disasters;
- labor disputes;
- accidents;
- changes in government priorities and policies;
- changes in market conditions;
- delays in obtaining the requisite licenses, permits and approvals from the relevant authorities; and
- other unforeseeable problems and circumstances.

We cannot always ensure that our projects will be completed on time, within budget or within the expected gestation period. In addition, our ability to pass on any higher development costs to our customers is extremely limited due to the nature of our petroleum products as commodities and due to long-term contracts that we have entered into, and expect to enter into, with our customers, particularly in Thailand. Any of these factors could adversely affect our business, financial condition, results of operations and prospects.

The exploration, development and production risks of petroleum operations may adversely affect our profitability and may not be fully protected by insurance

Our petroleum exploration, development and planned production operations involve risks normally incidental to such activities, including blowouts, oil spills and fires (each of which could result in damage to, or the destruction of, wells, production facilities or other property, or injury to persons), geological uncertainties and unusual or unexpected rock formations and abnormal pressures, which may result in dry holes, failure to produce petroleum in commercial quantities or inability to fully produce discovered reserves. Offshore operations are subject also to hazards inherent in marine operation, such as capsizing, sinking, grounding, collision and damage from severe weather conditions. These hazards could result in substantial losses to us due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage and suspension of operations. The resulting losses may not be fully compensated by insurance. In addition, there are certain types of losses, such as those due to hurricanes, other natural disasters, terrorism or acts of war, which although covered under our current insurance policies to varying degrees, may be uninsurable or not insurable at a reasonable premium in the future.

Drilling operations are subject to many hazards that could increase the likelihood of accidents and lead to adverse consequences to our business, including:

- costly delays or cancellations of drilling operations;
- serious damage to, or destruction of, equipment;
- personal injury or death;
- significant impairment of producing wells or underground geological formations; and
- major environmental damage.

For example, in August 2009, we experienced specific incidents of an oil and gas leak and fire at the Montara project (the "**Montara Incident**"). There can be no assurance that any future potential liabilities arising from these events will be covered by our existing insurance. See "*Risk Factors — Risks Relating to Our Business — We and PTTEP AA are subject to claims and liabilities in relation to the Montara Incident*", and "*Business — Principal Properties — Principal Properties Under Production — Overseas — PTTEP AA*." We also recognized an impairment loss on assets of US$204 million in 2012 attributable to PTTEP AA's Montara project as a result of an increase in the project costs, a delay in its initial oil production and a change in production profile. While the Montara project commenced production in June 2013, if PTTEP AA experiences any other adverse indicators, we will have to determine and assess whether PTTEP AA's Montara project may suffer further impairment losses and, if so, we may have to recognize additional impairment losses.

In addition, petroleum exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient revenues to return a profit. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect our production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-in of wells resulting from natural disasters, insufficient storage or transportation capacity, ageing production equipment, operation errors, or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect our revenue and cash flow levels to varying degrees.

Although we maintain insurance coverage that we believe is in accordance with customary industry practice, we are not fully insured against certain of these risks either because such insurance is not available or because of high premium costs. In addition, we do not carry coverage for timely completion of our projects under development, loss of rent or profit or defects in the quality of materials used. Should an uninsured loss or a loss in excess of insured limits occur, we may lose the capital invested in and the anticipated revenue from the affected property. In addition, any payments we make to cover any uninsured loss, or the insolvency of the insurer of such event, may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our exploration, development and production activities will require substantial capital expenditures and we may not be able to raise adequate financing on acceptable terms on an ongoing basis or at all

Petroleum exploration, development and production are capital intensive operations. Over the next several years, we expect to undertake a significant increase in our exploration and development activities for new projects, as well as production activities in existing projects, all of which will require substantial capital outlays. From time to time, we will be required to provide additional funds to our projects for capital expenditures or operating expenses as required under our partnership agreements with our joint venture partners, over which we may have only limited control. In addition to conventional petroleum exploration activities, we have begun investing in unconventional exploration and production projects requiring specialized technological expertise and characterized by high investment and unit costs (for example, oil sands, deep-water drilling and heavy oil). We currently estimate that our capital expenditure requirements, adjusted for the Canada Oil Sands KKD project asset swap transaction, for existing projects for the three years ending December 31, 2016 will be approximately US$10 billion, which we believe our internally generated cash flow can cover, however circumstances may change and we may need to raise additional funding in order to make our planned capital expenditures. Our ability to obtain financing, and the cost of such financing, will be dependent on a number of factors over which we have no control, including general economic conditions, capital markets and political conditions, as well as our ability to incur additional debt as a result of prospective lenders' evaluations of our creditworthiness and the availability of credit from financial institutions. Global capital flows are significantly less certain today than in the past. While we have been able to fund our capital requirements in the past, there can be no assurance that we will be able to meet our capital requirements at costs acceptable to us in the future. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditures*."

Future financing may place restrictions on our operations

We currently estimate that our overall capital expenditures for existing projects, adjusted for the Canada Oil Sands KKD project asset swap transaction, for the three years ending December 31, 2016 will be approximately US$10 billion. While we believe that our internally generated cash flow can cover our planned capital expenditures, circumstances may change and we may need to raise additional funding in order to make our planned capital expenditures. If we raise additional debt financing, there may be additional restrictions placed on us which may, among other things:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to pay our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

If we are unable to access financing on acceptable terms and conditions, there could be a material adverse effect on our business, financial condition, results of operations and prospects.

Our business depends on various exploration and production licenses and approvals. If any of these licenses and approvals are suspended, restricted, terminated or not extended prior to expiry, this could have a material adverse effect on us

The Government owns all of Thailand's petroleum resources and awards concessions and other rights with respect to the exploration and production of such resources. Generally, the Department of Mineral Fuels ("**DMF**") under the Ministry of Energy is responsible for regulating and overseeing the exploration and production of Thailand's petroleum resources, and the Minister of Energy is authorized to grant petroleum concessions with the consent of the Cabinet.

On January 21, 1991, the Malaysia-Thailand Joint Authority ("**MTJA**") was established for the exploration and production of natural resources, particularly petroleum, in the overlapping continental shelf area in the Gulf of Thailand known as the joint development area (the "**JDA**"). The MTJA is a statutory body established under the laws of Malaysia and Thailand to assume all rights and responsibilities on behalf of the two governments. On April 21, 1994, the MTJA awarded one of two production sharing contracts in the JDA to us.

The Myanmar, Australian, Algerian, Canadian, Indonesian, Kenyan, Mozambican, Vietnamese, Omani and Brazilian governments also own petroleum resources and have awarded us concessions and other rights with respect to the exploration and production of such resources. For instance, we are currently awaiting parliamentary approval from the Mozambican government in relation to our operations at Rovuma Offshore Area 1. If the validity of any of our concessions or licenses were to be challenged, such licenses may be subject to suspension or revocation. The suspension or loss of any such license would require us to stop our production from the field covered by the relevant license and, if we were unsuccessful in lifting such suspension or re-obtaining the license, we would lose our right to extract petroleum gas from the field altogether.

Accordingly, any suspension or loss of a license could materially and adversely affect our business, financial condition, results of operations and prospects.

Our competitors may also seek to impede our rights to develop certain natural resources deposits by challenging our compliance with tender and auction rules and procedures or with the terms of the relevant license.

If we do not comply with licensing regulations or the terms of the relevant licenses, our licenses may be suspended, restricted or terminated and we may be subject to administrative, civil and criminal liabilities.

We must also maintain, and from time to time extend or obtain, other permits and authorizations including land and mining allotments, approvals of design and feasibility studies, pilot production projects and development plans and permits for the construction of facilities. If we fail to receive the necessary permits and authorizations, or if such permits and authorizations are terminated, we may have to delay investment or development programs, which could materially adversely affect our business, financial condition, results of operations and prospects.

Our business operations may be adversely affected by present or future product quality requirements and environmental regulations

We operate most of our business in emerging market countries, such as, Thailand, Myanmar, Vietnam, Indonesia, Oman, Algeria, Kenya, Mozambique and Brazil. Our business is subject to certain laws and regulations relating to product quality and environmental and safety matters in the exploration and development, production and transmission of petroleum in these countries. Many of the environmental laws and regulations and product quality standards applicable to us are significantly less developed than those in the United States and certain other developed market economies, and enforcement of existing requirements may be less rigorous than in such countries. We cannot always ensure that any future environmental laws, or changes in enforcement policies, will not result in a curtailment of production or a material increase in the costs of exploration, development, production and transmission activities, or otherwise materially and adversely affect our business, results of operations and financial condition.

We are subject to environmental, health, safety and other laws and regulations

Our operations, which are often potentially hazardous, are subject to environmental, health, safety and other laws and regulations, including those inherent to petroleum exploration and production industries. Although we endeavor to comply with all laws and regulations at all times, we or one of our subsidiaries are, or may in the future become, involved in claims, lawsuits and administrative proceedings relating to environmental and health and safety matters. For example, in relation to the Montara Incident, PTTEP AA was involved in a proceeding brought by the Commonwealth Department of Public Prosecutions resulting in a fine for non-compliance with certain provisions of the Offshore Petroleum and Greenhouse Gas Storage Act of 2006 (the "**OPGGSAct**") further discussed below under "*— We and PTTEP AA may face material adverse consequences as a result of investigations into the Montara Incident conducted by various Australian governmental agencies*." See also "*— We and PTTEP AA are subject to claims and liabilities in relation to the Montara Incident*."

We and PTTEP AA are subject to claims and liabilities in relation to the Montara Incident

On August 21, 2009, an oil and gas leak occurred from the Montara-H1 well during tie back operations on the Montara wellhead platform. Our subsidiary, PTTEP AA stopped the leak in November 2009. During operations to stop the leak, PTTEP AA's wellhead platform and the contractor-operated West Atlas drilling rig caught fire, causing damage to both the wellhead platform and the West Atlas rig. This affected the production start-up. In order to maintain control of the well and fix damaged production facilities, PTTEP AA temporarily suspended the Montara-H1 well and halted the Montara construction and installation project. PTTEP AA has expended capital on containing and cleaning up the oil and gas leak. Since 2009, we and PTTEP AA have been notified of potential prosecutions and claims by regulators and third-parties, including the Australian and Indonesian governments and employees of a sub-contractor to the drilling rig operator. The Australian government prosecution is discussed below under *"— We and PTTEP AA may face material adverse consequences as a result of investigations into the Montara Incident conducted by various Australian governmental agencies*."

On August 26, 2010, PTTEP AA received a letter and presentation materials from the Indonesian government seeking US$2.5 billion in compensation for damages caused to Indonesia's environment and economy. In October 2010, PTTEP AA received further details of the claim and supporting documentation. The Indonesian government has claimed that some hydrocarbons emanating from the Montara well entered Indonesian waters. However, there is no agreement between the Indonesian government and PTTEP AA on the extent, duration and impact of the hydrocarbons in Indonesian waters. No evidence has been presented by the Indonesian government that identifies the resources impacted by the hydrocarbons in Indonesian waters. PTTEP AA has not accepted any claim of the Indonesian government as PTTEP AA believes that such claims are not supported by scientifically valid evidence. We currently do not have insurance coverage for any future potential liabilities that may arise from such claims. To manage the claims process, PTTEP AA and the Indonesian government are in the process of negotiating a memorandum of understanding setting forth the claims verification procedure and establishing a neutral committee to facilitate an agreement on the claims. The memorandum of understanding is subject to approval by the board of PTTEP and the Indonesian government, and no formal agreement has been entered into by the parties.

On September 29, 2011, two employees of Total Marine Services, a contractor engaged by Atlas Drilling (S) Pte. Ltd., a subsidiary of Seadrill Management (S) Pte. Ltd., served PTTEP AA with a writ of summons and statement of claim regarding personal injuries, loss and damage allegedly suffered as a result of the Montara Incident. They allege a breach of duty on the part of PTTEP AA. In August 2012 another employee of Total Marine Services served a writ of summons on PTTEP AA on the same grounds. Pursuant to the Offshore Drilling Contract MDP/2008/10-5 between PTTEP AA and Atlas Drilling (S) Pte. Ltd, Atlas Drilling (S) Pte. Ltd.'s insurer has agreed to indemnify PTTEP AA for the third party claims. In addition, QBE Insurance Group Limited ("**QBE**"), Total Marine Services' workers' compensation insurer, has admitted liability for these claims and is subrogating against PTTEP AA and Atlas Drilling (S) Pte. Ltd. PTTEP AA's insurer has been notified of this and is dealing directly with QBE. The first two claims have now been settled and paid by QBE. As of March 31, 2014, the third claim is still pending.

The Northern Demersal Fishery Licensees and the West Timor Care Foundation have also notified PTTEP AA of potential claims for compensation arising from the Montara Incident, but neither of these claims have been filed or served.

The full extent of the above outstanding claims is uncertain at this time. We cannot assure you that no other actions or third party claims will arise in connection with the Montara Incident. We cannot guarantee that these or any other claims and liabilities will not materially and adversely affect our business, financial condition, results of operations and prospects. See "*Business — Principal Properties — Principal Properties Under Production — Overseas — PTTEP AA — Montara Project" and "Business — Legal Proceedings*."

We and PTTEP AA may face material adverse consequences as a result of investigations into the Montara Incident conducted by various Australian governmental agencies

On November 5, 2009, the Minister for the Australian Department of Resources, Energy and Tourism (the "**DRET Minister**") established a commission of inquiry (the "**Commission of Inquiry**") to investigate the Montara Incident.

The Commission of Inquiry's report recommended that the Department of Resources, Energy and Tourism ("**DRET**") Minister should undertake a review of PTTEP AA's petroleum titles and licenses pursuant to the OPGGS Act.

PTTEP AA, in conjunction with industry experts and the relevant Australian regulatory bodies, developed an action plan as a coordinated response to the issues identified in the Commission of Inquiry's report (the "**Action Plan**"). PTTEP AA began implementing the plan in June 2010 under the observation of Noetic Solutions Pty Limited ("**Noetic**"), which was appointed by DRET to monitor the implementation.

On February 4, 2011, the DRET Minister announced his determination that the Action Plan effectively responded to the issues identified by the Commission of Inquiry. As a result, the DRET

Minister decided not to pursue further inquiries or reviews of PTTEP AA's petroleum titles. On February 22, 2011, we entered into a Deed of Agreement with the Australian government in respect of PTTEP AA's operations and the monitoring program, overseen by Noetic. The Deed of Agreement ceased on June 21, 2013.

DRET also imposed additional conditions on most of the petroleum titles held by PTTEP AA relating to technical competency, corporate governance and reporting requirements. These title conditions have now been removed as a consequence of the cessation of the Deed of Agreement.

DRET appointed inspectors to investigate compliance with good oilfield practice and well operations under the OPGGS Act. In addition, DRET issued three notices to produce documentation to PTTEP AA pursuant to section 699(2) of the OPGGS Act and one supplementary notice to produce documentation in relation to the matters subsequently dealt with at the hearing in the Darwin Magistrates Court.

Other Australian regulatory authorities, including the National Offshore Petroleum Safety and Environmental Management Authority ("**NOPSEMA**") and the Department of Sustainability, Environment, Water, Population and Communities, also conducted investigations into the Montara Incident to assess compliance with applicable safety, environmental and well management legislation.

These investigations culminated in PTTEP AA being prosecuted by the Commonwealth Department of Public Prosecutions and being subject to statutory penalties in respect of four charges under the OPGGS Act. Three of the charges were brought under clause 9(4) of Schedule 3 of the OPGGS Act, which specifies that a facility operator is required to take all reasonably practicable steps to ensure that a facility is safe and without risk to the health of any person at or near the facility, and that all work and other activities carried out on a facility are carried out in a manner that is safe and without risk to the health of any person at or near the facility. The fourth charge was brought under section 569(6) of the OPGGS Act, which contains a requirement to carry out all petroleum exploration operations in a proper and workmanlike manner and in accordance with good oilfield practice. The hearing took place in the Darwin Magistrates Court on August 30, 2012. On August 31, 2012, the magistrate imposed fines totaling AU$510,000, consisting of a single penalty of AU$495,000 in respect of the first three charges under clause 9(4) of Schedule 3 of the OPGGS Act, and a penalty of AU$15,000 in respect of the fourth charge under section 569(6) of the OPGGS Act. No costs were sought or awarded. We believe the conclusion of the court proceedings concluded the Australian government's investigations of the Montara Incident.

Our relationship with PTT and the Government makes us heavily dependent on those entities, and the interests of PTT may conflict with yours as a holder of the Securities

As of February 17, 2014, PTT (which, as of February 17, 2014, is 51.11% owned by the Ministry of Finance and 14.9% owned by Vayupak Fund I) owned approximately 65.29% of our ordinary shares. The Cabinet has adopted a resolution setting forth a policy requiring PTT to retain a minimum of 51.0% of our issued and outstanding ordinary shares. Accordingly, PTT currently has the ability to elect a majority of our directors and determine the outcome of most actions requiring shareholder approval, and their interests may not be aligned with yours as a holder of the Securities. As a state-owned enterprise, we are also subject to certain restrictions in the conduct of our business to which other companies in Thailand may not otherwise be subject. Alternatively, if PTT ceases to be majority owned by the Thai government, which could occur as a result of a small sell down of the shares owned by the Thai government, we would no longer be considered a state-owned entity which could adversely affect our cost of financing, among other factors.

Further, conflicts of interest may arise between us in a number of areas relating to our past and ongoing future relationships, including our GSAs and PTT's development of the infrastructure necessary for the delivery of natural gas. There can be no assurance that we will be able to resolve any potential conflict or that, if resolved, we would not receive a more favorable resolution if we were dealing with an unaffiliated party.

We rely heavily on our primary customers to maintain profitability

In addition to its role as our controlling shareholder, PTT is also the primary purchaser of our natural gas, crude oil and condensate production in Thailand. In 2013, PTT provided nearly all of our natural gas revenue and condensate revenue and the majority of our crude oil revenue. We generally make natural gas sales to PTT under long-term take-or-pay sales agreements. As a result, our inability, or the inability of a joint venture operator of a new property in which we have a working interest, to successfully negotiate a sales agreement with PTT, or the failure of PTT to comply with the terms of the existing sales agreements, could have a material adverse effect on our business, financial condition, results of operations and prospects. See "*— Our relationship with PTT and the Government makes us heavily dependent on those entities, and the interests of PTT may conflict with yours as a holder of the Securities*."

Although PTT is responsible for taking and paying for the majority of our gas production, PTT is dependent on the Electricity Generating Authority of Thailand ("**EGAT**") and other customers making payment pursuant to their own gas sales arrangements with PTT in order for PTT to generate sufficient cash flow and meet its obligations to us. In addition, while the GSAs between the parties include provisions for price adjustments based on market prices and other factors, PTT (and indirectly, we) are dependent on, among other things, the ability of EGAT to adjust the electricity tariff charged to its customers. The settlement terms of PTT's take-or-pay obligations to us in respect of GSAs between the parties provide for the billing and settlement in respect of any gas not taken by PTT only after the end of the contract year during which such obligations arose. Consequently, our revenues, results of operations and cash flow with respect to any period during which PTT is not taking delivery of gas may be materially adversely affected because payment in respect of gas which PTT has not taken will not be received until the following year.

We depend on third-party operators for a significant number of our projects

We hold our interests in the majority of our development and production projects through joint ventures with international petroleum companies. We do not act as the operator in many of these joint ventures. Therefore, we have limited control over the manner in which operations are conducted and the safety and environmental standards used in connection with these joint ventures. The failure of any operator to perform its obligations could have a material adverse effect on the development of, or production from, a project, which in turn could have a material adverse effect on our anticipated exploration and development or production activities. See "*Business — Exploration and Development Activities — Joint Venture Agreements*."

In addition, petroleum exploration and production requires the use of equipment involving advanced technologies, such as turbo compressors, turbo generators and supervisory control and data acquisition systems, or SCADA systems, which continues to evolve, and accordingly, the equipment could become out-of-date or obsolete prior to the time that the operator may have originally intended to replace it. For instance, the computer processors for equipment control systems are generally replaced every 15 years. If this were to occur, the operators may need to purchase substantial amounts of new capital equipment, which could have a material adverse effect on the operator's ability to perform its obligations to develop or carry on production at a project, which in turn could have a material adverse effect on our anticipated exploration and development or production activities.

We rely on infrastructure development and equipment provided by third parties in Thailand and other countries in which we conduct our business

The expansion of natural gas production in Thailand and neighboring countries is currently constrained by the capacity limits of existing transportation facilities. In Thailand, substantially all such facilities are owned and operated by PTT. In addition, our ability to pursue opportunities to develop and produce natural gas resources in neighboring countries depends upon the development of adequate infrastructure for the transportation of natural gas in such countries. The failure of PTT or the relevant companies in these other countries to adequately maintain and operate existing pipelines, complete proposed pipeline projects on a timely basis or to expand other natural gas infrastructure may adversely affect our business, financial condition, results of operations and prospects, or may require us to make significant expenditures on constructing our own transportation system or other infrastructure.

We do not own most of the infrastructure that we use to transport petroleum to our customers. Such infrastructure, which includes pipelines and storage tanks, is leased from third-party providers, and we have no control over the quality and availability of such infrastructure. As part of our business, we also have to assume some risk of damage or loss of the construction services and equipment provided to us by third-party contractors (such as drilling rigs, seismic acquisition vessels, service boats, tankers and floating storage and offloading vessels).

Furthermore, depending on the complexity of our development projects, the competitive dynamics of the market, movements in prices of raw materials such as steel, and the availability and prices of our contractors and equipment, we may have to pay significantly more than we currently anticipate to implement our development plans for our projects.

From time to time, we may face interruptions in the function and operation of our production and delivery infrastructure due to logistical complications outside our control. In the event of a disruption or delay in the availability of this infrastructure, we would be unable to sell our products until the problem is corrected or until we find alternative means to deliver our products to our customers. Such alternative means, if available, would likely result in increased costs to us, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our success depends on personnel with specialized expertise

Our success in conducting exploration and production activities, and in operating certain petroleum concessions, is highly dependent upon our ability to attract and retain qualified personnel with sufficient experience in the exploration and production business such as engineers, geologists, geophysicists and other technicians and managers. We also use third-party contractors to undertake certain project tasks. Additionally, we are selectively investing in certain unconventional petroleum projects, such as Canadian oil sands in the Thornbury, Hangingstone and South Leismer ("**THSL**") areas, which require specialized technical knowledge and expertise. Although we have been successful in the past in attracting qualified personnel from international oil companies, and although we invest significant resources in training our personnel, we cannot assure you that we can attract and retain these qualified personnel, which may make it more difficult or costly for us to hire adequate numbers of such personnel in the future and adversely affect our business and operations.

Our petroleum exploration and production activities in foreign countries subject us to unforeseen risks

To increase our reserves and to improve our position in the world market, we have expanded our investment base to petroleum exploration and production activities in a number of foreign countries, for example, in the Asia-Pacific region, the Middle East, North and South America and North and East Africa. These international operations are subject to certain risks that can materially and adversely affect our results of operations. These risks include, but are not limited to:

- unsettled political conditions, war, civil unrest, and hostilities in some petroleum producing and consuming countries and regions where we operate or intend to operate;
- undeveloped and uncertain legal systems and tax laws;
- restrictions on drilling and production in certain jurisdictions;
- economic instability in foreign markets;
- the impact of inflation;
- natural disasters;
- an inability to access necessary human capital;
- fluctuations and changes in foreign currency exchange rates;
- fluctuations in royalty fees required;

- governmental action such as expropriation of assets, general legislative and regulatory environmental changes, exchange controls, the cancellation of contract rights; and

- changes in global trade and economic policies such as trade restrictions and embargoes imposed by the United States and other countries.

To date, instability in the overseas political and economic environment has not had a material adverse effect on our business, financial condition, results of operations and prospects. We cannot, however, predict the effect that future changes in economic, political or regulatory conditions abroad could have on the economics of conducting exploration and production activities overseas. Any of the foregoing factors may have a material adverse effect on our international operations and, therefore, our business, financial condition, results of operations and prospects.

Political unrest in foreign countries may have negative consequences for our projects

We participate or have participated in projects in the Middle East and North Africa, which have recently experienced mass political movements, protests and changes in government. These movements began in Tunisia on December 18, 2010 and led President Zine El Abidine Ben Ali to flee Tunisia on January 14, 2011. In Algeria, a wave of protests and riots started on December 28, 2010, provoked by the events of Tunisia and sudden rises in staple food prices. On February 24, 2011, the state of emergency in Algeria was officially lifted in response to the demonstrations and the ruling government continued to maintain control. Similar protests have occurred in Egypt and Bahrain. While we recently relinquished our interests in our projects in Egypt and Bahrain, we maintain our interests in Algeria and may acquire other interests in these or similarly situated countries in the future.

These events or similar events in the future may adversely affect political, economic and legal conditions in the Middle East, North Africa and other geographic regions where we may conduct business. To conduct business in these countries, we will need to work with the governments and government-controlled entities. Prolonged political instability in such countries or further changes in government may undermine our operations in these countries, which in turn could have an adverse effect on our business, financial condition, results of operations and prospects.

There are certain risks associated with doing business in Myanmar

For 2011, 2012 and 2013, approximately 13.0%, 12.4% and 11.8%, respectively, of our production volume came from Myanmar territorial waters in the Gulf of Moattama. Since November 1997, Myanmar has been governed by the State Peace and Development Council, formerly known as the State Law and Order Restoration Council, a military-dominated regime that previously governed Myanmar since 1988. Myanmar has experienced opposition from pro-democracy, religious and ethnic groups in recent years. Such opposition has at times included armed resistance. Although the government of Myanmar in recent years has instituted certain market-based economic and financial reforms, such as the sale of state-owned assets, much of the economy remains state-dominated as a result of past socialist economic initiatives. A new constitution was ratified in May 2008 through a nationwide referendum. In November 2010, Myanmar held its first elections in two decades, although key opposition leaders boycotted the election. Since March 2011, the new president has shown leanings toward democratization, freed several political prisoners, taken steps to liberalize the state-controlled economy, and permitted parliamentary elections, which were overwhelmingly won by the opposition party. We cannot assure you that political or economic developments in Myanmar will not have a material adverse effect on our business, financial condition, results of operations and prospects.

The steam assisted gravity drainage bitumen recovery process is subject to uncertainty

One method by which we will recover bitumen at the THSL areas is through a process using steam assisted gravity drainage ("**SAGD**") technology, a process which is subject to uncertainty. Although the SAGD bitumen recovery process has shown promise to be commercially viable in commercial projects, there can be no assurance that operations will produce bitumen at the expected levels, costs or on schedule. Current SAGD technologies require a significant amount of natural gas in the production of steam that is used in the recovery process. The amount of steam required in the production process can also vary and affect costs. The Canada Oil Sands KKD project has an operating history of only two years with respect to the average operating steam to oil ratio for the project. Should the actual average operating steam to oil ratio in operations be higher than estimates, it may result in one or more of the following:

- an increase in operating costs;
- lower bitumen production; or
- the requirement for additional facilities.

Other factors that could affect the amount of steam needed and the feasibility of the SAGD bitumen recovery process could include, but are not limited to, the following:

- poor quality of regional geological features;
- depleted or partially depleted associated gas caps due to prior gas production;
- the existence of bottom or top water, inter-formation water, or any other formations into which heat energy can be lost, resulting in lower bitumen recovery; or
- the absence of an overlying cap rock.

Some of these factors, the existence of bottom water and uneven quality of geological facies, exist at the Leismer project and any of the foregoing factors or events could have a material impact on the future operating activities conducted at, and the economic performance of, the THSL areas at the Canada Oil Sands KKD project, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

On January 30, 2014, we entered into a transaction with Statoil to restructure the ownership of the areas under KOSP. Upon closing of the transaction, PTTEP CA owns and operates 100% of the THSL areas all of which are in the appraisal phase while Statoil owns and operates 100% of the Leismer and Corner areas. The transaction closed on May 28, 2014. Please see "*Offering Memorandum Summary — Recent Developments*" for further description of the Canada Oil Sands KKD project asset swap.

The Canada Oil Sands KKD project land leases are subject to renewal

The areas we operate in the Canada Oil Sands KKD project are located on lands leased from the government of Alberta, Canada, through the Alberta Department of Energy ("**Alberta Energy**"). These lease agreements convey the rights to drill for, work, recover and remove oil sands that are owned by the government of Alberta. Existing oil sands agreements can be transferred to new parties. There are two types of leases, primary and continued. Primary leases are original leases, which have a term of 15 years, while continued leases are primary leases that have been renewed. The primary leases for these various parcels of land expire between 2017 and 2025.

There is no automatic right of extension or renewal for oil sands leases. The lessee must apply to Alberta Energy to have the lease extended within the last year of the lease term. If no application for continuation is made, the oil sands lease will automatically expire. The written application must include detailed information on the lease number, technical evaluation or production data, the evaluation criteria used, maps, and the amount of annual rent due. No additional fees are required when applying for a lease continuation. Lease continuation is governed by the Oil Sands Tenure Regulation of 2010 (under the Mines and Minerals Act (Alberta)) 196/2010 (the "**OSTR**"). The OSTR requires the lessee to meet a minimum level of exploration ("**MLE**") to obtain or renew primary leases. The MLE can be achieved in two ways: (i) one evaluation well must be drilled on each section included in the lease in a pattern that evaluates the lease and core data must be obtained for 25.0% of the wells drilled; or (ii) wells must be drilled on 60.0% of the sections included in the lease in a pattern that evaluates the lease, core data must be obtained for 25.0% of the wells drilled and appropriate seismic data is obtained from each undrilled section. Once production is started the lessee can apply to have the lease designated as a producing lease and then must meet a minimum level of production to hold the classification of a producing lease. If there is no production for more than three years on a designated production lease, it may be re-designated to a non-producing lease. There are escalated rents to be paid on such non-producing leases, the rates for which vary between areas and are escalated every three years. A portion of the upgrading, exploratory drilling, development activities, and research programs can be offset against the escalated rent for such non-producing leases.

Although we expect to have these leases renewed in a timely manner there is no assurance that we will be able to renew relevant leases in a timely manner or at all. The loss of such leased resources could have a material adverse effect on our business, financial condition, results of operations and prospects.

Fluctuations in the value of the Baht could adversely affect demand for our products and our financial condition and results of operations

Since the Asian financial crisis of 1997, the value of the Baht against the U.S. dollar has fluctuated from time to time, from a high of Baht 22.20 on June 18, 1997 to a low of Baht 56.45 on January 13, 1998, according to Bloomberg. The weighted-average interbank exchange rate as of March 31, 2014 as published by the Bank of Thailand was Baht 32.435 = US$1.00. We cannot assure you that the value of the Baht will not decline or continue to fluctuate significantly against the U.S. dollar or other currencies in the future.

Substantially all of our revenues and costs are directly or indirectly linked to, or affected by, the U.S. dollar. From January 1, 2011 onwards, we adopted the U.S. dollar as our functional currency. While this has reduced the effect of exchange rates on our results of operations, because a substantial portion of our revenues and expenses are denominated in U.S. dollars, we are still exposed to exchange rate risks from transactions that are denominated in currencies that are not our functional currency. In addition, adverse economic conditions in Thailand incidental to the depreciation of the Baht could increase energy prices in Thailand and reduce overall demand for our products.

Public information about us has not been verified for purposes of this Offering Memorandum and you should not rely upon on it

We regularly publicly disclose, in the ordinary course of our business, information about our business, plans and operating prospects. This information, in particular, any forward-looking information, includes various assumptions, including estimates of anticipated production levels and assumptions about prices, competition and worldwide demand for petroleum. Our actual results of operations may differ significantly from budgeted amounts and our plans may change significantly or may not materialize. Such publicly available information about us is not part of this Offering Memorandum and has not been prepared, verified or otherwise authorized in connection with the Offering. You should rely only on the information in this Offering Memorandum in making an investment decision.

Risks Relating to Thailand

Most of our assets and operations are located in Thailand and we are subject to economic, legal and regulatory uncertainties in Thailand

Most of our assets and operations, including our headquarters, are located in Thailand. Consequently, we are subject to political, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. Any downturn in the Thai economy could have a material adverse effect on our business, financial condition, results of operations and prospects and the market price of the Securities.

Our businesses and operations in Thailand are subject to the changing economic conditions prevailing from time to time in Thailand. From 1996 to 1998, Thailand's GDP growth slowed significantly in relation to historical levels and the country entered a recession. Since 1999, Thailand's economy has been recovering, recording positive GDP growth each year until the global economy began to worsen in 2008. According to the National Economic and Social Development Board of Thailand, Thailand's GDP grew by 5.0% in 2007 and 2.5% in 2008, but declined by 2.3% in 2009 and grew by 7.8% in 2010 despite the political unrest in the early part of 2010. Thailand's GDP grew by 0.1% in 2011 primarily due to the effects of severe flooding in many parts of Thailand in the third and fourth quarters of 2011, which severely disrupted Thailand's economy. Thailand's GDP grew by 6.5% in 2012 on the back of expansion in both domestic demand and external demand. Thailand's GDP for

2013 grew by 2.9% driven by growth in exports of goods and services which was offset by contraction in domestic demand. According to an estimate of the Bank of Thailand, Thailand's GDP growth for 2014 is forecasted at 2.7%, a slow down mainly attributable to weak domestic demand, constrained by Government spending after the dissolution of parliament, and suppressed private investment and tourism as a result of ongoing political conflict in Thailand. The prospects for the local, regional and global economy are uncertain. The demand for energy is generally correlated with GDP, and a contraction in Thailand's GDP could lead to a reduction in the demand for energy, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

From 1996 to 1998, international credit rating agencies, including Moody's, S&P and Fitch Ratings Ltd. ("**Fitch**"), lowered Thailand's sovereign rating as well as various Thai corporate debt ratings. With the improved performance of the Thai economy in 1999 through 2003, there was corresponding improvement in these credit ratings. Political unrest in late 2008 and early 2009 again put downward pressure on Thailand's sovereign ratings. Thailand's sovereign foreign currency long-term ratings are currently rated "Baa1" with a stable outlook by Moody's, "BBB+" with a stable outlook by S&P and "BBB+" with a stable outlook by Fitch. More recently, the ongoing political conflict since late October 2013 has affected Thailand's growth outlook in 2014 and could over time negatively impact the country's credit strengths. Future lowering of the credit ratings for Thai sovereign debt may make it more expensive for us to obtain additional debt financing for our working capital and capital expenditures, which could have an adverse effect on our financial condition. Additionally, a downgrade of Thailand's sovereign ratings may have a negative effect on our credit rating.

Factors that may adversely affect the Thai economy, directly or indirectly, include:

- global economic conditions;
- political instability;
- other regulatory, political or economic developments in or affecting Thailand;
- exchange rate fluctuations and the exchange control policy by the Bank of Thailand;
- a prolonged period of inflation or increase in regional interest rates;
- other external recessions or potential economic downturns in the United States, Asia or elsewhere in the world;
- changes in taxation;
- consumer confidence;
- the level of tourist arrivals and tourism spending;
- natural disasters, including tsunamis, earthquakes, fires, drought and similar events;
- flooding and other extreme weather conditions;
- a potential recurrence or outbreak of avian influenza, severe acute respiratory syndrome, or other infectious or contagious diseases in Thailand or other Asian countries;
- scarcity of credit or other financing, resulting in lower demand for products and services;
- fluctuations in oil prices and other commodity prices; and
- threatened terrorist activities in Southeast Asia, including violence in the southern parts of Thailand.

Additionally, prior governments have, in the past, intervened in the Thai economy and occasionally made significant changes in policy, including, among other things, foreign exchange control and capital controls, policies concerning wage and price controls and limits on imports, at times partially reversing such policies soon after the new policies were announced. Policy changes made by the Government and the Bank of Thailand have included the imposition (and subsequent reversal) of a one-year 30.0% unremunerated reserves requirement on foreign exchange inflows, under which any foreigner making portfolio investments in Thailand had to place an extra non-interest-bearing deposit. In addition, the Cabinet passed a resolution in November 2011 to implement a new 300 Baht daily minimum wage policy in seven provinces, namely Bangkok, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon, Nakhon Pathom, and Phuket, starting from April 1, 2012 and raised the minimum wage in the remaining provinces by 40% before the second round increase to Baht 300 later on January 1, 2013. According to the Cabinet resolution, the minimum wage is expected to remain at Baht 300 a day in all provinces nationwide in 2014 and 2015. However, if the Thai economy faces severe volatility affecting the livelihoods of workers, the Wage Tripartite Committee may consider revising the minimum wage in 2014 and 2015, which may further affect our labor costs. Our business, cash flows, financial condition, results of operations and prospects may be adversely affected by any future minimum wage increases and other changes in Government policies. There is no assurance that the Government will not in the future re-impose restrictive foreign exchange controls that may affect the outward remittance of funds, including distributions or other payments payable on the Securities. Our business, financial condition, results of operations and prospects and the market price of the Securities may be adversely affected by future changes in government policies.

We cannot assure you that economic, legal and regulatory conditions in Thailand will be stable or not deteriorate in the future. Changes in Thailand could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

The impact of the recent political instability in Thailand remains uncertain, and any continued violence or instability could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects

Our business, cash flow, financial condition, results of operations and prospects are influenced by the political situation in Thailand, which has historically been subject to extended periods of instability.

In response to continuing violence in southern parts of Thailand, the Government declared martial law in certain southern provinces in early 2004. In 2006, there was a coup against the country's civilian political leadership. The coup leaders declared martial law and abrogated the 1997 Constitution. In 2007, a new constitution (the 18th constitution adopted since 1932) came into force after approval in a referendum, and a general election was subsequently held. In the same year, the Thai Constitutional Court dissolved the governing party, Thai Rak Thai, for electoral law violations, and 111 key party leaders were banned from engaging in politics for five years. The People's Power Party, which comprised a number of members of the Thai Rak Thai Party, won 233 out of the 480 seats in the Thai parliament and subsequently formed a six-party coalition government. Two new coalition governments took office in February and September 2008, respectively. Allegations of electoral fraud were made against several candidates (including candidates from the People's Power Party), resulting in a series of anti-Government protests in 2008 led by the political pressure group People's Alliance for Democracy, including the occupation by protestors of the Government House and the seizure of Thailand's two key airports, Suvarnabhumi International Airport and Don Mueang International Airport.

In December 2008, the Constitutional Court issued a verdict to disband the People's Power Party and certain other political parties, which dissolved the existing coalition government and removed Prime Minister Somchai Wongsawat from office, following which the new Prime Minister Abhisit Vejjajiva and his Democrat Party formed a new government.

In February 2010, the Supreme Court issued a seizure order relating to former Prime Minister Thaksin Shinawatra's assets and in early March 2010, anti-Government protestors launched new protests aimed at removing the coalition government and holding new elections. Over the course of two months, the affected areas of Bangkok were sealed off and numerous commercial establishments within these areas were shut down. The demonstrations turned violent, with over 80 deaths. A number of buildings, including a major shopping center, government buildings and the building where the Stock Exchange of Thailand office is located, were set on fire, and a number of people were also killed or injured. The demonstrations came to an end on May 19, 2010 when security forces entered the protest zone and, following the surrender of several protest leaders, dispersed the protesters.

On July 3, 2011, the Pheu Thai Party won 265 seats in the 500-seat parliamentary election. As a result, Ms. Yingluck Shinawatra, leader of the Pheu Thai Party and sister of the ousted former Prime Minister Thaksin Shinawatra, became the 28th Prime Minister of Thailand. Ms. Shinawatra formed a coalition Government and introduced reforms, including proposed changes to the 2007 Constitution.

On December 9, 2013, the Government dissolved the House of Representatives and called for a general election. As a result, demonstrations led by the People's Democratic Reform Committee ("**PDRC**") and the Student and People Network for Thailand's Reform, have continued to take place in Thailand. On January 22, 2014, the Election Commission, an organization empowered by Thailand's Constitution to organize elections, which was scheduled to take place on February 2, 2014, sought a ruling from the Constitutional Court as to whether the election could be postponed due to abnormal circumstances. On January 24, 2014, the Constitutional Court ruled that the election could be postponed and that it would be incumbent upon the Caretaker Prime Minister and the Election Commission's chairman to discuss and issue a new royal decree to set a new election date. After failing to reach a consensus over rescheduling the poll in a meeting with the Election Commission, a general election was held on February 2, 2014, as originally announced by the Government. However, the Constitutional Court ruled on March 21, 2014 that the election was unconstitutional because voting failed to take place on the same day nationwide. Even if the Election Commission announces the date for a new general election, it still remains uncertain whether this new election can take place and a new government will be formed because several parties have insisted upon the implementation of political reforms before a new election, the effect of which could disrupt and prolong a new election.

In addition to uncertainty about the new election, on May 7, 2014, the Thai Constitutional Court ruled to remove Caretaker Prime Minster Yingluck Shinawatra from office for the unlawful removal of Mr. Thawil Pliensri as secretary-general of the National Security Council ("**NSC**") in 2011. The court's verdict officially ended Ms. Yingluck's premiership on May 7, 2014. In addition, nine current cabinet members who took part in the cabinet meeting on September 6, 2011 approving the transfer of Mr. Pliensri to the post of adviser to the Prime Minister were also removed from office, including the Foreign Minister, three Deputy Prime Ministers, Finance Minister, PM's Office Minister, Deputy Defence Minister, Deputy Agriculture and Cooperatives Minister, Information and Communications Technology Minister and Labour Minister. As a consequence, the Cabinet appointed Caretaker Deputy Prime Minister and Commerce Minister Niwatthamrong Boonsongpaisarn as acting Caretaker Prime Minister to lead the Caretaker Government. Furthermore, the National Anti-Corruption Commission (NACC) on May 8, 2014 voted unanimously to indict ousted Caretaker Prime Minister Yingluck Shinawatra on charges of dereliction of duty in overseeing the corruption-prone rice pledging scheme.

Demonstrations relating to the political situation in Thailand continue to disrupt business and traffic in the proximity of the various demonstration sites in Bangkok. While the demonstrations have largely been peaceful, isolated clashes between the demonstrators and police have resulted in a number of injuries and deaths. As a result of on-going mass rallies between political rivals which have left a number of injuries and deaths, the Royal Thai Army declared martial law in the entire country on May 20, 2014, in order to restore peace and order for people from all sides. After such declaration, certain roads in Bangkok have been blocked by soldiers and tanks and several television stations in Bangkok have also been taken over by the Thai military. Following the declaration of martial law, on May 22, 2014, General Prayuth Chan-ocha, Head of National Peace and Order Maintaining Council (POMC), announced a military coup in Thailand, following which the Constitution of the Kingdom of Thailand B.E. 2550 (A. D. 2007) was officially abolished (except for section 2) and the Caretaker

Government was also dismissed. General Prayuth Chan-ocha has also declared himself acting Prime Minister and acting cabinet for administrative purposes until the new Prime Minister is officially appointed. In connection with this, the POMC ordered all protesters to go home and banned "political gatherings" of more than five people.

Even with martial law imposed and a military coup in effect, the PDRC and the United Front for Democracy against Dictatorship are still carrying on with protests. These incidents may lead to political fallout in Thailand with effects on Thailand's political and economic conditions.

We cannot predict what effects these recent events will have on Thailand's political and economic conditions or on the Company, or whether the new Government might seek changes to Thailand's legal and regulatory environment. In particular, as an entity which is majority-owned by PTT (which in turn is majority-owned by the Thai government), there can be no assurance that our strategy and business operations will not be impacted by the recent change in government. Furthermore, there can be no assurance that any reforms introduced will promote growth and stability within Thailand. Additionally, no assurance can be provided that these events will not lead to further political demonstrations or slower economic growth. As a result, we can provide no assurance that the political environment in Thailand will be stable or that any future instability in Thailand will not materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

Continued violence in southern Thailand, terrorist attacks and international and regional instability could adversely affect our business, financial condition, results of operations and prospects

In 2004, the Government declared martial law in certain southern provinces. The region has recently experienced increasingly serious and frequent incidents of violence, including bombings of power stations, which caused blackouts in those provinces. On July 19, 2005, the Government declared a state of emergency in the three southernmost provinces of Yala, Narathiwat and Pattani. The state of emergency imposed further controls in those provinces and allows the authorities to detain suspects without charge, ban public protests and censor the news media. Since January 2004, there have been a large number of casualties and injuries arising from violence in the region, including bombings of commercial banks in the Yala Province. On December 31, 2006, several bombs exploded in Bangkok, killing three people, and in February 2007 a coordinated series of explosions in Southern Thailand, including in schools, killed at least eight people. In March 2010, anti-Government protestors launched new protests aimed at removing the coalition government and holding new elections, which eventually required the government to declare a state of emergency in Bangkok on April 7, 2010. A number of countries, including the United States, the United Kingdom, Australia and Canada have issued travel advisories relating to travel to Thailand in recent years. After a series of demonstrations, the curfews were gradually lifted. The state of emergency ended on December 21, 2010. A new coalition government was formed after the Parliamentary elections in July 2011. On March 31, 2012, a car bomb attack in the hotel district of Hat Yai, in the southern part of Thailand, and a bomb attack in Yala Province killed at least 13 people and injured several more. There has been an attempt to initiate peace development processes in the region. On February 28, 2013, the Government and the representatives of an insurgent organization, the Barisan Revolusi Nasional, signed the General Consensus on Peace Dialogue Process (the "**Peace Dialogue**") with the Malaysian government to act as the facilitator in the process. However, frequent attacks in southern Thailand are still continuing since the Peace Dialogue has been signed. Continued violence could lead to widespread unrest in Thailand or a major terrorist incident in Thailand similar to those in other parts of Southeast Asia. If the security condition deteriorates and violence spreads to the Northern provinces of Thailand, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, political events in the Middle East, including future terrorist attacks against targets in the Middle East, Southeast Asia or other regions, rumors or threats of terrorist attacks or war, actual conflicts involving the Middle East and trade disruptions, all of which may impact our suppliers or customers, may adversely impact our operations. Political or economic developments related to these crises could adversely affect the Thai economy and the global economy and could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks related to public health epidemics in Thailand

Our business could be materially and adversely affected by the outbreak of public health epidemics in Thailand. In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu", occurred in Mexico and spread to other countries, including Thailand. In 2004, an outbreak of the H5N1 virus, also known as "bird flu", occurred in Southeast Asia and other regions, resulting in hundreds of deaths worldwide and significantly affecting Southeast Asia's economy. Vietnam, a regional neighbor of Thailand, reported two human fatalities caused by bird flu in January 2012. In 2013, an outbreak of the H7N9 virus, a different strain of "bird flu", occurred in China. If an outbreak of swine flu or bird flu were to occur again and become widespread in Thailand, it could have an adverse effect on economic activity in Thailand, and could materially and adversely affect our business, financial condition and results of operations. Any future public health epidemics in Thailand could materially and adversely affect our business, financial condition, results of operations and prospects.

Non-enforceability of non-Thai judgments may limit your ability to recover damages from us in Thai courts

We are a public limited company incorporated in Thailand. All of our directors and executive officers are residents of Thailand. Also, the assets of our directors and executive officers are located throughout the world, including Thailand. As a result, it may be difficult for you to effect service of process upon us or these persons outside Thailand or enforce against us judgments obtained in courts outside of Thailand, including judgments based upon the federal securities laws of the United States.

Under Thai law, judgments entered by a United States court or any other non-Thai court, including actions or judgments based on the civil liability provisions of the federal securities laws of the United States including the U.S. Securities Act and the U.S. Exchange Act, are not enforceable in Thailand. Any judgment or order obtained in a court outside Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of a court in Thailand may be admitted as evidence in new proceedings instituted in such court, which would consider the issue on the evidence before it. See "*Enforceability of Civil Liabilities*" for a further discussion of enforceability matters.

In particular, pursuant to the Petroleum Act B.E. 2514 (1971) (as amended), the right to hold petroleum concessions in Thailand is not subject to the execution of judgment. Thus, to the extent investors are entitled to bring legal action against us, since the right to hold petroleum concessions cannot be confiscated nor enforced, they may be limited in their remedies or recovery.

Our audited consolidated financial statements were prepared in accordance with Thai GAAP, which differs from IFRS

On January 1, 2011, we adopted TFRS and adopted the U.S. dollar as our functional currency. During 2013, several accounting standards and financial reporting standards were revised and new accounting interpretations and new financial reporting interpretations were issued based on IFRS Bound Volume 2012, the majority of which became effective for the financial periods beginning on or after January 1, 2014. However, certain IFRS standards have not been adopted by TFRS.

Our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014, are prepared and presented in accordance with TFRS.

Our management has determined that the amendments to accounting standards and financial reporting standards and the issuance of new accounting standards and new financial reporting standards and new accounting interpretations and new financial reporting interpretations have not had any significant impact on us except as disclosed in Note 4 to our consolidated financial statements for the year ended December 31, 2011. See "*Presentation of Financial Information*." However, there can be no assurance that the identified significant differences between Thai GAAP based on TFRS and IFRS represent all material differences related to us and our subsidiaries for the year ended December 31, 2011, 2012 and 2013 and for the three-month periods ended March 31, 2013 and 2014. See "*Summary of Certain Significant Differences Between Thai GAAP and IFRS*."

Our auditor is the Office of the Auditor General of Thailand, which may not be considered independent under the International Standards on Auditing and the auditing standards issued by the Public Company Accounting Oversight Board ("PCAOB")

As required by Thai law for state-owned enterprises, our auditor is the Office of the Auditor General of Thailand. The Office of the Auditor General of Thailand is an independent auditor with respect to us within the meaning of the standards established for independent auditors in Thailand. We cannot assure you, however, that it would be considered to be an independent auditor with respect to us within the meaning of the standards established under the International Standards on Auditing, the auditing standards issued by the PCAOB or elsewhere.

Risks Relating to the Securities

There is some uncertainty on whether Condition 3.2(e)(ii) (Distribution deferral) will be enforceable

Section 655 of the Civil and Commercial Code of Thailand provides that, with certain exceptions, interest shall not bear interest unless the parties to an agreement validly agree in writing that, in the event that interest is overdue for a period of at least one year, the overdue interest will be added to the principal and shall itself bear interest. Condition 3.2(e)(ii) (*Distribution deferral*) provides that each amount of Arrears of Distribution shall accrue Distribution from and including the date falling 12 months from the date on which it is first deferred as if it constituted the principal of the Securities at the prevailing Distribution Rate. There is some uncertainty as to whether the deferred Distribution would be deemed to be "due" at the point of time of first deferral as a matter of Thai law. If a Thai court interprets that the deferred Distribution is not deemed to be "due" at such point of first deferral, the second sentence of Condition 3.2(e)(ii) (*Distribution deferral*) of the Conditions may not be enforceable under Thai law which may result in your inability to receive accrued Distribution payments on any amount of Arrears of Distribution.

Even though the terms of the Securities are governed by the laws of the State of New York, the position under Thai law may be relevant to Condition 3.2(e)(ii) (*Distribution deferral*), if at the point of enforcement of judgment in Thailand, a Thai court considers that the term is against public order or good morals in Thailand.

Our business activities in Myanmar may restrict the ability of U.S. persons to invest in the Securities

In 1996, the U.S. Congress enacted legislation (Section 570 of the Foreign Operations Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104-208)) authorizing the President of the United States to impose economic sanctions on Myanmar to foster the protection of human rights and democratic government. Pursuant to such legislation, on May 20, 1997, the U.S. President issued an executive order prohibiting both "new investment" in Myanmar by U.S. persons and the facilitation by U.S. persons of new investment in Myanmar by foreign persons. This investment prohibition has been renewed every year since 1997, including its most recent renewal on May 15, 2014. Additionally, in 2003 and 2008, the United States expanded economic sanctions against Myanmar to include prohibitions on the importation of Myanmar products into the United States and the exportation of U.S. financial services to Myanmar. Further, several individuals or entities related to Myanmar have been added to the Treasury Department's Office of Foreign Assets Control Specially Designated Nationals ("**OFAC's SDN**") List, resulting in the blocking of property and interests in property within the United States or in the possession or control of a U.S. person, belonging to those individuals.

However, in response to democratic reform measures undertaken by the government of Myanmar in recent years, the United States has suspended or otherwise eased many of the sanctions targeting Myanmar. In May 2012, on the same day that the national emergency against Myanmar was renewed, the U.S. announced that it would suspend existing financial services and investment-related sanctions. On July 11, 2012, the United States issued two general licenses to allow for U.S. investment across all sectors of Myanmar's economy. General License No. 16 authorizes the exportation and re-exportation of financial services to Myanmar by U.S. persons except (a) to the Myanmar Ministry of Defense; (b) to any state or non-state armed group; (c) to persons included on OFAC's SDN List; and (d) to any entity owned 50.0% or more by the foregoing. General License No. 17 similarly authorizes new investment in Myanmar by U.S. persons, subject to the limitations listed above.

General License No. 17 also implements a notification requirement applicable to new investments with the Myanmar Oil and Gas Enterprise and a more extensive reporting requirement for aggregate investments exceeding US$500,000. The United States has also issued General License No. 18, authorizing the importation of products of Myanmar except jadeite and rubies, and General License No. 19, authorizing, subject to certain limitations, transactions with four of Myanmar's major financial institutions.

While acknowledging the recent progress Myanmar has made in implementing democratic reforms, the United States has noted its ongoing concerns related to human rights abuses within the country. Thus, the underlying U.S. sanctions regime against Myanmar remains in place, albeit suspended in large part by General Licenses 16 and 17. Additionally, on July 11, 2012, the U.S. President issued a new executive order authorizing the expansion of sanctions to individuals or entities that threaten the peace, security or stability of Myanmar. On August 2, 2012, the U.S. Congress voted to extend the ban on imports from Myanmar for another year, though the U.S. President has authorized importation of products of Myanmar except for jadeite or rubies pursuant to General License No. 18.

Although we, through PTTEP International Limited ("**PTTEPI**"), have entered into agreements to develop natural gas reserves located in Myanmar, we do not believe that a purchase of our Securities by a U.S. person would constitute a prohibited "new investment" in Myanmar under the Burmese Sanctions Regulations ("**BSR**"), which implements the 1997 executive order banning such investment, as (per Section 537.412 of the BSR) our profits are not predominantly derived from the economic development of resources located in Myanmar.[1] Further, we are of the view that even if the purchase of our Securities by a U.S. person were to be prohibited under the BSR, General License No. 17, which broadly allows for investment in Myanmar, authorizes the purchase of our Securities, subject to the restrictions and reporting requirements contained therein. However, we cannot assure you that a U.S. court or regulatory agency would agree with these conclusions. A contrary determination could adversely affect our ability to raise funds from the U.S. capital markets and U.S. persons owning our Securities potentially could be required to divest themselves of our Securities, among other potential regulatory and legal implications, including an enforcement action by U.S. authorities.

In addition, the BSR prohibit the approval or other facilitation by U.S. persons of a transaction by a non-U.S. person that would constitute a "new investment" in Myanmar as defined in the BSR. If any of the initial purchasers were a U.S. Person or included U.S. persons in the relevant activity and were found to have contravened the BSR and General License No. 17 by activities that would be deemed facilitating a prohibited new investment in Myanmar through the offering of our Securities, any regulatory action or civil or criminal penalties brought against the initial purchasers resulting from such finding could adversely affect holders of our Securities as a result of a decline in the price of our Securities or otherwise.

The Securities are perpetual securities and investors have no right to require redemption

The Securities are perpetual and have no maturity date. We are under no obligation to redeem the Securities at any time and the Securities can only be disposed of by sale. Holders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Securities. Therefore, holders of the Securities should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

[1] The BSR define new investment to include activities undertaken pursuant to agreements with the government of Myanmar or non-governmental entities in Myanmar that involve: (a) entry into a contract that includes the economic development of resources located in Myanmar; (b) entry into a contract that provides for the general supervision and guarantee of another person's performance of such a contract; (c) entry into a contract providing for the participation in royalties, earnings, or profits in the economic development of resources located in Myanmar, regardless of the form of participation; or (d) purchase of an equity interest or share of ownership in the economic development of resources located in Myanmar.

Our obligations under the Securities are subordinated

Our obligations under the Securities constitute our direct, unconditional, unsecured and subordinated obligations. In the event of the winding-up of the Company, the rights and claims of the Holders in respect of the Securities shall rank ahead of those persons whose claims are in respect of any junior obligations of the Company, but shall be subordinated in right of payment to the claims of all other present and future creditors of the Company, other than the claims of holders of Parity Securities.

In the event of a shortfall of funds on a winding-up, there is a real risk that an investor in the Securities will lose all or some of its investment and will not receive a full return of the principal amount of the Securities, any unpaid Distributions, Arrears of Distribution or Additional Distribution Amounts.

We may raise other capital which affects the price of the Securities

We may raise additional capital through the issuance of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which we may issue or incur and rank senior to, or *pari passu* with, the Securities. The issuance of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders of Securities on the winding-up of the Company, and may increase the likelihood of a deferral of a Distribution under the Securities. The issuance of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Holders to sell their Securities.

The Securities may not be suitable investment for all investors

The Securities are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless they have the expertise (either alone or with the help of a financial advisor) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Securities must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;

(iv) understand thoroughly the terms of the Securities and be familiar with the behavior of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There are limited remedies for non-payment under the Securities

Any scheduled Distribution will not be due if we elect to defer that Distribution. Notwithstanding any of the provisions relating to non-payment, the right to institute winding-up proceedings in relation to the Company is limited to circumstances where payment has become due and we fail to make the payment when due. The only remedy against us available to the Trustee or (where the Trustee has failed to proceed against us as provided in the "*Description of the Securities*") any Holder of Securities for recovery of amounts in respect of the Securities following the occurrence of a non-payment after any sum becomes due in respect of the Securities will be instituting winding-up proceedings and/or proving and/or claiming in winding-up in respect of any of our payment obligations arising from the Securities and the Indenture.

The Securities are subject to transfer restrictions

The Securities will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to QIBs in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Securities, see "*Transfer Restrictions*."

Changes in accounting standards may impact our financial condition or the classification of the Securities

We prepare and present our financials in accordance with TFRS and there may be new and revised accounting standards and interpretations in the future, requiring adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new TFRS will not have a significant impact on our financial condition and results of operations. In addition, any change or amendment to, or any change or amendment to any interpretation of, TFRS may result in the reclassification of the Securities such that the Securities would no longer be classified or recognized as "equity" of PTTEP, and will give us the right to elect to redeem the Securities.

There is no public market for the Securities

The Securities will be a new issuance of securities with no existing trading market. Application has been made to the SGX-ST for the listing of the Securities on the Official List of the SGX-ST. However, we cannot assure you that we will be able to obtain or maintain such listing or that, if listed, a liquid trading market will develop for the Securities. Accordingly, even though the Securities may be listed on an exchange, we cannot assure you that an active market will develop for the Securities or as to the liquidity of, or the trading market for, the Securities. If an active market does develop, future trading prices of the Securities will depend on many factors, including, among others, prevailing interest rates, our operating results and the market for securities similar to the Securities.

The liquidity and price of the Securities following the offering may be volatile

The price and trading volume of the Securities may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Securities to change. Any such developments may result in large and sudden changes in the volume and price at which the Securities will trade. There is no assurance that these developments will not occur in the future.

The Securities will initially be held in book-entry form, and therefore you must rely on procedures of the relevant clearing systems to exercise any rights and remedies

Unless and until Securities in definitive registered form, or definitive registered Securities are issued in exchange for book-entry interests (which may occur only in limited circumstances), owners of book-entry interests will not be considered owners or holders of our Securities. The common depository (or its nominee) for DTC will be the sole registered holder of the global notes. Payments of principal, distribution and other amounts owing on or in respect of the relevant global securities representing Securities will be made to the Principal Paying Agent, which will make payments to DTC. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global securities representing the Securities and credited by such participants to indirect participants. After payment to the common depository for DTC, we will have no responsibility or liability for the payment of distribution, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Securities, you must rely on the procedures of DTC and if you are not a participant of DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Securities under the Indenture. We cannot assure you that the procedures to be implemented through DTC will be adequate to ensure the timely exercise of rights under the Securities.

Unlike holders of the Securities themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Securities. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters on a timely basis.

The Securities are unsecured obligations

As the Securities are unsecured obligations, their repayment may be compromised if:

- we enter into bankruptcy, liquidation, reorganization or other winding-up proceedings;
- there is a default in payment under our future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of our indebtedness; and
- our assets are not sufficient to pay amounts due on the Securities.

Developments in other markets may adversely affect the market price of the Securities

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for Thai securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including Thailand. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Securities could be adversely affected.

Investment in the Securities may subject investors to foreign exchange risks

The Securities are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Securities entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, because of, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Securities below their stated coupon rates and could result in a loss when the return on the Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Securities.

The insolvency laws of Thailand and other local insolvency laws may differ significantly from those of other jurisdictions with which the holders of the Securities are familiar

Because we are incorporated under the laws of the Kingdom of Thailand, any insolvency proceeding relating to us would likely involve Thai insolvency laws, the procedural and substantive provisions of which may differ significantly from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Securities are familiar. You should analyze the risks and uncertainties carefully before you invest in the Securities.

Our credit rating may decline

There is a risk that our credit rating may change as a result of changes in our operating performance or capital structure, or for some other reason (including a downgrade of Thailand's sovereign rating). No assurance can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant or if a different methodology is applied to derive such credit ratings. Any lowering or withdrawal of our credit rating could, notwithstanding that it is not a rating of the Securities, adversely impact the market price and the liquidity of the Securities.

The ratings assigned to the Securities may be lowered or withdrawn in the future

The Securities are expected to be assigned a rating of "Baa3" by Moody's and "BBB-" by S&P. The ratings are based on our ability to perform the obligations under the terms and conditions of the Securities and credit risks in determining the likelihood that payments will be made when due under the Securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We do not have any obligation to inform Holders of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Securities may adversely affect the market price of the Securities.

We will follow the applicable corporate disclosure standards for debt securities listed on the Official List of the SGX-ST, which standards may be different from those applicable to companies in certain other countries

We will be subject to reporting obligations in respect of the Securities to be listed on the Official List of the SGX-ST. The disclosure and corporate governance standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions such as the United States or the United Kingdom. As a result, the level of information that is available may not correspond to the level to which investors in the Securities are accustomed.

Holders may suffer erosion in the return on their investments due to inflation

Holders may suffer erosion in the return on their investments due to inflation. Holders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected rise in inflation could reduce the actual returns to Holders.

Holders may not receive Distribution payments if we elect to defer Distribution payments

We may, at our sole discretion, elect to defer in whole or in part any scheduled Distributions, Arrears of Distribution and Additional Distribution Amounts on the Securities for any period of time. We are not subject to any limits as to the number of times Distributions, Arrears of Distribution and Additional Distribution Amounts can be deferred. Although, following a deferral, Arrears of Distribution are cumulative, subject to the terms of the Indenture (as provided in the "*Description of the Securities*"), we may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Holders. Any such deferral of Distributions, Arrears of Distribution and Additional Distribution Amounts shall not constitute a default for any purpose.

Any deferral of a Distribution, Arrears of Distribution and Additional Distribution Amounts will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in our financial condition.

The applicable Distribution Rate may decline on any Reset Date

The Distribution Rate will be reset on each Reset Date by reference to the then Treasury Rate or by reference to a rate appearing on the relevant Screen Page. Accordingly, a Holder is exposed to the risk of a fluctuating Distribution Rate and uncertain distribution income. A fluctuating Distribution Rate makes it impossible to determine the yield of the Securities with respect to any Reset Distribution Period in advance.

There may be insufficient distributions upon liquidation

Under Thai law, upon any voluntary or involuntary dissolution, liquidation or winding-up of the Company, Holders will be entitled to only the available assets remaining after our indebtedness owed to our preferred creditors and ordinary creditors is satisfied. If any such assets are insufficient to pay the amounts due on the Securities, the then Holders share ratably in any such distribution of assets in proportion to the amounts to which they would otherwise be respectively entitled. In the event of our liquidation or winding up, our unsubordinated obligations shall be preferred over the claims of the Holders in respect of the Securities, which Securities shall rank *pari passu* with each other and our Parity Securities.

The Securities may be redeemed at our option on the First Reset Date, Second Reset Date or any Distribution Payment Date after the Second Reset Date or upon the occurrence of certain other events

The Securities may be redeemed at our option, in whole but not in part, on the First Reset Date, the Second Reset Date or any Distribution Payment Date after the Second Reset Date at a redemption price equal to the principal amount of the Securities redeemed plus any Distribution accrued to, but excluding, the relevant redemption date (including any Arrears of Distribution and Additional Distribution Amounts).

We also have the right to redeem the Securities upon the occurrence of certain changes in Thai tax law requiring the payment of Additional Amounts. In addition, the Securities may be redeemed (in whole but not in part) at our option, at the times and prices specified in the "*Description of the Securities*", upon the occurrence of a Tax Deductibility Event, Rating Agency Event, Accounting Event, a Change of Control Triggering Event or Substantial Repurchase Event (each as described in the "*Descriptions of the Securities*").

The date on which we may elect to redeem the Securities may not accord with the preference of individual Holders. This may be disadvantageous to the Holders in light of market conditions or the individual circumstances of the Holder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

Integral multiples of less than the specified denomination may result in illiquidity in the Securities

The denominations of the Securities are U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Securities may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Securities (should definitive certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Holders should be aware that Securities with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

USE OF PROCEEDS

The net proceeds from the sale of the Securities will be approximately US$998,000,000 million after deducting underwriting commissions to the Initial Purchasers but before expenses payable by us, and will be used for general corporate purposes, including, but not limited to, debt repayment, future investments and funding our exploration, development and production activities.

EXCHANGE RATE INFORMATION

Prior to July 2, 1997, the Bank of Thailand maintained the value of the Baht based on a basket of foreign currencies the composition of which was not made public, but of which the U.S. dollar was believed to be the principal component. From July 2, 1997, the Thailand exchange rate system has been changed from the system of reference to a basket of currencies to a managed float system, whereby the value of the Baht will be determined by market forces to reflect economic fundamentals. Under the managed float system, the Bank of Thailand intervenes in foreign exchange markets from time to time to achieve policy objectives and guard against excessive fluctuations.

In addition to government intervention in relation to the managed float system, in the past prior governments have intervened in the Thai economy and occasionally made significant changes in policy, including, among other things, foreign exchange control, policies concerning wage and price controls, capital controls and limits on imports, at times partially reversing such policies soon after the new policies were announced. Please see "*Risk Factors — Risks Relating to Thailand — Most of our assets and operations are located in Thailand and we are subject to economic, legal and regulatory uncertainties in Thailand.* "

The following table presents, for the periods indicated, interbank exchange rate announced by the Bank of Thailand which we used as the "**Reference Rate**" to convert Thai Baht into U.S. dollars. We are providing this information solely for your convenience. These are not necessarily the rates we used in the preparation of our financial statements and we make no representation that the Baht or U.S. dollar amounts set forth herein or referred to elsewhere in this Offering Memorandum could have been, or could be, converted into U.S. dollars or Baht, as the case may be, at the rates indicated, at any particular rates, or at all.

Period	**At Period End(1)**	**Average(2)**	**Low(1)**	**High(1)**
	(Baht per U.S. dollar)			
2009	33.517	34.319	33.258	36.349
2010	30.296	31.701	29.705	33.439
2011	31.832	30.500	29.837	31.832
2012	30.778	31.089	30.389	32.053
2013	32.949	30.736	28.766	32.949
2014				
January	33.141	32.943	32.887	33.238
February	32.753	32.651	32.464	33.054
March	32.581	32.394	32.264	32.736
April	32.442	32.320	32.327	32.671
May	32.931	32.530	32.512	32.931
June (through June 4, 2014)	32.812	32.765	32.812	33.003

Source: Bank of Thailand

Notes:

(1) Amounts are based on daily average selling price.

(2) Averages are based on daily reference rates.

On June 4, 2014, the weighted-average interbank exchange rate was Baht 32.668 = US$1.00.

CAPITALIZATION

The following table sets out our consolidated capitalization as of March 31, 2014, and as adjusted to give effect to the issuance of the Securities and the use of the proceeds as discussed in "*Use of Proceeds*."

	As of March 31, 2014	Adjusted for the Offering
	(US$ in millions)	
Short-term debt:		
Current portion of long-term debts	360	360
Long-term debt:		
Debentures	2,612	2,612
Long-term loans from financial institutions	1,042	1,042
Total debt	**4,014**	**4,014**
Shareholders' equity:		
Issued and paid-up share capital	151	151
Share premium	3,439	3,439
Subordinated capital debentures	157	157
The Securities	—	1,000
Retained earnings		
Appropriated		
Legal reserve	15	15
Reserve for expansion	431	431
Unappropriated	7,563	7,563
Other components of shareholders' equity	(67)	(67)
Total shareholders' equity	**11,689**	**12,689**
Total capitalization	**15,703**	**16,703**

On May 29, 2014, we redeemed all of our outstanding Baht 11,700 million 4.00% bonds due 2014 issued on May 29, 2009.

On May 30, 2014, we drew down upon two short-term loan facilities, one entered into with Deutsche Bank AG, Bangkok Branch and the other with Siam Commercial Bank, in the amount of Baht 1,000 million each (for an aggregate amount of Baht 2,000 million). The Deutsche Bank AG, Bangkok Branch loan has an interest rate of 2.28% and has no maturity date though we intend to repay the loan on or about June 13, 2014. The Siam Commercial Bank loan has an interest rate of 2.30% and is due on June 13, 2014.

On June 6, 2014, we issued an aggregate of Baht 19,600 million of debentures in two tranches: a Baht 8,200 million five-year tranche with an interest rate of 3.91% per annum and a Baht 11,400 million 15-year tranche with an interest rate of 4.82% per annum. Proceeds from these debentures were used for general corporate purposes, including, but not limited to, debt repayment, future investments and funding our exploration, development and production activities.

Except as otherwise disclosed above, there has been no material adverse change in our consolidated capitalization or indebtedness since March 31, 2014.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables present our summary consolidated financial information, which should be read in conjunction with our consolidated financial statements, interim consolidated financial information and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that appear elsewhere in this Offering Memorandum. The summary consolidated financial information for the years ended December 31, 2011, 2012 and 2013 are derived from our audited consolidated financial statements for those periods. The summary consolidated financial information for the three-month periods ended March 31, 2013 and 2014 are derived from our unaudited interim consolidated financial information for those periods. On January 1, 2011, we adopted the U.S. dollar as our functional currency. Our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and our unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 are prepared and presented in accordance with TFRS. The audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 have been audited by and the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 have been reviewed by the Office of the Auditor General of Thailand, an agency of the Government. See "Presentation of Financial Information."

Commencing January 1, 2014, we have changed the accounting policy for the recognition of gain and loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits. We have changed the recognition of the portion of gain and loss resulting from the changes in actuarial assumptions from recognizing the excess of 10% of the present value of the defined benefit obligation at the end of the previous reporting period as administrative expenses to recognizing the total amount of actuarial gain or loss to other comprehensive income, which is immediately recognized in the retained earnings. This change in accounting policy resulted in non-material adjustments to certain line items for the three-month period ended March 31, 2013 in the consolidated statement of income and consolidated statement of comprehensive income, which include, gain on foreign exchange, administrative expenses, income tax expenses, profit for the period, basic earnings per share and diluted earnings per share. This change in accounting policy also resulted in non-material adjustments to certain line items for the year ended December 31, 2013 in the consolidated statement of financial position, which include, deferred tax assets, deferred tax liabilities, employee benefit obligations, retained earnings, other components of shareholders' equity and shareholders' equity. As a result, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the three-month period ended March 31, 2013 and the consolidated statement of financial position as of December 31, 2013 have been restated. We have not retroactively applied these adjustments to or restated any other period because the change did not have a material effect on the overall financial information presented. Unless otherwise stated or the context otherwise requires, all financial data as of and for the three-months period ended March 31, 2013 and 2014, presented in this Offering Memorandum reflect this change in accounting policy. Other than as provided in our unaudited interim consolidated financial information for the three-month period ended March 31, 2014, for comparative purposes, the financial data as of and for the fiscal year ended December 31, 2013 together with the financial data as of and for the fiscal years ended December 31, 2011 and 2012 presented in this Offering Memorandum does not reflect the change in accounting policy. As a result, certain numbers of the financial data for these periods may not be comparable to the financial data as of and for the three-month periods ended March 31, 2013 and 2014. For more information, please see Note 3 to the unaudited interim consolidated financial information for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

The following table presents consolidated statements of income data for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011(1)	2012(1)	2013(1)	2013	2014
				(restated)	
	(US$ in millions, except per share amounts)				
	(audited)			(unaudited)	
Consolidated Statements of Income Data:					
Revenues					
Sales	5,440	6,690	7,172	1,798	1,785
Revenue from pipeline transportation	124	151	151	38	28
Other income					
Gain on foreign exchange	—	—	—	41	—
Interest income	16	16	33	12	6
Gain on financial derivatives	—	—	—	1	—
Other income	105	164	89	16	9
Total revenues	5,685	7,021	7,445	1,906	1,828
Expenses					
Operating expenses	625	706	827	185	284
Exploration expenses	217	213	172	37	16
Administrative expenses	257	312	333	63	52
Petroleum royalties and remuneration	646	788	817	211	191
Depreciation, depletion and amortization	1,117	1,374	1,637	391	499
Other expenses					
Loss on foreign exchange	65	24	91	—	4
Loss from Montara incident	5	1	—	—	—
Loss on financial derivatives	11	12	6	—	1
Management's remuneration	5	5	6	2	1
Impairment loss on assets	—	204	—	—	—
Finance costs	124	187	201	48	57
Total expenses	3,072	3,826	4,090	937	1,105
Share of gain (loss) from associates	2	5	6	2	—
Profit before income taxes	2,615	3,200	3,361	971	723
Income taxes expenses	(1,147)	(1,354)	(1,515)	(291)	(343)
Profit for the year/period	1,468	1,846	1,846	680	380
Basic earnings per share(2)	0.44	0.55	0.46	0.17	0.10
Diluted earnings per share(3)	0.44	0.55	0.46	0.17	0.10

Notes:

(1) The selected consolidated statements of income for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Basic earnings per share are calculated by dividing the income attributable to shareholders less interest expenses for subordinated capital debentures, if any, by the weighted average number of ordinary shares in issue during the year or period.

(3) Diluted earnings per share are calculated by dividing the income attributable to shareholders less interest expenses for subordinated capital debentures, if any, by the weighted average number of ordinary shares in issue during the year or period adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares have been converted into ordinary shares. See Note 34, Note 36 and Note 37 of our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, respectively, and Note 23 of our unaudited interim consolidated financial information for the three-month periods ended March 31, 2103 and 2014.

The following table presents certain data from the consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of March 31,
	2011[(1)]	2012[(1)]	2013[(1)]	2014
	(US$ in millions)			
	(audited)			(unaudited)
Consolidated Statements of Financial Position Data:				
Cash and cash equivalents[(2)]	1,351	2,292	2,357	3,071
Total current assets	2,738	4,031	4,105	6,959
Property, plant and equipment - net	9,301	10,971	12,672	10,801
Total assets	14,131	19,637	21,572	22,086
Total current liabilities	3,140	2,375	2,633	3,605
Total non-current liabilities[(3)]	4,680	6,551	7,211	6,792
Total liabilities	7,820	8,926	9,844	10,397
Total shareholders' equity	6,311	10,711	11,728	11,689

Notes:

(1) The selected consolidated statements of financial position for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Cash and cash equivalents includes 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.

(3) Total non-current liabilities includes debentures, long-term loans from financial institution, deferred income tax liabilities, employee benefit obligations, provision for decommissioning costs, provision for remuneration for the renewal of petroleum production and other non-current liabilities such as financial derivatives liabilities, deferred income, among others.

The following table presents certain consolidated cash flow data for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011[(1)]	2012[(1)]	2013[(1)]	2013	2014
				(restated)	
	(US$ in millions)				
	(audited)			(unaudited)	
Consolidated Cash Flow Data:					
Net cash from operating activities before changes in operating assets and liabilities	3,945	5,075	5,285	1,442	1,226
Net cash provided by operating activities	2,908	3,455	3,740	1,553	1,388
Net cash used in investing activities	(4,207)	(4,735)	(2,906)	(732)	(609)
Net cash provided by (used in) financing activities	703	2,207	(704)	(41)	(40)

Note:

(1) The selected consolidated statements of cash flow for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

The following table presents certain other consolidated financial data as for the periods indicated.

	For the years ended December 31,			For the three-month period ended March 31,
	2011[1]	2012[1]	2013[1]	2014
	(US$ in millions) (unaudited)			
EBITDA Calculation:				
Sales	5,440	6,690	7,172	1,785
Revenue from pipeline transportation	124	151	151	28
Operating expenses	(625)	(706)	(827)	(284)
Exploration expenses	(217)	(213)	(172)	(16)
Administrative expenses	(257)	(312)	(333)	(52)
Petroleum royalties and remuneration	(646)	(788)	(817)	(191)
Management's remuneration	(5)	(5)	(6)	(1)
EBITDA [2]	3,814	4,817	5,168	1,269
Depreciation, depletion and amortization	(1,117)	(1,374)	(1,637)	(499)
EBIT	2,697	3,443	3,531	770

Notes:

(1) The selected consolidated financial information for each of the years ended December 31, 2011, 2012, and 2013 presented has not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) EBITDA is not a measure prepared in accordance with TFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest income and expense or other non-operating cash expenses. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as operating expenses and exploration expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition.

	As of December 31,			As of March 31,
	2011[1]	2012[1]	2013[1]	2014
	(US$ in millions) (unaudited)			
Other Financial Data:				
Net debt[2]	2,522	1,482	1,666	943
EBITDA margin (%)[3]	68.55%	70.41%	70.56%	69.97%[4]
EBITDA interest coverage ratio (times)[5]	42.39	30.49	31.97	30.67[6]
Total debt / EBITDA	1.02	0.78	0.78	0.79[7]
Total debt / equity	0.61	0.35	0.34	0.34
Total debt / capital[8]	0.38	0.26	0.26	0.26
Net debt / EBITDA	0.66	0.31	0.32	0.18[7]
Net debt / equity	0.40	0.14	0.14	0.08
Return on equity (%)[9]	25.06%	21.68%	16.45%	13.64%[10]

Notes:

(1) The selected consolidated statements of financial information for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Net debt comprises total interest bearing debt net cash and cash equivalents.

(3) EBITDA margin is equal to EBITDA divided by sales and revenue from pipeline transportation.

(4) EBITDA, sales and revenue from pipeline used for this calculation are EBITDA, sales and revenue from pipeline for the three-month period ended March 31, 2014

(5) EBITDA interest coverage ratio is equal to EBITDA for any period, divided by interest expense during such period.

(6) EBITDA and interest expense used for this calculation is the EBITDA and interest expense for the twelve-month period ended March 31, 2014.

(7) EBITDA used for this calculation is the EBITDA for the twelve-month period ended March 31, 2014.

(8) Capital comprises total debt and shareholders' equity.

(9) Return on equity comprises net profit divided by the average of shareholders' equity at the beginning and end of the period.

(10) Net profit used for the calculation is the net profit for the twelve-month period ended March 31, 2014. Average shareholders' equity is calculated by adding the shareholders' equity as of March 31, 2013 and March 31, 2014, divided by two.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our audited consolidated financial statements, unaudited interim consolidated financial information, selected historical financial and operating and reserves data, in each case together with the accompanying notes included elsewhere in this Offering Memorandum.

On January 1, 2011, we adopted the U.S. dollar as our functional currency. Our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 are prepared and presented in accordance with TFRS which differs from IFRS. See "Summary of Certain Significant Differences between Thai GAAP and IFRS." The audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 have been audited by and the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014 have been reviewed by the Office of the Auditor General of Thailand, an agency of the Government. See "Presentation of Financial Information."

Overview

We derive substantially all of our sales revenue from the sale of natural gas, crude oil (including bitumen), condensate and LPG produced from petroleum projects in which we have a working interest. We also derive revenue from our pipeline transportation business. Our results of operations depend upon the production volumes of natural gas, crude oil, condensate and LPG at each of the projects in which we have a working interest, the sales price of such natural gas and crude oil, and the exploration and production expenses of each petroleum joint venture. Our total sales for each of the years ended December 31, 2011, 2012 and 2013, and the three-month period ended March 31, 2014 were US$5,440 million, US$6,690 million, US$7,172 million and US$1,785 million, respectively. During the years ended December 31, 2011, 2012 and 2013, we recorded a net decrease in cash and cash equivalents of US$596 million, a net increase in cash and cash equivalents of US$927 million and a net increase in cash and cash equivalents of US$130 million in our consolidated statement of cash flows, respectively. During the three-month periods ended March 31, 2013 and 2014, we recorded a net increase in cash and cash equivalents of US$780 million and US$739 million in our consolidated statement of cash flows, respectively.

In 2013, 64.8% of our total sales volume was represented by natural gas sales, which is priced lower than crude oil on an energy equivalent basis. Arthit and Bongkot are our two largest natural gas fields in terms of sales volume. Crude oil (including bitumen), condensate and LPG accounted for 22.2%, 12.3% and 0.7% of the total sales volume in 2013 in BOE/d, respectively.

In the three-month period ended March 31, 2014, natural gas, crude oil (including bitumen), condensate and LPG accounted for 65.6%, 22.2%, 11.5% and 0.7%, respectively, of our total sales volume in BOE/d.

Factors Affecting Results of Operations

Sales of Natural Gas, Oil and Condensate

Our profitability is primarily determined by the difference between prices received for natural gas, crude oil (including bitumen) and condensate that we produce and our costs of finding, developing and producing these hydrocarbons. International supply and demand for petroleum products generally affect the price that we receive for our natural gas, crude oil and condensate production and, accordingly, our profitability. See "*Risk Factors — Risks Relating to Our Business — The volatility of prices for natural gas, crude oil, condensate, bitumen and refined petroleum products and the cyclical nature of the petroleum industry affect our results of operations*." In addition, a decrease in the rate of growth of demand for natural gas in Thailand may have a negative impact on our ability to negotiate future GSAs.

Revenues from the sale of our petroleum products are paid directly to us by the purchaser of such products proportionate to our attributable working interest in our joint venture projects.

Natural gas sales. In both the year ended December 31, 2013 and the three-month period ended March 31, 2014, nearly all of our natural gas sales revenue came from PTT through long-term sales agreements. These agreements set minimum natural gas delivery schedules at prices that are adjusted periodically to reflect changes to a stated benchmark price based on an average price per Bbl of certain high sulphur fuel oils and other adjustment factors, including Baht/U.S. dollar exchange rates, the U.S. Producer Price Index for Oilfield and Gasfield Machinery and Tools published by the U.S. Department of Labor, inflation and taxes. See "*Business — Sale of Natural Gas and Liquid Hydrocarbons*."

The weighted average sales price per MMbtu at which we sold our natural gas production for each of the years ended December 31, 2011, 2012 and 2013 and the three-month periods ended March 31, 2013 and 2014 was US$6.00, US$7.59, US$7.92, US$7.96 and US$7.79, respectively. The average price per Bbl of certain high sulphur fuel oils for each of the years ended December 31, 2011, 2012 and 2013 and for each of the three-month periods ended March 31, 2013 and 2014 was US$99.81, US$103.26, US$97.52, US$98.72 and US$96.00, respectively.

Crude oil sales. In the year ended December 31, 2013 and the three-month period ended March 31, 2014, 67.5% and 72.5% of our crude oil (including bitumen blend) sales revenue, respectively, came from PTT under long-term sales agreements. For certain long-term sales contracts, for example, S1, crude oil was sold at prices that are adjusted monthly to reflect changes in specified market prices of certain types. The weighted average sales price per Bbl at which we sold our crude oil production for each of the years ended December 31, 2011, 2012 and 2013 and the three-month period ended March 31, 2014 was US$104.54, US$108.70, US$103.55 and US$104.22, respectively. The weighted average sales price per Bbl of Dubai Crude Oil for each of the years ended December 31, 2011, 2012 and 2013 and each of the three-month periods ended March 31, 2013 and 2014 was US$105.52, US$109.03, US$105.54, US$108.24 and US$104.42, respectively. As of March 31, 2014, the price of Dubai Crude Oil was US$104.76.

Bitumen sales. In the year ended December 31, 2013 and the three-month period ended March 31, 2014, all of our bitumen sales revenue of KOSP came from Statoil, in connection with the Canada Oil Sands KKD project, which is required to purchase the entire output of bitumen from KOSP under a bitumen sales agreement entered into as part of our acquisition of a 40% interest in KOSP. The sales agreement is a long-term agreement for the life of KOSP or until certain production volumes are reached. Once those volumes are reached, we can exercise our option to take our share of production. Upon the commencement of commercial production, the price of the bitumen will be set according to a formula that references market benchmarks and pre-determined adjustments for delivery costs, U.S. duties and marketing fees. The weighted average sales price per Bbl at which we sold our bitumen production for the year ended December 31, 2013 and for the three-month period ended March 31, 2014 were US$50.39 and US$52.03, respectively. We have recently restructured our interests in the Canada Oil Sands KKD project. Please see "*Offering Memorandum Summary — Recent Developments*" for a further description of the restructuring.

Condensate and LPG sales. We are a party to condensate sales agreements with respect to our working interests in Bongkot, Arthit, Contract 3 (formerly Unocal III), Contract 4 (formerly Pailin), Oman 44 and Sinphuhorm, and an LPG sales agreement with respect to our working interest in S1. The agreements provide for the sale to PTT of all of the condensate and LPG from the respective fields. Condensate prices are based on specified quoted condensate and light crude prices in U.S. dollars. The weighted average sales price per Bbl at which we sold our condensate production for each of the years ended December 31, 2011, 2012 and 2013 and the three-month period ended March 31, 2014 was US$104.79, US$105.37, US$102.77 and US$103.20, respectively. The LPG price is set in the contract and is subject to adjustments to reflect changes in the posted price of certain LPG, changes in government policy and amendment by the parties. The weighted average sales price per metric ton at which we sold our LPG production for each of the years ended December 31, 2011, 2012 and 2013 and the three-month period ended March 31, 2014 was US$305.11, US$306.26, US$304.61 and US$305.32, respectively.

Production Volumes for Our Products

Our natural gas, crude oil (including bitumen) and condensate production volumes have a significant impact on our results of operations. Such production volumes will vary depending on, among other factors, (i) the level of the proved and developed reserves in the fields in which we have a working interest and (ii) our expertise or that of the joint venture operator in recovering crude oil and natural gas from such fields. In 2013, our production volume of crude oil, condensate, LPG, and bitumen was 39 million barrels, increasing by 8.3% from 36 million barrels in 2012. In 2013, our production volume of natural gas was approximately 507,469 MMscf, increasing by 2.1% from 497,063 MMscf in 2012. The production increase was attributed to the commencement of production of PTTEP AA, the acquisition of Hess Corporation's interests in Natuna Sea A project in December 2013, which is currently producing and the increase in production of Vietnam 16-1 project. For the three-month period ended March 31, 2014, our production volume of crude oil, condensate, LPG, and bitumen was 9 million barrels, decreasing by 10% from 10 million barrels for the same period in 2013. For the three-month period ended March 31, 2014, our production volume of natural gas was approximately 124,577 MMscf, decreasing by 1.1% from 125,929 MMscf for the same period in 2013. Our future production, and our results of operations, will be highly dependent upon our success in acquiring or finding and developing additional reserves in a timely and cost-effective manner.

Expenses

Our production, exploration and general administrative and other expenses are mostly comprised of (i) expenditures incurred by us to operate the petroleum concession and production sharing-contracts in which we are an operator and (ii) our *pro rata* share of expenditures incurred by us based on our working interest. Under the terms of the joint venture agreements to which we are a party, we are generally required to meet periodic cash calls to fund exploration, development and production activities agreed to by the respective co-venturers. Our expenses are apportioned to us on a project-by-project basis in accordance with our respective working interest in each project, as reported by each joint venture's operator. For projects in which we are not the operator, our auditors rely on financial information audited by other independent auditors appointed by the joint venture partners in verifying the expenses allocated to us.

Consistent with our goal to maintain our position as a leading regional petroleum exploration and production company, we have increased our participation in petroleum exploration activities. In addition, costs in petroleum exploration and production activities have increased industry-wide as resources have become scarce. Accordingly, we expect our expenses in respect of such activities to continue to increase in the future. For instance, for the years ended December 31, 2011, 2012 and 2013 and for the three-month periods ended March 31, 2013 and 2014, our lifting costs were US$4.35 per BOE, US$4.28 per BOE, US$4.88 per BOE, US$4.47 per BOE and US$5.35 per BOE, respectively. As we increase our production activities, particularly in unconventional exploration and production projects such as in the Canada Oil Sands KKD project, we expect our lifting costs to continue to increase in the future. For the years ended December 31, 2011, 2012 and 2013, our finding and development costs were US$19.70 per BOE, US$28.97 per BOE and US$33.49 per BOE, respectively. Our principal exploration, development and production activities are being conducted at the Myanmar M3, Myanmar M11, Algeria Hassi Bir Rekaiz, Kenya L5, L7, L11A, L11B and L12, Mozambique Rovuma Offshore Area 1, Zawtika, Algeria 433A & 416B, Bongkot, PTTEP AA, Vietnam 16-1 and S1 projects. For a description of our current exploration, development and production activities, see "*Business — Principal Properties*."

Unsuccessful Exploration Efforts

To the extent that our appraisal and exploration efforts do not yield discoveries that we judge to be capable of commercial production or at all, we are required to expense the related exploration costs, which has an adverse impact upon our financial condition and results of operations.

Effect of Exchange Rates on Net Sales

Substantially all of our revenues and costs are directly or indirectly linked to, or affected by, the U.S. dollar. We adopted the U.S. dollar as our functional currency on January 1, 2011. While this has reduced the effect of exchange rates on our results of operations because a substantial portion of our revenues and expenses are denominated in U.S. dollars, we are still exposed to exchange rate risks from transactions that are denominated in currencies that are not our functional currency. For instance, some of our costs are denominated in Baht and, therefore, appreciation in the value of the Baht tends to have a detrimental effect on our costs. In addition, depreciation of the value of the Baht could increase energy prices in Thailand and reduce overall demand for our products and those of our customers, which may partially offset the benefits of depreciation. Significant fluctuations in the Baht against the U.S. dollar could have an adverse effect on our revenues and results of operations.

Certain of our GSAs provide for an adjustment if the Baht/U.S. dollar exchange rate has fluctuated by more than 5.0% in a given month. Such price adjustments operate as a partial hedging mechanism against fluctuations in the Baht/U.S. dollar exchange rate. See "*Business — Production and Sales — Natural Gas Sales*" and "*Risk Factors — Risks Relating to Thailand — Fluctuations in the value of the Baht could adversely affect demand for our products and our financial condition and results of operations*."

Regulatory Environment

Our operating activities are subject to extensive government regulations and controls in Thailand and other countries in which we conduct business, including the issuance of exploration and production licenses, the imposition of industry-specific taxes and levies and the implementation of environmental policies and safety standards. Our results of operations will be affected by any future changes of such regulatory environment. We are also subject to various taxes, fees and royalties. Changes in tax rules and regulations applicable to us may affect our financial condition and results of operations.

Adoption of New Accounting Standards

Commencing January 1, 2011, we adopted amendments to accounting standards, new accounting standards, new financial reporting standards and new financial reporting interpretations which are effective for the periods beginning on or after January 1, 2011, and we applied TAS 21, "The Effects of Changes in Foreign Exchange Rates" before the standard became effective for the periods beginning on or after January 1, 2013. TAS 21 is equivalent to International Accounting Standard ("**IAS**") 21, "The Effects of Changes in Foreign Exchange Rate (Bound Volume 2009)". In addition, we also apply the IAS 32, "Financial Instruments: Presentation", IAS 39, "Financial Instruments: Recognition and Measurement" and International Financial Reporting Standard ("**IFRS**") 7, "Financial Instruments: Disclosures". On January 1, 2014, we adopted amendments to accounting standards and financial reporting standards and new accounting interpretations and new financial reporting interpretations which became effective on January 1, 2014 and which were substantially based on IFRS Bound Volume 2012. We had concluded that there was no significant impact of the amendments to these existing accounting standards, new accounting standards, new financial reporting standards, new accounting interpretations and new financial reporting interpretations to the consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and to our unaudited consolidated interim financial information for the three-month periods ended March 31, 2013 and 2014 except as disclosed in Note 4 to the audited consolidated financial statements for the year ended December 31, 2011 contained elsewhere in this Offering Memorandum. See "*Presentation of Financial Information*."

Restatement and Reclassification of Certain Balances in Presentation of Financial Information for the Three-Month Periods Ended March 31, 2013 and 2014 and for the Year Ended December 31, 2013

Commencing January 1, 2014, we have changed the accounting policy for the recognition of gain and loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits. We have changed the recognition of the portion of gain and loss resulting from the changes in actuarial assumptions from recognizing the excess of 10% of the present value of the defined benefit obligation at the end of the previous reporting period as administrative expenses to recognizing the total amount of actuarial gain or loss to other comprehensive income, which is immediately recognized in the retained earnings. This change in accounting policy resulted in non-material adjustments to certain line items for the three-month period ended March 31, 2013 in the consolidated statement of income and consolidated statement of comprehensive income, which include, gain on foreign exchange, administrative expenses, income tax expenses, profit for the period, basic earnings per share and diluted earnings per share. This change in accounting policy also resulted in non-material adjustments to certain line items for the year ended December 31, 2013 in the consolidated statement of financial position, which include, deferred tax assets, deferred tax liabilities, employee benefit obligations, retained earnings, other components of shareholders' equity and shareholders' equity. As a result, the consolidated statement of income, consolidated statement of comprehensive income and the consolidated statement of cash flows for the three-month period ended March 31, 2013 and the consolidated statement of financial position as of December 31, 2013 have been restated. We have not retroactively applied these adjustments to or restated any other period because the change did not have a material effect on the overall financial information presented. Unless otherwise stated or the context otherwise requires, all financial data as of and for the three-months period ended March 31, 2013 and 2014, presented in this Offering Memorandum reflect this change in accounting policy. Other than as provided in our unaudited interim consolidated financial information for the three-month period ended March 31, 2014, for comparative purposes, the financial data as of and for the fiscal year ended December 31, 2013 together with the financial data as of and for the fiscal years ended December 31, 2011 and 2012 presented in this Offering Memorandum does not reflect the change in accounting policy. As a result, certain numbers of the financial data for these periods may not be comparable to the financial data as of and for the three-month periods ended March 31, 2013 and 2014. For more information, please see Note 3 to the unaudited interim consolidated financial information for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

Critical Accounting Estimates and Judgments

In order to prepare the financial statements in conformity with TFRS, management is required to use estimates and assumptions which impact assets, liabilities, revenues and expenses. Material information relating to the major assumptions and uncertainties in such estimates which may have an impact on the carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements are discussed below.

Estimate for Oil and Gas Reserves

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

Proved reserves are estimated quantities of petroleum that through geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in the future (i) from known reservoirs and (ii) under existing economic and operating conditions, including government rules and regulations. The proved reserves are examined and assessed annually by our geoscientists and reservoir engineers. The proved reserves data set out in this Offering Memorandum represents estimates with a reasonable confidence, which according to the Petroleum Resources Management System, means that there is at least a 90.0% chance that the actual recovered quantities will be equal to or exceed the estimates. These estimates are based on our Petroleum Resource Definitions and Guidelines, which is substantially similar to the standards established by the Petroleum Resources Management System.

Exploration Costs

Capitalized exploration drilling costs more than 12 months old are expensed unless proved reserves are booked or 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 Financial Assets

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

Impairment of Assets

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

Impairment, except when related to goodwill, is reversed as applicable to the extent that the events or circumstances that triggered the original impairment change. In such circumstances, the carrying amount of the asset is increased to its recoverable amount. That increased amount from the reversal cannot exceed the carrying amount net of amortization or depreciation of the assets, as if we did not recognize the impairment loss for assets in the prior year.

Income Tax

We are 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. We recognize 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. The management is required to make an estimate of the number of deferred income tax assets that should be recognized by considering the assumptions about the probable future tax benefits in each period. There may be uncertainty associated with the assumptions 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 exercises judgment in assessing terms and conditions of the agreement to determine whether the risks and rewards of assets are transferred to us or not.

Employee Retirement Benefit

Our obligation regarding retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to us and our 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 set out in Note 25 and Note 26, respectively, to the audited consolidated financial statements for the years ended December 31, 2012 and 2013 and in Note 19 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

When there are changes in actuarial assumptions, actuarial gains and losses are charged or credited to other comprehensive income in the period in which changes are made. The expense is recognized immediately in the statement of income when the benefits are paid.

Provisions

Provisions, excluding the provisions for employee benefits, are recognized when we have 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.

We record 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 our engineers and management judgment. We recognize provisions for decommission 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 amortize based on the unit of production of the proved reserve. We recognize 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 result could differ from these estimates as future confirming events occur.

We have 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, we have to pay a remuneration fee to the Ministry of Energy. Our 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.

Assets and liabilities held-for-sale

Assets and liabilities are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets. Management must commit to the sale of the assets and they must be actively marketed at a price that is reasonable compared to its current fair value with the expectation that sale should be recorded as completed within one year from the date of classification. The assets and liabilities classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

We cease to depreciate and amortize property, plant and equipment and intangible assets from the date the assets meet the criteria for classification as assets held-for-sale. We continue to recognize liabilities which include interests and other expenses attributable to liabilities classified as held-for-sale. For interests in a jointly controlled entities or associates that meet the criteria for classification as held-for-sale, we cease the proportionate accounting or the equity method of accounting from the date the investments meet conditions for classification as held-for-sale.

Principal Statement of Income Components

Sales

Our sales comprise sales of natural gas, crude oil, condensate, bitumen and LPG.

Revenue from Pipeline Transportation

Revenue from pipeline transmission comprises revenue received from Moattama Gas Transportation Company and Taninthayi Pipeline Company LLC, of which we indirectly own 25.50% and 19.32% interests, respectively. Transportation tariffs are linked to gas prices, which increase on a quarterly basis in accordance with the relevant gas sales agreements.

Total Other Income

Other income comprises gain on foreign exchange, interest income, gain on financial derivatives and other income. Interest income mainly comprises interest income from fixed deposits, investment in treasury bills and loans to associated companies. Gains on foreign exchange and financial derivatives are recorded under other income, while losses on foreign exchange and financial derivatives are recorded under Other expenses.

Operating Expenses

Operating expenses comprise pre-operating expense, production cost (lifting costs, for example, expenses incurred to operate and maintain our wells and related equipment and asset/material consumables), production transport expense and stock variation (product).

Exploration Expenses

Exploration expenses are expenses incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing petroleum reserves, including costs of drilling exploratory wells. Exploration expenses mainly comprise exploration geology and geophysics cost ("**G&G Cost**") and exploration drilling cost. Exploration expenses also include well write-off costs in the event that we have not identified proved reserves in our exploratory wells or, if proved reserves have been identified, but we have concluded that they are not commercially viable. G&G Cost as well as area reservation fees during the exploration stage are recorded as expenses when incurred on the statement of income.

Administrative Expenses

Administrative costs mainly comprise costs incurred for our joint venture projects and office costs.

Petroleum Royalties and Remuneration

Petroleum royalties and remuneration comprise royalties and remuneration paid to the Government.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization are expenses related to costs of acquiring petroleum rights, exploratory wells, development, equipment and operating costs of supporting equipment that have been capitalized, as well as decommissioning costs.

Other Expenses

Other expenses include loss on foreign exchange, loss from the Montara incident, loss on derivative financial instruments, management's remuneration and impairment loss on assets.

Finance Costs

Finance costs include borrowing costs and associated transaction expenses incurred from borrowing and fundraising transactions, including interest payments, loan fees and accretion expense recorded to adjust for the time-value of decommissioning costs. Finance costs directly attributable to the construction of property, plant and equipment during stipulated periods of time or the preparation of the qualifying assets are capitalized as part of the cost of the respective assets until such qualifying assets are ready for their intended use.

Results of Operations

Three-month Period Ended March 31, 2014 Compared to Three-month Period Ended March 31, 2013

The following table shows our sales volume and average sales price for natural gas, crude oil, condensate, bitumen and LPG for the periods indicated.

	For the three-month periods ended March 31,			
	2013	**2014**	**2013**	**2014**
	Sales volume		**Average sales price**	
	(BOE/d)		**(US$/BOE)**	
Natural gas	188,710	196,029	47.79	46.74
Crude oil	59,927	60,565	108.09	104.22
Condensate	35,173	34,262	107.30	103.20
Bitumen	5,534	5,851	34.03	52.03
LPG	2,132	1,914	37.34	36.84
Total	291,476	298,621	67.03(1)	64.92(1)

Note:
(1) Based on a weighted average calculation.

Sales. Our sales for the three-month period ended March 31, 2014 were US$1,785 million compared to US$1,798 million for the three-month period ended March 31, 2013, a decrease of US$13 million, or 0.7%. This decrease was primarily attributable to lower average petroleum sales prices for the three-month period ended March 31, 2014 of US$64.92 per BOE compared to US$67.03 per BOE for the three-month period ended March 31, 2013, offset by higher sales volume for the three-month period ended March 31, 2014 of 298,621 BOE/d compared to 291,476 BOE/d for the three-month period ended March 31, 2013, as a result of higher crude oil natural gas and bitumen volumes.

Natural gas sales. Our average natural gas price was US$46.74 per BOE for the three-month period ended March 31, 2014 compared to US$47.79 per BOE for the three-month period ended March 31, 2013. In addition, natural gas sales volume increased to 196,029 BOE/d for the three-month period ended March 31, 2014 compared to 188,710 BOE/d for the three-month period ended March 31, 2013 primarily due to a decrease the number of days the MTJDA-B17 project was shut down for pipeline maintenance, acquisition of the Natuna Sea A Project in December 2013, recognition of natural gas sales for Vietnam 16-1 project's gas sales starting in November 2013 and the commencement of gas sales for the Zawtika Project in March 2014.

Crude oil sales. Crude oil sales volume increased in the three-month period ended March 31, 2014, as the Montara Project began offloading crude oil for sales in August 2013, offset by a decrease in crude oil sales volume for the S1 Project due to maintenance shutdown in March 2014. This increase in volume was partially offset by a decrease in average crude oil sales price from US$108.09 per BOE for the three-month period ended March 31, 2013 to US$104.22 per BOE for the three-month period ended March 31, 2014.

Condensate sales. Our condensate sales volume decreased to 34,262 BOE/d for the three-month period ended March 31, 2014 from 35,173 BOE/d for the three-month period ended March 31, 2013, primarily as a result of a lower volume of gas requested from PTT from the Arthit and Bongkot North projects, resulting in lower sales volume in condensate. The average condensate sales price decreased to US$103.20 per BOE for the three-month period ended March 31, 2014 compared to US$107.30 per BOE for the three-month period ended March 31, 2013.

Bitumen sales. Our bitumen sales volume was 5,851 BOE/d for the three-month period ended March 31, 2014, compared to 5,534 BOE/d for the three-month period ended March 31, 2013 mainly due to the Canada Oil Sands KKD project. In addition, our average bitumen sales price increased to US$52.03 per BOE for the three-month period ended March 31, 2014, from US$34.03 per BOE for the three-month period ended March 31, 2013.

LPG sales. Our LPG sales volume was 1,914 BOE/d for the three-month period ended March 31, 2014, compared to 2,132 BOE/d for the three-month period ended March 31, 2013 due to a maintenance shutdown at the S1 project in March 2014. The average LPG sales price was US$36.84 per BOE for the three-month period ended March 31, 2014, compared to US$37.34 per BOE for the three-month period ended March 31, 2013.

Revenue from pipeline transportation. Our revenue from pipeline transportation for the three-month period ended March 31, 2014 was US$28 million compared to US$38 million for the three-month period ended March 31, 2013, primarily due to lower natural gas transportation volume of Yetagun and Yadana projects as a result of a shutdown in January 2014 for the Yetagun North project Hose Tie-in to Yetagun Main.

Total other income. Our total other income for the three-month period ended March 31, 2014 was US$15 million compared to US$70 million for the three-month period ended March 31, 2013, a decrease of US$55 million, or 78.6%, primarily due to a gain on foreign exchange recognized in the three-month period ended March 31, 2013 of US$41 million, primarily due to the appreciation of the Baht against the U.S. dollar in relation to receipts of accounts receivable in Baht, a decrease in interest income primarily due to interest income from treasury bills and a decrease in other income primarily due to the recognition of the transfer of the participating interest in the Myanmar M11 block recognized in the three-month period ended March 31, 2013.

Operating expenses. Our operating expenses for the three-month period ended March 31, 2014 were US$284 million compared to US$185 million for the three-month period ended March 31, 2013, an increase of US$99 million, or 53.5%. This increase was primarily attributable to the costs related to a development well for PTTEP AA of US$62 million, in which crude oil was offloaded for sales by PTTEP AA in August 2013, pipeline maintenance and repair maintenance costs of the Bongkot project and operating expenses of the Zawtika project from its first gas sales in March 2014.

Exploration expenses. Our exploration expenses for the three-month period ended March 31, 2014 were US$16 million compared to US$37 million for the three-month period ended March 31, 2013, a decrease of US$21 million, or 56.8%. The decrease was primarily attributable to a decrease in exploratory well write-off costs, primarily due to write-off costs for the Mozambique Rovuma Offshore Area 1, B8/32 & 9A and G4/43 projects for the three-month period ended March 31, 2013 as compared to write-off costs incurred for the S1 project for the three-month period ended March 31, 2014 and a decrease in exploration expenses, primarily due to a decrease in geological study costs for the Canada Oil Sands KKD project.

Administrative expenses. Our administrative expenses were US$52 million for the three-month period ended March 31, 2014 compared to US$63 million for the three-month period ended March 31, 2013, a decrease of US$11 million, or 17.5%, primarily due to a decrease in administrative expenses relating to the Algeria 433a & 416b project.

Petroleum royalties and remuneration. Our petroleum royalties and remuneration for the three-month period ended March 31, 2014 were US$191 million compared to US$211 million for the three-month period ended March 31, 2013, a decrease of US$20 million or 9.5%. Petroleum royalties and special remuneration benefits, which are linked to sales revenues, decreased from US$8.06 per BOE for the three-month period ended March 31, 2013 to US$7.09 per BOE for the three-month period ended March 31, 2014.

Depreciation, depletion and amortization. Our depreciation, depletion and amortization for the three-month period ended March 31, 2014 was US$499 million compared to US$391 million for the three-month period ended March 31, 2013, an increase of US$108 million, or 27.6%. The increase was primarily due to the depreciation, depletion and amortization of the PTTEP AA Montara project that commenced offloading crude oil for sales in August 2013.

Other expenses. Our other expenses for the three-month period ended March 31, 2014 were US$6 million, compared to US$2 million for the three-month period ended March 31, 2013, an increase of US$4 million. The increase was primarily due to a net loss on foreign exchange recognized in the three-month period ended March 31, 2014, primarily due to a loss on PTTEP CA's loans denominated in U.S. dollar as the currency strengthened against the Canadian dollar, offset by a gain on foreign exchange from Baht transactions due to the Baht's appreciation against the U.S. dollar.

Finance costs. Our finance costs for the three-month period ended March 31, 2014 were US$57 million compared to US$48 million for the three-month period ended March 31, 2013, an increase of US$9 million, or 18.8%. This increase was primarily attributable to the interest expenses on US$500 million of debentures issued by PTTEP in September 2013.

Share of gain/(loss) from associates. Our share of loss from associates for the three-month period ended March 31, 2014 was approximately US$0.1 million compared to share of gain from associates of approximately US$2 million for the three-month period ended March 31, 2013.

Profit before income taxes. Our profit before income taxes for the three-month period ended March 31, 2014 was US$723 million compared to US$971 million for the three-month period ended March 31, 2013, a decrease of US$248 million, or 25.5%.

Income tax expenses. Our income tax expenses for the three-month period ended March 31, 2014 was US$343 million, compared to US$291 million for the three-month period ended March 31, 2013, an increase of US$52 million, or 17.9%, primarily due to an increase in deferred income tax as a result of differences in our functional accounting currency and our functional tax currency.

Profit for the period. As a result of the foregoing, our net profit for the three-month period ended March 31, 2014 was US$380 million compared to US$680 million for the three-month period ended March 31, 2013, a decrease of US$300 million, or 44.1%.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table shows our sales volume and average sales price for natural gas, crude oil, condensate, bitumen and LPG for the periods indicated.

	For the year ended December 31,			
	2012	2013	2012	2013
	Sales volume		Average sales price	
	(BOE/d)		(US$/BOE)	
Natural gas	181,215	189,580	45.55	47.53
Crude oil	52,413	58,926	108.70	103.55
Condensate	33,674	35,982	105.37	102.77
Bitumen	6,522	5,923	48.76	50.39
LPG	2,099	2,218	36.96	36.76
Total	275,923	292,629	64.86[(1)]	65.58[(1)]

Note:

(1) Based on a weighted average calculation.

Sales. Our sales for 2013 were US$7,172 million compared to US$6,690 million for 2012, an increase of US$482 million, or 7.2%. This increase was primarily attributable to the higher sales volume and higher average petroleum sales prices for 2013 of US$65.58 per BOE compared to US$64.86 per BOE in 2012. Our sales volume increased to 292,629 BOE/d for 2013 from 275,923 BOE/d in 2012, due primarily to higher natural gas, condensate, crude oil.

Natural gas sales. Our average natural gas price increased to US$47.53 per BOE for 2013 from US$45.55 per BOE for 2012. In addition, natural gas sales volume increased to 189,580 BOE/d for 2013 compared to 181,215 BOE/d for 2012 primarily as a result of sales volume at the Greater Bongkot South project, which started production in June 2012, recognition of sales for the Vietnam 16-1 project starting in November 2013 and the acquisition of the Natuna Sea A Project in December 2013, offset by production stoppage of the MTJDA projects in January 2013 due to export pipeline leakage and a decrease in sales volume for the Arthit project due to a lower volume of gas requested from PTT.

Crude oil sales. Our crude oil sales volumes increased to 58,926 BOE/d for 2013 from 52,413 BOE/d for 2012, primarily due to increased sales volume from the S1 project as a result of more new wells in 2013 and crude oil offloaded for sales by PTTEP AA in August 2013. This was partially offset by a decrease in average crude oil sales price from US$108.70 per BOE for 2012 to US$103.55 per BOE for 2013.

Condensate sales. Our condensate sales volume increased to 35,982 BOE/d for 2013, compared to 33,674 BOE/d for 2012, primarily as a result of the Greater Bongkot South project, which started production in June 2012. The average condensate sales price was US$102.77 per BOE for 2013, compared to US$105.37 per BOE for 2012.

Bitumen sales. Our bitumen sales volume decreased to 5,923 BOE/d in 2013 compared to 6,522 BOE/d in 2012 from the Canada Oil Sands KKD project. The decrease in bitumen sales volume was primarily due to pipeline apportionment as well as shut down of the plant in June 2013. The average bitumen sales price increased from US$48.76 per BOE in 2012 to US$50.39 per BOE in 2013.

LPG sales. Our LPG sales volume was 2,218 BOE/d for 2013, compared to 2,099 BOE/d for 2012 due to an increased number of wells at the S1 project in 2013. The average LPG sales price was US$36.76 per BOE for 2013, compared to US$36.96 per BOE for 2012.

Revenue from pipeline transportation. Our revenue from pipeline transportation remained stable and was US$151 million for 2013 as compared to US$151 million for 2012.

Total other income. Our total other income for 2013 was US$122 million compared to US$180 million for 2012, a decrease of US$58 million, or 32.2%. This decrease was primarily due to the decrease in the amount of insurance claims from the Montara incident, which decreased to US$21 million in 2013 from US$92 million in 2012.

Operating expenses. Our operating expenses for 2013 were US$827 million compared to US$706 million for 2012, an increase of US$121 million, or 17.1%. This increase was primarily attributable to maintenance expenses in relation to a planned shutdown of the Greater Bongkot North project, recognition of operating expenses for the full year of the Greater Bongkot South project which commenced its operations in June 2012, an increase in production volume by PTTEP AA due to crude oil offloaded for sales in August 2013 and an increase in cost of diluents for the Canada Oil Sands KKD project.

Exploration expenses. Our exploration expenses for 2013 were US$172 million compared to US$213 million for 2012, a decrease of US$41 million, or 19.2%. The decrease was primarily attributable to lower seismic costs of the PTTEP AA project, A4/48 project, A5/58 project and Myanmar M11 project, partially offset by increased seismic costs for the Myanmar PSC-G project and EP-2 projects.

Administrative expenses. Our administrative expenses were US$333 million for 2013 compared to US$312 million for 2012, an increase of US$21 million, or 6.7%, primarily due to higher geological data expenditures and professional consultation fees.

Petroleum royalties and remuneration. Our petroleum royalties and remuneration for 2013 were US$817 million compared to US$788 million for 2012, an increase of US$29 million or 3.7%. Petroleum royalties and special remuneration benefits per barrel of oil equivalent produced decreased 1.9% from US$7.80 per BOE for 2012 to US$7.65 per BOE for 2013. Petroleum royalties and remuneration are linked to revenue levels.

Depreciation, depletion and amortization. Our depreciation, depletion and amortization for 2013 was US$1,637 million compared to US$1,374 million for 2012, an increase of US$263 million, or 19.1%. The increase was primarily attributable to an increase in the value of completed assets and production volume of the Bongkot project and the S1 project, an increase in the value of completed assets of the Contract 4 project and MTJDA-B17 project as well as an increase in depreciation, depletion and amortization of the PTTEP AA Montara project due to the commencement of crude oil offloaded for sales in August 2013. This increase was partially offset by a decrease in depreciation, depletion and amortization from the Vietnam 16-1 project due to a revision reflecting higher proved reserves and proved developed reserves in 2013.

Other expenses. Our other expenses for 2013 were US$103 million, compared to US$246 million for 2012, a decrease of US$143 million, or 58.1%. This decrease was primarily due to the recognition of an impairment loss on assets in 2012 attributable to PTTEP AA's Montara project, resulting from an increase in the project costs and a delay in its initial oil production.

We had losses on foreign exchange of US$91 million in 2013 primarily due to a loss on exchange rate on PTTEP CA's loans denominated in U.S. dollar as the currency strengthened against the Canadian dollar and a loss on foreign exchange from Baht transactions due to the Baht's depreciation against the U.S. dollar, as compared to a loss on foreign exchange of US$24 million in 2012 in relation to the loan acquired to finance the acquisition of Cove Energy, which is denominated in Pounds Sterling, as the currency strengthened against the U.S. dollar.

Finance costs. Our finance costs for 2013 were US$201 million compared to US$187 million for 2012, an increase of US$14 million, or 7.5%. This increase was primarily attributable to an increase in interest expense of PTTEP Canada International Finance Ltd's ("**PTTEP CIF**") US$500 million debenture issuance in June 2012 and our US$500 million debenture issuance in September 2013, as well as CAD475 million drawn down from financial institutions during 2012 to fund investments and ongoing operations. The increase was partially offset by decreased interest expenses of PTTEPO from a loan amounting to GBP950 million for the share acquisition of Cove which was repaid in December 2012 and the redemption of a Baht 5,000 million bond in May 2013.

Share of gain from associates. Our share of gain from associates for 2013 was approximately US$6 million compared to US$5 million for 2012.

Profit before income taxes. Our profit before income taxes for 2013 was US$3,361 million compared to US$3,200 million for 2012, an increase of US$161 million, or 5.0%.

Income taxes. Our income taxes for 2013 were US$1,515 million, compared to US$1,354 million for 2012, an increase of US$161 million, or 11.9%, mainly due to increases in petroleum income tax and corporate income tax mainly from deferred income tax affected by the depreciation of the Baht against the U.S. dollar.

Profit for the year. As a result of the foregoing, our net profit for 2013 was US$1,846 million compared to US$1,846 million for 2012, an increase of US$122,161.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table shows our sales, sales volume and average sales price for natural gas, crude oil, condensate, bitumen and LPG for the periods indicated.

	For the year ended December 31,			
	2011	2012	2011	2012
	Sales volume		Average sales price	
	(BOE/d)		(US$/BOE)	
Natural gas	185,023	181,215	35.97	45.55
Crude oil	38,790	52,413	104.54	108.70
Condensate	35,391	33,674	104.79	105.37
Bitumen	3,884	6,522	55.80	48.76
LPG	1,959	2,099	36.82	36.96
Total	265,047	275,923	55.49(1)	64.86(1)

Note:

(1) Based on a weighted average calculation.

Sales. Our sales for 2012 were US$6,690 million compared to US$5,440 million for 2011, an increase of US$1,250 million, or 23.0%. This increase was primarily attributable to the higher sales volume and higher average petroleum sales prices for 2012 of US$64.86 per BOE compared to US$55.49 per BOE in 2011. Our sales volume increased to 275,923 BOE/d for 2012 from 265,047 BOE/d in 2011, due primarily to higher crude oil, LPG and bitumen volumes offset by lower natural gas and condensate volumes.

Natural gas sales. Our average natural gas price of US$45.55 per BOE for 2012 increased from US$35.97 per BOE for 2011. However, we had a lower sales volume of natural gas of 181,215 BOE/d for 2012, compared to 185,023 BOE/d for 2011 primarily as a result of (i) the Arthit North project, which discontinued production in November 2011, and (ii) the Arthit project, as a result of a lower daily contract quantity as agreed by the parties to the gas sale agreement.

Crude oil sales. Our crude oil sales volumes was 52,413 BOE/d for 2012 increased from 38,790 BOE/d for 2011 primarily as a result of (i) the Vietnam 16-1 project, which generated higher volumes as a result of new production wells and the installation of the second wellhead platform, and (ii) the S1 project, which had higher volume as a result of new wells and increased drilling activities. In addition, we had higher average crude oil sales prices at US$108.70 per BOE for 2012 compared to US$104.54 for 2011.

Condensate sales. We experienced a decrease in condensate sales volume of 33,674 BOE/d for 2012, compared to 35,391 BOE/d for 2011 primarily as a result of the Arthit North project, which discontinued production in November 2011. The average condensate sales price was US$105.37 per BOE for 2012, compared to US$104.79 per BOE for 2011.

Bitumen sales. Our bitumen sales volume was 6,522 BOE/d in 2012, increased from 3,884 BOE/d in 2011 from the Canada Oil Sands KKD project. The average bitumen sales price decreased from US$55.80 per BOE in 2011 to US$48.76 per BOE in 2012.

LPG sales. Our LPG sales volume was 2,099 BOE/d for 2012, compared to 1,959 BOE/d for 2011. The average LPG sales price was US$36.96 per BOE for 2012, compared to US$36.82 per BOE for 2011.

Revenue from pipeline transportation. Our revenue from pipeline transportation for 2012 was US$151 million compared to US$124 million for 2011, an increase of US$27 million, or 21.8%. This increase resulted primarily from an increase in proportionate revenue from Moattama Gas Transportation Company ("**MGTC**") and Taninthayi Pipeline Company ("**TPC**") due to higher gas prices for the Yadana and Yetagun projects.

Total other income. Our total other income for 2012 was US$180 million compared to US$121 million for 2011, an increase of US$59 million, or 48.8%. This increase was primarily due to our recognition of other income from the insurance claim from the Montara incident.

Operating expenses. Our operating expenses for 2012 were US$706 million compared to US$625 million for 2011, an increase of US$81 million, or 13.0%. This increase was primarily attributable to an increase in operating expenses related to the Canada Oil Sands KKD project, which was in line with its increase in production activities, and an increase in operating expenses of the Vietnam 16-1 project, which began production in the third quarter of 2011, partially offset by a decrease in operating expenses related to the Arthit North project, which discontinued production in November 2011.

Exploration expenses. Our exploration expenses for 2012 were US$213 million compared to US$217 million for 2011, a decrease of US$4 million, or 1.8%. The decrease was primarily attributable to the absence of exploratory well write-off costs primarily from the Indonesia Semai II, PTTEP AA, Myanmar M7 and Bongkot projects in 2012 compared to 2011. This decrease was partially offset by an increase in exploration expenses from the PTTEP AA, Canada Oil Sands KKD, Myanmar M3 & M11 and S1 projects.

Administrative expenses. Our administrative expenses were US$312 million for 2012 compared to US$257 million for 2011, an increase of US$55 million, or 21.4%, primarily due to export duties related to the Vietnam 16-1 project, which commenced production in the third quarter of 2011, stamp duty costs related to the acquisition of Cove's shares, donations and expenses related to contracted staff recruited by us.

Petroleum royalties and remuneration. Our petroleum royalties and remuneration for 2012 were US$788 million compared to US$646 million for 2011, an increase of US$142 million or 22.0%. Petroleum royalties and special remuneration benefits per barrel of oil equivalent produced increased 16.94% from US$6.67 per BOE for 2011 to US$7.80 per BOE for 2012. Petroleum royalties and remuneration are linked to revenue levels. Thus, this increase is primarily due to the increase in our sales revenues.

Depreciation, depletion and amortization. Our depreciation, depletion and amortization for 2012 was US$1,374 million compared to US$1,117 million for 2011, an increase of US$257 million, or 23.0%. The increase was primarily attributable to an increase in the value of completed assets of the Bongkot project and the S1 project. In addition, the increase was also from the higher production volume of the Vietnam 16-1 project, which started production in the third quarter of 2011. This increase was partially offset by a decrease in depreciation, depletion and amortization from the Arthit North project due to the discontinuation of production in November 2011 and from the Arthit project due to lower production volume.

Other expenses. Our other expenses for 2012 were US$246 million, compared to US$86 million for 2011, an increase of US$160 million, or 186.0%. This increase was primarily due to the recognition of an impairment loss on assets in 2012 attributable to PTTEP AA's Montara project, resulting from an increase in the project costs and a delay in its initial oil production.

We had losses on foreign exchange of US$24 million in 2012 primarily due to losses on (i) loans denominated in Pounds Sterling as the currency strengthened against the U.S. dollar and (ii) loss on exchange rate from receipts of accounts receivable denominated in Thai Baht as the Thai Baht weakened against the U.S. dollar, partially offset by gains made on PTTEP CA's loans denominated in U.S. dollar as the currency weakened against the Canadian dollar, as compared to a loss on foreign exchange of US$65 million in 2011.

Finance costs. Our finance costs for 2012 were US$187 million compared to US$124 million for 2011, an increase of US$63 million, or 50.8%. This increase was primarily attributable to the interest expense on US$500 million of debentures issued by PTTEP CIF in June 2012, PTTEP CIF's loan of CAD475 million in the second and third quarters of 2012 and interest expenses of PTTEPO from a loan amounting to GBP950 million for the share acquisition of Cove.

Share of gain from associates. Our share of gain from associates for 2012 was approximately US$5 million compared to US$2 million for 2011.

Profit before income taxes. Our profit before income taxes for 2012 was US$3,200 million compared to US$2,615 million for 2011, an increase of US$585 million, or 22.4%.

Income taxes. Our income taxes for 2012 were US$1,354 million, compared to US$1,147 million for 2011, an increase of US$207 million, or 18.0%, mainly due to increases in overseas income taxes and petroleum income tax.

Profit for the year. As a result of the foregoing, our net profit for 2012 was US$1,846 million compared to US$1,468 million for 2011, an increase of US$378 million, or 25.7%.

Liquidity and Capital Resources

Our sources of funding include funds generated from operations, funds from external borrowings, and the proceeds from offerings of our ordinary shares and Baht and U.S. dollar denominated debentures. We plan to fund the capital and related expenditures described in this Offering Memorandum through cash provided by operating activities, and short-term debts and long-term debts. Net cash provided by operating activities during the year ended December 31, 2013 and the three-month period ended March 31, 2014 was US$3,740 million and US$1,388 million, respectively. As of March 31, 2014, we had cash and cash equivalents of US$3,071 million.

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011[1]	2012[1]	2013[1]	2013	2014
				(restated)	
	(US$ in millions)				
	(audited)			(unaudited)	
Cash flows from operating activities:					
Net cash from operating activities before changes in operating assets and liabilities[2]	3,945	5,075	5,285	1,442	1,226
Changes in operating assets and liabilities	(334)	(527)	(343)	139	182
Currency translation differences increase (decrease)	239	(26)	96	14	30
Interest received from bank deposits	28	31	37	11	6
Taxation paid	(970)	(1,098)	(1,335)	(53)	(56)
Net cash provided by operating activities	2,908	3,455	3,740	1,553	1,388
Cash flows from investing activities:					
Cash payment from purchase of business	(1,889)	(1,884)	(241)	—	—
Dividends received from associates	—	1	1	—	—
Interest received from loans	2	1	1	—	—
Increase in property, plant and equipment	(2,206)	(2,806)	(2,634)	(670)	(541)
Increase in intangible assets	(114)	(47)	(33)	(62)	(68)
Net cash used in investing activities	(4,207)	(4,735)	(2,906)	(732)	(609)
Cash flows from financing activities:					
Decrease in short-term loans with maturity date within 3 months from financial institution	(266)	(5)	—	—	—
Proceeds from short-term loans with maturity date within 1 year from financial institution	330	1,503	—	—	—
Payment of short-term loans with maturity date within 1 year from financial institution	—	(1,850)	—	—	—
Payments of short-term loans	—	—	(62)	—	—
Proceeds from issuance of debentures	700	500	500	—	—
Payments of debentures	—	(779)	(176)	—	—
Proceeds from long-term loans from financial institutions	625	478	—	—	—

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011[1]	2012[1]	2013[1]	2013	2014
				(restated)	
	(US$ in millions)				
	(audited)			(unaudited)	
Interest paid for loans	(123)	(173)	(164)	(31)	(38)
Cash payments for financial costs	(11)	(21)	(10)	(7)	—
Proceeds from issuance of subordinated capital debentures	—	157	—	—	—
Interest paid for subordinated capital debentures	—	(5)	(9)	(3)	(2)
Cash payments for financial costs from issuance of subordinated capital debentures	—	(1)	—	—	—
Proceeds from issuance of common stock	8	3,012	—	—	—
Cash payments for transaction cost of capital	—	(21)	—	—	—
Dividends paid	(560)	(588)	(783)	—	—
Net cash provided by (used in) financing activities	703	2,207	(704)	(41)	(40)
Net (decrease) increase in cash and cash equivalents	(596)	927	130	780	739
Cash and cash equivalents at beginning of the year/period	1,979	1,351	2,292	2,292	2,357
Cash and cash equivalents reclassified as assets held-for-sale	—	—	—	—	(38)
Adjustment for the effect of exchange rate changes	(32)	14	(65)	48	13
Cash and cash equivalents at the end of the year/period	1,351	2,292	2,357	3,120	3,071

Notes:

(1) The selected consolidated statements of cash flow for each of the years ended December 31, 2011, 2012, and 2013 presented have not been restated to reflect the change in accounting policy for the recognition of gain or loss in regards to changes in actuarial assumptions under Thai Accounting Standard No. 19 (revised 2012) — Employee Benefits because the change did not have a material impact to the overall selected financial information presented. As a result, certain numbers in the consolidated financial information presented may not be comparable to the most recent unaudited consolidated financial information for the three-month periods ended March 31, 2013 and 2014. See Note 3 of the unaudited interim consolidated financial information for the three-month periods ended March 31, 2013 and 2014.

(2) Includes adjustments for non-cash transactions such as depreciation, amortization and depletion and unrealized gain or loss on exchange rates to reconcile profit before income tax to net cash provided by or used in operating activities.

Cash Flows from Operating Activities

Our operations generated cash flows of US$2,908 million, US$3,455 million, US$3,740 million and US$1,388 million for the years ended December 31, 2011, 2012 and 2013 and the three-month period ended March 31, 2014, respectively.

Net cash from operations for the three-month period ended March 31, 2014 resulted primarily from profit before income taxes of US$723 million, depreciation, depletion and amortization of US$499 million associated with our production assets and a decrease in accounts receivable from our parent company of US$284 million. These items were partially offset by various items, principally tax paid of US$56 million and a decrease in accrued expenses of US$56 million.

Net cash from operations in 2013 resulted primarily from profit before income taxes of US$3,361 million, depreciation, depletion and amortization of US$1,637 million, associated mostly with our production asset and interest income less than interest expenses of US$161 million. These items were partially offset by various items, principally tax paid of US$1,335 million and a decrease in accrued expenses of US$277 million.

Net cash from operations in 2012 resulted primarily from profit before income taxes of US$3,200 million, depreciation, depletion and amortization of US$1,374 million, associated mostly with our production assets, interest income less than interest expenses of US$156 million, and an impairment loss on assets of US$204 million attributable to the PTTEP AA project. These items were partially offset by various items, principally tax paid of US$1,098 million, an increase in account receivable from our parent company of US$372 million, a decrease in accrued expenses of US$232 million.

Net cash from operations in 2011 resulted primarily from profit before income taxes of US$2,615 million, depreciation, depletion and amortization expenses of US$1,117 million associated with our production assets, amortization of exploration expenses of US$150 million associated with write-off costs relating to the Indonesia Semai II, PTTEP AA, Myanmar M3, M7 & M11 and Bongkot projects and interest income less interest expenses of US$104 million. These items were partially offset by various items, principally tax paid of US$970 million, an increase in accounts receivable from parent company of US$168 million, an increase in other accounts receivable of US$151 million and an increase in other current assets of US$130 million.

Cash Flows from Investing Activities

For the three-month period ended March 31, 2014, we had net cash flows used in investing activities of US$609 million, primarily resulting from additional investments in property, plant and equipment for exploration and production principally from the Zawtika, Arthit and Bongkot projects as well as intangible assets.

In 2013, we had net cash flows used in investing activities of US$2,906 million, primarily resulting from additional investments in property, plant and equipment for exploration and production principally from the Zawtika, Bongkot, Arthit, and PTTEP AA projects as well as intangible assets, for a total of US$2,667 million and a net payment of US$241 million for the acquisition of the Natuna Sea A project.

In 2012, we had net cash flows used in investing activities of US$4,735 million, primarily reflecting an increase in property, plant and equipment for exploration and production mainly from PTTEP AA, Arthit, Zawtika and Bongkot projects, for a total of US$2,806 million and the payment of US$1,884 million for the acquisition of the entire issue and to be issued share capital of Cove Energy Plc.

In 2011, we had net cash flows used in investing activities of US$4,207 million, primarily reflecting an increase in investments in property, plant and equipment for exploration and production from the Canada Oil Sands KKD, Bongkot, PTTEP AA and Arthit projects, for a total of US$2,206 million. This also includes the final payment of US$1,889 million to Statoil and Statoil Canada Holdings Corp for the purchase of our working interest in the Canada Oil Sands KKD project.

Cash Flows from Financing Activities

For the three-month period ended March 31, 2014, we had net cash used in financing activities of US$40 million, mainly from interest paid for loans of US$38 million.

In 2013, we had net cash used in financing activities of US$704 million, mainly due to dividends paid of US$783 million, payments of debentures of US$176 million and interest paid for loans of US$164 million. These items were partially offset by proceeds from issuance of debentures of US$500 million pursuant to our September 2013 debenture issuance.

In 2012, we had net cash provided by financing activities of US$2,207 million, mainly due to an increase in proceeds from share capital increase (net of transaction cost) amounting to US$2,991 million, short-term loans with maturity date within one year from financial institution of US$1,503 million mostly in connection with the Cove acquisition, proceeds from issuance of debentures of US$500 million pursuant to PTTEP CIF's June 2012 debenture issuance, proceeds from long-term loans from financial institution of US$478 million pursuant to PTTEP CIF's CAD loan and net proceeds from the issuance of subordinated capital debentures of US$157 million pursuant to our June 2012 subordinated capital debentures issuance. These items were partially offset by: (i) the payments of debentures of US$779 million; (ii) interest paid for loans from financial institutions of US$173 million; (iii) repayment of US$1,850 million for short-term loans; and (iv) dividend payments to shareholders in the second half of 2011 of US$0.089 (Baht 2.79) per share and for the first half of 2012 of US$0.0885 (Baht 2.8) per share, totaling US$588 million.

In 2011, we had net cash provided by financing activities of US$703 million, mainly due to the proceeds from the issuance of debentures amounting to US$700 million, proceeds from long-term loans from financial institutions amounting to US$625 million and net proceeds from short-term loans of US$64 million. Those items were partially offset by: (i) dividend payments to shareholders in the second half of 2010 of US$0.081 (Baht 2.48) per share and for the first half of 2011 of US$0.0879 (Baht 2.61) per share, totaling US$560 million; and (ii) interest paid in the amount of US$123 million.

Assets

The following table presents a breakdown of our total assets as of December 31, 2011, 2012 and 2013 and March 31, 2014.

	As of December 31,			As of March 31,
	2011	2012	2013	2014
	(US$ in millions) (audited)			(unaudited)
Assets				
Current assets	2,738	4,031	4,105	6,959
Property, Plant and Equipment Oil and Gas Properties	8,957	10,459	11,966	10,046
Pipelines	263	418	609	660
Others	81	94	97	95
Property, Plant and Equipment - net	9,301	10,971	12,672	10,801
Other non-current assets	2,092	4,635	4,795	4,326
Total assets	14,131	19,637	21,572	22,086

Our current assets were US$2,738 million, US$4,031 million, US$4,105 million and US$6,959 million as of December 31, 2011, 2012 and 2013 and March 31, 2014, respectively, and primarily comprised of cash and cash equivalents, assets held-for-sale, accounts receivable from our parent company, materials and supplies-net, trade accounts receivable, other accounts receivable and other current assets.

From December 31, 2013 to March 31, 2014, our current assets increased US$2,854 million, or 69.5%, primarily attributable to the reclassification of assets of the Leismer and Corner areas of the Canada Oil Sands KKD project pursuant to an agreement entered between PTTEP CA and Statoil to exchange PTTEP CA's participating interest of 40% in the Leismer and Corner areas with Statoil's 60% participating interest in the Thournbury, Hangingstone, and South Leismer areas as assets held-for-sale of US$2,442 million, an increase in cash and cash equivalents of US$714 million due to cash inflow of operating activities, partially offset by a decrease in account receivable for the parent company of US$267 million due to a cash receipt at the beginning of 2014 for an account receivable balance recorded in November 2013. Please see Note 9 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

From December 31, 2012 to December 31, 2013, our current assets increased by US$74 million, or 1.8%, primarily attributable to an increase in cash and cash equivalents of US$65 million, mainly due to cash generated from our business operation as a result of an increase in overall revenue for the year.

From December 31, 2011 to December 31, 2012, our current assets increased by US$1,293 million, or 47.2%, primarily attributable to an increase in cash and cash equivalents of US$941 million, mainly due to cash inflow of operating activities, share capital increase, debenture issued and a loan from financial institutions offset with cash outflow in the exploration and production assets and the acquisition of Cove Energy Plc., repayment of a debenture and loan from financial institutions and from dividend payments for the second half of 2011 and the first half of 2012, and an increase in trade accounts receivable from our parent company of US$386 million due to higher sales revenue.

Our non-current assets were US$11,393 million, US$15,606 million, US$17,467 million and US$15,127 million as of December 31, 2011, 2012 and 2013 and March 31, 2014, respectively, and primarily comprised of property, plant and equipment - net, intangible assets - net, goodwill and deferred income tax assets.

From December 31, 2013 to March 31, 2014, our non-current assets decreased US$2,340 million, or 13.4%, from US$17,467 million to US$15,127 million primarily attributable to a decrease of property, plant and equipment - net of US$1,871 million, a decrease in goodwill of US$309 million and a decrease of US$187 million in intangible assets - net, primarily due to the reclassification of related property, plant and equipment, goodwill and intangible assets - net of the Leismer and Corner areas of the Canada Oil Sands KKD project pursuant to an agreement entered between PTTEP CA and Statoil to assets held-for-sale to be presented as part of the current assets. Please see Note 9 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

From December 31, 2012 to December 31, 2013, our non-current assets increased by US$1,861 million, or 11.9%, from US$15,606 million to US$17,467 million, primarily as a result of an increase in property, plant and equipment - net of US$1,701 million mostly from petroleum exploration and production assets of the Zawtika project, PTTEP AA project, Bongkot project, Arthit project and Natuna Sea A project.

From December 31, 2011 to December 31, 2012, our non-current assets increased by US$4,213 million, or 37.0%, from US$11,393 million to US$15,606 million, primarily as a result of an increase in property, plant and equipment - net of US$1,670 million and an increase in intangible assets - net and goodwill of US$2,674 million from the acquisition of the entire issue and to be issued share capital of Cove.

Material Capital Commitments and Contingent Liabilities

Loans and Debentures

Our total consolidated short-term and long-term loans and debentures as of December 31, 2011, 2012 and 2013 and March 31, 2014 comprised:

	As of December 31,			As of March 31,
	2011	2012	2013	2014
	(US$ in millions)			
	(audited)			(unaudited)
Current Debts				
Short-term loans				
Short-term loans from financial institutions	315	—	—	—
Total short-term loans	315	—	—	—
Current portion of long-term debts				
Current portion of debentures	688	164	357	360
Total current debts	1,003	164	357	360
Non-current debts				
Debentures	2,252	2,518	2,609	2,612
Long-term loans from financial institutions	618	1,092	1,058	1,042
Total non-current debts	2,870	3,610	3,667	3,654

Short-term loans with financial institutions

On February 13, 2012, we entered into a Baht 20,000 million (US$617 million) unsecured, unsubordinated bilateral loan facility agreement with Krung Thai Bank Public Company Limited to finance general corporate purposes. During the availability period (being the period commencing from the date of the first drawdown or March 31, 2012, the effective date, and ending on the date falling 60 months after the effective date), each drawdown of the loan will be made in the form of a promissory note to be repaid within 90 days of such drawdown and can be re-borrowed or revolved during such period. At the end of the availability period, the outstanding principal of the loan as of the end of the availability period may, subject to negotiation between the parties, be converted into a term loan to be repaid within 60 months after the end of the availability period. The loan facility agreement is not subject to any financial covenants. As of December 31, 2013 and March 31, 2014, we had no short-term loans balance outstanding.

On May 23, 2012, PTTEPO entered into a GBP 950 million unsecured, unsubordinated floating rate senior credit facility agreement fully guaranteed by us with UBS AG, Singapore Branch as lead arranger of the syndication for the express purpose of purchasing the share capital of Cove and paying related transaction expenses (the "**Bridge Financing Facility**"). See "*Business — General Overview*." The loan is not subject to any financial covenants and is repayable within the first year of the loan period, or by May 23, 2013. The loan has a floating interest rate of the London Interbank Offered Rate ("**LIBOR**") plus margin of 0.85% for the first six months of the loan period, LIBOR plus margin of 1.25% for the next three months and LIBOR plus margin of 1.85% thereafter. The entire loan amount was drawn down on August 29, 2012 and we repaid this short-term loan in full in December 2012.

In addition to the facilities described above, we are also a party to additional short-term loan facilities which we may draw down upon from time to time. Please see "*Capitalization*" for a further description of recent short-term loan activity.

Long-term loans from financial institutions

In March 2013, PTTEPO signed an Amendment Deed relating to a US$500,000,000 Facility Agreement dated November 24, 2010 in order to extend the final maturity of the Facility Agreement from November 2015 to November 2017. In addition, in March 2013, PTTEPO signed an Amendment Deed relating to a US$75,000,000 Facility Agreement dated December 1, 2010, in order to also extend the final maturity of the Facility Agreement from December 2015 to December 2017.

On August 21, 2012, PTTEP CIF entered into a CAD100 million unsecured, unsubordinated loan facility agreement fully guaranteed by us, with J.P. Morgan Chase Bank, N.A., (Toronto Branch). The loan has a floating interest rate of the Canadian Dealer Offered Rate ("**CDOR**") plus 2.1%. The loan is not subject to any financial covenants and is repayable within seven years of the first drawdown. The entire loan amount was drawn down on September 19, 2012.

On April 20, 2012, PTTEP CIF entered into a CAD75 million unsecured, unsubordinated loan facility agreement fully guaranteed by us, with Citibank, N.A., Canadian Branch. The loan has a floating interest rate of the CDOR plus 1.9%. The loan is not subject to any financial covenants and is repayable within five years of the first drawdown. The entire loan amount was drawn down on May 11, 2012.

On March 29, 2012, PTTEP CIF entered into a CAD300 million unsecured, unsubordinated loan facility agreement fully guaranteed by us with the Bank of Tokyo-Mitsubishi UFJ Canada, Mizuho Corporate Bank, Ltd. and Sumitomo Mitsui Banking Corporation of Canada. The loan has a floating interest rate of the CDOR plus 1.7%. The loan is not subject to any financial covenants and is repayable within five years of the first drawdown. The entire loan amount was drawn down on May 11, 2012.

On November 24, 2010, PTTEPO entered into a US$500 million unsecured, unsubordinated loan agreement fully guaranteed by us with the Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd., Oversea-Chinese Banking Corporation Limited and Sumitomo Mitsui Banking Corporation. On December 1, 2010, PTTEPO entered into a US$75 million unsecured, unsubordinated loan agreement fully guaranteed by us with Mizuho Corporate Bank, Ltd. On December 9, 2010, we entered into a US$50 million unsecured, unsubordinated loan agreement with Thanachart Bank Public Co., Ltd. On January 14, 2011, we and PTTEPO drew down the entire loan amount of these three loans for a total of US$625 million which was used for partial payment of our 40% interest in KOSP. Each of these loan facilities is repayable in 2015 and none are subject to financial covenants.

Derivatives

As of March 31, 2014, we had outstanding interest rate swap transactions with an aggregate notional amount of US$50 million and Baht 2,500 million. The swap transactions were mainly to swap floating interest rate to fixed interest rate to hedge against interest rate fluctuations.

As of March 31, 2014, we had outstanding cross currency swap transactions with an aggregate notional amount of US$634 million and CAD700 million. The transactions were mainly to swap debentures denominated in Thai Baht to U.S. dollar and loans denominated in U.S. dollar to CAD to hedge against exchange rate fluctuations.

Debentures

PTTEP AIF issued US$500 million of five-year debentures in July 2010 and US$200 million of five-year debentures in August 2010, both fully guaranteed by us. The issuance included a US$500 million international debenture offering and a US$200 million domestic debenture offering. Both tranches have an interest rate of 4.152% per annum. Proceeds from these issuances were on-lent to one or more of our subsidiaries through intercompany loans for general corporate purposes, including, but not limited to, funding exploration, development and production activities.

PTTEP CIF issued US$700 million of ten-year debentures in March 2011 and US$500 million of 30-year debentures in June 2012, in each case fully guaranteed by us. These debentures have an interest rate of 5.692% per annum and 6.35% per annum, respectively. Proceeds from these debentures were on-lent to one or more of our subsidiaries through intercompany loans for general purposes, including, but not limited to debt repayment and funding exploration, development and production activities. In 2013, PTTEP CIF repurchased US$10 million of its US$500 million 30 year debentures and has cancelled out the repurchased debentures accordingly.

We issued US$500 million of five-year debentures in September 2013 at an interest rate of 3.707% per annum. Proceeds from these debentures were on-lent to one or more of our subsidiaries through intercompany loans for general purposes, including, but not limited to debt repayment and funding exploration, development and production activities.

We issued an aggregate of Baht 19,600 million of debentures in June 2014 in two tranches: a Baht 8,200 million five-year tranche with an interest rate of 3.91% per annum and a Baht 11,400 million 15-year tranche with an interest rate of 4.82% per annum. Proceeds from these debentures were used for general corporate purposes, including, but not limited to, debt repayment, future investments and funding our exploration, development and production activities.

The carrying value of our unsecured and unsubordinated debentures as of March 31, 2014 was as follows:

	As of March 31, 2014
	(US$ in millions)
Principal at Maturity	
Within 1 year	360
2015	698
2016	—
2017	—
2018	575
Beyond 2019	1,339
Total carrying value of debentures	2,972

Subordinated Capital Debentures

On June 15, 2012, we issued five million units of subordinated capital debentures with a face value of Baht 1,000 each, totaling Baht 5,000 million (US$157 million). These subordinated capital debentures are perpetual, unsecured and unconvertible with no final maturity date. The principal payment will be paid upon liquidation or early redemption by us, subject to certain restrictions under the terms and conditions of these debentures. These subordinated capital debentures bear a step-up fixed interest based on the life of these debentures starting from 5.85% per annum to 7.85% per annum. The interest is paid on a quarterly basis. However, we can defer the interest payment at our sole discretion. All deferred interest will be accumulated, but not bear any interest. If we defer the interest payment, we may not declare or make any dividend payment, make any interest payment or distribution of any sort of any instrument or security issued by us that ranks *pari passu* or junior to these subordinated capital debentures. In addition, we may not redeem, reduce, cancel, buy-back or acquire for any consideration on any instrument or security issued by us that ranks *pari passu* or junior to these subordinated capital debentures. These subordinated capital debentures are treated as equity for accounting purposes. The subordinated capital debentures were issued under terms and conditions governed by Thai law and are registered with the Thai Bond Market Association.

Debt Structure

As of December 31, 2011, 2012 and 2013 and as of March 31, 2014, our total outstanding interest bearing debt (excluding subordinated capital debentures) were as follows:

	As of December 31,			As of March 31,
	2011	2012	2013	2014
	Percentage (%) (except for average maturity of loan)			
Interest bearing debt categorized by currency				
Debt denominated in U.S. dollar	97	87	89	89
Debt denominated in Pound Sterling	—	—	—	—
Debt denominated in Canadian dollar	—	13	11	11
Debt dominated in Thai Baht	3	—	—	—
Total	100	100	100	100
Interest bearing debt categorized by interest rate				
Fixed interest rate	84	79	75	75
Floating interest rate	16	21	25	25
Total	100	100	100	100
Weighted average interest rate	3.12	3.99	3.99	3.99
Average maturity of loan (years)	3.96	7.50	6.81	6.57

Guarantee, Capital Commitments, Contingent Liabilities and Off-Balance Sheet Arrangements

Loan Guarantee

On November 24, 2010, we entered into an agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd., Overseas-Chinese Banking Corporation Limited and Sumitomo Mitsui Banking Corporation to guarantee PTTEPO's US$500 million unsecured, unsubordinated floating rate credit facility. On December 1, 2010, we entered into an agreement with Mizuho Corporate Bank, Ltd. to guarantee PTTEPO's US$75 million unsecured, unsubordinated floating rate credit facility. On March 29, 2012, we entered into an agreement with the Bank of Tokyo-Mitsubishi UFJ Canada, Mizuho Corporate Bank, Ltd. and Sumitomo Mitsui Banking Corporation of Canada to guarantee PTTEP CIF's CAD300 million unsecured, unsubordinated floating rate credit facility. On April 20, 2012, we entered into an agreement with Citibank, N.A., Canadian Branch to guarantee PTTEP CIF's CAD75 million unsecured, unsubordinated floating rate credit facility. On May 23, 2012, we entered into an agreement with UBS AG, Singapore Branch to guarantee PTTEPO's GBP950 million unsecured, unsubordinated floating rate credit facility for the acquisition of Cove, which was repaid in full in December 2012. On August 21, 2012, we entered into an agreement with J.P. Morgan Chase Bank, N.A., (Toronto Branch) to guarantee PTTEP CIF's CAD100 million unsecured, unsubordinated floating rate credit facility.

Debenture Guarantee

We guaranteed: (i) US$700 million of five-year debentures issued by our subsidiary PTTEP AIF, consisting of a US$500 million international debenture offering in July 2010 and a US$200 million domestic debenture offering in August 2010; (ii) a US$700 million of ten-year debentures issued by PTTEP CIF in April 2011; and (iii) a US$490 million of 30-year debentures issued by PTTEP CIF in June 2012.

Operating Leases

As of March 31, 2014, our future minimum lease payments for non-cancellable operating leases were as follows:

	As of March 31, 2014
	(US$ in millions)
Within 1 year	72
Between 1-5 years	73
Over 5 years	63
Total	208

These operating leases relate to charter hires for the Bongkot and Arthit projects and the floating storage and offloading facilities for the MTJDA-B17 project.

Contingent Liabilities

On August 26, 2010, PTTEP AA received a letter and presentation materials from the Indonesian government seeking US$2.5 billion in compensation damage to Indonesia's environment and economy. In October 2010, PTTEP AA received further details of the claim and supporting documentation. The Indonesian government has claimed that some hydrocarbons emanating from the Montara well entered Indonesian waters. However, there is no agreement between the Indonesian government and PTTEP AA on the extent, duration and character of the hydrocarbons in Indonesian waters. The Indonesian government identified the resources impacted by the hydrocarbons in Indonesian waters and the extent and effect of such impact. PTTEP AA has not accepted any claim of the Indonesian government as PTTEP AA believes that such claims are not supported by scientifically valid evidence. To manage the claims process, PTTEP AA and the Indonesian government are in the process of negotiating a memorandum of understanding setting forth the claims verification procedure and establishing a neutral committee to facilitate an agreement on the claim. The memorandum of understanding is subject to approval by the board of PTTEP AA and the Indonesian government, and no formal agreement has been entered into by the parties.

As of March 31, 2014, we had contingent liabilities in the form of letters of guarantee amounting to US$9.04 million on a consolidated basis. These letters of guarantee relate to the performance bond payment guarantees and bid bonds in connection with our exploration and production activities and our group-related business. Performance bonds are issued to guarantee the work commitment of awarded concessions and production sharing contracts to a petroleum regulator or to an operator in a joint venture as required by the applicable laws, regulations and for the related joint venture agreement. Outstanding payment guarantees are guarantees for tax returns as required by the tax authority. Other outstanding guarantees are required in a withdrawal contract agreement.

The Tanzanian Revenue Authority (the "**TRA**") has requested that Cove pay additional Value Added Tax ("**VAT**") including interest, based on a farm-in agreement entered into in 2009, of US$0.51 million. Cove is currently in negotiations with the TRA over the amount due. However, in connection with the negotiation, the TRA has requested that Cove pay one-third of the total assessed amount, or US$0.17 million, upfront, which Cove paid in June 2012. We have already recognized the remaining amount of the assessed claim plus interest, of US$0.34 million in the interim consolidated financial information as at March 31, 2014.

Obligation under Gas Sales Agreement

According to the GSA for the MTJDA-B17 project, if the sellers, namely PTTEPI and its joint venture partner, fail to deliver the quantity of natural gas notified by the buyer, namely PTT, on the agreed upon date, PTT has the right to take the deficient quantity of natural gas, the shortfall, at a price equal to 75.0% of the price applicable at the time the shortfall occurred. As of March 31, 2014, the approximate total cost to PTTEPI under this arrangement would be US$15.04 million. As of the date of this Offering Memorandum, the parties are negotiating the settlement of this shortfall.

Off-Balance Sheet Arrangements

Except as disclosed above, as of the date of this Offering Memorandum, we did not have any off-balance sheet arrangements.

Shareholders' Equity

Our shareholders' equity was US$6,311 million, US$10,711 million, US$11,728 million and US$11,689 million on December 31, 2011, 2012 and 2013, and March 31, 2014, respectively. This increase was mainly attributable to our net profits of US$1,846 million for the year ended December 31, 2013 and US$380 million for the three-month period ended March 31, 2014, partially offset by a dividend payment of US$783 million, or 42.4% of net profits, for the year ended December 31, 2013.

Capital Expenditures

Our capital expenditures on an accrual basis for the years ended December 31, 2011, 2012 and 2013 and for the three-month period ended March 31, 2014 were US$5,257 million (including the Canada Oil Sands KKD project acquisition of US$2,277 million), US$5,894 million (including Cove acquisition of US$1,917 million), US$4,023 million and US$624 million, respectively. Our capital expenditures in 2013 were primarily used for production and development activities to maintain and increase production as well as for exploration activities to find and appraise additional petroleum resources. Our capital expenditures for the three-month period ended March 31, 2014 were primarily used for production and development activities regarding our existing assets.

Based on the announcement of the five-year investment plan in January 2014, adjusted for the Canada Oil Sands KKD project asset swap transaction, we estimate that our overall capital expenditures for the three years ending December 31, 2016 will be approximately US$10,024 million, a majority of which will be expended for producing activities to maintain current production, for development activities to increase production and for exploration activities to find additional petroleum resources. Our proposed capital expenditure investment plan does not include expenditure relating to the Hess Thailand or BG E&P Brasil acquisitions or for potential future acquisitions. The following table sets forth our planned capital expenditure requirements for the periods indicated. Actual future capital expenditures may differ from the amounts indicated below.

	For the years ending December 31,		
	2014	2015	2016
		(US$ in millions)	
Capital expenditure plan	3,388	3,562	3,074

Operating Expenditures

Our operating expenses for the years ended December 31, 2011, 2012 and 2013 and for the three-month period ended March 31, 2014 were US$625 million, US$706 million, US$827 million and US$284 million, respectively. We currently estimate that our overall operating expenditures, adjusted for the Canada Oil Sands KKD project asset swap transaction, for the three years ending December 31, 2016 will be approximately US$5,360 million as set forth in the table below. The exploration, development and production operations and the related costs are subject to uncertainties, and the actual future operating expenditures may differ from the amounts indicated below. See "*Risk Factors — Risk Relating to Our Business — The development of our projects involves construction, financing, regulatory and operational risks that could lead to an increase in expenses and lost revenues*."

	For the years ending December 31,		
	2014	2015	2016
		(US$ in millions)	
Planned operating expenditure requirements[(1)] ..	2,010	1,679	1,671

Note:

(1) Planned operating expenditure primarily consists of operating expenses, exploration expenses, administrative expenses and finance costs.

Inflation

According to the Bank of Thailand, Thailand's annual overall inflation rates in the years ended December 31, 2011, 2012 and 2013 and for March 31, 2014, as measured by the general consumption price index, were 3.8%, 3.0%, 2.2% and 2.0%, respectively. Core inflation registered year-on-year growth of 2.4%, 2.1% and 1.0% in the year ended December 31, 2011, 2012 and 2013, respectively, and 1.2% for the three months ended March 31, 2014, which was less than the maximum target inflation rate set by the Bank of Thailand of 3.00% in both 2011, 2012 and 2013. The target inflation rate is based on a multi-year average of core inflation.

Primary Risks

Product Price Risk

Our product prices vary with those of world oil prices, which are subject to factors beyond our control, such as market demand and supply, the political and economic stability of various countries in which we operate, OPEC's production policy, oil reserves and the change in the global climate in each season. Fluctuations in world oil prices affect our revenue and investment planning. World oil prices have been volatile in recent years. For example, the price of Dubai crude oil fluctuated in the range of US$101.81 to US$107.54 per Bbl and the OPEC basket price of crude oil fluctuated in the range of US$102.37 to US$107.80 per Bbl in the three-month period ended March 31, 2014.

Regarding the aforementioned factors, when the world oil prices change, so do the prices of our crude oil and condensate. However, because of built-in natural gas pricing mechanisms found in the GSA which cushion natural gas prices from oil price volatility, when the reference oil prices change, the typical prices of natural gas change in the same direction. Most of our contractual natural gas prices are adjusted every six or 12 months depending on the gas price formula of each project and should this price rise or fall, the natural gas price will move correspondingly to a certain degree comparing to the prices of crude oil and condensate. In addition, in an effort to mitigate existing price risks, we use derivatives, including options contracts, subject to approval by the board of directors prior to execution.

Foreign Exchange Rate Risk

The vast majority of our domestic and international revenues and expenses are tied to the U.S. dollar. On January 1, 2011, we adopted the U.S. dollar as our functional currency. While this has reduced the effect of exchange rates on our results of operations, since the substantial majority of our revenues and expenses are denominated in U.S. dollars, we are still exposed to exchange rate risks from transactions that are denominated in currencies that are not our functional currency. Foreign exchange gains and losses are presented in Note 34 and Note 35, respectively, to the audited consolidated financial statements for the year ended December 31, 2012 and 2013 appearing elsewhere in this Offering Memorandum and in Note 21 to the unaudited interim consolidated financial information for the three-month period ended March 31, 2014 appearing elsewhere in this Offering Memorandum.

Our asset and liability management policy aligns the structures and features of transactions regarding assets, liabilities and equity against each other. We enter into financial derivative contracts to manage foreign exchange risk. For more information on our financial derivative contracts, see "*— Capital Commitments and Contingent Liabilities — Derivatives*."

Interest Rate Risk

We are exposed to interest rate risk from changes in interest rates that affect future cash flows and fair values of financial instruments. While the majority of our debt is subject to fixed interest rates, resulting in stable cash outflows, fixed interest rates would result in a higher interest expense if market interest rates decrease. To manage the risk from interest rates, our policy is to maintain a proper proportion between fixed interest rate debt and floating interest rate debt. Therefore, we may use financial instruments, such as interest rate swaps, to swap between fixed interest rates and floating rates in order to minimize interest rate risks, considering costs, market conditions, and acceptable risks. For more information on our financial instruments, see "*— Capital Commitments and Contingent Liabilities — Derivatives*."

Exploration Risk

The exploration for new petroleum sources is vital to our business and is, in itself, a high risk endeavor. Exploration projects search for petroleum reserves far beneath the surface of the Earth. Despite the advanced technology used, it is still difficult to accurately understand the petroleum geology at such depths. Absolute geological confidence is therefore rare and considerable geological uncertainty prevails. Still, the acquisition of sufficient data and detailed geological analyses can reduce this uncertainty and exploration risks to acceptable levels.

Some factors that we take into consideration when exploring for petroleum resources are the probability of success, the potential size of the reservoir, and the costs in exploration and development of the reservoirs. To minimize the risks that are associated with these factors, we develop the capability of our exploration teams through knowledge management efforts and exploration and production databases shared within our company, which institutionalizes the best practices and lessons learned. Furthermore, we use a "peer review" process and consensus building to recommend exploration projects for approval. In order to balance reserves growth and risk tolerance, the exploration portfolio undergoes strict reviews during the annual work program and budget formulation period.

Production Risk

Production risks tend to be associated with aging production equipment and human error. To prevent such risks, we emphasize risk management in every stage of production, from production platform design to production control and preventative maintenance. Automatic detection and emergency shutdown systems are in place to prevent losses during equipment failures. We use standardized work procedures and operation manuals, together with training programs, to instill best practices and risk management in our employees. In addition, stringent operational safety assessments are conducted by outside agencies to ensure high standards. We believe that these systems help to minimize production risks.

Credit Risk

Credit risk includes risks relating to counterparties and the risk that a contractor (including production sharing contractors) will not perform on a contract. The substantial majority of our sales are currently made to PTT, our parent company. We also attempt to sell the remainder of our products to customers with acceptable credit profiles.

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

Before entering into a financial derivatives contract, we assess the financial position and credit worthiness, including setting up credit exposure limit, of the counterparty bank in the same way as when we assess banks before placing deposits as described above. Currently, all banks in which we have entered into financial derivatives contracts are rated at investment grade levels. In addition, we have adjusted, based on the tenor and type of transaction, the outstanding balance of each derivative financial instruments made with banks to reflect the risk-adjusted exposure and have diversified transactions to avoid concentration risks with individual banks together with the consideration pricing and risks arising in each interval.

The information in the section below has been derived, in part, from various government and private publications or obtained in communications with Government agencies in Thailand. This information has not been independently verified by us, the initial purchasers or any of our respective affiliates or advisors. The information may not be consistent with other information compiled within or outside Thailand. Neither we nor the initial purchasers have any actual knowledge of any material misstatement contained in this section.

OVERVIEW

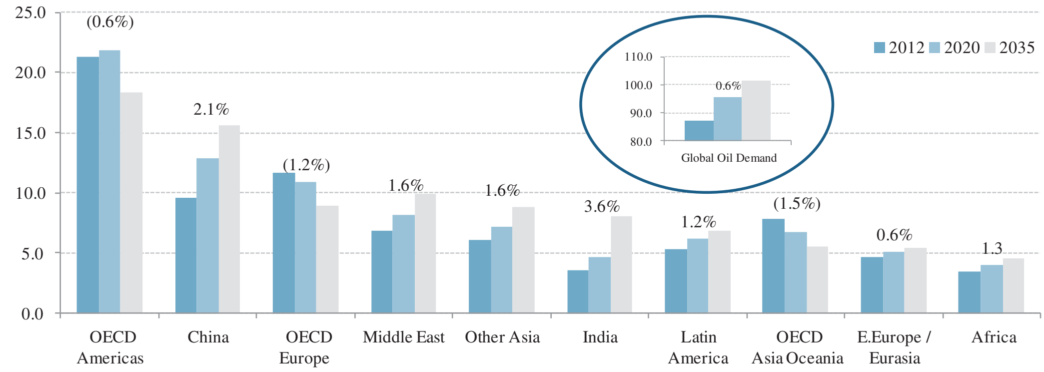
Global Petroleum Markets

According to the BP Statistical Review of World Energy 2013 (the "**BP Statistical Review**"), global oil consumption rose to 89.8 MMbbl/d in 2012 from 88.9 MMbbl/d in 2011, an increase of 0.9 MMbbl/d or 0.9% compared to 2011. A 1.4 MMbbl/d or 3.3% increase in consumption for oil from non-Organization for Economic Co-operation and Development ("**OECD**") countries offset a decline of 0.5 MMbbl/d or 1.3% in consumption for oil from OECD countries during this period. According to the International Energy Agency ("**IEA**"), worldwide demand for oil is expected to grow to 101.4 MMbbl/d by 2035 from 86.7 MMbbl/d in 2011 at a Compound Average Annual Growth Rate ("**CAAGR**") of 0.6%. A significant portion of this growth is expected to come from non-OECD countries. By contrast, OECD countries are expected to account for only 10% of energy demand growth going forward. Emerging economies, in particular China, India, Africa, Southeast Asia and the Middle East, are expected to remain as the key drivers of oil demand growth.

Natural gas is also expected to play an increasingly important role in the global energy economy. The United States is expected to see an absolute increase in natural gas demand between now and 2035, with the IEA forecasting annual demand to reach 789 billion cubic meters by 2035 from 696 billion cubic meters in 2011, or a CAAGR of 0.5%. Total demand for natural gas in the OECD Americas (Canada, Chile, Mexico and United States) region is expected to grow at a CAAGR of 0.8% between 2011 and 2035, reaching 1,044 billion cubic meters in 2035. Demand for natural gas is also expected to grow rapidly outside of the OECD Americas, most notably in the non-OECD economies where strong economic growth and continuous reform of gas pricing regimes is expected to continue. The IEA expects that China will experience the largest growth in demand for natural gas, from 132 billion cubic meters in 2011 to a forecasted 529 billion cubic meters by 2035, or a CAAGR 6.0%. Other Asian countries are also expected to experience strong growth in natural gas usage for power generation and industrial use.

The BP Statistical Review estimates that global gas consumption grew by about 2.2% in 2012. Demand growth was strongest in the Asia-Pacific region, Africa, South and Central America and North America regions with growth rates of 5.0%, 7.5%, 5.3% and 4.0%, respectively, while demand in the European Union and the Former Soviet Union experienced declines of 2.3% and 2.6% respectively.

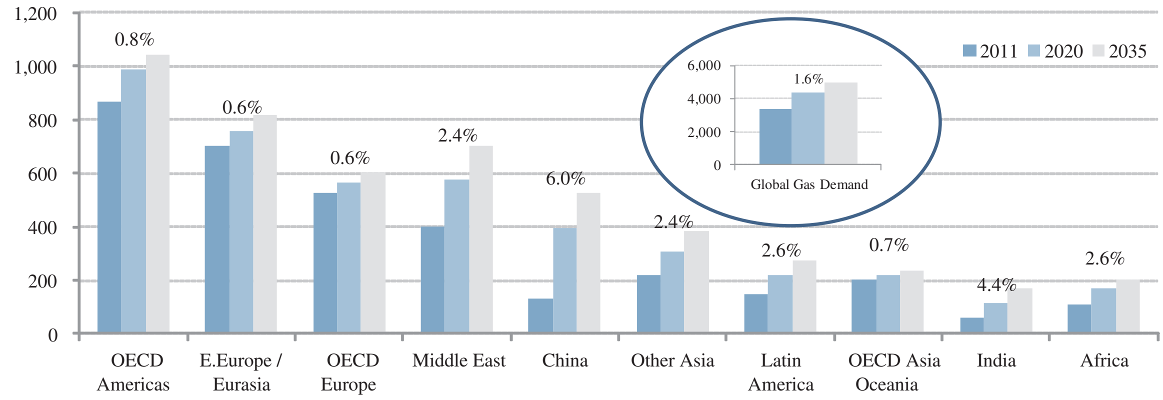
Oil Demand by Regions (MMbbl/d)



Source: IEA World Energy Outlook 2013

Note: Percentages represent CAAGR over the period from 2012 to 2035, OECD Americas include Canada, Chile, Mexico and the United States, OECD Europe includes Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and United Kingdom.

Gas Demand by Regions (billion cubic meters)



Source: IEA World Energy Outlook 2013

Notes:

(1) Percentages represent CAAGR over the period from 2011 to 2035, OECD Americas include Canada, Chile, Mexico and the United States, OECD Europe includes Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey and United Kingdom.

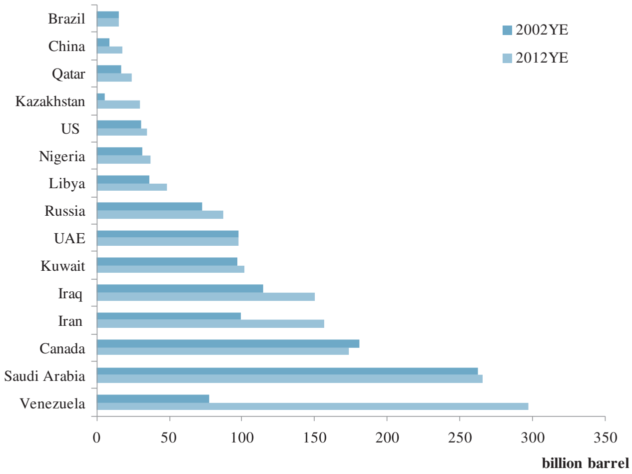
(2) 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Global Crude Oil and Gas Reserves and Resources

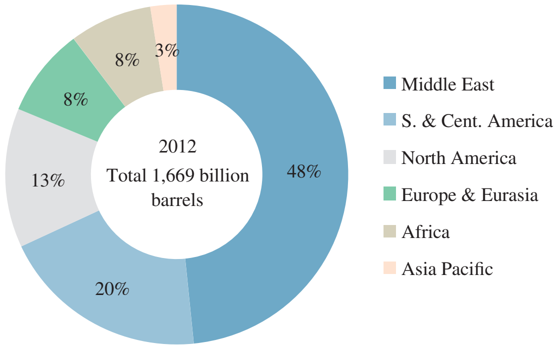
According to the BP Statistical Review, proved oil reserves worldwide reached approximately 1,669 billion Bbls at the end of 2012, of which approximately 72.6% were located in OPEC countries. Compared to the end of 2002, global oil reserves have increased by approximately 26.3%, mainly attributable to the Orinoco reserves upgrades in Venezuela and reserve revisions in other OPEC countries. Of the non-OPEC countries, Venezuela has seen the largest increase in proved oil reserves since the end of 2002 with a CAAGR of 14.4%, growing approximately 220 billion Bbls from 2002 to 2012. According to the BP Statistical Review, the global Reserves-to-Production ("**R/P**") ratio, an indicator of future production potential expressed in terms of time, has increased steadily in recent years, reaching 52.9 years as of the end of 2012 from around 40 years in 1998. High oil prices in recent years have resulted in an increase in total proven oil reserves as the industry has been proving up more reserves than it has produced. Discovery rates of conventional oil and the average size of discovered fields have stabilized, at about 14 billion Bbls per year and 50 million Bbls respectively, after the drop observed in the second-half of the last century.

The IEA estimates that as at the end of 2012, remaining recoverable resources worldwide totaled approximately 5,965 billion Bbls, of which an estimated 3,297 billion Bbls were classified as unconventional. Americas holds the largest volume of unconventional oil resources, amounting to approximately 1,889 billion Bbls.

Proved Oil Reserves in the top 15 Countries (as of December 31, 2002 and 2012)

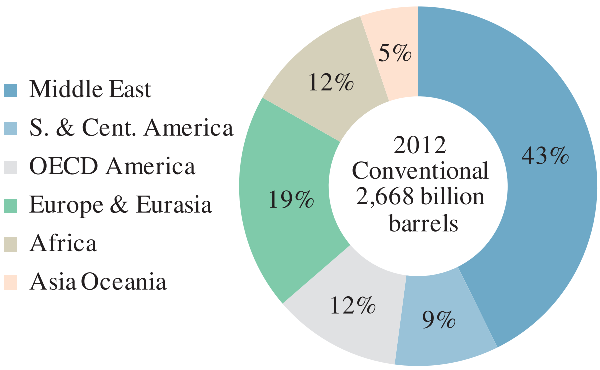


Proved Oil Reserves Distribution (as of December 31, 2012)

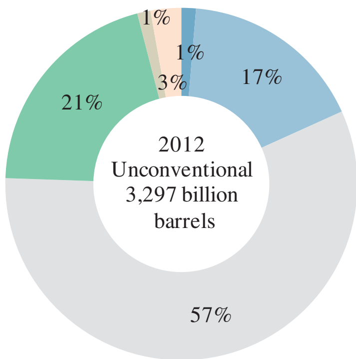


Source: BP Statistical Review

Remaining Recoverable Resources Distribution — Conventional Oil (as of December 31, 2012)



Remaining Recoverable Resources Distribution — Unconventional Oil (as of December 31, 2011)



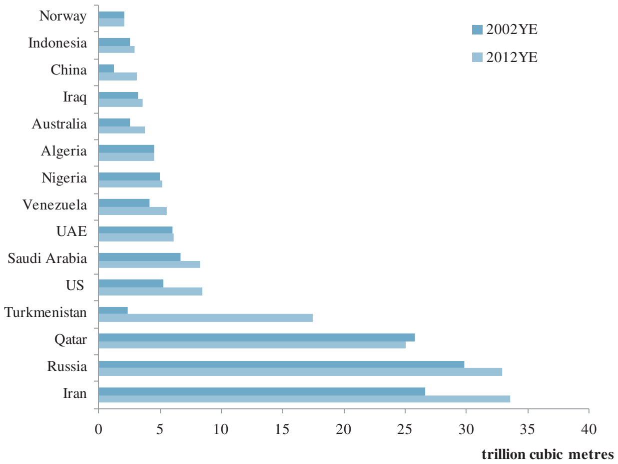
Source: IEA World Energy Outlook 2013

Global proved natural gas reserves have increased by 21% since the end of 2002 to 187 trillion cubic meters as of the end of 2012, indicating a R/P ratio of 55.7 years. Turkmenistan has contributed most to this increase, with an additional approximately 15.2 trillion cubic meters of proved gas reserves identified between 2002 and 2012. US shale gas discoveries since the mid-2000s have also augmented the overall volume of gas reserves. The three countries holding the largest natural gas reserves are Iran, Russia and Qatar.

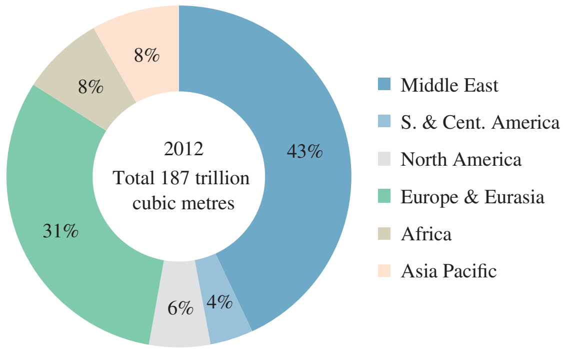
Continuous success in North American unconventional gas development and sizeable gas discoveries in East Africa have triggered substantial upward revisions to the remaining recoverable resources for natural gas.

Conventional gas resources amounted to approximately 468 trillion cubic meters in 2012, reflecting large gas discoveries in hotspots such as offshore East Africa and Eastern Mediterranean regions. Up to 343 trillion cubic meters of remaining recoverable resources were estimated as being unconventional (shale gas, tight gas and coalbed methane) by IEA, with a large proportion isolated in countries or regions which are currently net gas importers, such as China and the United States.

Proved Gas Reserves in the top 15 Countries (as of December 31, 2002 and 2012)



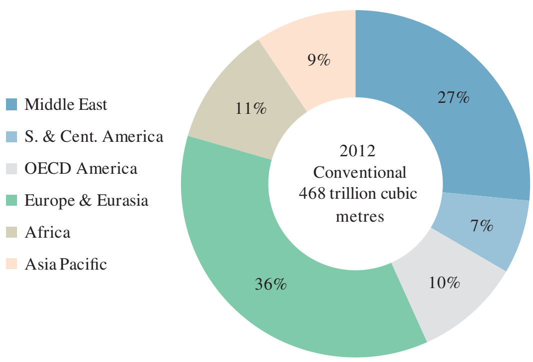
Proved Gas Reserves Distribution (as of December 31, 2012)



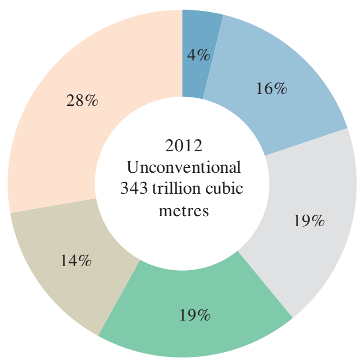
Source: BP Statistical Review

Note: 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Remaining Recoverable Resources Distribution — Conventional Gas (as of December 31, 2012)



Remaining Recoverable Resources Distribution — Unconventional Gas (as of December 31, 2012)



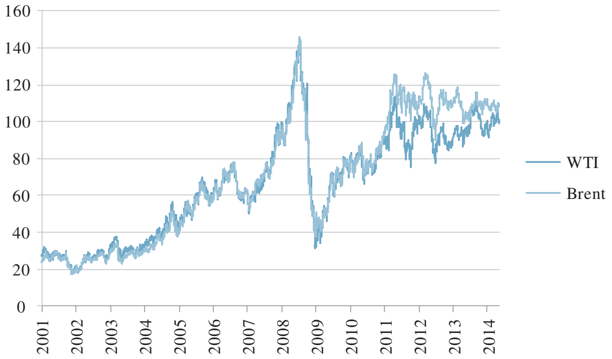
Source: IEA World Energy Outlook 2013

Crude Oil and Natural Gas Pricing Outlook

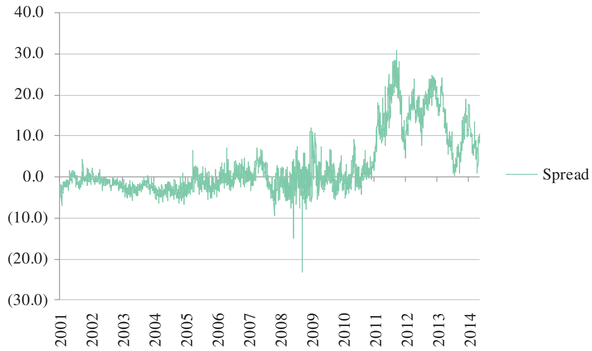
The price of Brent crude has steadily begun trending downward, principally as a result of the growth in North American supply and rising Iraqi production and China's economy slowing down structurally as its labor force peaks due to demographics. Year to date, Brent crude has fluctuated between $104.61 and $111.47. As of June 2, 2014, the price of Brent crude was US$109.81 per Bbl and the price of West Texas Intermediate ("**WTI**") was US$102.47 per Bbl.

Since 2011, significant growth of oil supply in the United States, together with further increase in the volume of oil shipped from Canada to the United States, has overwhelmed pipeline logistics in the region. In 2012, the price of WTI on average was US$17.65 per Bbl less than Brent crude. This difference has been narrowed down to US$8.18 per Bbl on May 9, 2014 as a result of improved pipeline networks, the use of rail links at Cushing and the economic recovery in the U.S.

Oil Prices (US$/Bbl)
(2000 - 2014 YTD)



Brent / WTI Price Differentials
(US$/Bbl) (2000 - 2014 YTD)



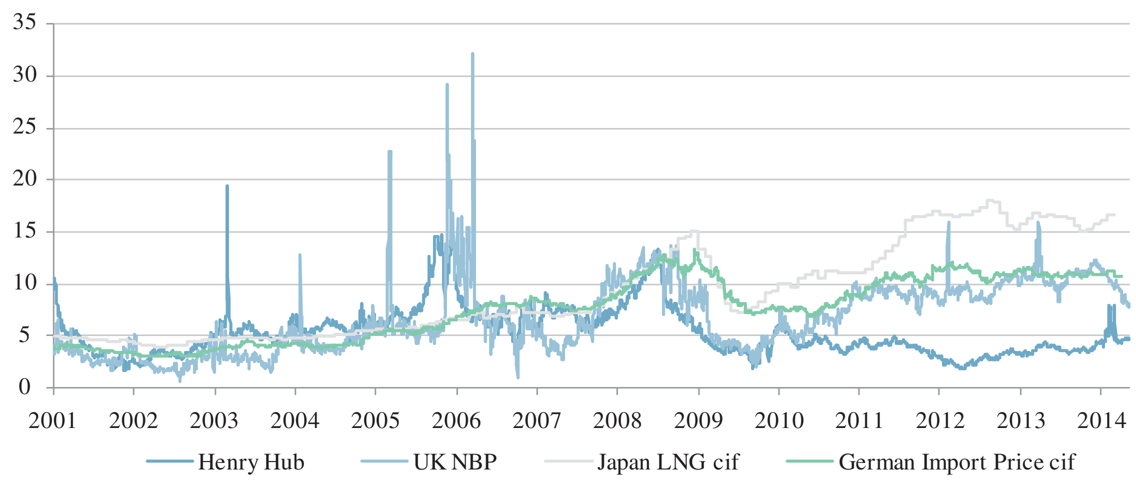
Source: Bloomberg

Unlike crude-oil pricing, which is global in nature, natural gas prices tend to be set locally and regionally. In the United States, the average natural gas price at Henry Hub was 34% higher in the first 4 months of 2014 compared to the entire year of 2013, trading on average at US$5.00 per MMbtu in 2014 year to date. The increase in natural gas prices was largely due to a slowdown in natural gas drilling in the United States as well as an increase in natural gas demand from an extended and abnormally cold winter in North America.

In the United Kingdom, the average price at the United Kingdom National Balancing Point ("**NBP**") was 14% higher in 2013 compared to 2012. In continental Europe, natural gas prices are increasingly moving to spot market pricing with limited contracted gas prices indexed to oil prices. Oil-indexed gas prices in continental Europe indicated by the German import price have begun to rise, maintaining an approximate US$1.31 per MMbtu premium over the United Kingdom's NBP during year to date 2014.

Long-term contracted LNG prices in the Asia-Pacific region are predominantly indexed to oil prices. Japan LNG prices increased, reflecting a tightening of LNG markets.

Natural Gas Prices (US$ per MMbtu) (2001 - 2014 YTD)



Source: Bloomberg
Note: "cif" means "cost, insurance and freight"

Thailand

According to the BP Statistical Review, Thailand's total energy use per capita was 12 BOE in 2012, which was lower than the world average of 13 BOE. Thailand's main sources of energy are crude oil and natural gas. The total energy used per capita for Malaysia, Indonesia, Vietnam and the Philippines were 19 BOE, 5 BOE, 4 BOE and 12 BOE, respectively.

The Thai Government ("**Government**") historically regulated the country's petroleum industry through volume, distribution and pricing controls, which were administered by certain central Government entities and ministries including the National Energy Policy Council, the Energy Policy and Planning Office (the "**EPPO**"), the Ministry of Energy ("**MOEN**") and the Ministry of Finance. Today, the Government regulates the domestic wholesale price of LPG marketing margins, retail price of natural gas for vehicles, the pipeline tariff for gas sales to the Electricity Generating Authority of Thailand (the "**EGAT**") and private power producers.

Due to the Government's policy of reducing Thailand's dependency on oil and promoting energy efficiency, oil and oil products as a percentage of total energy consumption in Thailand has decreased from approximately 43.6% in 2006 to 36.5% in 2013, while natural gas usage as a percentage of total commercial primary energy consumption in Thailand increased from 37.5% to 45.6% over the same period.

The following table sets out the total commercial primary energy consumption and the percentage of the total commercial primary energy consumption represented by coal, oil, natural gas and hydro-electricity in Thailand for the periods indicated.

Commercial Primary Energy Consumption in Thailand (2006 - 2013)

	Percentage of Total Commercial Primary Energy Consumption				
	Total Commercial Primary Energy Consumption	Lignite / Coal Import	Oil / Oil Products	Natural Gas	Hydro / Imported Electricity
	(KBOE/d)	(%)	(%)	(%)	(%)
Period					
2006	1,545	16.0	43.6	37.5	2.9
2007	1,604	17.4	41.6	38.3	2.7
2008	1,618	18.6	39.2	40.0	2.2
2009	1,663	18.2	38.7	41.0	2.1
2010	1,783	17.4	36.6	44.0	2.0
2011	1,855	17.1	36.3	43.7	2.9
2012	1,981	16.6	35.8	44.8	2.8
2013	1,999	15.6	36.5	45.6	2.3

Source: EPPO, MOEN
Note: "KBOE/d" means "thousand barrels oil equivalent per day"

The following table sets out total commercial natural gas consumption in Thailand compared to that of oil for 2006 to 2013.

Natural Gas / Oil and Oil Products Annual Consumption in Thailand (2006 - 2013)

	Natural Gas Consumption	Oil/Oil Products Consumption	Change in Natural Gas Consumption	Change in Oil / Oil Products Consumption
	(billion cubic feet)	(MMbbl)	(%)	(%)
Period				
2006	1,176	233	2.3	(2.4)
2007	1,249	238	6.2	2.2
2008	1,320	230	5.7	(3.3)
2009	1,385	234	4.9	1.5
2010	1,593	237	15.0	1.4
2011	1,646	244	3.3	2.8
2012	1,809	257	9.9	5.5
2013	1,851	264	2.3	2.4

Source: EPPO, MOEN

From 2006 to 2013, commercial natural gas consumption in Thailand increased from 1,176 billion cubic feet to 1,851 billion cubic feet, or a CAAGR of 6.7%. Commercial oil consumption in Thailand showed a slight increase from 246 MMbbl to 264 MMbbl during the same period, or a CAAGR of 1.8%. The significant growth in the consumption of natural gas has been driven by power producers who are responding to higher demand for electricity and switching to natural gas from alternative fuel sources. Higher natural gas consumption was also the result of increased demand from industrial customers and the transportation sector in Thailand. In addition, emissions standards adopted by government agencies in 1997 required EGAT and industrial users to partially switch from fuel oil to natural gas as a cleaner fuel source for electricity generation.

The following table sets out the amount of electricity generated from various fuel sources in Thailand from 2006 to 2012.

Thailand Electricity Generation (2006 - 2013)

Year	Natural Gas[1]	Fuel Oil	Lignite	Hydro[2]	Diesel	Imported Electricity and SPP[3]	Total	Growth Rate
	(%)	(%)	(%)	(%)	(%)	(%)	(GWh)	(%)
2006	62.9	5.5	12.7	5.6	0.1	13.2	141,919	5.3
2007	67.1	2.0	12.6	5.4	0.0	12.9	147,026	3.6
2008	70.7	0.7	12.6	4.7	0.0	11.3	148,221	0.8
2009	71.9	0.3	12.1	4.7	0.0	11.0	148,358	0.1
2010	72.5	0.3	11.0	3.3	0.0	12.9	163,668	10.3
2011	66.8	0.8	11.6	4.9	0.0	15.8	162,343	(0.8)
2012	69.3	0.7	10.6	4.8	0.0	14.5	176,973	9.0
2013	65.7	0.7	10.8	3.1	0.1	19.9	177,398	0.2

Source: EPPO, MOEN

Notes:

(1) Includes only electricity generated by EGAT and Independent Power Producers ("**IPPs**") using natural gas.

(2) Also includes other alternative energies.

(3) Also includes geo-thermal and non-conventional sources.

According to the EPPO, the value of energy imports amounted to approximately THB1,416 billion in 2013, representing approximately 18.0% of the country's total imports. Thailand is the largest gas market in Southeast Asia and a country heavily reliant on gas for power generation. Domestic production accounts for the majority of supply, although imports from Myanmar accounted for approximately 16.6% of the country's natural gas demand in 2013. Strong gas demand growth and a gradual maturing of domestic production have led the country to develop re-gasification infrastructure and become the first Southeast Asian country to import LNG. PTT LNG Co., Ltd's Map Ta Phut LNG Terminal Phase I was commissioned in the second quarter of 2011 with commercial operation in September 2011 and the Phase II expansion has been planned. Currently, the Map Ta Phut LNG Terminal allows PTT to import 5 million tons of LNG per year and, upon completion of Phase II, PTT will be able to import 10 million tons of LNG per year. Thailand has an extensive offshore gas pipeline system in the Gulf of Thailand which links offshore production to areas of demand in and around Bangkok, as well as in southern Thailand.

Thailand's end-user gas prices are derived from a pooling system, which takes the weighted average price of all gas supplies purchased by PTT. Typically, gas supplies are priced via long-term contracts with links to fuel oil, inflation and various cost indices. Myanmar piped gas imports are more expensive than domestic gas, with a larger percentage link to fuel oil; however, Myanmar gas is still cheaper than typical long-term LNG contract prices.

Petroleum Industry in Thailand

Exploration and Production

The Government owns all of Thailand's petroleum resources and grants concessions to companies to conduct exploration and production activities in both onshore and offshore properties. As of the end of 2011, Thailand commanded over 63 active concessions covering 79 exploration blocks, including 40 onshore and 39 offshore blocks. In addition to PTTEP, a number of foreign-owned companies explore, develop and produce petroleum properties in Thailand, including Chevron Offshore (Thailand) Ltd., ExxonMobil Exploration and Production Khorat Inc. (formerly Esso Exploration and Production Khorat Inc.) and Hess (Thailand) Ltd (acquired by PTTEP in April 2014).

On January 21, 1991, the Malaysia Thailand Joint Authority (the "**MTJA**") was established for the exploration and production of natural gas, particularly petroleum, in the Joint Development Area (the "**JDA**"). The MTJA is a statutory body established under the laws of Malaysia and Thailand to assume all rights and responsibilities on behalf of the two governments. On April 21, 1994, the MTJA awarded two production sharing contracts in the JDA to contractors. Block A-18 was awarded to Hess Oil Company of Thailand (JDA) Ltd., Hess Oil Company of Thailand Inc. and Petronas Carigali (JDA) Sdn. Bhd. ("**Carigali**", recently renamed "**PC JDA Ltd.**"). Blocks B-17 and C-19 were awarded to PTTEPI and PC JDA Ltd. In July 1994, these contractors set up two operating companies to act as operators in their respective contract areas: Carigali-Hess Operating Company Sdn. Bhd. as operator for Block A-18 and Carigali-PTTEPI Operating Company Sdn. Bhd. as operator for Blocks B-17 and C-19. A total of 18 natural gas fields were found in Block A-18 and B-17. Gas Holding Areas (GHAs) were defined for further development and production. In 2002, the relinquished areas outside the GHAs of Block A-18 and B-17 and all of Block C-19 were renamed Block B-17-01. The production sharing contract of Block B-17-01 was awarded to PTTEPI and PC JDA Ltd. in 2004 with Carigali-PTTEPI Operating Company Sdn. Bhd. as operator.

Thailand's petroleum reserves are dominated by natural gas, with approximately 94.3% of these reserves located offshore in the Gulf of Thailand. According to the Department of Mineral Fuels (the "**DMF**"), as of December 31, 2012, Thailand's natural gas proved reserves (including Thailand's 50.0% share in the JDA) totaled 9,039 billion cubic feet. Proved reserves of crude oil and condensate were 232 MMbbl and 217 MMbbl, respectively, as of December 31, 2012. Condensate reserves and production levels are largely associated with reserves and production levels of gas properties. The following table sets out Thailand's petroleum proved reserves balances from 2006 to 2012.

Thailand's Petroleum Proved Reserves Balances (2006 - 2012)

	Natural Gas	Crude Oil	Condensate
	(trillion cubic feet)	(MMbbl)	
Proved Reserves			
As of December 31,			
2006	11.7	195	266
2007	11.2	176	265
2008	12.0	183	271
2009	12.0	180	255
2010	10.6	197	245
2011	10.1	215	239
2012	9.0	232	217

Source: DMF Summary Report 05-09 for 2006 data and EPPO for 2007-2012 data

Note: Reserve numbers for 2007-2012 are sourced from EPPO. 2006 numbers are from DMF Summary Report 05-09. EPPO does not disclose 2006 reserve numbers

In 2012, natural gas and condensate proved reserves decreased from 2011 levels, while crude oil proved reserves increased from 2011 levels. The natural gas proved reserves balance decreased by 10.5% and condensate proved reserves decreased by 9.2% while crude oil proved reserves increased by 7.9%. Thailand has limited domestic oil production and reserves, and imports make up a significant portion of the country's oil consumption. Thailand holds large proven reserves of natural gas, and natural gas production has increased substantially over the last few years. However, the country still remains dependent on imports of natural gas to meet growing domestic demand for the fuel.

The following table lists the top producing exploration and production companies in Thailand and the gross natural gas production for their respective properties in 2011.

Thailand's Natural Gas Production by Operators (2011)

	Production	
	(million cubic feet per day)	(% of Thailand Total)
Operator		
PTTEP	1,004	32.1
Chevron	876	28.0
Petronas	326	10.4
Amerada Hess	255	8.2
MOECO	237	7.6
Total	182	5.8
BG	122	3.9
ExxonMobil	19	0.6
Other	106	3.4
Total Production	3,127	100.0

Source: Petroleum Institute of Thailand

In 2013, PTTEP's eighteen petroleum fields in Thailand and the Overlapping Areas accounted for the largest portion of natural gas produced in Thailand, primarily through the Bongkot project.

Crude Oil Procurement, Transportation and Distribution

According to EPPO, in 2013, more than 80.6% of crude oil demand in Thailand was supplied by imports. Crude oil production in Thailand increased by 0.3% to 149 thousand Bbls/d in 2013. Imported crude oil amounted to 868 thousand Bbls/d, an increase of 0.6% from 2012. Of this amount, 74.6% came from the Middle East, 8.7% from the Far East and 16.7% from other sources. Crude oil is transported within Thailand by marine tankers, pipelines, trucks or railway, depending on the location of the oil field and refinery.

All imported crude oil is shipped by oil tankers to oil jetties along the coastline of Thailand. Most of the crude oil shipped to the oil jetties is delivered to refineries located in their vicinity through connecting pipelines. Currently, Thailand's seven refineries are the principal processors of imported and domestic crude oil. Most of the refineries are located in the coastal region in Thailand and all of them have connecting pipelines to an oil jetty located nearby.

Other Countries

Mozambique

According to the U.S. Energy Information Administration, Mozambique held 4.5 trillion cubic feet of proven natural gas reserves, but had no crude oil reserves as of January 1, 2013. Mozambique is one of two countries in East Africa that produces natural gas (the other country is Tanzania). In 2012, Mozambique produced 154 billion cubic feet of natural gas from two onshore gas fields, Pande and Temane.

The following table sets out total natural gas production in Mozambique for the periods indicated.

Period	Natural Gas Production (billion cubic feet)
2006	58
2007	93
2008	104
2009	95
2010	110
2011	135
2012	154

Source: U.S Energy Information Administration, data last updated: May 30, 2013

Since 2010, there have been a series of natural gas discoveries in the offshore Rovuma Basin that are large enough to support LNG projects. The U.S. based company Anadarko and Italian based Eni have led exploration activities in this area. Mozambique expects to start exporting LNG to the global market in the next five to ten years. In December 2012, Eni and Anadarko signed a heads of agreement establishing principles for the coordinated development of common natural gas reservoirs in the offshore Mozambique.

The heads of agreements will facilitate a development program whereby Eni and Anadarko will conduct separate yet coordinated offshore activities, spanning both Area 4, operated, by Eni and Area 1, operated by Anadarko. Recent transactions include, PTTEP's acquisition of Cove Energy, ENI's sale of 20% interest in Area 4 to CNPC in March 2013, ONGC Videsh's acquisition of a 10% stake in Anadarko's Rovuma Area 1 in August 2013 and ONGC Videsh and Oil India's acquisition of Videcon Group's 10% stake in Rovuma Area 1 in January 2014.

Myanmar

According to the U.S. Energy Information Administration, Myanmar is estimated to hold 50 MMbbl of proved crude oil reserves as of December 31, 2013 and 10 trillion cubic feet of proved natural gas reserves as of December 31, 2013.

The Ministry of Energy in Myanmar sets oil and gas policy and has oversight for three state-owned enterprises: Myanmar Oil & Gas Enterprise ("**MOGE**"), Myanmar Petrochemical Enterprise ("**MPE**"), and Myanmar Petroleum Products Enterprise ("**MPPE**"). Myanmar's hydrocarbon industry has historically been dominated by onshore oil production and managed by MOGE.

According to the U.S. Energy Information Administration, Myanmar produces a minimal amount of crude oil and condensates from the onshore Salin basin and offshore Yetagun field. Total crude oil production has increased from 4.7 MMbbl in 2000 to 7.6 MMbbl in 2013. The total natural gas production has risen exponentially, from 120 billion cubic feet in 2000 to 415 billion cubic feet in 2012. The country's current natural gas output mostly comes from the offshore Yadana and Yetagun fields, but is estimated to rise further as new projects come onstream. Exports to Thailand, which began in 1999, now account for about 75% of Myanmar's natural gas output. Exports to Thailand are expected to increase when we begin exporting natural gas from the Zawtika project to Thailand, at an expected rate of 240 million cubic feet per day. Meanwhile, exports to China would commence with the development of the Shwe gas project in the Rakhine Basin, which could have a peak production capacity of 500 million cubic feet per day.

The following table sets out total natural gas and oil production in Myanmar for the periods indicated.

Period	Natural Gas Production (billion cubic feet)	Oil Production (MMbbl)
2006	445	8.7
2007	477	8.0
2008	438	8.1
2009	408	6.9
2010	426	7.7
2011	421	7.6
2012	415	7.6
2013	N/A	7.6

Source: U.S Energy Information Administration, data last updated: May 30, 2013
Conversion factor: 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Myanmar's oil and gas potential attracted attention in 2012, following positive political developments and the easing of sanctions by western countries.

In its effort to attract foreign investment and technical assistance, the government of Myanmar is issuing production sharing contracts through direct negotiations or licensing rounds.

According to the Ministry of Energy in Myanmar, Myanmar held its first onshore licensing round in July 2011, inviting bids for 18 onshore blocks. In January 2013, a second licensing round for onshore blocks was held, inviting bids for another 18 onshore blocks. In April 2013, the government invited bids for the exploration and development of 11 shallow and 19 deepwater oil and gas blocks. In March 2014, MOGE announced the provisional award of ten shallow water and ten deepwater blocks from its first offshore bid round. Winners included major IOCs such as BG, Woodside and Shell.

Myanmar also began reforming its foreign direct investment law and providing greater revenue incentives for investment by international companies in 2012.

Indonesia

According to the U.S. Energy Information Administration, Indonesia held 3.60 billion Bbls of proven crude oil reserves and 104 trillion cubic feet of proven natural gas reserves in 2014, down from 4.03 billion Bbls of proven crude oil reserves and 108 trillion cubic feet of proven natural gas reserves in 2013. Indonesia is reorienting energy production from serving primarily export markets to serve its growing domestic consumption. Indonesia's declining oil production and rising domestic demand resulted in the country's exit from OPEC in 2009 and in higher levels of petroleum imports to meet demand. Natural gas production has increased by almost 25% between 2002 and 2012. While Indonesia still exports about half of its natural gas, domestic consumption is increasing in tandem with production.

The following table sets out total natural gas and oil production in Indonesia for the periods indicated.

	Natural Gas Production	Oil Production
	(billion cubic feet)	(KBO/D)
Period		
2006	2,199	1,102
2007	2,422	1,042
2008	2,472	1,065
2009	2,557	1,053
2010	2,841	1,039
2011	2,693	1,015
2012	2,559	974
2013	N/A	926

Source: U.S Energy Information Administration, data last updated: May 30, 2013

Conversion factor: 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Canada

According to the BP Statistical Review, Canada ranked third behind Venezuela and Saudi Arabia in terms of proved world crude oil reserves in 2012. The majority of Canada's reserves is attributable to oil sands. The following table sets out Canada's natural gas and crude oil reserves from 2006 to 2012.

	Natural Gas	Crude Oil
	(trillion cubic meters)	(billion Bbls)
Proved Reserves As of December 31,		
2006	1.6	179.8
2007	1.6	178.8
2008	1.8	176.3
2009	1.7	175.9
2010	2.0	175.2
2011	2.0	174.6
2012	2.0	173.9

Source: BP Statistical Review Note: 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Canada is a net exporter of oil. According to the BP Statistical Review, Canada's crude oil exports were 2,437 thousand Bbls/d in 2012 with the majority of the exports sent to the United States. Canada's crude oil imports were 514 thousand Bbls/d in 2012 and LNG imports were 1.8 billion cubic meters in 2012.

Canada's oil sands

Canada's three main oil sands deposits are located in the Athabasca, Peace River and Cold Lake areas in the province of Alberta. According to the Alberta Department of Energy, these deposits underlie a total land base of approximately 140,200 sq. km in northeast Alberta.

Source: Canadian Association of Petroleum Producers Crude Oil Forecast, Markets & Pipelines 2013

Canada's oil sands contain crude deposits that are substantially heavier and more viscous than conventional crude oils. Oil sands are composed primarily of sand, clay, bitumen and water. Bitumen, like heavy crude oil, is a complex mixture of hydrocarbon components. It has a high content of carbon relative to hydrogen compared to conventional light crude oil. At room temperature, bitumen is viscous and therefore not suitable for transportation by pipeline. In order to become transportable and marketable, bitumen is processed into two principal forms: either as a bitumen blend, wherein bitumen is mixed with a diluent so that it can be transported through pipelines, or as Synthetic Crude Oil ("**SCO**"), which is the resulting product after raw bitumen has been upgraded.[2]

Crude oil production from Canada's oil sands began in the 1960s. According to the Canadian Association of Petroleum Producers (the "**CAPP**"), oil sands production of 1.80 MMbbl/d accounted for 59.21% of western Canada's total crude oil production in 2012. This output is forecasted to increase by 78.9% to 3.22 MMbbl/d by 2020 and to 5.21 MMbbl/d by 2030.

In terms of oil sands production methods, there are generally two ways bitumen resource is extracted from oil sands reservoirs - surface mining or in-situ production methods. Specifically, there are currently two in-situ production methods in commercial use, namely steam assisted gravity drainage ("**SAGD**") and cyclic steam stimulation ("**CSS**"). The determination of whether SAGD or CSS is employed is dependent on various reservoir characteristics. The Canada Oil Sands KKD project uses the SAGD in-situ method of extraction. The SAGD method injects steam into the bitumen reservoir to heat the bitumen and separate it from the sand, after which the bitumen is pumped to the surface.

Significant pipeline expansion and refining reconfiguration projects are forecast to increase transportation and refining capacity for Canadian oil sands production. In response to increased crude oil demand, several refinery expansion plans have been announced both in the United States and abroad. A significant portion of this expansion will allow refineries to process heavier grades of crude oil, such as Canadian oil sands. According to CAPP, in the U.S. in 2012, the Midwest (Petroleum

2 Upgrading is performed in two stages: The first stage involves breaking up the molecules by "coking", (also known as hydro-cracking or thermal conversion), hydro-processing or a combination of the two. Coking removes carbon, while hydro-processing adds hydrogen. The second stage involves stabilizing the products and removing impurities like sulphur through a process called hydro-treating. The final product of upgrading, known as SCO, can be used by many refineries as a replacement for conventional light crude oil.

Administration for Defense Districts ("**PADD**") II) was Canada's largest market for bitumen and conventional heavy oil due to its close proximity, large size and established pipeline network. Several refiners have announced expansions or conversions at PADD II and the U.S. Gulf Coast (PADD III) to accommodate growing heavy crude oil demand, including bitumen blend.

Critical to the future outlook of the Canadian crudes is to gain greater access to new markets. Key pipeline projects include Flanagan South/Seaway twinning (expected to be completed in 2014) and Keystone XL (expected to be completed in 2015 or 2016). Both projects connect western Canada to the United States Gulf Coast ("**USGC**"), a region with considerable capacity for consuming heavy crude. Timely construction and completion of these pipeline projects would ease the wide Canadian light-heavy oil price differentials. If sufficient transport capacity is not built, then prices for Canadian crudes would remain discounted, resulting in wider light-heavy price differentials.

Although the need to expand and reach new markets for Canadian oil sands is pressing, pipeline projects associated with Canadian oil sands have come under increased scrutiny, contributing to delays and uncertainty.

Project economics are not alone in shaping future markets for oil sands. Regulatory processes, local concerns, greenhouse gas emissions and climate change, and aboriginal rights in Canada all have crucial influence.

Australia

The following table sets out Australia's natural gas and crude oil reserves for 2006 to 2012.

	Natural Gas	**Crude Oil**
	(trillion cubic meters)	**(billion barrels)**
Proved Reserves		
As of December 31,		
2006	2.4	3.5
2007	2.3	3.4
2008	3.5	4.2
2009	3.5	4.1
2010	3.7	3.8
2011	3.8	3.9
2012	3.8	3.9

Source: BP Statistical Review

Note: 1 billion cubic feet of natural gas = 0.028 billion cubic meters of natural gas

Australia is a net importer of oil. According to Australia's Bureau of Resources and Energy Economics ("**BREE**"), Australia imported 188 MMbbl of crude oil and other refinery feedstocks in 2013. The oil mainly came from United Arab Emirates, Malaysia, Nigeria and Indonesia. Australia also exported 118 MMbbl of crude oil and other refinery feedstocks in 2013. Key destinations include China, South Korea, Japan and Thailand. Australia has emerged as a key LNG exporter through its North West Shelf and Darwin projects. Australia's LNG exports were 24 million tons in 2012-2013. Australia has sales contracts in place to supply LNG to Japan, China, and South Korea. In 2011 alone, five new greenfield LNG projects took their final investment decision, and Australia now has seven greenfield LNG plants under construction. Australia's gas export business is diversified as it consists of both conventional and unconventional supply, and is leading the way in terms of technological advances with the industry's first floating LNG facility to be developed there (Prelude LNG).

RELATIONSHIP WITH THE GOVERNMENT AND PTT AND REGULATORY MATTERS

General Overview

PTTEP was established in 1985 pursuant to a resolution of the Cabinet to enable the Government to hold petroleum concessions and to bring into existence an organization with an independent, flexible and efficient management that would be able to compete in the international petroleum industry. PTT is a state-owned enterprise which owned 65.29% of the issued and outstanding ordinary shares of PTTEP as of February 17, 2014. The resolution of Energy Policy and Planning Committee No. 5/2540 (No. 66) dated October 24, 1997 sets forth a policy requiring PTT to retain a minimum of 51.0% of the issued and outstanding ordinary shares of PTTEP. So long as PTT remains a state-owned enterprise and PTT continues to own more than 50.0% of our outstanding capital stock, PTTEP will remain a state-owned enterprise as defined under the Budgetary Procedure Act B.E. 2502 (1959) of Thailand.

While the Cabinet has adopted a resolution generally exempting PTTEP from the orders, rules, regulations and resolutions of the Cabinet which normally apply to state-owned enterprises, as a matter of Government policy currently in effect, PTTEP, as a state-owned enterprise, must have its financial statements audited by the Office of the Auditor General of Thailand under the Organic Act on State Audit B.E. 2542 (1999). PTTEP will continue to be subject to the restrictions described above until such time as Government policy changes or the Government (through PTT or otherwise) ceases to own more than 50.0% of the outstanding capital stock of PTTEP.

In addition to the status of PTTEP as a state-owned enterprise under Thai law, PTTEP, as a majority owned subsidiary of PTT, is controlled by PTT and maintains a significant business relationship with PTT. See "*Principal Shareholders*" and "*Related Party Transactions*."

Regulatory Matters

The Ministry of Energy (the "**MOEN**") was established in 2002 as part of a ministerial restructuring under the Act for Reorganizing Government Ministries B.E. 2545 (2002). The establishment of the MOEN was aimed at achieving better integration and higher efficiencies in the formulation and implementation of the country's energy related policies. The majority of the departments under the MOEN were transferred from the Ministry of Industry with the key addition of the National Energy Policy Office, which was previously under the direct control of the Prime Minister.

The MOEN and its key offices, including the Department of Mineral Fuels, the Department of Energy Business, the Department of Alternative Energy Development and Efficiency and the Energy Policy and Planning Office, make up an instrumental Government body with the authority to formulate, make recommendations on, and oversee the implementation of policies related to the country's present and future energy demand. Such policies include the management of the country's indigenous resources through the granting of concessions to explore and produce petroleum in Thailand.

The Government owns all of Thailand's petroleum resources and has enacted the Petroleum Act B.E. 2514 (1971) and the Petroleum Income Tax Act B.E. 2514 (1971), as amended (the "**Petroleum Acts**") to govern the award of concessions for petroleum exploration and production rights in Thailand. The Cabinet, upon the advice of the Petroleum Committee, which was led by the Permanent Secretary of the Ministry of National Development (prior to August 4, 1989), the Permanent Secretary of the Ministry of Industry (from August 4, 1989 to October 18, 2007) and the Permanent Secretary of the Ministry of Energy (from October 18, 2007 onwards), shall have the power to award the concession. The Petroleum Acts have been amended over time into three different fiscal regimes, commonly referred to as "Thailand I", "Thailand II" and "Thailand III." Exploration and production of all petroleum resources in Thailand in which PTTEP currently has a working interest is governed by Thailand I and Thailand III.

Thailand I is applicable to concessionaires under the Petroleum Act B.E. 2514 (1971), No. 2 B.E. 2516 (1973) and No. 3 B.E. 2522 (1979), which applies to concessions granted from 1971 to July 1989 and provides for exploration periods of up to eight years, divided into phases of three and five years, with an extension of up to four years at the discretion of the Minister as approved by the Cabinet. After five years, a concessionaire is required to relinquish exploration rights to 50.0% of the original concession area. Unless a concession period is renewed, the concessionaire must relinquish the right to explore the remaining area at the end of the exploration period. If renewed, the concessionaire must relinquish 25.0% of the original exploration area upon the commencement of the concession period. Thailand I provides for an up to 30-year production period from the day following the date of termination of the exploration period, with one discretionary extension by the Minister, as approved by the Cabinet, of up to ten years. Thailand I provides for a fixed 12.5% royalty (in the case of payment in cash), payable quarterly, and a petroleum income tax of 50.0% of net profit derived from the petroleum business. For the purposes of determining the petroleum income tax due under Thailand I for any tax period, a taxpayer's Thailand I royalty, except for exported crude oil, is creditable against the corresponding petroleum income tax liability incurred in the tax period in which such royalty is incurred, but if the royalty exceeds the income tax liability in any year, the excess is not refunded and is not carried forward for use in a subsequent year. Thailand I royalty for exported crude oil is deductible as an expense.

Thailand III is applicable to concessionaires under the Petroleum Act No. 4 B.E. 2532 (1989), No. 5 B.E. 2534 (1991), and No. 6 B.E. 2550 (2007), which applies to all concessions granted since August 1989, and provides for exploration periods of six years, divided into two three-year phases, with an extension of three years at the discretion of the Minister, as approved by the Cabinet (for the concessionaires under the Petroleum Act No. 4 B.E. 2532 (1989), as the Minister upon the advice of the Petroleum Committee (for the concessionaire under the Petroleum Act No. 6 B.E. 2550 (2007)). Under Thailand III, after four years a concessionaire is required to relinquish exploration rights to 50.0% of the original concession area. Unless a concession period is renewed, the concessionaire must relinquish the right to explore the remaining area at the end of the exploration period. If renewed, the concessionaire must relinquish 25.0% of the original exploration area upon the commencement of the concession period. Thailand III provides for an up to 20-year production period from the day following the date of termination of the exploration period, with one discretionary extension by the Minister, as approved by the Cabinet (for the concessionaires under the Petroleum Act No. 4 B.E. 2532 (1989), as the Minister upon the advice of the Petroleum Committee (for the concessionaire under the Petroleum Act No. 6 B.E. 2550 (2007)), of up to ten years. Thailand III provides for a royalty, payable monthly, at progressive rates of between 5.0% and 15.0%, based on the volume of sales, and a petroleum income tax of 50.0% of net profit derived from the petroleum business, as well as a special tax on annual petroleum profits exceeding a certain threshold at rates not in excess of 75.0% of the petroleum profit of each year, known as "Special Remuneratory Benefit." A taxpayer's Thailand III royalty and Special Remuneratory Benefit are not creditable for purposes of determining the petroleum income tax liability due under Thailand III, but are deductible as expenses.

Under the Petroleum Act No. 1 B.E. 2514 (1971) enacted in April 1971, the Minister granted exploratory onshore blocks of 10,000 sq. km each, and each applicant could receive up to five exploration blocks in the aggregate containing no more than 50,000 sq. km. Under the Petroleum Act No. 4 B.E. 2514 (1971) enacted in August 1989, onshore blocks of up to 4,000 sq. km are granted. Therefore, from August 1989, each applicant could receive up to five exploration blocks, in the aggregate containing no more than 20,000 sq. km. However, after the Petroleum Act No. 6 B.E. 2514 (1971) enacted in October 2007, there has been no limitation on the number of exploration block granted to each applicant, but the area of each onshore block must not be larger than 4,000 sq. km.

The Petroleum Acts impose price caps on prices charged for crude oil and condensate, natural gas and natural gas produced for domestic consumption. The price charged on crude oil or condensate produced for domestic consumption must not exceed the average price of exported crude oil or condensate realized by all concessionaires in the preceding calendar month. The difference in quality of crude oil and condensate, transportation cost, as well as any other relevant circumstances must be taken into account when determining the price that can be charged by a concessionaire.

The price of natural gas produced for domestic consumption must be as agreed between a concessionaire and the Petroleum Committee with the approval of the Minister of MOEN and must not exceed the average price of exported natural gas, taking into account the difference in quality and transportation cost.

In addition to the concession, Thailand also entered into the Malaysia-Thailand Joint Authority Agreement with Malaysia and enacted the Malaysia-Thailand Joint Authority Act B.E. 2533 (1990) and the Petroleum Income Tax Act (No. 5) B.E. 2541 (1998) governing the Malaysia-Thailand Joint Development Area. Under these acts, subject to the prior approval from the governments of Malaysia and Thailand, the Malaysia-Thailand Joint Authority will enter into production sharing contracts with contractors who must (i) pay royalties equal to 10.0% of the gross petroleum production to the Malaysia-Thailand Joint Authority ("**MTJA Royalties**"); and (ii) share 50.0% of its profits with the Malaysia-Thailand Joint Authority. Its profits shall be calculated as gross petroleum production less MTJA Royalties less its expenses, which shall be deducted at 50.0% of gross petroleum production. The petroleum income tax must be paid to the government of Thailand according to the following schedule:

(i) the first accounting period to eighth accounting period at the rate of 0.0%;

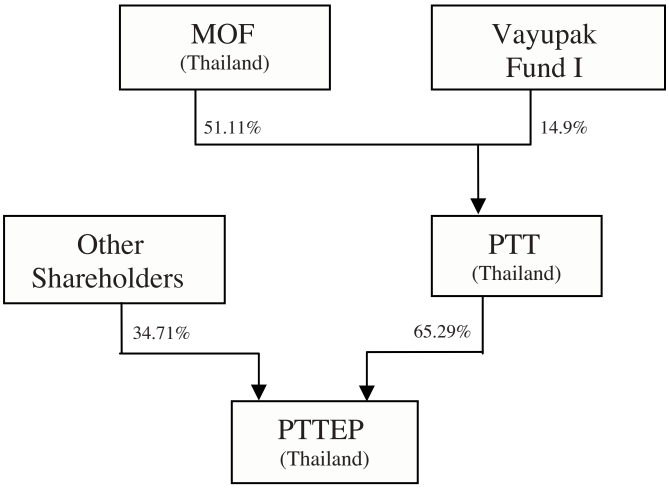
(ii) the ninth accounting period to the fifteenth accounting period at the rate of 10.0%; and

(iii) the sixteenth accounting period onwards at the rate of 20.0%.

PTTEP CORPORATE STRUCTURE

PTTEP was incorporated in 1985 pursuant to a resolution of the Cabinet as the oil and natural gas exploration and production arm of PTT, which is a state enterprise that was established to develop and promote Thailand's petroleum industry and to ensure the security of Thailand's energy supply. PTTEP has been listed on the Stock Exchange of Thailand ("**SET**") since 1993.

A simplified corporate and financing structure of our group as of February 17, 2014 is set out below.



General Overview

Our principal activity is the exploration, development and production of oil and natural gas in Thailand and in other countries globally. We were incorporated in 1985 as the oil and natural gas exploration and production arm of PTT, a state-owned enterprise established to develop and promote Thailand's petroleum industry and to ensure the security of Thailand's energy supply. PTT had a 65.29% ownership interest in us as of February 17, 2014.

We conduct our exploration and production activities through our working interests in petroleum concessions owned and operated independently or through joint ventures with national and international petroleum companies. Under the terms of these joint venture agreements, at least one joint venture participant manages the concession on behalf of the joint venture as an operator. As of March 31, 2014, we had working interests in 42 petroleum exploration and production projects, of which 18 are Thai projects, 15 are regional projects in neighboring countries, including Myanmar, Vietnam and Indonesia, and 9 are international projects in other countries including Australia, Canada, Oman, Algeria, Kenya and Mozambique. In addition, 23 projects are in the production stage and 19 projects are under the development and exploration stage. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda entered into on April 3, 2014, we will have a total of 43 petroleum exploration and production projects across 11 countries.

Our ordinary shares were first listed on the SET in June 1993. Our market capitalization as of March 31, 2014 was Baht 623.3 billion (US$19.2 billion).

Competitive Strengths

We believe that our historical success and future prospects are directly related to a combination of strengths, including the following.

Leading regional exploration and production company benefiting from attractive opportunities in Southeast Asia

We are the only Thai international petroleum exploration and production company and one of the largest exploration and production companies in Southeast Asia in terms of reserves and production. We are also one of the five largest companies in the SET by market capitalization. As of December 31, 2013, we had total proved and probable reserves of 1,706 MMBOE, which includes proved reserves of 846 MMBOE and probable reserves of 860 MMBOE. For the year ended December 31, 2013 and for the three-month period ended March 31, 2014, we had total production of natural gas, crude oil (including LPG and bitumen) and condensate of 329 KBOE/d and 332 KBOE/d, respectively.

Our strong foundation in Thailand and status as the national exploration and production company of the country offer us attractive regional opportunities. We benefit both from Thailand's favorable natural gas supply and increasing natural gas demand, as natural gas remains one of the main sources of energy consumption in Thailand. Furthermore, we are also the national vehicle for undertaking petroleum exploration and production activities and developing a long-term natural gas supply in Thailand. We believe we are well and uniquely positioned to obtain licenses for both new and expiring concessions. We believe that we have the capability to significantly extend petroleum production in Thailand by enhancing petroleum recovery of existing fields and developing new fields, including marginal fields.

In Myanmar, one of our key growth hubs, we have over 20 years of experience in exploration and production and are an active partner to the neighboring country's petroleum industry, providing the local employees with training and support services. In 2011, we successfully won licenses for two new exploration blocks and are currently focused on the appraisal and development of major discoveries in hydrocarbon-rich areas. In 2013, we were also awarded two other exploration blocks.

Our continued business activities in Vietnam and Indonesia provide us with attractive exploration and production opportunities. As Thailand's national vehicle for undertaking petroleum exploration and production, we provide extensive assistance to the Thai Government in the discussions between

Cambodia and Thailand regarding petroleum exploration and production in the overlapping area. Reaching an agreement in such discussions would not only significantly benefit both countries, but would also provide us with new opportunities for exploration and development in an area we believe has high potential. Discussions between governments are still pending.

Internationally diversified and balanced portfolio of upstream assets

We believe our large portfolio of blocks offers a diversification of reserves, production and exploration opportunities. As of March 31, 2014, our portfolio included a total of 42 projects in 10 countries, consisting of a combination of petroleum producing as well as development and exploration assets. As of December 31, 2013, we had a geographically balanced portfolio of proved reserves, with 53.2% of such reserves located in Thailand and 46.8% overseas, and probable reserves with 41.7% of such reserves located in Thailand and 58.3% overseas. We have a strong foundation in Thailand and its adjacent areas with 18 projects, of which 14 are in production and four are in various stages of exploration and development. Outside of Thailand and its adjacent areas, we have 24 projects located in the Asia Pacific, North American, Middle Eastern, North African and East African regions, with 9 in production and 15 in various stages of exploration and development. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda, we will have 43 petroleum exploration and production projects across 11 countries.

We believe that our assets, which included 23 petroleum production assets and 19 assets in various stages of development and exploration, as of March 31, 2014, provide a good balance between cash flow generation and future growth prospects in our growth hubs of Southeast Asia, East Africa and North America. The aforementioned growth hubs are regions which PTTEP has assessed as having petroleum potential while having acceptable levels of risks. Our growth hubs provide us with a strong production base with clear opportunities to enhance our business in the near to medium term. Outside of our growth hubs, we have production assets and development and exploration assets in Australia, the Middle East and North Africa.

In addition to our diversification in assets in various stages of exploration and production, we have also sought to diversify between gas and liquid assets. While gas production has historically contributed approximately two-thirds of our sales volume we have, in recent years, sought reliable energy sources in liquid and liquid-rich gas assets. For instance, our decision to invest in the Canada Oil Sands KKD project is intended to support our diversification strategy by shifting our gas to liquids asset ratio towards liquids.

Visible organic growth from strong reserves base

As of December 31, 2013, our proved reserves were 846 MMBOE, while our probable reserves were 860 MMBOE. Our compound average growth rate for average daily sales volume was 5.1% for the three years ended December 31, 2013 due to successful new developments over the period. Our EBITDA increased at a growth rate of 7.3% from 2012 to 2013, reaching US$5,167 million for 2013. We expect to continue to grow our production and sales volumes at our existing assets through our exploration and development activities to identify and appraise additional reserves and resources. We also intend to engage in opportunistic development and acquisition activities to complement our organic growth by focusing on acquisitions of assets which meet our investment criteria that are already in production or near production, will provide immediate contributions to our production and reserves base.

Our key projects targeted for near-term growth (approximately two years) include the Montara project in Australia, which commenced production in June 2013, the Zawtika project in Myanmar, which began production in March 2014 and the Algeria 433a & 416b project in Algeria, which is currently scheduled to commence production by the end of 2014. Our key projects for long-term growth include the Mozambique Offshore Area 1 LNG project (of which we have an 8.5% ownership interest) with an initial capacity of 10 MMtpa from two 5 MMtpa LNG-trains, the Canada Oil Sands KKD project, the M3 project in Myanmar, which was successful with its appraisal program in 2013, the Algeria Hassi Bir Rekaiz project, which was successful in its first exploration program during 2012 and 2013, and the potential expansion of the Mozambique LNG development into a capacity of 50 MMtpa alongside continued exploration efforts in Mozambique, Kenya and Australia, especially in Cash-Maple fields where we have already discovered gas resources.

Strong operational capabilities

As of March 31, 2014, we were the operator of 20 of our 42 projects with a track record of successful operations. Over the last five years, we have successfully developed Arthit, which achieved its first full year of production in 2009; Arthit North, which commenced production in 2009; the MTJDA-B17 project, which commenced production in February 2010; Vietnam 16-1, which commenced production in August 2011; Greater Bongkot South which started production at 320 MMscf/d in June 2012; and Zawtika which started production to supply to Myanmar at 40 MMscf/d in March 2014. In addition, in 2013, we had a drilling success rate of 69.1%, discovering petroleum in 38 of the 55 exploration and appraisal wells drilled. We also believe that our strong operational capabilities are further enhanced through our partnerships with international companies such as Total, Shell, BG, Chevron and ExxonMobil.

Since 2011, our EBITDA and EBITDA margins have grown. We believe that our EBITDA growth and EBITDA margin are evidence of our focused development objectives, synergies with PTT operations and efficient cost structure. These factors allow us to compete effectively, even when the market price of crude oil is low. We have achieved average lifting costs of below US$6/BOE and we believe that we have one of the lowest lifting costs amongst our peers. We believe our financial and operational strengths allow us better access to the domestic and international capital markets to fund our acquisition and development costs, as demonstrated by our history of successful fund raisings.

Strong relationship with majority shareholder

We are the national petroleum exploration and production company of Thailand and have a strong relationship with our majority shareholder, PTT. PTT is Thailand's national oil company and benefits from a strong financial and operating position in the Thai petroleum markets. It is the largest supplier of petroleum and petrochemical products in Thailand, and substantially all of Thailand's gas transmission and distribution pipeline system are owned and operated by PTT, which we use to transport natural gas to PTT.

In 1985, we were founded as the exploration and production arm of PTT. PTT had a 65.29% ownership interest in us as of February 17, 2014. Many of our directors and senior managers worked at PTT before working for us and several members of PTT's board of directors are also members of our board of directors.

Our relationship with PTT creates synergies in the natural gas value chain, providing PTT with access to gas production and providing us with long-term off-take agreements that provide us with a stable revenue stream. We fulfill a significant proportion of PTT's petroleum requirements. PTT purchased 85.7% of our total sales volume for 2013. Our relationship with PTT allows us to offer integrated solutions to clients. As Thailand's national oil company, PTT provides leverage and support for our relationships with other government bodies and agencies. We work closely with PTT and related government agencies to outline and implement Thailand's national petroleum supply plans and policies.

Experienced management team

Our management team has extensive experience in the petroleum industry, and most of our executives have been with us or PTT since our inception in 1985. Our management team and staff have had the opportunity to work closely with foreign partners both within and outside Thailand. We have been able to deploy experienced management team members across our geographic operations to implement projects and oversee operations. We believe that our management team has contributed significantly to our past success and will continue to contribute to our future growth.

Strategies

Our primary objective is to become a leading exploration and production company in Asia, and to enhance our position in our other growth hubs of East Africa and North America. We have a three-pronged strategy of achieving big production, long-life reserves, and strong returns to our stakeholders. We aspire to achieve production levels of 600 KBOE/d by 2020, while maintaining a reserves-to-production ratio of no less than ten years, through further development of our existing domestic and international projects, as well as through selective acquisitions that meet minimum return thresholds and are expected to create additional value for our shareholders. We will continue to carry out portfolio management activities to ensure appropriate investments and risk management while adding value to our projects. This includes the possibility of divesting certain assets as well as restructuring ownership interests to ensure that we maximize our value creation opportunities. Key elements of our strategy include the following.

Maximize production from existing assets

We believe that our existing portfolio has meaningful production growth potential. We intend to increase the production level, production plateau period and production life of our existing assets by focusing on maximizing the recovery at our producing projects and near-field exploration. We intend to continue actively developing our large undeveloped proved reserves, which accounted for 46.1% of our proved reserves as of December 31, 2013. We also expect to discover further resources by continuing to explore the areas near our current producing ones. In 2013, we discovered petroleum in 38 of the 55 exploration and appraisal wells drilled, representing a drilling success rate of 69.1%. For the three-month period ended March 31, 2014, we discovered petroleum in 9 of the 10 exploration and appraisal wells drilled, representing a drilling success rate of 90.0%.

We are dedicated to expanding production in our existing portfolio to ensure that Thailand has a secure supply of energy to meet its current and future needs. To respond to the dynamics of increasing energy demands, we have closely monitored petroleum demands and have been coordinating with PTT and related government agencies to collectively outline the optimal supply plan. We have also reviewed and adjusted our production and our project development plans to match energy demand.

Continue to participate in key petroleum projects in the region by leveraging our current relationships and market position

Since our Company was founded as the exploration and production arm of PTT in 1985, we have benefited from the Government's policy of encouraging Thai participation in exploration and production activities in the region. As a result, we have participated in key regional projects and have a strong position in the Gulf of Thailand and the Gulf of Moattama in Myanmar, which we believe are attractive exploration and development areas due to their resources potential, relatively low geological risks and finding costs and a developing infrastructure network of gathering systems, pipelines and platforms.

We believe that with our growing regional knowledge base, technical capability and our close relationships with PTT, the Government and international petroleum companies, we are well positioned to take advantage of the attractive exploration and development opportunities in this region. In Thailand, we believe that, as the country's national petroleum exploration and production company, we are well placed to obtain licenses with respect to both new and expiring concessions. We believe that we can expand production with the development of new petroleum exploration and production technologies. We also expect to use such technology to produce significant additional hydrocarbons by developing marginal fields that we cannot currently develop, but which we consider commercially viable. In Myanmar, we continue to benefit from our long history of investments and activities having been awarded two new exploration licenses in 2013. We are currently appraising Block M3, preparing to drill PSC-G and EP-2 and exploring MD-7 and MD-8, which we believe are important projects for our medium- and long-term production growth strategy. In Vietnam, we completed our second development program of Block 16-1 in July 2012, further increasing our production in the country. In addition, we have one production and three exploration projects in Indonesia.

Optimize our investment portfolio with a goal towards sustainable growth and a focus on targeting select acquisitions and dispositions

We conduct an annual study that provides a detailed evaluation of our competitiveness in selected countries and business technologies. We integrated the results of the study into our overall growth strategy providing a roadmap to pursue certain prioritized countries and technologies. Furthermore, as part of our portfolio optimization, we constantly monitor and evaluate our portfolio for potential acquisitions, divestments and farming in/out of various assets. In the case of farm outs/divestments, we seek opportunities to optimize ownership in assets, as part of our strategy to reduce our exposure and risks, monetize our assets, bring in technical expertise where needed and enhance value for our shareholders. We have successfully implemented this strategy through the farm out of the M3 and M11 projects in Myanmar in 2013 as well as the Canada Oil Sands KKD project asset swap in 2014.

We intend to increase our investments in those areas or countries that we believe have a high potential for petroleum and where we have an established presence in terms of existing projects or interests, including but not limited to Myanmar, Indonesia, Vietnam, Australia, North America and East Africa. We intend to focus mainly on business development, including select acquisitions such as farm-ins with respect to conventional exploration and production projects in the development and production phase, where we see value creation and where the opportunities fit with our business expansion strategies, exemplified by the acquisition of Hess Corporation's 15% interest in the Contract 4 project, 35% interest in Block EU-1 and Block E5 North of the Sinphuhorm project and 11.5% interest in the Natuna Sea A Project, all of which are in the production phase.

We also intend to selectively pursue opportunities to invest in unconventional exploration and production projects or regions outside our current activities if we believe that such opportunities can create long-term value for us and meet our strict criteria. These may include opportunities characterized by specialized technological expertise, high investment and unit costs and high return prospects (for example, oil and natural gas from shales, deep-water drilling and heavy oil). We will continue to carry out portfolio management activities to ensure appropriate investments and risk management while adding value to our projects. These activities include potential plans to divest our existing projects in order to reduce our exposure and risks, monetize our assets and bring in potential technical expertise where needed.

We are seeking and securing LNG supplies in order to satisfy Thailand's increasing gas demand. Our parent company, PTT, has more than 3,000km of onshore and offshore gas transmission pipelines, a 5 MMtpa LNG import terminal and related infrastructure to support Thailand's natural gas based economy. For example, our recent acquisition of Cove is consistent with our strategy of leveraging both the LNG value chain of PTT and the anticipated strong LNG demand in Thailand in the future. We are currently studying the viability of floating liquefied natural gas ("**FLNG**") production, which is an emerging offshore production technology for reclaiming stranded gas resources, as a possible development scenario for our Cash-Maple and Oliver fields in the Timor Sea.

We have acquired a number of potential exploration permits and acreages in our portfolio, which we expect will contribute to further development and production. As of March 31, 2014, we had 42 exploration development and production projects in 10 countries, including 23 in production and 19 under development and exploration. Following the consummation of the Brazilian joint venture with BG E&P Brasil Ltda, we will have a total of 43 petroleum exploration and production projects across 11 countries.

Implement cost-saving initiatives to optimize value from existing assets

We periodically review our investment plans for existing and new assets with a view toward optimizing asset value. In particular, we focus on cost-saving initiatives such as renegotiating procurement spending to align our inventory and procurement periods to the prevailing market situation and seeking new suppliers from low-cost vendor countries. We also plan to standardize these initiatives across our existing assets. Moreover, we have initiated programs to improve our project management performance and the overall efficiency of our production and operation activities such as focusing on management of existing support vessels to increase utilization and reduce fuel consumption. In 2014, we continue to use procurement and logistics strategies such as price agreements and negotiating using long-term contracts.

Strengthen business through enhancements in operational, organizational and corporate governance structures in accordance with international standards

We are implementing programs to enhance the efficiency and productivity of our business operations, including various measures to accelerate the recruitment process to support our business expansion, and to develop and improve the skills of our personnel. On the technological side, we strive to continually gain new drilling and exploration competencies through internal development as well as partnerships, mergers, acquisitions and other means. We will complement these initiatives by developing a structured leadership development program. We are also strengthening our organizational support for business expansion and long-term growth through periodic reviews and streamlining of the supply chain process, the investment process and the portfolio management process. We aim to maintain a prudent capital structure management policy to support future growth, including policies aimed at maintaining our current credit rating on par with the Thai sovereign debt rating, a debt-to-equity ratio of approximately 50% or less and a debt-to-EBITDA of approximately 100% or less. We expect that our initiatives will allow us to maintain a high level of corporate governance.

Recent Developments

BG E&P Brasil Acquisition

On April 3, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada ("**PTTEP BL**"), a subsidiary of PTTEP, entered into an agreement with BG E&P Brasil Ltda. ("**BG Brasil**") to farm-in to concession blocks BAR-M-215, BAR-M-217, BAR-M-252 and BAR-M-254 located in the deep waters of the Barreirinhas basin. Under the agreement, PTTEP BL will hold a 25% interest, while BG Brasil will be the operator of the project and hold the remaining 75% interest. The agreement is subject to the approval of Brazil's National Agency of Petroleum, Natural Gas and Biofuels.

Hess Thailand Acquisitions

On April 22, 2014, through PTTEP Offshore Investment Company Limited and PTTEP International Limited, we signed a share purchase agreement to acquire 100% equity stakes of two subsidiaries of Hess Corporation, namely Hess Thailand Holdings II Limited ("**HTH**") and Hess Exploration Thailand Company Limited ("**HETCL**", together with HTH, "**Hess Thailand**") for approximately US$1 billion.

HTH, through its wholly owned subsidiary, Hess (Thailand) Limited, holds a 15% interest in Block B12/27 of the Contract 4 project and a 35% interest in Block EU-1 and Block E5 North of the Sinphuhorm Project. HETCL directly owns a 15% interest in Block G7/50 of the Contract 4 project.

Prior to the acquisition, we held 45% and 20% participating interests in the Contract 4 project and the Sinphuhorm project, respectively. After the completion of the acquisition, our participating interests in the Contract 4 project and the Sinphuhorm project increased to an aggregate of 60% and 55%, respectively. In addition, we will also take over as operator of the Sinphuhorm project. The HTH transaction was completed on April 22, 2014 and the HETCL transaction was completed on May 28, 2014.

Based on the most recently publicly disclosed reserves data (as of June 30, 2013), the Contract 4 project and the Sinphuhorm project reported, based on Hess Thailand's aggregate working interest at the time, approximately 46 MMBOE in proved reserves and approximately 39 MMBOE in probable reserves.

Canada Oil Sands KKD Project Asset Swap

On January 21, 2011, through our subsidiary, PTTEP CA, we acquired, from two subsidiaries of Statoil, a 40% interest in KOSP, a partnership that owns the Canada Oil Sands KKD project in Alberta, Canada for which Statoil was the operator. The project is comprised of five areas, namely, Leismer, Corner, Thornbury, Hangingstone and South Leismer in each of which PTTEP CA owned a 40% interest. The Leismer and Corner areas are in the production phase, while the Thornbury, Hangingstone and South Leismer areas are in the appraisal phase.

On May 28, 2014, PTTEP CA, through an ownership restructuring agreement with Statoil, exchanged its 40% interest in KOSP for full ownership of the Thornbury, Hangingstone and South Leismer areas plus cash of US$200 million and an additional amount calculated from working capital adjustments related to expenditures and revenues of the Canada Oil Sands KKD project from January 1, 2013 until the closing date which was approximately CAD238 million. As a result, PTTEP CA is no longer a partner in KOSP and holds 100% participating interests in, and operates, the Thornbury, Hangingstone and South Leismer areas while Statoil holds 100% of and operates the Leismer and Corner areas.

In connection with the disposal of our interests in the Canada Oil Sands KKD project, as of March 31, 2014, we reclassified approximately US$2,442 million of assets relating to our interests in the Leismer and Corner areas as assets held-for-sale as well as liabilities directly associated with assets classified as held-for-sale of approximately US$517 million. Upon completion of the swap transaction, our property, plant and equipment relating to oil and gas properties that we already classified as part of assets held-for-sale decreased by approximately US$1,841 million, while we received exploration and evaluation assets from the acquisition of interests in the Thornbury, Hangingstone and South Leismer areas of approximately US$1,546 million, plus cash consideration after working capital adjustments of approximately US$419 million. For further explanation on the reclassification of assets and liabilities and the decrease in our property, plant and equipment, please see Note 9 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, contained elsewhere in this Offering Memorandum.

Based on the most recently publicly disclosed reserves data (as of December 31, 2013), the Leismer and Corner areas of the Canada Oil Sands KKD project reported, based on our working interest at the time, approximately 53 MMbbl in proved reserves and approximately 349 MMbbl in probable reserves.

We believe that the new ownership structure of the Canada Oil Sands KKD project reflects an adjustment to our portfolio and timing of our capital expenditures that better align with current market conditions and allows us to more effectively pursue our own operational and strategic goals, such as optimization of our portfolio and investment returns.

Political developments in Thailand

Thailand is currently experiencing significant political uncertainty. Military leaders announced a coup d'état on May 22, 2014, following a period of protests against the previous government beginning in November 2013. For more information on these political developments and their possible effects, see "*Risk Factors — The impact of the recent political instability in Thailand remains uncertain, and any continued violence or instability could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects*."

Reserves

We categorize reserves as "proved" reserves when those quantities which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. In the case of natural gas and condensate reserves, we do not consider reserves from particular prospects as "proved" until the material terms of a sales agreement for natural gas or condensate from such prospect have been agreed with a purchaser. Thereafter, we may categorize additional reserves from such prospects as "proved" as and when we determine that additional quantities are reasonably certain to be recoverable in the future under existing economic and operating conditions. This practice is consistent with the Society of Petroleum Engineers guidelines with respect to such additional reserves. Proved reserves do not include petroleum that may be produced as a result of the introduction of new technology (unless proved successfully). Our reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

Proved Reserves

As of December 31, 2013, we had proved reserves as set forth in the table below.

	Proved Reserves as of December 31, 2013		
	Crude Oil and Condensate(1)(2)	Natural Gas(1)	Crude Oil, Condensate and Natural Gas(1)(2)
	(MMbbl)	(Bscf)	(MMBOE)
Total	250	3,877	846

Notes:

(1) The reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

(2) Includes the proved reserves and production of LPG and bitumen.

The table below sets forth information about our proved reserves as of December 31, 2011, 2012 and 2013.

	Proved Reserves of Crude and Condensate(1)(2) (MMbbl)			Proved Reserves of Natural Gas(1) (Bscf)			Proved Reserves of Crude Oil, Condensate and Natural Gas(1)(2) (MMBOE)		
	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total
2011									
Beginning of year	121	93	214	2,992	2,333	5,325	612	431	1,043
Revision of previous estimates	24	(1)	23	(224)	(31)	(255)	(20)	(7)	(27)
Improved recovery	6	—	6	27	—	27	11	—	11
Extensions and discoveries	5	36	41	128	—	128	26	36	62
Purchases/Sales of reserves in place	—	21	21	—	(195)	(195)	—	(10)	(10)
Production	(25)	(5)	(30)	(381)	(120)	(501)	(88)	(22)	(110)
End of year	131	144	275	2,542	1,987	4,529	541	428	969

	Proved Reserves of Crude and Condensate(1)(2) (MMbbl)			Proved Reserves of Natural Gas(1) (Bscf)			Proved Reserves of Crude Oil, Condensate and Natural Gas(1)(2) (MMBOE)		
	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total
2012									
Beginning of year	131	144	275	2,542	1,987	4,529	541	428	969
Revision of previous estimates	12	1	13	120	(18)	102	33	(5)	28
Improved recovery	7	—	7	11	—	11	9	—	9
Extensions and discoveries	2	2	4	35	2	37	7	3	10
Purchases/Sales of reserves in place	—	—	—	—	—	—	—	—	—
Production	(27)	(9)	(36)	(378)	(119)	(497)	(89)	(26)	(115)
End of year	125	138	263	2,330	1,852	4,182	501	400	901

	Proved Reserves of Crude and Condensate(1)(2) (MMbbl)			Proved Reserves of Natural Gas(1) (Bscf)			Proved Reserves of Crude Oil, Condensate and Natural Gas(1)(2) (MMBOE)		
	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total	Domestic(3)	Foreign	Total
2013									
Beginning of year	125	138	263	2,330	1,852	4,182	501	400	901
Revision of previous estimates	7	8	15	13	14	27	14	10	24
Improved recovery	4	—	4	25	—	25	8	—	8
Extensions and discoveries	5	2	7	84	5	89	19	3	22
Purchases/Sales of reserves in place	—	0	0	—	61	61	—	11	11
Production	(29)	(10)	(39)	(387)	(120)	(507)	(92)	(28)	(120)
End of year	112	138	250	2,065	1,812	3,877	450	396	846

Notes:

(1) The reported proved reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

(2) Includes the proved reserves and production of LPG and bitumen.

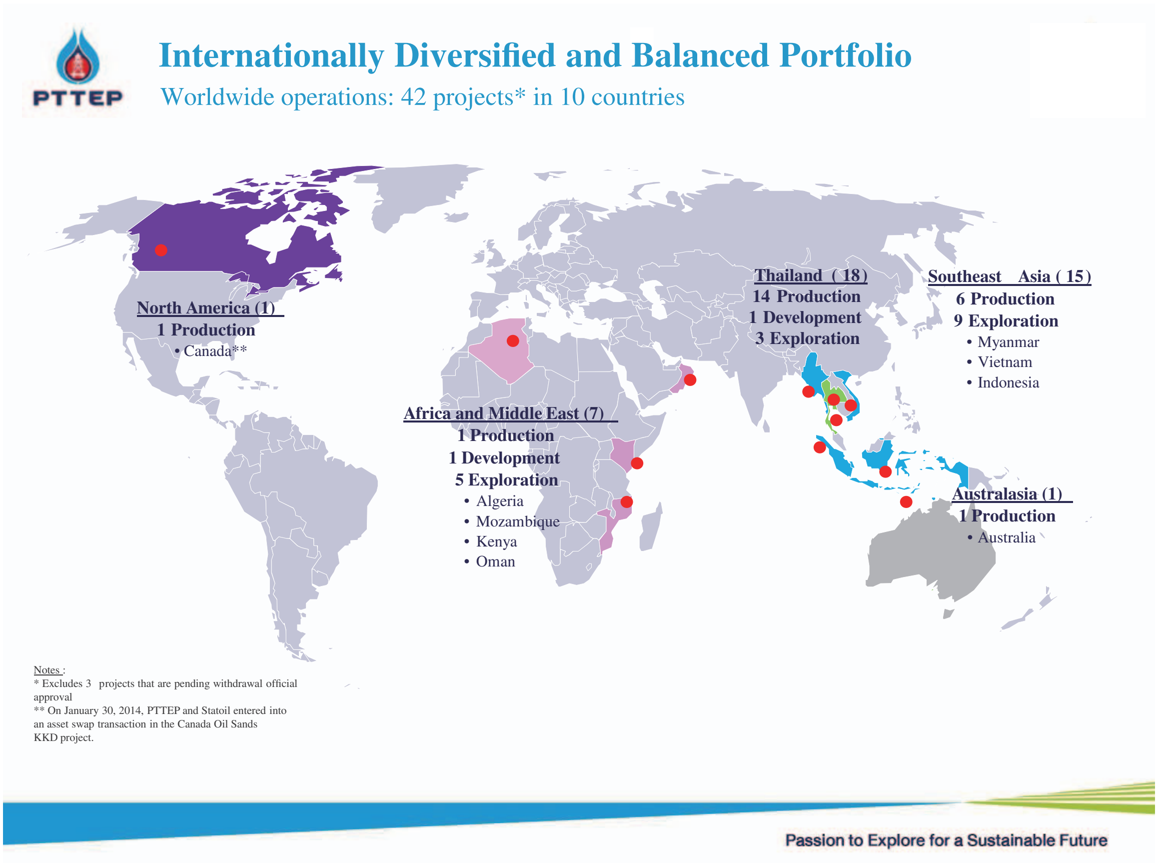
(3) Includes MTJDA-B17 Project.

We categorize as "proved developed reserves" the portion of proved reserves that we expect to recover through existing wells with existing equipment and operating methods and through improved recovery techniques from successful pilot projects or installed programs without any further significant investments required. As of December 31, 2013, our proved developed reserves of natural gas was 2,344 Bscf while our proved developed reserves of crude oil, condensate, LPG and bitumen was 104 MMbbl. Please see " — *Recent Developments*" for further discussion on recent movements in our reserves since December 31, 2013.

Probable reserves

Probable reserves are unproved reserves, in which the analysis of geoscience and engineering data indicate that they are less likely to be recovered than proved reserves. Our reported probable reserves reflect our working interest. Our working interest includes our net working interest and the related host country's interest pursuant to the relevant production sharing contract, if such contract is in effect. Please see "*Presentation of Oil and Gas Reserves Data*" for further explanation of our reserves reporting.

Our probable reserves of crude oil, condensate, LPG, bitumen and natural gas was 898 MMBOE, 885 MMBOE and 860 MMBOE for the years ended December 31, 2011, 2012 and 2013, respectively. As of December 31, 2013, approximately 54.2% of our probable reserves were crude oil, condensate, LPG, and bitumen while approximately 45.8% were natural gas. As of December 31, 2013, approximately 41.7% of our probable reserves were in domestic projects in Thailand, while approximately 58.3% were in overseas projects. Please see " — *Recent Developments*" for further discussion on recent movements in our reserves since December 31, 2013.



Principal Properties

As of March 31, 2014, we had working interests in 42 exploration development and production projects in 10 countries, including 23 in production and 19 under development and exploration.

The following table sets out certain information regarding our projects as of March 31, 2014.

	Project	Location	Operator	Partners' Interest (%)	Our Interest (%)
	Production Phase Thailand				
1.	Arthit	Gulf of Thailand	PTTEP	Chevron (16.0), MOECO (4.0)	80.0
2.	B6/27	Gulf of Thailand	PTTEP Siam Limited ("**PTTEPS**")	JX NOEX(40.0)	60.0
3.	B8/32 & 9A	Gulf of Thailand	Chevron	Chevron (51.66), MOECO (16.71), KrisEnergy (4.63), Palang Sophon (2.0)	25.0
4.	Bongkot	Gulf of Thailand	PTTEP	Total (33.3333), BG (22.2222)	44.4445
5.	Contract 3 (formerly Unocal III)	Gulf of Thailand	Chevron	Chevron (71.25), MOECO (23.75)	5.0
6.	Contract 4 (formerly Pailin)[(2)]	Gulf of Thailand	Chevron	Chevron (35.0), Hess (15.0), MOECO (5.0)	45.0
7.	E5 (Namphong)	Khon Kaen province	ExxonMobil	ExxonMobil (80.0)	20.0
8.	G4/43	Gulf of Thailand	Chevron	Chevron (51.0), MOECO (21.25), Palang Sophon (6.375)	21.375
9.	G4/48	Gulf of Thailand	Chevron	Chevron (71.25), MOECO (23.75)	5.0
10.	L53/43 and L54/43	Suphan Buri, Ayuthaya, Ang-Thong and Karnchanaburi provinces	PTTEPI	—	100.0
11.	MTJDA-B17	Overlapping area between Thailand and Malaysia	CARIGALI-PTTEPI Operating Company Sdn Bhd	PC JDA Limited (50.0)	50.0
12.	PTTEP 1	Suphan Buri and Nakhorn Pathom provinces	PTTEPI	—	100.0
13.	S1	Sukhothai, Phitsanulok and Kamphaengpet provinces	PTTEPS	—	100.0
14.	Sinphuhorm (EU-1 and E5 North)[(2)]	Udon Thani and Khon Kaen provinces	Hess	Hess (35.0), APICO (35.0), ExxonMobil (10.0)	20.0
	Overseas				
15.	Canada Oil Sands KKD[(3)]	Alberta, Canada	Statoil	Statoil (60.0)	40.0
16.	Natuna Sea A	Indonesia	Premier Oil	Premier Oil (28.67), KUFPEC (33.33), Petronas (15.0), Pertamina (11.5)	11.5

	Project	Location	Operator	Partners' Interest (%)	Our Interest (%)
17.	Oman 44	Oman	PTTEP Oman Company Limited	—	100.0
18.	Vietnam 9-2	Vietnam	Hoan-Vu Joint Operating Company	PetroVietnam (50.0), SOCO (25.0)	25.0
19.	Vietnam 16-1	Vietnam	Hoang-Long Joint Operating Company	PetroVietnam (41.0), SOCO (28.5), Opeco (2.0)	28.5
20.	Yadana	Myanmar	Total	Total (31.2375), Unocal (28.2625), MOGE (15.0)	25.5
21.	Yetagun	Myanmar	PC Myanmar (Hong Kong) Limited	Petronas Carigali Myanmar Inc. (30.0014), PC Myanmar (Hong Kong) Limited (10.90878), MOGE (20.45414), Nippon Oil (19.31784)	19.31784
22.	Zawtika	Myanmar	PTTEPI	MOGE (20.0)	80.0
23.	PTTEP AA				
	* Detail of operators and percentage of interest in PTTEP AA project:				
	i. AC/L1, AC/L2 and AC/L3		PTTEP Australasia (Ashmore Cartier) Pty Ltd.	Santos (10.3125)	89.6875
	ii. AC/L7, AC/L8, AC/RL7, AC/P33, AC/P34 and AC/P54		PTTEP Australasia (Ashmore Cartier) Pty Ltd.	—	100.0
	iii. AC/P4		PTTEP Australia Timor Sea Pty Ltd.	Cosmo Oil (50.0)	50.0
	iv. AC/RL10		PTTEP Australia Timor Sea Pty Ltd.	Bengal Energy Ltd. (10.0)	90.0
	v. WA-396-P and WA-397-P		Woodside Energy Ltd.	Woodside Energy Ltd. (60.0), Mitsui (20.0)	20.0
	vi. AC/RL4 (excluding Tenacious)		PTTEP Australia Timor Sea Pty Ltd.	Cosmo Oil (50.0)	50.0
	vii. AC/RL4 (Tenacious)		PTTEP Australia Timor Sea Pty Ltd.	—	100.0
	viii. AC/RL5		PTTEP Australia Timor Sea Pty Ltd.	Cosmo Oil Ashmore (50.0)	50.0
	ix. AC/RL6 (excluding Audacious)		PTTEP Australia Timor Sea Pty Ltd.	Cosmo Oil Ashmore (50.0)	50.0
	x. AC/RL6 (Audacious)		PTTEP Australia Timor Sea Pty Ltd.	Cosmo Oil Ashmore (35.0), Cosmo Oil (15.0)	50.0
	Development Phase Thailand				
24.	L22/43	Phitsanulok and Pichit provinces	PTTEPI	—	100.0
	Overseas				
25.	Algeria 433a & 416b	Algeria	Groupement Bir Seba (JOC)	PetroVietnam (40.0), SONATRACH (25.0)	35.0

	Project	Location	Operator	Partners' Interest (%)	Our Interest (%)
	Exploration Phase Thailand				
26.	A4, 5/48	Andaman Sea	PTTEPI	—	100.0
27.	G9/43	Overlapping area between Thailand and Cambodia	PTTEPI	—	100.0
28.	L28/48	Khon Kaen and Chaiyaphum provinces	PTTEPI	Resourceful Petroleum (30.0)	70.0
	Overseas				
29.	Algeria Hassi Bir Rekaiz	Algeria	PTTEP	CNOOC (24.5), SONATRACH (51.0)	24.5
30.	Indonesia Malunda	Indonesia	PTTEP Malunda Limited	—	100.0
31.	Indonesia Semai II	Indonesia	Murphy Oil	Murphy Oil (28.34), INPEX (28.33), Pertamina (15.0)	28.33
32.	Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	Talisman (33.0), Total (33.0)	34.0
33.	Kenya L5, L7, L11A, L11B and L12	Kenya	Anadarko	Anadarko (50.0), Total (40.0)	10.0
34.	Kenya L10A & L10B				
	L10A	Kenya	BG	BG (50.0), Pancontinental (18.75)	31.25
	L10B	Kenya	BG	BG (45.0), Premier Oil (25.0), Pancontinental (15.0)	15.0
35.	Mozambique Rovuma Offshore Area 1	Mozambique	Anadarko	Anadarko (26.5), Mitsui (20.0), ENH (15.0), BPRL (10.0), BREML (10.0), OVL (10.0)	8.5
36.	Mozambique Rovuma Onshore	Mozambique	Anadarko	Anadarko (35.7), Maurel & Prom (27.7), Wentworth (11.6), ENH (15.0)	10.0
37.	Myanmar MD-7 & MD-8	Myanmar	PTTEP South Asia Limited ("**PTTEP SA**")	—	100.0
38.	Myanmar M3	Myanmar	PTTEPI	MOECO (20.0)	80.0
39.	Myanmar M11	Myanmar	PTTEPI	Total (40.0), JX NOEX (15.0)	45.0
40.	Myanmar PSC-G and EP-2	Myanmar	PTTEP SA	Win Precious Resources (10.0)	90.0
41.	Vietnam B & 48/95	Vietnam	Chevron	Chevron (42.38), MOECO (25.62), PetroVietnam (23.5)	8.5
42.	Vietnam 52/97	Vietnam	Chevron	Chevron (43.4), PetroVietnam (30.0), MOECO (19.6)	7.0

Source: PTTEP

Notes:

(1) There are three projects (Indonesia Sadang, Indonesia South Sageri, New Zealand Great South) which are in the process of receiving government approval to be relinquished.

(2) On April 22, 2014, the Company through PTTEP Offshore Investment Company Limited and PTTEP International Limited signed a share purchase agreement to acquire 100% equity stakes of two subsidiaries of Hess Corporation namely, Hess Thailand Holdings II Limited ("**HTH**") and Hess Exploration Thailand Company Limited ("**HETCL**"). Together, HTH and HETCL held a 15% interest in Block B12/27 and Block G7/50 of the Contract 4 Project and a 35% interest in Block EU-1 and Block E5 North of the Sinphuhorm Project. After the completion of the acquisition, PTTEP's interests in the Contract 4 project and Sinphuhorm project increased to 60% and 55%, respectively. Please see "— *Recent Developments — Hess Thailand Acquisitions*" for a further description.

(3) On January 30, 2014, the Company through PTTEP CA, entered into a transaction with Statoil to restructure the ownership of the areas in the Canada Oil Sands KKD project. As a result of the transaction, PTTEP CA now directly owns and operates 100% of the Thornbury, Hangingstone and South Leismer areas, all of which are in the appraisal phrase, while Statoil owns and operates 100% of the Leismer and Corner areas. The transaction closed on May 28, 2014. Please see "— *Recent Developments — Canada Oil Sands KKD Project Asset Swap*" for a further description.

Exploration and Development Activities

We are involved in both exploration (the search for petroleum) and development (the drilling and bringing into production of wells in addition to the discovery well in a field) activities. Our exploration operations include aerial surveys, geological and geophysical studies (such as seismic surveys), drilling of wildcat wells, core testing and well logging. Seismic surveys involve recording and measuring the rate of transmission of shock waves through the Earth with a seismograph. Upon striking rock formations, the waves are reflected back to the seismograph. The time lapse is a measure of the depth of the formation. The rate at which waves are transmitted varies with the medium through which they pass. Seismic surveys may either be three-dimensional or two-dimensional surveys, the former type generally giving a better detail picture and the latter a better overall picture.

Analysis of the data produced allows us to formulate a picture of the underground strata to enable us to form a view as to whether there are any "leads" or "prospects." "Leads" are preliminary interpretations of geological and geophysical information that may or may not lead to prospects and "prospects" are geological structures conducive to the production of petroleum. The actual existence of such petroleum must be confirmed, usually by the drilling of an exploratory well. If such a well confirms the prospect (it is considered "successful"), we may then drill a delineation (or appraisal) well to acquire more detailed data on the reservoir formation. Once the presence of hydrocarbons is proved to have commercially recoverable quantities, or the delineation well is "successful", development wells may be drilled to prepare for production. An area is considered to be developed when we have a well on it capable of producing petroleum in paying quantities.

For the three-month period ended March 31, 2014, we discovered petroleum with commercial levels of flow in 9 of the 10 exploration and appraisal wells drilled, representing a drilling success rate of 90.0%. In 2011, 2012 and 2013, we discovered petroleum with commercial levels of flow in 11 of a total of 25 exploration and appraisal wells drilled, 43 of 54 wells and 38 of 55 wells, respectively.

Joint Venture Agreements

We hold the majority of our exploration and production interests through joint ventures with international petroleum companies. Each joint venture participant holds an undivided interest in the concession area described in the concession, and in all rights and obligations of the concessionaire. The operator has full control under the overall supervision and control of a joint operating committee of all petroleum-related operations, including exploration, appraisal, development and production, storage and transportation and is required to report regularly to the other joint venture participants. The operator's activities are generally funded either by monthly cash calls based on amounts agreed to in the annual budget prepared by the operator and approved by joint venture participants. The operator generally can be removed for gross negligence or misconduct and may resign with notice under certain circumstances.

Joint venture participants holding a specified percentage interest in a concession have the right of control over operations, which the parties can exercise through the operating committee of the joint venture. In addition, the joint venture participants holding such specified percentage interests have the right to approve development and exploration programs, production levels, annual budgets and amendments and adjustments to such budgets, contracts for goods, services or capital expenditures in excess of specified amounts. Representatives of each joint venture participant may review joint venture accounts and records and periodic reports before they are sent to the relevant government agencies. Regular meetings of the operating committee are held to coordinate and review information and plans. Each joint venture participant is only permitted to engage in exploration work after consultation with the other joint venture partners. If all other partners decline, the party that engages in such exploration work alone will solely accept all the risks and benefits of the venture.

Liability arising in respect of operations not otherwise insured is generally borne by each participant in accordance with their respective interest in the concession. The joint venture agreements generally provide that the operator will acquire insurance on behalf of the participants, unless such participants choose to acquire insurance individually, or self-insure their risks.

Our joint venture agreements generally terminate on the earlier of an agreement by the parties to terminate the joint venture or the termination of the underlying concession or production sharing contracts. In addition, the ability of the participants (including the operator) to transfer or assign their rights under the agreement or otherwise withdraw from the joint venture is generally subject to pre-emptive or first refusal rights in favor of the remaining joint venture partners.

Production Sharing Contracts

We are subject to production sharing agreements with local state-owned entities in connection with our projects in Asia Pacific, North Africa, East Africa and the Middle East. The production sharing contract may contain certain bonus provisions, payable by the contractor to the government, including a signature bonus for the effectiveness of the contract and a production bonus for meeting a production target. In addition, the production sharing contract will provide for the payment by the contractor of a royalty to the government which may be payable in cash or in kind, at the option of the government. Petroleum or gas that is produced and not used in operations or otherwise utilized to cover the contractor's operating costs and expenses or in lieu of its royalty obligations will be shared by the government and contractor in the proportions set out in the relevant production sharing contract.

The contractor is responsible for all execution of petroleum operations, providing all financial and technical assistance required for the operations. Certain minimum financial obligations with respect to the initial exploration period and any subsequent extension period in relation to exploration operations in the contract area are required. If the contractor fails to meet the minimum expenditure provision, the contractor may be obliged to pay a sum equal to the shortfall in expenditure to the government.

The initial term of each production sharing contract allows for exploration of the contract area and may be extended one or more times in accordance with the provisions of the production sharing contract. In the event that the contractor elects to extend the initial term, the contractor may be required to relinquish a prescribed portion of the original contract area not then converted into a development plan. If a discovery is made during the initial term or extension period, the current term will be extended for such additional period as is sufficient for the contractor to appraise the discovery, declare a commercial discovery and designate a development and production area. The development and discovery period will typically commence with respect to each development and production area on the date the contractor gives notice to the government of the commercial discovery and shall continue until the expiration of a period set out in the production sharing contract which can range from 20 to 30 years.

Production sharing contracts may be terminated upon giving the government the required prior written notice. However, the contractor may be unable to terminate the contract during the initial term before satisfying the minimum financial obligations required under the production sharing contract. Production sharing contracts may terminate automatically if no commercial discovery is made within the contract area or at the end of the production period.

Principal Properties in Production

We classify a property as in production when there are production activities. The production and sales volumes stated below refer to net total production and sales volumes of a project.

Thailand

Arthit

In 1998, we were granted concessions from the Government to explore and develop Area (14A, 15A and 16A of Block 14, 15 and 16). The Arthit project is located in the southern part of the Gulf of Thailand. We have an 80.0% interest in the Arthit project and we are also the operator.

The first phase of exploration consisted of seven exploration wells in 1998 through 2000. The second phase of exploration included (i) the drilling of 14 exploratory-appraisal wells in 2001 and 2002, (ii) post-well and prospect re-evaluated studies and results of the studies, and (iii) the first GSA based on field potential reserves and resources.

In January 2004, the first phase of development was launched with one central processing platform, one living quarter platform, six wellhead platforms, five sub-sea gas lines and one condensate line. First production started up in March 2008 with 330 MMscf/d of natural gas and 16,000 Bbls/d of condensate. From 2010 to 2011, in accordance with the terms and conditions of the GSA, we drilled the initial field reserves. The gas production profile was revisited based on official initial field reserves and production performance to optimize the reserves and prolong the production plateau. It was then agreed that the new daily contract quantity would be 220 MMscf/d as of December 2011.

Currently, the Arthit project is continuously engaged in exploration and production activities as well as carrying out the construction and installation of wellhead platforms and gas pipelines in order to maintain production levels.

Average sales volumes were 225 MMscf/d of natural gas and 9,393 Bbls/d of condensate for the three-month period ended March 31, 2014, 223 MMscf/d of natural gas and 9,267 Bbls/d of condensate in 2013, 237 MMscf/d of natural gas and 10,570 Bbls/d of condensate in 2012, and 268 MMscf/d of natural gas and 12,186 Bbls/d of condensate in 2011.

We have been the operator and the sole shareholder of the Arthit North project since 2006, which produces natural gas via FPSO, however, we have not had any sales volume of natural gas or condensate at the Arthit North project due to production stoppage at the project since November 2011.

G8/50

The second exploration period of the project lasted from December 19, 2010 to December 18, 2013. With the successful discovery of an exploration well, DMF approved the production area in March 2012 with a development plan for the first production in 2016 via Arthit's central processing platform and the project entered into a production phase beginning on December 19, 2013.

B6/27

The project is located in the Gulf of Thailand, approximately 25 km offshore from the Chumphon Province. In January 2004, we became the sole holder and operator of this concession. Currently, we hold a 60.0% interest in the concession.

From 2005 to 2007, the Nang Nuan field, which had two production wells, produced an average of approximately 1,400 Bbls/d. After 2007, however, we stopped crude oil production due to a decline in the production rate. In 2009, we re-initialized the exploration studies which include new three-dimensional seismic data acquisition and re-processing existing data. Most of the exploration studies have been completed. In January 2014, the project began drilling an exploration well (NKW-N01) to assess for petroleum potential in the NokKaew field. It completed the drilling in April 2014 with no hydrocarbons discovered.

B8/32 & 9A

We hold a 25.0% working interest in the B8/32 & 9A project. The B8/32 & 9A project is located in the Gulf of Thailand off the Chumporn coast. Chevron is the operator. The project has long-term GSAs with PTT and sales agreements for the sale of crude oil under spot cargo with other purchasers. In the year 2013, the B8/32 & 9A project continuously engaged in exploration and development activities in order to maintain production levels.

Sales volume averaged 118 MMscf/d of natural gas and 29,046 Bbls/d of crude oil in the three-month period ended March 31, 2014, 109 MMscf/d of natural gas and 28,128 Bbls/d of crude oil in 2013, 124 MMscf/d of natural gas and 31,669 Bbls/d of crude oil in 2012, 153 MMscf/d of natural gas and 31,426 Bbls/d of crude oil in 2011.

Bongkot

The Bongkot field is the largest natural gas field in the Gulf of Thailand and has been in production since 1993. It is located in the southern Gulf of Thailand (Blocks B15, B16, B17 and G12/48).The field accounts for the largest portion of our natural gas and condensate reserves. We are the operator of the project and hold a 44.4445% interest. All of the natural gas and condensate produced at Bongkot is sold to PTT pursuant to a GSA. The ownership of the natural gas from the Bongkot project is transferred to PTT at the sales point of the Central Processing Platform while the ownership of the condensate is transferred at the floating storage and offloading unit near the production well area vessel.

The Bongkot field's third phase of development is underway, with the goal of maintaining a daily contract quantity of 550 MMscf/d. Simultaneously, the fourth phase of development at Greater Bongkot South started production June 16, 2012. In 2009, we and our joint venture partners officially signed a GSA with PTT for the natural gas produced at Greater Bongkot South under a take-or-pay basis, with a daily contract quantity of 320 MMscf/d of natural gas. The signing of the GSA raised the total daily contract quantity of the Bongkot project to 870 MMscf/d. The production rates will increase the overall Bongkot production capacity up to 1 Bscf/d, which represents approximately 20% of Thailand's natural gas supply. We intend to fully explore the remaining area to assess the hydrocarbon potential of the concession.

Currently, the Bongkot project continuously engages in exploration and development activities as well as carries out the construction and installation of wellhead platforms and gas pipelines in order to maintain production levels.

Sales volume averaged 903 MMscf/d of natural gas and 31,620 Bbls/d of condensate in the three-month period ended March 31, 2014, 889 MMscf/d of natural gas and 32,493 Bbls/d of condensate in 2013, 750 MMscf/d of natural gas and 27,203 Bbls/d of condensate in 2012 and 591 MMscf/d of natural gas and 20,414 Bbls/d of condensate in 2011.

Contract 3

In 1990, we acquired an interest in the Contract 3 project. Our current interest in the Contract 3 project is 5.0%. The operator is Chevron. The Contract 3 project is located north of the Bongkot project in the Gulf of Thailand, off the coast of Surat Thani Province. Contract 3 includes G 6/50, which is in the exploration phase. All of the natural gas and condensate produced at Contract 3 is sold to PTT on a take-or-pay basis pursuant to long-term gas purchase agreements. Natural gas is transported to the Erawan platform and then delivered to Map Ta Phut in Rayong Province.

Currently, the Contract 3 project continuously engages in exploration and development activities as well as carries out the construction and installation of wellhead platforms and gas pipelines in order to maintain production levels.

Sales volume averaged 628 MMscf/d of natural gas, 22,182 Bbls/d of crude oil and 17,657 Bbls/d of condensate in the three-month period ended March 31, 2014, 641 MMscf/d of natural gas, 25,511 Bbls/d of crude oil and 18,989 Bbls/d of condensate in 2013, 551 MMscf/d of natural gas, 24,350 Bbls/d of crude oil and 15,673 Bbls/d of condensate in 2012 and 419 MMscf/d of natural gas, 24,419 Bbls/d of crude oil and 11,735 Bbls/d of condensate in 2011.

Contract 4

In 1993, we acquired an interest in the Contract 4 project (Block B12/27). Our interest in the Contract 4 project, as of March 31, 2014 was 45.0%. The operator is Chevron. The Contract 4 project is located northwest of Bongkot in the Gulf of Thailand off the coast of Songkhla Province. The Contract 4 project also includes the G7/50 block, which is in the exploration phase. The natural gas and condensate produced at Contract 4 is transported by pipeline to PTT's Erawan platform, and the natural gas is then delivered to Map Ta Phut in Rayong Province. All of the natural gas and condensate produced at Contract 4 is sold to PTT on a take-or-pay basis pursuant to a long-term gas sale and purchase agreement.

The Contract 4 project was expanded in July 2002 to provide 330 MMscf/d of gross production capacity. On October 10, 2003, the Contract 4 project joint development partners amended the GSA for Contract 4 to reduce the gas price by 3.0% effective October 1, 2003. In return for this price reduction, PTT agreed to increase the volume of gas it purchased from Contract 4 from 330 to 353 MMscf/d. The price discount will increase to 5.0% beginning from the date of completion of the project's gas pipeline master plan until the expiration of the GSA. In return for this further reduction, PTT agreed to increase the volume of gas it purchased from 353 to 368 MMscf/d.

In 2013, the project drilled additional exploration and development wells on a continual basis in order to maintain the production plateau. Moreover, a Front End Engineering Design (FEED) was carried out for the development of the Ubon field, a potential future oil field.

On April 22, 2014, through PTTEP Offshore Investment Company Limited and PTTEP International Limited, we signed a share purchase agreement to acquire 100% equity stakes of two subsidiaries of Hess Corporation, namely Hess Thailand Holdings II Limited ("**HTH**") and Hess Exploration Thailand Company Limited ("**HETCL**") for approximately US$1 billion. HTH, through its wholly owned subsidiary, Hess (Thailand) Limited, holds a 15% interest in Block B12/27 of the Contract 4 project. HETCL directly owns a 15% interest in Block G7/50 of the Contract 4 project. Prior to the acquisition, we held 45% participating interest in the Contract 4 project but after the completion of the acquisition, our participating interest in the Contract 4 project increased to an aggregate of 60%.

Sales volume averaged 371 MMscf/d of natural gas and 16,114 Bbls/d of condensate in the three-month period ended March 31, 2014, 376 MMscf/d of natural gas and 15,848 Bbls/d of condensate in 2013, 385 MMscf/d of natural gas and 14,868 Bbls/d of condensate in 2012 and 368 MMscf/d of natural gas and 15,540 Bbls/d of condensate in 2011.

E5

In 1990, we acquired an interest in the E5 project from ExxonMobil, which operates the project. Our current interest in the E5 project is 20.0%. Production commenced in December 1990. The E5 project is located onshore at Namphong, Khon Kaen Province. All of the natural gas produced by the E5 project is sold to PTT on a take or pay basis pursuant to a long-term gas sale and purchase agreement. PTT then transports the gas to an EGAT power plant through a 3.5 km transmission pipeline operated by PTT.

Sales volume at the E5 project averaged 12 MMscf/d of natural gas in the three-month period ended March 31, 2014, 13 MMscf/d of natural gas in 2013, 14 MMscf/d of natural gas in 2012 and 16 MMscf/d of natural gas in 2011.

G4/43

In 2003, we acquired an interest in the G4/43 project located in the Gulf of Thailand. We currently have a 21.375% interest in the G4/43 project. The project is operated by Chevron. The project sells gas pursuant to long-term GSAs with PTT and sells crude oil under spot cargo pursuant to sales agreements with other purchasers. The project sells gas and crude oil under the same GSAs and sales agreements, respectively, as the B8/32 & 9A project. In 2014, the G4/43 project continuously engaged in exploration activities in order to maintain production levels.

Sales volume averaged 3 MMscf/d of natural gas and 4,410 Bbls/d of crude oil in the three-month period ended March 31, 2014, 2 MMscf/d of natural gas and 4,726 Bbls/d of crude oil in 2013, 1 MMscf/d of natural gas and 6,966 Bbls/d of crude oil in 2012 and 3 MMscf/d of natural gas and 5,896 Bbls/d of crude oil in 2011.

G4/48

In 2009, we acquired an interest in the G4/48 project. Our current interest in the G4/48 project is 5.0%. Chevron is the operator. The G4/48 project is located in the Gulf of Thailand offshore from Surat Thani Province. The G4/48 project's proximity to existing Contract 3 facilities will improve the economies of scale of both projects as certain equipments and production activities may be jointly used.

Sales volume averaged 8 MMscf/d of natural gas and 2,617 Bbls/d of crude oil in the three-month period ended March 31, 2014, 8 MMscf/d of natural gas and 1,772 Bbls/d of crude oil in 2013, 9 MMscf/d of natural gas and 2,244 Bbls/d of crude oil in 2012 and 11 MMscf/d of natural gas and 2,552 Bbls/d of crude oil in 2011.

L53/43 and L54/43

PTTEPI owns a 100.0% interest in and operates the L53/43 and L54/43 project, which is located in Suphan Buri, Kanchana Buri, Ayutthaya and Ang-Thong provinces. Production commenced in October 2010 and the oil produced is sold to Bangchak refinery.

In 2013, 3D seismic surveys were conducted in the northern area of the project, and exploration and appraisal wells were drilled in the Hua Mai Sung (HMG) and NongPhak Chi (NPI) fields.

Sales volume averaged 186 Bbls/d of crude oil in the three-month period ended March 31, 2014, 182 Bbls/d of crude oil in 2013, 15 Bbls/d of crude oil in 2012 and 6 Bbls/d of crude oil in 2011.

MTJDA-B17

In 1994, our wholly-owned subsidiary, PTTEPI, formed a joint operating agreement with Carigali, a wholly-owned subsidiary of PETRONAS, the Malaysian state oil company, named Carigali-PTTEPI Operating Company Sdn. Bhd., to explore and develop Blocks B-17 and C-19. PTTEPI owns a 50.0% interest in a special purpose company that acts as operator of Blocks B-17 and C-19, and has the obligation to bear 50.0% of the related costs and expenses. Under the production sharing contract, the joint venture partners are required to pay a royalty of 10.0% of the sales revenue generated during the production to the MTJA. On September 24, 2004, Carigali assigned all of its interests under the JOA to PC JDA Ltd. On September 30, 2004, PTTEPI and PC JDA Ltd. (as "**contractors**") and the MTJA signed a production sharing contract for the right to explore and produce petroleum in Block B-17-01, with the contractors and MTJA sharing any potential production.

In June 2005, PTTEPI, PC JDA and MTJA (the "**Sellers**") executed a GSA for the sale of the natural gas to be produced from the MTJDA-B17 project to PTT. The agreement covers blocks B-17 & C-19 and B-17-01 of the MTJDA-B17. The MTJDA-B-17 project began first commercial production in February 2010. The current daily contract quantity for the delivery of natural gas is 335 MMscf/d.

Under the MTJDA-B17 GSA, if the Sellers fail to deliver the quantity of natural gas notified by the buyer, the buyer is entitled to take as a remedy a deficient quantity, or shortfall, at a price equal to 75.0% of the current price applicable at the time the shortfall occurred. We, therefore, may have an obligation to provide for the shortfall in accordance with the buyer's remedy. Currently, the MTJDA Project continuously engages in exploration and development activities as well as carried out the construction and installation of wellhead platforms and gas pipelines in order to maintain production levels.

Sales volume averaged 339 MMscf/d of natural gas and 6,854 Bbls/d of condensate in the three-month period ended March 31, 2014, 321 MMscf/d of natural gas and 8,203 Bbls/d of condensate in 2013, 342 MMscf/d of natural gas and 7,150 Bbls/d of condensate in 2012 and 347 MMscf/d of natural gas and 8,409 Bbls/d of condensate in 2011.

PTTEP 1

In July 1993, we acquired an interest in the PTTEP 1 project, which had been producing crude oil since 1991, from BP Exploration Operating (Thailand) Co., Ltd. PTTEPI is the sole owner and operator. The PTTEP 1 project is located in central Thailand in the Suphan Buri and Nakhon Pathom provinces. Crude oil produced from PTTEP 1 is transported via road tanker and sold to PTT at the Bangchak refinery.

In 2013, the project drilled additional production wells in U-Thong and Sang Kajai fields, as well as conducted waterflooding and enhance oil recovery (EOR) studies to enhance oil recovery and production. The project produced an average of 329 Bbls/d in 2013 and 312 Bbls/d in the three-month period ended March 31, 2014. We also have planned for the drilling of additional development wells at the PTTEP 1 project, which will focus on partially offsetting field declines and enhancing crude oil recovery.

Sales volume averaged 307 Bbls/d of crude oil in the three-month period ended March 31, 2014, 329 Bbls/d of crude oil in 2013, 372 Bbls/d of crude oil in 2012 and 391 Bbls/d of crude oil in 2011.

S1

We are the operator and sole owner of the S1 project. The S1 project is the largest onshore crude oil field in Thailand, located in the Sirikit field in Kamphaengphet, Sukhothai and Phitsanulok provinces in north-central Thailand. Produced stream from the S1 project is composed of crude oil, natural gas, and LPG. Crude oil produced at S1 is sold to PTT and transported via trucks and rails to Thai Oil and Bangchak refinery as well as PTT Global Chemical Public Company Limited and IRPC Public Company Limited. Produced gas is processed through an LPG plant located nearby to capture LPG (C3&C4) products and sold to PTT, while the natural gas produced after capture of LPG is sold directly to EGAT as fuel for generating power and to PTT NGV as compression gas.

The production level of S1 grew from an average of 22,808 Bbls/d and 28,004 Bbls/d in 2011 and 2012, respectively, to 32,749 Bbls/d in 2013 by continuously drilling additional exploration, appraisal and production wells and conducting enhance oil recovery programs. On February 25, 2013 we reached a record high production rate of 37,890 Bbls/d. We plan to continue to maintain production levels at the project above the 30,000 Bbls/d rate through drilling of new production wells, artificial lifting and waterflooding, and we intend to and fully explore the remaining area to assess the hydrocarbon potential of the concession.

Sales volume averaged 27 MMscf/d of natural gas, 27,470 Bbls/d of crude oil and 231 metric tons per day of LPG in the three-month period ended March 31, 2014, 26 MMscf/d of natural gas, 32,749 Bbls/d of crude oil and 268 metric tons per day of LPG in 2013, 24 MMscf/d of natural gas, 28,004 Bbls/d of crude oil and 253 metric tons per day of LPG in 2012 and 20 MMscf/d of natural gas, 22,808 Bbls/d of crude oil and 236 metric tons per day of LPG in 2011.

Sinphuhorm (EU-1 and E5 North)

The Sinphuhorm project is located in Udon Thani and Khon Kaen provinces in the northeast of Thailand, covering an area of 231.6 square kilometers. As of March 31, 2014, we hold a 20.0% interest in Block E5 North and in Block EU-1 through our subsidiary, PTTEP Siam Limited. Production of Sinphuhorm commenced in November 2006. Long-term GSAs with PTT have been signed. In 2013, the project completed an exploration program and the interpretation of 3D seismic data.

On April 22, 2014, PTTEP Offshore Investment Company Limited, a subsidiary of PTTEP, entered into a share purchase agreement to acquire a 100% stake in HTH, which held a 35% interest in Block EU-1 and Block E5 North of the project. The transaction with HTH was completed on April 22, 2014. As a result, after the completion of the transaction, our participation interest in Sinphuhorm increased from 20% to 55% and we replaced Hess as the operator of the project.

Sales volume averaged 113 MMscf/d of natural gas and 459 Bbls/d of condensate in the three-month period ended March 31, 2014, 88 MMscf/d of natural gas and 382 Bbls/d of condensate in 2013, 93 MMscf/d of natural gas and 427 Bbls/d of condensate in 2012 and 84 MMscf/d of natural gas and 380 Bbls/d of condensate in 2011.

Overseas

Canada Oil Sands KKD

On January 21, 2011, through our subsidiary, PTTEP CA, we acquired, from two subsidiaries of Statoil, a 40% interest in KOSP, a partnership that owns the Canada Oil Sands KKD project in Alberta, Canada. Statoil is the operator. The project covers an area of approximately 1,100 square kilometers and is comprised of five areas, namely, Leismer, Corner, Thornbury, Hangingstone and South Leismer. We entered into certain agreements with Statoil to govern the partnership and the sale of bitumen produced from the Canada Oil Sands KKD project as described below. On March 19, 2011, we entered into a memorandum of understanding with Statoil to jointly investigate future collaboration opportunities internationally. The Canada Oil Sands KKD project has up to 4.3 billion Bbls of recoverable bitumen resources, as estimated by a leading external petroleum consultant. The project has an expected project life of over 40 years and utilizes an in-situ oil sands project utilizing SAGD technology. The SAGD method injects steam into the bitumen reservoir to heat the bitumen and separate it from the sand, after which the bitumen is pumped to the surface. As bitumen extracted from oil sands is highly viscous and does not flow at the ambient temperature, it has to be either blended with diluents to be able to flow through a pipeline and sold as blended bitumen or upgraded into synthetic crude oil by bitumen upgraders.

The project's first plant, the Leismer Demonstration Plant (the "**LDP**") initiated steam injection in September 2010. The first production (full SAGD) began in January 2011. Steam to oil ratio was approximately at 3.19 in 2013. Production averaged approximately 13,998 Bbls/d of bitumen in the three-month period ended March 31, 2014 and 14,827 Bbls/d of bitumen in 2013. Cumulative bitumen production since inception reached approximately 16.5 million barrels in March 31, 2014. Sales volume averaged 14,627 Bbls/d of bitumen in the three-month period ended March 31, 2014, 14,807 Bbls/d of bitumen in 2013, 16,304 Bbls/d of bitumen in 2012 and 9,711 Bbls/d of bitumen in 2011.

In 2013, the project completed the Winter Evaluation Program for the year ended December 31, 2013, which consisted of appraisal drilling and 3-D and 4-D seismic studies in the Leismer, Corner and Thornbury areas.

On May 28, 2014, PTTEP CA, through an ownership restructuring agreement with Statoil, exchanged its 40% interest in KOSP for full ownership of the Thornbury, Hangingstone and South Leismer areas ("**THSL**") plus cash of US$200 million and an additional amount calculated from working capital adjustments related to expenditures and revenues of the Canada Oil Sands KKD project from January 1, 2013 until the closing date which was approximately CAD238 million. As a result, PTTEP CA is no longer a partner in KOSP and holds 100% participating interests in, and operates, the Thornbury, Hangingstone and South Leismer areas while Statoil holds 100% of and operates the Leismer and Corner areas

THSL covers an area of approximately 610 square kilometers. PTTEPCA plans to accelerate its exploration and development activities for THSL. PTTEP is currently planning the preliminary Front End Engineering and Design (Pre-FEED) for the first production phase of the Thornbury field, as well as the preparation for seismic acquisition and drilling campaigns scheduled for 2014-2015.

Natuna Sea A

The Natuna Sea A project is an oil and gas production project located in the west of the Natuna Sea, in Indonesia. In December 2013, PTTEP Netherlands Holding Coöperatie U.A., our subsidiary, and Pertamina, on a 50:50 basis, completed the acquisition for the entity holding a 23.0% interest in the Natuna Sea A project from a subsidiary of the Hess Corporation. We hold a 11.5% interest in the Natuna Sea A project. As of March 31, 2014, the project produced natural gas at an average rate of 223 MMscf/d, and crude oil at an average rate of 1,763 Bbls/d. We expect to commence the drilling campaign of one exploration well in 2014.

Sales volume averaged 212 MMscf/d of natural gas and 1,723 Bbls/d of crude oil in the three-month period ended March 31, 2014.

Oman 44

In August 2002, we acquired the rights to the Oman 44 project, which we wholly own and operate. The Oman 44 project is located onshore, 300 km to the west of Muscat, the Sultanate of Oman. Gas and condensate has been produced from Shams field since 2007 and crude oil production has been produced from Munhamir field since 2012. The project has a long-term GSA with the Ministry of Oil and Gas of Oman. The fourth Drilling Campaign totaling seven wells was completed in August 2012. Production volume averaged 32 MMscf/d of natural gas and 2,113 Bbls/d of condensate in the three-month period ended March 31, 2014 and 39 MMscf/d of natural gas and 3,500 Bbls/d of condensate in 2013. In 2013, we conducted 3D seismic surveys covering an area of 500 sq. km over the western part of the project to further explore and assess the petroleum potential. As of the first quarter of 2014, we finalized the prospects potential in the block and selected the drilling locations of the exploration and developments wells which we plan to spud in June 2014.

Sales volume averaged 30 MMscf/d of natural gas and 2,219 Bbls/d of condensate in the three-month period ended March 31, 2014, 38 MMscf/d of natural gas and 3,146 Bbls/d of condensate in 2013, 40 MMscf/d of natural gas and 2,983 Bbls/d of condensate in 2012 and 47 MMscf/d of natural gas and 2,377 Bbls/d of condensate in 2011.

Vietnam 9-2

In February 2002, we acquired an interest in the Vietnam 9-2 project concession. Our current interest in the Vietnam 9-2 project is 25.0%. The Petroleum Concession Block Vietnam 9-2 is located offshore to the southeast of Vung Tau City, Vietnam. Production from the Vietnam 9-2 project commenced in 2008 and the project became fully operational in 2009. The crude oil produced is sold to Binh Son Refinery and Petrochemical Company Ltd. according to a term sales agreement. The gas produced is sold to Vietnam Oil and Gas Group, a Vietnamese state-owned enterprise, for domestic consumption.

Sales volume averaged 15 MMscf/d of natural gas and 3,889 Bbls/d of crude oil in the three-month period ended March 31, 2014, 14 MMscf/d of natural gas and 5,544 Bbls/d of crude oil in 2013, 15 MMscf/d of natural gas and 6,022 Bbls/d of crude oil in 2012 and 17 MMscf/d of natural gas and 5,671 Bbls/d of crude oil in 2011.

Vietnam 16-1

We own a 28.5% interest in the Vietnam 16-1 project, Hoang Long JOC, a joint operating company, is the operator. The Vietnam 16-1 project is located offshore to the southeast of Vung Tau City, Vietnam. Production from the first well head platform commenced in August 2011. The second wellhead platform was completed in July 2012 and increased its production level to 55,000 Bbls/d. In 2013, the project successfully drilled an appraisal well in the H5 Area of the Te Glac Trang Field (TGT field) and has prepared for the installation of a well head platform to support production from this area which is expected to commence in 2015. Moreover, the project successfully tested the Floating Production Storage and Offloading (FPSO) unit at a production rate of 60,000 Bbls/d, resulting in the project being able to maintain a production rate at approximately 43,000 Bbls/d, similar to previous levels, despite having to share the FPSO unit, since May 2013, with other nearby projects in Vietnam. Produced crude oil is sold to Vietnamese refineries and exported in term sales and spot sales contracts via a bidding process. Produced natural gas is sold to the Vietnam Oil and Gas Group, a state-owned enterprise, for domestic consumption.

The project produced crude oil at an average rate of 36,826 Bbls/d and 29MMscf/d of natural gas in the three-month period ended March 31, 2014 and an average rate of 44,641 Bbls/d and 30MMscf/d of natural gas in 2013.

Sales volume averaged 34,673 Bbls/d of crude oil and 91 MMscf/d of natural gas in the three-month period ended March 31, 2014, 42,551 Bbls/d of crude oil and 35 MMscf/d of natural gas in 2013, 39,425 Bbls/d of crude oil in 2012 and 9,775 Bbls/d of crude oil in 2011.

Yadana

In 1995, our wholly-owned subsidiary, PTTEPI, acquired a 25.5% working interest in the production sharing contract for Yadana, a large gas project operated by Total under the Concession Block M5 and M6 in the Gulf of Moattama, Myanmar.

PTTEPI and its joint venture partners sell the natural gas produced from the Yadana project to PTT on a take or pay basis pursuant to a 30 year GSA, which means that PTT agrees to pay for the natural gas even if it does not take delivery. The Yadana joint venture partners are required to deliver a daily contract quantity of 565 MMscf/d of natural gas to PTT for the first 19 years of the contract, or until there is a reassessment of natural gas reserves.

Pursuant to the terms of the production sharing contract, the joint venture partners are entitled to allocate up to 50.0% of total natural gas production at the Yadana project to the recovery of their exploration, development and production costs. The remaining natural gas production is allocated among the joint venture partners and MOGE. The joint venture partners are required to pay a royalty of 10.0% of the sales revenue generated during the production to the government of Myanmar, as well as certain bonus payments due upon the attainment of certain specified production thresholds.

The allocation of natural gas production among the joint venture partners and MOGE (after the allocation for cost recovery) is reduced incrementally as daily production volumes increase. For example, at daily natural gas production volumes between 301 MMscf/d and 600 MMscf/d, the joint venture partners' allocation ranges from 30.0% to 45.0%. At daily natural gas production volumes above 900 MMscf/d, the joint venture partners' allocation is reduced to 10.0%. The government of Myanmar also purchases up to 125 MMscf/d of natural gas, plus an additional 20 MMscf/d of natural gas from Wellhead No. 3, for domestic use in Myanmar under a domestic GSA. In addition, under the terms of the production sharing contract, up to 20.0% of the natural gas allocated to the joint venture partners must be made available to MOGE at a price that does not exceed 10.0% of the fair market value in order to fulfill Myanmar's domestic natural gas requirements.

To transport natural gas from Yadana to Thailand, PTTEP Offshore Investment Limited (our wholly-owned subsidiary) and its joint venture partners, Total, Chevron and MOGE, established a gas transportation company, Moattama Gas Transportation Co., Ltd., to construct and operate an onshore pipeline section of approximately 63 km and an offshore pipeline section of approximately 346 km from the Yadana development area to the Thai border. The pipeline's capacity is approximately 835 MMscf/d. The construction of these onshore and offshore pipelines was completed in May and November 1997, respectively. In 2000, PTT completed an approximately 260 km section of onshore pipeline from the Thai border to the EGAT electric power generating plant in Ratchaburi Province, near Bangkok.

In 2012, a new infill well was drilled to increase production volume in order to meet the requirements in the production sharing contract. In 2013, the project carried out and studied 3D seismic data covering an area of 2,090 square kilometers in the south-eastern area of the project, including the Yadana, Badamya and other fields, in order to assess the potential of exploration drilling in the aforementioned areas. In the first quarter of 2014, we completed 4D seismic interpretation of the Yadana, Badamya and Sein fields and commenced additional 3D seismic acquisition covering an area of 3,125 square kilometers surrounding eastward and southward areas of the Yadana field.

Sales volume of natural gas averaged 646 MMscf/d in the three-month period ended March 31, 2014, 766 MMscf/d in 2013, 772 MMscf/d in 2012 and 772 MMscf/d in 2011.

Yetagun

In March 1997, our wholly-owned subsidiary, PTTEPI, acquired a 14.2% interest in the Concession Block M 12, M 13 and M 14 of the Yetagun project. On September 30, 2003, PTTEPI increased its interest in the Yetagun project to 19.3% by exercising its right of first refusal, together with the other joint venture partners, to purchase the remaining shares from Premier Petroleum Myanmar Limited, the former operator of the project. PC Myanmar (Hong Kong) Limited is the current operator of the Yetagun project. PTTEPI and its joint venture partners sell natural gas from the Yetagun project to PTT on a take or pay basis pursuant to a 30 year agreement. The project is located in the Gulf of Moattama, southeast of the Yadana project and began operations in May 2000.

Pursuant to the terms of the production sharing contract, following cost recovery of up to 50.0% of total natural gas production, the remaining natural gas and condensate production is allocated among the joint venture partners (40.0%) and MOGE (60.0%). The joint venture partners are required to pay a royalty of 10.0% of the sales revenue generated during the production to the government of Myanmar, as well as certain bonus payments due upon the attainment of certain specified production thresholds.

To transport natural gas from Yetagun to Thailand, PTTEPO and its joint venture partners established a gas transportation company, Taninthayi Pipeline Company LLC, to construct and operate an offshore pipeline of 210 km and an onshore pipeline of 67 km (parallel to the Yadana pipeline) from the project to the Thai border. The pipeline capacity is approximately 600 MMscf/d. The construction of the onshore and offshore pipelines was completed in 1999.

In 2012, a Booster Compression Platform was installed. In addition, the project completed the Front End Engineering Design ("**FEED**") for the Yetagun North project and began its development phase. In 2013, the project began to develop the Yetagun North field in order to maintain production levels in accordance with the GSA. In February 2014, the wellhead platform of Yetagun North was installed. We intend to drill two development wells in 2014 with the expectation of gas in September 2014.

Sales volume averaged 302 MMscf/d of natural gas and 7,341 Bbls/d of condensate in the three-month period ended March 31, 2014, 399 MMscf/d of natural gas and 9,700 Bbls/d of condensate in 2013, 393 MMscf/d of natural gas and 9,873 Bbls/d of condensate in 2012 and 399 MMscf/d of natural gas and 10,116 Bbls/d of condensate in 2011.

Zawtika

PTTEPI owns an 80.0% interest in and is the operator of the Zawtika project, having transferred a 20.0% interest to MOGE in 2011 in accordance with the terms and conditions of a production sharing contract. The Myanmar Zawtika project is located in the Gulf of Moattama, Myanmar. On July 30, 2010, PTTEPI entered into 30 year GSAs with PTT and MOGE. In 2013, for phase 1A development, the project completed the installation of three wellhead platforms, the laying of intra-field sealines, the construction of the offshore export pipeline, the installation of the central processing platform and living quarters. The construction of the onshore gas pipeline and facility as well as the drilling of production wells are in progress. On March 14, 2014, the project began delivering gas to the MOGE for domestic use in the Republic of the Union of Myanmar and delivers gas at the rate of 60 MMscf/d. For gas export to Thailand, the project is currently constructing the onshore pipeline and facilities, which are expected to be completed and will be able to deliver gas to Thailand at a rate of 240 MMscf/d by the third quarter of 2014. Sales volume averaged 5 MMscf/d of natural gas in the three-month period ended March 31, 2014.

Moreover, the project has completed a basic engineering study of Phase 1B and has awarded the EPC installation and commissioning contract to a contractor in May 2014 to commence the detailed engineering study and construction work of four wellhead platforms to maintain the project's production plateau. We target a production commencement date in 2016. The project has also prepared for the drilling of 10 appraisal wells in 2014 and 2015 in order to increase petroleum reserves of the project to support long-term production. The first appraisal well of this program is scheduled for the third quarter of 2014.

PTTEP AA

On February 4, 2009, we acquired 100.0% of the ordinary shares of Coogee Resources Limited and certain of its subsidiaries. We later changed the name of the company to PTTEP Australasia Pty Ltd and refer to it, its subsidiaries and its related companies established in Australia as PTTEP AA. PTTEP AA currently holds concessions to 16 permits, with the 2 principal permits being the Montara field and Cash-Maple field. We are currently in the initial stages of considering strategic alternatives for our Australian assets.

The Montara Project

The Montara project was included as part of this acquisition. PTTEP AA is developing the Montara Project via an FPSO and a wellhead platform located at the Montara field, which consist of concessions AC/L7 and AC/L8. The wellhead platform will be connected via subsea pipelines to the nearby Skua oil field and Swift/Swallow oil field. The Montara oil field is approximately 250 km northwest of Australia's Kimberley coastline. The Skua oil field is located 25 km northwest of the Montara oil field and the Swift/Swallow oil field is located 9 km southeast of the Skua oil field.

In June 2013, the Montara oil field achieved its first steady production. In August 2013, the project sold its first offload of approximately 500,000 barrels of crude oil. It is currently producing crude oil at a rate of over 20,000 Bbls/d.

The Montara Incident

On August 21, 2009, an oil and gas leak occurred from the Montara-H1 well during tie-back operations on the Montara wellhead platform. PTTEP AA stopped the leak in November 2009. The causes of the uncontrolled release included deficiencies in the Montara well cementing operation and well barrier testing and the failure to install all required pressure containing corrosion caps. In addition, other causative factors in the uncontrolled release may have included inadequate supervision and monitoring of operations and personnel and deficiencies in well management documentation and systems. During operations to stop the leak, PTTEP AA's wellhead platform and the contractor-operated West Atlas drilling rig caught fire, causing substantial damage to both the wellhead platform and the West Atlas rig. This affected the production startup. See "*Risk Factors — Risks Relating to Our Business — The exploration, development and production risks of petroleum operations may adversely affect our profitability and may not be fully protected by insurance*."

Montara Commission of Inquiry and Montara Action Plan

The Australian government established a Commission of Inquiry to investigate the Montara Incident. PTTEP AA developed an Action Plan as a coordinated response to the issues identified in the Commission of Inquiry's final report. The Commission of Inquiry and the Montara Action Plan are discussed under "*Risk Factors — We and PTTEP AA may face material adverse consequences as a result of investigations into the Montara Incident conducted by various Australian governmental agencies.*"

The environmental cleanup, well control and asset damages are insured events. As of March 31, 2014, the current estimate of the amount recoverable under PTTEP AA's insurance policies totals approximately US$246 million, with US$234 million received from its insurers to date. We expect the remaining amount to be received in 2014 or 2015.

PTTEP AA — Other Projects

PTTEP AA holds production, development and exploration assets located in the Browse Basin in the Timor Sea. All projects are located on the Australian continental shelf.

In addition to the Montara project, PTTEP AA also operates the Cash-Maple gas field in AC/RL7 in the Vulcan Sub-basin. In 2011, PTTEP AA drilled appraisal well Cash 2 in the Cash-Maple field. In June 2012, a second appraisal well, Maple 2, was drilled and confirmed the resource estimates. We are currently in the process of considering commercial options for the development of the Cash-Maple field, as well as the potential development of other remote gas projects in PTTEP AA's holdings in the Timor Sea, such as in the Oliver (in AC/P33) and Montara stranded gas fields. FLNG production, which is an emerging offshore production technology designed to monetize stranded gas resources, is one of the potential development scenarios we are analyzing for commercial feasibility.

PTTEP AA's operated portfolio of properties under appraisal are all located in the Vulcan Sub-basin and consist of: AC/RL6, which contains the Audacious oil field; AC/RL4 and AC/RL5, which contain the Tenacious oil field; and AC/RL10, which contains the Katandra oil field. Engineering studies are being conducted to assess development options for these fields.

PTTEP AA also operates the Jabiru-Challis oil field, which ceased production in September 2010 after having produced oil for over 20 years. In-field abandonment operations were completed in June 2013.

PTTEP AA's operated portfolio of properties under exploration is primarily located in the Vulcan Sub-basin of the Timor Sea. These projects include AC/P54, AC/P33, AC/P34 and AC/P4, in which it has interests ranging from 50.0% to 100.0% We have reprocessed available seismic data to confirm the potential of these exploration properties. PTTEP AA plans to commence the drilling of Dillon South-1 exploration well in the AC/P4 field and Maple East-1 exploration well in the AC/P54 field in the second quarter of 2014.

PTTEP AA also has a number of interests in the Browse Basin, offshore from Western Australia. These interests include a 20.0% interest in the Woodside operated exploration permits WA-396-P and WA-397-P. In 2012, the Woodside joint venture evaluated three-dimensional seismic information to assess the potential of these permits. The permits were renewed in May 2013 for a further five years.

Sales volume for PTTEP AA averaged 2,739 Bbls/d of crude oil in 2013 and 12,106 Bbls/d of crude oil in the three-month period ended March 31, 2014.

Principal Properties Under Development

We classify a property as under development if there are development activities, but there are relatively minimal or no production activities.

Thailand

L22/43

PTTEPI owns and operates 100.0% of and operates the L22/43 project. The L22/43 project is located in Phitsanulok and Pichit provinces. In 2011, two wells, WPG-A01 and WPG-A02, were drilled. WPG-A01 was determined to be a dry well. WPG-A02 encountered a drilling problem, and as a result, a side-tracked well was drilled. The side-tracked well was then determined to be commercially viable. We have applied for a production license for Wang Phai Sung area and made a submission to the DMF requesting reservation of 12.5% of the area. The production license was approved by the petroleum committee on July 17, 2012. The reservation area was approved by DMF on September 18, 2012.

In 2013, the project drilled exploration wells in the Wang Pai Sung field. In 2014, the project plans to drill additional exploration wells in the same field as well as carry out 3D seismic studies and commence production from the Wang Pai Sung — A field.

Overseas

Algeria 433a & 416b

We own a 35.0% interest in the Algeria 433a & 416b project. The project is located in the eastern zone of Algeria. Engineering, procurement and construction work ("**EPC**") and the drilling of the development wells for the first phase of development for the Bir Saba Oil Field is currently ongoing. As of the first quarter of 2014, the project completed drilling 8 out of 12 total development wells. The project is currently carrying out the construction of processing pipeline and utility facilities. Production is expected to begin by the end of 2014 at a rate of 20,000 Bbls/d.

Principal Properties Under Exploration

We classify a property as under exploration when there are exploration activities, but there are relatively minimal or no development or production activities.

Thailand

A4/48, A5/48

Blocks A4/48 and A5/48 were awarded to PTTEPI on February 13, 2007. These blocks are located in the Andaman deep water area of the Andaman Sea, Thailand where it is divided into two main basins, the Andaman and Mergui basins. The proposal to enter the third obligation period (from February 13, 2013 to February 12, 2016) was submitted to DMF in August 2012 and since then PTTEPI has been waiting for the official DMF response. Several geology and geographic ("**G&G**") studies have been conducted since the blocks were awarded to PTTEPI. A 2D seismic data acquisition was completed in December 2008 whereas the data processing was completed in June 2009. In 2009, additional 2D seismic was re-processed. From 2009 to 2011, additional G&G works were extensively performed including a 2D Basin Modeling study in 2009, Seismic Sequence Stratigraphy study in 2010, and a seabed geochemical exploration study in 2011. More 2D seismic data was re-processed in late 2011.

In addition, the acquisition of new 3D seismic data in three areas in Blocks A4/48 and A5/48, with a total of 2,434 sq. km was conducted from October 2012 to January 2013. Interpretation of the 3D seismic data was completed by the end of 2013. In 2014, we have undertaken additional geological and geophysical studies with detail seismic interpretation in order to find suitable locations for two commitment wells.

G9/43

PTTEPI owns and operates 100.0% of the G9/43 project. The G9/43 project is located in the Gulf of Thailand. Activities at this project have been suspended pending the resolution of a boundary dispute.

L28/48

PTTEPI owns a 70.0% interest in and operates the L28/48 project. The project is located in the Khon Kaen and Chaiyaphum provinces in north-eastern Thailand. We drilled the first exploration well in L28/48 in December 2010 and encountered a series of gas shows in carbonate reservoir, as expected. However, the well drilling was suspended in late 2011 due to operational problems arising during the well testing.

In 2013, we reassessed and reinterpreted 3D seismic survey data as well as drilled another exploration well to explore the shallow tight gas potential of the Chonnabot structure. Results from the drilling showed limited quantities of natural gas.

Overseas

Algeria Hassi Bir Rekaiz

On January 17, 2010, we signed a contract for Block Hassi Bir Rekaiz in Algeria. We operate the project and hold a 24.5% working interest. The contract is effective as of May 26, 2010. The Algeria Hassi Bir Rekaiz project is located onshore in the eastern zone of Algeria and currently covers an area of approximately 3,781 sq. km.

For the first exploration phase, PTTEP and its partners drilled nine exploration wells between 2011 and 2013 as per commitment to the contract of Hassi Bir Rekaiz permits. In this exploration phase, eight exploration wells were successfully tested for crude oil and associated gas. The project is currently in the second exploration phase, which began in May 2013 and which is expected to complete by May 2015, and is undergoing preparations to conduct 3D seismic acquisition as well as to drill five additional exploration and appraisal wells.

Indonesia Malunda

We acquired the exploration rights to the Indonesia Malunda project in May 2010, and own a 100.0% interest in the Indonesia Malunda project. PTTEP Malunda Limited is the operator. The Indonesia Malunda project is located offshore in the Makassar Strait, off the West coast of the Sulawesi Island in Indonesia. The project is currently in the early exploration period. A three-dimensional seismic survey was completed in 2011 and geological studies are currently ongoing to determine the project's potential.

Indonesia Semai II

We own a 28.3% interest in the Indonesia Semai II project. Murphy Oil is the operator. The Indonesia Semai II project is located offshore, to the Southwest of West Papua, Indonesia. We and our partners acquired the exploration rights to the Indonesia Semai II project in November 2008. The project is currently in the exploration period. Exploration drilling of the Lengkaus-1 well commenced in late 2010. In 2011, the Lengkaus-1 well reached a depth of 6,500 meters and encountered some hydrocarbons which were not sufficient for commercial development. The Lengkaus-1 data was then integrated to additional geological studies to assess the remaining potential of the Semai II project. As of the first quarter of 2014, the project prepared for the drilling of exploration wells in shallow water areas to assess its potential. Drilling of these exploration wells is expected to begin in the second quarter of 2014.

Indonesia South Mandar

We own a 34.0% interest in the Indonesia South Mandar project. PTTEP South Mandar Limited is the operator. The Indonesia South Mandar project is located offshore in the Makassar Strait, off the Southwest coast of the Sulawesi Island in Indonesia. We and Talisman acquired the exploration rights to the Indonesia South Mandar project in May 2010. In 2011, Total joined the project, acquiring a 33.0% interest from us. The project is currently in the early exploration period. A three-dimensional seismic survey was completed in 2011 and geological studies are currently ongoing to determine the project's potential.

Kenya L5, L7, L11A, L11B and L12

We own a 10.0% working interest in blocks L5, L7, L11A, L11B and L12 covering an area of 22,959 sq. km. Anadarko is the operator. Two 3D seismic surveys were completed in 2011. In 2013, the project drilled two exploration wells, namely the Kiboko-1 well in the L11B field and the Kubwa-1 well in the L7 field. Both wells made no petroleum discoveries in commercial quantities. An additional exploration well is planned for the second half of 2015. As of the date of this Offering Memorandum, we are still in the process of obtaining consent for the indirect change of control of our working interest in blocks L5, L7, L11A, L11B and L12, which we expect to receive by the end of 2014.

Kenya L10A and L10B

We own a 31.25% working interest in Kenya offshore Block L10A and a 15.0% working interest in Kenya offshore Block L10B. BG is the operator. L10A and L10B together cover an area of 10,516 sq. km, and a program of 2D and 3D seismic surveys was completed on these blocks. The project completed the drilling of an exploration well (Sunbird-1) in the L10A field during the first quarter of 2014 but did not discover potential for commercial use. However, the project is awaiting the official drilling results which will be applied for further geological studies.

Mozambique Rovuma Offshore Area 1

We own an 8.5% working interest in Mozambique Rovuma Offshore Area 1 (also referred to as the Mozambique LNG Project). Anadarko is the operator. Since December 2010, exploration gas discoveries have been made in Area 1, including the Windjammer, Lagosta, Barquentine and Camarao discoveries. The relevant discovery area, which is also called the "**WLBC**" or "**Prosperidade**" (Prosperity) complex, is currently estimated by Anadarko, the operator, to hold discovered recoverable resources between 17 and 30 TSCF of natural gas. In May and July 2012, Anadarko announced the Golfinho and Atum discoveries, which are located approximately 20 miles northwest of the Prosperidade complex. The Golfinho/Atum complex is currently estimated to hold discovered recoverable resources between 15 and 35 TSCF, all of which is completely contained within Area 1.

In total, discovered recoverable resources in Area 1 are currently estimated at 50 to 70 TSCF of natural gas (providing Cove with net 3.8 to 6 TSCF), with Anadarko estimating total gas in place to approach 100 TSCF. In 2013, the project received a reserve certification from a leading independent petroleum consulting firm which confirmed sufficient proved reserve quantities to support 10 million ton per year of LNG from 2 LNG production trains of 5 MMtpa each. The Area 1 partnership is planning to continue exploration drilling in 2014. See "*Risk Factors — Risks Relating to our Business — There are uncertainties inherent in estimating our reserves, and if the actual amounts of such reserves are less than estimated, our financial condition and results of operations may be materially and adversely affected.*"

Based on the identified gas resources to date, the Mozambique LNG Project partnership is currently undertaking an extensive appraisal, testing and development planning program with aspiration to achieve FID by the end of 2014 leading to the construction of a liquefaction facility at Cape Afungi, in Cabo Delgado Province of northern Mozambique, to support the sale of LNG to export markets. We have secured over 17,000 acres of land at Cape Afungi in anticipation of the LNG project. In the third quarter of 2011, contracts were awarded to KBR and Technip to perform pre front end engineering and design ("**pre-FEED**") studies for a contemplated LNG plant with an initial capacity of 10 MMtpa (two trains with 5 MMtpa each). In January 2013, the project was equipped with three FEED/EPC Design Competition for both Onshore LNG Park and Offshore Installation which will drive the project forward as planned. The project has signed Heads of Agreement for LNG sales and purchase with multiple buyers and continues negotiation with more prospective LNG purchasers to secure enough contractual LNG offtake for the project. The signing of binding sales and purchase agreements, the approval of the development plan and the award of EPC contracts is targeted for the end of 2014 or the first half of 2015. Assuming a positive FID, we expect to fabricate facilities, drill development wells, install subsea architecture, secure shipping agreements and evaluate expansion opportunities between 2015 and 2018. Based on the success of these operations, we expect the announced target date for first production and gas sales to be in late 2018 or 2019. Based on the additional resource discoveries made over the past 12 months, Anadarko and its partners are studying expansion options for the site, with a total of ten trains (each with 5 MMtpa liquefaction capacity) currently being considered. The construction of additional LNG facilities may also be supported by recent gas discoveries made in neighboring blocks such as Area 4 (with Eni S.p.A. as operator).

During 2013 the project drilled a total of 10 exploration and appraisal wells, and discovered natural gas in six of the wells, namely Orca-1, Espadarte-1, Atum-3, Golfinho-5, Golfinho-6 and Manta-1. The project plans to drill nine additional exploration and appraisal wells in 2014 for continual exploration and assessment, as well as carry out the LNG Engineering and Construction Development as planned. During the first quarter of 2014, the project successfully completed two appraisal wells (Orca-2 and Orca-3), and found natural gas in both wells. The project expects to commence LNG production and sales towards the end of 2018 or in 2019.

We estimate that our share of capital expenditure outlay for the initial 2-train LNG project will be approximately US$1.7 billion for five years (2014-2018), which is inclusive of the offshore exploration and production facilities and the onshore liquefaction facilities. Due to its reservoir size, well-flow rates, reservoir distance to shore, as well as its low gas-liquids content and need for related infrastructure, we believe that the Area 1 LNG estimated development costs are lower than competing LNG developments currently under development that are targeting the Asian market.

Mozambique Rovuma Onshore

We own a 10.0% working interest in the onshore concession area of the Rovuma Block covering 13,449 sq. km. Anadarko is the operator. As of the first quarter of 2013, a work program comprising a 1,000 km of 2D seismic survey has already been completed to determine the location of two potential exploration wells, which will be drilled in the second half of 2014.

Myanmar M3

The Myanmar M3 project is located in the Gulf of Moattama, Myanmar. In September 2013, the government of the Republic of the Union of Myanmar approved PTTEPI to divest a 20% participating interest to Mitsui Oil Exploration Co., Ltd. PTTEPI continues to be the operator, and holds a 80% participating interest in the project. During 2013, the project completed drilling four appraisal wells (Aung Sinkha 3, Aung Sinkha 4, Aung Sinkha 5 & Aung Sinkha 6) with discoveries of gas and condensates in all four wells. The project is currently in preparation for the drilling of six additional exploration and appraisal wells from 2014 to 2015 to assess the commerciality of the project as well as to plan for the development and production. Drilling is expected to begin in the third quarter of 2014.

Myanmar M11

The Myanmar M11 project is located in the Gulf of Moattama. In January 2013, Total E&P Myanmar (TEPM) and JX Nippon Oil & Gas Exploration (JX NOEX) were approved by the government of Myanmar to be the partners of M11 with working interests of 40.0% and 15.0%, respectively. PTTEPI owns a 45.0% interest and is the operator of the project. During 2013, the project completed drilling the Manizawta-1 deep water exploration well (MNZ-1) at a water depth of approximately 1,000 meters. The project did not encounter commercially viable petroleum, and is in the process of assessing the potential of remaining areas in order to plan for further exploration activities.

Myanmar MD-7 and MD-8

PTTEP SA, which owns a 100.0% interest in the Myanmar MD-7 and MD-8 projects, was granted exploration rights by the government of the Union of the Republic of Myanmar in February 2013. Blocks MD-7 and MD-8 are located in the Andaman Sea in Myanmar maritime territory and are adjacent to our other exploration blocks in the Andaman Sea in Thailand maritime territory. As of the first quarter of 2014, the project completed 5,800 kilometers of 2D seismic acquisition and is currently studying the geological structures to plan further exploration activities.

Myanmar PSC-G and EP-2

On June 6, 2012, the Ministry of Energy of the Republic of the Union of Myanmar announced that PTTEP SA, one of our subsidiaries, together with Win Precious Resources successfully won the bid to explore blocks PSC-G and EP-2 as a result of the Myanmar Onshore Blocks Bidding Round 2011 and held the official production sharing contract signing ceremony on the same date. PTTEP SA has a 90.0% working interest and is the operator. Blocks PSC-G and EP-2 are located onshore in the Central Myanmar Basin, west of the capital, Nay Pyi Taw, with the approximate acreages of 13,330 and 1,345 sq. km, respectively. In December 2013, the project completed 2D seismic acquisition of 1,870 kilometers for the PSC-G block and 640 kilometers for the EP-2 block. The project is currently in preparation stages for geological study and work in order to drill four exploration wells in 2014 and 2015. Drilling is expected to begin in the second quarter of 2014.

Vietnam B & 48/95

We own an 8.5% interest in the Vietnam B & 48/95 project. Chevron is the operator. The Vietnam B & 48/95 project is located offshore of Vietnam. The front-end engineering design for this project was awarded in February 2010 and was completed in the first quarter of 2011. The operator is currently negotiating commercial terms with the PetroVietnam. In 2013, the project carried out additional subsurface studies. It also submitted a request pertaining to the suspended development area to the Vietnamese government.

Vietnam 52/97

We own a 7.0% interest in the Vietnam 52/97 project. Chevron is the operator. The Vietnam 52/97 project is located offshore of Vietnam. The front-end engineering design for this project was awarded in February 2010 and was completed in the first quarter of 2011. The operator is currently negotiating commercial terms with the PetroVietnam. In 2013, the project carried out additional subsurface studies. It also submitted a request pertaining to the suspended development area to the Vietnamese government.

Barreirinhas AP1

On April 3, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada ("**PTTEP BL**"), a subsidiary of PTTEP, entered into an agreement with BG E&P Brasil Ltda. ("**BG Brasil**") to farm-in to concession blocks BAR-M-215, BAR-M-217, BAR-M-252 and BAR-M-254. Under the agreement, PTTEP BL will hold a 25% interest, while BG Brasil will be the operator of the project and hold the remaining 75% interest. The agreement to farm-in to concession blocks is subject to the approval of Brazil's National Agency of Petroleum, Natural Gas and Biofuels.

Projects Relinquished in 2011, 2012 and 2013, and in the Three-Month Period Ended March 31, 2014

Thailand

A6/48 (Relinquished in Fourth Quarter of 2013)

Blocks A6/48 was awarded to PTTEPI on February 13, 2007. This block is located in the Andaman deep water area of the Andaman Sea, Thailand where it is divided into two main basins, the Andaman and Mergui basins. We relinquished the exploration rights to the A6/48 block in 2013.

L21/48 (Relinquished in Fourth Quarter of 2013)

PTTEPI owned a 70.0% interest in and operated the L28/48 project, located in the Udonthani province in north-eastern Thailand. PTTEPI received final approval to relinquish the project in the second quarter of 2014.

Overseas

Australia AC/P17 (Relinquished in Fourth Quarter of 2013)

We owned a 100.0% interest in the Australia AC/P17 project. The Australia AC/P17 project was located in the Browse Basin in the Timor Sea. In December 2013, PTTEP AA's application to surrender petroleum permit AC/P17 was approved by the Australian government.

Australia AC/P24 (Expired in First Quarter of 2013)

We owned a 90.0% interest in the Australia AC/P24 project, in partnership with Bengal Energy Ltd. The Australia AC/P24 project was located in the Browse Basin in the Timor Sea. In 2013, half of AC/P24 was converted to AC/RL10 (covering the Katandra oil field), with the remaining half expiring at the end of its five year term.

Australia AC/P32

We owned a 35.0% interest in the Australia AC/P32 project. The Australia AC/P32 project is located in the Browse Basin in the Timor Sea. In March 2012, we submitted a notice of withdrawal for petroleum permit AC/P32 and the operating agreement to the joint venture parties. On August 8, 2012, we transferred our interest in AC/P32 to a joint venture party.

Australia AC/P36

We owned a 22.66% interest in the Australia AC/P36 project, in partnership with Murphy Oil and Finder Exploration. The Australia AC/P36 project is located in the Browse Basin in the Timor Sea. The first exploration well in this project commenced in 2009. In 2011, we withdrew from the joint venture after the fulfillment of our exploration work commitment.

Australia AC/P40 (Relinquished in First Quarter of 2013)

We owned a 100.0% interest in the Australia AC/P40 project. The Australia AC/P40 project was located in the Browse Basin in the Timor Sea. In March 2013, PTTEP AA's application to surrender petroleum permit AC/P40 was approved by the Australian government.

Australia WA-378-P

We owned a 20.0% interest in the AustraliaWA-378-P project. The AustraliaWA-378-P project was located in the Browse Basin, offshore of Western Australia. In March 2012, the joint venture's application to surrender the permit was approved by the Australian government.

Australia WA-423-P (Relinquished in Third Quarter of 2013)

We owned a 30.0% interest in the Australia WA-423-P project, located in the Browse Basin offshore from Western Australia. Murphy Oil is the operator. The Eupheme 1 exploration well was drilled in the fourth quarter of 2012 and was a dry well. The write-off had been done in the fourth quarter of 2012. On August 1, 2013, the joint venture's application to surrender petroleum permit WA-423-P was approved by the Australian government.

Bahrain 2 (Relinquished in Third Quarter of 2012)

We owned a 100.0% interest in and operated the Bahrain 2 project. The Bahrain 2 project was located offshore, in the north of Bahrain. Two-dimensional seismic acquisition and processing activities, as well as geological studies were conducted in 2009. We completed the drilling of the project's first exploration well (Jarim-3) in June 2012. The result of the well proved non-commercially feasible. On September 2, 2012, the government of Bahrain acknowledged our fulfillment of work and financial commitment of the first exploration period and our notification of the relinquishment of the entire area of Bahrain 2.

Cambodia B (Relinquished in Fourth Quarter 2013)

PTTEPI owned a 33.33% interest in the Cambodia B project. The Cambodia B project is located offshore Cambodia. We drilled one exploration well in July 2008, another in April 2010 and another in March 2012. In November 2013, our withdrawal notification letter was approved by the government of Cambodia.

Myanmar M4 and M7 (Relinquished in First Quarter of 2012)

PTTEPI terminated and relinquished exploration Block M4 effective on May 1, 2011 and M7 effective on February 1, 2012 after fulfillment of the exploration work commitments.

Rommana (Relinquished in Second Quarter of 2012)

We owned a 30.0% interest in the Rommana project. The Rommana project was located onshore in Sinai in the north-eastern part of Egypt. Three exploration wells were drilled between January 2011 and January 2012, resulting in no significant petroleum found. On May 11, 2012, the project's exploration period expired and we relinquished our interest in this project.

Sidi Abd El Rahman (SAER) (Relinquished in First Quarter of 2011)

We owned a 30.0% interest in the Sidi Abd El Rahman project until March 2011 when we relinquished our 30.0% interest in the project after fulfillment of the exploration work commitment. Sidi Abd El Rahman project was located offshore in the Mediterranean Sea, northwest of Egypt. Two exploration wells were drilled during 2009 to 2010, resulting in no significant petroleum found.

Indonesia Sadang

We owned a 30.0% interest in the Indonesia Sadang project. Talisman is the operator. The Indonesia Sadang project is located offshore in the Makassar Straits, off the Southwest coast of the Sulawesi Island in Indonesia. We and Talisman acquired the exploration rights to the Indonesia Sadang project in May 2010. In 2011, Total joined the project, acquiring a 10.0% interest from us and a 20.0% interest from Talisman, for an aggregate interest of 30.0%. The project is in the early exploration period. A three-dimensional seismic survey was completed in 2011 and geological studies integration are currently ongoing to finalize a prospective assessment. We have submitted documents regarding the relinquishment of our investment rights to the government of Indonesia, which is pending official approval.

Indonesia South Sageri

We owned a 20.0% interest in the Indonesia South Sageri project. Talisman is the operator. The Indonesia South Sageri project is located offshore in the Makassar Strait, off the Southwest coast of the Sulawesi Island in Indonesia. We and Talisman acquired the exploration rights to the Indonesia South Sageri block in May 2010. In 2011, Total joined the project, acquiring a 10.0% interest from us and a 35.0% interest from Talisman, for its total 45.0% interest. The project in the early exploration period. A three-dimensional seismic survey was completed in 2011 and geological studies integration are currently ongoing to finalize a prospective assessment. We have submitted documents regarding the relinquishment of our investment rights to the government of Indonesia, which is pending official approval.

New Zealand Great South

We owned an 18.0% interest in the New Zealand Great South project, which is located in the Great South Basin, New Zealand. The two-dimensional seismic acquisition studies for this project commenced in November 2007 and geological studies commenced in January 2008. Additional two-dimensional seismic acquisition studies commenced in 2010. In 2011, we ceased exploration and relinquished our interest in PEP-50121, which was evaluated to have low petroleum potential, to the government of New Zealand. Three-dimensional seismic acquisition studies commenced in December 2011 and were completed in March 2012. In March 2012, the regulatory authority New Zealand Petroleum and Minerals approved an application to redefine the area comprising PEP-50119 to also include the area which formerly was included in PEP-50120. We and our partners surrendered the license for PEP-50120. In July 2012, we and our partners relinquished 50% of the area of PEP-50119 to New Zealand Petroleum and Minerals as per petroleum contract due to terminate at the end of the first period of exploration (the first 5 years). We and our partners have decided to surrender the license for PEP-50119 by the end of 2013. We have submitted documents regarding the relinquishment of our investment rights to the government of New Zealand, which is pending official approval.

Sale of Natural Gas and Liquid Hydrocarbons

The following table sets forth certain natural gas, LPG, crude oil, condensate and bitumen total sales information for the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011	2012	2013	2013	2014
	Total Sales	Total Sales	Total Sales	Total Sales	Total Sales
Gas (BOE/d)[(1)]	186,982	183,314	191,798	190,842	197,943
Liquid hydrocarbons (BOE /d)[(2)]	78,065	92,609	100,831	100,634	100,678
Average volume	265,047	275,923	292,629	291,476	298,621

Notes:

(1) Gas comprises natural gas and LPG.

(2) Liquid hydrocarbons comprise crude oil, condensate and bitumen.

The following table shows the weighted average sales prices (in the currency indicated) received by us per unit of production during the periods indicated.

	For the years ended December 31,			For the three-month periods ended March 31,	
	2011	2012	2013	2013	2014
	Average Sales Price	Average Sales Price	Average Sales Price	Average Sales Price	Average Sales Price
Gas (U.S. dollar per MMBtu)[(1)]	6.00	7.59	7.92	7.96	7.79
Liquid hydrocarbons (U.S. dollar per Bbl)[(2)]	102.23	103.27	100.15	103.74	100.84
Weighted avg. (U.S. dollar per BOE)	55.49	64.86	65.58	67.03	64.92

Notes:

(1) Gas comprises natural gas and LPG.

(2) Liquid hydrocarbons comprise crude oil, condensate and bitumen.

Natural Gas Sales

Consistent with current Government policy, PTT purchases a substantial portion of the natural gas production in Thailand through long-term GSAs. The GSAs generally provide for the sale to PTT of all natural gas produced by the field or fields covered by the agreement. We, together with our relevant joint venture partners, are a party to GSAs with PTT. Such gas sales agreements were negotiated on an arm's-length basis.

GSAs

Our GSAs provide for delivery of natural gas at specified pressures and volume to PTT at the processing platform or other agreed location. The agreements establish our obligation to deliver, and PTT to take delivery of, specified minimum daily quantities and require PTT to pay for any annual volumes contracted for but not taken. To the extent that we are unable to meet our daily delivery obligations, we are generally required to supply the amount of shortfall in the succeeding period at a discount of up to 25.0% of the contracted price. In the event that PTT is unable to meet its obligations under the GSAs, PTT is obligated to pay us for the minimum quantity it is required to purchase in each contract year, although PTT may accept delivery of such natural gas in succeeding years under the conditions specified in the relevant gas sales agreements.

Under the GSAs, the price at which we sell our natural gas production is adjusted annually, semi-annually, quarterly and monthly from a predetermined price (in Baht) to take into account changes to the average price per Bbl of certain high sulphur fuel oils and other adjustment factors, including Baht/U.S. dollar exchange rates and various measures of inflation, including the Thai Consumer Price Index and the U.S. Producer Price Index for Oilfield and Gasfield Machinery and Tools. Several GSAs also provide for an adjustment if the Baht/U.S. dollar exchange rate has fluctuated by more than 5.0% in a given month. Payments for gas sold under the agreements are made monthly. Some GSAs provide for an additional discount after a certain amount of gas is sold.

Our GSAs will generally terminate on the earliest of (i) the expiration of the underlying concession, (ii) the depletion of reserves in the relevant field or (iii) a fixed period of time (generally 25 to 30 years) after commencement of production.

The GSAs also contain force majeure provisions that excuse PTT and us from performance of their respective obligations in certain circumstances. Force majeure is generally defined as any happening, event or pernicious results which are beyond the control of the party claiming relief acting in a reasonable and prudent manner. Certain of the GSAs include within the definition of force majeure the inability of PTT to accept delivery of natural gas by reason of the inability of any of PTT's customers to take natural gas, if such inability is caused by an event which would have constituted force majeure in relation to PTT. However, PTT is not entitled to such force majeure relief unless PTT requires each of its suppliers to bear its proportionate share of the volume of natural gas PTT is unable to take. Force majeure events generally do not include the inability to pay amounts called for under the agreement, nor does the existence of a force majeure event suspend any obligation for the payment of money due. These agreements are governed by Thai law, and, in the case of Yadana and Yetagun, English and Myanmar law, and provide for the resolution of disputes through arbitration.

Crude Oil, Condensate, and LPG Sales

Crude Oil Sales: We are a party to crude oil sales agreements with respect to our working interest, i.e. PTTEP 1 (the "**PTTEP 1 Agreement**") and S1 (the "**S1 Agreement**").

- The crude oil produced from the Montara Project (comprising the Montara, Swift/Swallow and Skua oil fields) is sold initially under spot cargo and then under term sales to PTT Public Company Ltd.

- The PTTEP 1 Agreement provides for sales of crude oil to PTT at prices to be adjusted monthly based on the estimated yield of refined petroleum products per Bbl of crude oil produced at PTTEP 1, multiplied by an average price per unit of refined product derived from certain internationally available published prices and adjusted to reflect refining costs.

- The S1 Agreement provides for sales of crude oil to PTT at a price adjusted monthly to reflect the average price of a basket of a number of grades of crude oil. The adjustment formula can be amended to reflect change in the quality of crude oil produced and under certain other circumstances.

- The crude oil produced from Vietnam petroleum contract Block 9-2 is commingled with Bach Ho crude oil and jointly sold on term sales basis to Binh Son Refinery.

- The crude oil produced from Vietnam petroleum contract Block 16-1 is sold under spot cargo and term sales to the highest price bidders.

Condensate and LPG Sales Agreements: We are a party to condensate sales agreements with respect to our working interests in Bongkot, Arthit, Contract 3, Contract 4 (formerly Pailin), Malaysia-Thailand Joint Development Area B17, and Yetagun, and LPG sales agreement in the S1 project.

- The Bongkot, Arthit, Contract 3 and Contract 4 condensate sales agreements provide for the sale to PTT of all the condensate from the respective fields. The price is adjusted monthly to reflect the daily changes in a specified quoted price of a basket of a number of grades of crude oil and condensate.

- Malaysia-Thailand Joint Development Area B17 condensate produced from Malaysia-Thailand Joint Development Area is sold under a SPOT cargoes to the highest prices' bidders.

- Yetagun condensate produced from Yetagun field is 50% to Myanmar Petrochemical Enterprise ("**MPE**") on a term sales basis to refine in Myanmar, referenced to Dated Brent, and the other 50% is sold in spot cargo.

- The LPG sales agreement provides for the sales to PTT of all LPG from S1 field. The LPG price is set in the contract and is subject to revision by agreement of the parties or pursuant to a change in Government policy, such as in the event that the Thai Government ceases to control the domestic price of LPG.

Research and Development

Present and future petroleum fields are deeper and have increasingly complex structure trapping and reservoir characteristics than fields explored in the past. Appropriate petroleum exploration and production techniques and technology are therefore required in order to reduce exploration and production risks, production cost and environmental impact, while increasing our safety, competitiveness and chances of success.

We carry out various research and studies on geology, geophysics and petroleum engineering to improve our capabilities, competitiveness and to help mitigate any harmful environmental impact. Examples of studies with successful outcomes include:

- application of wide-Azimuth (3D) seismic survey to generate images and cracks of bedrock bearing petroleum;

- clearer images of the deep horizons clearer than any previous data obtained from a recording cable of more than six km in length for the seismic acquisition in blocks L21 and 29/48;

- a standard petroleum exploration and production database and a PTTEP Core Research Center ("**PCRC**"). The database and PCRC, as well as our established knowledge management system, plays a significant role in the continuing development of modern and state-of-the-art exploration and production technologies for us; and

- a study that resulted in the decision to begin full-scale water flooding in the Sirikit oil field from 2004 onwards with significant production increase.

In terms of drilling and wellhead technology, we have developed petroleum drilling equipment and a gas lifting technique with the intention of maximizing hydrocarbon production from a subterranean well. We aim to develop such equipment and techniques to improve the lifting efficiency of the fluid in the well by allowing the continuous injection of lifting gas to the wellbore at maximum possible depth below the production packer using a single tubing string. On August 10, 2010, the U.S. Patent and Trademark Office ("**USPTO**") issued a patent in relation to our petroleum drilling equipment and gas lifting technique (7,770,637 B2) and issued another patent in relation to our invention on June 5, 2012 (8,191,624 B2).

In the area of green technology, we have been pursuing joint research and development with Hitachi Zosen Corporation (Japan) in the carbon dioxide conversion to methane ("**CCM**") technology since January 2012. The goal is to generate a usable product from the carbon dioxide contained in the natural gas in the Gulf of Thailand. In 2012 and 2013, Phase 1 of the project achieved a conceptual design of the reactor system and Phase 2 of the project is in discussions regarding the construction of a pilot unit in Thailand.

We are committed to research and development of technologies in geology, geophysics, drilling and petroleum production engineering. We participate in joint ventures with domestic and international companies and collaborate with research institutions to train our personnel, develop state-of the-art technology and equipment and increase our productivity, while decreasing the risks, of our petroleum exploration and production. In addition, we are committed to procuring more efficient and more environmentally friendly methods of petroleum exploration and production for sustainable development.

Employee Matters

As of March 31, 2014, globally, we had 2,338 employees and 1,171 contracted personnel. Our success in conducting exploration and production activities and in operating oil and natural gas concessions is highly dependent upon our ability to attract and retain qualified geoscientists, petroleum engineers, technicians and managers with sufficient experience in the petroleum exploration and production business. We have been successful in attracting qualified personnel from both local and international sources. Shortages of experienced technical staff in Thailand, however, may make it necessary for us to hire increasing numbers of expatriate personnel in the future, particularly as we increasingly operate exploration or production ventures overseas.

We invest significant resources in training our personnel and regularly second employees to work with operators of joint ventures in which we are a participant so that they can gain experience in a number of technical areas, including training in gas processing and operations, reservoir engineering and management, production geology and petroleum geostatistics. We conduct an extensive employee training program, including internal training programs and attendance at Thai and international technical institutes, as well as technical training of employees seconded to work with our joint venture operators.

We consider our current relations with our employees to be good. Other than with respect to PTTEP AA, our work force is not unionized and we have not experienced a work stoppage or strike. We believe that our remuneration levels are competitive both within the Thai oil and natural gas industry and in the overall Thai labor market.

Safety, Security, Health and Environmental ("SSHE")

We aim to be a leading exploration and production company in Asia driven by technology and environmental awareness. We place SSHE as a core value that is integrated into every aspect of our business. We believe that all incidents are preventable and are fully committed to achieving the goal of a zero injury organization.

We have in place SSHE Management System (SSHE MS) as a principle for operational and risk control throughout the E&P life cycle. It defines our corporate SSHE vision and missions which are essential parts of the way PTTEP conducts its business. The PTTEP SSHE MS is designed to be in line with International Association of Oil and Gas Producers (OGP) Guidelines and other international standards such as ISO 14001, OHSAS 18001 and ISO 9001.

We have a clear policy to meet or exceed compliance with all applicable SSHE laws and regulations, and international standards in all of our operations worldwide. We always identify, eliminate or minimize SSHE risks to "As Low As Reasonably Practicable" in our operations, especially the design of production platforms, production processes and production control. We regularly monitor and control hazards, and educate employees on incident prevention and work safety. Drills and exercises, including drills with relevant outside agencies, are conducted to prepare for emergency responses.

We anticipate that the SSHE laws and regulations to which we are subject will become increasingly strict and will therefore likely have an increasing impact on our operations. It is impossible, however, to accurately predict the effect of future developments in such laws and regulations on our future earnings and operations. Some SSHE risks are inherent in our operations and products, as well as in the industry in which we operate. While we intend to reduce those inherent risks to as low as reasonably practicable, there can be no assurance that material costs and liabilities will not be incurred.

Sustainable Growth

We are committed to corporate social responsibility and sustainable development for society in accordance with our motto “from natural treasure to intellectual wisdom and environmental conservation.” We have supported activities for youth development, health development, and occupational development. We have created the “Thai Heritage World Heritage” project to raise public awareness of the five natural and cultural sites in Thailand that have been declared World Heritage Sites by UNESCO. We encourage employee participation in numerous social and environmental development activities to demonstrate good corporate citizenship, instilling in employees a spirit of contributing to society.

Insurance

We have a comprehensive insurance policy that covers loss and damage that may be incurred in respect of our business and properties. We employ a risk management policy that helps us analyze which aspects of our business and properties need specific levels of insurance. In addition, we employ large international insurance brokers to help negotiate conditions and diversify our risks to other established re-insurance companies so that we may apply our insurance resources efficiently and in the most cost-effective manner. In addition, our insurance policy also covers our subsidiaries.

Our coverage includes property damage, well damage (cost of control of well, re-drilling cost and seepage and pollution) third party liability, construction work and personnel accident insurance. We have purchased business interruption insurance for major projects, including Bongkot, Arthit and S1. We consider our insurance coverage to be in accordance with industry standards and suitable for our business.

Legal Proceedings

From time to time we may be involved in legal proceedings or other disputes in the ordinary course of our business. Other than as described below, we are not aware of any material legal proceedings, claims or disputes currently existing or pending against us that may have a material adverse effect on our business or results of operations as of the date of this Offering Memorandum.

In connection with the Montara Incident, PTTEP AA has been subject to civil claims and may be subject to further potential civil claims. On August 26, 2010, PTTEP AA received a letter and presentation materials from the Indonesian government seeking US$2.5 billion in compensation for damages to Indonesia’s environment and economy. However, there is no agreement between the Indonesian government and PTTEP AA on such claims. In addition, on August 31, 2012, the Darwin Magistrates Court imposed fines on PTTEP AA totaling AU$510,000 in respect of the four charges brought by the Commonwealth Department of Public Prosecutions under the OPGGS Act. No costs were sought or awarded. See “*Risk Factors — Risks Relating to Our Business — We and PTTEP AA are subject to claims and liabilities in relation to the Montara Incident*.” and “*Risk Factors — Risks Relating to Our Business — We and PTTEP AA may face material adverse consequences as a result of investigations into the Montara Incident conducted by various Australian governmental agencies*.”

We have also received workers compensation claims due to the Montara Incident (although such claims to date have not, in the aggregate, been material) and have received notice of potential claims for compensation from fishermen in Western Australia and the West Timor Care Foundation (although no claims have as of yet been filed and any damages, if claimed, are not yet quantifiable).

MANAGEMENT

Directors

The Articles of Association provide for a board of directors of between five and fifteen directors and one-third of the directors are retired each year by rotation. As of the date of this Offering Memorandum, the Company's board of directors consisted of 14 members.

The business address of all the directors and executive officers is our registered office.

Name	Age	Position
Mr. Suthep Liumsirijarern	59	Chairman
Mr. Prajya Phinyawat...........................	63	Vice-Chairman and Director (Independent)
Mr. Pailin Chuchottaworn	57	Director
Mr. Viraphol Jirapraditkul....................	59	Director
Mr. Chakkrit Parapuntakul	54	Director
Mr. Manas Jamveha	57	Director
Mr. Nuttachat Charuchinda..................	59	Director
Mr. Ampon Kittiampon	58	Director (Independent)
Ms. Varanuj Hongsaprabhas	65	Director (Independent)
Gen. Pornchai Kranlert	62	Director (Independent)
Mr. Achporn Charuchinda	61	Director (Independent)
Gen. Warawat Indradat.........................	64	Director (Independent)
Mr. Maitree Srinarawat	64	Director (Independent)
Mr. Tevin Vongvanich	55	Director, President and CEO

Certain information with respect to our directors is set out below:

Mr. Suthep Liumsirijarern has been our director since March 27, 2014 and currently serves as Chairman of our board of directors. He is the Permanent Secretary of the Ministry of Energy and also is a director of PTT Public Co., Ltd. and PTT Global Chemical Public Co., Ltd. He was previously the Director-General of the Energy Policy and Planning Office (EPPO), Ministry of Energy, Deputy Director-General of the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy and Director of the Bureau of Alternative Energy Development, Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy. He received a bachelor's degree in Civil Engineering from Chiang Mai University and a Post-Graduate Diploma in Hydraulic Engineering from the International Institute of Hydraulic Engineering, the Netherlands.

Mr. Prajya Phinyawat has been our director since March 28, 2012 and is our Vice Chairman, Chairman of PTT Asahi Chemical Co., Ltd. He also served as a Director of Thaioil Public Co., Ltd., PTT Chemical Public Co., Ltd., IRPC Public Co., Ltd., Bangkok Polyethylene Public Co., Ltd., PTT Aromatics and Refining Public Co., Ltd, Thai Lube Base Public Co., Ltd., Thai Paraxylene Co., Ltd., and PTT Polyethylene Co., Ltd. In addition, he was previously the Chief Operating Officer of Downstream Petroleum Business Group and Senior Executive Vice President of the Oil Business Unit of PTT Public Co., Ltd. He received a bachelor's degree in Civil Engineering from Chulalongkorn University, a master's degree in Civil Engineering from Stanford University and a doctorate degree in Civil Engineering from the University of Texas at Austin.

Mr. Pailin Chuchottaworn has been our director since December 1, 2011 and is the President and Chief Executive Officer of PTT Public Co., Ltd. and a Director of PTT Global Chemical Public Co., Ltd. He was the Director and Secretary to the Board, Acting Chief Executive Officer and Chief Operations Officer of the Upstream Petroleum and Gas Business Group of IRPC Public Co., Ltd. He was also a Chairman of PTT Asahi Chemical Co., Ltd. and PTT Polymer Marketing Co., Ltd. and Senior Executive Vice President of the Petrochemicals and Refining Business Unit of PTT Public Co., Ltd. He received a bachelor's degree in Chemical Engineering with honors from Chulalongkorn University, a master's degree in Chemical Engineering from the Tokyo Institute of Technology and doctorate degrees in Chemical Engineering from the Tokyo Institute of Technology and in Sustainable Energy and Environment from Rajamangala University of Technology.

Mr. Viraphol Jirapraditkul has been our director since March 29, 2007 and is the Chief Inspector General of the Ministry of Energy and a board member of Thai Petroleum Pipeline Co., Ltd. and Ramkhamhaeng University Council. He previously was a board member of National Power Supply Public Co., Ltd., Energy Fund Administration Institute (Public Organization), and Electrical and Electronics Institute and served as the Director General of the Department of Energy Business and the Energy Policy and Planning Office of the Ministry of Energy. He received a bachelor's degree in Economics from Thammasat University and master's degrees in Development Economics from the National Institute of Development Administration and in Energy Economics from the University of Calgary.

Mr. Chakkrit Parapuntakul has been our director since January 1, 2011. He also serves as the Deputy Permanent Secretary of the Ministry of Finance, Chairman of ASEAN Potash Mining Public Co., Ltd., Advisor to the Audit Committee of Eastern Water Resources Development and Management Public Co., Ltd., and Director of Thai Smile Airways Co., Ltd. He previously was the Deputy Director-General and Director-General of the Public Debt Management Office of the Ministry of Finance, and the Chairman of Thailand Post Co., Ltd. He received a bachelor's degree in Accounting from Thammasat University and an MBA from Angelo State University.

Mr. Manas Jamveha has been our director since January 1, 2012. He is the Comptroller General of the Comptroller General's Department of the Ministry of Finance. He was previously the Deputy Permanent Secretary of the Ministry of Finance, the Inspector General of the Ministry of Finance and an Advisor on Fiscal System Development to the Comptroller General's Department of the Ministry of Finance. He received a bachelor's degree in Laws and a master's degree in Political Science from Thammasat University. He also received an MBA from Sukhothai Thammathirat Open University.

Mr. Nuttachat Charuchinda has been our director since November 1, 2013. He is the Chief Operating Officer, Upstream Petroleum Business Group of PTT Public Co., Ltd. and Director of Thaioil Public Co., Ltd. He was previously the Chief Operating Officer, Downstream Petroleum Business Group of PTT Public Co., Ltd., Senior Executive Vice President of the Corporate Strategy of PTT Public Co., Ltd., Executive Vice President of the International Trading Business Unit of PTT Public Co., Ltd., and Executive Vice President of the Natural Gas Vehicle of PTT Public Co., ltd. He received a bachelor's degree in Civil Engineering from Chiang Mai University and an MBA from Thammasat University.

Mr. Ampon Kittiampon has been our director since March 30, 2011. He is the Secretary General to the Cabinet of Thailand, Chairman of the Bank of Thailand, Chairman of Thai Smile Airways Co., Ltd., Chairman of the Bank of Thailand, a member of the Board of Directors of Highland Research and Development Institute (Public Organization), Director of Thai Airways International Public Co., Ltd., a member of the Council of State, a committee of the Council of Chulalongkorn University, an honorary committee member of the Council of Walailak University, an honorary board member of the National Science and Technology Development Agency, the Expert Judicial Administration Commissioner of the Office of Judiciary, Civil Service Commissioner of the Office of the Civil Service Commission, and a board member of His Royal Highness Crown Prince Maha Vajiralongkorn Scholarship Foundation and the National Economic and Social Development Board, the Office of the National Economic and Social Development Board. He was previously the Chairman of Thai Airways International Public Co., Ltd., a member of the Monetary Policy Committee of the Bank of Thailand, a committee of Thailand Board of Investment, a board member of the Bank of Thailand and Secretary General of the Office of the National Economic and Social Development Board. He was also a Director of PTT Public Co., Ltd. and PTT Aromatics and Refining Public Co., Ltd. He received a bachelor's degree in Social Sciences from Kasetsart University, a master's degree in Economics from Northeastern University and a doctorate degree in Applied Economics from Clemson University.

Ms. Varanuj Hongsaprabhas has been our director since January 1, 2012. She was previously a director of TOT Public Co., Ltd., the Port Authority of Thailand and ACT Mobile Co., Ltd. She received a bachelor's degree in Economics and a master's degree in Financial Management from North Carolina State University.

Gen. Pornchai Kranlert has been our director since January 1, 2012. He currently serves as a Director of Mah Boon Krong 888 Co., Ltd., Mah Boon Krong Dairy Goats Co., Ltd., Mah Boon Krong Food Co., Ltd., APT Bearing Parking Co., Ltd. and APT Bearing Mall Co., Ltd. He was previously a Special Advisor to the Office of the Permanent Secretary for Defence, the Ministry of Defence, the

Deputy Chief of Staff of the Royal Thai Armed Forces Headquarters and the Deputy Commander in Chief of the Royal Thai Army. He also served as a Director of IRPC Public Co., Ltd. He received a bachelor's degree in Political Science from Ramkhamhaeng University and a master's degree in Public Administration from the National Institute of Development Administration.

Mr. Achporn Charuchinda has been our director since January 1, 2013 and is the Chairman of the Securities and Exchange Commission Board, Director of Thai Smile Airways Co., Ltd., board member of the Bank of Thailand, honorary board member of the National Science and Technology Development Agency, member of the Board of Directors of the Metropolitan Waterworks Authority, member of the Legal Committee of Thai Airways International Public Co., Ltd., member of the National Energy Policy Council of the Ministry of Energy, member of the Office of the Civil Service and Educational Personnel Commission of the Ministry of Education, member of the Institutions Policy Committee of the Bank of Thailand, member of the Council of State. He was previously the Secretary-General of the Office of the Council of State, Chairman of the Audit Committee for the Financial Institutions Development Fund and member of the Financial Institutions Development Fund of the Bank of Thailand, member of the National Water and Flood Management Committee of the Office of the National Water and Flood Management Policy, member of the Administrative Courts Officials Commission of the Office of the Administrative Courts, member of the Decentralization to Local Government Organization Committee of the Office of the Prime Minister, member of the Government Pension Fund and board member of the Energy Conservation Promotion Fund. He was also previously an Executive Director of Siam City Bank. He received a bachelor's degree in Laws from Thammasat University. He is a barrister-at-law.

Gen. Warawat Indradat has been our director since March 27, 2013. He currently serves as Advisor to the Executive Board of the Royal Thai Army Radio and Television, Royal Thai Army Radio and Television Station Channel 5 and Executive Director of the Royal Thai Armed Forces Headquarters. He also serves as Executive Chairman of the U Place Apartment Co., Ltd. and Sai Panadda (1997) Co., Ltd. He was previously a Director of the PTT Public Co., Ltd. and Senior Expert of the Royal Thai Army. He received a Bachelor's of science degree from Chulachomklao Royal Military Academy and a master's degree in Business Administration from the Civil Military MBA Program, Kasetsart University.

Mr. Maitree Srinarawat has been our director since March 27, 2013. He serves as a member of the Steering Committee for Set up an Aerospace Industrial Estate and Aerospace Repair Hub at Nakorn Ratchasima Airport, member of the Joint Steering Committee for Rail Development (Sino-Thai), member of the Steering Committee for the Conference on the Bureaucracy Regarding Review and Restructuring Government and the Economy, member of the Bureaucracy Development Sub-commission with Respect to the Transfer of Government Economic Mission, honorary member of the Steering Committee for the Selection of the Civil Servant to Appoint as an Executive, Higher Level and Director, Higher Level of the Ministry of Transport and honorary commissioner of the Civil Service Sub-Commission of the Ministry of Transport. He also previously was the Deputy Permanent Secretary of the Ministry of Transport, member of the Executive Board of the Airports of Thailand Public Co., Ltd. He received a bachelor's degree, a master's degree and a doctorate degree in Civil Engineering from Chulalongkorn University, Texas A&M University, College Station and University of Texas at Austin, respectively.

Mr. Tevin Vongvanich has been our director since November 30, 2009 and is our President and Chief Executive Officer. He first joined us in 1989. He also serves as the Chairman of Thailand Management Association and honorary board member of the National Science and Technology Development Agency. He was the Chairman of PTT ICT Solutions Co., Ltd. and was a Director of the following companies: PTT Aromatics and Refining Public Co., Ltd., PTT Chemical Public Co., Ltd., Thaioil Public Co., Ltd., PTT International Co., Ltd., Bangkok Aviation Fuel Services Public Co., Ltd. and Bangchak Petroleum Public Co., Ltd. He was also Chief Financial Officer of PTT Public Co., Ltd. He received his bachelor's degree in Chemical Engineering from Chulalongkorn University and holds master's degrees in Petroleum Engineering from the University of Houston and in Chemical Engineering from Rice University.

Executive Officers

Our executive officers as of the date of this Offering Memorandum are as follows:

Name	Age	Position
Mr. Tevin Vongvanich	55	Director, President and CEO
Mr. Asdakorn Limpiti	59	Executive Vice President
Mr. Somporn Vongvuthipornchai	55	Executive Vice President
Mr. Chatchawal Eimsiri	54	Executive Vice President
Ms. Penchun Jarikasem	59	Executive Vice President
Mr. Phongsthorn Thavisin	54	Executive Vice President
Mr. Thiti Mekavichai	52	Executive Vice President
Mr. Pairoj Rangponsumrit	58	Executive Vice President
Mr. Kanit Sangwongwanich	57	Executive Vice President
Mr. Nawee Anantraksakul	58	Executive Vice President

Mr. Tevin Vongvanich is our President and Chief Executive Officer and is also a director. See "*Management and Corporate Governance — Directors*."

Mr. Asdakorn Limpiti has been Executive Vice President of the Strategy and Business Development Group since January 15, 2010 and has been additionally assigned Acting Executive Vice President of Technologies and Sustainability Development Group since March 1, 2014. Before taking his current position, he was Vice President of the Strategy and Capability Development Division and Vice President of the Bongkot Asset. He holds a master's degree in chemical engineering from the University of Michigan in the United States.

Mr. Somporn Vongvuthipornchai has been Executive Vice President of the International Assets Group since January 15, 2010. Before taking his current position, he was Vice President of the International Assets Division, Vice President of the Production Development Division and Vice President of the Geosciences Division. He holds a doctorate degree in petroleum engineering from the University of Tulsa in the United States.

Mr. Chatchawal Eimsiri has been Executive Vice President attached to the President and Chief Executive Officer and Acting President of PTT International Company Limited since February 1, 2011. Previously, he has worked as the Executive Vice President of the Finance and Accounting Group, Finance and Budgeting Section Head and a Senior Manager of Finance. He holds a master's degree in operation research from the London School of Economics and Political Science, University of London in the United Kingdom.

Ms. Penchun Jarikasem has been Executive Vice President of the Finance and Accounting Group since February 1, 2011. Before taking her current position, she was Executive Vice President of Corporate Finance of PTT, Vice President of the Corporate Strategic Finance and Vice President of the Corporate Funding and Financial Management Department. She holds a master's degree in business administration from Thammasat University.

Mr. Phongsthorn Thavisin has been Executive Vice President of Engineering and Development Group since June 16, 2012. Before taking his current position, he was Senior Vice President of the Engineering and Construction Division, Vice President of the Engineering and Construction Division and Vice President of the Production Development Division. He holds a bachelor's degree in petroleum engineering from the Pennsylvania State University in the United States.

Mr. Thiti Mekavichai has been Executive Vice President of the Human Resources and Business Services Group since September 1, 2012. Before taking his current position, he was Senior Vice President, Human Resources Division. Prior to working in PTTEP, he had been Executive Vice President at Central Retail Corporation Limited and had more than 20 years working experience in Shell Group of Companies. He holds a bachelor's degree in Geography from Srinakarinvirot (Prasarnmitr) University.

Mr. Pairoj Rangponsumrit has been Executive Vice President of the Domestic Assets Group since March 1, 2013. Before taking his current position, he was Senior Vice President of the S1 Asset. He holds a master's degree in Mathematics from Mahidol University.

Mr. Kanit Sangwongwanich has been Executive Vice President of the Operations Support Group since March 1, 2014. Before taking his current position, he was Senior Vice President of the Well Technology Division. He holds a bachelor's degree in Petroleum Science from University of Wyoming in the United States.

Mr. Nawee Anantraksakul has been Executive Vice President of the Geosciences and Exploration Group since April 1, 2014. Before taking his current position, he was Quality Assurance Champion. He holds a master's degree in Geology from Chulalongkorn University.

Sub-Committees

The board of directors appoints Sub-Committees with special knowledge and expertise to assist in the supervision of our business, namely the Corporate Governance Committee, the Audit Committee, the Remuneration Committee, the Nominating Committee and the Risk Management Committee.

The Corporate Governance Committee

The Corporate Governance Committee consists of at least three independent directors. The Corporate Governance Committee proposes corporate governance policy, including the Company's business ethics, to the Board of Directors, reviews our corporate governance policy and business ethics, provides advice on matters concerning corporate governance and corporate social responsibility, deliberates governance-related shareholder proposals to propose to the Board of Directors, and evaluates and ensures that the duties, responsibilities and practices of all directors, managers and employees comply with good corporate governance policies.

The Audit Committee

The Audit Committee consists of at least three independent directors. Among the members of the Audit Committee, at least one member shall have knowledge, expertise and experience in auditing financial statements. The Audit Committee is required to carry out the following duties:

- review the Company's financial reports in association with the external auditor on a quarterly basis to ensure accuracy and adequacy;

- review the Company's compliance with securities and exchange laws, regulations of the SET and other laws relating to our business;

- review connected transactions and potential conflicts of interest to ensure that the Company complies with the law and SET regulations and that the transactions are reasonable and are in our best interests;

- ensure that the Company has efficient and appropriate internal control and internal audit system and review audit findings according to procedures and acceptable standards in coordination with the external auditor;

- consider, select, nominate and recommend the remuneration of the Company's external auditor and attend a non-management meeting with the external auditors at least once a year;

- evaluate the independence of the Internal Audit Department and supervise the heads of the department;

- consider and approve the internal audit plan of the Internal Audit Department; and

- prepare the Report of the Audit Committee for disclosure in the Company's annual report.

The Remuneration Committee

The Remuneration Committee consists of at least three directors, the majority of whom must be independent directors. The Chairman of the Committee must be an independent director. The Remuneration Committee considers the procedures for fair and reasonable determination of remuneration for directors and members of the sub-committees and presents them at the shareholders' meeting for approval. The Remuneration Committee also considers the remuneration of the President and Chief Executive Officer and salary structure of the Company's executives and proposes them to the Board of Directors for approval.

The Nominating Committee

The Nominating Committee consists of at least three directors, the majority of whom must be independent directors. The Chairman must be an independent director. The Nominating Committee selects qualified persons to be nominated as new directors, or President and Chief Executive Officer and proposes their names to the board of directors or at shareholders' meetings for election. It also nominates directors for vacancies on sub-committees, determines procedures for the nomination of directors, or President and Chief Executive Officer so as to ensure transparency and develops an annual board performance target for the board of directors, and President and a performance agreement for the Chief Executive Officer, with the annual assessment forms for the chairman, directors, sub-committees and President and Chief Executive Officer.

The Risk Management Committee

The Risk Management Committee consists of at least three directors. The Risk Management Committee formulates the Company's risk management framework and processes and promotes and implements the Company's risk strategy and policy by enhancing the level of risk awareness within the Company, developing appropriate procedures and ensuring availability of adequate resources to accomplish risk management goals. It maintains an enterprise-wide view of risk to guide corporate direction and exploration and production activities, recommends risk-mitigation strategies to maintain risks within an acceptable level, ensures adequate support for the Risk manager, supports the monitoring of risks across the Company and reports to the Board of Directors. The Risk Management Committee is responsible directly to the Board of Directors, while the Board of Directors is responsible for all of the Company's activities vis-à-vis third parties.

Compensation

For the years ended December 31, 2011, 2012 and 2013 and the three-month period ended March 31, 2014, remuneration paid to our directors and senior management as a group was US$4.6 million, US$4.7 million, US$6.2 million and US$1.5 million, respectively.

Share Ownership

The following table contains detailed information about our top ten major shareholders, as shown on our share register as of February 17, 2014.

Name of Shareholder	Number of Shares	Held Percentage[1]
PTT Public Company Limited	2,591,860,489	65.29
Thai NDVR Co., Limited	146,098,106	3.68
State Street Bank and Trust Company	85,841,186	2.16
State Street Bank Europe Limited	80,681,078	2.03
HSBC (Singapore) Nominees Pte Ltd	73,583,837	1.85
The Bank of New York (Nominees) Limited	55,307,505	1.39
Chase Nominees Limited 42	54,065,865	1.36
BNP Paribas Securities Services Luxembourg	53,081,145	1.34
Nortrust Nominees Limited-NT0 Sec Lending Thailand	41,241,647	1.04
The Bank of New York Mellon	39,132,443	0.99
Total Shares of Top 10 Major Shareholders	3,220,893,301	81.13
Issued and Paid-Up Shares as of March 31, 2014	3,969,985,400	100.00

Note:

(1) Shareholding percentages reflect shareholding as of February 17, 2014 as a percentage of our aggregate number of shares outstanding as of March 31, 2014.

RELATED PARTY TRANSACTIONS

Material Connected Transactions

We are a party to a number of agreements with "related parties" as determined under the SEC Act, including our principal shareholders, and their associated companies, and engage from time to time in transactions with them. We believe these agreements and transactions have generally been entered into on arm's-length terms or on terms that we believe have generally been at least as favorable to us as similar transactions would be with unrelated parties. We describe below the material transactions that we have entered into with our principal shareholder, PTT. Transactions with related companies have been carried out on commercial terms and conditions and at market rates. Please see "*Risk Factors — Risks Relating to Our Business — We are dependent on our relationship with PTT and the Government makes us heavily dependent on those entities, and the interests of PTT may conflict with yours as a shareholder*", "*Risk Factors — Risks Relating to Our Business — We rely heavily on our primary customers to maintain profitability*", "*Risk Factors — Risks Relating to Our Business — We rely on infrastructure development and equipment provided by third parties in Thailand and other countries in which we conduct our business*" and "*Risk Factors — Risks Relating to Our Business — Our principal shareholder exercises significant influence over our Company and may conflict with the interests of our other shareholders*".

For more information concerning related party transactions, please see Note 11 to the unaudited interim consolidated financial statements for the three-month period ended March 31, 2014, and Note 14 to the audited consolidated financial statements for the year ended December 31, 2013, contained elsewhere in this Offering Memorandum.

PTT. PTT is our major shareholder, holding approximately 65.29% of our registered and paid-up capital as at February 17, 2014. Two of PTT's directors, namely Mr. Suthep Liumsirijarern and Mr. Pailin Chuchottaworn, are also our directors. One of our directors, namely Gen. Warawat Indradat, was a director of PTT from 2011 through April, 2013. One of our directors, Mr. Ampon Kittiampon was a director of PTT in 2011. One of PTT's directors, namely Mr. Chitrapongse Kwangsukstith, was our director in 2011. In 2011, seven of our ex-directors, namely Mr. Norkun Sitthiphong, Mr. Pichai Chunhavajira, Mr. Chaikasem Nitisiri, Mr. Naris Chaiyasoot, Mr. Bhusana Premanode, Mr. Sommai Khowkachaporn and Mr. Prasert Bunsumpun, were also directors of PTT.

The following table presents financial details of the transactions with PTT during the periods indicated.

	For the year ended December 31, 2013	For the three-month period ended March 31, 2014
	(US$ in millions)	
Sales revenue (world market reference price)	5,978.42	1,488.32
Amortization of deferred remuneration under agreement	1.76	0.43

DESCRIPTION OF THE SECURITIES

The Securities will be issued under an indenture (the "**Indenture**") to be dated as of June 18, 2014 (the "**Issue Date**") between the Issuer and The Bank of New York Mellon, as trustee for the Holders of the Securities (the "**Trustee**"). The following (with the exception of the paragraphs in italics under *"— Replacement of capital*" below) summarises certain provisions of the Securities and the Indenture. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions thereof, including the definitions therein of certain terms. Wherever particular sections or defined terms from the Securities or the Indenture are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available upon request on or after the Issue Date from the Issuer or at the specified offices of the Trustee and the Paying and Transfer Agent (as defined below).

General

The Securities will be issued in an aggregate principal amount of U.S.$1,000,000,000. The Securities will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Securities confer a right to receive distributions ("**Distributions**") at the rates and in the manner described under *"— Distributions*". The Securities have no stated maturity date.

Payments of principal of, and Distributions on, the global securities representing the Securities will be made to the registered holder thereof in immediately available funds. Payments of principal of, and Distributions on, any certificated securities representing the Securities that are subsequently issued in certificated form, as set forth below, will be made by check drawn on a bank in The City of New York or, in the case of any holder of more than U.S.$1,000,000 in principal amount of individual certificated securities, upon timely application, by electronic transfer of immediately available funds to an account of such holder at a bank in The City of New York. Payments of the principal amount of such Security upon redemption in full, together with accrued Distributions due at redemption will be made to the registered holder thereof against presentation and surrender of such Security at the specified office of the Paying and Transfer Agent. Provided that in the event that a Singapore paying agent is required by the Listing Manual of the SGX-ST and the Securities are in definitive form, and for so long as the Securities are listed on the SGX-ST, a paying agent in Singapore will be appointed and maintained and the Securities may be presented or surrendered to such Singapore paying agent for payment or redemption, in the event that the global security representing the Securities is exchanged for Securities in individual form, and such payments of principal and Distribution payments may be made by such Singapore paying agent. Any payments of principal of and Distributions on the Securities to be made on a date that is not a Business Day may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no additional Distributions shall accrue as a result of such delayed payment.

The transfer of the Securities will be registrable, and the Securities will be exchangeable at the Corporate Trust Office (as defined in the Indenture) in The City of New York, which initially will be the office of the Paying and Transfer Agent. In the case of the transfer of less than all of the principal amount of any certificated securities representing the Securities, a new certificated security will be delivered by the Paying and Transfer Agent to the transferor in respect of the untransferred portion.

Ranking

The Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer, ranking *pari passu*, without any preference or priority of payment among themselves and with any Parity Securities of the Issuer. In the event of the Winding-Up of the Issuer, the rights and claims of Holders of the Securities shall rank ahead of those persons whose claims are in respect of ordinary shares of the Issuer, but shall be subordinated in right of payment to the claims of all other present and future creditors of the Issuer, other than the claims of holders of Parity Securities of the Issuer.

In a Winding-Up, the Holders' right to any payment under the Securities shall be limited to the Issuer's remaining assets, after its payment to the other preferred creditors and ordinary creditors, but shall be ranked *pari passu* with the right of holders of Parity Securities and shall be ranked at a higher level of priority than that of the Issuer's ordinary shareholders, as stated above. If the Issuer's remaining assets, after such payment, are insufficient for its full settlement of the principal and/or

Distribution, Arrears of Distribution or Additional Distribution Amounts, as relevant, including any other damages arising from these Securities, the amounts which still remain unpaid to the Holders shall be deemed to have been extinguished, wherein the Holders agree to waive all these unpaid amounts in favor of the Issuer.

Set-off

Subject to applicable law, no Holder of Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities and each Holder of Securities shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator or official receiver of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or official receiver of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Distributions

The Securities confer a right to receive Distributions at the applicable Distribution Rate described below from and including the Issue Date, subject to the provisions described under *"— Distribution Deferral*", on the Distribution Payment Dates to the person in whose name such Security is registered at the close of business on the 15th calendar day prior to the relevant Distribution Payment Date (whether or not a Business Day).

Each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, Distribution will continue to accrue at the applicable Distribution Rate (after as well as before any judgment) up to but excluding whichever is the earlier of (a) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Paying and Transfer Agent or the Trustee has notified the Holders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Holders).

In any case where the date for the payment of any principal, Distribution and Arrears of Distribution (including Additional Distribution Amounts and premium, if any) in respect of, any Security is not a Business Day, then payment of such principal or amount may be made on the next succeeding Business Day with the same force and effect as if made on the date for such payment of principal or amount, and no distribution will accrue for the period after such date as a result of such delayed payment. All payments of principal, Distribution and Arrears of Distribution (including Additional Distribution Amounts and premium, if any) on the Securities will be made in U.S. dollars.

Fixed Distribution Periods

Unless previously redeemed in accordance with the terms of the Securities and subject to the provisions described under *"— Distribution Deferral*":

(a) Distributions from and including the Issue Date to, but excluding, June 18, 2019 (the "**First Reset Date**") shall accrue on the Outstanding principal amount of the Securities at a rate of 4.875% per annum (the "**Initial Distribution Rate**"); and

(b) Distributions from and including the First Reset Date to, but excluding, June 18, 2024 (the "**Second Reset Date**") shall accrue on the Outstanding principal amount of the Securities at the First Reset Distribution Rate.

Distributions in respect of such periods shall be payable semi-annually in arrear on June 18 and December 18 in each year (each, a "**Fixed Distribution Payment Date**") with the first Fixed Distribution Payment Date falling on December 18, 2014 in respect of the period from and including, the Issue Date to, but excluding, such Fixed Distribution Payment Date.

If a Distribution is required to be paid in respect of a Security on any date other than a Fixed Distribution Payment Date in respect of a period ending prior to the Second Reset Date, it shall be calculated by applying the Initial Distribution Rate or, as the case may be, the First Reset Distribution Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of such Security divided by the Calculation Amount, where "Calculation Amount" means U.S.$1,000 and "Day Count Fraction" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).The Calculation Agent will calculate the First Reset Distribution Rate on the Calculation Date and cause the First Reset Distribution Rate to be notified to the Issuer, the Trustee and the Paying and Transfer Agent without undue delay, but, in any case, not later than on the fourth Business Day after its determination.

Floating Distribution Periods

Unless previously redeemed in accordance with the terms of the Securities and subject to the provisions described under "— *Distribution Deferral*":

(a) Distributions in respect of each Floating Distribution Period during the period from and including the Second Reset Date to, but excluding, the Floating Distribution Payment Date falling on June 18, 2039 (the "**Additional Step-up Margin Reset Date**") shall accrue on the Outstanding principal amount of the Securities at the Second Reset Distribution Rate for that Floating Distribution Period; and

(b) Distributions in respect of each Floating Distribution Period during the period from and including the Additional Step-up Margin Reset Date shall accrue on the Outstanding principal amount of the Securities at the Third Reset Distribution Rate for that Floating Distribution Period.

The Securities will bear Distributions in respect of such periods at a rate determined by the Calculation Agent as set out below, payable on each date (each a "**Floating Distribution Payment Date"**) which falls six months after the preceding Floating Distribution Payment Date or, in the case of the first Floating Distribution Payment Date, after the Second Reset Date.

If there is no numerically corresponding day in the calendar month in which a Floating Distribution Payment Date should occur, such Floating Distribution Payment Date shall be the last day that is a Business Day in the relevant month. If any Floating Distribution Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Floating Distribution Payment Date shall be brought forward to the immediately preceding Business Day. If a Floating Distribution Payment Date falls on the last Business Day of a month, each subsequent Floating Distribution Payment Date shall be the last Business Day of the sixth month after the month in which that Floating Distribution Payment Date fell.

The Calculation Agent will calculate the applicable Distribution Rate for each Floating Distribution Period and the amount of Distribution payable in respect of each U.S.$1,000 in principal amount of the Securities for the relevant Floating Distribution Period (the "**Floating Distribution Amount**") on the Calculation Date and cause the applicable Distribution Rate and the Floating Distribution Amount to be notified to the Issuer, the Trustee and the Paying and Transfer Agent without undue delay, but, in any case, not later than on the fourth Business Day after its determination.

Each Floating Distribution Amount or any other amount in respect of a period comprising part of a Floating Distribution Period will be calculated by multiplying the applicable Distribution Rate by the principal amount per Security, multiplying the product by the number of days in the Floating Distribution Period concerned divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

Increase in Distribution Rate following a Change of Control Triggering Event

Unless an irrevocable notice to redeem the Securities has been given to the Holders, the Trustee and the Paying and Transfer Agent by the Issuer (as described under *"— Redemption upon a Change of Control Triggering Event*" below) by the 14th day following the first occurrence of a Change of Control Triggering Event, the Distribution Rate will increase by 3.00% per annum with effect from the date on which that Change of Control Triggering Event occurs.

Distribution deferral

The Issuer may, at its sole discretion, elect to defer, in whole or in part, payment of a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") to the Holders, the Trustee and the Paying and Transfer Agent not more than 10 nor less than five Business Days prior to a scheduled Distribution Payment Date (an "**Optional Deferral Event**").

Any Distribution validly deferred pursuant to the terms of the Securities shall constitute "Arrears of Distribution". Each amount of Arrears of Distribution shall bear additional distribution from and including the date falling 12 months from the date on which it is first deferred as if it constituted the principal of the Securities at the prevailing Distribution Rate (the amount of such additional distribution being an "**Additional Distribution Amount**"). The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added for the purpose of calculating the Additional Distribution Amount accruing thereafter to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution and Additional Distribution Amounts by complying with the foregoing notice requirement applicable to any deferral of a Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred.

The Issuer:

(a) may satisfy any Arrears of Distribution (in whole or in part and including any Additional Distribution Amounts) at any time by giving notice of such election to the Holders, the Trustee and the Paying and Transfer Agent not more than 10 nor less than five Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(b) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part and including any Additional Distribution Amounts) on the earliest to occur of:

    (1) the next Distribution Payment Date immediately following a breach by the Issuer of the provisions described under "*— Restrictions in the case of deferral*";

    (2) the date on which the Securities are to be redeemed pursuant to the provisions described under *"— Redemption*"; and

    (3) the Winding-Up of the Issuer.

Any partial payment of outstanding Arrears of Distribution and Additional Distribution Amounts by the Issuer shall be shared by the Holders of all Securities then Outstanding on a pro-rata basis.

Restrictions in the case of deferral

If an Optional Deferral Event has occurred, the Issuer shall not:

(a) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Securities or its Parity Securities (except, in relation to the Parity Securities of the

Issuer, where such dividend, distribution or other payment is made on a *pro rata* basis with payment on the Securities), save that such restriction shall not apply to payments in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants; or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Securities or its Parity Securities (except, in relation to Parity Securities, where such redemption, reduction, cancellation or buy-back is made on a pro rata basis with a pro rata purchase by the Issuer of Securities), save that such restriction shall not apply to an exchange of any of its Parity Securities in whole for Junior Securities or a repurchase or other acquisition of any securities in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants,

in each case, unless and until the Issuer (i) has satisfied in full all outstanding Arrears of Distribution and any Additional Distribution Amounts or (ii) is permitted to do so with the consent of the Holders of at least a majority in aggregate principal amount of the Securities then Outstanding.

Redemption

Redemption at the option of the Issuer

The Securities may be redeemed at the option of the Issuer, in whole but not in part, on the First Reset Date, the Second Reset Date or any Distribution Payment Date after the Second Reset Date (each a "**Call Settlement Date**") on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the relevant Call Settlement Date), at a redemption price equal to the principal amount of the Securities redeemed plus any Distribution accrued to, but excluding, the relevant Call Settlement Date (including any Arrears of Distribution and any Additional Distribution Amounts outstanding).

Redemption upon a Withholding Tax Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at a redemption price equal to the principal amount of the Securities redeemed plus any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding) if, immediately prior to giving such notice, a Withholding Tax Event has occurred and is continuing; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay excess Additional Amounts as referred to in the definition of Withholding Tax Event if a payment in respect of the Securities were then due.

Redemption upon a Tax Deductibility Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding) if, immediately prior to giving such notice, a Tax Deductibility Event has occurred and is continuing; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the payments on the Securities (including Distributions, Arrears of Distribution and Additional Distribution Amounts) are no longer fully deductible as referred to in the definition of Tax Deductibility Event.

Redemption upon a Rating Agency Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at:

(a) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding); or

(b) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding),

if, immediately prior to giving such notice, a Rating Agency Event has occurred and is continuing.

Redemption upon an Accounting Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at:

(c) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding); or

(d) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding),

if, immediately prior to giving such notice, an Accounting Event has occurred and is continuing.

Redemption upon a Change of Control Triggering Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at

(a) if the redemption date falls prior to the First Reset Date, 101% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); or

(b) if the redemption date falls on or after the First Reset Date, 100% of their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount),

if, immediately prior to giving such notice, a Change of Control Triggering Event has occurred.

If a Change of Control Triggering Event occurs in respect of which the Issuer intends to deliver a notice exercising its right to redeem the Securities, the Issuer intends (without thereby assuming a legal obligation) as soon as reasonably practicable following such Change of Control Triggering Event to make an offer to all holders of the Relevant Securities to repurchase their respective securities at the lower of:

(a) their respective market values; and

(b) their respective aggregate nominal amounts together with any Distribution accrued until the day of completion of the repurchase.

The Issuer will make such tender offer in such a way as to ensure that the repurchase of any such Relevant Securities tendered to it will be effected prior to any redemption of the Securities.

"Relevant Securities" means any current or future indebtedness of the Issuer to Senior Creditors in the form of, or represented or evidenced by bonds, notes, debentures or other similar securities or instruments (or a guarantee thereof) which benefits from a solicited rating from an external rating agency recognized by EU or US regulations, and which does not include protection for the holders thereof in the event of a change of control of the Issuer (however defined).

"Senior Creditors" means all unsubordinated creditors, present and future, of the Issuer and all subordinated creditors of the Issuer other than those whose claims (whether only in the event of the Winding-up of the Issuer or otherwise) rank, or are expressed to rank, pari passu with or junior to the claims of the Holders.

Redemption upon a Substantial Repurchase Event

The Securities may be redeemed at the option of the Issuer, in whole but not in part, at any time on the Issuer giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities on the date fixed for redemption), at a redemption price equal to the principal amount of the Securities redeemed plus any Distribution accrued to, but excluding, the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts outstanding) if, immediately prior to giving such notice, a Substantial Repurchase Event has occurred.

Conditions to redemption

Prior to any redemption of the Securities, the Issuer will deliver to the Trustee, to be made available for inspection by Holders:

(a) a certificate signed by one authorised signatory of the Issuer stating that the conditions precedent to the right of redemption have occurred;

(b) in the case of a redemption upon a Withholding Tax Event or (to the extent reasonably practicable) Tax Deductibility Event, an opinion of counsel or of a tax adviser confirming that the Withholding Tax Event or Tax Deductibility Event, as the case may be, has occurred; and

(c) in the case of a redemption upon an Accounting Event, to the extent reasonably practicable, an accountant's opinion from an accountancy firm, audit firm or the state auditor confirming that an Accounting Event has occurred.

Repurchase

The Issuer may, in accordance with all applicable laws and regulations:

(a) prior to the First Reset Date, purchase Securities up to a maximum amount representing 25% of the aggregate principal amount of the Securities issued on the Issue Date (which shall include for these purposes any further securities issued that are consolidated and form a single series with the Securities as described under "— *Further issuances*" below) in the open market or otherwise and at any price; and

(b) at any time from and including the First Reset Date, purchase Securities in the open market or otherwise and at any price.

Substitution or Variation

The Issuer may (without any requirement for the consent or approval of the Holders) at any time on giving not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent, either:

(i) substitute all, but not some only, of the Securities for; or

(ii) vary the terms of the Securities with the effect that they remain or become (as the case may be),

Qualifying Securities if, immediately prior to giving such notice, a Withholding Tax Event, Tax Deductibility Event, Rating Agency Event or Accounting Event has occurred and is continuing.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities.

The Trustee shall, subject to the conditions set out in the Indenture, agree to such substitution or variation, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Securities or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it. If the Trustee does not participate or assist as provided herein, the Issuer may redeem the Securities as described above.

In connection with any such substitution or variation, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading. Any such substitution or variation shall not be permitted if a Withholding Tax Event, Tax Deductibility Event, Rating Agency Event or Accounting Event would occur or be continuing with respect to the Securities or the Qualifying Securities immediately following such substitution or variation.

Replacement of capital

The Issuer intends (without thereby assuming a legal obligation), during the period from the Issue Date to and including the Additional Step-up Margin Reset Date, in the event of:

(a) a redemption of the Securities at the option of the Issuer or upon a Withholding Tax Event;

(b) a repurchase of the Securities of more than: (i) 10% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 12 month period; or (ii) 25% of the aggregate principal amount of the Securities issued on the Issue Date in any consecutive 10 year period,

if the Securities are assigned an "equity credit" (or such similar classification then used by S&P) at the time of such redemption or repurchase, that it will redeem or repurchase the Securities only to the extent the Aggregate Equity Credit at the Issue Date (taking into account any changes in the hybrid capital methodology, or another relevant methodology, of S&P or the interpretation thereof since the issuance of the Securities) of the Securities to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by the Issuer or any other Subsidiaries of the Issuer during the 365 day period prior to the date of such redemption or repurchase from securities offerings involving the sale or issuance, by the Issuer or any other Subsidiaries of the Issuer, of securities to third party purchasers other than the Issuer or any other Subsidiaries of the Issuer.

*The restrictions described above (the "**Restrictions**") shall not apply if on the date of such redemption or repurchase:*

(a) the Issuer has a corporate credit rating from S&P that is equal to or greater than the rating assigned to the Issuer by S&P as at the Issue Date and, to the best of the Issuer's knowledge, after giving effect to such redemption or repurchase, such rating will not be revised downward, withdrawn or placed on review or "creditwatch" with negative implications (or other similar review or change of outlook) by S&P to levels below the rating assigned to the Issuer as at the Issue Date as a result of such redemption or repurchase; or

(b) the Issuer no longer has a corporate credit rating by S&P; or

(c) a Tax Deductibility Event, Rating Agency Event, Accounting Event or Substantial Repurchase Event has occurred and is continuing; or

(d) *the statements made in the Restrictions are no longer required for the Securities to be assigned an "equity credit" that is equal to or greater than the equity credit assigned to the Securities by S&P on the Issue Date; or*

(e) *there shall have occurred a general moratorium on, or disruption in, commercial banking activities in Thailand, the United Kingdom, the European Economic Area or the United States by any Thai, United Kingdom, European Economic Area, New York State or United States Federal authorities, which would be likely to materially prejudice dealings in the Securities in the secondary market.*

For the purpose of the Restrictions, "Aggregate Equity Credit" means the "equity credit" (as a percentage) assigned by S&P to the relevant securities multiplied by the aggregate principal amount of such securities.

Additional Amounts

All payments of principal, Distributions and Arrears of Distribution (including Additional Distribution Amounts and premium, if any) in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments, fees or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Thailand or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In the event that such withholding or deduction in respect of principal, Distributions or Arrears of Distribution (including Additional Distribution Amounts and premium, if any) is required by law, the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders of the Securities of such amounts as would have been payable to the Holders had no such withholding or deduction been required, except that no such Additional Amounts shall be payable:

(a) in respect of any tax or other governmental charge that would not have been imposed but for a connection (including being a citizen, resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Kingdom of Thailand) between the Holder or beneficial owner of a Security and the Kingdom of Thailand or any political subdivision or any authority thereof or therein, as the case may be, otherwise than merely holding such Security or receiving principal, Distributions or Arrears of Distribution (including Additional Distribution Amounts and premium, if any) in respect thereof; or

(b) in respect of any Security presented for payment more than 30 days after the relevant date, except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such 30-day period. For this purpose, the "relevant date" in relation to any Security means: (i) the due date for payment thereof; or (ii) if the full amount payable on such due date has not been received in The City of New York by the Paying and Transfer Agent on or prior to such due date, the first date on which such full amount has been so received and notice to that effect has been given to the Holders of the Securities; or

(c) to a Holder who failed to (i) provide information concerning the Holder's nationality, residence or identity or (ii) make any declaration or other similar claim or satisfy any information or reporting requirement, in the case of either (i) or (ii), after the Issuer or the relevant tax authority requested such Holder to do so; or

(d) to a Holder or to a third party on behalf of a person who would have been able to avoid such withholding or deduction by duly presenting the Security to another paying agent; or

(e) such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform with, such directive; or

(f) any combination of the above.

Unless the context otherwise requires, any reference in the Securities to principal, Distribution and/or Arrears of Distribution (including Additional Distribution Amounts and premium, if any) shall be deemed to include any Additional Amounts which may be payable as described above.

Non-payment when due

If:

(a) the Issuer fails to pay on the due date any amount payable by it under the Securities pursuant to the Indenture and such failure is not remedied within 10 Business Days; or

(b) a Winding-Up of the Issuer occurs,

the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then Outstanding may by written demand to the Issuer declare the principal amount of the Securities to be due and payable, upon which such principal amount, together with any accrued but unpaid Distribution and any Arrears of Distribution (including Additional Distribution Amounts and premium, if any) shall become due and payable and following which (in the case of (a) above) the Trustee may institute proceedings for, or (in the case of (b) above) prove in, the Issuer's Winding-Up.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is not obligated to exercise any of its rights or powers at the request or direction of any of the Holders unless they have provided to the Trustee pre-funding, security or indemnity satisfactory to the Trustee in its sole discretion.

Modification and Waiver

With the consent of the Holders of more than 50% in aggregate principal amount of the Securities then Outstanding, the Issuer may execute supplemental indentures with the Trustee to add provisions or change or eliminate any provision of the Indenture or any supplemental indenture or to modify the rights of the Holders of the Securities. Without the consent of the Holders of all the Securities then Outstanding, however, no such supplemental indenture will, with respect to the Securities:

(a) change the stated principal of, or any installment of Distribution, premium or Additional Amounts payable;

(b) reduce the principal amount of, or any Distributions (including any Arrears of Distribution or Additional Distribution Amounts) and any other amounts payable upon redemption of, or premium or Additional Amounts payable;

(c) extend the stated time for payment of Distributions (including any Arrears of Distribution or Additional Distribution Amounts);

(d) change the manner of calculation of Distributions (including any Arrears of Distribution or Additional Distribution Amounts) or principal or any other amount payable upon redemption;

(e) change the place of payment, or currency of denomination or payment of the principal of, or any Distributions, premium or Additional Amounts payable;

(f) change the Company's obligation to pay premium or Additional Amounts or any other amounts payable upon redemption;

(g) impair the right to institute suit for the enforcement of any payment; or

(h) reduce the percentage of the principal amount of the Securities then Outstanding, the consent of the Holders of which is required for any such supplemental indenture or for any modification to the provisions in the Indenture relating to modification and waiver.

Further issuances

Subject to applicable law, the Issuer may from time to time, without notice to or the consent of the Holders of the Securities, create and issue further securities ranking *pari passu* with the Securities in all respects (or in all respects except for the payment of distribution accruing prior to the issue date of those securities or except for the first payment of distribution following the issue date of those securities). The Issuer may consolidate such further securities with the Outstanding Securities to form a single series.

Return of unclaimed funds

Any funds deposited with the Paying and Transfer Agent to pay principal or Distributions on any Security, that remain unclaimed and unescheated for one year after the date upon which the last payment of principal of or Distributions on any Security to which such deposit relates shall have become due and payable, shall be repaid to the Issuer upon its written request by the Paying and Transfer Agent, and the Holder of any Security to which such deposit related that is entitled to receive payment shall thereafter look only to the Issuer for the payment thereof and all liability of the Paying and Transfer Agent with respect to such funds shall thereupon cease.

Replacement Securities

If a Security is mutilated, destroyed, lost or stolen, it may be replaced at the Corporate Trust Office or agency of the Trustee in New York or at the office of the Paying and Transfer Agent. The relevant Holder will have to pay any expenses incurred by the Issuer, the Trustee and the Paying and Transfer Agent and furnish any evidence and indemnity that the Issuer, the Trustee and the Paying and Transfer Agent may require. Mutilated Securities must be surrendered before the Issuer will issue replacement Securities.

Notices

Notices to the Holders of the Securities will be mailed to them at their respective addresses in the register of the Securities. Any such notice will be deemed to have been given on the fourth day after being so mailed. So long as and to the extent that the Securities are represented by global securities and such global securities are held by DTC, notices to owners of beneficial interests in the global securities may be given by delivery of the relevant notice to DTC for communication by it to entitled account holders.

Trustee and Agents

The Bank of New York Mellon is the Trustee under the Indenture. The Corporate Trust Office of the Trustee is located at 101 Barclay Street, New York, NY 10286, USA.

The Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the Holders of the Securities unless they have provided to the Trustee pre-funding, security or indemnity satisfactory to the Trustee in its sole discretion.

The Bank of New York Mellon will serve as the initial paying and transfer agent (the "**Paying and Transfer Agent**"). The Paying and Transfer Agent may resign at any time or may be removed by the Issuer. If the Paying and Transfer Agent is removed or becomes incapable of acting as a paying and transfer agent or if a vacancy occurs in the office of the Paying and Transfer Agent for any cause, a successor Paying and Transfer Agent will be appointed as provided by the Indenture.

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, Paying and Transfer Agent and additional or successor paying agents and transfer agent; provided, however, that the Issuer shall at all times maintain a paying agent outside the European Union and a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48 EC or any law implementing, or complying with or introduced in order to conform to, such directive.

Governing Law

The Indenture and the Securities will be governed by, and construed in accordance with, the laws of the State of New York, except that the subordination provisions described under "— *Ranking*" and "— *Set-off*" will be governed by the laws of Thailand. The Issuer has agreed that any legal suit, action or proceeding arising out of or based upon the Indenture or the Securities may be instituted in any state or federal court in the State and City of New York, United States of America.

Delivery and Form

The statements set forth herein include summaries of certain rules and operating procedures of DTC, Euroclear and Clearstream which will affect transfers of interests in the global securities representing Securities.

Global Securities

The Securities will be issued in fully registered form without coupons. Securities sold in offshore transactions in reliance on Regulation S will initially be represented by one or more permanent global Securities in definitive, fully registered form without coupons (each, a "**Regulation S Global Securities**") and will be deposited with the Trustee as custodian for, and registered in the name of, a nominee of DTC (and, together with any successor, the "**Depository**") for the accounts of Euroclear and Clearstream, Luxembourg.

Securities sold in reliance on Rule 144A will be represented by one or more permanent global Securities in definitive, fully registered form without coupons (each, a "**Rule 144A Global Security**" and, together with the Regulation S Global Security, the "**Global Securities**") and will be deposited with the Trustee as custodian for, and registered in the name of, a nominee of DTC.

Each Global Security (and any Securities issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "*Transfer Restrictions*." Except in the limited circumstances described below under "— *Certificated Securities*," owners of beneficial interests in the Global Securities will not be entitled to receive physical delivery of Certificated Securities (as defined below). The Securities are not issuable in bearer form.

Ownership of beneficial interests in the Global Securities will be limited to persons who have accounts with DTC ("**participants**") or persons who hold interests through participants. Ownership of beneficial interests in the Global Securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in Rule 144A Global Securities directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Security directly through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Securities on behalf of their participants through DTC.

So long as DTC, or its nominee, is the holder of the Global Securities, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of the Securities represented by the Global Securities for all purposes under the Indenture and the Securities. No beneficial owner of an interest in a Global Security will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream, Banking.

Payments of the principal of, or Distribution (including Arrears of Distribution and Additional Distribution Amounts) on, the Global Securities will be made to DTC or its nominee, as the case may be, as the holder thereof. None of the Issuer, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment on the Global Securities, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the stated principal amount of the Global Securities as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in the Global Securities held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Issuer expects that DTC will take any action permitted to be taken by a Holder of Securities only at the direction of one or more participants to whose account the DTC interests in the Global Securities is credited and only in respect of such portion of the aggregate stated principal amount of the Global Securities as to which such participant or participants has or have given such direction. However, if the Issuer fails to pay on the due date any amount payable by it under the Securities pursuant to the Indenture and such failure is not remedied within 10 Business Days, or if a Winding-up of the Issuer occurs, DTC will exchange the Global Securities for certificates representing the Securities, which it will distribute to its participants and which may be legended as set forth under "Notice to Investors."

Certificated Securities

If (i) DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for such Rule 144A Global Security or Regulation S Global Security, as the case may be, and a successor depositary is not appointed by the Issuer within 90 days of such notice or (ii) any of DTC, Euroclear or Clearstream, Luxembourg or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, the Issuer will issue certificates representing the Securities ("**Certificated Securities**") in registered form in exchange for the Rule 144A Global Security and the Regulation S Global Security, as the case may be. Upon receipt of such notice from DTC, Euroclear, Clearstream, Luxembourg or the Trustee, as the case may be, the Issuer will use its best efforts to make arrangements for the exchange of interests in the relevant Global Security for Certificated Securities and cause the requested Certificated Securities to be executed and delivered to the Paying and Transfer Agent in sufficient quantities and delivered to the Paying and Transfer Agent for delivery to holders.

A Certificated Security may be transferred in whole or in part (in a principal amount equal to the minimum authorized denomination or any integral multiple thereof) by surrendering such Certificated Security to be transferred, together with an executed instrument or assignment of transfer, at the Corporate Trust Office of the Trustee or at the office of the Paying and Transfer Agent in New York. In the case of a permitted transfer of only part of a Certificated Security, a new Certificated Security in respect of the balance not transferred will be issued to the transferor provided such balance is equal to or more than the minimum authorized denomination. Each new Certificated Security to be issued upon the transfer of a Certificated Security will, upon the effective receipt of a duly completed form of transfer by a Paying and Transfer Agent at its respective specified office, be available for delivery three Business Days after issuance at such specified office, or at the request of the holder requesting such transfer, will be mailed at the risk of the transferee entitled to the new Certificated Security to such address as may be specified in such duly completed form of transfer. The transfer of the Certificated Securities will be effected without charge by or on behalf of the Issuer or any Paying and Transfer Agent but against such indemnity as the Issuer or the Paying and Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such transfer.

Definitions

"Accounting Event" occurs if, as a result of any changes or amendments to relevant accounting standards, the Securities must not or must no longer be recorded as "equity" in the Issuer's consolidated financial statements pursuant to those relevant accounting standards.

"Additional Step-up Margin" means 0.75% per annum.

"Agent" means each of the Calculation Agent and the Paying and Transfer Agent, the Security Registrar and the Singapore paying and transfer agent.

"Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or executive order to be closed in The City of New York or Bangkok (or in any other place in which payments on the Securities are to be made).

"Calculation Agent" means The Bank of New York Mellon.

"Calculation Date" means the second Business Day prior to the commencement date of the relevant Reset Distribution Period.

"Change of Control" means PTT Public Company Limited, directly or indirectly, ceasing to own and control at least 50.1% of the Issuer's issued and outstanding capital stock.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Ratings Decline.

"Distribution Payment Date" means a Fixed Distribution Payment Date or a Floating Distribution Payment Date, as the case may be.

"Comparable Treasury Issue" means the U.S. Treasury security selected by the Calculation Agent as having a maturity of five years that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years.

"Comparable Treasury Price" means, with respect to any Calculation Date, the average of three Reference Treasury Dealer Quotations for such Calculation Date.

"Distribution Rate" means the Initial Distribution Rate, First Reset Distribution Rate, Second Reset Distribution Rate and/or Third Reset Distribution Rate, as the case may be.

"First Reset Distribution Rate" means the Treasury Rate as at the Calculation Date in respect of the First Reset Date plus 3.177% per annum.

"Floating Distribution Period" means the period beginning on and including the Second Reset Date and ending on but excluding the first Floating Distribution Payment Date, and each successive period beginning on and including a Floating Distribution Payment Date and ending on but excluding the next Floating Distribution Payment Date.

"Floating Rate" means offered quotation (expressed as a percentage rate per annum) for six-month deposits in U.S. dollars for the relevant Floating Distribution Period which appears on the Screen Page as of 11:00 a.m. (London time) on the Calculation Date as determined by the Calculation Agent. If the Screen Page is not available or if no such quotation is available, the Calculation Agent will request each of the Reference Banks selected by the Issuer to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the relevant Floating Distribution Period in an amount that is representative for a single transaction in the relevant market for six-month deposits in U.S. dollars. The offered quotations will be those offered at approximately 11:00 a.m. (London time) on the relevant Calculation Date.

As long as two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the relevant Floating Rate for such Floating Distribution Period will be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards), as determined by the Calculation Agent.

If the Floating Rate cannot be determined in accordance with the foregoing provisions, the Floating Rate will be the offered quotation on the Screen Page, as described above, on the last calendar day preceding the Calculation Date on which such quotation was displayed, as determined by the Calculation Agent.

"Junior Securities" means any class of the Issuer's share capital qualifying as equity under applicable accounting rules (other than preference shares), the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer.

"Moody's" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"Outstanding", in relation to the Securities and a particular determination date, means all of the Securities except those Securities that, as at such determination date (a) have been redeemed or substituted and cancelled or surrendered for cancellation, and (b) Securities that are held by the Issuer or any Affiliate (as defined in the Indenture), as such definition of "Outstanding" is further defined and qualified in the Indenture.

"Parity Securities" means the preference shares or, if sub-divided into classes, the most junior class of preference share capital of the Issuer and any instrument or security issued by the Issuer, or entered into or guaranteed by the Issuer: (a) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities; and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer. For the avoidance of doubt, Parity Securities shall include the Baht 5,000,000,000 subordinated capital debentures of the Issuer issued in June 2012 for so long as such securities are outstanding.

"Qualifying Securities" means, in relation to a substitution or variation of the securities following a Withholding Tax Event, Tax Deductibility Event, Accounting Event or Rating Agency Event, securities that:

(a) have terms not materially less favorable to an investor from the terms of the Securities (as reasonably determined by the Issuer and an independent investment bank), provided that:

   (i) they are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of the Issuer;

   (ii) they (or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* with the Securities on a Winding-Up of the issuer or guarantor thereof, shall preserve the Holders' rights to any payment of accrued and unpaid Distribution, Arrears of Distribution and Additional Distribution Amounts and shall contain terms which provide for the same Distribution Rate, Distribution Payment Dates and redemption events, from time to time applying to the Securities, and other terms of such securities are substantially identical (as reasonably determined by the Issuer and an independent investment bank) to the Securities, save for the modifications or amendments to such terms that are specifically required to be made in order to avoid or resolve the Withholding Tax Event, Tax Deductibility Event, a Rating Agency Event or, as the case may be, an Accounting Event; and

   (iii) they shall not contain loss absorbing provisions, such as principal write-offs, write-downs or conversion to equity;

(b) are as at their issue date assigned the same equity credit as, or higher equity credit than, the equity credit assigned to the Securities immediately prior to such substitution or variation;

(c) have been, or will on issue be, assigned at least the same rating as that assigned by the Rating Agencies to the Securities immediately prior to such substitution or variation; and

(d) are listed on the Official List of the SGX-ST or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets.

"Rating Agency Event" occurs if an amendment, clarification or change has occurred in the methodology of S&P or Moody's or any of their respective successors (each, a "**Rating Agency**") to the rating business thereof, which amendment, clarification or change results in, or will result in an equity credit for, the Securities being (a) in the case of S&P, lower than the equity credit assigned immediately prior to such amendment, clarification or change; or (b) in the case of Moody's, below "Basket C" (or equivalent) or "50%" equity credit; or (c) in the case of any Rating Agency other than S&P or Moody's, below "50%" equity credit.

"Ratings Decline" means, in connection with a Change of Control Triggering Event, the occurrence on, or within 90 days after, the earlier of the date, or public notice of the occurrence, of a Change of Control or the intention by PTT Public Company Limited to effect a Change of Control (which period will be extended so long as the rating of the Securities is under publicly announced consideration for possible downgrade by any of the Rating Agencies), the public announcement by either Rating Agency of a decrease in the rating of the Securities by one or more gradations.

"Reference Banks" means four of the major banks in the London interbank market selected by the Issuer.

"Reference Treasury Dealer" means each of the three nationally recognized investment banking firms selected by the Calculation Agent that are primary U.S. Government securities dealers.

"Reference Treasury Dealer Quotations" means with respect to each Reference Treasury Dealer and any Calculation Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Calculation Agent by such Reference Treasury Dealer at 5.00 p.m., New York City time, on the third Business Day immediately preceding such Calculation Date.

"Reset Distribution Period" means the period beginning on and including the First Reset Date and ending on but excluding the Second Reset Date or, as the case may be, each Floating Distribution Period.

"Reset Distribution Rate" means the First Reset Distribution Rate or, as the case may be, the Second Reset Distribution Rate or, as the case may be, the Third Reset Distribution Rate.

"S&P" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and its successors.

"Screen Page" means Reuters Page LIBOR01 (or such other screen page of Reuters or such other information service which is the successor to Reuters Page LIBOR01 for the purpose of displaying such rates).

"Second Reset Distribution Rate" means the Floating Rate plus 3.101% plus the Step-up Margin per annum.

"Step-up Margin" means 0.25% per annum.

"Substantial Repurchase Event" means that the Issuer has repurchased (and effected corresponding cancellations of) 80% or more of the principal amount of the Securities initially issued (which shall include for these purposes any further securities issued that are consolidated and form a single series with the Securities as described under "— *Further issuances*").

"Tax Deductibility Event" occurs if, as a result of any change in, expiration of or amendment to, the tax laws of the Kingdom of Thailand (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any such laws, regulations or rulings, which change, expiration or amendment becomes effective on or after June 18, 2014, amounts (including Distribution, Arrears of Distribution and Additional Distribution Amounts) payable by the Issuer in respect of the Securities are no longer or will no longer be fully deductible by the Issuer for Thai corporate income tax purposes.

"Third Reset Distribution Rate" means the Floating Rate plus 3.101% plus the Step-up Margin per annum plus the Additional Step-up Margin per annum.

"Treasury Rate" means the rate in percentage per annum notified by the Calculation Agent to the Issuer, the Trustee, the Paying and Transfer Agent and the Holders equal to the yield, under the heading that represents the average for the week immediately prior to the relevant Calculation Date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity corresponding to the Comparable Treasury

Issue. If such release (or any successor release) is not published during the week preceding the Calculation Date or does not contain such yields, "Treasury Rate" means the rate in percentage rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Calculation Date. The Treasury Rate will be calculated on the second Business Day preceding the relevant Calculation Date.

"Winding-Up" means the Issuer: (i) is subject to the court's order of absolute receivership or business reorganization, or is adjudicated as being bankrupt under the laws regarding bankruptcy; (ii) has entered into a liquidation for its dissolution; or (iii) is otherwise winding up its business (except, in any case, for a solvent winding-up solely for the purposes of a reorganization, merger or amalgamation the terms of which (a) have been approved by the Trustee or the Holders and (b) do not result in the Securities thereby becoming redeemable or repayable in accordance with the Indenture).

"Withholding Tax Event" occurs if:

(a) as a result of any change in, expiration of or amendment to, the tax laws of the Kingdom of Thailand (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Kingdom of Thailand is a party, which change, execution, amendment or treaty becomes effective on or after June 18, 2014, the Issuer has or will become obliged to pay Additional Amounts with respect to the Securities in excess of the level of Additional Amounts which would have been applicable to a payment with respect to the Securities on June 18, 2014; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

TAXATION

Thailand Taxation

This summary contains a description of the principal Thai income tax consequences of the purchase, ownership and disposition of the Securities by an individual or corporate holder of the Securities that is not a resident of Thailand, not organized under Thai law, not engaged in business in Thailand through a permanent establishment, employees, agents or representatives in Thailand, or not otherwise regarded as a resident of Thailand for Thai tax purposes. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Securities. The summary is based upon the tax laws of Thailand in effect on the date of this Offering Memorandum.

PROSPECTIVE HOLDERS OF THE SECURITIES SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS CONCERNING THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SECURITIES, INCLUDING THE CONSEQUENCES UNDER THAI LAW, THE LAWS OF THE JURISDICTION OF WHICH THEY ARE RESIDENT AND ANY TAX TREATY BETWEEN THAILAND AND THEIR COUNTRY OF RESIDENCE FOR TAX PURPOSES.

Income Tax

Non-resident Individual Holders

In considering whether the individual holder of the Securities is a tax resident of Thailand, Thai tax determines whether the holder of the Securities has resided in Thailand for a period or periods aggregating 180 days or more in any calendar year regardless of the nationality of the individual holders.

- Distributions

Distributions paid on the Securities in or from Thailand to a non-tax resident individual holder of the Securities will be subject to a withholding tax at the rate of 15% of the gross amount of the distribution payment, unless the terms and conditions of a double taxation agreement between Thailand and the resident country of such non-tax resident individual holder of the Securities provide otherwise.

- Capital Gains from transfer of the Securities

Unless the terms and conditions of a double taxation agreement between Thailand and the resident country of such non-tax resident individual holder of the Securities provide otherwise, capital gains, which is the amount in excess of the cost of acquisition, arising from the transfer of the Securities and paid in or from Thailand, will be subject to a withholding tax at the rate of 15% of the capital gains. The transferee or the payer of the gain has a duty to withhold tax at such rate on payments of gain in respect of the transfer of the Securities and remit the withholding tax to Thai Revenue Department. Capital gains from the transfer of the Securities between two non-tax residents will not be subject to Thai taxes if the proceeds are not paid from or in Thailand.

Non-resident Corporate Holders

A non-tax resident corporate holder is a company, registered partnership or any juristic person established pursuant to a foreign law and not carrying on or deemed as carrying on business in Thailand or not having a permanent establishment, employees, agents, or representatives in Thailand.

- Distributions

Unless (i) the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-tax resident corporate holder provide otherwise or (ii) the non-tax resident corporate holder is otherwise not subject to Thai income tax, distributions paid from or in Thailand received by the non-tax resident corporate holder of the Securities is subject to 15% withholding tax.

- Capital Gains from transfer of the Securities

Unless the terms and conditions of a double taxation agreement entered into between Thailand and the resident country of the non-tax resident corporate holder provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Securities and paid from or in Thailand is subject to a 15% withholding tax. Therefore, the withholding tax at the rate of 15% may apply if the buyer is a Thai tax resident. Capital gains from the transfer of the Securities between two non-tax residents will not be subject to Thai taxes if the proceeds are not paid from or in Thailand.

Double Taxation Agreement

Presently, Thailand concluded double taxation agreements with more than 50 countries. Both individual and corporate holders of the Securities, who are regarded as tax residents of the countries which are parties to the double taxation agreements and receive distribution payments in respect of the Securities, will be subject to withholding tax, at the rate of 15%. The rate of withholding tax, however, may be reduced or exempted depending on the terms and conditions of the particular tax agreement.

A limited number of corporate holders of the Securities resident in such a country for tax purposes who are not regarded as tax residents in Thailand, may be entitled to an exemption from Thai capital gains tax for the capital gain received from or within Thailand depending on the terms and conditions of the particular tax treaty.

Stamp Duty

An instrument of transfer of the Securities executed outside of Thailand and not being brought into Thailand is not subject to stamp duty in Thailand. Each of the Securities will be subject to Baht 5 stamp duty when brought into Thailand.

United States Federal Income Taxation

The discussion of U.S. tax matters in this Offering Memorandum was written in connection with the promotion or marketing of the Securities, and it was not intended to be, and cannot be used by any person for the purpose of avoiding penalties that may be asserted against the holder under U.S. federal, state and local tax law. Taxpayers should seek their own advice based on their particular circumstances from an independent tax adviser.

The following is a discussion of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Securities, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular person's decision to acquire such Securities. The discussion applies only to U.S. Holders (as defined below) that hold Securities as capital assets (generally, property held for investment) for U.S. federal income tax purposes.

The discussion does not address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as the estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income). In addition, this summary does not address all tax considerations applicable to investors that own (directly or by attribution) 10.0% or more of our voting stock, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, certain U.S. expatriates, individual retirement accounts and other tax-deferred accounts, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt organizations, dealers in securities or currencies, securities traders that elect mark-to-market tax accounting, investors that will hold the Securities as part of constructive sales, straddles, hedging, integrated or conversion transactions for U.S. federal income tax purposes or investors whose "functional currency" is not the U.S. dollar).

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), final, temporary and proposed U.S. Treasury Regulations and judicial and administrative interpretations thereof, and the Convention Between the Government of the United States of America and the Government of the Kingdom of Thailand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Thailand Treaty**") as in effect and available on the date of this Offering Memorandum. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

Prospective investors should consult their own tax advisors with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Securities. U.S. Holders should also review the discussions under "Thailand Taxation" for the Thai tax consequences to a U.S. Holder of holding the Securities.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Securities that is, for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States; (ii) a corporation created or organized in or under the laws of the United States, any state or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership holds Securities, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding Securities should consult its tax advisor concerning the U.S. federal income tax consequences of acquiring, owning or disposing of the Securities by the partnership.

Characterization of the Securities

The determination whether an obligation represents debt or equity for U.S. federal income tax purposes is based on all the relevant facts and circumstances, and courts at times have held that obligations purporting to be debt constituted equity for U.S. federal income tax purposes. There are no regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms substantially the same as the Securities. Although the application of the relevant rules to securities such as the Securities is not entirely clear, if the Securities are treated as debt for U.S. federal income tax purposes, to the extent it is required to do so, the Company intends to treat the Securities, for purposes of the original issue discount ("**OID**") rules as maturing on the First Reset Date, and the remainder of this discussion assumes this to be the case. However, no ruling will be obtained from the IRS with respect to the application of the OID rules, and there can be no assurance that the IRS or the courts would agree with this application of the OID rules. If the IRS were to successfully challenge the treatment of the Securities, it could impact the timing, character and amount of income and gain of a U.S. Holder. Prospective investors should consult their tax advisors concerning the U.S. federal income tax characterization of the Securities.

Debt

The following is a discussion of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Securities, if the Securities are characterized as debt for U.S. federal income tax purposes.

Payments of Interest

It is anticipated that the Securities will not be issued at a discount in excess of the statutory *de minimis* amount; therefore, the Securities will not be considered to have been issued with OID. If this is the case, interest on a Security will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes. A U.S. Holder will also be required to include in income any additional amounts and any tax withheld from interest payments on the Securities, notwithstanding the fact that such U.S. Holder does not receive such withheld tax. Subject to certain conditions and limitations, any tax withheld on interest may be deducted from taxable income or credited against a U.S. Holder's U.S. federal income tax liability. Interest on a Security, including additional amounts and any tax withheld, received by a U.S. Holder will be treated as foreign source income for purposes of calculating such holder's foreign tax credit limitation. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. The rules governing the foreign tax credit are complex. Potential investors are urged to consult their own tax advisors regarding the availability of a foreign tax credit with respect to any Thai withholding tax and the applicability of the Thailand Treaty with respect to any Thai withholding tax under their particular circumstances.

If contrary to the assumption above, the Securities remain outstanding after the First Reset Date, then for purposes of the OID rules, the Securities will be deemed retired and reissued on the First Reset Date for an amount equal to its adjusted issue price on such date . U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences of such holder if the Securities remain outstanding after the First Reset Date.

Sale, Exchange or Other Disposition of the Securities

A U.S. Holder's tax basis in a Security generally will be its U.S. dollar cost. Upon the sale, exchange or retirement of a Security, a U.S. Holder will generally recognize capital gain or loss equal to the difference between the amount realized (not including any amounts attributable to accrued and unpaid interest, which will be treated like a payment of interest, as described above) and the U.S. Holder's tax basis in the Security. Prospective investors should consult their own tax advisors with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals that have held the Securities for more than one year) and capital losses (the deductibility of which is subject to limitations).

Any gain or loss recognized by a U.S. Holder generally will be U.S. source capital gain or loss (except to the extent such amounts are attributable to accrued but unpaid interest). Consequently, a U.S. Holder may not be able to claim a credit for any Thai tax imposed upon a disposition of a Security unless, subject to applicable limitations, such credit (i) can be claimed under the Thailand Treaty by a U.S. Holder entitled to benefits under the Treaty or (ii) can be applied against tax due on other income treated as derived from foreign sources. U.S. Holders are urged to consult with their own tax advisors regarding the availability of a foreign tax credit and the applicability of the Thailand Treaty with respect to any Thai withholding tax under their particular circumstances.

Equity

The following is a discussion of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Securities, if the Securities are characterized as equity for U.S. federal income tax purposes.

Distributions

Distributions (including any Thai withholding tax paid with respect thereto) will be treated as foreign source dividends for U.S. federal income tax purposes to the extent paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). These payments will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Securities and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits for U.S. federal income tax purposes. U.S. Holders should therefore assume that any distribution by the Company with respect to Securities will constitute ordinary dividend income. Subject to applicable limitations, dividends paid to non-corporate U.S. Holders may be subject to US federal income tax at lower rates than other types of ordinary income. One such limitation is that the Company must qualify for the benefits of the Thailand Treaty, which the Company believes it does. U.S. Holders should consult their tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability for Thai income taxes withheld by the Company. If unable to claim a foreign tax credit with respect to such taxes, a U.S. Holder may be able to claim a deduction for that amount. However, if a U.S. Holder elects to claim a deduction, rather than a foreign tax credit, for a particular taxable year, such election will apply to all foreign taxes paid by or on behalf of the U.S. Holder in that particular year. The U.S. foreign tax credit rules are very complex. U.S. Holders are urged to consult their own tax advisors as to the consequences of Thai withholding taxes and the availability of a United States foreign tax credit or deduction.

Sale or other Disposition

Upon a sale or other disposition of Securities, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Securities. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Securities exceeds one year. The ability to recognize capital losses is subject to limitations. If any Thai income tax is withheld on the sale, exchange or other taxable disposition of the Securities, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that disposition before deduction of the Thai income tax. Capital gain or loss, if any, realized by a U.S. Holder on the sale, exchange or other taxable disposition of the Securities generally will be treated as U.S.-source gain or loss for U.S. foreign tax credit purposes. Consequently, if gain from the disposition of the Securities is subject to Thai income tax (See "— *Thai Taxation*"), the U.S. Holder may not be able to benefit from the foreign tax credit for that Thai income tax (*i.e.*, because the gain from the disposition would be U.S-source), unless the U.S. Holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. Holder may take a deduction for the Thai income tax if it does not elect to claim a foreign tax credit for any foreign taxes paid or accrued during the taxable year.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either

- at least 75.0% of its gross income is "passive income"; or
- at least 50.0% of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Although income from the sales of commodities is generally passive income, a special rule treats active business gains from the sales of commodities as non-passive income provided certain requirements are met. To the extent the Company derives income from the sale of commodities, the Company believes that it currently meets these requirements. Based on certain estimates of the Company's gross income and gross assets and the nature of its business, the Company does not expect that it will be a PFIC for the current taxable year or in the foreseeable future. However, the Company's status in future years will depend on its assets and activities in those years, and there can be no assurance that the Company will not be considered a PFIC for any particular taxable year. If the Company were a PFIC at any time during a U.S. Holder's holding period in the Securities, the U.S. Holder generally would be subject to imputed interest charges and other disadvantageous tax treatment with respect to any gain from the sale or exchange of, and certain distributions with respect to, his or her Securities.

There are certain elections that may mitigate certain tax consequences of holding stock in a PFIC. If the Company were a PFIC, it is unclear whether the conditions necessary for making such elections would apply to the Securities. U.S. Holders should consult their own tax advisors regarding the tax consequences that would arise if the Company were treated as a PFIC, and the availability of any elections that may mitigate such tax consequences.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with distributions on the Securities and the proceeds from their sale, exchange or redemption unless a U.S. Holder establishes that it is exempt from the information reporting rules, for example, because such U.S. Holder is a corporation. If the U.S. Holder does not establish this, it may be subject to backup withholding on these payments if the U.S. Holder fails to provide its taxpayer identification number or comply with certain certification procedures. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisers regarding any additional tax reporting or filing requirements they may have as a result of acquiring, owning or disposing of the Securities.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of the Securities. The above description is not intended to be, and should not be construed as, legal or tax advice with respect to any potential investor. You should consult your own tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Securities.

PLAN OF DISTRIBUTION

Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Merrill Lynch (Singapore) Pte. Ltd. are acting as Initial Purchasers of the offering. Subject to the terms and subject to the conditions contained in a purchase agreement dated June 11, 2014 (the "**Purchase Agreement**"), each Initial Purchaser has severally agreed to purchase from the Issuer, and the Issuer has agreed to sell to such Initial Purchaser, the principal amount of the Securities set forth opposite the Initial Purchaser's name.

Initial Purchasers	Principal Amount of the Securities
Credit Suisse (Singapore) Limited	US$250,000,000
The Hongkong and Shanghai Banking Corporation Limited	US$250,000,000
J.P. Morgan Securities plc	US$250,000,000
Merrill Lynch (Singapore) Pte. Ltd.	US$250,000,000
Total	US$1,000,000,000

The Purchase Agreement provides that the several obligations of the Initial Purchasers to purchase the Securities are subject to approval of certain legal matters by counsel and to certain other conditions. The Initial Purchasers must purchase all of the Securities if they purchase any of the Securities.

The Initial Purchasers propose to resell the Securities at the offering price set forth on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. See "*Transfer Restrictions*". The price at which the Securities are offered may be changed at any time without notice. Initial Purchasers may pay commissions to certain third parties (including, without limitation, rebates to private banks).

The Securities have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "*Transfer Restrictions*."

The Issuer has agreed that, for a period of 90 days after the date of the initial offering of the Securities by the Initial Purchasers, it will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any United States dollar-denominated debt securities issued or guaranteed by the Issuer and having a maturity of more than one year from the date of issue without the prior written consent of the Initial Purchasers.

The Securities will constitute a new class of securities with no established trading market. However, the Issuer cannot assure you that the prices at which the Securities will sell in the market after this offering will not be lower than the initial offering price, or that an active trading market for the Securities will develop and continue after this offering. The Initial Purchasers have advised the Issuer that they currently intend to make a market in the Securities. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the Securities at any time without notice. Accordingly the Issuer cannot assure you as to the liquidity of, or the trading market for, the Securities.

The Initial Purchasers and their affiliates may, from time to time, engage in transactions with and perform services for the Issuer, its subsidiaries and to affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. It is expected that the Initial Purchasers and their respective affiliates will continue to provide such services to, and enter into such transactions with, the Issuer and its subsidiaries and affiliates in the future.

In connection with the offering of the Securities, each Initial Purchaser and/or its affiliate(s) may act as an investor for its own account and may take up Securities in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Securities being offered should be read as including any offering of the Securities to the Initial Purchasers and/or their affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Issuer has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities.

Selling Restrictions

General

Each Initial Purchaser has undertaken to the Company that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Securities or has in its possession or distributes this Offering Memorandum (in preliminary, proof or final form) or any other offering material related to the Securities.

No action has been taken or will be taken in any jurisdiction by the Company or the Initial Purchasers that would permit a public offering of the Securities, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Securities or this Offering, in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor such other material may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold only (a) outside the United States as defined in Regulation S in offshore transactions in accordance with Regulation S and (b) in the United States to a limited number of qualified institutional buyers as defined in Rule 144A in connection with resales by the Initial Purchasers (or their broker-dealer affiliates) in accordance with Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

The Securities have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United State or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

The People's Republic of China

Each Initial Purchaser has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Securities in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Securities except as permitted by the securities laws of the People's Republic of China.

Malaysia

This Offering Memorandum has not been and will not be registered as a prospectus or deposited as an information memorandum with the Malaysian Securities Commission under the Capital Markets and Services Act 2007 of Malaysia. Accordingly, each Initial Purchaser has represented and agreed that it shall not be make the Securities available or offer the Securities for subscription or purchase, or make the Securities subject of any invitation to subscribe for or purchase. Nor will any Initial Purchaser circulate or distribute this Offering Memorandum and any other document or material in connection with the making available, offer for subscription or purchase, or an invitation to subscribe for or purchase the Securities to any person in Malaysia.

United Kingdom

Each Initial Purchaser has represented and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Initial Purchaser has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than to (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Italy

The offering of the Securities has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation. Any offer, sale or delivery of the Securities or distribution of copies of this Offering Memorandum or any other document relating to the Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation. Any investor purchasing the Securities in the Offering is solely responsible for ensuring that any offer or resale of the Securities it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

Any such offer, sale or delivery of the Securities or distribution of copies of this Offering Memorandum or any other document relating to the Securities in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of February 24, 1998, CONSOB Regulation No. 16190 of October 29, 2007 and Legislative Decree No. 385 of September 1, 1993 (in each case as amended from time to time);

(b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority; and

(c) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy.

Switzerland

Neither the Offering Memorandum nor any other document relating to the sale of the Securities constitutes a public offering prospectus within the meaning of article 652a or 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. The Securities may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither the Offering Memorandum nor any other document relating to the Securities may be publicly distributed or otherwise made publicly available in or from Switzerland. The Offering Memorandum is not intended as an offer or solicitation with respect to the purchase or sale of the Securities by the public and may be distributed only on a private placement basis, without any public distribution, offering or marketing in, or from, Switzerland, **provided that** any such distribution does not occur as a result of, or in connection with, public solicitation or marketing with respect to the purchase or sale of the Securities.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**FIEA**") and each Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Taiwan

The Securities have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Securities in Taiwan.

Korea

The Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act and its subordinate decrees and regulations (collectively, the "**FSCMA**"). Accordingly, each Initial Purchaser represents and agrees, that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law and its subordinate decrees and regulations (collectively, the "**FETL**")), except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA and FETL.

United Arab Emirates

Each Initial Purchaser has represented and agreed that the Securities have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering or the sale of securities. Further, this Offering Memorandum does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Offering Memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Singapore

Each Initial Purchaser has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore and the Securities will be offered pursuant to the exemptions under Section 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Initial Purchaser has represented, warranted and agreed that the Securities may not be offered or sold or made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, nor may this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, be circulated or distributed whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor under Section 274 of the SFA, (b) to a relevant person, under Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of who is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation of the beneficiaries' rights and interest in that trust shall not be transferred for six months after that corporation or that trust has acquired the Securities under Section 275 except:

(i) to an institutional investor under Section 274 of the SFA, respectively, or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the SFA respectively, and in accordance with the conditions specified in Section 275 of the SFA;

(ii) where no consideration is given for the transfer;

(iii) by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

Thailand

Each Initial Purchaser has represented, warranted and agreed that: (i) it has not offered or sold and will not offer or sell, whether directly or indirectly, any Securities in the Kingdom of Thailand; (ii) it has not made and will not make, whether directly or indirectly, any invitation in the Kingdom of Thailand to subscribe for the Securities; and (iii) it has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to any persons in Thailand.

TRANSFER RESTRICTIONS

The Issuer has not registered the Securities under the Securities Act, and the Securities may not be offered or sold within the United States except (i) to qualified institutional buyers in reliance on Rule 144A and (ii) outside the United States in offshore transactions in reliance on Regulation S. Terms used above and otherwise in this section of the Offering Memorandum have the meanings given to them by Regulation S and Rule 144A.

Each purchaser of the Securities will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

1. You understand and acknowledge that:

   (i) the Securities have not been registered under the Securities Act or any other applicable securities laws;

   (ii) the Securities are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

   (iii) unless so registered, the Securities may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.

2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer, that you are not acting on the Issuer's behalf and that either:

   (i) you are a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) and are purchasing Securities for your own account or for the account of another qualified institutional buyer, and you are aware that the Initial Purchasers are selling the Securities to you in reliance on Rule 144A (the "**Rule 144A Securities**"); or

   (ii) you are purchasing Securities in an offshore transaction in accordance with Regulation S (the "**Regulation S Securities**").

3. You acknowledge that neither the Issuer, nor the Initial Purchasers nor any person representing the Issuer, or the Initial Purchasers has made any representation to you with respect to the Issuer or the offering of the Securities, other than the information contained in this Offering Memorandum. You represent that you are relying only on this Offering Memorandum in making your investment decision with respect to the Securities. You agree that you have had access to such financial and other information concerning the Issuer and the Securities as you have deemed necessary in connection with your decision to purchase the Securities, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

4. You represent that you are purchasing the Securities for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Securities in violation of the Securities Act.

5. You agree on your own behalf and on behalf of any investor account for which you are purchasing Rule 144A Securities, and each subsequent holder of the Rule 144A Securities by its acceptance of the Rule 144A Securities will agree, that until the end of the Resale Restriction Period (as defined below), the Rule 144A Securities may be offered, sold or otherwise transferred only:

   (i) to the Issuer;

   (ii) under a registration statement that has been declared effective under the Securities Act;

(iii) for so long as the Securities are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;

(iv) through offers and sales that occur outside the United States within the meaning of Regulation S; or

(v) under any other available exemption from the registration requirements of the Securities Act; subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control and in compliance with applicable state and other securities laws.

You also acknowledge that:

- the above restrictions on resale of the Rule 144A Securities will apply from the closing date until the date that is one year (or such shorter period of time as permitted by Rule 144(d) under the Securities Act or any successor provision thereunder) after the later of the closing date and the last date that the Issuer or any of its affiliates was the owner of the Securities or any predecessor of the Securities (the "**Resale Restriction Period**"), and will not apply after the applicable Resale Restriction Period ends; and

- the Issuer and the Trustee reserve the right to require in connection with any offer, sale or other transfer of the Rule 144A Securities under clause (iv) or (v) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer and the Trustee.

6. You agree to inform each person to whom you transfer the Securities of any restrictions on the transfer of such Securities.

7. You understand that each Rule 144A Security and Regulation S Security will bear a legend substantially to the following effect, unless determined otherwise in compliance with applicable law:

   [IN THE CASE OF RULE 144A SECURITIES AND REGULATION S SECURITIES] THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

   [IN THE CASE OF RULE 144A SECURITIES] BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "**QIB**"), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") THAT IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(d) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS SECURITY) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS ANOTHER QIB

THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

[IN THE CASE OF REGULATION S SECURITIES] BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. AS USED HEREIN, THE TERM "**OFFSHORE TRANSACTION**" HAS THE MEANING GIVEN TO IT BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

THE HOLDER OF THE SECURITIES, BY ITS ACCEPTANCE HEREOF, AGREES, FOR THE BENEFIT OF THE COMPANY, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED THE SECURITIES, THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, TRANSFER, OFFER OR SELL THE SECURITIES TO ANY PERSON WITHIN THAILAND.

8. You acknowledge that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Securities is no longer accurate, you will promptly notify the Issuer and the Initial Purchasers. If you are purchasing any Securities as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

9. You acknowledge that the offering of the Securities in Thailand has not been approved or registered under the Securities and Exchange Act of Thailand and, accordingly, the Securities cannot be directly or indirectly, transferred, offered or sold to any person within Thailand.

LEGAL MATTERS

Certain matters in connection with this offering as to New York law and U.S. federal law will be passed upon for the Company by Clifford Chance and for the Initial Purchasers by Allen & Overy. Certain matters in connection with this offering as to Thai law will be passed upon for the Company by Clifford Chance (Thailand) Limited, and for the Initial Purchasers by Allen & Overy (Thailand) Co., Ltd.

INDEPENDENT ACCOUNTANTS

Our audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013 have been included in this Offering Memorandum in reliance upon the reports of the Office of the Auditor General of Thailand, the auditor for state enterprises, dated February 17, 2012, February 15, 2013 and February 17, 2014, and upon the authority of said office as experts in accounting and auditing. With respect to the review of interim consolidated financial information of PTTEP as of and for the three-month periods ended March 31, 2013 and 2014 that have been included in this Offering Memorandum, the Office of the Auditor General of Thailand reported that they have applied review procedures in accordance with Thai Standard on Review Engagements for a review of such unaudited interim consolidated financial information. However, as stated in their reports on the unaudited interim consolidated financial information appearing therein, they did not audit and they do not express an opinion on such unaudited interim consolidated financial information. The Office of the Auditor General is an independent auditor with respect to PTTEP within the meaning of the standards established for independent auditors in Thailand. We cannot give you assurance, however, that they would be considered independent auditors with respect to PTTEP within the meaning of such standards established in the United States or elsewhere.

GENERAL INFORMATION

1. The creation and issuance of the Securities has been authorized by resolutions of our shareholders in the annual shareholders meeting held on March 30, 2011.

2. Save as disclosed in this Offering Memorandum, there are no, nor have there been any, litigation or arbitration proceedings, including those which are pending or threatened, of which we are aware, which may have, or have had during the 12 months prior to the date of this Offering Memorandum, a material adverse effect on our financial position.

3. Save as disclosed in this Offering Memorandum, there has been no material change in our financial or trading position since March 31, 2014 and, since such date, save as disclosed in this Offering Memorandum, there has been no material adverse change in our financial position or prospects.

4. Copies of the following documents, all of which are published in English, may be inspected during normal business hours at the offices of the Principal Paying Agent after the date of this Offering Memorandum for so long as any of the Securities remains outstanding:

    (a) our Memorandum and Articles of Association;

    (b) the Indenture; and

    (c) our audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013 and our unaudited consolidated financial information for the three-month period ended March 31, 2014.

5. The Securities are expected to be accepted for clearance through Clearstream Banking, Euroclear and DTC. The ISIN and CUSIP for each of the Rule 144A Securities and the Regulation S Securities are as follows:

	Rule 144A Securities	**Regulation S Securities**
ISIN	US69364VAC00	USY7145PCN60
CUSIP	69364V AC0	Y7145P CN6
Common Code	107338268	107337539

6. Approval-in-principle has been obtained for the listing of the Securities on the Official List of the SGX-ST. The SGX-ST takes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Memorandum. Admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Company or the Securities. For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the Securities may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for Certificated Securities. In addition, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificated Securities, including details of the paying agent in Singapore.

SUMMARY OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN THAI GAAP AND IFRS

*The following is a general summary of certain significant differences between Thai GAAP and IFRS as applicable to us and our subsidiaries (collectively, the "**Group**").*

Thai Generally Accepted Accounting Principles ("**Thai GAAP**") refers to Thai GAAP under the Accounting act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act, B.E. 2547 including the interpretations and accounting guidance announced by the Federation of Accounting Professions of Thailand ("**FAP**") as well as the financial reporting requirements of the Securities and exchange Commission under the Securities and Exchange Act, B.E. 2535.

We have prepared the audited financial statements for the years ended December 31, 2011, 2012 and 2013 and unaudited interim financial information for the three-month period ended March 31, 2014, in accordance with Thai GAAP (together, the "**financial statements**"). The financial statements comprise the audited consolidated financial statements and the unaudited consolidated interim financial information of us and our subsidiaries (together, "**the consolidated financial statements**") and the audited separate financial statements and unaudited separate interim financial information (together, the "**Company-only financial statements**").

The FAP revised several Thai Accounting Standards ("**TAS**") and also issued new accounting standards, new financial reporting standards, new accounting interpretations and new financial reporting interpretations based on the International Financial Reporting Standards ("**IFRS**") Bound Volume 2009, most of which were effective for the financial periods beginning on or after January 1, 2011 and January 1, 2013. These revised and new standards and accounting interpretations are referred to as Thai Financial Reporting Standards ("**TFRS**"). Following on from the adoption of TFRS, during 2013, the FAP revised several accounting standards and financial reporting standards and also issued new accounting interpretations and new financial reporting interpretations based on IFRS Bound Volume 2012, most of which became effective for the financial periods beginning on or after January 1, 2014.

TFRS are issued by the FAP and endorsed by the Government gazette. These standards and interpretations are supplemented by the Thai Securities and Exchange Commission's requirements and announcements of the FAP. If Thai GAAP does not address a particular accounting issue, IFRS and U.S. GAAP may be used for guidance.

For the purposes of this Offering Memorandum, a summary of certain significant differences between Thai GAAP and IFRS provided below are those differences between Thai GAAP and IFRS which were effective as at each financial years/periods end and are limited to those significant differences that are relevant to the Group's financial statements for the financial years ended December 31, 2011, 2012 and 2013 and for the three-month period ended March 31, 2014. However, they should not be construed as being exhaustive. The International Accounting Standards Board ("**IASB**") and the FAP have issued new pronouncements that might impact subsequent periods and have significant impact on on-going projects that could affect the differences between Thai GAAP and IFRS described below and the impact of these differences relative to the Group's financial statements in the future. Accordingly, no attempt has been made to identify future differences between Thai GAAP and IFRS that may result from prescribed changes in accounting standards and no attempt has been made to identify all future differences that might affect the Group's financial statements as a result of transactions or events that might occur in the future.

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between Thai GAAP and IFRS and how these differences might affect the financial information in this Offering Memorandum.

Summary of certain significant differences between Thai GAAP and IFRS relevant to the financial years ended December 31, 2011 and 2012

Financial instruments: recognition and measurement

The Group has adopted IAS 39, "Financial Instruments: Recognition and Measurement" ("**IAS 39**") on its Thai GAAP financial statements. Significant differences exist between TAS 105, "Accounting for Investment in Debt and Equity Securities" and IAS 39 in relation to the categorization of certain investments in debt and equity securities. However, this has no impact on the categorization and measurement of the Group's investment in debt and equity securities presented in the financial statements. Development is in progress to issue accounting guidance based on IAS 39 and IFRS 9, "Financial Instruments" ("**IFRS 9**") for the TFRS reporting purposes.

Financial instruments presentation and disclosure

The Group adopted IAS 32, "Financial Instruments — Presentation" ("**IAS 32**") and IFRS 7, "Financial Instruments — Disclosures" ("**IFRS 7**"). The adoption of IAS 32 and IFRS 7 did not result in conflict between the presentation and disclosure requirements of TAS 107. Development is in progress to issue accounting guidance based on IAS 32 and IFRS 7 for TFRS reporting purposes.

Business Combinations

TFRS 3 was revised based on IFRS 3 Bound Volume 2009 and became effective for business combinations entered into on or after January 1, 2011. However, in May 2010, IFRS 3 was amended. One of the amendments requires non-controlling interests that represent ownership instruments but do not entitle their holders to a proportionate share of the entity's net assets in the event of liquidation to be measured at the acquisition date fair value, unless other IFRS standards require another measurement basis. The amendments that have not been reflected in the revised TFRS 3 were effective for the annual periods beginning on or after 1 July 2010.

Investments in Associates

The Group accounts for its investments in associates using the Equity Method as required by TAS 28, "Investments in Associates" ("**TAS 28**") in its consolidated financial statements. The accounting treatment is the same as under IAS 28, "Investments in Associates" ("**IAS 28**") which was effective as of each reporting years ended.

For separate financial statements' presentation purposes, TAS 28 requires the investment in associates to be accounted by using the Cost Method or at fair value in accordance with TAS 39, "Financial Instruments: Recognition and Measurement" ("**TAS 39**"), when TAS 39 is issued and effective. Development is in progress to issue an accounting guidance based on IAS 39 for TFRS reporting purposes. Under IFRS, the entity has a choice to account for the investments either at cost or at fair value in accordance with IFRS 9.

Investments in joint ventures

The Group accounts for its investments in joint ventures using Proportionate Consolidation Method, as permitted by TAS 31, "Investment in Joint Ventures" ("**TAS 31**") in its consolidated financial statements. The accounting treatment is the same as under IAS 31, "Investment in Joint Ventures" ("**IAS 31**") which was effective as of each reporting year ended.

For separate financial statements' presentation purposes, TAS 31 requires the investment in joint ventures to be accounted by using the Cost Method or at fair value in accordance with TAS 39, when TAS 39 is issued and effective. Under IFRS, the entity has a choice to account for the investments either at cost or at fair value in accordance with IFRS 9.

Consolidated and separate financial statements

Under Thai GAAP, TAS 27, "Consolidated and Separate Financial Statements" ("**TAS 27**") was based on IAS 27, "Consolidated and Separate Financial Statements" ("**IAS 27**") which was effective at each reporting year ended. There was no significant difference between TFRS and IFRS on consolidated and separate financial statements.

Deferred taxes

The Group adopted TAS 12, "Income Taxes" ("**TAS 12**"), which was issued based on IAS 12 "Income Taxes". There is no significant difference between TAS 12 and IAS 12. However, although the Group has adopted TAS 12, to account for its deferred tax assets and liabilities, differences exist in the balance of deferred tax assets and liabilities as reported and the amounts to be reported under IFRS as a result of the deferred tax effects of other GAAP differences.

Segment reporting

The Group presented its primary and secondary segments information in accordance with TAS 14, "Reporting Financial Information by Segment" which is based on IAS 14 (1993), "Reporting Financial Information by Segment". The Group presented its primary and secondary segments information based on its business operation and geographical areas, respectively. The secondary segment format required less disclosure.

Under IFRS, IFRS 8, "Operating Segments" ("**IFRS 8**") requires segment information to be reported based on the entity's operating segment. Operating segments are components of an enterprise in which separate financial information is available and is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments.

TFRS 8, "Operating Segments" ("**TFRS 8**"), was issued based on IFRS 8 and would be effective for financial years beginning on or after January 1, 2013, early adoption was permitted. However, the Group did not early adopt TFRS 8.

Impairment of goodwill

Both Thai GAAP and IFRS require goodwill to be tested for impairment at least annually or when an impairment indicator exists. Goodwill is allocated to a cash-generating unit or a group of cash-generating units for the purpose of impairment testing. However, in accordance with TAS 36, "Impairment of Assets", the level of allocation cannot be larger than the operating segment determined as per TFRS 8 when TFRS 8 is adopted. For the financial years ended December 31, 2012 and 2011 'operating segment' was defined differently under Thai GAAP and IFRS, therefore differences may exist in the goodwill allocation level for impairment testing under each GAAP. Accordingly, goodwill impairment loss recognized under each GAAP could potentially be different.

Related party transactions

The Group applies TAS 24, "Related Party Transactions" ("**TAS 24**") which is based on IAS 24 (2004), "Related Party Transactions" ("**IAS 24 (2004)**"), for consolidated financial statements disclosure purposes and also requires to disclose its related party transactions in accordance with the SEC requirements. Significant differences between Thai GAAP, including SEC requirements and IFRS are as follows:

- In addition to TAS 24 disclosure requirements, the SEC requires disclosure of the pricing policy for related party transactions. There is no such requirement under IFRS.
- Under IFRS, IAS 24 (2004) was revised and the revisions became effective from January 1, 2011 with retrospective application. The revisions to IAS 24 change and simplify the definition of a 'related party' and provide an exemption from full extensive related-party disclosure requirements for transactions between government-related entities. However, the exemption from full extensive disclosure does not have any significant impact on the Group's financial statements.

Summary of certain significant differences between Thai GAAP and IFRS relevant to the financial year ended December 31, 2013

Financial instruments: recognition and measurement

The Group has adopted IAS 39 on its Thai GAAP financial statements. Significant differences exist between TAS 105 and IAS 39 in relation to the categorization of certain investments in debt and equity securities. However, this has no impact on the categorization and measurement of the Group's investment in debt and equity securities presented in the financial statements. Development is in progress to issue accounting guidance based on IAS 39 and IFRS 9 for the TFRS reporting purposes.

Financial instruments presentation and disclosure

The Group adopted IAS 32 and IFRS 7. The adoption of IAS 32 and IFRS 7 did not result in conflict between the presentation and disclosure requirements of TAS 107. Development is in progress to issue accounting guidance based on IAS 32 and IFRS 7 for TFRS reporting purposes.

Business Combinations

TFRS 3 was revised based on IFRS 3 Bound Volume 2009 and became effective for business combinations entered into on or after January 1, 2011. However, in May 2010, IFRS 3 was amended. One of the amendments requires non-controlling interests that represent ownership instruments but do not entitle their holders to a proportionate share of the entity's net assets in the event of liquidation to be measured at the acquisition date fair value, unless other IFRS standards require another measurement basis. The amendments that have not been reflected in the revised TFRS 3 were effective for the annual periods beginning on or after 1 July 2010.

TFRS 3 (revised 2012) was issued based on IFRS 3 and became effective for financial years beginning on or after January 1, 2014, early adoption was permitted. However, the Group did not early adopt TFRS 3 (revised 2012).

Investments in Associates

IAS 28 was revised and renamed as IAS 28, "Investment in Associates and Joint Ventures" ("**IAS 28 (revised 2011)**"). Effective from the financial periods beginning on or after January 1, 2013, IAS 28 (revised 2011) provides guidance for accounting for both investments in associates and joint ventures.

The Group accounts for its investments in associates using the Equity Method as required by TAS 28 in its consolidated financial statements. The accounting treatment is the same as those under IAS 28 (revised 2011).

For separate financial statements' presentation purposes, TAS 28 requires the investment in associates to be accounted by using the Cost Method or at fair value in accordance with TAS 39, when TAS 39 is issued and effective. Development is in progress to issue an accounting guidance based on IAS 39. Under IFRS, the entity has a choice of accounting for the investments either at cost or at fair value in accordance with IFRS 9.

Development is in progress to revise TAS 28 to be in line with IAS 28 (revised 2011).

Investments in joint ventures

Under IFRS, IFRS 11 "Joint Arrangements" ("**IFRS 11**") and IAS 28 (revised 2011) replaced IAS 31 for accounting for joint operations and joint ventures, respectively. Both IFRS 11 and IAS 28 (revised 2011) became effective for the financial periods beginning on or after January 1, 2013. Depending on the investor/operator's rights and obligations, IFRS 11 distinguishes between two types of arrangements: joint operations and joint ventures. Where the operator has rights to assets and obligations for liabilities, such arrangement is a joint operation and will be accounted for by recognizing the operator's relevant share of assets, liabilities, revenues and expenses. Where the investor has rights to net assets, the arrangement is a joint venture and is accounted for using Equity Method. Accordingly, certain joint ventures currently accounted for using Proportionate Consolidation Method under Thai GAAP may be classified as joint ventures under IFRS and have to be accounted for using Equity Method in accordance with IAS 28 (revised 2011)

For separate financial statements' presentation purposes, TAS 31 requires the investment in joint ventures to be accounted by using the Cost Method or at fair value in accordance with TAS 39, when TAS 39 is issued and effective. Development is in progress to issue an accounting guidance based on IAS 39 for TFRS reporting purposes.

Under IFRS 11, the entity shall account for its interest in a joint operation in its separate financial statements in the same way as the method applied in its consolidated financial statements. However, the entity has a choice of accounting for its interest in a joint venture either at cost or at fair value in accordance with IFRS 9.

Development is in progress to adopt IFRS 11 for Thai GAAP reporting purposes.

Consolidated and separate financial statements

Under Thai GAAP, TAS 27 was based on IAS 27 which provided guidance on accounting for consolidated and separate financial statements.

Under IFRS, IAS 27 was subsequently revised in 2011. The revised IAS 27, "Separate Financial Statements" ("**IAS 27 (revised 2011)**") only provides guidance applicable to separate financial statements. All guidance related to consolidations have been moved to IFRS 10, "Consolidated Financial Statements" ("**IFRS 10**") and SIC 12, "Consolidation — Special Purpose Entities" ("**SIC-12**") has been superseded. Both IAS 27 (revised 2011) and IFRS 10 became effective for annual periods beginning on or after 1 January 2013.

Under TAS 27, control is determined through the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under IFRS 10, control exists, and consolidation is required, only if the investor possesses power over the investee, 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. IFRS 10 also provides additional guidance to assist in the determination of control where this is difficult to assess. There is no significant difference on guidance for separate financial statements under Thai GAAP and IFRS.

Development is in progress to revise TAS 27 to be in line with the revised IAS 27 (revised 2011) and to adopt IFRS 10 for TFRS reporting purposes.

Deferred taxes

The Group adopted TAS 12 which was issued based on IAS 12 "Income Taxes". There is no significant difference between TAS 12 and IAS 12. However, although the Group has adopted TAS 12, to account for its deferred tax assets and liabilities, differences exist in the balance of deferred tax assets and liabilities as reported and the amounts to be reported under IFRS as a result of the deferred tax effects of other GAAP differences.

Segment reporting

The Group adopted TFRS 8 from January 1, 2013. Therefore, no significant difference exists for the financial year ended December 31, 2013 and for the three-month period ended March 31, 2014.

Impairment of goodwill

Effective from January 1, 2013, the Group has adopted TFRS 8. Therefore, the level of goodwill allocation for impairment testing is the same under both Thai GAAP and IFRS.

Related party transactions

The Group applies TAS 24 which is based on IAS 24 (2004), for consolidated financial statements disclosure purposes and also requires to disclose its related party transactions in accordance with the SEC requirements. Significant differences between Thai GAAP, including SEC requirements and IFRS are as follows:

- In addition to TAS 24 disclosure requirements, the SEC requires disclosure of the pricing policy for related party transactions. There is no such requirement under IFRS.

- Under IFRS, IAS 24 (2004) was revised and the revisions became effective from January 1, 2011 with retrospective application. The revisions to IAS 24 change and simplify the definition of a 'related party' and provide an exemption from full extensive related-party disclosure requirements for transactions between government-related entities. However, the exemption from full extensive disclosure does not have any impact on the Group's financial statements.

Retirement benefits

Under Thai GAAP, TAS 19, "Employee Benefits" ("**TAS 19**") was issued based on IAS 19 "Employee Benefits" ("**IAS 19**"). IAS 19 was amended in June 2011 and became effective for financial periods beginning on or after January 1, 2013. Key differences between TAS 19 and the revised IAS 19 ("**IAS 19 (revised 2011)**") are as follows:

- Under TAS 19, vested past service costs must be recognized immediately as an expense while non-vested portion of past service costs is amortized over the remaining vesting period. IAS 19 (revised 2011) requires immediate recognition of all past service costs.

- TAS 19 provides accounting policy choices for recognition of actuarial gains or losses arising from changes in actuarial assumptions. For the year ended December 31, 2013, the Group elected to recognise a portion of its actuarial gains and losses as administrative expenses if the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting period exceeded 10% of the present value of the defined benefit obligation at the end of the previous reporting period. IAS 19 (revised 2011) requires all actuarial gains or losses to be recognized immediately in other comprehensive income.

- Interest cost and expected return on plan assets (if any) are separately recognized under TAS 19. IAS 19 (revised 2011) replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Summary of certain significant differences between Thai GAAP and IFRS relevant to the three-month period ended March 31, 2014

Financial instruments: recognition and measurement

The Group has adopted IAS 39 on its Thai GAAP financial statements. Significant differences exist between TAS 105 and IAS 39 in relation to the categorization of certain investments in debt and equity securities. However, this has no impact on the categorization and measurement of the Group's investment in debt and equity securities presented in the financial statements. Development is in progress to issue accounting guidance based on IAS 39 and IFRS 9 for the TFRS reporting purposes.

Financial instruments presentation and disclosure

The Group adopted IAS 32 and IFRS 7. The adoption of IAS 32 and IFRS 7 did not result in conflict between the presentation and disclosure requirements of TAS 107. Development is in progress to issue accounting guidance based on IAS 32 and IFRS 7 for TFRS reporting purposes.

Business Combinations

Effective from January 1, 2014, the Group has adopted TFRS 3 (revised 2012). Therefore, no significant difference exists between TFRS and IFRS for accounting for business combinations.

Investments in Associates

Under IFRS, IAS 28 (revised 2011) provides guidance for accounting for both investments in associates and joint ventures. Under Thai GAAP, TAS 28 was based on IAS 28, the older version of IAS 28 (revised 2011).

The Group accounts for its investments in associates using the Equity Method as required by TAS 28 in its consolidated financial statements. The accounting treatment is the same as those under IAS 28 (revised 2011).

For separate financial statements' presentation purposes, TAS 28 requires the investment in associates to be accounted by using the Cost Method or at fair value in accordance with TAS 39, when TAS 39 is issued and effective. Development is in progress to issue an accounting guidance based on IAS 39. Under IFRS, the entity has a choice of accounting for the investments either at cost or at fair value in accordance with IFRS 9.

Development is in progress to revise TAS 28 to be in line with IAS 28 (revised 2011).

Investments in joint ventures

Under IFRS, IFRS 11 and IAS 28 (revised 2011) replaced IAS 31 for accounting for joint operations and joint ventures, respectively. Both IFRS 11 and IAS 28 (revised 2011) became effective for the financial periods beginning on or after January 1, 2013. Depending on the investor/operator's rights and obligations, IFRS 11 distinguishes between two types of arrangements: joint operations and joint ventures. Where the operator has rights to assets and obligations for liabilities, such arrangement is a joint operation and will be accounted for by recognizing the operator's relevant share of assets, liabilities, revenues and expenses. Where the investor has rights to net assets, the arrangement is a joint venture and is accounted for using Equity Method. Accordingly, certain joint ventures currently accounted for using Proportionate Consolidation Method under Thai GAAP may be classified as joint ventures under IFRS and have to be accounted for using Equity Method in accordance with IAS 28 (revised 2011). Under Thai GAAP, TAS 31 was based on IAS 31.

For separate financial statements' presentation purposes, TAS 31 requires the investment in joint ventures to be accounted by using the Cost Method or at fair value in accordance with TAS 39, when TAS 39 is issued and effective. Development is in progress to issue an accounting guidance based on IAS 39 for TFRS reporting purposes.

Under IFRS 11, the entity shall account for its interest in a joint operation in its separate financial statements in the same way as the method applied in its consolidated financial statements. However, the entity has a choice of accounting for its interest in a joint venture either at cost or at fair value in accordance with IFRS 9.

Development is in progress to adopt IFRS 11 for Thai GAAP reporting purposes.

Consolidated and separate financial statements

Under Thai GAAP, TAS 27 was based on IAS 27 which provided guidance on accounting for consolidated and separate financial statements.

Under IFRS, IAS 27 was subsequently revised in 2011. IAS 27 (revised 2011) only provides guidance applicable to separate financial statements. All guidance related to consolidations have been moved to IFRS 10 and SIC 12 has been superseded. Both IAS 27 (revised 2011) and IFRS 10 became effective for annual periods beginning on or after 1 January 2013.

Under TAS 27, control is determined through the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under IFRS 10, control exists, and consolidation is required, only if the investor possesses power over the investee, 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. IFRS 10 also provides additional guidance to assist in the determination of control where this is difficult to assess. There is no significant difference on guidance for separate financial statements under Thai GAAP and IFRS.

Development is in progress to revise TAS 27 to be in line with the revised IAS 27 (revised 2011) and to adopt IFRS 10 for TFRS reporting purposes.

Deferred taxes

The Group adopted TAS 12 which was issued based on IAS 12. There is no significant difference between TAS 12 and IAS 12. However, although the Group has adopted TAS 12, to account for its deferred tax assets and liabilities, differences exist in the balance of deferred tax assets and liabilities as reported and the amounts to be reported under IFRS as a result of the deferred tax effects of other GAAP differences.

Related party transactions

Effective from January 1, 2014, the Group has adopted TAS 24 (revised 2012) which is based on the revised IAS 24 for consolidated financial statements disclosure purposes. However, in addition to TAS 24 (revised 2012) disclosures requirements, the Group is also required to disclose the pricing policy for its related party transactions in accordance with the SEC requirements.

Retirement benefits

Under Thai GAAP, TAS 19 was issued based on IAS 19. IAS 19 was amended in June 2011 and became effective for financial periods beginning on or after January 1, 2013. Key differences between TAS 19 and IAS 19 (revised 2011) are as follows:

- Under TAS 19, vested past service costs must be recognized immediately as an expense while non-vested portion of past service costs is amortized over the remaining vesting period. IAS 19 (revised 2011) requires immediate recognition of all past service costs.

- TAS 19 provides accounting policy choices for recognition of actuarial gains or losses arising from changes in actuarial assumptions. IAS 19 (revised 2011) requires all actuarial gains or losses to be recognized immediately in other comprehensive income. For the year ended December 31, 2013, the Group elected to recognise a portion of its actuarial gains and losses as administrative expenses if the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting period exceeded 10% of the present value of the defined benefit obligation at the end of the previous reporting period. However, from January 1, 2014, the Group has changed its accounting policy to recognize the total amount of actuarial gains or losses immediately in other comprehensive income which is immediately recognized in retained earnings. As a result of the change in accounting policy, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the three-month period ended March 31, 2013 and the consolidated statement of financial position as of 31 December 2013 have been restated. However, we have not retroactively applied these adjustments to or restated any other period. Due to this change in accounting policy, there is no significant difference in the recognition of actuarial gains or losses.

- Interest cost and expected return on plan assets (if any) are separately recognized under TAS 19. IAS 19 (revised 2011) replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

GLOSSARY OF TECHNICAL TERMS

Unless otherwise indicated in the context, we apply the following definitions:

"2D basin modeling"	A method of estimating the burial history and thermal maturity of 2D transects of the subsurface in order to determine if formations buried in the subsurface are capable of generating hydrocarbons.
"Amplitude variations with offset"	The variation in seismic reflection amplitude, as a result of a change in distance between the shot point and receiver, indicating differences in lithology and fluid content in rocks above and below the reflector.
"Appraisal wells"	Wells drilled after successful exploration to gain further information on newly discovered petroleum reservoirs.
"Bbl"	A barrel of oil that is 159 liters in volume.
"Bbls/d"	Barrels per day.
"Bscf/d"	Billion standard cubic feet per day.
"Bitumen"	A form of crude oil, which is sticky, black, opaque, and highly viscous.
"Bitumen recovery process"	Process by which bitumen is extracted from tar sands.
"BOE"	Barrels-of-oil equivalent.
"BOE/d"	Barrels-of-oil equivalent per day.
"BSCF"	Billion standard cubic feet.
"Cap rock"	Any non-permeable formation that may trap oil, gas or water, preventing it from migrating to the surface.
"Central processing platform"	An automated platform which facilitates the production of oil and gas.
"Condensate"	Liquid hydrocarbon of very light crude oil composition that are gaseous subsurface (high temperature and pressure), and condense into liquid upon production in response to cooler temperature and lower pressure.
"Contingent resources"	Discovered quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. The reasons for non-commerciality could be due to economic, political, environmental, or technological issues.
"Coring"	A process by which a cylindrical sample of geologic formation, usually reservoir rock, is taken during or after drilling a well. Cores can be full-diameter cores (that is, they are nearly as large in diameter as the drill bit) taken at the time of drilling the zone, or sidewall cores (generally less than 1 inch, or 2.5 cm, in diameter) taken after a hole has been drilled. Cores samples are used for many studies, some of which relate to drilling fluids and damage done by them.

"Crude oil"	A mixture of hydrocarbons which is liquid in nature and is obtained from an oil well and may be obtained through gas separation equipment but has not yet been refined or purified.
"Cyclic steam stimulation"	A method sometimes applied to heavy-oil reservoirs to boost recovery. The method assists natural reservoir energy by thinning the oil so it will more easily move through the formation to the injection and production wells. It can also be used, however, as a single-well procedure.
"Daily contract quantity" or **"DCQ"**	The volume of natural gas per day that purchaser is required to take from a gas reservoir as stated in a gas contract.
"DeepLift"	A US-patented gaslift well design, developed by PTTEP, using the bypass packer technique that is suitable for many types of wells, especially those containing long true vertical perforation intervals with lower reservoir pressure.
"Delineation well"	Wells drilled outward from a successful wildcat well to determine the extent of the petroleum find and the boundaries of the productive formation.
"Development costs"	Costs involved in bringing proved reserves to production. Development costs include the cost of drilling development wells plus the production equipment and its installation.
"Development wells"	Wells drilled to exploit the hydrocarbon accumulation defined by an appraisal well.
"Diluents"	A diluting agent to be mixed with bitumen in order to meet pipeline specifications so that it can be transported efficiently.
"Drilling rig"	A large structure with equipment for drilling petroleum wells.
"EPPO"	The Energy Policy and Planning Office of Thailand.
"Exploration wells"	Wells drilled in order to locate an undiscovered petroleum reservoir, either by discovering a new field or a new, shallower or deeper reservoir in a previously discovered field.
"Farm-in"	Acquiring an interest in a lease or concession owned by another operator on which petroleum has been discovered or is being produced.
"Finding costs"	Costs of locating a field per barrel of oil or thousand standard cubic feet of gas reserves which include lease cost, G&G cost, overhead, and discovery well drilling and completion.
"FLNG"	Floating liquefied natural gas.
"FPSO"	Floating production storage and offloading facilities.
"Front-end engineering design" or **"FEED"**	The process for conceptual development of projects in processing industries. A basic engineering which comes after the conceptual design of feasibility study. The FEED design focuses the technical requirements as well as rough investment cost for the project.

"Gas cap" — An accumulation of natural gas, on top of a layer of saturated liquid hydrocarbons, in a reservoir.

"Gross calorific values" — The quantity of heat produced by the combustion of natural gas which is used to determine the price of coal.

"GSA" — Gas sale agreement.

"GWH" — Gigawatt hours.

"JDA" — Block A-18, B-17 and C-19 of the Malaysia-Thailand Joint Development Area.

"Kb/d" — A thousand of barrels per day.

"KBOE/d" — A thousand of barrels-of-oil equivalents per day.

"Khw" — Kilowatt hour.

"Living quarter platform" — Living spaces on offshore platforms.

"LNG" — Liquefied natural gas.

"LPG" — Liquefied petroleum gas which is propane gas or, less commonly, butane or a propane-butane mixture that has been compressed into liquid.

"Marginal field" — Discovered petroleum fields for which the economics of development are marginal.

"Mbbls" — Thousand barrels.

"MMbbl" — Million barrels.

"MMBOE" — Millions of barrels-of-oil equivalents.

"MMbtu" — Million British Thermal Units.

"MMscf" — Million standard cubic feet.

"MMscf/d" — Million standard cubic feet per day.

"MMstb" — Million stock-tank barrels.

"MTJA" — Malaysia-Thailand Joint Authority.

"MTOE" — Million metric tons of oil equivalent.

"MMtpa" — Million tons per annum.

"Natural gas" — Hydrocarbon which is gas or vapor at the atmospheric temperature and pressure, and which normally has methane as it major constituent.

"Near-field exploration" — Near-field exploration wells are wells located near existing fields/discoveries and have a higher expectation of success than wildcat exploration wells.

"Packer"	An expanding plug used in a well to seal off certain sections of the tubing or casing when cementing and acidizing or when a production formation is to be isolated.
"Perforation interval"	The section of wellbore that has been prepared for production through the creation of channels between the reservoir formation and the wellbore.
"Petroleum"	Hydrocarbons, including natural gas, natural gas liquids, crude oil and their products.
"Probable reserves"	Unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used to estimate reserves, there should be at least 50.0% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable reserves.
"Proved developed reserves"	The estimated quantities of petroleum expected to be recovered from existing wells, equipment and operating method. They may be sub-grouped as producing and non-producing.
"Proved reserves"	Quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating method, and government regulations. In respect of both the SPE Petroleum Resources Management System and COGE Handbook, proved reserves means at least a 90.0% chance that quantities actually recovered will equal or exceed the estimates.
"Proved undeveloped reserves"	Proved reserves that are expected to be recovered from new wells in undrilled acreage, or from deepening existing wells to a different reservoir, or where a relatively significant expenditure is required to recomplete an existing well or install production or transportation facilities for primary or improved recovery project.
"Recompletion processes"	The modification of an existing well for the purpose of producing petroleum from a different producing formation.
"SCADA"	The supervisory control and data acquisition system. This real-time system is used to monitor and acquire production data and manage facilities.
"Seabed geochemical survey"	A survey that provides evidence of the likely nature of petroleum fluids in an individual prospect. It provides indications of the maturity of the petroleum products present.

"Seismic survey"	The generation and recording of seismic data to gather and record patterns of induced shock wave reflections from underground layers of rock which are used to create detailed models of the underlying geological structure. The seismic survey (or seismic acquisition) involves many different receiver configurations to record the seismic signal. A source, such as a vibrator unit, dynamite shot, or an air gun, generates acoustic or elastic vibrations that travel into the Earth, pass through strata with different seismic responses and filtering effects, and return to the surface to be recorded as seismic data.
"Seismograph"	A device or system that records the ground oscillations that make up exploration seismic data or earthquakes. A seismograph can include amplifiers, receivers and a recording device (such as a computer disk or magnetic tape) to record seismograms.
"Shale gas"	Natural gas produced from shale formations.
"Side-tracked well"	A well created by drilling a directional hole, often to bypass an obstruction in the well that cannot be removed or would otherwise damage the well, deepen a well or relocate the bottom of the well in a more productive zone, which is horizontally removed from the original well.
"Steam assisted gravity drainage" or **"SAGD"**	An enhanced oil recovery technology for producing heavy crude oil or bitumen. It is an advanced form of steam simulation in which a pair of horizontal wells is drilled into the reservoir, one a few meters above the other. High pressure steam is continuously injected into the upper wellbore to heat the oil and reduce its viscosity, causing the heated oil to drain into the lower wellbore, where it is pumped out.
"Tons"	Metric tons. A metric ton is equal to 1,000 kilograms, or approximately 2,204.6 pounds.
"TSCF"	Trillion standard cubic feet.
"Tubing string"	A device made up of pipes that is lowered into a borehole for the extraction of liquid and gaseous minerals. Tubing strings consisting of separate tubing joints screwed together are used for the exploitation of petroleum and gas deposits.
"Water flooding"	A method of secondary recovery in which water is injected into the reservoir formation to displace oil. The water from injection wells physically sweeps the displaced oil to the producers.
"Well logging"	The electrical recording of physical characteristics of rocks traversed by a well.
"Wellbore"	A hole that is drilled to aid in the exploration and recovery of natural resources.

"Wellhead"	The surface termination of a wellbore that incorporates facilities for installing casing hangers during the well construction phase. The wellhead also incorporates a means of hanging the production tubing and installing the valves, spods, pressure gauges and chokes to control production and surface flow-control facilities in preparation for the production phase of the well.
"Wellhead platform"	A minimum facilities offshore platform utilized to locate well control and production facilities on the surface.
"Wildcat well"	A well drilled for the purpose of discovering a new field or reservoir.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

(TRANSLATION)

AUDITOR'S REPORT

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

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

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

Office of the Auditor General

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

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

Opinion

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

(Signed) *Sirin Phankasem*
(Sirin Phankasem)
Inspector General 1

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

Office of the Auditor General

February 17, 2014

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

CONSOLIDATED

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

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

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

(Signed) Yongyos Krongphanich
(Yongyos Krongphanich)
Senior Vice President, Finance and Strategic Information Technology Division

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

CONSOLIDATED

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

THE COMPANY

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

THE COMPANY

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

CONSOLIDATED

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

THE COMPANY

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

THE COMPANY

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

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

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

Unit : US Dollar

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

Unit : US Dollar

					Retained earnings			Other components of shareholders' equity					
								Other comprehensive income (loss)					
	Note	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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
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	40	-	-	-	-	-	(783,278,120)	-	-	-	-	-	(783,278,120)
Total comprehensive income (loss) for the year		-	-	-	-	-	1,845,641,532	(51,469,073)	411,053	12,938,848	2,252,536	(35,866,636)	1,809,774,896
Balance - as at December 31, 2013		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

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

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

Unit : Baht

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

Unit : Baht

					Retained earnings			Other components of shareholders' equity					
								Other comprehensive income (loss)					
	Note	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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
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	40	-	-	-	-	-	(23,848,069,080)	-	-	-	-	-	(23,848,069,080)
Total comprehensive income (loss) for the year		-	-	-	-	-	56,154,766,443	24,242,149,067	12,381,574	396,991,033	78,689,208	24,730,210,882	80,884,977,325
Balance - as at December 31, 2013		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	250,081,503,448	3,538,346,361	9,746,951	(726,780,356)	285,139,633	3,106,452,589	384,854,507,256

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

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

Unit : US Dollar

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

Unit : US Dollar

					Retained earnings			Other components of shareholders' equity			
								Other comprehensive income (loss)			
	Note	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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
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	40	-	-	-	-	-	(783,278,120)	-	-	-	(783,278,120)
Total comprehensive income (loss) for the year		-	-	-	-	-	1,222,609,634	17,048,693	6,382,228	23,430,921	1,246,040,555
Balance - as at December 31, 2013		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,715,744,481	(18,388,347)	13,469,636	(4,918,711)	8,903,396,158

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

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

Unit : Baht

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

Unit : Baht

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2013	2012	2013	2012
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(277,255,564)	(231,744,299)	(8,518,961,443)	(7,203,331,216)
Other current liabilities	(8,663,976)	(19,467,751)	(266,209,552)	(605,118,061)
Other non-current liabilities	(11,064,490)	(12,132,258)	(339,967,796)	(377,108,203)
Currency translation differences	95,781,502	(26,406,696)	2,942,984,858	(820,801,962)
Interest received from bank deposits	36,549,470	31,001,878	1,123,019,935	963,634,436
Taxation paid	(1,334,494,866)	(1,097,766,737)	(41,003,722,958)	(34,121,993,262)
	(1,545,232,339)	(1,620,485,445)	(47,478,847,865)	(50,369,711,166)
Net cash provided by operating activities	3,739,846,473	3,454,805,483	114,597,985,898	107,376,509,225
Cash flows from investing activities				
Cash received from long-term loans to related parties	-	183,757	-	5,711,787
Cash payment from purchase of business	(240,945,349)	(1,883,984,939)	(7,403,292,864)	(58,560,092,268)
Loss from investments in related parties	-	(140,827)	-	(4,377,345)
Dividends received from associates	512,943	523,200	15,760,708	16,262,678
Interest received from loans	800,521	853,004	24,596,827	26,514,035
Increase in property, plant and equipment	(2,633,408,679)	(2,805,792,914)	(80,914,181,565)	(87,212,741,738)
Increase in intangible assets	(32,847,317)	(47,119,073)	(1,009,267,487)	(1,464,606,867)
Net cash used in investing activities	(2,905,887,881)	(4,735,477,792)	(89,286,384,381)	(147,193,329,718)
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institutior	-	(5,336,878)	-	(165,886,724)
Proceeds from short-term loans with maturity date within1 year from financial institution	-	1,502,769,967	-	46,710,749,161
Payments of short-term loans with maturity date within1 year from financial institution	-	(1,849,946,177)	-	(57,502,062,025)
Payments of short-term loans	(62,000,000)	-	(1,905,013,566)	-
Proceeds from issuance of debentures	500,000,000	500,000,000	15,363,012,625	15,541,550,000
Payments of debentures	(175,604,589)	(779,224,772)	(5,395,631,036)	(24,220,721,506)
Proceeds from long-term loans from financial institution	-	478,117,500	-	14,861,374,064
Interest paid for loans	(164,333,052)	(173,184,838)	(5,049,301,496)	(5,383,121,651)
Cash payments for financial costs	(9,778,197)	(20,708,702)	(300,445,133)	(643,690,633)
Proceeds from issuance of subordinated capital debentures	-	157,137,829	-	4,884,330,844
Interest paid for subordinated capital debentures	(9,392,901)	(4,757,745)	(288,606,526)	(147,885,456)
Cash payments for financial costs from issuance of subordinated capital debentures	-	(567,346)	-	(17,634,862)
Proceeds from issuance of common stock	-	3,011,635,419	-	93,610,964,898
Cash payments for transaction cost of capital	-	(21,161,152)	-	(657,754,189)
Dividends paid	(783,293,240)	(587,634,391)	(24,067,487,881)	(18,265,498,552)
Net cash provided by (used in) financing activities	(704,401,979)	2,207,138,714	(21,643,473,013)	68,604,713,369

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

THE COMPANY

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2013	2012	2013	2012
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(162,121,457)	60,057,287	(4,979,236,678)	1,866,766,654
Other current liabilities	53,791,729	(34,565,694)	1,652,105,490	(1,074,408,923)
Other non-current liabilities	1,227,319	962,485	37,694,665	29,917,015
Interest received from bank deposits	27,515,507	25,137,559	845,083,831	781,353,247
Taxation paid	(710,169,015)	(567,583,232)	(21,811,422,635)	(17,642,246,361)
	(854,095,159)	(834,054,712)	(26,232,071,835)	(25,925,006,032)
Net cash provided by operating activities	1,994,561,003	1,786,627,636	60,897,852,060	55,522,114,542
Cash flows from investing activities				
Cash received from long-term loans to related parties	1,395,339,053	2,593,493,278	42,855,051,603	80,613,810,894
Cash payments for long-term loans to related parties	(2,354,308,851)	(4,184,804,025)	(72,307,893,266)	(130,076,681,626)
Increase in investments in subsidiaries	(322)	-	(9,904)	-
Dividends received from related parties	176,464,304	172,277,403	5,654,986,601	5,253,030,900
Interest received from loans	100,396,660	118,200,741	3,083,482,853	3,674,045,077
Increase in property, plant and equipment	(739,582,773)	(830,371,281)	(22,714,807,432)	(25,810,513,557)
Increase in intangible assets	(61,742,136)	(78,560,672)	(1,896,286,368)	(2,441,909,229)
Net cash used in investing activities	(1,483,434,065)	(2,209,764,556)	(45,325,475,913)	(68,788,217,541)
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institution	-	(5,336,878)	-	(165,886,724)
Payments of short-term loans with maturity date within1 year from financial institution	-	(324,220,574)	-	(10,077,780,516)
Proceeds from issuance of debentures	500,000,000	-	15,356,501,175	-
Payments of debentures	(165,604,589)	(779,224,772)	(5,086,214,131)	(24,220,721,506)
Interest paid for loans	(30,543,644)	(58,254,561)	(938,087,010)	(1,810,732,345)
Cash payments for financial costs	(2,557,595)	(1,134,772)	(78,551,421)	(35,272,232)
Proceeds from issuance of subordinated capital debentures	-	157,137,829	-	4,884,330,844
Interest paid for subordinated capital debentures	(9,392,901)	(4,757,745)	(288,484,203)	(147,885,456)
Cash payments for financial costs from issuance of subordinated capital debentures	-	(567,346)	-	(17,634,862)
Proceeds from issuance of common stock	-	3,011,635,419	-	93,610,964,898
Cash payments for transaction cost of capital	-	(21,161,152)	-	(657,754,189)
Dividends paid	(783,293,240)	(587,634,391)	(24,057,287,130)	(18,265,498,552)
Net cash provided by (used in) financing activities	(491,391,969)	1,386,481,057	(15,092,122,720)	43,096,129,360
Net increase in cash and cash equivalents	19,734,969	963,344,137	480,253,427	29,830,026,361
Cash and cash equivalents at the beginning of the year	1,732,902,915	744,934,786	53,081,588,927	23,607,877,304
	1,752,637,884	1,708,278,923	53,561,842,354	53,437,903,665
Adjustment for the effect of exchange rate changes	(24,579,994)	24,623,992	3,141,900,018	(356,314,738)
Cash and cash equivalents at the end of the year	1,728,057,890	1,732,902,915	56,703,742,372	53,081,588,927
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	215,781,299	117,922,593	6,627,291,545	3,665,399,740
Long-term loans to related parties for interest rollover	32,645,145	3,812,282	1,002,630,417	118,497,538

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

1. General Information

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

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

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

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

Project	Country	Operator	Company's percentage of interest 2013	Company's percentage of interest 2012
PTTEP International Limited (PTTEPI)				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	100
G4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G9/43	Thailand-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 and 28/48	Thailand	PTTEP International Limited	70	70
A4/48 and 5/48				
- A4/48 and A5/48	Thailand	PTTEP International Limited	100	100
- A6/48 [1]	Thailand	PTTEP International Limited	-	100
Contract 3 (G6/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	5	5
Contract 4 (G7/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	45	45
Arthit (G8/50)	Thailand	PTTEP International Limited	80	80
Cambodia B [2]	Cambodia	PTTEP International Limited	-	33.333334
Zawtika	Myanmar	PTTEP International Limited	80	80
Myanmar M3 [3]	Myanmar	PTTEP International Limited	80	100
Myanmar M11 [4]	Myanmar	PTTEP International Limited	45	45
MTJDA -B17	Thailand - Malaysia	Carigali-PTTEPI Operating Company Sendirian Berhad	50	50
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

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

Project	Country	Operator	Company's percentage of interest	
			2013	2012
PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South [10]	New Zealand	Shell GSB Limited	18	18
PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34	34
PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda 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	20
PTTEP Canada Ltd. (PTTEP CA)				
Canada Oil Sands KKD	Canada	Statoil Canada Ltd	40	40
PTTEP Australia Perth Pty Ltd (PTTEP AP)				
PTTEP Australasia *	Australia			

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

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

Project	Country	Operator	Company's percentage of interest	
			2013	2012
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 [16]	Kenya	BG Kenya Ltd	31.25	25
- L10 B	Kenya	BG Kenya Ltd	15	15
Kenya L5, L7, L11 A, L11 B and L12	Kenya	Anadarko Kenya Company	10	10
Natuna 2 B.V. (Natuna 2)				
Natuna Sea A [17]	Indonesia	Premier Oil Natuna Sea BV	11.5	-

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

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

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

- Change name from Burma M3 to Myanmar M3

[4] Change name from Burma M11 to Myanmar M11

[5] PTTEPO has shareholding in Orange Energy Limited and B 8/32 Partners Limited, which holds the project’s concession.

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

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

[8] Change name from Burma PSC G and EP 2 to Myanmar PSC G and EP 2

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

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

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

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

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

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

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

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

[17] The additional information is disclosed in Note 6 to financial statements, Acquisition.

2. Basis of Financial Statement Preparation

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

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

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

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

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

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

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

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

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

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

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

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

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

Thai Financial Reporting Standard No. 4	Insurance contracts

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

4. Significant Accounting Policies

4.1 Preparation of Consolidated Financial Statements

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

Subsidiaries

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

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

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

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

A list of subsidiaries is set out in Note 15.

Associates

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

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

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

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

A list of associates is set out in Note 15.

Joint Ventures

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

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

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

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

Related Parties

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

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

4.2 Foreign Currency Translation

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

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

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

4.3 Cash and Cash Equivalents

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

4.4 Investments in Trading Securities

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

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

4.5 **Trade Accounts Receivable**

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

4.6 **Inventories**

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

4.7 **Materials and Supplies**

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

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

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

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

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

4.9 **Financing Costs**

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

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

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

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

4.10 Property, Plant and Equipment

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

- Oil and Gas Properties

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

Cost of Properties

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

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

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

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

Depreciation, Depletion and Amotization

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

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

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

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

- Pipelines and Others

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

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

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

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

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

Repair and maintenance costs are recognized as expenses when incurred.

4.11 Carried Costs under Petroleum Sharing Contract

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

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

4.12 Goodwill

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

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

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

4.13 Intangible Assets

- **Probable Reserves**

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

- **Other Intangible Assets**

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

- **Exploration and Evaluation Assets**

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

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

4.14 Impairment of Assets

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

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

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

4.15 Deferred Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

4.16 Deferred Remuneration under Agreement

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

4.17 Borrowings

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

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

4.18 Leases

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

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

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

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

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

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

4.19 Employee Benefits

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

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

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

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

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

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

4.20 Capital Risk Management

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

4.21 Reserve for Expansion

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

4.22 Income Recognition

Sales are recognized upon delivery of products and customer acceptance.

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

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

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

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

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

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

4.24 Income Taxes

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

- Current period tax which is calculated in accordance with the Petroleum Income Tax Act, B.E. 2514 and Amendment B.E. 2532 and the Revenue Code
- Corporate income tax in 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 Netherlands
- Corporate income tax in the Republic of Kenya
- Corporate income tax in the Republic of Mozambique
- Corporate income tax in Indonesia
- Deferred taxes, which are calculated as disclosed in Note 20.

4.25 Earnings per Share

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

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

4.26 Segment Reporting

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

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

4.27 Financial Instruments

Financial assets and financial liabilities

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

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

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

Impairment of financial assets

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

Derivative financial instruments and hedging

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

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

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

5. Major Estimates and Assumptions

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

Estimate for Oil and Gas Reserves

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

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

Exploration Costs

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

Impairment of Assets

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

Goodwill and Intangible Assets

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

Income Tax

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

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

Lease

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

Employee Retirement Plans

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

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

Provisions

The provisions, excluding the provisions for employee benefits, are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliable 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 recognizeds an increase that reflect the passage of time from the unwinding discount in each period, as a finance cost in the statement of income.

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

Provision for Remuneration for the Renewal of Petroleum Production

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

6. Acquisition

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

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

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

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

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

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

7. Cash and Cash Equivalents

Cash and cash equivalents comprised:

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

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

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

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

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

8. Investments in Trading Securities

The Group has invested its excess cash in Vayupak Fund 1 to manage its short-term liquidity. The Group has recognized the investment in the fund as investment in trading security at fair value on the purchase date.

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, 2013	-	-
Additions	0.157	5.07
Loss on changes in fair value	(0.010)	(0.31)
Currency translation differences	(0.004)	(0.07)
Balance as at December 31, 2013	0.143	4.69

	Unit : Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2013	-	-
Additions	0.150	4.86
Loss on changes in fair value	(0.009)	(0.29)
Currency translation differences	(0.004)	(0.07)
Balance as at December 31, 2013	0.137	4.50

9. Account Receivable - Parent Company

Account receivable - parent company comprised:

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

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

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

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

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

10. Trade Accounts Receivable

Trade accounts receivable comprised:

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

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

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

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

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

11. Materials and Supplies, Net

Materials and supplies, net comprised:

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

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

12. Other Current Assets

Other current assets comprised:

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

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

13. Investments in Available-For-Sale Securities

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

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

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

14. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

14.1 Revenues and Expenses with Related Parties

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

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

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

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

14.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

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

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

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

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

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2013	4,743.94	145,314.44
Addition	2,386.95	73,341.38
Repayment	(1,395.34)	(42,873.09)
Foreign exchange differences	(106.92)	(3,285.30)
Currency translation differences	-	12,198.03
Balance as at December 31, 2013	5,628.63	184,695.46

The Company has loans to subsidiaries for the year ended December 31, 2013 with an interest rate is between 0.65% – 4.02% per annum (during the year 2012: 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, 2013 with an interest rate of 4.25% per annum (during the year 2012: interest rate is between 4.35% - 4.60% per annum).

15. Investments in Subsidiaries, Associates and Jointly Controlled Entities

15.1 Details of subsidiaries, associates and jointly controlled entities

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

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

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

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

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

[4] On October 18, 2013 PTTEP Andaman Limited has registered for the dissolution with the Ministry of Commerce and in the process of liquidation.

[5] As at December 31, 2013, PTTEP MEA has share receivables.

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

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

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

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

[10] On October 4, 2013, the Group has established a subsidiary and legal entity as follows.

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

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

[12] The additional information is disclosed in Note 6 to financial statements, Acquisition.

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

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

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

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

15.2 **Investments in Subsidiaries and Associates**

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

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

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

15.3 Investments in Subsidiaries

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

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

15.4 Investments in Associates

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

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

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

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

Unit : Million US Dollar

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

Unit : Million Baht

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

15.5 Investments in Jointly Controlled Entities

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

16. Property, Plant and Equipment, Net

Unit: Million US Dollar

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

Depreciation included in the statement of income for the year ended December 31, 2012 US Dollar 1,319.67 million

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

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

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

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

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

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

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

Depreciation included in the statement of income for the year ended December 31, 2012	US Dollar	684.78	million
Depreciation included in the statement of income for the year ended December 31, 2013	US Dollar	875.33	million

Unit: Million Baht

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

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

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

* Net foreign exchange rate differences in translating financial statements.

17. Carried Costs under Petroleum Sharing Contract

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

Unit: Million US Dollar

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

Unit: Million Baht

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

[(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.

Unit: Million US Dollar

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

Unit: Million Baht

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

18. Goodwill

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

* Net foreign exchange rate differences in translating financial statements.

19. Intangible Assets, Net

Unit: Million US Dollar

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

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

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

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

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

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

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

* Net foreign exchange rate differences in translating financial statements.

20. Income Taxes and Deferred Taxes

Income tax rates for the Group are as follows:

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

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

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

20.1 Deferred tax assets and liabilities are as follows:

Unit : Million US Dollar

	Consolidated		The Company	
	2013	2012	2013	2012
Deferred tax assets	354.92	380.98	11.25	14.93
Deferred tax liabilities	1,649.13	1,512.78	394.91	266.48
	(1,294.21)	(1,131.80)	(383.66)	(251.55)

Unit : Million Baht

	Consolidated		The Company	
	2013	2012	2013	2012
Deferred tax assets	11,646.12	11,670.13	369.30	457.30
Deferred tax liabilities	54,113.87	46,339.00	12,958.51	8,162.88
	(42,467.75)	(34,668.87)	(12,589.21)	(7,705.58)

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

Unit : Million US Dollar

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

Unit : Million Baht

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

20.3 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:

Unit : Million US Dollar

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

Unit : Million Baht

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

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

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million Baht

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

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million Baht

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

21. **Prepaid Expenses**

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

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

22. Financial Derivatives

Financial derivatives are as follows:

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

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

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

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2013				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
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

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

	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

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

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

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

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

Cash flow hedges

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

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

23. Other Non-current Assets

Other non-current assets comprised :

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

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

24. Loans and Debentures

Loans and debentures comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Current Liabilities				
Current portion of debentures	356.52	163.55	11,698.80	5,009.71
Total current liabilities	356.52	163.55	11,698.80	5,009.71
Non-current Liabilities				
Debentures	2,608.76	2,517.71	85,602.80	77,121.49
Long-term loans from financial institutions	1,057.70	1,091.70	34,706.79	33,440.66
Total non-current liabilities	3,666.46	3,609.41	120,309.59	110,562.15

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Current Liabilities				
Current portion of debentures	356.52	163.55	11,698.80	5,009.71
Total current liabilities	356.52	163.55	11,698.80	5,009.71
Non-current Liabilities				
Debentures	726.01	626.52	23,822.82	19,191.32
Long-term loans from financial institution	50.00	50.00	1,640.68	1,531.58
Total non-current liabilities	776.01	676.52	25,463.50	20,722.90

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

	Unit: Million US Dollar Consolidated	Unit: Million Baht Consolidated
Balance as at January 1, 2013	3,772.96	115,571.86
Additional loans – Business acquisition	62.00	2,002.21
Debenture issuing	500.00	15,362.96
Repayment of loans	(62.00)	(1,905.01)
Repayment of debentures	(175.61)	(5,307.26)
Deferred financing cost	(4.52)	(190.87)
Foreign exchange differences	(69.85)	(2,118.23)
Currency translation differences	-	8,592.73
Balance as at December 31, 2013	4,022.98	132,008.39

	Unit: Million US Dollar The Company	Unit: Million Baht The Company
Balance as at January 1, 2013	840.07	25,732.61
Debenture issuing	500.00	15,362.96
Repayment of debentures	(165.61)	(5,000.00)
Deferred financing cost	(2.51)	(82.38)
Foreign exchange differences	(39.42)	(1,204.58)
Currency translation differences	-	2,353.69
Balance as at December 31, 2013	1,132.53	37,162.30

Debentures

The carrying value of unsecured and unsubordinated debentures comprised:

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

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

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

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

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

[4] 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.

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

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

[7] On September 16, 2013, the Company has issued the 5 years unsecured and unsubordinated debentures in the amount of US Dollar 500 million with a fixed interest rate of 3.707% per annum.

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

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

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

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

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

[3] Amortized loan with the repayment schedule of 4 installments will start from Year 5.5.

[4] In March 2013, the Company has been approved for the extension of the term loan from 2015 to 2017.

25. Short-term Provision

Short-term provision comprised:

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

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

26. Employee Benefit Obligations

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

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

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

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

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

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

Major Actuarial Assumptions

The Group's financial assumptions

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

The Group's demographic assumptions

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

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

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

27. Provision for Decommissioning Costs

Provision for decommissioning costs are as follows:

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

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

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

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

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

28. 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, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for remuneration for the renewal of petroleum production	567.11	178.18	18,609.06	5,457.89
Less Current portion	(36.64)	(10.73)	(1,202.41)	(328.62)
Non-current portion of provision for remuneration for the renewal of petroleum production	530.47	167.45	17,406.65	5,129.27

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

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

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

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

29. **Deferred Income**

Deferred income comprised:

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

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

30. Financial Assets and Financial Liabilities

Financial assets and financial liabilities are as follows:

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million Baht

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

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million Baht

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

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

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million US Dollar

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

Unit : Million Baht

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

31. Share Capital

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

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

32. Subordinated Capital Debentures

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

There was no issuance of subordinated capital debentures during 2013.

33. Legal Reserve

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

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

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

34. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the years comprised:

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

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

35. **Gain (loss) on Foreign Exchange**

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

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

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

36. **Expenses by Nature**

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

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

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

37. Earnings per Share

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

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

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

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

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

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

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

38. Segment Information

Unit: Million US Dollar

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

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
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										3,293.09
Total assets										21,572.39
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										4,569.27
Total liabilities										9,843.87
Capital Expenditures	1,841.87	1,129.06	349.94	204.96	226.01	2.46	204.16	64.38		4,022.84

Unit: Million Baht

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

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2013									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
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										108,057.85
Total assets										707,866.94
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										149,934.01
Total liabilities										323,012.43
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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million Baht

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

Unit: Million Baht

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

The Group is organized into the following business segments:

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

39. Risk Management

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

<u>Market Risk</u>

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

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

- Price Risk

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

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

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

- Interest Rate Risk

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

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

The Group's 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, 2014. If the interest rate applicable to floating rate instruments were to have increased by 1% per annum, it is estimated that the Group's profit before income taxes for 2014 would decrease by approximately US Dollars 11 million (in 2012 decrease by US Dollars 8 million). This assumes that the debt amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2014. Furthermore, the effect on the Group's 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 Currency Risk

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

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

The Group's 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, 2013 and 2012, 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, 2013		
Profit before income taxes increase (decrease)		
(10% US Dollar appreciate)	(57)	(84)
Profit before income taxes increase (decrease)		
(10% US Dollar depreciate)	57	84
For the year ended December 31, 2012		
Profit before income taxes increase (decrease)		
(10% US Dollar appreciate)	10	(134)
Profit before income taxes increase (decrease)		
(10% US Dollar depreciate)	(10)	134

<u>Credit Risk</u>

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

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

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

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

Liquidity Risk

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

Unit: Million US Dollar

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

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

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

* Interest represents the interest payment due within one year.

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

Unit: Million US Dollar

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

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

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

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

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

40. Dividends

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

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

41. Commitments, Contingent Liabilities and Significant Litigation

- Commitment under operating leases – the Group as a lessee

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

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

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

- Commitment from loan agreements
  - The Company had a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at December 31, 2013 was US Dollar 17.68 millions (Baht 580 million).

- Commitment from loan and debenture guarantee of subsidiaries
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 500 million and US Dollar 200 million, respectively to guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF).
  - The Company has commitment from loan guarantee within the credit facility of US Dollar 500 million and US Dollar 75 million, respectively to guarantee for PTTEP Offshore Investment Company Limited (PTTEPO).
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 490 million and US Dollar 700 million and loan guarantee of Canadian Dollar 300 million, Canadian Dollar 75 million and Canadian Dollar 100 million, respectively, to guarantee for PTTEP Canada International Finance Limited (PTTEP CIF).

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

    On December 31, 2013, PTTEPI have an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 13.72 million (Baht 450.34 million). Currently, negotiation between the buyer (PTT) and the seller are in process.

- Contingent liabilities
  - On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to an incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 1, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven and unsubstantiated. No verifiable scientific evidence has yet been provided to support the claim.

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

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

- Significant litigation

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

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

42. Events after the Statement of Financial Position Date

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

- The Board of Directors of the Company authorized for the issue of these financial statements on February 17, 2014.

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2012

(TRANSLATION)

AUDITOR'S REPORT

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

The Office of the Auditor General of Thailand has audited the accompanying consolidated and separate financial statements of PTT Exploration and Production Public Company Limited 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, 2012 and 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence 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, 2012, and its consolidated and separate financial performance and its cash flows for the year then ended, presented in US Dollar and Thai Baht, in accordance with Thai Financial Reporting Standards.

(Signed) *Sirin Phankasem*
(Sirin Phankasem)
Inspector General 1

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

Office of the Auditor General
Febuary 15, 2013

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

CONSOLIDATED

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

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

(Signed) Tevin Vongvanich	*(Signed) Pornthip Uyakul*
(Tevin Vongvanich)	(Pornthip Uyakul)
President and Chief Executive Officer	Senior Vice President, Accounting Div.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

CONSOLIDATED

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

THE COMPANY

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

THE COMPANY

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

Unit : US Dollar

				Retained earnings			Other components of shareholders' equity – Other comprehensive income (expense)				
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2011		129,391,187	462,089,883	12,963,632	431,231,212	4,345,041,133	27,320,376	-	-	27,320,376	5,408,037,423
Changes in shareholders' equity for the year											
Share capital issued and paid-up		83,875	7,565,563	-	-	-	-	-	-	-	7,649,438
Dividends paid	39	-	-	-	-	(558,903,868)	-	-	-	-	(558,903,868)
Total comprehensive income (expense) for the year		-	-	-	-	1,468,247,086	(3,838,306)	(11,920,073)	2,391,260	(13,367,119)	1,454,879,967
Balance - as at December 31, 2011		129,475,062	469,655,446	12,963,632	431,231,212	5,254,384,351	23,482,070	(11,920,073)	2,391,260	13,953,257	6,311,662,960

Unit : US Dollar

					Retained earnings			Other components of shareholders' equity – Other comprehensive income (expense)					
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Unrealised loss on available-for-sales securities	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2012		129,475,062	469,655,446	-	12,963,632	431,231,212	5,254,384,351	23,482,070	-	(11,920,073)	2,391,260	13,953,257	6,311,662,960
Changes in shareholders' equity for the year													
Share capital issued and paid-up		21,208,700	2,990,426,719	-	-	-	-	-	-	-	-	-	3,011,635,419
Transaction cost of capital		-	(21,161,152)	-	-	-	-	-	-	-	-	-	(21,161,152)
Legal reserve	32	-	-	-	2,084,687	-	(2,084,687)	-	-	-	-	-	-
Subordinated capital debentures		-	-	156,570,483	-	-	-	-	-	-	-	-	156,570,483
Interest expenses for subordinated capital debentures		-	-	-	-	-	(4,757,745)	-	-	-	-	-	(4,757,745)
Dividends paid	39	-	-	-	-	-	(589,297,408)	-	-	-	-	-	(589,297,408)
Total comprehensive income (expense) for the year		-	-	-	-	-	1,845,519,371	21,315,074	(85,848)	(24,409,643)	4,308,464	1,128,047	1,846,647,418
Balance - as at December 31, 2012		150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	6,503,763,882	44,797,144	(85,848)	(36,329,716)	6,699,724	15,081,304	10,711,299,975

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

Unit : Baht

				Retained earnings			Other components of shareholders' equity				
							Other comprehensive income (expense)				
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	151,503,183,579	(23,176,404,778)	-	-	(23,176,404,778)	163,059,358,741
Changes in shareholders' equity for the year											
Share capital issued and paid-up		2,537,800	228,909,560	-	-	-	-	-	-	-	231,447,360
Dividends paid	39	-	-	-	-	(17,104,924,531)	-	-	-	-	(17,104,924,531)
Total comprehensive income (expense) for the year		-	-	-	-	44,748,056,536	9,381,621,009	(365,525,566)	74,139,682	9,090,235,125	53,838,291,661
Balance - as at December 31, 2011		3,319,985,400	14,411,841,900	332,200,000	16,900,000,000	179,146,315,584	(13,794,783,769)	(365,525,566)	74,139,682	(14,086,169,653)	200,024,173,231

Unit : Baht

					Retained earnings			Other components of shareholders' equity					
								Other comprehensive income (expense)					
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Unrealised loss on available-for-sales securities	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2012		3,319,985,400	14,411,841,900	-	332,200,000	16,900,000,000	179,146,315,584	(13,794,783,769)	-	(365,525,566)	74,139,682	(14,086,169,653)	200,024,173,231
Changes in shareholders' equity for the year													
Share capital issued and paid-up		650,000,000	91,650,000,000	-	-	-	-	-	-	-	-	-	92,300,000,000
Transaction cost of capital		-	(649,348,574)	-	-	-	-	-	-	-	-	-	(649,348,574)
Legal reserve	32	-	-	-	64,798,540	-	(64,798,540)	-	-	-	-	-	-
Subordinated capital debentures		-	-	4,981,947,515	-	-	-	-	-	-	-	-	4,981,947,515
Interest expenses for subordinated capital debentures		-	-	-	-	-	(146,621,437)	-	-	-	-	-	(146,621,437)
Dividends paid	39	-	-	-	-	-	(18,184,268,355)	-	-	-	-	-	(18,184,268,355)
Total comprehensive income (expense) for the year		-	-	-	-	-	57,315,962,590	(6,909,018,937)	(2,634,623)	(758,245,823)	132,310,743	(7,537,588,640)	49,778,373,950
Balance - as at December 31, 2012		3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	218,066,589,842	(20,703,802,706)	(2,634,623)	(1,123,771,389)	206,450,425	(21,623,758,293)	328,104,256,330

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
THE COMPANY

Unit : US Dollar

				Retained earnings			Other components of shareholders' equity			
							Other comprehensive income (expense)			
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2011		129,391,187	462,089,883	12,963,632	431,231,212	2,891,192,193	-	-	-	3,926,868,107
Changes in shareholders' equity for the year										
Share capital issued and paid-up		83,875	7,565,563	-	-	-	-	-	-	7,649,438
Dividends paid	39	-	-	-	-	(558,903,868)	-	-	-	(558,903,868)
Total comprehensive income (expense) for the year		-	-	-	-	1,048,999,994	(11,920,073)	2,391,260	(9,528,813)	1,039,471,181
Balance - as at December 31, 2011		129,475,062	469,655,446	12,963,632	431,231,212	3,381,288,319	(11,920,073)	2,391,260	(9,528,813)	4,415,084,858

Unit : US Dollar

					Retained earnings			Other components of shareholders' equity			
								Other comprehensive income (expense)			
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2012		129,475,062	469,655,446	-	12,963,632	431,231,212	3,381,288,319	(11,920,073)	2,391,260	(9,528,813)	4,415,084,858
Changes in shareholders' equity for the year											
Share capital issued and paid-up		21,208,700	2,990,426,719	-	-	-	-	-	-	-	3,011,635,419
Transaction cost of capital		-	(21,161,152)	-	-	-	-	-	-	-	(21,161,152)
Legal reserve	32	-	-	-	2,084,687	-	(2,084,687)	-	-	-	-
Subordinated capital debentures		-	-	156,570,483	-	-	-	-	-	-	156,570,483
Interest expenses for subordinated capital debentures		-	-	-	-	-	(4,757,745)	-	-	-	(4,757,745)
Dividends paid	39	-	-	-	-	-	(589,297,408)	-	-	-	(589,297,408)
Total comprehensive income (expense) for the year		-	-	-	-	-	1,500,657,389	(23,516,967)	4,696,148	(18,820,819)	1,481,836,570
Balance - as at December 31, 2012		150,683,762	3,438,921,013	156,570,483	15,048,319	431,231,212	4,285,805,868	(35,437,040)	7,087,408	(28,349,632)	8,449,911,025

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

Unit : Baht

				Retained earnings			Other components of shareholders' equity: Other comprehensive income (expense)				
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	101,524,307,235	(17,856,708,848)	-	-	(17,856,708,848)	118,400,178,327
Changes in shareholders' equity for the year											
Share capital issued and paid-up		2,537,800	228,909,560	-	-	-	-	-	-	-	231,447,360
Dividends paid	39	-	-	-	-	(17,104,924,531)	-	-	-	-	(17,104,924,531)
Total comprehensive income (expense) for the year		-	-	-	-	32,076,950,094	6,607,071,864	(365,525,566)	74,139,682	6,315,685,980	38,392,636,074
Balance - as at December 31, 2011		3,319,985,400	14,411,841,900	332,200,000	16,900,000,000	116,496,332,798	(11,249,636,984)	(365,525,566)	74,139,682	(11,541,022,868)	139,919,337,230

Unit : Baht

					Retained earnings			Other components of shareholders' equity: Other comprehensive income (expense)				
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Loss on cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2012		3,319,985,400	14,411,841,900	-	332,200,000	16,900,000,000	116,496,332,798	(11,249,636,984)	(365,525,566)	74,139,682	(11,541,022,868)	139,919,337,230
Changes in shareholders' equity for the year												
Share capital issued and paid-up		650,000,000	91,650,000,000	-	-	-	-	-	-	-	-	92,300,000,000
Transaction cost of capital		-	(649,348,574)	-	-	-	-	-	-	-	-	(649,348,574)
Legal reserve	32	-	-	-	64,798,540	-	(64,798,540)	-	-	-	-	-
Subordinated capital debentures		-	-	4,981,947,515	-	-	-	-	-	-	-	4,981,947,515
Interest expenses for subordinated capital debentures		-	-	-	-	-	(146,621,437)	-	-	-	-	(146,621,437)
Dividends paid	39	-	-	-	-	-	(18,184,268,355)	-	-	-	-	(18,184,268,355)
Total comprehensive income (expense) for the year		-	-	-	-	-	46,498,046,804	(5,300,224,162)	(728,762,260)	144,187,786	(5,884,798,636)	40,613,248,168
Balance - as at December 31, 2012		3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,598,691,270	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,834,294,547

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

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

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2012	2011	2012	2011
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(231,744,299)	282,902,904	(7,203,331,216)	8,626,190,478
Other current liabilities	(19,467,751)	(6,538,314)	(605,118,061)	(199,364,309)
Deferred income	-	104,083	-	3,173,668
Other non-current liabilities	(12,132,258)	(2,248,809)	(377,108,203)	(68,570,009)
Currency translation differences (decrease) increase	(26,406,696)	239,115,311	(820,801,962)	7,291,032,328
Interest received from bank deposits	31,001,878	28,342,655	963,634,436	864,215,733
Taxation paid	(1,097,766,737)	(970,306,055)	(34,121,993,262)	(29,586,281,137)
	(1,620,485,445)	(1,036,853,289)	(50,369,711,166)	(31,615,419,433)
Net cash provided by operating activities	3,454,805,483	2,908,104,067	107,376,509,225	88,716,162,524
Cash flows from investing activities				
Cash received from long-term loans to related parties	183,757	274,528	5,711,787	8,370,825
Cash payment from purchase of business	(1,883,984,939)	(1,889,560,277)	(58,560,092,268)	(57,615,905,098)
Loss from investments in related parties	(140,827)	-	(4,377,345)	-
Dividends received from associates	523,200	-	16,262,678	-
Interest received from loans	853,004	2,158,162	26,514,035	65,806,028
Increase in property, plant and equipment	(2,805,792,914)	(2,206,095,695)	(87,212,741,738)	(67,267,608,103)
Increase in intangible assets	(47,119,073)	(114,199,026)	(1,464,606,867)	(3,482,122,441)
Net cash used in investing activities	(4,735,477,792)	(4,207,422,308)	(147,193,329,718)	(128,291,458,789)
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institution	(5,336,878)	(266,053,262)	(165,886,724)	(8,112,416,249)
Proceeds from short-term loans with maturity date within1 year from financial institution	1,502,769,967	329,760,422	46,710,749,161	10,054,955,860
Payments of short-term loans with maturity date within1 year from financial institution	(1,849,946,177)	-	(57,502,062,025)	-
Proceeds from issuance of debentures	500,000,000	700,000,000	15,541,550,000	21,344,190,000
Payments of debentures	(779,224,772)	-	(24,220,721,506)	-
Proceeds from long-term loans from financial institution	478,117,500	625,000,000	14,861,374,064	19,057,312,500
Interest paid for loans	(173,184,838)	(123,106,212)	(5,383,121,651)	(3,753,717,684)
Cash payments for financial costs	(20,708,702)	(10,677,272)	(643,690,633)	(325,568,174)
Proceeds from issuance of subordinated capital debentures	157,137,829	-	4,884,330,844	-
Interest paid for subordinated capital debentures	(4,757,745)	-	(147,885,456)	-
Cash payments for financial costs from issuance of subordinated capital debentures	(567,346)	-	(17,634,862)	-
Proceeds from issuance of common stock	3,011,635,419	7,649,438	93,610,964,898	233,244,369
Cash payments for transaction cost of capital	(21,161,152)	-	(657,754,189)	-
Dividends paid	(587,634,391)	(560,133,157)	(18,265,498,552)	(17,079,412,183)
Net cash provided by financing activities	2,207,138,714	702,439,957	68,604,713,369	21,418,588,439

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2012	2011	2012	2011
Net increase (decrease) in cash and cash equivalents	926,466,405	(596,878,284)	28,787,892,876	(18,156,707,826)
Cash and cash equivalents at the beginning of the year	1,350,529,553	1,979,477,802	42,799,902,166	59,683,829,065
	2,276,995,958	1,382,599,518	71,587,795,042	41,527,121,239
Adjustment for the effect of exchange rate changes on cash and cash equivalents	14,922,969	(32,069,965)	(1,382,651,246)	1,272,780,927
Cash and cash equivalents at the end of the year	2,291,918,927	1,350,529,553	70,205,143,796	42,799,902,166
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	307,857,854	117,737,792	9,569,176,465	3,590,025,432

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

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

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

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

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2012	2011	2012	2011
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	60,057,287	(7,136,299)	1,866,766,654	(217,597,888)
Other current liabilities	(34,565,694)	(7,271,978)	(1,074,408,923)	(221,734,972)
Deferred income	-	104,082	-	3,173,637
Other non-current liabilities	962,485	270,085	29,917,015	8,235,351
Interest received from bank deposits	25,137,559	20,552,540	781,353,247	626,681,884
Taxation paid	(567,583,232)	(588,417,789)	(17,642,246,361)	(17,941,858,696)
	(834,054,712)	(686,594,353)	(25,925,006,032)	(20,935,429,033)
Net cash provided by operating activities	1,786,627,636	1,563,700,566	55,522,114,542	47,613,069,580
Cash flows from investing activities				
Cash received from long-term loans to related parties	2,593,493,278	2,583,578,530	80,613,810,894	78,777,701,474
Cash payments for long-term loans to related parties	(4,188,616,307)	(3,725,019,922)	(130,195,179,536)	(113,582,189,966)
Increase in investment in related party	-	(50,000)	-	(1,524,585)
Dividends received from related parties	172,277,403	144,855,029	5,253,030,900	4,590,027,000
Interest received from loans	122,013,023	111,314,972	3,792,542,987	3,394,182,732
Increase in property, plant and equipment	(830,371,281)	(814,148,727)	(25,810,513,557)	(24,824,778,739)
Increase in intangible assets	(78,560,672)	(34,866,650)	(2,441,909,229)	(1,063,143,401)
Net cash used in investing activities	(2,209,764,556)	(1,734,336,768)	(68,788,217,541)	(52,709,725,485)
Cash flows from financing activities				
Decrease in short-term loans with maturity date within 3 months from financial institution	(5,336,878)	(266,053,262)	(165,886,724)	(8,112,416,249)
Proceeds from short-term loans with maturity date within1 year from financial institution	-	329,760,422	-	10,054,955,860
Payments of short-term loans with maturity date within1 year from financial institution	(324,220,574)	-	(10,077,780,516)	-
Payments of debentures	(779,224,772)	-	(24,220,721,506)	-
Proceeds from long-term loans from financial institution	-	50,000,000	-	1,524,585,000
Interest paid for loans	(58,254,561)	(69,756,369)	(1,810,732,345)	(2,126,990,277)
Cash payments for financial costs	(1,134,772)	-	(35,272,232)	-
Proceeds from issuance of subordinated capital debentures	157,137,829	-	4,884,330,844	-
Interest paid for subordinated capital debentures	(4,757,745)	-	(147,885,456)	-
Cash payments for financial costs from issuance of subordinated capital debentures	(567,346)	-	(17,634,862)	-
Proceeds from issuance of common stock	3,011,635,419	7,649,438	93,610,964,898	233,244,369
Cash payments for transaction cost of capital	(21,161,152)	-	(657,754,189)	-
Dividends paid	(587,634,391)	(560,133,157)	(18,265,498,552)	(17,079,412,183)
Net cash provided by (used in) financing activities	1,386,481,057	(508,532,928)	43,096,129,360	(15,506,033,480)
Net increase (decrease) in cash and cash equivalents	963,344,137	(679,169,130)	29,830,026,361	(20,602,689,385)
Cash and cash equivalents at the beginning of the year	744,934,786	1,443,127,146	23,607,877,304	43,512,159,526
	1,708,278,923	763,958,016	53,437,903,665	22,909,470,141
Adjustment for the effect of exchange rate changes on cash and cash equivalents	24,623,992	(19,023,230)	(356,314,738)	698,407,163
Cash and cash equivalents at the end of the year	1,732,902,915	744,934,786	53,081,588,927	23,607,877,304
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	117,922,593	21,932,743	3,665,399,740	668,766,620

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

1. General Information

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

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

As at December 31, 2012, the Group has operations related to the exploration and production of petroleum in 13 countries and has investments in exploration and production projects with a percentage of interest as follows:

Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTT Exploration and Production Public Company Limited				
Bongkot	Thailand	PTT Exploration and Production Plc.	44.4445	44.4445
Arthit [1]	Thailand	PTT Exploration and Production Plc.	80	80
Contract 4	Thailand	Chevron Thailand Exploration and Production, Ltd.	45	45
Sinphuhorm (E5 North)	Thailand	Hess (Thailand) Ltd.	20	20
S1	Thailand	PTTEP Siam Limited	25	25
Contract 3	Thailand	Chevron Thailand Exploration and Production, Ltd.	5	5
E5	Thailand	ExxonMobil Exploration and Production Khorat Inc.	20	20
Algeria Hassi Bir Rekaiz	Algeria	PTT Exploration and Production Plc.	24.5	24.5

Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTTEP International Limited (PTTEPI)				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	100
G4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G9/43	Thailand-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
Arthit (G9/48) [2]	Thailand	PTTEP International Limited	-	80
Bongkot (G12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L21 and 28/48				
- L21 and 28/48	Thailand	PTTEP International Limited	70	70
- L29/48 [3]	Thailand	PTTEP International Limited	-	70
A4, 5 and 6/48	Thailand	PTTEP International Limited	100	100
Contract 3 (G6/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	5	5
Contract 4 (G7/50)	Thailand	Chevron Petroleum (Thailand), Ltd.	45	45
Arthit (G8/50)	Thailand	PTTEP International Limited	80	80
Cambodia B	Cambodia	PTTEP International Limited	33.333334	33.333334
Zawtika [4]	Myanmar	PTTEP International Limited	80	80
Myanmar M3 and M11				
- M3	Myanmar	PTTEP International Limited	100	100
- M11 [5]	Myanmar	PTTEP International Limited	45	100
- M7 [6]	Myanmar	PTTEP International Limited	-	100
MTJDA -B17	Thailand - Malaysia	Carigali-PTTEPI Operating Company Sendirian Berhad	50	50
PTTEP Offshore Investment Company Limited (PTTEPO)				
B8/32 and 9A [7]	Thailand	Chevron Offshore (Thailand) Ltd.	25.0010	25.0010
PTTEP Southwest Vietnam Company Limited (PTTEP SV)				
Vietnam 52/97	Vietnam	Chevron Vietnam (Block 52), Ltd.	7	7

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

Project	Country	Operator	Company's percentage of interest	
			2012	2011
PTTEP South Asia Limited (PTTEP SA)				
Myanmar PSC G and EP2 [11]	Myanmar	PTTEP South Asia Limited	90	-
PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South	New Zealand	Shell GSB Limited	18	18
PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34	34
PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Limited	100	100
PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang	Indonesia	Talisman Sadang B.V.	30	30
PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri	Indonesia	Talisman South Sageri B.V.	20	20
PTTEP Canada Ltd. (PTTEP CA)				
Canada Oil Sands KKD	Canada	Statoil Canada Ltd	40	40
PTTEP Australia Perth Pty Ltd (PTTEP AP)				
PTTEP Australasia *	Australia			

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

Block	Operator	Company's percentage of interest	
		2012	2011
AC/L7, AC/L8, AC/P33, AC/P34, AC/P40 and AC/P54 [12]	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/L1, AC/L2 and AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Ltd	89.6875	89.6875
AC/RL7	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd	90	90
AC/RL4 (Tenacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	100	100
AC/RL6 (Audacious), AC/P4, AC/RL4 (exclusive of Tenacious), AC/RL5, AC/RL6 (exclusive of Audacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd	50	50

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Basis of Financial Statement Preparation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Significant Accounting Policies

4.1 Preparation of Consolidated Financial Statements

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

Subsidiaries

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

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

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

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

A list of subsidiaries is set out in Note 14.

Associates

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

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

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

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

A list of associates is set out in Note 14.

Joint Ventures

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

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

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

For details of jointly controlled entities and jointly controlled assets, please refer to Note 14 and Note 1, respectively.

Related Parties

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

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

4.2 Foreign Currency Translation

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

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

To comply with the financial reporting requirements of the 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 Trade Accounts Receivable

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

Factoring Policy of Accounts Receivable

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

4.5 Inventories

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

4.6 Materials and Supplies

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

4.7 Investments in Available-For-Sale Securities

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

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

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

4.8 Financing Costs

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

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

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

4.9 Property, Plant and Equipment

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

- **Oil and Gas Properties**

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

  <u>Cost of Properties</u>

  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 Amotization

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 with the carrying amount and are taken into account in the statement of income when incurred.

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

Repair and maintenance costs are recognized as expenses when incurred.

4.10 Carried Costs under Petroleum Sharing Contract

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

The Group classifies the carried costs based on petroleum activities under the Successful Efforts Method. The majority of them are recognized in oil and gas properties in the statement of financial position and exploration expenses in the statement of income. (For details, please refer to Note 16.)

4.11 Goodwill

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

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

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

4.12 Intangible Assets

- Probable Reserves

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

- Other Intangible Assets

  Other intangible assets comprise expenditures incurred for licenses acquired for computer software which are amortized using the straight-line method over the remaining contract period, or a maximum of 10 years. The carrying amount is reviewed by the Group and the allowance for impairment will be provided whenever events or circumstances indicate that the carrying amount may 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 4.9.

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

4.13 Impairment of Assets

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

4.14 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 by 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.

4.15 Deferred Remuneration under Agreement

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

4.16 Borrowings

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

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

4.17 Leases

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

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

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

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

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

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

4.18 Employee Benefits

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

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

This obligation in respect of employees' retirement benefits is presented in the statement of financial position under the provision for employee benefits as discussed in Note 25. In addition, the transitional liabilities will be amortized as expenses in the statement of income on a straight-line basis over 5 years.

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

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

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

4.19 Capital Risk Management

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

4.20 Reserve for Expansion

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

4.21 Income Recognition

Sales are recognized upon delivery of products and customer acceptance.

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

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

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

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

Under Gas Sales Agreements, the Group has obligations to supply minimum quantities of gas to a customer in each contract year. If in any contract year, the customer has not taken the minimum quantities of gas according to the Gas Sales Agreements, customer shall pay for quantities of gas not taken (Take-or-Pay). If the customer is unable to take the minimum contracted quantities in a given year, the volume of gas that the customer has paid for but has not taken in that year (Make-up) can be taken free of charge in subsequent years. Payments received in advance under these agreements are recognized as deferred income. This deferred income is recognized in the statement of income when the gas is subsequently taken. (For details, please refer to Note 28)

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

4.23 Income Taxes

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

- Current period tax which is calculated in accordance with the Petroleum Income Tax Act, B.E. 2514 and Amendment B.E. 2532 and the Revenue Code
- Income tax in the Union of Myanmar
- Income tax for the Petroleum business in the Malaysia – Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541
- Income tax in the Socialist Republic of Vietnam
- Corporate income tax in Australia
- Petroleum Resource Rent Tax in Australia
- Corporate income tax in the Sultanate of Oman
- Corporate income tax in Canada
- Corporate income tax in Netherlands
- Corporate income tax in Kenya
- Corporate income tax in Mozambique
- Deferred taxes, which are calculated as disclosed in Note 19.

4.24 Earnings per Share

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

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

4.25 **Segment Reporting**

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

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

4.26 **Financial Instruments**

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

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

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

Impairment of financial assets

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

Derivative financial instruments and hedging

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

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

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

5. Major Estimates and Assumptions

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

Estimate for Oil and Gas Reserves

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

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

Exploration Costs

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

Impairment of Assets

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

Goodwill and Intangible Assets

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

Income Tax

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

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

Lease

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

Employee Retirement Plans

The Group's obligation regarding the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to the Company and subsidiaries in the current and in future periods. The calculation is performed by an independent actuary using the Projected Unit Credit Method and the relevant assumptions which include financial and demographic assumptions as disclosed in Note 25.

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

Provisions

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

Provision for Decommissioning Costs

The Group records a provision for decommissioning costs whenever it is probable that there would be an obligation as a result of a past event and the amount of that obligation is reliably estimated. The Group recognizes provision for decommissioning costs, which is provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the oil and gas properties and are amortized based on proved reserves on a unit of production basis. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's engineers and managerial judgment.

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

Provision for Remuneration for the Renewal of Petroleum Production

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

6. Acquisition

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

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

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

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

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

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

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

Total goodwill from business acquisition of US Dollar 570.58 million (Baht 17,980.52 million) was primarily derived from the recognition of deferred tax liabilities of US Dollar 568.01 million (Baht 17,899.46 million) which represents the deferred tax liabilities from the differences between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value. The remaining goodwill balance of US Dollar 2.57 million (Baht 81.06 million) represents the future benefits that the Company expects to receive from entering into the Africa market which aligns with the Company's strategy to increase the production volumes in the future.

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

7. Cash and Cash Equivalents

Cash and cash equivalents comprised:

	Unit : Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Cash on hand and at banks	1,378.46	885.19	42,224.48	28,052.58
Cash equivalents				
- Fixed deposits	42.44	53.02	1,300.03	1,680.43
- Treasury bills	871.02	412.32	26,680.63	13,066.89
Total	2,291.92	1,350.53	70,205.14	42,799.90

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

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

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

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

8. Account Receivable - Parent Company

Account receivable - parent company comprised:

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

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

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

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

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

9. **Trade Accounts Receivable**

Trade accounts receivable comprised:

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

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

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

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

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

10. Materials and Supplies, Net

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

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

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

11. Other Current Assets

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

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

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

12. **Investments in Available-For-Sale Securities**

Investments in available-for-sales securities represent the investment in listed equity security in the Alternative Investment Market (AIM) in the London Stock Exchange held by Cove Energy East Africa Limited. This investment in available-for-sales securities was part of the net assets acquired from the business acquisition which was disclosed in the Notes to the financial statements No. 6

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

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

13. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

13.1 Revenues and Expenses with Related Parties

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

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

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

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

13.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit: Million US Dollar Consolidated December 31, 2012	Consolidated December 31, 2011	Unit: Million Baht Consolidated December 31, 2012	Consolidated December 31, 2011
Associates				
Energy Complex Company Limited	18.93	18.30	580.00	580.00
ShoreAir Pty Ltd	-	0.19	-	5.82
Total	18.93	18.49	580.00	585.82

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

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

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

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

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

14. Investments in Subsidiaries, Associates and Jointly Controlled Entities

14.1 Details of subsidiaries, associates and jointly controlled entities

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

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

[1] As at December 24, 2010, PTTEP (Thailand) Limited has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

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

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

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

[5] On November 8, 2012, PTTEP Canada Ltd.has sold 8% of its interest in Leismer Aerodrone Limited (LAL) to FCCL PARTNERSHIP which resulted in a decrease in its interest in LAL from 40% to 32%.

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

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

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

[1] As at December 24, 2010 PTTEP (Thailand) Limited has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

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

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

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

[5] On November 8, PTTEP Canada Ltd. has sold 8% of its interest in Leismer Aerodrone Limited to FCCL PARTNERSHIP which resulted in a decrease in its interest in LAL from 40% to 32%.

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

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

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

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

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

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

14.2 Investments in Subsidiaries, Associates and Jointly Controlled Entities

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

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

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

14.3 Investments in Subsidiaries

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

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

14.4 Investments in Associates

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

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

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

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

Unit : Million US Dollar

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

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

14.5 Investments in Jointly Controlled Entities

Investments in jointly controlled entities are recorded in the Company's financial statements using the cost method. The Company presents its share of the assets, liabilities, revenues and expenses of jointly controlled entities, together with similar items, under similar headings in the proportionate consolidated financial statements. The transactions of jointly controlled entities included in the Company's financial statements are as follows:

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners		PTT FLNG	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Statements of financial position :												
Current assets	8.50	1.03	38.29	31.67	24.53	19.84	145.76	147.49	37.44	34.50	1.41	3.20
Non-current assets	-	-	71.70	75.93	40.60	42.94	182.88	154.60	62.37	51.20	-	-
Current liabilities	(8.45)	(0.98)	(1.00)	(0.94)	(1.45)	(1.13)	(70.15)	(75.29)	(23.98)	(22.13)	(8.75)	(3.47)
Non-current liabilities	-	-	(39.83)	(45.32)	(13.62)	(16.56)	(98.42)	(63.48)	(31.30)	(20.17)	(9.50)	(6.50)
Net assets	0.05	0.05	69.16	61.34	50.06	45.09	160.07	163.32	44.53	43.40	(16.84)	(6.77)

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million US Dollar

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

Unit: Million Baht

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

15. Property, Plant and Equipment, Net

Unit: Million US Dollar

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
Historical cost						
Balance as at January 1, 2011	10,684.53	119.87	750.55	204.56	94.10	11,853.61
Acquisition	1,383.85	13.82	0.54	-	-	1,398.21
Increase	1,937.94	20.87	37.26	149.27	20.37	2,165.71
Transfer	271.42	-	11.14	-	-	282.56
Decrease	(140.53)	(0.95)	(104.32)	-	(5.20)	(251.00)
Currency translation differences*	(33.27)	(0.28)	(0.23)	-	-	(33.78)
Balance as at December 31, 2011	14,103.94	153.33	694.94	353.83	109.27	15,415.31
Acquisition	-	1.65	-	-	-	1.65
Increase	2,553.90	18.35	338.06	162.30	22.80	3,095.41
Transfer	88.47	-	-	-	-	88.47
Decrease	(86.54)	(4.09)	(0.66)	-	(2.28)	(93.57)
Currency translation differences*	44.01	0.41	0.29	-	-	44.71
Balance as at December 31, 2012	16,703.78	169.65	1,032.63	516.13	129.79	18,551.98
Accumulated depreciation						
Balance as at January 1, 2011	(4,575.18)	(78.02)	(284.06)	(84.40)	(24.54)	(5,046.20)
Depreciation for the year	(968.36)	(13.10)	(57.40)	(6.88)	(8.13)	(1,053.87)
Decrease	2.29	0.37	-	-	4.65	7.31
Currency translation differences*	(0.50)	(0.91)	(0.12)	-	-	(1.53)
Balance as at December 31, 2011	(5,541.75)	(91.66)	(341.58)	(91.28)	(28.02)	(6,094.29)
Depreciation for the year	(1,246.12)	(14.28)	(42.72)	(6.94)	(9.61)	(1,319.67)
Decrease	33.91	1.83	6.06	-	1.51	43.31
Currency translation differences*	(1.01)	(0.05)	(0.01)	-	-	(1.07)
Balance as at December 31, 2012	(6,754.97)	(104.16)	(378.25)	(98.22)	(36.12)	(7,371.72)
Allowance for impairment of assets						
Balance as at January 1, 2011	(12.79)	-	-	-	-	(12.79)
Increase	(7.18)	(0.10)	-	-	-	(7.28)
Decrease	(0.04)	-	-	-	-	(0.04)
Balance as at December 31, 2011	(20.01)	(0.10)	-	-	-	(20.11)
Increase	(196.86)	-	-	-	-	(196.86)
Decrease	7.68	-	-	-	-	7.68
Balance as at December 31, 2012	(209.19)	(0.10)	-	-	-	(209.29)
Net book value as at December 31, 2011	8,542.18	61.57	353.36	262.55	81.25	9,300.91
Net book value as at December 31, 2012	9,739.62	65.39	654.38	417.91	93.67	10,970.97

Depreciation included in the statement of income for the year ended December 31, 2011 US Dollar 1,053.87 million

Depreciation included in the statement of income for the year ended December 31, 2012 US Dollar 1,319.67 million

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
Historical cost						
Balance as at January 1, 2011	322,152.44	3,614.18	22,630.23	6,167.66	2,837.31	357,401.82
Acquisition	41,724.99	416.68	16.14	-	-	42,157.81
Increase	59,602.49	643.07	1,171.16	4,576.13	623.34	66,616.19
Transfer	8,183.71	-	335.98	-	-	8,519.69
Decrease	(4,393.39)	(29.58)	(3,306.00)	-	(157.04)	(7,886.01)
Currency translation differences*	19,700.45	214.97	1,175.89	469.55	159.23	21,720.09
Balance as at December 31, 2011	446,970.69	4,859.32	22,023.40	11,213.34	3,462.84	488,529.59
Acquisition	-	51.86	-	-	-	51.86
Increase	79,203.65	565.19	10,350.54	5,102.97	712.00	95,934.35
Transfer	2,749.05	-	-	-	-	2,749.05
Decrease	(2,677.56)	(126.71)	(20.46)	-	(70.82)	(2,895.55)
Currency translation differences*	(14,582.20)	(152.84)	(722.37)	(506.57)	(128.21)	(16,092.19)
Balance as at December 31, 2012	511,663.63	5,196.82	31,631.11	15,809.74	3,975.81	568,277.11
Accumulated depreciation						
Balance as at January 1, 2011	(137,947.88)	(2,352.47)	(8,564.87)	(2,544.74)	(739.81)	(152,149.77)
Depreciation for the year	(29,516.39)	(399.27)	(1,748.58)	(209.74)	(247.87)	(32,121.85)
Decrease	69.20	9.88	-	-	140.42	219.50
Currency translation differences*	(8,229.64)	(163.10)	(511.68)	(138.23)	(40.56)	(9,083.21)
Balance as at December 31, 2011	(175,624.71)	(2,904.96)	(10,825.13)	(2,892.71)	(887.82)	(193,135.33)
Depreciation for the year	(38,738.85)	(444.13)	(1,327.56)	(215.58)	(298.67)	(41,024.79)
Decrease	1,052.32	56.77	186.05	-	46.67	1,341.81
Currency translation differences*	6,395.43	101.69	380.19	99.86	33.29	7,010.46
Balance as at December 31, 2012	(206,915.81)	(3,190.63)	(11,586.45)	(3,008.43)	(1,106.53)	(225,807.85)
Allowance for impairment of assets						
Balance as at January 1, 2011	(385.52)	-	-	-	-	(385.52)
Increase	(218.50)	(6.51)	-	-	-	(225.01)
Decrease	(6.55)	-	-	-	-	(6.55)
Currency translation differences*	(23.46)	3.34	-	-	-	(20.12)
Balance as at December 31, 2011	(634.03)	(3.17)	-	-	-	(637.20)
Increase	(6,134.03)	-	-	-	-	(6,134.03)
Decrease	219.79	-	-	-	-	219.79
Currency translation differences*	140.56	-	-	-	-	140.56
Balance as at December 31, 2012	(6,407.71)	(3.17)	-	-	-	(6,410.88)
Net book value as at December 31, 2011	270,711.95	1,951.19	11,198.27	8,320.63	2,575.02	294,757.06
Net book value as at December 31, 2012	298,340.11	2,003.02	20,044.66	12,801.31	2,869.28	336,058.38

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

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

* Net foreign exchange rate differences in translating financial statements.

Impairment of Assets

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

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

Unit: Million US Dollar

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2011	4,971.42	53.17	341.88	68.55	5,435.02
Increase	821.99	3.86	-	10.07	835.92
Decrease	(15.41)	(0.06)	(69.51)	(5.21)	(90.19)
Balance as at December 31, 2011	5,778.00	56.97	272.37	73.41	6,180.75
Increase	1,003.63	2.28	210.65	10.77	1,227.33
Decrease	(38.01)	(0.58)	(0.42)	(2.12)	(41.13)
Balance as at December 31, 2012	6,743.62	58.67	482.60	82.06	7,366.95
Accumulated depreciation					
Balance as at January 1, 2011	(2,527.23)	(35.59)	(132.35)	(19.18)	(2,714.35)
Depreciation for the year	(540.99)	(4.95)	(34.75)	(6.67)	(587.36)
Decrease	1.27	-	-	4.65	5.92
Balance as at December 31, 2011	(3,066.95)	(40.54)	(167.10)	(21.20)	(3,295.79)
Depreciation for the year	(656.76)	(3.22)	(17.40)	(7.40)	(684.78)
Decrease	31.83	0.18	5.94	1.51	39.46
Balance as at December 31, 2012	(3,691.88)	(43.58)	(178.56)	(27.09)	(3,941.11)
Net book value as at December 31, 2011	2,711.05	16.43	105.27	52.21	2,884.96
Net book value as at December 31, 2012	3,051.74	15.09	304.04	54.97	3,425.84

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

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

Unit: Million Baht

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2011	149,894.78	1,602.99	10,308.19	2,066.83	163,872.79
Increase	25,177.37	118.52	-	311.55	25,607.44
Decrease	(467.80)	(1.84)	(2,203.00)	(157.04)	(2,829.68)
Currency translation differences*	8,507.33	85.77	526.44	105.26	9,224.80
Balance as at December 31, 2011	183,111.68	1,805.44	8,631.63	2,326.60	195,875.35
Increase	31,062.62	70.06	6,452.45	331.74	37,916.87
Decrease	(1,182.47)	(17.73)	(12.81)	(65.92)	(1,278.93)
Currency translation differences*	(6,423.96)	(60.41)	(288.60)	(78.76)	(6,851.73)
Balance as at December 31, 2012	206,567.87	1,797.36	14,782.67	2,513.66	225,661.56
Accumulated depreciation					
Balance as at January 1, 2011	(76,199.27)	(1,072.95)	(3,990.49)	(578.31)	(81,841.02)
Depreciation for the year	(16,484.47)	(151.02)	(1,058.50)	(203.52)	(17,897.51)
Decrease	37.29	-	-	140.42	177.71
Currency translation differences*	(4,548.94)	(60.87)	(246.41)	(30.60)	(4,886.82)
Balance as at December 31, 2011	(97,195.39)	(1,284.84)	(5,295.40)	(672.01)	(104,447.64)
Depreciation for the year	(20,426.08)	(100.41)	(540.79)	(229.41)	(21,296.69)
Decrease	987.97	5.63	182.11	46.59	1,222.30
Currency translation differences*	3,545.18	44.59	184.64	25.04	3,799.45
Balance as at December 31, 2012	(113,088.32)	(1,335.03)	(5,469.44)	(829.79)	(120,722.58)
Net book value as at December 31, 2011	85,916.29	520.60	3,336.23	1,654.59	91,427.71
Net book value as at December 31, 2012	93,479.55	462.33	9,313.23	1,683.87	104,938.98

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

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

* Net foreign exchange rate differences in translating financial statements.

16. **Carried Costs under Petroleum Sharing Contract**

As at December 31, 2012, the Group presented carried costs paid to foreign governments under oil and gas properties and other non-current assets in the statement of financial position and presented exploration expenses in the statement of income for the following projects:

Unit: Million US Dollar

Consolidated			
Projects	Carried Costs		
	Oil and Gas Properties	Other non-current assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Vietnam 52/97	-	1.01	-
Vietnam B & 48/95	-	1.06	-
Vietnam 16-1	25.82	-	35.49
Vietnam 9-2	33.18	-	19.93
Algeria 433a & 416b	8.11	-	12.31
Algeria Hassi Ber Rekaiz	34.32	-	8.44
Myanmar PSC-G & EP-2	0.36	-	0.17
Mozambique Rovuma Offshore Area 1	26.28	-	4.60
Mozambique Rovuma Onshore	0.03	-	0.60

Unit: Million Baht

Consolidated

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

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

Unit: Million US Dollar

The Company

Project	Carried Costs		
	Oil and Gas Properties	Other non-current assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Algeria Hassi Ber Rekaiz	34.32	-	8.44

Unit: Million Baht

The Company

Project	Carried Costs		
	Oil and Gas Properties	Other non-current assets	Exploration Expenses (Cumulative since 2002 – December 31, 2012)
Algeria Hassi Ber Rekaiz	1,051.34	-	259.38

17. Goodwill

	Consolidated	
	Unit: Million US Dollar	Unit: Million Baht
Historical Cost		
Balance as at January 1, 2011	7.31	220.52
Acquisition	336.81	10,155.32
Currency translation differences*	(14.42)	72.59
Balance as at December 31, 2011	329.70	10,448.43
Acquisition	570.58	17,980.52
Currency translation differences*	8.27	(598.48)
Balance as at December 31, 2012	908.55	27,830.47
Allowance for impairment of assets		
Balance as at December 31, 2011	-	-
Increase	(7.31)	(231.51)
Decrease	-	-
Currency translation differences*	-	7.48
Balance as at December 31, 2012	(7.31)	(224.03)
Net Book Value as at December 31, 2011	329.70	10,448.43
Net Book Value as at December 31, 2012	901.24	27,606.44

* Net foreign exchange rate differences in translating financial statements.

18. Intangible Assets, Net

Unit: Million US Dollar

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical Cost			
Balance as at January 1, 2011	172.61	29.41	202.02
Acquisition	1,140.57	-	1,140.57
Increase	191.10	24.60	215.70
Transfer	(282.57)	-	(282.57)
Decrease	(96.06)	(0.36)	(96.42)
Currency translation differences*	(18.16)	-	(18.16)
Balance as at December 31, 2011	1,107.49	53.65	1,161.14
Acquisition	2,037.75	-	2,037.75
Increase	157.89	30.98	188.87
Transfer	(88.47)	-	(88.47)
Decrease	(56.60)	(0.01)	(56.61)
Currency translation differences*	22.55	-	22.55
Balance as at December 31, 2012	3,180.61	84.62	3,265.23
Accumulated amortization			
Balance as at January 1, 2011	-	(18.83)	(18.83)
Amortization for the year	-	(2.40)	(2.40)
Decrease	-	0.13	0.13
Balance as at December 31, 2011	-	(21.10)	(21.10)
Amortization for the year	-	(2.01)	(2.01)
Decrease	-	0.01	0.01
Balance as at December 31, 2012	-	(23.10)	(23.10)
Allowance for impairment of Assets			
Balance as at January 1, 2011	-	-	-
Increase	(9.87)	-	(9.87)
Decrease	6.38	-	6.38
Balance as at December 31, 2011	(3.49)	-	(3.49)
Increase	-	-	-
Decrease	0.03	-	0.03
Balance as at December 31, 2012	(3.46)	-	(3.46)
Net Book Value as at December 31, 2011	1,104.00	32.55	1,136.55
Net Book Value as at December 31, 2012	3,177.15	61.52	3,238.67

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2011	5,204.29	886.79	6,091.08
Acquisition	34,389.67	-	34,389.67
Increase	5,864.59	766.59	6,631.18
Transfer	(8,519.69)	-	(8,519.69)
Decrease	(2,940.57)	(11.30)	(2,951.87)
Currency translation differences*	1,099.43	58.22	1,157.65
Balance as at December 31, 2011	35,097.72	1,700.30	36,798.02
Acquisition	64,214.49	-	64,214.49
Increase	4,154.22	955.19	5,109.41
Transfer	(2,749.05)	-	(2,749.05)
Decrease	(1,764.06)	(0.36)	(1,764.42)
Currency translation differences*	(1,526.13)	(63.07)	(1,589.20)
Balance as at December 31, 2012	97,427.19	2,592.06	100,019.25
Accumulated amortization			
Balance as at January 1, 2011	-	(567.75)	(567.75)
Amortization for the year	-	(72.16)	(72.16)
Decrease	-	4.04	4.04
Currency translation differences*	-	(32.84)	(32.84)
Balance as at December 31, 2011	-	(668.71)	(668.71)
Amortization for the year	-	(62.57)	(62.57)
Decrease	-	0.36	0.36
Currency translation differences*	-	23.22	23.22
Balance as at December 31, 2012	-	(707.70)	(707.70)
Allowance for impairment of Assets			
Balance as at January 1, 2011	-	-	-
Increase	(304.17)	-	(304.17)
Decrease	194.68	-	194.68
Currency translation differences*	(1.04)	-	(1.04)
Balance as at December 31, 2011	(110.53)	-	(110.53)
Decrease	1.04	-	1.04
Currency translation differences*	3.69	-	3.69
Balance as at December 31, 2012	(105.80)	-	(105.80)
Net Book Value as at December 31, 2011	34,987.19	1,031.59	36,018.78
Net Book Value as at December 31, 2012	97,321.39	1,884.36	99,205.75

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2011	0.31	24.67	24.98
Increase	10.50	24.37	34.87
Balance as at December 31, 2011	10.81	49.04	59.85
Increase	56.39	30.09	86.48
Decrease	(7.92)	-	(7.92)
Balance as at December 31, 2012	59.28	79.13	138.41
Accumulated amortization			
Balance as at January 1, 2011	-	(16.14)	(16.14)
Amortization for the year	-	(2.06)	(2.06)
Balance as at December 31, 2011	-	(18.20)	(18.20)
Amortization for the year	-	(1.70)	(1.70)
Balance as at December 31, 2012	-	(19.90)	(19.90)
Net Book Value as at December 31, 2011	10.81	30.84	41.65
Net Book Value as at December 31, 2012	59.28	59.23	118.51

Unit: Million Baht

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical Cost			
Balance as at January 1, 2011	9.43	743.80	753.23
Increase	327.10	756.44	1,083.54
Currency translation differences*	6.06	53.84	59.90
Balance as at December 31, 2011	342.59	1,554.08	1,896.67
Increase	1,748.78	927.77	2,676.55
Decrease	(250.70)	-	(250.70)
Currency translation differences*	(24.87)	(57.96)	(82.83)
Balance as at December 31, 2012	1,815.80	2,423.89	4,239.69
Accumulated Amortization			
Balance as at January 1, 2011	-	(486.73)	(486.73)
Amortization for the year	-	(62.66)	(62.66)
Currency translation differences*	-	(27.34)	(27.34)
Balance as at December 31, 2011	-	(576.73)	(576.73)
Amortization for the year	-	(52.78)	(52.78)
Currency translation differences*	-	20.00	20.00
Balance as at December 31, 2012	-	(609.51)	(609.51)
Net Book Value as at December 31, 2011	342.59	977.35	1,319.94
Net Book Value as at December 31, 2012	1,815.80	1,814.38	3,630.18

* Net foreign exchange rate differences in translating financial statements.

19. Income Taxes and Deferred Income Taxes

Income tax rates for the Group are as follows:

	Tax Rate (%)
Petroleum income tax on petroleum businesses in Thailand pursuant to Petroleum Income Tax Act, B.E. 2514 and 2532	50
Income tax under Revenue Code	15–30 (for 2011), 20–30 (for 2012), 20–23 (for 2013), 20 (commencing 2014)
Corporate Income tax in the Union of Myanmar	30
Corporate Income tax from the Petroleum business in the Malaysia - Thailand Joint Development Area under the Petroleum Income Tax Act (No.5), B.E. 2541	0
- From first to eighth accounting period	10
- From ninth to fifteenth accounting period	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	26.5 (for 2011), 25 (commencing 2012)
Corporate income tax in Netherlands	25
Corporate income tax in the Republic of Kenya	30
Corporate income tax in the Republic of Mozambique	24 (for the first eight year after production commencing) 32 (from year ninth after production commencing)

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

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

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

Unit : Million US Dollar

	Consolidated		The Company	
	2012	2011	2012	2011
Deferred tax assets	380.98	510.60	14.93	21.28
Deferred tax liabilities	1,512.78	918.67	266.48	182.46
	(1,131.80)	(408.07)	(251.55)	(161.18)

Unit : Million Baht

	Consolidated		The Company	
	2012	2011	2012	2011
Deferred tax assets	11,670.13	16,181.63	457.30	674.54
Deferred tax liabilities	46,339.00	29,113.63	8,162.88	5,782.37
	(34,668.87)	(12,932.00)	(7,705.58)	(5,107.83)

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

Unit : Million US Dollar

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

Unit : Million Baht

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

* Royal Decree Issued under Revenue Code Governing Reduction of Rates and Exemption of Taxes and Duties (No.530) B.E. 2554 on December 21, 2011 to reduce of the corporate income tax rate, which affects the measurement of deferred tax assets and liabilities in the financial statements. Subsequently, the Federation of Accounting Professions (FAP) has published the announcement to clarify the tax rate used in deferred tax calculation for deferred tax assets and liabilities under the Royal Decree for the future tax benefit for the year 2012 of 23% and 2013 onward of 20%. The Group recognized the impact of corporate income tax rate changes in the statement of income.

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

Unit : Million US Dollar

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

Unit : Million Baht

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

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

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million baht

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

Unit : Million baht

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

Unit : Million US Dollar

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

Unit : Million US Dollar

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

Unit : Million baht

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

Unit : Million baht

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

20. Prepaid Expenses

As at December 31, 2012, the major prepaid expenses totaling to US Dollar 21.21 million or Baht 649.73 million are the prepayments for investment in the Myanmar Zawtika pipeline project to facilitate the construction of a gas pipeline for Moattama Gas Transportation Company (MGTC). These prepayments will be amortized as expenses in according with the concession period of MGTC.

In addition, prepayments totalling to US Dollar 2.07 million or Baht 63.42 million in which PTTEPI had recorded as advance royalty fee to Myanmar's government for the Yadana project will be amortized as expense together with the recognition of deferred income as disclosed in Note 28 to the financial statements.

21. Financial Derivatives

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

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

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

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

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

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2011				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap	-	92.48	-	92.48	-	2,930.82	-	2,930.82
Oil price hedge	-	0.77	-	0.77	-	24.40	-	24.40

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

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

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

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

	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	December 31, 2011				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap	-	92.48	-	92.48	-	2,930.82	-	2,930.82

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

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

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

<u>Cash flow hedges</u>

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

In 2012, the Company follows the accounting for hedge on cross currency and interest rate swaps in which the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts that had been recognized in other comprehensive income shall be reclassified to statement of income in the same period when the swap and the underlying debt affect the statement of income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The Company did not have any hedged transactions which were reclassified from other comprehensive income to the statement of income during 2012.

22. Other Non-current Assets

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

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

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

23. Loans and Debentures

Loans and debentures comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Current Liabilities				
Short-term loans from financial institutions	-	315.55	-	10,000.00
Current portion of debentures	163.55	687.77	5,009.71	21,796.32
Total current liabilities	163.55	1,003.32	5,009.71	31,796.32
Non-current Liabilities				
Debentures	2,517.71	2,251.99	77,121.49	71,368.16
Long-term loans from financial institutions	1,091.70	617.86	33,440.66	19,580.74
Total non-current liabilities	3,609.41	2,869.85	110,562.15	90,948.90

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Current Liabilities				
Short-term loans from financial institutions	-	315.55	-	10,000.00
Current portion of debentures	163.55	687.77	5,009.71	21,796.32
Total current liabilities	163.55	1,003.32	5,009.71	31,796.32
Non-current Liabilities				
Debentures	626.52	858.84	19,191.32	27,217.78
Long-term loans from financial institutions	50.00	50.00	1,531.58	1,584.56
Total non-current liabilities	676.52	908.84	20,722.90	28,802.34

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

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

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

Short-term loans from financial institutions

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

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

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

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

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

Bills of Exchange

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

Long-term loans from financial institutions

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

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

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

Debentures

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

Debentures

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

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar Consolidated December 31, 2012	Unit: Million US Dollar Consolidated December 31, 2011	Unit: Million Baht Consolidated December 31, 2012	Unit: Million Baht Consolidated December 31, 2011
Maturity date within 1 year							
- Debentures Baht 18,300 million[1]	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Debentures Baht 3,500 million[2]	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Debentures Baht 5,000 million[3]	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25[4]	3.517	May 29, 2013	163.55	158.82	5,009.71	5,033.15
Maturity date over 1 year but not exceeding 3 years							
- Debentures Baht 11,700 million[5]	4.00	4.027	May 29, 2014	381.82	368.96	11,695.62	11,692.65
- Debentures USD 500 million[6]	4.152	4.366	July 19, 2015	497.48	496.50	15,238.53	15,734.43
- Debentures USD 200 million	4.152	4.326	August 4, 2015	199.11	198.66	6,099.28	6,295.81
Maturity date over 5 years							
- Debentures Baht 2,500 million[7]	4.625	4.625	March 27, 2018	81.61	78.88	2,500.00	2,500.00
- Debentures Baht 5,000 million[8]	4.80	4.816	May 29, 2019	163.09	157.62	4,995.69	4,995.13
- Debentures Baht 3,000 million NC5[9]	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
- Debentures USD 700 million[6]	5.692	5.732	April 5, 2021	698.16	697.99	21,385.74	22,120.14
- Debentures USD 500 million	6.350	6.404	June 12, 2042	496.44	-	15,206.63	-
Total Carrying Value				2,681.26	2,939.76	82,131.20	93,164.48

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar The Company December 31, 2012	December 31, 2011	Unit: Million Baht The Company December 31, 2012	December 31, 2011
Maturity date within 1 year							
- Debentures Baht 18,300 million [1]	3.25	3.293	May 29, 2012	-	577.34	-	18,296.76
- Debentures Baht 3,500 million [2]	3.91	3.91	June 15, 2012	-	110.43	-	3,499.56
- Debentures Baht 5,000 million [3]	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25 [4]	3.517	May 29, 2013	163.55	158.82	5,009.71	5,033.15
Maturity date over 1 year but not exceeding 3 years							
- Debentures Baht 11,700 million [5]	4.00	4.027	May 29, 2014	381.82	368.96	11,695.62	11,692.65
Maturity date over 5 years							
- Debentures Baht 2,500 million [7]	4.625	4.625	March 27, 2018	81.61	78.88	2,500.00	2,500.00
- Debentures Baht 5,000 million [8]	4.80	4.816	May 29, 2019	163.09	157.62	4,995.69	4,995.13
- Debentures Baht 3,000 million NC5 [9]	5.13	5.13	June 15, 2022	-	94.56	-	2,996.85
Total Carrying Value				790.07	1,546.61	24,201.02	49,014.10

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

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

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

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

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

[6] The Company has Optional Redemption rights. The redemption price is the sum of the debenture par value, accrued interest, interest payable up to the day before the maturity date and Applicable Premium whereby the Applicable Premium is the higher of the following:

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

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

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

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

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

Long-term loans from financial institutions

As at December 31, 2012 and 2011 comprised:

				Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million [1]	Libor+1.30	1.97	December 9, 2015	50.00	50.00	1,531.58	1,584.56
- Loan US Dollar 500 million [2]	Libor+0.985	1.98	November 24, 2015	496.23	493.81	15,200.49	15,649.50
- Loan US Dollar 75 million	Libor+0.985	1.98	December 1, 2015	74.42	74.05	2,279.50	2,346.68
Maturity date over 3 year but not exceeding 5 years							
- Loan CAD Dollar 300 million	CDOR + 1.7	3.39	May 11, 2017	296.70	-	9,088.43	-
- Loan CAD Dollar 75 million	CDOR + 1.9	3.28	May 11, 2017	75.13	-	2,301.48	-
Maturity date over 5 years							
- Loan CAD Dollar 100 million[3]	CDOR + 2.10	3.61	May 19, 2019	99.22	-	3,039.18	-
				1,091.70	617.86	33,440.66	19,580.74

				Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million [1]	Libor+1.30	1.97	December 9, 2015	50.00	50.00	1,531.58	1,584.56
				50.00	50.00	1,531.58	1,584.56

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

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

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

24. **Short-term Provision**

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

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

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

25. **Employee Benefit Obligations**

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

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Present value of the defined benefit obligation plans as at January 1, 2012	69.27	2,195.40
Current service cost	6.26	193.86
Interest cost	3.19	98.73
Actuarial losses recognized	20.29	628.84
Benefits paid	(1.61)	(49.90)
Loss on foreign exchange	2.80	2.41
Present value of the defined benefit obligation plans as at December 31, 2012	100.20	3,069.34
Unrecognized transitional liabilities	-	-
Unrealized actuarial loss	(21.36)	(654.46)
Net liabilities recorded in the statement of financial position	78.84	2,414.88

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Present value of the defined benefit obligation plans as at January 1, 2012	60.63	1,921.35
Current service cost	4.62	143.10
Interest cost	2.80	86.75
Actuarial losses recognized	22.50	697.26
Benefits paid	(1.31)	(40.44)
Loss on foreign exchange	2.51	2.45
Present value of the defined benefit obligation plans as at December 31, 2012	91.75	2,810.47
Unrecognized transitional liabilities	-	-
Unrealized actuarial gain	(21.28)	(651.82)
Net liabilities recorded in the statement of financial position	70.47	2,158.65

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

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

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

Major Actuarial Assumptions

The Group's financial assumptions

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

The Group's demographic assumptions

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

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

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

26. Provision for Decommissioning Costs

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

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

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

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

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

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

27. Provision for Remuneration for the Renewal of Petroleum Production

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

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

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

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

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

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

28. Deferred Income

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

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

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

29. Financial Assets and Financial Liabilities

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

Unit : Million US Dollar

	Consolidated							
	December 31, 2012				December 31, 2011			
	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets	Fair value through statement of income	Derivative hedging instruments	Loan and accounts receivable	Available for sale financial assets
Financial assets								
Cash and cash equivalents	-	-	2,291.92	-	-	-	1,350.53	-
Account receivable - parent company	-	-	870.24	-	-	-	484.20	-
Trade and other accounts receivables	-	-	337.17	-	-	-	352.05	-
Other current assets	-	-	67.83	-	-	-	73.34	-
Investments in available-for-sales securities	-	-	-	1.25	-	-	-	-
Long-term loans to related parties	-	-	18.93	-	-	-	18.49	-
Financial derivative assets	7.39	1.54	-	-	6.15	-	-	-
Other non-current assets	-	-	6.78	-	-	-	6.15	-
Total financial assets	7.39	1.54	3,592.87	1.25	6.15	-	2,284.76	-

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million Baht

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

Unit : Million US Dollar

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

Unit : Million US Dollar

	The Company					
	December 31, 2012			December 31, 2011		
	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income	Fair value through statement of income	Derivative hedging instruments	Amortized cost through statement of income
Financial liabilities						
Short-term loans and current portion of long-term debts	-	-	163.55	-	-	1,003.32
Trade accounts payable	-	-	9.79	-	-	22.10
Accrued expenses and interest payable	-	-	426.64	-	-	341.88
Other current liabilities	-	-	2.72	-	-	4.12
Financial derivative liabilities	2.42	42.86	-	6.77	85.71	-
Debentures and long-term loans	-	-	676.52	-	-	908.84
Total financial liabilities	2.42	42.86	1,279.22	6.77	85.71	2,280.26

Unit : Million Baht

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

Unit : Million Baht

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

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

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

Unit : Million US Dollar

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

Unit : Million Baht

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

Unit : Million US Dollar

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

Unit : Million Baht

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

30. Share Capital

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

- Decrease of authorized share capital

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

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

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

  1) Offering and allocation of new ordinary shares of up to 650,000,000 shares at the par value of Baht 1 per share to all eligible existing shareholders. Any entitlement to a fraction of a share from the calculation will be rounded down to the nearest whole share.
  2) If there are ordinary shares remaining from clause1 above, the remaining shares will be allocated to shareholders who over subscribe of their entitlement on a pro-rata basis for at least one more round.
  3) Under a private placement scheme, as defined in the Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 re: Application for Permission and Grant Permission to Offer Newly Issued Shares, in the event there are remaining ordinary shares from 2) above, the Company may offer such ordinary shares to limited institutional investors, excluding PTT.

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

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

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

As at December 31, 2012, the Company's registered capital consists of 3,969.98 million ordinary shares at Baht 1 per share, or a total of Baht 3,969.98 million. The Company registered the change in its issued and fully paid-up capital to Baht 3,969.98 million ordinary shares at Baht 1 per share, or a total of Baht 3,969.98 million. The details of the change in the issued and fully paid-up ordinary shares are as follows:

	Unit: Million Shares
Ordinary shares issued and fully paid-up	
Balance as at January 1, 2012	3,319.98
New ordinary shares issued during the year	650.00
Balance as at December 31, 2012	3,969.98
Ordinary shares issued and fully paid-up	
Balance as at January 1, 2011	3,317.45
Share capital issued and paid-up	2.53
Balance as at December 31, 2011	3,319.98

31. Subordinated Capital Debentures

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

32. Legal Reserve

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

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

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

33. Petroleum royalties and remuneration

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

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

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

34. Gain (loss) on Foreign Currency Translation

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

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

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

35. Expenses by Nature

Significant expenses by nature of the Group which comprise the expenses based on its percentage of interest in each project for the year ended December 31, 2012 and 2011 are as follows:

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

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

36. Earnings per Share

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

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

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

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

Diluted earnings per share for the years ended December 31, 2012 and 2011 are calculated as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,845.52	1,468.25	57,315.96	44,748.06
Less : Interest expenses for subordinated capital debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine diluted earnings per share (unit: million)	1,840.76	1,468.25	57,169.34	44,748.06
Weighted average number of ordinary shares in issue during the year (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (million Shares)	3,346.62	3,319.08	3,346.62	3,319.08
Diluted earnings per share	0.55	0.44	17.08	13.48

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2012	2011	2012	2011
Income attributable to shareholders (unit: million)	1,500.66	1,049.00	46,498.05	32,076.95
Less : Interest expenses for subordinated capital debentures (unit : million)	(4.76)	-	(146.62)	-
Income used to determine diluted earnings per share (unit: million)	1,495.90	1,049.00	46,351.43	32,076.95
Weighted average number of ordinary shares in issue during the year (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Adjustments for dilutive potential ordinary shares (million shares)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share (million shares)	3,346.62	3,319.08	3,346.62	3,319.08
Diluted earnings per share	0.45	0.32	13.85	9.66

37. Segment Information

Primary reporting - business segments

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	425.17	662.48	-	255.52	-	14.71	150.68	-	-	1,508.56
- Related parties	4,786.56	447.38	-	-	-	97.74	168.27	-	(168.27)	5,331.68
Other revenues - Third parties	25.37	-	178.99	7.62	2.01	-	0.82	23.90	(98.34)	140.37
Total Revenues	5,237.10	1,109.86	178.99	263.14	2.01	112.45	319.77	23.90	(266.61)	6,980.61
Operating expenses	371.89	237.51	7.94	219.43	-	31.99	8.12	0.86	(172.09)	705.65
Administrative expenses	76.09	35.64	20.55	22.27	14.06	5.88	2.96	10.83	(2.20)	186.08
Exploration expenses										
- Amortization of dry holes and projects	25.25	9.55	6.89	14.92	12.06	26.01	-	-	-	94.68
- Geological and geophysical	34.46	27.93	26.00	20.75	8.33	0.89	-	-	-	118.36
Depreciation, depletion and amortization	1,039.99	165.14	57.88	42.70	0.13	49.46	7.28	2.21	-	1,364.79
Petroleum royalties and remuneration	670.25	111.62	-	6.35	-	-	-	-	-	788.22
Loss from Montara incident	-	-	0.54	-	-	-	-	-	-	0.54
Impairment loss on assets	-	-	204.17	-	-	-	-	-	-	204.17
Loss on financial derivatives	-	-	-	-	-	-	-	12.26	-	12.26
(Gain) loss on foreign exchange	(0.86)	(1.08)	4.34	0.07	(0.35)	-	0.07	(1.26)	-	0.93
Share of gain from associates	-	-	(1.01)	-	-	-	-	(3.65)	-	(4.66)
Total Expenses	2,217.07	586.31	327.30	326.49	34.23	114.23	18.43	21.25	(174.29)	3,471.02
Segment result	3,020.03	523.55	(148.31)	(63.35)	(32.22)	(1.78)	301.34	2.65	(92.32)	3,509.59
Depreciation - general										(9.05)
Administrative expenses - general										(126.14)
Operating profit										3,374.40
Other income, net										24.19
Finance costs										
- Interest income										15.87
- Interest expenses and other finance costs										(187.01)
Loss on foreign exchange										(23.03)
Management's remuneration										(4.71)
Income before tax										3,199.71
Tax - Project	(1,136.34)	(189.73)	(65.09)	26.88	(0.63)	(8.73)	(85.06)	(3.08)		(1,461.78)
- Group										107.59
Net Profit (Loss)	1,883.69	333.82	(213.40)	(36.47)	(32.85)	(10.51)	216.28	(0.43)		1,845.52

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	6,150.53	1,566.79	2,811.52	2,870.17	2,972.78	104.25	225.02	118.88		16,819.94
Investments under equity method	-	-	3.46	-	-	-	-	27.74		31.20
Unallocated assets										2,785.88
Total assets										19,637.02
Liabilities										
Segment liabilities	3,252.45	344.17	351.40	687.97	658.82	54.75	43.64	26.31		5,419.51
Unallocated liabilities										3,506.21
Total liabilities										8,925.72
Capital Expenditures	1,633.48	483.87	634.97	153.94	2,730.16	50.45	167.87	39.52		5,894.26

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	13,214.57	20,576.41	-	7,934.90	-	457.38	4,685.26	-	-	46,868.52
- Related parties	148,717.59	13,911.13	-	-	-	3,039.45	5,230.86	-	(5,230.86)	165,668.17
Other revenues - Third parties	788.69	-	5,516.26	235.09	61.46	-	25.53	743.05	(3,018.65)	4,351.43
Total Revenues	162,720.85	34,487.54	5,516.26	8,169.99	61.46	3,496.83	9,941.65	743.05	(8,249.51)	216,888.12
Operating expenses	11,538.83	7,381.61	244.20	6,809.03	-	993.89	252.45	27.02	(5,349.84)	21,897.19
Administrative expenses	2,366.85	1,106.91	638.47	692.47	435.53	183.07	91.55	334.75	(68.37)	5,781.23
Exploration expenses										
- Amortization of dry holes and projects	783.59	297.88	211.53	456.95	378.51	816.93	-	-	-	2,945.39
- Geological and geophysical	1,066.49	869.45	817.19	645.86	257.82	27.63	-	-	-	3,684.44
Depreciation, depletion and amortization	32,336.82	5,131.23	1,781.32	1,328.30	4.13	1,534.14	226.15	68.83	-	42,410.92
Petroleum royalties and remuneration	20,825.88	3,468.85	-	197.51	-	-	-	-	-	24,492.24
Loss from Montara incident	-	-	17.54	-	-	-	-	-	-	17.54
Impairment loss on assets	-	-	6,365.54	-	-	-	-	-	-	6,365.54
Loss on financial derivatives	-	-	-	-	-	-	-	384.73	-	384.73
(Gain) loss on foreign exchange	(31.98)	(33.74)	133.34	1.94	(11.01)	-	2.20	(39.14)	-	21.61
Share of gain from associates	-	-	(31.67)	-	-	-	-	(113.04)	-	(144.71)
Total Expenses	68,886.48	18,222.19	10,177.46	10,132.06	1,064.98	3,555.66	572.35	663.15	(5,418.21)	107,856.12
Segment result	93,834.37	16,265.35	(4,661.20)	(1,962.07)	(1,003.52)	(58.83)	9,369.30	79.90	(2,831.30)	109,032.00
Depreciation - general										(280.87)
Administrative expenses - general										(3,898.97)
Operating profit										104,852.16
Other income, net										755.18
Finance costs										
- Interest income										493.58
- Interest expenses and other finance costs										(5,812.48)
Loss on foreign exchange										(705.97)
Management's remuneration										(146.39)
Income before tax										99,436.08
Tax - Project	(35,316.77)	(5,900.02)	(2,030.42)	839.20	(19.17)	(279.13)	(2,638.08)	(96.22)		(45,440.61)
- Group										3,320.49
Net Profit (Loss)	**58,517.60**	**10,365.33**	**(6,691.62)**	**(1,122.87)**	**(1,022.69)**	**(337.96)**	**6,731.22**	**(16.32)**		**57,315.96**

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Assets										
Segment assets	188,400.51	47,993.31	86,121.40	87,917.80	91,060.95	3,193.51	6,892.77	3,641.51		515,221.76
Investments under equity method	-	-	105.83	-	-	-	-	849.80		955.63
Unallocated assets										85,335.90
Total assets										601,513.29
Liabilities										
Segment liabilities	99,627.63	10,542.51	10,764.02	21,073.67	20,180.86	1,676.95	1,336.66	805.86		166,008.16
Unallocated liabilities										107,400.88
Total liabilities										273,409.04
Capital Expenditures	50,493.37	14,995.13	19,723.22	5,470.28	84,542.91	1,571.54	5,275.89	1,218.29		183,290.63

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	390.61	285.52	-	149.89	-	16.80	124.07	-	-	966.89
- Related parties	4,185.42	339.80	-	-	-	71.68	127.77	-	(127.77)	4,596.90
Other revenues - Third parties	15.44	26.65	48.03	0.48	-	-	0.81	23.99	(13.43)	101.97
Total Revenues	4,591.47	651.97	48.03	150.37	-	88.48	252.65	23.99	(141.20)	5,665.76
Operating expenses	407.20	169.03	19.26	134.23	-	17.84	8.34	1.75	(132.26)	625.39
Administrative expenses	76.97	20.05	13.32	14.32	9.04	5.06	6.11	8.24	(2.38)	150.73
Exploration expenses										
- Amortization of dry holes and projects	21.63	75.06	36.33	11.05	2.24	4.14	-	-	-	150.45
- Geological and geophysical	8.34	30.31	7.31	8.06	10.73	1.69	-	-	-	66.44
Depreciation, depletion and amortization	896.59	76.00	56.86	30.85	3.70	35.85	7.21	1.88	-	1,108.94
Petroleum royalties and remuneration	573.95	68.01	-	3.51	-	-	-	-	-	645.47
Loss from Montara incident	-	-	5.33	-	-	-	-	-	-	5.33
Loss on financial derivatives	-	-	-	-	-	-	-	11.06	-	11.06
(Gain) loss on foreign exchange	19.85	(0.72)	2.23	(0.03)	0.01	-	-	2.59	-	23.93
Share of gain from associates	-	-	(0.29)	-	-	-	-	(2.14)	-	(2.43)
Total Expenses	2,004.53	437.74	140.35	201.99	25.72	64.58	21.66	23.38	(134.64)	2,785.31
Segment result	2,586.94	214.23	(92.32)	(51.62)	(25.72)	23.90	230.99	0.61	(6.56)	2,880.45
Depreciation - general										(8.41)
Administrative expenses - general										(106.68)
Operating profit										2,765.36
Other income, net										3.09
Finance costs										
- Interest income										16.24
- Interest expenses and other finance costs										(123.56)
Loss on foreign exchange										(40.95)
Management's remuneration										(4.57)
Income before tax										2,615.61
Tax - Project	(1,058.24)	(115.45)	88.39	12.83	-	(15.02)	(70.44)	(4.36)		(1,162.29)
- Group										14.93
Net Profit (Loss)	1,528.70	98.78	(3.93)	(38.79)	(25.72)	8.88	160.55	(3.75)		1,468.25

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	5,049.60	1,383.32	2,607.91	2,678.08	169.22	148.54	361.37	85.00		12,483.04
Investments under equity method	-	-	2.97	-	-	-	-	23.96		26.93
Unallocated assets										1,621.46
Total assets										14,131.43
Liabilities										
Segment liabilities	2,453.54	264.26	443.46	634.93	53.52	78.56	160.99	17.97		4,107.23
Unallocated liabilities										3,712.53
Total liabilities										7,819.76
Capital Expenditures	1,119.13	384.25	513.83	2,989.11	38.75	25.90	149.65	36.40		5,257.02

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline		Inter-	Group's
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	company elimination	total business
Revenues - Third parties	11,897.88	8,767.63	-	4,581.39	-	512.35	3,780.18	-	-	29,539.43
- Related parties	127,562.32	10,352.71	-	-	-	2,191.36	3,892.95	-	(3,892.95)	140,106.39
Other revenues - Third parties	467.54	831.78	1,477.67	14.89	-	-	24.74	707.76	(386.79)	3,137.59
Total Revenues	139,927.74	19,952.12	1,477.67	4,596.28	-	2,703.71	7,697.87	707.76	(4,279.74)	172,783.41
Operating expenses	12,386.51	5,157.61	590.51	4,095.57	-	545.09	254.32	52.89	(4,007.92)	19,074.58
Administrative expenses	2,346.14	613.08	405.82	437.46	275.71	153.84	186.54	251.26	(72.52)	4,597.33
Exploration expenses										
- Amortization of dry holes and projects	656.58	2,283.55	1,121.39	342.12	68.92	125.79	-	-	-	4,598.35
- Geological and geophysical	253.59	929.39	224.85	230.29	327.82	50.88	-	-	-	2,016.82
Depreciation, depletion and amortization	27,323.39	2,324.23	1,730.69	934.53	112.99	1,095.28	219.83	57.19	-	33,798.13
Petroleum royalties and remuneration	17,494.64	2,076.09	-	107.13	-	-	-	-	-	19,677.86
Loss from Montara incident	-	-	164.21	-	-	-	-	-	-	164.21
Loss on financial derivatives	-	-	-	-	-	-	-	339.84	-	339.84
(Gain) loss on foreign exchange	627.33	(22.62)	68.32	(1.05)	0.39	-	0.02	80.12	-	752.51
Share of gain from associates	-	-	(9.02)	-	-	-	-	(65.85)	-	(74.87)
Total Expenses	61,088.18	13,361.33	4,296.77	6,146.05	785.83	1,970.88	660.71	715.45	(4,080.44)	84,944.76
Segment result	78,839.56	6,590.79	(2,819.10)	(1,549.77)	(785.83)	732.83	7,037.16	(7.69)	(199.30)	87,838.65
Depreciation - general										(256.40)
Administrative expenses - general										(3,284.72)
Operating profit										84,297.53
Other income, net										94.97
Finance costs										
- Interest income										496.54
- Interest expenses and other finance costs										(3,770.87)
Loss on foreign exchange										(1,185.08)
Management's remuneration										(140.17)
Income before tax										79,792.92
Tax - Project	(32,279.44)	(3,537.20)	2,677.11	384.02	-	(458.75)	(2,146.76)	(133.27)		(35,494.29)
- Group										449.43
Net Profit (Loss)	46,560.12	3,053.59	(141.99)	(1,165.75)	(785.83)	274.08	4,890.40	(140.96)		44,748.06

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Souteast Asia	Others	Inter-company elimination	Group's total business
Assets										
Segment assets	160,027.90	43,839.20	82,647.79	84,871.49	5,362.74	4,707.56	11,452.20	2,693.77		395,602.65
Investments under equity method	-	-	94.02	-	-	-	-	759.21		853.23
Unallocated assets										51,386.16
Total assets										447,842.04
Liabilities										
Segment liabilities	77,755.43	8,374.83	14,053.68	20,121.78	1,696.01	2,489.87	5,102.09	569.57		130,163.26
Unallocated liabilities										117,654.61
Total liabilities										247,817.87
Capital Expenditures	34,317.34	11,801.05	15,822.02	90,276.72	1,213.89	803.24	4,587.90	1,128.30		159,950.46

During the year, the Company had acquired Cove Energy Plc. as per details disclosed in Note 6 to the consolidated financial statement. As a result of this acquisition, business operation in Africa becomes primary business segment. The Company had adjusted the comparative segment information for the consolidated financial statement as of December 31, 2011 to conform to changes in presentation in the current period.

The Group is organized into the following business segments:

- Exploration and production: The Group operates in oil and gas exploration and production both domestically and overseas, either as an operator or as a joint venture partner with international oil and gas companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects are located in Southeast Asia, Australia, North America, Africa, the Middle East and others. As at the financial statement date, the Group had 20 projects in the production phase and 24 projects in the development and exploration phases.
- Overseas pipelines: The Group has investments with its joint venture partners to operate pipelines to transport natural gas from the exploration and production projects where the Group has working interests i.e., the Yadana, Yetagun and Zawtika gas transportation projects.
- Others: The Group's other operations consist mainly of investments in projects strategically connected to the energy business; this does not constitute a separately reportable segment.

Secondary reporting – geographical segments

The Group's two main business segments are managed on a worldwide basis. They are operated in six main geographical areas:

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2012						
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	425.17	813.16	-	255.52	-	14.71	1,508.56
- Related parties	4,786.56	447.38	-	-	-	97.74	5,331.68
Segment assets	6,269.41	1,791.81	2,811.52	2,870.17	2,972.78	104.25	16,819.94
Investments under equity method	27.74	-	3.46	-	-	-	31.20
Capital expenditures	1,673.00	651.74	634.97	153.94	2,730.16	50.45	5,894.26
Consolidated total assets	9,083.03	1,791.81	2,814.98	2,870.17	2,972.78	104.25	19,637.02

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2012						
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	13,214.57	25,261.67	-	7,934.90	-	457.38	46,868.52
- Related parties	148,717.59	13,911.13	-	-	-	3,039.45	165,668.17
Segment assets	192,042.02	54,886.08	86,121.40	87,917.80	91,060.95	3,193.51	515,221.76
Investments under equity method	849.80	-	105.83	-	-	-	955.63
Capital expenditures	51,711.66	20,271.02	19,723.22	5,470.28	84,542.91	1,571.54	183,290.63
Consolidated total assets	278,227.72	54,886.08	86,227.23	87,917.80	91,060.95	3,193.51	601,513.29

Unit: Million US Dollar

Consolidated financial statements for the year ended December 31, 2011

	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	390.61	409.59	-	149.89	-	16.80	966.89
- Related parties	4,185.42	339.80	-	-	-	71.68	4,596.90
Segment assets	5,134.60	1,744.69	2,607.91	2,678.08	169.22	148.54	12,483.04
Investments under equity method	23.96	-	2.97	-	-	-	26.93
Capital expenditures	1,155.53	533.90	513.83	2,989.11	38.75	25.90	5,257.02
Consolidated total assets	6,780.02	1,744.69	2,610.88	2,678.08	169.22	148.54	14,131.43

Unit: Million Baht

Consolidated financial statements for the year ended December 31, 2011

	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Group's total business
Revenues - Third parties	11,897.88	12,547.81	-	4,581.39	-	512.35	29,539.43
- Related parties	127,562.32	10,352.71	-	-	-	2,191.36	140,106.39
Segment assets	162,721.67	55,291.40	82,647.79	84,871.49	5,362.74	4,707.56	395,602.65
Investments under equity method	759.21	-	94.02	-	-	-	853.23
Capital expenditures	35,445.64	16,388.95	15,822.02	90,276.72	1,213.89	803.24	159,950.46
Consolidated total assets	214,867.04	55,291.40	82,741.81	84,871.49	5,362.74	4,707.56	447,842.04

38. Risk Management

The Group exposes to various risks from its business and operation as follows:

Market Risk

Market risk is the situation whereby changes in commodities prices, interest rates, and foreign exchange rates may positively or adversely impact the Group's revenues, cash flows, assets, and liabilities.

The Group uses various financial instruments for the purpose of managing the risk exposure on the fluctuation in the commodities price, interest rates and foreign exchange rates.

- **Price Risk**

In 2012, world oil prices fluctuated. The price of Brent crude oil was in the range of US Dollar 84 – 130 per barrel. The Group's product prices vary with those of world oil prices, which are subject to factors beyond its control, for instance, market demand and supply, political and economic stability of various countries, OPEC's production policy, oil reserves and the change in the global climate each season. Fluctuations in world oil prices affect the Group's revenue and investment planning.

In this regard, when world oil prices change, so do the prices of the Group's crude oil and condensate. However, because of built-in natural gas pricing mechanisms found in the Gas Sale Agreement (GSA) which cushion natural gas prices from oil prices volatility (Natural Hedge), when the reference oil prices change, the typical prices of natural gas do change in the same direction. Most of the Group's contractual natural gas prices are adjusted every 6 or 12 months depending on the gas price formula of each project, the natural gas price will move correspondingly to a certain degree compared to the prices of crude oil and condensate.

The Group has managed the oil price risk by analyzing the impact of the level of oil price changes to revenue and net profit of the Group annually. The risk mitigation plan is reviewed by the Risk Management Committee and endorsed by the Board of Directors for future cash flows. In addition, the Group entered into a derivative on oil price hedged for the Group's petroleum products using the Brent oil price during January 2012 to December 2012 totaling to 11.69 million barrels.

As at December 31, 2012, the Group has mark to market the value of the put option on the oil price hedged contracts of US dollars 1.39 million.

- **Interest Rate Risk**

The Group is exposed to interest rate risk from the changes in interest rate that will affect future cash flows and fair values of financial instruments. The majority of the Group's debts are subject to fixed interest rates, resulting in stable cash outflows. However, fixed interest rates would result in a higher interest expense if the market interest rates decrease. In order to manage the risk from falling interest rates, the Group has a policy to maintain a proper proportion between fixed-interest rate debts and floating-interest rate debts. The Group considers both fixed and floating-interest rate borrowings as well as using the financial instruments, such as interest rate swap to swap from floating interest rate to fixed interest and vice versa rate in order to prevent interest rate risks. The Group considers costs, market conditions, and acceptable risks in using the financial instrument to prevent the risk.

As at December 31, 2012, the Group has proportion of floating rate debt net of interest rate swaps at 21% of total debt (in 2011 at 16%). The weighted average interest rate on debt was 3.99% per annum (in 2011 was 3.12% per annum)

The Group's income before income taxes are sensitive to changes in interest rates on the floating rate element of the Group's debt as at January 1, 2013. If the interest rate applicable to floating rate instruments were to have increased by 1% per annum, it is estimated that the Group's income before income taxes for 2013 would decrease by approximately US Dollars 8 million (in 2012 decrease by US Dollars 6 million). This assumes that the debt amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2013. Furthermore, the effect on the Group's income before income taxes shown by this analysis does not consider the effect of any changes in general economic activity that may accompany such an increase or a decrease in interest rates.

- **Foreign Currency Risk**

The vast majority of the Group's domestic and international business (revenues and expenses) are in US Dollar. Commencing January 1, 2011, the Company's management has determined the US Dollar as the functional currency by considering revenue from and operating expenses use in the primary economic environment in which the entity operates. The Group is exposed to the exchange rate risks from transactions which are denominated in currencies that are not the Group's functional currency. Foreign exchange gains and losses are presented in Note 34.

The Group is aware of the risks surrounding financial assets and liabilities denominated in foreign currencies. As a result, the Group has a policy of asset and liability management by which the structure and features of transactions regarding assets, liabilities and shareholders' equity are aligned with each other. In addition, the Group has considered to manage foreign currency risk with financial derivatives together with the consideration yields and risks arising in each intervals.

The Group's income before income taxes are sensitive to changes in foreign currency of net assets and liabilities denominated in currencies other than functional currency. If at December 31, 2012 and 2011, the other currencies had fluctuated 10% against the functional currency, the possible change to the Group's income before income taxes is as follows:

Unit: Million US Dollar

	Consolidated	
	Exposure of assets and liabilities position to the exchange rate	
	Baht to US Dollar	Canadian Dollar to US Dollar
For the year ended December 31, 2012		
Income before income taxes increase (decrease)		
(10% US Dollar appreciate)	10	(134)
Income before income taxes increase (decrease)		
(10% US Dollar depreciate)	(10)	134
For the year ended December 31, 2011		
Income before income taxes increase (decrease)		
(10% US Dollar appreciate)	(10)	(147)
Income before income taxes increase (decrease)		
(10% US Dollar depreciate)	10	147

For the year ended December 31, 2012, the Company changed the methodology for sensitivity calculation from using monetary assets and liabilities position denominated in currencies other than functional currency at the year ended with the closing exchange rate as of the year ended to full year weighted average of the monetary assets and liabilities denominated in currencies other than functional currency with the closing exchange rate as of the year ended. The management has considered that the new methodology using the full year weighted average of the monetary assets and liabilities denominated in currencies that are not the functional currency is more appropriate than using monetary assets and liabilities position denominated in currencies that are not the functional currency at the year ended for sensitivity calculation.

Credit Risk

The Group seeks to ensure that sales of products are made to the customers with acceptable credit profiles, with the overwhelming majority of sales being made to PTT Public Company Limited, PTTEP's parent company. The credit risks are carefully assessed and regularly reviewed.

All of banks in which the Group places deposits are rated at investment grade level. The Group regularly assesses credit quality and stability of these banks by taking into account of their credit rating, investment portfolio, and other financial factors which demonstrate their performance and the ability of their business risks management process, such as, debt to deposit ratio, non-performing to gross loan ratio. These factors are used to manage risks and to consider the amount of bank deposit limit in order to ensure that deposits are well-diversified and to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

Before entering into financial derivatives contract, the Group has assessed the financial position and credit worthiness, including setting up credit exposure limit, of counterparty bank in the same way as when the Group assesses banks before placing deposit as described above. Currently all banks in which the Group has entered into financial derivatives contract are rated at investment grade level. In addition, the Group has adjust, based on the timing and type of transaction, the outstanding balance of each derivative financial instruments made with banks to reflect the risk-adjusted exposure and has diversified transactions to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

The Group's maximum exposure to credit risks is the fair value of financial assets.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. The Group's contractual maturity of liabilities and interest as at December 31, 2012 are as follows:

Unit: Million US Dollar

	Within 1 year	Over 1 year but not exceeding 3 years	Over 3 years but not exceeding 5 years	Over 5 years	Total
Trade accounts payable and working capital to co-venturers	127.92	-	-	-	127.92
Accrued expenses	946.55	-	-	-	946.55
Other current liabilities	96.28	-	-	-	96.28
Loans from financial institution with floating interest rate					
Principle	-	625 .00	376.90	100.51	1,102.41
Interest*	26.70	52.24	22.32	3.36	104.62
Debenture with fixed interest rate					
Principle	163.23	1,081.96	-	1,444.84	2,690.03
Interest*	130.19	217.98	166.44	918.03	1,432.64
Foreign currency and interest rate swap	-	7.27	0.85	4.64	12.76

The major assumptions for the data presented in the table above are that all the interest expenses are calculated based on the contractual interest rate and there is no change in aggregate principle amounts of loans other than repayment at scheduled maturity. The floating interest rate is based on the contractual interest rate at December 31, 2012.

- Thai Baht liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 28, 2012 at Baht 30.6316 per US Dollar.
- Canadian Dollar liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 28, 2012 at Baht 30.7869 per Canadian Dollar for conversion to Thai baht and at Baht 30.6316 for conversion from Thai baht to US Dollar, respectively.

* interest represents the interest payment due within one year.

The Group manages its liquidity risks by preparing cash flow forecasts and adjusting financial estimates regularly. The Group operates a Short-Term Financing Program in order to access Thailand's capital market by issuing short-term debt securities, and credit facilities with commercial banks. This credit facilities are available within 3-5 business days after notifying to the bank with the agreed upon interest rate in advance. The outstanding principle amount undrawn facilities are summarized below:

Unit: Million US Dollar

	Credit limit	Undrawn amount
Committed bank credit facility	654.88	654.88
Uncommitted bank credit facility*	435.76	435.76
Short-term debt securities	1,632.30	1,632.30

*Uncommitted bank credit facility equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand on December 28, 2012 at Baht 30.6316 per US Dollar.

The Group's Receivables Purchase Financing Facility has been launched for the purpose of converting credit terms to immediate cash to ensure flexible working capital.

The Company's International Credit Rating is comparable with the Sovereign Rating of Thailand and the National Credit Rating is at the AAA. As a result, the Company can access to the source of fund for the long-term loan at the interest rate approximate the market interest rate. For the years ended 2012 and 2011, the Company's credit ratings as assigned by prominent credit rating agencies for are as follows:

	2012		2011	
	Foreign Currency	Domestic Currency	Foreign Currency	Domestic Currency
Rating Agency				
Moody's	Baa1	Baa1	Baa1	Baa1
Standard and Poor's	BBB+	BBB+	BBB+	BBB+
Japan Credit Rating	A-	A	A-	A
TRIS Rating (National Rating)	-	AAA	-	AAA

39. Dividends

On March 28, 2012, the Annual General Meeting of the Shareholders approved payment of a dividend for the year 2011 of Baht 5.40 per share. The Company made interim dividend payment for the first half-year operations of 2011 at the rate of Baht 2.61 per share on August 29, 2011 and for the second half-year operations of 2011 at the rate of Baht 2.79 per share on April 10, 2012.

The Company estimated the dividend to its shareholders for the year 2012 at Baht 5.80 per share. The Company made an interim dividend payment for the first half-year operations of 2012 at the rate of Baht 2.80 per share on August 22, 2012 and still has to pay the dividend for the second half-year operations of 2012 at the rate of Baht 3.00 per share. This dividend will be paid upon approval by the Annual General Meeting of the Shareholders.

40. Commitments, Contingent Liabilities and Significant Litigation

- Commitment under operating leases – the Group as a lessee

  The future minimum lease payments for the non-cancellable operating leases as at December 31, 2012 and 2011 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Within 1 year	93.38	73.16	2,860.19	2,318.42
Over 1 year but not exceeding 5 years	82.86	129.57	2,538.93	4,106.54
Over 5 years	74.78	74.75	2,290.69	2,368.87
Total	251.02	277.48	7,689.81	8,793.83

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Within 1 year	60.50	47.28	1,852.84	1,498.26
Over 1 year but not exceeding 5 years	23.52	51.45	720.94	1,630.46
Over 5 years	0.31	0.29	9.53	9.23
Total	84.33	99.02	2,583.31	3,137.95

- Commitment from loan agreements
    - The Company had a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at December 31, 2012 was US Dollar 18.93 millions (Baht 580 million).

- Commitment from loan and debenture guarantee of subsidiaries
    - The Company had commitment from unsecured and unsubordinated debenture guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF) with US Dollar 700 million credit facilities.
    - The Company had commitment from loan guarantee for PTTEP Offshore Investment Company Limited with US Dollar 575 million credit facilities.
    - The Company had commitment from unsecured and unsubordinated debenture guarantee for PTTEP Canada International Finance Limited (PTTEP CIF) with US Dollar 1,200 million and CAD 475 million credit facilities, respectively.

- Obligation under Gas Sale Agreement

  According to the Gas Sales Agreement of MTJDA B-17 Project, if PTTEP International Limited (PTTEPI) and the joint operation, as the sellers, fail to deliver the quantity of natural gas notified by the buyer on the date agreed upon, the buyer has the right to take the deficient quantity of natural gas (Shortfall) at a price equal to 75% of the current price applicable at the time the Shortfall occurred.

  On December 31, 2012 PTTEPI may have an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 6.57 million (Baht 201.38 million). Currently, negotiation between the buyer (PTT) and the seller are in process.

- Contingent liabilities
    - On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to an incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 1, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven and unsubstantiated. No verifiable scientific evidence has yet been provided to support the claim.

Currently, there are uncertainties for this claim and charge, and the Company is in discussion with the Government of Indonesia to agree on the Memorandum of Understanding (MOU). The discussion is on-going and the conclusion regarding to this matter has not be finalized.

- As at December 31, 2012, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 24.85 million or Baht 761.15 million for the Company's financial statements and US Dollar 29.73 million (Baht 910.59 million) for the consolidated financial statements.

▪ Significant litigation

Cove Energy Plc. (Cove), a subsidiary of the Company has been claimed by The Tanzanian Revenue Authority (TRA) for the additional Value Added Tax (VAT), including interest based on the Farm-in agreement made in 2009. The TRA has requested for the additional payment of VAT including interest total to US Dollar 0.51 million (Baht 15.58 million). Cove is currently negotiated with the TRA. However, in order for Cove to proceed for the negotiation, the TRA has requested Cove to pay the one-third of the assessed amount total to US Dollar 0.17 million (Baht 5.19 million) upfront in which Cove has paid in June 2012.

As at December 31, 2012, the Company has already recognized the remaining amount of assessed claim, plus interest total to US Dollar 0.34 million (Baht 10.39 million) in the consolidated financial statement.

41. Events after the Statement of Financial Position Date

The Board of Directors of the Company authorized for the issue of these financial statements on February 15, 2013.

AUDITOR’S REPORT AND FINANCIAL STATEMENTS

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(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 consolidated and separate statements of financial position as at December 31, 2011 and 2010 (restated), and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which are presented in US Dollar and in Thai Baht. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits. The Office of the Auditor General of Thailand did not audit the financial statements of certain subsidiaries and the expenditure statements of certain joint venture projects between the Company and its subsidiaries and other parties. Assets, liabilities and expenses of those subsidiaries and joint venture projects included in the consolidated financial statements for the year 2011 constitute 71.57%, 23.05% and 72.35%, and for the year 2010 constitute 65.92%, 17.62% and 37.85% respectively, and those included in the Company's separate financial statements for the year 2011 constitute 34.75%, 5.16% and 30.32%, and for the year 2010 constitute 35.32%, 4.96% and 31.71% respectively. The financial statements of those subsidiaries and expenditure statements of those joint venture projects were audited by other auditors whose reports thereon have been furnished to the Office of the Auditor General of Thailand, and the opinion of the office of the Auditor General of Thailand expressed herein, insofar as it relates to the amounts included in the consolidated and separate financial statements, is based solely on the reports of the other auditors.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor

General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Office of the Auditor General of Thailand believes that the audits and its reports of the other auditors' referred to above provide a reasonable basis for the opinion of the Office of the Auditor General of Thailand.

In the opinion of the Office of the Auditor General of Thailand, based on the audits and other auditors' reports, 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, 2011 and 2010 (restated), and the consolidated and separate results of operations and cash flows for the years then ended, presented in US Dollar and Thai Baht, in accordance with generally accepted accounting principles.

Without qualifying the opinion, the Office of the Auditor General of Thailand draws attention to notes 4.1.1, 4.1.2, 4.1.4 and 4.1.5 to the financial statements. As described in the notes, commencing January 1, 2011, PTT Exploration and Production Public Company Limited and its subsidiaries early adopted the Thai Accounting Standard No. 21 "The Effects of Changes in Foreign Exchange Rates" (effective for the financial year beginning on or after January 1, 2013) and determined the US Dollar as its functional currency and presented the financial statements in US Dollar and Thai Baht, and also adopted the International Accounting Standard No. 39 "Financial Instruments: Recognition and Measurement". The impact of the adoption of these two standards on the financial statements is described in the above referred notes to the financial statements.

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Inspector General 1

(Signed) *Doungporn Muennuch*
(Doungporn Muennuch)
Director of Audit Office

Office of the Auditor General
February 17, 2012

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 and 2010

CONSOLIDATED

		Unit : US Dollar		Unit : Baht	
	Notes	2011	2010 (Restated)	2011	2010 (Restated)
Assets					
Current Assets					
Cash and cash equivalents	8	1,350,529,553	1,979,477,802	42,799,902,166	59,683,829,065
Account receivable - parent company	9	484,200,308	328,153,381	15,344,888,772	9,894,251,033
Trade accounts receivable	10	150,154,941	61,341,512	4,758,590,271	1,849,526,332
Other accounts receivable	11	201,896,882	58,669,329	6,398,354,465	1,768,956,531
Inventories		17,360,176	18,455,833	550,164,826	556,467,372
Materials and supplies, net	12	271,130,269	239,295,180	8,592,443,590	7,215,060,758
Other current assets					
Working capital from co-venturers		43,557,383	30,347,907	1,380,385,765	915,028,856
Accrued interests receivable		1,376,819	178,293	43,633,057	5,375,766
Other current assets	13	217,592,694	92,210,460	6,895,773,598	2,780,265,219
Total Current Assets		2,737,799,025	2,808,129,697	86,764,136,510	84,668,760,932
Non-current Assets					
Investments in associates	15.4	26,923,262	24,601,099	853,230,480	741,755,119
Investments in subsidiaries		-	-	-	-
Long-term loans to related parties	14.2	18,485,368	19,695,048	585,823,494	593,831,291
Property, plant and equipment, net	16, 17	9,300,911,875	6,794,616,716	294,757,058,393	204,866,526,980
Goodwill	18	329,695,073	7,313,807	10,448,432,503	220,520,797
Intangible assets, net	19	1,136,554,494	183,187,074	36,018,775,784	5,523,328,434
Deferred income tax assets	20.2	510,603,298	469,797,217	16,181,631,225	14,164,996,823
Other non-current assets					
Prepaid expenses	21	32,787,786	3,443,399	1,039,084,290	103,822,953
Deposit for the purchase of partnership units		-	342,000,000	-	10,311,744,600
Deferred remuneration under agreement		25,373,664	27,126,425	804,121,869	817,896,980
Financial derivative assets	22	6,152,097	7,327,950	194,967,328	220,947,207
Other non-current assets	23	6,146,157	6,506,721	194,779,094	196,186,114
Total Non-current Assets		11,393,633,074	7,885,615,456	361,077,904,460	237,761,557,298
Total Assets		14,131,432,099	10,693,745,153	447,842,040,970	322,430,318,230

Notes to financial statements are an integral part of these financial statements.

(Signed) Anon Sirisaengtaksir	*(Signed) Yongyos Krongphanich*
(Anon Sirisaengtaksin)	(Yongyos Krongphanich)
President and Chief Executive Officer	Senior Vice President, Accounting Div.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 and 2010

CONSOLIDATED

		Unit : US Dollar		Unit : Baht	
	Notes	2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and Shareholders' Equity					
Current Liabilities					
Short-term loans	24	315,545,000	263,501,565	9,999,999,704	7,944,914,750
Trade accounts payable		72,995,698	67,420,231	2,313,321,265	2,032,807,612
Current portion of long-term debts	24	687,772,029	-	21,796,320,923	-
Working capital to co-venturers		35,665,289	33,417,628	1,130,275,802	1,007,584,947
Accrued expenses		995,314,234	603,160,544	31,542,702,448	18,186,074,493
Accrued interests payable		29,583,190	18,311,896	937,526,785	552,127,467
Income tax payable		802,476,294	738,359,183	25,431,436,741	22,262,489,242
Financial derivative liabilities	22	46,419,035	976,135	1,471,074,934	29,431,730
Short-term provision	25	75,771,581	130,448,693	2,401,292,309	3,933,197,677
Other current liabilities		78,254,792	68,467,243	2,479,988,280	2,064,376,385
Total Current Liabilities		3,139,797,142	1,924,063,118	99,503,939,191	58,013,004,303
Non-current Liabilities					
Bonds	24	2,251,986,616	2,319,409,748	71,368,158,255	69,933,219,140
Long-term loans	24	617,860,511	-	19,580,741,015	-
Deferred income tax liabilities	20.2	918,665,924	199,034,730	29,113,625,520	6,001,155,842
Provision for employee benefits	26	62,462,916	51,744,188	1,979,524,765	1,560,154,550
Provision for decommissioning costs	27	703,997,864	725,804,399	22,310,537,096	21,883,946,163
Other non-current liabilities					
Financial derivative liabilities	22	46,831,567	-	1,484,148,559	-
Deferred income	28	36,371,103	47,721,873	1,152,643,891	1,438,876,518
Other non-current liabilities		41,795,496	17,929,674	1,324,549,447	540,602,973
Total Non-current Liabilities		4,679,971,997	3,361,644,612	148,313,928,548	101,357,955,186
Total Liabilities		7,819,769,139	5,285,707,730	247,817,867,739	159,370,959,489
Shareholders' Equity					
Share capital	30				
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each				3,322,000,000	3,322,000,000
Issued and paid-up share capital					
3,319,985,400 ordinary shares of Baht 1 each		129,475,062	-	3,319,985,400	-
3,317,447,600 ordinary shares of Baht 1 each		-	129,391,187	-	3,317,447,600
Share premium		469,655,446	462,089,883	14,411,841,900	14,182,932,340
Retained earnings					
Appropriated					
Legal reserve		12,963,632	12,963,632	332,200,000	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		5,254,384,351	4,345,041,133	179,146,315,584	151,503,183,579
Other components of Shareholders' Equity		13,953,257	27,320,376	(14,086,169,653)	(23,176,404,778)
Total Shareholders' Equity		6,311,662,960	5,408,037,423	200,024,173,231	163,059,358,741
Total Liabilities and Shareholders' Equity		14,131,432,099	10,693,745,153	447,842,040,970	322,430,318,230

Notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

THE COMPANY

		Unit : US Dollar		Unit : Baht	
	Notes	2011	2010 (Restated)	2011	2010 (Restated)
Assets					
Current Assets					
Cash and cash equivalents	8	744,934,786	1,443,127,146	23,607,877,304	43,512,159,526
Account receivable - parent company	9	292,942,319	208,253,921	9,283,693,613	6,279,126,455
Trade accounts receivable	10	2,452,697	2,601,846	77,728,928	78,449,040
Other accounts receivable		23,264,914	25,705,821	737,293,049	775,063,898
Inventories		2,433,076	3,874,651	77,107,092	116,825,752
Materials and supplies, net	12	106,292,983	96,736,503	3,368,552,169	2,916,731,327
Other current assets					
Working capital from co-venturers		1,514,304	376,729	47,990,097	11,358,868
Accrued interests receivable		4,897,957	7,189,858	155,222,129	216,783,582
Other current assets		26,195,222	32,377,293	830,158,034	976,217,485
Total Current Assets		1,204,928,258	1,820,243,768	38,185,622,415	54,882,715,933
Non-current Assets					
Investments in associates	15.4	25,577,427	25,577,427	810,579,368	771,192,688
Investments in subsidiaries	15.3	616,235,970	616,185,970	19,529,257,373	18,578,808,038
Long-term loans to related parties	14.2	3,101,453,770	2,021,105,859	98,288,791,696	60,938,969,087
Property, plant and equipment, net	16, 17	2,884,955,883	2,720,671,158	91,427,713,871	82,031,772,269
Intangible assets, net	19	41,649,920	8,838,709	1,319,935,944	266,498,575
Deferred income tax assets	20.2	21,284,916	17,159,748	674,544,530	517,388,706
Other non-current assets					
Prepaid expenses		-	16,301	-	491,489
Deferred remuneration under agreement		25,373,664	27,126,425	804,121,869	817,896,980
Financial derivative assets	22	6,152,097	7,327,950	194,967,329	220,947,207
Other non-current assets	23	3,647,167	4,211,525	115,583,107	126,982,945
Total Non-current Assets		6,726,330,814	5,448,221,072	213,165,495,087	164,270,947,984
Total Assets		7,931,259,072	7,268,464,840	251,351,117,502	219,153,663,917

Notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

THE COMPANY

	Notes	Unit : US Dollar 2011	Unit : US Dollar 2010 (Restated)	Unit : Baht 2011	Unit : Baht 2010 (Restated)
Liabilities and Shareholders' Equity					
Current Liabilities					
Short-term loans	24	315,545,000	263,501,565	9,999,999,704	7,944,914,751
Trade accounts payable		22,099,114	6,742,777	700,347,455	203,303,487
Current portion of long-term debts	24	687,772,029	-	21,796,320,924	-
Working capital to co-venturers		-	20,607,111	-	621,331,188
Accrued expenses		334,734,862	325,694,243	10,608,149,473	9,820,104,832
Accrued interests payable		7,148,298	5,532,918	226,538,145	166,824,666
Income tax payable		565,391,437	587,364,563	17,917,933,101	17,709,805,142
Financial derivative liabilities	22	45,649,071	976,135	1,446,673,833	29,431,730
Other current liabilities		31,351,736	42,341,659	993,574,122	1,276,656,081
Total Current Liabilities		2,009,691,547	1,252,760,971	63,689,536,757	37,772,371,877
Non-current Liabilities					
Bonds	24	858,843,414	1,625,309,719	27,217,778,392	49,005,200,921
Long-term loans	24	50,000,000	-	1,584,560,000	-
Deferred income tax liabilities	20.2	182,459,934	52,312,659	5,782,374,273	1,577,294,690
Provision for employee benefits	26	56,484,282	47,610,242	1,790,054,690	1,435,510,691
Provision for decommissioning costs	27	302,372,883	355,874,150	9,582,559,522	10,730,068,251
Other non-current liabilities					
Financial derivative liabilities	22	46,831,567	-	1,484,148,559	-
Deferred income		104,082	-	3,298,502	-
Other non-current liabilities		9,386,505	7,728,992	297,469,577	233,039,160
Total Non-current Liabilities		1,506,482,667	2,088,835,762	47,742,243,515	62,981,113,713
Total Liabilities		3,516,174,214	3,341,596,733	111,431,780,272	100,753,485,590
Shareholders' Equity					
Share capital	30				
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each				3,322,000,000	3,322,000,000
Issued and paid-up share capital					
3,319,985,400 ordinary shares of Baht 1 each		129,475,062	-	3,319,985,400	-
3,317,447,600 ordinary shares of Baht 1 each		-	129,391,187	-	3,317,447,600
Share premium		469,655,446	462,089,883	14,411,841,900	14,182,932,340
Retained earnings					
Appropriated					
Legal reserve		12,963,632	12,963,632	332,200,000	332,200,000
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		3,381,288,319	2,891,192,193	116,496,332,798	101,524,307,235
Other components of Shareholders' Equity		(9,528,813)	-	(11,541,022,868)	(17,856,708,848)
Total Shareholders' Equity		4,415,084,858	3,926,868,107	139,919,337,230	118,400,178,327
Total Liabilities and Shareholders' Equity		7,931,259,072	7,268,464,840	251,351,117,502	219,153,663,917

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CONSOLIDATED

	Notes	Unit : US Dollar 2011	Unit : US Dollar 2010 (Restated)	Unit : Baht 2011	Unit : Baht 2010 (Restated)
Revenues					
Sales		5,439,721,901	4,329,634,646	165,865,642,518	137,148,439,092
Revenue from pipeline transportation		124,070,961	110,836,108	3,780,177,952	3,507,293,877
Other revenues					
Interest income		16,238,754	11,795,199	496,537,004	373,791,180
Other revenues		105,060,676	79,505,135	3,232,558,114	2,476,912,902
Total Revenues		5,685,092,292	4,531,771,088	173,374,915,588	143,506,437,051
Expenses					
Operating expenses		625,395,963	458,389,665	19,074,575,397	14,533,708,490
Exploration expenses		216,889,961	86,924,462	6,615,168,228	2,721,147,164
Administrative expenses		257,408,534	192,464,993	7,882,051,543	6,049,901,433
Petroleum royalties and remuneration	31	645,468,178	525,328,854	19,677,859,793	16,634,772,865
Depreciation, depletion and amortization		1,117,346,113	1,017,341,662	34,054,530,568	32,303,802,025
Other expenses					
Loss on foreign exchange	32	64,885,970	85,854,125	1,937,589,879	2,731,758,747
Loss from Montara incident		5,331,280	14,410,100	164,214,454	456,949,810
Loss from financial derivatives		11,056,631	3,468,533	339,837,932	108,044,281
Management's remuneration	14.1	4,570,629	5,915,369	140,168,865	185,462,241
Other expenses		-	47,739,610	-	1,472,108,166
Finance costs		123,557,048	104,545,575	3,770,867,055	3,295,457,931
Total Expenses		3,071,910,307	2,542,382,948	93,656,863,714	80,493,113,153
Share of gain (loss) from associates		2,429,916	(1,347,534)	74,867,112	(45,833,801)
Income before income taxes		2,615,611,901	1,988,040,606	79,792,918,986	62,967,490,097
Income taxes	20.1	(1,147,364,815)	(607,562,698)	(35,044,862,450)	(19,193,698,768)
Income for the year		1,468,247,086	1,380,477,908	44,748,056,536	43,773,791,329
Earnings per share	34				
Basic earnings per share		0.44	0.42	13.48	13.21
Diluted earnings per share		0.44	0.42	13.48	13.20

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2011	2010	2011	2010
		(Restated)		(Restated)
Income for the year	1,468,247,086	1,380,477,908	44,748,056,536	43,773,791,329
Other comprehensive income (expense)				
Exchange differences on translating financial statement	(3,838,306)	86,053	9,381,621,009	(15,263,818,036)
Loss on cash flow hedges	(11,920,073)	-	(365,525,566)	-
Income taxes relating to loss on cash flow hedges	2,391,260	-	74,139,682	-
Other comprehensive income (expense) for the year - net of tax	(13,367,119)	86,053	9,090,235,125	(15,263,818,036)
Total comprehensive income for the year	1,454,879,967	1,380,563,961	53,838,291,661	28,509,973,293

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

THE COMPANY

	Notes	Unit : US Dollar 2011	Unit : US Dollar 2010 (Restated)	Unit : Baht 2011	Unit : Baht 2010 (Restated)
Revenues					
Sales		3,029,294,497	2,636,976,503	92,336,351,757	83,540,970,433
Other revenues					
Gain on foreign exchange	32	-	26,833,991	-	878,305,739
Interest income		114,033,155	68,870,006	3,478,300,540	2,185,014,602
Other revenues		11,820,711	24,971,760	357,458,531	789,111,723
Dividends received from related parties		144,855,029	127,341,710	4,590,027,000	4,080,024,000
Total Revenues		3,300,003,392	2,884,993,970	100,762,137,828	91,473,426,497
Expenses					
Operating expenses		272,328,783	238,795,823	8,293,193,231	7,559,518,292
Exploration expenses		26,945,405	3,318,911	820,100,613	104,481,148
Administrative expenses		130,846,923	116,258,109	4,013,008,444	3,643,371,909
Petroleum royalties and remuneration	31	378,674,834	329,989,236	11,542,452,457	10,454,699,302
Depreciation, depletion and amortization		590,120,004	576,665,357	17,980,868,289	18,314,633,170
Other expenses					
Loss on foreign exchange	32	45,095,046	-	1,398,927,964	-
Loss from financial derivatives		7,612,668	3,468,533	235,417,967	109,524,193
Management's remuneration	14.1	4,570,629	5,915,369	140,168,865	185,462,241
Finance costs		75,179,189	76,987,034	2,291,217,666	2,438,563,185
Total Expenses		1,531,373,481	1,351,398,372	46,715,355,496	42,810,253,440
Income before income taxes		1,768,629,911	1,533,595,598	54,046,782,332	48,663,173,057
Income taxes	20.1	(719,629,917)	(395,704,980)	(21,969,832,238)	(12,559,864,563)
Income for the year		1,048,999,994	1,137,890,618	32,076,950,094	36,103,308,494
Earnings per share	34				
Basic earnings per share		0.32	0.34	9.66	10.89
Diluted earnings per share		0.32	0.34	9.66	10.89

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2011	2010 (Restated)	2011	2010 (Restated)
Income for the year	1,048,999,994	1,137,890,618	32,076,950,094	36,103,308,494
Other comprehensive income (expense)				
Exchange differences on translating financial statement	-	-	6,607,071,864	(10,925,391,209)
Loss on cash flow hedges	(11,920,073)	-	(365,525,566)	-
Income taxes relating to loss on cash flow hedges	2,391,260	-	74,139,682	-
Other comprehensive income (expense) for the year - net of tax	(9,528,813)	-	6,315,685,980	(10,925,391,209)
Total comprehensive income for the year	1,039,471,181	1,137,890,618	38,392,636,074	25,177,917,285

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CONSOLIDATED

Unit : US Dollar

(Restated)

				Retained earnings			Other components of Shareholders' Equity		
	Note	Share capital issued and paid-up	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total
Balance - as at January 1, 2010		129,238,169	449,598,000	12,963,632	431,231,212	3,342,461,643	27,234,323	-	4,392,726,979
Share capital issued and paid-up		153,018	12,491,883	-	-	-	-	-	12,644,901
Total comprehensive income for the year		-	-	-	-	1,380,477,908	86,053	-	1,380,563,961
Dividends paid	37	-	-	-	-	(377,898,418)	-	-	(377,898,418)
Balance - as at December 31, 2010		129,391,187	462,089,883	12,963,632	431,231,212	4,345,041,133	27,320,376	-	5,408,037,423

Unit : US Dollar

				Retained earnings			Other components of Shareholders' Equity		
	Note	Share capital issued and paid-up	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total
Balance - as at January 1, 2011		129,391,187	462,089,883	12,963,632	431,231,212	4,345,041,133	27,320,376	-	5,408,037,423
Share capital issued and paid-up		83,875	7,565,563	-	-	-	-	-	7,649,438
Total comprehensive income for the year		-	-	-	-	1,468,247,086	(3,838,306)	(9,528,813)	1,454,879,967
Dividends paid	37	-	-	-	-	(558,903,868)	-	-	(558,903,868)
Balance - as at December 31, 2011		129,475,062	469,655,446	12,963,632	431,231,212	5,254,384,351	23,482,070	(9,528,813)	6,311,662,960

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
CONSOLIDATED

Unit : Baht
(Restated)

	Note	Share capital issued and paid-up	Share premium	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of Shareholders' Equity: Exchange differences on translating financial statement	Other components of Shareholders' Equity: Cash flow hedge	Total
Balance - as at January 1, 2010		3,312,560,700	13,784,668,840	332,200,000	16,900,000,000	111,209,003,475	(2,537,667,138)	-	143,000,765,877
Effects from changes in accounting policy		-	-	-	-	8,954,181,740	(5,374,919,604)	-	3,579,262,136
Balance - as at January 1, 2010		3,312,560,700	13,784,668,840	332,200,000	16,900,000,000	120,163,185,215	(7,912,586,742)	-	146,580,028,013
Share capital issued and paid-up		4,886,900	398,263,500	-	-	-	-	-	403,150,400
Total comprehensive income for the year		-	-	-	-	43,773,791,329	(15,263,818,036)	-	28,509,973,293
Dividends paid	37	-	-	-	-	(12,433,792,965)	-	-	(12,433,792,965)
Balance - as at December 31, 2010		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	151,503,183,579	(23,176,404,778)	-	163,059,358,741

Unit : Baht

	Note	Share capital issued and paid-up	Share premium	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of Shareholders' Equity: Exchange differences on translating financial statement	Other components of Shareholders' Equity: Cash flow hedge	Total
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	140,514,185,065	(2,952,766,002)	-	172,293,999,003
Effects from changes in accounting policy		-	-	-	-	10,988,998,514	(20,223,638,776)	-	(9,234,640,262)
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	151,503,183,579	(23,176,404,778)	-	163,059,358,741
Share capital issued and paid-up		2,537,800	228,909,560	-	-	-	-	-	231,447,360
Total comprehensive income for the year		-	-	-	-	44,748,056,536	9,381,621,009	(291,385,884)	53,838,291,661
Dividends paid	37	-	-	-	-	(17,104,924,531)	-	-	(17,104,924,531)
Balance - as at December 31, 2011		3,319,985,400	14,411,841,900	332,200,000	16,900,000,000	179,146,315,584	(13,794,783,769)	(291,385,884)	200,024,173,231

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

THE COMPANY

Unit : US Dollar

(Restated)

	Note	Share capital issued and paid-up	Share premium	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of Shareholders' Equity: Cash flow hedge	Total
Balance - as at January 1, 2010		129,238,169	449,598,000	12,963,632	431,231,212	2,131,199,993	-	3,154,231,006
Share capital issued and paid-up		153,018	12,491,883	-	-	-	-	12,644,901
Total comprehensive income for the year		-	-	-	-	1,137,890,618	-	1,137,890,618
Dividends paid	37	-	-	-	-	(377,898,418)	-	(377,898,418)
Balance - as at December 31, 2010		129,391,187	462,089,883	12,963,632	431,231,212	2,891,192,193	-	3,926,868,107

Unit : US Dollar

	Note	Share capital issued and paid-up	Share premium	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of Shareholders' Equity: Cash flow hedge	Total
Balance - as at January 1, 2011		129,391,187	462,089,883	12,963,632	431,231,212	2,891,192,193	-	3,926,868,107
Share capital issued and paid-up		83,875	7,565,563	-	-	-	-	7,649,438
Total comprehensive income for the year		-	-	-	-	1,048,999,994	(9,528,813)	1,039,471,181
Dividends paid	37	-	-	-	-	(558,903,868)	-	(558,903,868)
Balance - as at December 31, 2011		129,475,062	469,655,446	12,963,632	431,231,212	3,381,288,319	(9,528,813)	4,415,084,858

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
THE COMPANY

Unit : Baht
(Restated)

				Retained earnings			Other components of Shareholders' Equity		
	Note	Share capital issued and paid-up	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total
Balance - as at January 1, 2010		3,312,560,700	13,784,668,840	332,200,000	16,900,000,000	74,837,319,358	-	-	109,166,748,898
Effects from changes in accounting policy		-	-	-	-	3,017,472,348	(6,931,317,639)	-	(3,913,845,291)
Balance - as at January 1, 2010		3,312,560,700	13,784,668,840	332,200,000	16,900,000,000	77,854,791,706	(6,931,317,639)	-	105,252,903,607
Share capital issued and paid-up		4,886,900	398,263,500	-	-	-	-	-	403,150,400
Total comprehensive income for the year		-	-	-	-	36,103,308,494	(10,925,391,209)	-	25,177,917,285
Dividends paid	37	-	-	-	-	(12,433,792,965)	-	-	(12,433,792,965)
Balance - as at December 31, 2010		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	101,524,307,235	(17,856,708,848)	-	118,400,178,327

Unit : Baht

				Retained earnings			Other components of Shareholders' Equity		
	Note	Share capital issued and paid-up	Share premium	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedge	Total
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	91,890,527,663	-	-	126,623,107,603
Effects from changes in accounting policy		-	-	-	-	9,633,779,572	(17,856,708,848)	-	(8,222,929,276)
Balance - as at January 1, 2011		3,317,447,600	14,182,932,340	332,200,000	16,900,000,000	101,524,307,235	(17,856,708,848)	-	118,400,178,327
Share capital issued and paid-up		2,537,800	228,909,560	-	-	-	-	-	231,447,360
Total comprehensive income for the year		-	-	-	-	32,076,950,094	6,607,071,864	(291,385,884)	38,392,636,074
Dividends paid	37	-	-	-	-	(17,104,924,531)	-	-	(17,104,924,531)
Balance - as at December 31, 2011		3,319,985,400	14,411,841,900	332,200,000	16,900,000,000	116,496,332,798	(11,249,636,984)	(291,385,884)	139,919,337,230

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Income before income taxes	2,615,611,901	1,988,040,606	79,792,918,986	62,967,490,097
Adjustment to reconcile income before income tax to net cash				
provided by (used in) operating activities				
Share of (gain) loss from associates	(2,429,916)	1,347,534	(74,867,112)	45,833,801
Depreciation, depletion and amortization	1,117,346,113	1,017,341,662	34,054,530,568	32,303,802,025
Amortization of prepaid expenses	5,714,422	4,563,760	174,182,480	144,713,585
Amortization of exploration expenses	150,449,667	46,056,183	4,598,349,506	1,426,444,825
(Gain) loss on disposal of assets	1,726,415	(11,266,289)	52,580,385	(314,407,424)
Income recognized from deferred income	(11,454,853)	(15,443,306)	(345,976,432)	(496,765,531)
Loss from financial derivatives	11,056,631	3,468,533	339,837,932	108,044,281
Provision for employee benefits	15,264,383	13,068,372	467,466,258	410,098,386
(Gain) loss on foreign exchange	(62,284,366)	188,332,643	(1,899,156,233)	5,975,154,431
Interest income less than interest expenses	103,956,959	90,590,139	3,171,715,619	2,853,798,957
	3,944,957,356	3,326,099,837	120,331,581,957	105,424,207,433
Changes in operating assets and liabilities				
(Increase) decrease in trade accounts receivable	(90,666,675)	39,272,308	(2,764,581,054)	1,245,976,807
(Increase) decrease in account receivable - parent company	(168,228,759)	2,402,715	(5,129,580,851)	76,229,978
Decrease in inventories	1,880,645	8,869,355	57,344,063	281,394,478
Increase in materials and supplies, net	(34,814,024)	(2,341,027)	(1,061,538,776)	(74,272,827)
Increase in working capital from co-venturers	(13,202,928)	(18,101,681)	(402,579,720)	(574,304,792)
(Increase) decrease in other accounts receivable	(150,852,566)	65,466,604	(4,599,751,187)	2,077,032,758
Increase in other current assets	(130,047,571)	(1,089,743)	(3,965,371,521)	(34,573,840)
Increase in prepaid expenses	(6,221,485)	(229,268)	(189,703,654)	(7,273,894)
(Increase) decrease in other non-current assets	137,977	(3,198,828)	4,207,153	(101,487,937)
(Decrease) increase in trade accounts payable	(17,577,145)	38,165,035	(535,957,032)	1,210,846,791
Increase in working capital to co-venturers	1,367,467	13,932,268	41,696,394	442,023,494

Notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

CONSOLIDATED

	Unit : US Dollar		Unit : Baht	
	2011	2010 (Restated)	2011	2010 (Restated)
Changes in operating assets and liabilities (continued)				
(Decrease) increase in accrued expenses	282,902,904	(39,967,604)	8,626,190,478	(1,268,036,183)
Decrease in other current liabilities	(6,538,314)	(9,276,320)	(199,364,309)	(294,306,094)
Increase in deferred income	104,083	-	3,173,668	-
(Decrease) increase in other non-current liabilities	(2,248,809)	7,007,821	(68,570,009)	222,334,334
Gain from translation adjustment	239,115,311	116,903	7,291,032,328	3,708,935
Interest received from bank deposits	28,342,655	11,258,445	864,215,733	357,192,181
Taxation paid	(970,306,055)	(778,335,322)	(29,586,281,137)	(24,693,933,427)
	(1,036,853,289)	(666,048,339)	(31,615,419,433)	(21,131,449,238)
Net cash provided by operating activities	2,908,104,067	2,660,051,498	88,716,162,524	84,292,758,195
Cash flows from investing activities				
(Increase) decrease in loans to related parties	274,528	(2,530,125)	8,370,825	(80,272,264)
Purchase of partnership units, net	(1,889,560,277)	(342,000,000)	(57,615,905,098)	(10,850,497,200)
Interest received from loans	2,158,162	605,897	65,806,028	19,223,052
Increase in property, plant and equipment	(2,206,095,695)	(1,944,319,932)	(67,267,608,103)	(61,686,660,749)
Increase in intangible assets	(114,199,026)	(43,562,787)	(3,482,122,441)	(1,382,099,118)
Net cash used in investing activities	(4,207,422,308)	(2,331,806,947)	(128,291,458,789)	(73,980,306,279)
Cash flows from financing activities				
Increase in short-term loans	63,707,160	205,268,978	1,942,539,611	6,512,486,757
Proceeds from long-term loans	616,303,343	-	18,792,136,644	-
Redemption of bonds	-	(285,392,511)	-	(9,054,534,040)
Proceeds from bonds	698,019,385	693,682,630	21,283,797,682	22,008,191,329
Interest paid	(123,106,212)	(63,191,342)	(3,753,717,684)	(2,004,846,431)
Proceeds from common stock	7,649,438	12,644,901	233,244,369	401,179,716
Dividends paid	(560,133,157)	(379,985,931)	(17,079,412,183)	(12,055,661,638)
Net cash provided by financing activities	702,439,957	183,026,725	21,418,588,439	5,806,815,693
Net increase (decrease) in cash and cash equivalents	(596,878,284)	511,271,276	(18,156,707,826)	16,119,267,609
Cash and cash equivalents at the beginning of the year	1,979,477,802	1,462,399,393	59,683,829,065	48,798,512,869
	1,382,599,518	1,973,670,669	41,527,121,239	64,917,780,478
Adjustment for the effect of exchange rate changes on cash and cash equivalents	(32,069,965)	5,807,133	1,272,780,927	(5,233,951,413)
Cash and cash equivalents at the end of the year	1,350,529,553	1,979,477,802	42,799,902,166	59,683,829,065
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	117,737,792	16,106,140	3,590,025,432	510,993,067

Notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Income before income taxes	1,768,629,911	1,533,595,598	54,046,782,332	48,663,173,057
Adjustment to reconcile income before income tax to net cash				
provided by (used in) operating activities				
Depreciation, depletion and amortization	590,120,004	576,665,357	17,980,868,289	18,314,633,170
Amortization of prepaid expenses	2,072,781	3,030,794	63,167,171	96,050,567
Amortization of exploration expenses	14,974,532	15,828	454,854,867	523,586
(Gain) loss on disposal of assets	463,640	(16,602,339)	14,007,503	(496,608,686)
Loss from financial derivatives	7,612,668	3,468,533	235,417,967	109,524,193
Dividends received from related parties	(144,855,029)	(127,341,710)	(4,590,027,000)	(4,080,024,000)
Provision for employee benefits	12,840,667	10,958,726	393,243,066	343,875,491
Loss on foreign exchange	38,062,503	85,441,517	1,160,590,423	2,710,768,833
Interest income (higher) less than interest expenses	(39,626,758)	6,380,365	(1,210,406,005)	198,648,260
	2,250,294,919	2,075,612,669	68,548,498,613	65,860,564,471
Changes in operating assets and liabilities				
(Increase) decrease in trade accounts receivable	121,376	(1,172,410)	3,700,961	(37,196,583)
(Increase) decrease in account receivable - parent company	(95,190,155)	25,625,203	(2,902,509,649)	813,000,565
Decrease in inventories	747,902	1,256,432	22,804,803	39,862,315
Increase in materials and supplies, net	(10,083,964)	(2,678,982)	(307,477,205)	(84,994,990)
(Increase) decrease in working capital from co-venturers	(1,152,384)	259,026	(35,138,147)	8,218,014
(Increase) decrease in other accounts receivable	(1,272,464)	7,710,291	(38,799,591)	244,621,318
(Increase) decrease in other current assets	7,279,797	(1,937,746)	221,973,386	(61,478,092)
(Increase) decrease in prepaid expenses	16,301	(16,301)	497,045	(517,175)
(Increase) decrease in other non-current assets	342,785	(3,172,457)	10,452,097	(100,651,274)
(Decrease) increase in trade accounts payable	15,102,923	(1,631,177)	460,513,797	(51,751,708)
(Decrease) Increase in working capital to co-venturers	(20,607,111)	16,252,493	(628,345,846)	515,636,344

Notes to financial statements are an integral part of these financial statements.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

THE COMPANY

	Unit : US Dollar		Unit : Baht	
	2011	2010 (Restated)	2011	2010 (Restated)
Changes in operating assets and liabilities (continued)				
(Decrease) increase in accrued expenses	(7,136,299)	45,797,418	(217,597,888)	1,452,996,373
(Decrease) increase in other current liabilities	(7,271,978)	12,071,179	(221,734,972)	382,977,468
Increase in deferred income	104,082	-	3,173,637	-
Increase in other non-current liabilities	270,085	26,322	8,235,351	835,108
Interest received from bank deposits	20,552,540	7,129,807	626,681,884	226,204,535
Taxation paid	(588,417,789)	(462,213,243)	(17,941,858,696)	(14,664,454,675)
	(686,594,353)	(356,694,145)	(20,935,429,033)	(11,316,692,457)
Net cash provided by operating activities	1,563,700,566	1,718,918,524	47,613,069,580	54,543,872,014
Cash flows from investing activities				
Increase in loans to related parties	(1,141,441,392)	(165,640,812)	(34,804,488,492)	(5,255,219,786)
Increase in investment in related party	(50,000)	-	(1,524,585)	-
Dividends received from related parties	144,855,029	127,341,710	4,590,027,000	4,040,119,496
Interest received from loans	111,314,972	58,758,047	3,394,182,732	1,864,193,054
Increase in property, plant and equipment	(814,148,727)	(865,454,222)	(24,824,778,739)	(27,457,919,924)
Increase in intangible assets	(34,866,650)	(1,420,439)	(1,063,143,401)	(45,065,700)
Net cash used in investing activities	(1,734,336,768)	(846,415,716)	(52,709,725,485)	(26,853,892,860)
Cash flows from financing activities				
Increase in short-term loans	63,707,160	233,464,430	1,942,539,611	7,407,032,585
Proceeds from long-term loans	50,000,000	-	1,524,585,000	-
Redemption of bonds	-	(285,393,282)	-	(9,054,558,501)
Interest paid	(69,756,369)	(63,046,204)	(2,126,990,277)	(2,000,241,696)
Proceeds from common stock	7,649,438	12,644,901	233,244,369	401,179,716
Dividends paid	(560,133,157)	(379,985,931)	(17,079,412,183)	(12,055,661,638)
Net cash used in financing activities	(508,532,928)	(482,316,086)	(15,506,033,480)	(15,302,249,534)
Net increase (decrease) in cash and cash equivalents	(679,169,130)	390,186,722	(20,602,689,385)	12,387,729,620
Cash and cash equivalents at the beginning of the year	1,443,127,146	1,052,162,956	43,512,159,526	35,109,415,237
	763,958,016	1,442,349,678	22,909,470,141	47,497,144,857
Adjustment for the effect of exchange rate changes on cash and cash equivalents	(19,023,230)	777,468	698,407,163	(3,984,985,331)
Cash and cash equivalents at the end of the year	744,934,786	1,443,127,146	23,607,877,304	43,512,159,526
	-	-	-	-
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	21,932,743	12,556,112	668,766,620	398,362,739

Notes to financial statements are an integral part of these financial statements.

1. General Information

PTT Exploration and Production Public Company Limited (the Company) is registered as a company in Thailand and listed on the Stock Exchange of Thailand. The address of its registered office is 555/1 Energy Complex Building A, 6th and 19th - 36th Floor, Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900.

The principal business operations of the Company, subsidiaries, and associates (the Group) are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation and investment in projects strategically connected to the energy business.

As at December 31, 2011, the Group has operations related to the exploration and production of petroleum in 13 countries and has investments in exploration and production projects with a percentage of interest as follows:

Project	Country	Operator	Company's percentage of interest	
			2011	2010
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
Arthit North	Thailand	PTT Exploration and Production Plc.	100	100
Contract 4 [1]	Thailand	Chevron Thailand Exploration and Production, Ltd.	45	45
Sinphuhorm (E5 North)	Thailand	Hess (Thailand) Ltd.	20	20
S1	Thailand	PTTEP Siam Limited	25	25
Contract 3 [2]	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

Project	Country	Operator	Company's percentage of interest	
			2011	2010
PTTEP International Limited (PTTEPI)				
Yadana	Myanmar	Total E&P Myanmar	25.50	25.50
Yetagun	Myanmar	Petronas Carigali Myanmar (Hong Kong) Ltd.	19.31784	19.31784
PTTEP 1	Thailand	PTTEP International Limited	100	100
G4/43	Thailand	Chevron Offshore (Thailand) Ltd.	21.375	21.375
G9/43	Thailand-Cambodia	PTTEP International Limited	100	100
L22/43	Thailand	PTTEP International Limited	100	100
L53/43 & L54/43	Thailand	PTTEP International Limited	100	100
G4/48	Thailand	Chevron Pattani, Ltd.	5	5
Arthit (G9/48)	Thailand	PTTEP International Limited	80	80
Bongkot (G12/48)	Thailand	PTTEP International Limited	44.4445	44.4445
L21, 28 & 29/48	Thailand	PTTEP International Limited	70	70
A4, 5 & 6/48	Thailand	PTTEP International Limited	100	100
Contract 3 (G6/50)[2]	Thailand	Chevron Petroleum (Thailand), Ltd.	5	5
Contract 4 (G7/50)[1]	Thailand	Chevron Petroleum (Thailand), Ltd.	45	45
Arthit (G8/50)	Thailand	PTTEP International Limited	80	80
Cambodia B	Cambodia	PTTEP International Limited	33.333334	33.333334
Myanmar Zawtika [3]	Myanmar	PTTEP International Limited	80	100
Myanmar M3, M7 & M11 [3]	Myanmar	PTTEP International Limited	100	100
MTJDA -B17	Thailand - Malaysia	Carigali-PTTEPI Operating Company Sendirian Berhad	50	50
PTTEP Offshore Investment Company Limited (PTTEPO)				
B8/32 & 9A [4]	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 & 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

Project	Country	Operator	Company's percentage of interest	
			2011	2010
PTTEP Oman Company Limited (PTTEP OM)				
Oman 44	Oman	PTTEP Oman Company Limited	100	100
PTTEP Algeria Company Limited (PTTEP AG)				
Algeria 433a & 416b	Algeria	-Groupement Bir Seba (for development phase) -PetroVietnam Exploration & Production Corporation (for exploration phase)	35	35
PTTEP Siam Limited (PTTEPS)				
Sinphuhorm (EU-1)	Thailand	Hess (Thailand) Ltd.	20	20
B6/27	Thailand	PTTEP Siam Limited	60	60
S1	Thailand	PTTEP Siam Limited	75	75
PTTEP Australia Offshore Pty Limited (PTTEP AO)				
Australia AC/P 36	Australia	Murphy Australia Oil Pty Ltd.	-	22.21
Australia WA 423	Australia	Murphy Australia Oil Pty Ltd.	30	30
PTTEP Bahrain Company Limited (PTTEP BH)				
Bahrain 2	Bahrain	PTTEP Bahrain Company Limited.	100	100
PTTEP Rommana Company Limited (PTTEPR)				
Rommana	Egypt	Sipetrol International S.A.	30	30
PTTEP Semai II Limited (PTTEP SM)				
Indonesia Semai II	Indonesia	Murphy Semai Oil Co., Ltd.	28.33	28.33
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)				
Sidi Abd El Rahman Offshore [5]	Egypt	Edison International SPA	30	30
PTTEP New Zealand Limited (PTTEP NZ)				
New Zealand Great South	New Zealand	OMV New Zealand Limited	18	36
PTTEP South Mandar Limited (PTTEP SMD)				
Indonesia South Mandar	Indonesia	PTTEP South Mandar Limited	34	67
PTTEP Malunda Limited (PTTEP ML)				
Indonesia Malunda	Indonesia	PTTEP Malunda Ltd.	100	100

Project	Country	Operator	Company's percentage of interest	
			2011	2010
PTTEP Sadang Limited (PTTEP SD)				
Indonesia Sadang	Indonesia	Talisman Sadang B.V.	30	40
PTTEP South Sageri Limited (PTTEP SS)				
Indonesia South Sageri	Indonesia	Talisman South Sageri B.V.	20	30
PTTEP Canada Limited (PTTEP CA)				
Canada Oil Sands KKD	Canada	Statoil Canada Ltd.	40	-
PTTEP Australia Perth Pty Ltd (PTTEP AP)				
PTTEP Australasia *	Australia			

* Details of operators and percentage of interest in PTTEP Australasia project are as follows:

Block	Operator	Company's percentage of interest	
		2011	2010
AC/L7, AC/L8, AC/P33, AC/P34 and AC/P40	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	100	100
AC/L1, AC/L2 and AC/L3	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	89.6875	89.6875
AC/RL7	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	100	80
AC/P24	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	90	60
AC/RL4 (Tenacious)	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	100	100
AC/RL6 (Audacious), AC/P4, AC/RL4 (exclusive of Tenacious), AC/RL5, AC/RL6 (exclusive of Audacious) and AC/P17	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	50	50
AC/P32	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	35	35
WA-378-P [6], WA-396-P and WA-397-P	Woodside Energy Limited	20	20
AC/P54	PTTEP Australasia (Ashmore Cartier) Pty Ltd.	100	-

[1] Changed name from Pailin to Contract 4.

[2] Changed name from Unocal III to Contract 3.

[3] According to the project rearrangement, the Myanmar Zawtika project comprises concession block M9 and the northeast part of block M11, and the Myanmar blocks M3, M7 and M11 excluding the northeast part of block M11.

[4] PTTEPO has shareholding in Orange Energy Limited and B 8/32 Partners Limited, which holds the project's concessions.

[5] In March 2011, PTTEP Sidi Abd El Rahman Company Limited has withdrawn its entire 30% participation interest from Sidi Abd El Rahman Offshore Project in the Arab Republic of Egypt after fulfillment of the exploration work commitment. The withdrawal will be fully effective upon receiving an official approval from the government of the Arab Republic of Egypt.

[6] On September 29, 2011, PTTEP Australasia Pty Ltd. terminated its 20% investment in concession block WA-378-P which will become effective upon receiving official approval from the Australian government.

2. Basis of Financial Statement Preparation

The consolidated and the Company's 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's financial statements have complied with the above notification and there are no material impacts to the financial statements presented herewith.

Commencing January 1, 2011, the Company's management has determined US Dollar as the functional currency and presents its financial statements in US Dollar in accordance with Thai Accounting Standard No. 21 "The Effects of Changes in Foreign Exchange Rates". In addition, the Stock Exchange of Thailand and the Department of Business Development require the entity to present its financial statements in Thai Baht. The Group, therefore, presents its financial statements in Thai Baht by translating from US Dollar.

The Group has adopted the International Accounting Standards (IAS) No. 12 "Income Taxes". The content of the standard does not differ significantly from that of Thai Accounting Standards No. 12 as published in the Government Gazette. The accounting standard comes into effect for periods beginning on or after January 1, 2013.

Where the Group has entered into joint interest operations with other parties to participate in exploration, development and production of petroleum businesses, the Group records its share of expenses, assets and liabilities incurred in accordance with the Statements of Expenditures prepared by the operators of the Concession or the Production Sharing Contract. The Statements of Expenditures have been audited by another independent auditor on an annual basis and by the joint venture committee on a regular basis.

The consolidated and the Company's 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's financial statements has been translated from the statutory financial statements which are prepared in the Thai language. In the event of a conflict or difference in the interpretation between the two languages, the Thai-language version of the statutory financial statements shall prevail.

3. New Accounting Standard Interpretations

New Accounting Standard Interpretations were published in the Government Gazette during the accounting period are as follows:

- Effective for periods beginning on or after January 1, 2011

Thai Standing Interpretations Committee No.31	Revenue – Barter Transactions Involving Advertising Services

- Effective for periods beginning on or after January 1, 2013

Thai Standing Interpretations Committee No. 10	Government Assistance – No Specific Relation to Operating Activities
Thai Standing Interpretations Committee No. 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
Thai Standing Interpretations Committee No. 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

The Group's management has analyzed that there is no material impact of those new accounting standard interpretations to the financial statements.

4. Impact of Newly Adopted Accounting Policies Being Applied on January 1, 2011

Commencing January 1, 2011, the Group applies the amendments to accounting standards, new accounting standards, new financial reporting standards and new financial reporting interpretations which are effective for the periods beginning on or after January 1, 2011 and the Group has applied Thai Accounting Standard No. 21 “The Effects of Changes in Foreign Exchange Rates” before the standard comes into effect. In addition, the Group also applies the International Accounting Standard (IAS) No. 32 “Financial Instruments: Presentation”, IAS No. 39 “Financial Instruments: Recognition and Measurement” and International Financial Reporting Standard (IFRS) No.7 “Financial Instruments: Disclosures”. The significant difference between Thai Accounting Standard (TAS) No. 105 “Accounting for Investment in Debt and Equity Securities” and IAS No. 39 relates to the categorization of certain investments in debt and equity securities. IAS No. 39 requires the financial assets, including investments in debt and equity securities to be categorized. However this has no impact on the measurement of the Group’s investment in debt and equity securities presented in the financial statements. In addition, there is no conflict between the disclosures of financial instruments as required by IFRS No. 7 and TAS No. 107.

The Group’s management has concluded that there is no material impact of the amendments to accounting standards, new accounting standards, new financial reporting standards and new financial reporting interpretations to the financial statements except as follows:

4.1 Impact of Newly Adopted Accounting Policies Being Applied Retrospectively and Reclassification of Items in the Financial Statements

4.1.1 Thai Accounting Standard No. 21 “The Effects of Changes in Foreign Exchange Rates”

The Group determines its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rate of monetary items denominated in foreign currencies are recognized in the statement of income in the period in which they are incurred.

However, the entity can translate the financial statements into the presentation currency, which may be different from the functional currency. The results and financial position of entities whose functional currency differs from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that statements of financial position;

b) income and expenses are translated at the exchange rate prevailing on the date of the transactions. However, the standard allows the use of an estimated rate that is close to the rate prevailing on the date of the transactions, for example the average exchange rate for the period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate;

c) all resulting exchange differences are recognized in other comprehensive income.

The Group 's management has determined that the US Dollar is the functional currency, as it is the currency that has the primary influence over sales and operating costs. The Group will apply this standard retrospectively. However, the Group is required to present its financial statements in Thai Baht (the presentation currency) in order to comply with the regulations of the Stock Exchange of Thailand and the Department of Business Development.

The retrospective financial statements as the result of the adoption of the Thai Accounting Standard No. 21 are presented in Notes 4.1.4 and 4.1.5 to the financial statements.

4.1.2 International Accounting Standard No. 39 "Financial Instruments: Recognition and Measurement"

The Group categorized financial assets into 4 groups: (1) financial assets at fair value through profit or loss, (2) held-to-maturity investments, (3) loans and receivables, and (4) available-for-sale financial assets. The categorization depends on the purpose for which the financial assets were acquired. Financial liabilities are either categorized as (1) financial liabilities at fair value through profit or loss, and (2) financial liabilities carried at amortized cost.

All financial assets and liabilities are initially recognized at fair value. Costs of financial assets or liabilities which are not categorized as financial assets or liabilities at fair value through profit or loss are net of the transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. Subsequent accounting depends on their respective categories.

Recognition and Measurement of Financial Instruments

- Financial Derivative Instruments

  The Group recognizes financial derivative instruments at fair value on the statements of financial position. Changes to fair value are recognized through the statements of income.

- Effective Interest Method

  Financial assets in the form of loans and receivables and held-to-maturity investments and financial liabilities measured at amortized costs are initially recognized at fair value net of transaction costs and to be subsequently carried at amortized cost using the effective interest method and recognized through the statements of income.

Impairment of Financial Assets

The Group assesses, at each statement of financial position date, whether there is any objective evidence that a financial asset or group of assets may be impaired. If such impairment evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognized in profit or loss.

The retrospective financial statements as the result of the adoption of the International Accounting Standard No. 39 are presented in Notes 4.1.4 and 4.1.5 to the financial statements.

4.1.3 Thai Financial Reporting Standard No. 6 "Mineral Exploration for and Evaluation of Resources"

Thai Financial Reporting Standard No. 6 states that exploration and evaluation assets ("E&E Assets") shall be initially recognized using the cost model and subsequently carried using the method defined in the Thai Accounting Standard No. 16 "Property, Plant and Equipment" or Thai Accounting Standard No. 38 "Intangible Assets", depending on the classification of the E&E assets. However, this standard permits an entity to determine an accounting policy for exploration and evaluation expenditures based on the entity's current national GAAP accounting policies, while expenditures incurred in the development of oil and gas properties will be accounted for in accordance with the Accounting Framework and the Thai Accounting Standard No. 38. This standard also specifically requires an entity to disclose the accounting policies for exploration and evaluation expenditure, including the recognition of E&E assets and the amounts of assets, liabilities, revenues and expense and operating and investing cash flows arising from the exploration and evaluation of mineral resources. The reclassification of financial statements as the result of the adoption of the Thai Financial Reporting Standard No. 6 is presented in Note 4.1.4 to the financial statements.

4.1.4 Impact of Newly Adopted Accounting Policies Being Applied Retrospectively and Reclassification of Statements of Financial Position as at December 31, 2010 after the new accounting policy was applied

Consolidated

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	Reclassification (3)	After Restatement
Assets					
Current Assets					
Cash and cash equivalents	59,514.76	169.07	-	-	59,683.83
Account receivable - parent company	9,883.37	10.88	-	-	9,894.25
Trade accounts receivable	1,844.84	4.69	-	-	1,849.53
Inventories	594.38	(37.91)	-	-	556.47
Materials and supplies, net	7,953.65	(738.59)	-	-	7,215.06
Other current assets					
Working capital from co-venturers	910.19	4.84	-	-	915.03
Other accounts receivable	1,530.94	238.02	-	-	1,768.96
Accrued interests receivable	5.38	(0.01)	-	-	5.37
Other current assets	2,838.66	(58.40)	-	-	2,780.26
Total Current Assets	85,076.17	(407.41)	-	-	84,668.76
Non-current Assets					
Investments in subsidiaries	-	-	-	-	-
Investments in associates	877.48	(135.73)	-	-	741.75
Long-term loans to related parties	590.79	3.04	-	-	593.83
Property, plant and equipment, net	226,332.47	(19,191.09)	-	(2,274.85)	204,866.53
Intangible assets, net	3,939.02	(470.02)	-	2,274.85	5,743.85
Deferred income tax assets	13,824.29	398.17	(57.46)	-	14,165.00
Other non-current assets					
Prepaid expenses	152.01	(48.19)	-	-	103.82
Deposit for the purchase of partnership units	10,311.74	-	-	-	10,311.74
Deferred remuneration under agreement	919.35	(101.45)	-	-	817.90
Financial derivative assets	-	-	220.95	-	220.95
Other non-current assets	196.23	(0.04)	-	-	196.19
Total Non-current Assets	257,143.38	(19,545.31)	163.49	-	237,761.56
Total Assets	342,219.55	(19,952.72)	163.49	-	322,430.32

Consolidated (Continued)

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	Reclassification (3)	After Restatement
Liabilities and Shareholders' Equity					
Current Liabilities					
Trade accounts payable	1,958.45	74.36	-	-	2,032.81
Short-term loans	7,944.73	0.18	-	-	7,944.91
Working capital to co-venturers	1,013.64	(6.06)	-	-	1,007.58
Accrued expenses	18,274.35	(88.28)	-	-	18,186.07
Accrued interests payable	552.14	(0.01)	-	-	552.13
Income tax payable	22,447.95	(185.46)	-	-	22,262.49
Financial derivative liabilities	-	-	29.43	-	29.43
Short-term provision	3,933.20	-	-	-	3,933.20
Other current liabilities	2,072.13	(7.75)	-	-	2,064.38
Total Current Liabilities	58,196.59	(213.02)	29.43	-	58,013.00
Non-current Liabilities					
Bonds	69,893.28	1.13	38.81	-	69,933.22
Deferred income tax liabilities	15,780.12	(9,778.97)	-	-	6,001.15
Other non-current liabilities					
Deferred income	1,939.68	(500.80)	-	-	1,438.88
Provision for employee benefits	1,560.12	0.04	-	-	1,560.16
Provision for decommissioning costs	21,967.64	(83.69)	-	-	21,883.95
Other non-current liabilities	588.12	(47.52)	-	-	540.60
Total Non-current Liabilities	111,728.96	(10,409.81)	38.81	-	101,357.96
Total Liabilities	169,925.55	(10,622.83)	68.24	-	159,370.96
Shareholders' Equity					
Share capital					
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each	3,322.00	-	-	-	3,322.00
Issued and paid-up share capital					
3,317,447,600 ordinary shares of Baht 1 each	3,317.45	-	-	-	3,317.45
Share premium	14,182.93	-	-	-	14,182.93
Currency translation differences	(2,952.77)	(20,223.64)	-	-	(23,176.41)
Retained earnings					
Appropriated					
Legal reserve	332.20	-	-	-	332.20
Reserve for expansion	16,900.00	-	-	-	16,900.00
Unappropriated	140,514.19	10,893.75	95.25	-	151,503.19
Total Shareholders' Equity	172,294.00	(9,329.89)	95.25	-	163,059.36
Total Liabilities and Shareholders' Equity	342,219.55	(19,952.72)	163.49	-	322,430.32

The Company

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	Reclassification (3)	After Restatement
Assets					
Current Assets					
Cash and cash equivalents	43,369.13	143.03	-	-	43,512.16
Account receivable - parent company	6,278.99	0.14	-	-	6,279.13
Trade accounts receivable	78.45	-	-	-	78.45
Inventories	130.99	(14.17)	-	-	116.82
Materials and supplies, net	3,190.40	(273.67)	-	-	2,916.73
Other current assets					
Working capital from co-venturers	11.36	-	-	-	11.36
Other accounts receivable	820.50	(45.44)	-	-	775.06
Accrued interests receivable	217.22	(0.44)	-	-	216.78
Other current assets	1,053.44	(77.22)	-	-	976.22
Total Current Assets	55,150.48	(267.77)	-	-	54,882.71
Non-current Assets					
Investments in subsidiaries	23,873.14	(5,294.33)	-	-	18,578.81
Investments in associates	930.00	(158.81)	-	-	771.19
Long-term loans to related parties	60,831.96	107.01	-	-	60,938.97
Property, plant and equipment, net	93,323.99	(11,282.78)	-	(9.44)	82,031.77
Intangible assets, net	301.27	(44.21)	-	9.44	266.50
Deferred income tax assets	573.12	1.72	(57.45)	-	517.39
Other non-current assets					
Prepaid expenses	0.65	(0.16)	-	-	0.49
Deferred remuneration under agreement	919.35	(101.45)	-	-	817.90
Financial derivative assets	-	-	220.95	-	220.95
Other non-current assets	127.04	(0.06)	-	-	126.98
Total Non-current Assets	180,880.52	(16,773.07)	163.50	-	164,270.95
Total Assets	236,031.00	(17,040.84)	163.50	-	219,153.66

The Company (Continued)

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	Reclassification (3)	After Restatement
Liabilities and Shareholders' Equity					
Current Liabilities					
Trade accounts payable	203.76	(0.46)	-	-	203.30
Short-term loans	7,944.73	0.19	-	-	7,944.92
Working capital to co-venturers	624.32	(2.99)	-	-	621.33
Accrued expenses	9,857.65	(37.55)	-	-	9,820.10
Accrued interests payable	166.82	-	-	-	166.82
Income tax payable	17,709.40	0.41	-	-	17,709.81
Financial derivative liabilities	-	-	29.43	-	29.43
Other current liabilities	1,276.93	(0.27)	-	-	1,276.66
Total Current Liabilities	37,783.61	(40.67)	29.43	-	37,772.37
Non-current Liabilities					
Bonds	48,965.26	1.12	38.82	-	49,005.20
Deferred income tax liabilities	10,161.31	(8,584.02)	-	-	1,577.29
Other non-current liabilities					
Provision for employee benefits	1,435.47	0.04	-	-	1,435.51
Provision for decommissioning costs	10,781.68	(51.61)	-	-	10,730.07
Other non-current liabilities	280.56	(47.52)	-	-	233.04
Total Non-current Liabilities	71,624.28	(8,681.99)	38.82	-	62,981.11
Total Liabilities	109,407.89	(8,722.66)	68.25	-	100,753.48
Shareholders' Equity					
Share capital					
Authorized share capital					
3,322,000,000 ordinary shares of Baht 1 each	3,322.00	-	-	-	3,322.00
Issued and paid-up share capital					
3,317,447,600 ordinary shares of Baht 1 each	3,317.45	-	-	-	3,317.45
Share premium	14,182.93	-	-	-	14,182.93
Currency translation differences	-	(17,856.71)	-	-	(17,856.71)
Retained earnings					
Appropriated					
Legal reserve	332.20	-	-	-	332.20
Reserve for expansion	16,900.00	-	-	-	16,900.00
Unappropriated	91,890.53	9,538.53	95.25	-	101,524.31
Total Shareholders' Equity	126,623.11	(8,318.18)	95.25	-	118,400.18
Total Liabilities and Shareholders' Equity	236,031.00	(17,040.84)	163.50	-	219,153.66

4.1.5 Statement of Income for the year ended December 31, 2010 after the new accounting policy was applied

Consolidated

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	After Restatement
Revenues				
Sales	138,473.94	(1,325.50)	-	137,148.44
Revenue from pipeline transportation	3,504.18	3.11	-	3,507.29
Other revenues				
Gain on foreign exchange	2,763.08	(2,763.08)	-	-
Interest income	373.50	0.29	-	373.79
Other revenues	2,457.60	19.31	-	2,476.91
Total Revenues	147,572.30	(4,065.87)	-	143,506.43
Expenses				
Operating expenses	14,588.34	(54.63)	-	14,533.71
Exploration expenses	2,751.69	(30.54)	-	2,721.15
Administrative expenses	5,971.63	78.27	-	6,049.90
Petroleum royalties and remuneration	16,773.33	(138.56)	-	16,634.77
Depreciation, depletion and amortization	36,825.40	(4,521.60)	-	32,303.80
Other expenses				
Loss on foreign exchange	-	2,731.76	-	2,731.76
Loss from Montara incident	456.65	0.30	-	456.95
Loss from financial derivatives	-	-	108.04	108.04
Management's remuneration	185.52	(0.06)	-	185.46
Other expenses	1,484.83	(12.72)	-	1,472.11
Total Expenses	79,037.39	(1,947.78)	108.04	77,197.65
Operating Income	68,534.91	(2,118.09)	(108.04)	66,308.78
Finance Costs	(2,540.54)	(727.94)	(26.98)	(3,295.46)
Share of loss from associates	(44.83)	(1.00)	-	(45.83)
Income before income taxes	65,949.54	(2,847.03)	(135.02)	62,967.49
Income taxes	(24,210.57)	5,042.07	(25.20)	(19,193.70)
Net income	41,738.97	2,195.04	(160.22)	43,773.79
Earnings per share				
Basic earnings per share	12.59			13.21
Diluted earnings per share	12.59			13.20

The Company

Unit : Million Baht

	Before Restatement	Restatement (1)	Restatement (2)	After Restatement
Revenues				
Sales	84,802.87	(1,261.90)	-	83,540.97
Other revenues				
Gain on foreign exchange	-	878.31	-	878.31
Interest income	2,181.45	3.57	-	2,185.02
Other revenues	764.04	25.07	-	789.11
Dividends received from related parties	4,080.02	-	-	4,080.02
Total Revenues	91,828.38	(354.95)	-	91,473.43
Expenses				
Operating expenses	7,548.15	11.37	-	7,559.52
Exploration expenses	105.06	(0.58)	-	104.48
Administrative expenses	3,576.65	66.72	-	3,643.37
Petroleum royalties and remuneration	10,600.36	(145.66)	-	10,454.70
Depreciation, depletion and amortization	20,907.21	(2,592.58)	-	18,314.63
Other expenses				
Loss on foreign exchange	1,470.02	(1,470.02)	-	-
Loss from financial derivatives	-	-	109.53	109.53
Management's remuneration	185.52	(0.06)	-	185.46
Total Expenses	44,392.97	(4,130.81)	109.53	40,371.69
Operating Income	47,435.41	3,775.86	(109.53)	51,101.74
Finance costs	(1,969.52)	(442.07)	(26.97)	(2,438.56)
Income before income taxes	45,465.89	3,333.79	(136.50)	48,663.18
Income taxes	(15,978.89)	3,444.22	(25.20)	(12,559.87)
Net income	29,487.00	6,778.01	(161.70)	36,103.31
Earnings per share				
Basic earnings per share	8.90			10.89
Diluted earnings per share	8.89			10.89

(1) Thai Accounting Standard No. 21 "The Effects of Changes in Foreign Exchange Rates" (Details in Note 4.1.1)

(2) International Accounting Standard No. 39 "Financial Instruments: Recognition and Measurement" (Details in Note 4.1.2)

(3) Thai Financial Reporting Standard No. 6 "Exploration for and Evaluation of Mineral Resources" (Details in Note 4.1.3)

4.2 Impact of Newly Adopted Accounting Policies Being Applied Prospectively

4.2.1 Thai Accounting Standard No. 23 (Revised 2009) "Borrowing Costs"

Thai Accounting Standard No. 23 (Revised 2009) requires an entity to capitalize the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.

4.2.2 International Accounting Standard No. 39 "Financial Instruments: Recognition and Measurement"

Hedge Accounting

Under International Accounting Standard No. 39, if hedge accounting is applied and it is appropriate based upon the specific criteria of the International Accounting Standard No. 39, the impact of recording the derivative instrument is offset to the extent that the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative's fair value are recorded as gain or loss in the statements of income and the hedged item is marked to market for changes in fair value associated with the hedged risk.

If designated as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument shall be recognized in profit or loss.

4.2.3 Thai Financial Reporting Standard No. 2 "Share-based Payment"

Thai Financial Reporting Standard No.2 provides details of the accounting treatment for transactions in which an entity receives goods or services as consideration for either:

- Equity instruments of the entity (equity-settled) which are recognized as equity; or
- Cash or other assets, where the amount is based on the price or value of the entity's shares (cash-settled), which are recognized as a liability.

The measurement of the transaction is based on the fair value of the goods or service received. The equity-settled transactions are not re-measured once the grant date fair value has been determined. The cash-settled transactions are required to be re-measured at each statement of financial position date and at the date of settlement, with the change in fair value recognized in the statement of income.

This standard shall be applied for the equity-settled transactions taking place on or after January 1, 2011.

4.2.4 **Thai Financial Reporting Standard No. 3 (Revised 2009) "Business Combinations"**

Thai Financial Reporting Standard No. 3 (Revised 2009) continues to apply the acquisition method to business combinations, unless it is a combination involving entities or businesses under common control. Examples of significant changes in the revised standard are (a) all payments to a business acquisition, including contingent considerations, shall be recognized at fair value on the acquisition date and changes in the fair value of contingent consideration classified as a liability are recognized in the statements of income, and (b) all acquisition-related costs shall be recognized as expense in the period in which the costs are incurred. The revised standard shall be applied to business combinations from January 1, 2011.

4.3 **Impact of Newly Adopted Accounting Policies on the Financial Statement Disclosures**

4.3.1 **Thai Accounting Standard No. 1 (Revised 2009) "Presentation of Financial Statements"**

Thai Accounting Standard No. 1(Revised 2009) states that an entity shall present all income and expense items recognized in a period in a single statement (the statement of comprehensive income) or in two statements (the separate statement of income and the statement of comprehensive income). In addition, this revised standard requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity makes a retrospective restatement or reclassifies items in the financial statements.

However, for the financial statements relating to the period beginning on or after January 1, 2011 that is the first period in which the revised standard is applied, the entity can choose to present a statement of financial position comprising only two statements without the statements of financial position as at the beginning comparative period.

4.3.2 **Thai Accounting Standard No. 24 (Revised 2009) "Related Party Disclosures"**

Thai Accounting Standard No. 24 (Revised 2009) expands the definition of a related party to include parties with joint control over the entity, joint ventures in which the entity is a venture and post-employment benefit plans for the benefit of employees of an entity or of a related entity.

4.3.3 **International Financial Reporting Standard No. 7 "Financial Instruments: Disclosures"**

International Financial Reporting Standard No. 7 requires extensive qualitative and quantitative disclosure about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk and how the entity manages those risks.

5. Significant Accounting Policies

5.1 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 and subsidiaries are eliminated from the consolidated financial statements.

Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern their financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus other costs directly attributable to the acquisition. Identifiable assets and liabilities acquired from a business combination are measured initially at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the Group's share of the subsidiary's identifiable net assets acquired is recorded as goodwill; on the other hand, if the cost of acquisition is less than the fair value of the Group's share of the subsidiary's identifiable net assets, the difference is recognized directly in the statement of income.

The investments in the subsidiaries are presented by using the cost method in the Company's financial statements.

A list of subsidiaries is set out in Note 15.

Associates

Associates are those entities over which the Group has significant influence over their financial and operating policies, but does not control. Investments in associates are initially recognized at cost and are accounted for using the equity method in the consolidated financial statements from the date on which the Group gains significant influence and are no longer consolidated from the date that significant influence ceases.

The Group's shares of the associates' post-acquisition profits or losses are recognized in the statement of income, and its shares of post-acquisition movements in surplus are recognized in reserves. The Group does not recognize further losses that exceed its investment in the associates, unless it has incurred obligations or made payments on behalf of the associates.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in the associates are presented by using the cost method in the Company's financial statements.

A list of associates is set out in Note 15.

Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. Under this method, the Group includes its shares of the joint ventures' individual income, expenses, assets, liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

The Group's interests in jointly controlled assets are accounted for by proportionate consolidation. Under this method, the Group includes its shares of the assets, liabilities, expenses and cash flows based on Joint Operating Agreement on a line-by-line basis with similar items in the Group's financial statements.

Gains or losses from the joint ventures are presented by using the cost method in the Company's financial statements.

For details of jointly controlled entities and jointly controlled assets, please refer to Note 15 and Note 1, respectively.

Related Parties

Related parties are those entities that directly or indirectly control, or are controlled by the Company, or are under common control with the Company. They also include holding companies, subsidiaries, fellow subsidiaries and associates.

In considering each relationship between parties, attention is directed to the substance of the relationship, not merely the legal form.

5.2 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 statements of income in the period in which they are incurred.

To comply with the financial reporting requirements of the Securities and Exchange Commission and the Department of Business Development the Group's consolidated financial statements are presented by translating from US Dollar to Thai Baht. The 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 statements of income is translated using average exchange rates during the period. Differences from such translations have been presented under "Exchange Differences on Translating Financial Statement" in Other Comprehensive Income.

5.3 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.

5.4 Trade Accounts Receivable

Trade accounts receivable are carried at net realizable value. An allowance for doubtful accounts is provided, based on the Group's review of all outstanding receivable amounts at the statement 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.

<u>Factoring Policy of Accounts Receivable</u>

The factoring of accounts receivable is made on an arms-length basis. The Company will write-off such accounts receivable when the future economic benefits and other major relevant benefits are transferred to the third party and the Company receives the funds from such factoring.

5.5 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

5.6 Materials and Supplies

Materials and supplies are stated at the average cost less the allowance for obsolete and unserviceable items used in petroleum exploration and production activities.

5.7 Borrowing Costs

Borrowing costs directly attributable to finance the construction of property, plant and equipment during the required period of time or the preparation of the qualifying assets for their intended use are capitalized as part of the cost of the respective assets until such qualifying assets are ready for use.

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 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.

5.8 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 statements 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 and decommission costs of processing facilities of oil sand business are calculated using the straight-line method with an estimated useful life of 36 years.

Proved reserves and proved developed reserves are calculated by the engineers of the Group and are based on the information received from the joint ventures.

- **Pipelines and Others**

Costs of properties comprise purchase prices and other direct costs necessary to bring the asset to working condition suitable for its intended use.

Depreciation of pipelines and others are determined using the straight-line method with an estimated useful life of 1 – 40 years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are taken into account in the statement of income when incurred.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Repair and maintenance costs are recognized as expenses when incurred.

5.9 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 transactions in respect of carried costs through various accounts based on petroleum activities using the Successful Efforts Method. They are mainly recorded in oil and gas properties in the statements of financial position and exploration expenses in the statements of income. (For details, please refer to Note 17.)

5.10 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 subsidiaries is reported in the consolidated statement of financial position as an intangible asset. 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 carried 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.

5.11 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 capitalized and amortized using the straight-line method over the remaining contract period, or a maximum of 10 years. The carrying amount is reviewed by the Group and the allowance for impairment will be provided whenever events or circumstances indicate that the carrying amount may not be recoverable.

- Exploration and evaluation assets

  Exploration and evaluation expenditures are capitalized at cost as intangible assets if the projects have identified proved reserves that have been found to be commercially producible. Capitalized exploration and evaluation expenditures are transferred to assets of the project once the proved reserve has been found. Subsequent accounting is described in the accounting policy for property, plant and equipment in Note 5.8.

  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.

5.12 Impairment of Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use, and is recorded in the statement of income. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Estimates of future cash flows used in the evaluation for impairment of assets related to petroleum production are made using risk assessment on field and reservoir performance and are inclusive of expectations about proved and unproved reserves.

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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, if the Group did not recognize the impairment loss for assets in the prior year.

5.13 Deferred Income Taxes

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation of property, 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 currently enacted by the statement of financial position date are used to determine deferred income tax.

Deferred income 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.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities can be offset only when they both relate to the same legal tax authority.

5.14 Deferred Remuneration under Agreement

According to the conditions in the Gas Sales Agreement of Arthit project, the Company has an obligation to make a payment to the buyer (PTT) in its operation. The remuneration is classified as non-current asset, reported under the caption “Deferred Remuneration under Agreement”, and is amortized over the contract life using the straight-line method.

5.15 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.

5.16 Leases

- Leases - where the 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 the 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.

5.17 Employee Benefits

The Group's employees have become members in the following provident funds: "Employee of PTTEP Registered Provident Fund", "Employee of PTTEP Registered Provident Fund 2", "Sinsataporn Registered Provident Fund", "TISCO Ruamtun 1 Registered Provident Fund" and "TISCO Ruamtun 2 Registered Provident Fund ".

The provident funds are funded by payments from employees and from the Group which are held in a separate trustee-administered fund. The Group contributes to the funds at a rate of 3% - 15% of the employees' salaries which are charged to the statement of income in the period to which the contributions relate.

This obligation in respect of employees' retirement benefits is presented in the statement of financial position under the provision for employee benefits as discussed in Note 26. In addition, the transitional liabilities will be amortized as expenses in the statement of income on a straight-line basis over 5 years.

The Group's obligation in respect of the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned 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 bond yields. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

When the benefits under the plans change, the portion of the increased benefits relating to the past services of employees is recognized in the statement of income on a straight-line basis over the average remaining period until the benefits become vested.

Salaries, wages, bonuses and contributions to the social security and provident funds are recognized as expenses when incurred.

5.18 Provisions

Provisions, excluding the provisions for employee benefits, are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset when the reimbursement is virtually certain.

Provisions for Decommissioning Costs

The Group records a provision for decommissioning costs whenever it is probable that there is an obligation as a result of a past event and the amount of that obligation is reliable.

The Group recognizes provision for decommissioning costs, which is provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the oil and gas properties and are amortized based on proved reserves on a unit of production basis. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's own engineers and managerial judgment.

5.19 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

5.20 Reserve for Expansion

The Group has a reserve for expanding its investments in new projects in the exploration phase, which is generally susceptible to high risk, and for finding additional petroleum reserves. The reserve for expansion is set aside at no more than 35% of the net taxable income from its exploration and production activities.

5.21 Income Recognition

Sales are recognized upon delivery of products and customer acceptance.

Service income from gas pipeline construction is recognized on the percentage of completion basis.

Interest income is recognized on a time proportion basis, taking into account the effective yield on the asset.

Revenues other than those mentioned above are recognized on an accrual basis.

5.22 Deferred Income under Agreements (Take-or-Pay)

Under Gas Sales Agreements, the Group has obligations to supply minimum quantities of gas to a customer in each contract year. If in any contract year, the customer has not taken the minimum quantities of gas according to the Gas Sales Agreements, customer shall pay for quantities of gas not taken (Take-or-Pay). Should the customer be unable to take the minimum contracted quantities in a given year, the volume of gas that the customer has paid for but has not taken in that year (Make-up) can be taken free of charge in subsequent years. Payments received in advance under these agreements are recognized as deferred income. This deferred income is recognized in the statement of income when the gas is subsequently taken. (For details, please refer to Note 28)

The Group made prepayments to the government of Myanmar for royalty related to cash received in advance under Take-or-Pay Agreement. The prepayment will be expensed when the gas is subsequently taken by the customers. (For details, please refer to Note 21).

5.23 Income Taxes

The Group's expenditures and revenues for tax purposes comprise:

- Current period tax which is calculated in accordance with the Petroleum Income Tax Act, B.E. 2514 and Amendment B.E. 2532 and the Revenue Code
- Income tax in the Union of Myanmar
- Income tax in the Socialist Republic of Vietnam
- Corporate income tax in Australia
- Petroleum Resource Rent Tax in Australia
- Corporate income tax in the Sultanate of Oman
- Corporate income tax in Canada
- Corporate income tax in Netherlands
- Deferred income taxes, which are calculated as disclosed in Note 20.

5.24 Earnings per Share

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share are calculated by dividing the net income attributable to shareholders 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.

5.25 Segment Reporting

The segment details are primarily presented by the business operations and secondly by the geographical areas.

Business segments refer to parts of an entity that carry out business activities that are subject to risks and returns different from those of other business segments. Geographical segments refer to parts of an entity that carry out business operations within a particular economic environment that are subject to risks and returns different from those of components operating in other economic environments.

5.26 Financial instruments

The Group classifies its financial assets into 4 categories: (1) a 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.

Loans 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 at loss is measured as the difference between future cash flows discounted at the financial assets original effective interest rate and is recognized in the statement of income.

Derivative financial instruments and hedging

The Group recognized derivative financial instruments at fair value with changes in the fair value recognize in the statements 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.

6. Major Estimates and Assumptions

In order to prepare the financial statements in conformity with the accounting standards, management is required to use estimates and assumptions which impact assets, liabilities, revenues and expenses. The data relating to the major assumptions and uncertainties in the estimate which may have an impact on the carrying amount of assets, liabilities, revenues and expenses presented in the financial statements are as follows:

Estimate for Oil and Gas Reserves

Oil and gas reserves are key elements in the Group's investment decision-making process which is focused on generating value. They are also important elements in testing for impairment. Changes in proved oil and gas reserves will also affect the present value of the net cash flows and the unit-of-production depreciation.

Proved reserves are the estimated quantities of petroleum that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions including government rules and regulations. The proved reserves have to be examined and assessed annually by the Group's geologists and reservoir engineers.

Exploration Costs

Capitalized exploration drilling costs more than 12 months old are expensed unless (1) proved reserves are booked or (2) they have found commercially producible quantities of reserves and they are subject to further exploration or appraisal activity. In making decisions about whether to continue capitalizing exploration drilling costs for a period longer than 12 months, it is necessary to make judgments about the satisfaction of each condition in the present event. If there is a change in one of these judgments in a subsequent period, the related capitalized exploration drilling costs would be expensed in that period.

Impairment of Assets

Value in use of assets under consideration for impairment is assessed by the estimate for the discounted future cash flows. 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. Expected future production volumes, which include both proved reserves as well as volumes that are expected to constitute proved reserves in the future, are used for impairment testing because the Group believes this is the most appropriate indicator of expected future cash flows, used as a measure of value in use. The discounted rate for the impairment testing reflects the current market assessment of the time value of money and the risk specific to the assets for which the future cash flow estimates have not been adjusted.

Goodwill and Intangible Assets

For recognition and measurement of goodwill and intangible assets as of acquisition date including subsequent impairment testing, management uses estimated future cash flow from assets or cash-generating unit and appropriate discount rate for present value of future cash flow calculation.

Income Tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes due to the fact that there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Management is required to make an estimate of the number of the deferred income tax assets that should be recognized by considering the assumption about the probable future tax benefits in each period. There may be uncertainty associated with the assumption used for the future taxable income in terms of whether any change will affect the recognition of the deferred tax asset.

Lease

In considering whether a lease agreement is an operating lease or a finance lease, management has exercised judgment in assessing terms and conditions of the agreement to ensure whether the risks and rewards of assets are transferred to the Group or not.

Employee Retirement Plans

The Group's obligation regarding the retirement benefit plans is calculated by estimating the amount of future benefits that employees will have earned in return for their services to the Company and subsidiaries in the current and in future periods. The calculation is performed by an independent actuary using the Projected Unit Credit Method and the relevant assumptions which include financial and demographic assumptions as disclosed in Note 26.

When the benefits under the plans change, the portion of the increased benefits relating to the past services of employees is recognized in the statements of income on a straight-line basis over the average remaining period until the benefits become vested. The expense is recognized immediately in the statement of income when the benefits are paid.

Provisions

The provisions are recognized by the Group and presented in the statements of financial position when there is an obligation as a result of a past event and there is the possibility that the Group will have to pay its beneficial assets for such an obligation when the amount can be reliably calculated.

The Group records a provision for decommissioning costs whenever it is probable that there would be an obligation of a reliable amount as a result of a past event. The Group recognizes provision for decommissioning costs, which is provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the production facilities. These costs are included as part of the oil and gas properties and are amortized based on proved reserves on a unit of production basis. The estimates of decommissioning costs are determined based on reviews and estimates by the Group's engineers and managerial judgment.

The provisions are based on the current situation such as regulations, technologies and prices. The actual results could differ from these estimates as future confirming events occur.

7. **Business Acquisition**

On November 22, 2010, the Group entered into a Partnership Unit Sale Agreement with Statoil Canada Ltd. and Statoil Canada Holdings Corp., a subsidiary of Statoil ASA (Statoil), to acquire 40% participation interest in the partnership of Statoil Canada Partnership (SCP). The Partnership Unit Sale Agreement became into effective on January 21, 2011. The 40% participation interest is retrospectively effective from January 1, 2011.

During the fiscal year 2011, the Group obtained additional information from Statoil Canada Limited on the additional tax benefits from such acquisition which resulted in an increase of tax benefit, net of US Dollar 7.13 million and consequently reduce the deferred income tax liability from this acquisition of US Dollar 1.78 million or Baht 53.76 million. In addition, the Group and Statoil Canada Limited agreed on the Final Post Closing Adjustment which resulted in a decrease in the purchase price of US Dollar 0.6 million or Baht 18.21 million. As a result of these transactions, goodwill from acquisition, net is decreased of US Dollar 2.39 million or Baht 71.91 million.

Details of acquired net assets and goodwill are presented in US Dollar and Thai Baht* as follows:

	Unit: Million US Dollar	Unit: Million Baht
Total purchase consideration (Cash)	2,276.84	68,649.63
Fair value of net assets acquired	1,940.03	58,494.31
Goodwill (Note 18)	336.81	10,155.32

Assets and liabilities from the business acquisition are as follows:

	Unit: Million US Dollar Fair value	Unit: Million Baht Fair value
Cash and cash equivalents	45.28	1,365.19
Trade accounts receivable	0.94	28.33
Working capital from co-venturers	1.09	32.83
Inventories	4.63	139.76
Other current assets	0.50	15.02
Property, plant and equipment, net	1,398.21	42,157.81
Intangible assets, net	1,140.57	34,389.67
Trade accounts payable	(21.84)	(658.30)
Working capital to co-venturers	(15.42)	(464.97)
Deferred income tax liabilities	(607.34)	(18,311.95)
Provision for decommissioning costs	(6.60)	(199.08)
Net assets	1,940.03	58,494.31
Goodwill	336.81	10,155.32
Total purchase consideration	2,276.84	68,649.63
Less: Cash and cash equivalents	45.28	1,365.19
Deposit for the purchase of partnership units	342.00	10,311.74
Cash used in business acquisition	1,889.56	56,972.70

* US Dollar was equivalent to Thai Baht at the weighted average exchange rate announced by the Bank of Thailand of Baht 30.1513 per US Dollar at December 30, 2010.

8. Cash and Cash Equivalents

Cash and cash equivalents comprised:

	Unit : Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Cash on hand and at banks	885.19	1,905.50	28,052.58	57,453.19
Cash equivalents				
- Fixed deposits	53.02	73.98	1,680.43	2,230.64
- Treasury bills	412.32	-	13,066.89	-
Total	1,350.53	1,979.48	42,799.90	59,683.83

	Unit : Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Cash on hand and at banks	338.48	1,371.15	10,726.88	41,342.04
Cash equivalents				
- Fixed deposits	50.65	71.98	1,605.32	2,170.12
- Treasury bills	355.80	-	11,275.68	-
Total	744.93	1,443.13	23,607.88	43,512.16

The interest rate on saving deposits held at call with banks for the year ended 31 December 2011 is 0.11% – 4.25% per annum (2010: interest rate is 0.04% - 4.50% per annum).

The interest rate on fixed deposits with banks for the year ended 31 December 2011 is 0.56% – 6.00% per annum (2010: interest rate is 0.33% - 5.00% per annum).

The interest rate on treasury bills for the year ended 31 December 2011 is 1.77% - 3.42% per annum (2010: interest rate is 1.11% - 1.75% per annum).

9. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Sales of petroleum products	448.69	281.57	14,219.63	8,489.82
Gas pipeline construction service	35.04	36.83	1,110.41	1,110.43
Sales of topside equipment on platform	0.47	9.75	14.85	294.00
Total	484.20	328.15	15,344.89	9,894.25

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Sales of petroleum products	257.43	161.67	8,158.43	4,874.70
Gas pipeline construction service	35.04	36.83	1,110.41	1,110.43
Sales of topside equipment on platform	0.47	9.75	14.85	294.00
Total	292.94	208.25	9,283.69	6,279.13

Outstanding accounts receivable – parent company as at 31 December 2011 and 2010 can be analysed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Not yet due	441.78	273.87	14,000.48	8,257.45
Past due				
- Up to 3 months	-	9.75	-	294.00
- 3 - 6 months	0.16	-	5.11	-
- 6 - 12 months	42.26	44.53	1,339.30	1,342.80
Total	484.20	328.15	15,344.89	9,894.25

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Not yet due	254.35	157.91	8,060.78	4,761.30
Past due				
- Up to 3 months	-	9.75	-	294.00
- 3 - 6 months	-	-	-	-
- 6 - 12 months	38.59	40.59	1,222.91	1,223.83
Total	292.94	208.25	9,283.69	6,279.13

10. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Statoil Canada Ltd.	47.93	-	1,518.90	-
Myanmar Oil and Gas Enterprise	29.00	26.17	919.15	788.99
Vitol Asia PTE Limited	38.37	-	1,216.14	-
Extap (Exxonmobile Asia Pacific Pte)	10.59	-	335.46	-
Chevron Product Company	9.42	10.31	298.42	311.00
Binh Son Refining & Petrochemical Co., Ltd.	9.00	-	285.18	-
Star Petroleum Refining Co., Limited	2.03	8.20	64.37	247.39
Electricity Generating Authority of Thailand	1.61	1.17	51.04	35.39
Ministry of Oil and Gas (Oman)	1.34	1.37	42.48	41.23
Chevron U.S.A. INC.	0.79	-	25.05	-
Shell International Eastern Trading Company	-	7.42	-	223.58
Mercuria Energy Trading SA	-	6.62	-	199.51
Others	0.07	0.08	2.40	2.44
Total	150.15	61.34	4,758.59	1,849.53

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Star Petroleum Refining Co., Limited	2.03	2.29	64.37	68.99
Electricity Generating Authority of Thailand	0.40	0.29	12.76	8.85
Others	0.02	0.02	0.60	0.61
Total	2.45	2.60	77.73	78.45

Outstanding trade accounts receivable as at 31 December 2011 and 2010 can be analysed by aged on the basis of due dates as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Not yet due	150.15	61.19	4,758.59	1,844.88
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- 6 - 12 months	-	0.15	-	4.65
Total	150.15	61.34	4,758.59	1,849.53

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Not yet due	2.45	2.60	77.73	78.45
Past due				
- Up to 3 months	-	-	-	-
- 3 - 6 months	-	-	-	-
- 6 - 12 months	-	-	-	-
Total	2.45	2.60	77.73	78.45

11. **Other accounts receivable**

As at December 31, 2011, other accounts receivable amounted to US Dollar 201.90 million or Baht 6,398.35 million. This amount is included other accounts receivable from PTTEP International (PTTEPI)'s entering in to a Joint Operating Agreement in the Myanmar Zawtika project with Myanmar Oil and Gas Enterprise (MOGE). As a result of the agreement, MOGE hold 20% participation interest in the project and has liabilities to pay the actual expenditures of the participation interest amounted to US Dollar 126.33 million or Baht 4,003.70 million. For details of the Myanmar Zawtika project, please refer to Note 40 of the financial statements.

12. **Materials and Supplies, Net**

Materials and supplies, net as at December 31, 2011 and 2010 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Materials and supplies-at cost	272.57	241.19	8,638.18	7,272.25
Provision for obsolescence	(1.44)	(1.89)	(45.74)	(57.19)
Materials and supplies, net	271.13	239.30	8,592.44	7,215.06

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Materials and supplies-at cost	106.72	97.55	3,382.19	2,941.27
Provision for obsolescence	(0.43)	(0.81)	(13.64)	(24.54)
Materials and supplies, net	106.29	96.74	3,368.55	2,916.73

13. **Other Current Assets**

As at December 31, 2011, the majority of other current assets totalling to US Dollar 103 million or Baht 3,256 million was the Group's advance payment for the construction contracts.

14. **Significant Transactions with Related Parties**

Significant transactions with related parties are summarized as follows:

14.1 **Revenues and Expenses with Related Parties**

Significant transactions with related parties for the years ended December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	2011	2010	2011	2010
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	4,596.90	3,814.03	140,106.39	120,817.09
Amortization of deferred remuneration under agreement	1.75	1.76	53.31	55.99
Subsidiaries, associates and jointly controlled entities				
Interest income	0.82	0.61	25.09	19.15
Rental and service expenses	14.57	10.79	443.81	339.00
Management's Remuneration				
Director's remuneration	1.71	1.80	53.10	54.90
Senior management's remuneration *	2.86	4.11	87.07	130.56

	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	2011	2010	2011	2010
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	3,002.86	2,614.67	91,530.67	82,832.49
Amortization of deferred remuneration under agreement	1.75	1.76	53.31	55.99
Subsidiaries, associates and jointly controlled entities				
Interest income	107.74	61.78	3,286.08	1,959.81
Management and service fees	0.32	0.32	9.92	10.22
Rental and service expenses	14.57	10.79	443.81	339.00
Management's Remuneration				
Director's remuneration	1.71	1.80	53.10	54.90
Senior management's remuneration *	2.86	4.11	87.07	130.56

* Exclusive of the remuneration for senior management seconded to PTT Public Company Limited.

14.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Associates				
EnCo	18.30	19.24	580.00	580.01
ShoreAir	0.19	0.46	5.82	13.82
Total	18.49	19.70	585.82	593.83

Loans to	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Subsidiaries				
PTTEPI	992.32	1,124.24	31,447.76	33,897.37
PTTEPO	2,088.77	875.10	66,195.81	26,385.39
PTTEP Services	2.06	2.53	65.22	76.20
Associates				
EnCo	18.30	19.24	580.00	580.01
Total	3,101.45	2,021.11	98,288.79	60,938.97

Movements in the long-term loans to related parties for the year ended December 31, 2011 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2011	19.70	593.83
Addition	-	-
Repayment	(0.27)	(8.37)
Currency translation differences	(0.94)	0.36
Balance as at December 31, 2011	18.49	585.82

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2011	2,021.11	60,938.97
Addition	3,725.01	113,582.19
Repayment	(2,574.67)	(78,506.19)
Currency translation differences	(70.00)	2,273.82
Balance as at December 31, 2011	3,101.45	98,288.79

The Company has loans to subsidiaries for the year ended 31 December 2011 with an interest rate of 3.46% – 3.86% per annum (2010: interest rate is 3.46% - 3.73% per annum). The subsidiaries shall occasionally repay the loans. In addition, the Company provided loans to an associate for the year ended 31 December 2011 with an interest rate of 3.90% - 4.60 % per annum (2010: interest rate is 3.15% - 3.60% per annum).

15. Investments in Subsidiaries, Associates and Jointly Controlled Entities

15.1 Details of subsidiaries, associates and jointly controlled entities

Unit: Million US Dollar

Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
								Cost Method		Equity Method			
			Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Subsidiary Companies													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	516.38	516.38	PTTEP	100%	100%	516.38	516.38	1,496.57	1,199.22	-	-
PTTEP Offshore Investment Company Limited	Cayman Islands	Petroleum	0.007	0.007	PTTEP	75%	75%	0.005	0.005	855.68	717.45	-	-
(PTTEPO)					PTTEPI	25%	25%	0.002	0.002	285.23	240.60	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(10.65)	(9.16)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(17.25)	(15.25)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(166.23)	(221.84)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(37.91)	(41.53)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(85.08)	(87.40)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(103.88)	(90.83)	-	-
PTTEP (Thailand) Limited (PTTEPT) [1]	Thailand	Petroleum	2.54	2.54	PTTEPI	100%	100%	2.54	2.54	(2.96)	(2.51)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	0.03	0.03	PTTEP	25%	25%	0.01	0.01	0.005	0.031	-	-
					PTTEPI	75%	75%	0.04	0.04	3.06	1.68	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	4.00	4.00	PTTEP	51%	51%	99.79	99.79	162.98	184.41	144.86	127.34
					PTTEPO	49%	49%	95.18	95.18	130.88	151.47	139.17	122.35
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP OM	100%	100%	0.05	0.05	(74.98)	(71.47)	-	-
PTTEP Merangin Company Limited (PTTEPM) [2]	Cayman Islands	Petroleum	-	0.05	PTTEPO	100%	100%	-	0.05	-	(14.99)	-	-
PTTEP Bahrain Company Limited (PTTEP BH)	Cayman Islands	Petroleum	0.05	0.05	PTTEP OM	100%	100%	0.05	0.05	(16.10)	(13.09)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(394.19)	(77.27)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(97.65)	(20.87)	-	-
PTTEP Bengara I Company Limited (PTTEPB)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(10.75)	(9.01)	-	-
PTTEP Thai Projects Company Limited (PTTEP TP) [3]	Thailand	Petroleum	-	0.03	PTTEPT	100%	100%	-	0.03	-	(0.73)	-	-
PTTEP Andaman Limited (PTTEPA)	Thailand	Petroleum	0.007	0.007	PTTEPS	100%	100%	0.007	0.007	(0.002)	0.002	-	-
PTTEP Egypt Company Limited (PTTEP EG)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(43.12)	(34.60)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	0.05	0.05	PTTEP EG	100%	100%	0.05	0.05	(10.48)	(7.01)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)	Cayman Islands	Petroleum	0.05	0.05	PTTEP EG	100%	100%	0.05	0.05	(32.55)	(27.51)	-	-

Unit: Million US Dollar

Company	Registered country	Type of business	Paid-in capital Dec. 31, 2011	Paid-in capital Dec. 31, 2010	Shareholding by	Percentage of interest Dec. 31, 2011	Percentage of interest Dec. 31, 2010	Investments Cost Method Dec. 31, 2011	Investments Cost Method Dec. 31, 2010	Investments Equity Method Dec. 31, 2011	Investments Equity Method Dec. 31, 2010	Dividends for the years ended Dec. 31, 2011	Dividends for the years ended Dec. 31, 2010
Subsidiary Companies													
PTTEP Australia Pty Limited (PTTEP AU) *	Australia	Petroleum	0.45	0.45	PTTEPH	100%	100%	0.45	0.45	(58.06)	(48.39)	-	-
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(10.87)	(10.48)	-	-
PTTEP South Asia Limited (PTTEP SA) [4, 10]	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	0.03	0.04	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(13.27)	(17.70)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(69.93)	(8.33)	-	-
PTTEP Australia Perth Pty Limited (PTTEP AP) *	Australia	Petroleum	0.04	0.04	PTTEPH	100%	100%	0.04	0.04	30.18	56.54	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	0.05	0.05	PTTEPO	100%	100%	0.05	0.05	(7.49)	0.04	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(200.96)	(1.42)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	0.05	0.05	PTTEPH	100%	100%	0.05	0.05	(0.04)	0.04	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.001	0.001	PTTEP IH	100%	100%	0.001	0.001	(6.79)	(0.03)	-	-
JV Shore Base Limited (JV Shore Base) [5, 9, 10]	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	0.04	0.04	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(192.10)	(1.35)	-	-
JV Marine Limited (JV Marine) [6]	Cayman Islands	Petroleum	0.05	0.05	PTTEP IH	100%	100%	0.05	0.05	(0.12)	0.04	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(1.76)	(1.12)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(1.74)	(0.63)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(2.82)	(0.43)	-	-
PTTEP Malunda Limtied (PTTEP ML)	Cayman Islands	Petroleum	0.05	0.05	PTTEP ID	100%	100%	0.05	0.05	(10.34)	(1.07)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) [10]	Netherlands	Petroleum	1,000.05	0.05	PTTEP IH	0.00005%	1%	0.0005	0.0005	(1.85)	(0.005)	-	-
					PTTEP NL	99.99995%	99%	1,000.05	0.0495	816.42	(0.47)	-	-
PTTEP Canada Limited (PTTEP CA) [10]	Canada	Petroleum	1,000.05	0.05	PTTEP NC	100%	100%	1,000.05	0.05	817.17	(0.48)	-	-
PTTEP Canada International Finance Limited (PTTEP CIF) [10]	Canada	Petroleum	0.05	-	PTTEP NC	100%	-	0.05	-	(3.57)	-	-	-
PTTEP MEA Limited (PTTEP MEA) [10]	Cayman Islands	Petroleum	0.05	-	PTTEP	100%	-	0.05	-	0.05	-	-	-

Unit: Million US Dollar

Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
								Cost Method		Equity Method			
			Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<u>Associated Companies</u>													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	49.58	49.58	PTTEP	50%	50%	24.79	24.79	21.78	20.79	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	3.94	3.94	PTTEP	20%	20%	0.79	0.79	2.18	1.03	-	-
PTTEP AP's Associates [7]	Australia	Services	0.97	0.97	PTTEP AAO	50%	50%	0.48	0.48	2.97	2.78	-	-
<u>Jointly Controlled Entities</u>													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	0.10	0.10	PTTEPI	50%	50%	0.05	0.05	0.06	0.06	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.03	0.03	PTTEPO	25.5%	25.5%	0.008	0.008	61.34	58.12	97.74	83.39
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	0.10	0.10	PTTEPO	19.3178%	19.3178%	8.01	8.01	44.14	44.58	67.05	53.98
Orange Energy Limited (Orange)	Thailand	Petroleum	4.00	4.00	PTTEPO	53.9496%	53.9496%	329.77	329.77	195.39	200.58	70.13	64.74
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	4.40	4.40	PTTEPO	25.0009%	25.0009%	109.95	109.95	52.68	61.12	30.42	31.50
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.0006	0.0007	PTTEP FH	50%	50%	0.0006	0.0007	(6.77)	(0.02)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	Petroleum	0.0001	-	JV Marine	13.11%	-	11.67	-	11.74	-	-	-
KKD Oil Sands Partnership (KOSP) [8]	Canada	Petroleum	3,966.47	-	PTTEP CA	40%	-	2,067.58	-	2,099.95	-	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	21.17	-	PTTEP CA	40%	-	7.40	-	7.52	-	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	-	-	-	-	-	-	-

Relationship: The Company directly or indirectly holds the shares in subsidiaries, associates and jointly controlled entities. Subsidiaries' management teams are from the Company.

[1] As at December 24, 2010, PTTEPT has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

[2] As at December 29, 2011 PTTEP Merangin Company Limited (PTTEPM) has registered for the dissolution with the Government of Cayman Island.

[3] As at November 29, 2010, PTTEP TP has registered for the dissolution with the Ministry of Commerce and as at November 29, 2011, PTTEP TP has finished liquidation.

[4] The name of PTTEP Myanmar Limited (PTTEP MYA) was changed to PTTEP South Asia Limited (PTTEP SA).

[5] The name of PTTEP Brazil Holding Limited (PTTEP BR) was changed to JV Shore Base Limited (JV Shore Base).

[6] As at January 17, 2011, JV Marine Limited entered into an agreement to purchase 13.11% interest in Erawan 2 FSO Bahamas Ltd.

[7] PTTEP AP's Associates are ShoreAir Pty Ltd and Troughton Island Pty Ltd.

[8] The name of Statoil Canada Partnership (SCP) was changed to KKD Oil Sands Partnership (KOSP).

[9] As at December 13, 2011 JV Shore Base Limited entered into an agreement with NST Supply Base Company Limited to purchase 19.5875% interests of NTS Supply Based Company Limited. As at February 3, 2012, NST Supply Base Company Limited has increased its registered share capital which resulted in a decrease in the Group's interests to 15.67%.

[10] As at December 31, 2011 PTTEP SA, JV Shore Base, PTTEP NC, PTTEP CA, PTTEP CIF and PTTEP MEA have share receivables.

Unit: Million Baht

Company	Registered country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investments				Dividends for the years ended	
								Cost Method		Equity Method			
			Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
<u>Subsidiary Companies</u>													
PTTEP International Limited (PTTEPI)	Thailand	Petroleum	20,000.00	20,000.00	PTTEP	100%	100%	16,364.82	15,569.64	47,427.95	36,158.14	-	-
PTTEP Offshore Investment Company Limited (PTTEPO)	Cayman Islands	Petroleum	0.17	0.17	PTTEP	75%	75%	0.16	0.15	27,117.56	21,632.15	-	-
					PTTEPI	25%	25%	0.05	0.05	9,039.37	7,254.26	-	-
PTTEP Southwest Vietnam Company Limited (PTTEP SV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.58	1.51	(337.42)	(276.13)	-	-
PTTEP Kim Long Vietnam Company Limited (PTTEP KV)	Cayman Islands	Petroleum	2.03	2.03	PTTEPO	100%	100%	1.58	1.51	(546.56)	(459.71)	-	-
PTTEP Hoang-Long Company Limited (PTTEP HL)	Cayman Islands	Petroleum	2.12	2.12	PTTEPO	100%	100%	1.58	1.51	(5,267.92)	(6,688.74)	-	-
PTTEP Hoan-Vu Company Limited (PTTEP HV)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.58	1.51	(1,201.39)	(1,252.10)	-	-
PTTEP Oman Company Limited (PTTEP OM)	Cayman Islands	Petroleum	2.16	2.16	PTTEPO	100%	100%	1.58	1.51	(2,696.37)	(2,635.14)	-	-
PTTEP Algeria Company Limited (PTTEP AG)	Cayman Islands	Petroleum	2.10	2.10	PTTEPO	100%	100%	1.58	1.51	(3,292.15)	(2,738.57)	-	-
PTTEP (Thailand) Limited (PTTEPT) [1]	Thailand	Petroleum	100.00	100.00	PTTEPI	100%	100%	80.47	76.56	(93.94)	(75.68)	-	-
PTTEP Services Limited (PTTEP Services)	Thailand	Services	1.00	1.00	PTTEP	25%	25%	0.20	0.20	0.16	0.92	-	-
					PTTEPI	75%	75%	1.40	1.33	96.94	50.65	-	-
PTTEP Siam Limited (PTTEPS)	Thailand	Petroleum	100.00	100.00	PTTEP	51%	51%	3,162.50	3,008.82	5,164.91	5,560.06	4,590.03	4,080.02
					PTTEPO	49%	49%	3,016.06	2,869.51	4,147.63	4,566.92	4,409.97	3,919.98
PTTEP Iran Company Limited (PTTEP IR)	Cayman Islands	Petroleum	1.91	1.91	PTTEP OM	100%	100%	1.58	1.51	(2,376.25)	(2,154.88)	-	-
PTTEP Merangin Company Limited (PTTEPM) [2]	Cayman Islands	Petroleum	2.05	2.05	PTTEPO	100%	100%	-	1.51	-	(451.97)	-	-
PTTEP Bahrain Company Limited (PTTEP BH)	Cayman Islands	Petroleum	1.90	1.90	PTTEP OM	100%	100%	1.58	1.51	(510.08)	(394.82)	-	-
PTTEP Holding Company Limited (PTTEPH)	Cayman Islands	Petroleum	1.88	1.88	PTTEPO	100%	100%	1.58	1.51	(12,492.36)	(2,329.74)	-	-
PTTEP Indonesia Company Limited (PTTEP ID)	Cayman Islands	Petroleum	1.88	1.88	PTTEPH	100%	100%	1.58	1.51	(3,094.52)	(629.30)	-	-
PTTEP Bengara I Company Limited (PTTEPB)	Cayman Islands	Petroleum	1.88	1.88	PTTEP ID	100%	100%	1.58	1.51	(340.73)	(271.67)	-	-
PTTEP Thai Projects Limited (PTTEP TP) [3]	Thailand	Petroleum	1.00	1.00	PTTEPT	100%	100%	-	0.88	-	(21.93)	-	-
PTTEP Andaman Limited (PTTEPA)	Thailand	Petroleum	0.25	0.25	PTTEPS	100%	100%	0.23	0.22	(0.05)	0.05	-	-
PTTEP Egypt Company Limited (PTTEP EG)	Cayman Islands	Petroleum	1.69	1.69	PTTEPH	100%	100%	1.58	1.51	(1,366.58)	(1,043.35)	-	-
PTTEP Rommana Company Limited (PTTEPR)	Cayman Islands	Petroleum	1.69	1.69	PTTEP EG	100%	100%	1.58	1.51	(332.06)	(211.31)	-	-
PTTEP Sidi Abd El Rahman Company Limited (PTTEP SAER)	Cayman Islands	Petroleum	1.69	1.69	PTTEP EG	100%	100%	1.58	1.51	(1,031.49)	(829.34)	-	-

Unit: Million Baht

Company	Registered country	Type of business	Paid-in capital Dec. 31, 2011	Paid-in capital Dec. 31, 2010	Shareholding by	Percentage of interest Dec. 31, 2011	Percentage of interest Dec. 31, 2010	Investments Cost Method Dec. 31, 2011	Investments Cost Method Dec. 31, 2010	Investments Equity Method Dec. 31, 2011	Investments Equity Method Dec. 31, 2010	Dividends for the years ended Dec. 31, 2011	Dividends for the years ended Dec. 31, 2010
Subsidiary Companies													
PTTEP Australia Pty Limited (PTTEP AU) *	Australia	Petroleum	1.53	1.53	PTTEPH	100%	100%	1.43	1.36	(1,839.85)	(1,459.02)	-	-
PTTEP Bangladesh Limited (PTTEP BD)	Cayman Islands	Petroleum	1.67	1.67	PTTEPH	100%	100%	1.58	1.51	(344.54)	(315.88)	-	-
PTTEP South Asia Limited (PTTEP SA) [4, 10]	Cayman Islands	Petroleum	1.59	1.59	PTTEPH	100%	100%	1.58	1.51	1.09	1.18	-	-
PTTEP New Zealand Limited (PTTEP NZ)	Cayman Islands	Petroleum	1.70	1.70	PTTEPH	100%	100%	1.58	1.51	(420.57)	(533.73)	-	-
PTTEP Semai II Limited (PTTEP SM)	Cayman Islands	Petroleum	1.74	1.74	PTTEP ID	100%	100%	1.58	1.51	(2,216.26)	(251.16)	-	-
PTTEP Australia Perth Pty Limited (PTTEP AP) *	Australia	Petroleum	1.20	1.20	PTTEPH	100%	100%	1.11	1.06	956.51	1,704.62	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	1.74	1.74	PTTEPO	100%	100%	1.58	1.51	(237.36)	1.16	-	-
PTTEP International Holding Company Limited (PTTEP IH)	Cayman Islands	Petroleum	1.77	1.77	PTTEPH	100%	100%	1.58	1.51	(6,368.72)	(42.68)	-	-
PTTEP Southwest Vietnam Pipeline Company Limited (PTTEP SVPC)	Cayman Islands	Gas pipeline transportation	1.64	1.64	PTTEPH	100%	100%	1.58	1.51	(1.19)	1.17	-	-
PTTEP FLNG Holding Company Limited (PTTEP FH)	Hong Kong	Petroleum	0.04	0.04	PTTEP IH	100%	100%	0.04	0.04	(215.31)	(1.02)	-	-
JV Shore Base Limited (JV Shore Base) [5, 9, 10]	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.58	1.51	1.15	1.32	-	-
PTTEP Netherland Holding Limited (PTTEP NL)	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.58	1.51	(6,087.95)	(40.79)	-	-
JV Marine Limited (JV Marine) [6]	Cayman Islands	Petroleum	1.61	1.61	PTTEP IH	100%	100%	1.58	1.51	(3.94)	1.32	-	-
PTTEP South Mandar Limited (PTTEP SMD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.58	1.51	(55.84)	(33.84)	-	-
PTTEP South Sageri Limited (PTTEP SS)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.58	1.51	(55.11)	(18.99)	-	-
PTTEP Sadang Limited (PTTEP SD)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.58	1.51	(89.41)	(12.89)	-	-
PTTEP Malunda Limtied (PTTEP ML)	Cayman Islands	Petroleum	1.61	1.61	PTTEP ID	100%	100%	1.58	1.51	(327.68)	(32.16)	-	-
PTTEP Netherlands Coöperatie U.A. (PTTEP NC) [10]	Netherlands	Petroleum	31,692.79	1.50	PTTEP IH	0.00005%	1%	0.02	0.02	(58.77)	(0.14)	-	-
					PTTEP NL	99.99995%	99%	31,692.77	1.49	25,873.29	(14.20)	-	-
PTTEP Canada Limited (PTTEP CA) [10]	Canada	Petroleum	31,692.75	1.47	PTTEP NC	100%	100%	31,692.75	1.47	25,896.98	(14.38)	-	-
PTTEP Canada International Finance Limited (PTTEP CIF) [10]	Canada	Petroleum	1.55	-	PTTEP NC	100%	-	1.61	-	(113.25)	-	-	-
PTTEP MEA Limited (PTTEP MEA) [10]	Cayman Islands	Petroleum	1.56	-	PTTEP	100%	-	1.58	-	1.53	-	-	-

Unit: Million Baht

Company	Registered Country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investment				Dividends for the years ended	
								Cost Method		Equity Method			
			Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Associated Companies													
Energy Complex Company Limited (EnCo)	Thailand	Commerce	1,800.00	1,800.00	PTTEP	50%	50%	785.61	747.43	690.10	626.70	-	-
PTT ICT Solutions Company Limited (PTT ICT)	Thailand	Services	150.00	150.00	PTTEP	20%	20%	24.97	23.76	69.12	31.20	-	-
PTTEP AP's Associates [7]	Australia	Services	33.77	33.77	PTTEP AAO	50%	50%	15.21	14.62	94.02	83.86	-	-
Jointly Controlled Entities													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	3.68	3.68	PTTEPI	50%	50%	1.53	1.46	1.75	1.71	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.76	0.76	PTTEPO	25.5%	25.5%	0.24	0.23	1,943.85	1,752.41	3,039.91	2,814.47
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	2.62	2.62	PTTEPO	19.3178%	19.3178%	253.73	241.40	1,398.73	1,344.28	2,085.91	1,821.75
Orange Energy Limited (Orange)	Thailand	Petroleum	100.00	100.00	PTTEPO	53.9496%	53.9496%	10,450.76	9,942.94	6,192.22	6,047.89	2,227.83	1,993.81
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	110.00	110.00	PTTEPO	25.0009%	25.0009%	3,484.47	3,315.16	1,669.64	1,842.88	966.54	992.44
PTT FLNG Limited (PTT FLNG)	Hong Kong	Petroleum	0.02	0.02	PTTEP FH	50%	50%	0.02	0.02	(214.51)	(0.74)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	Petroleum	0.003	-	JV Marine	13.11%	-	369.77	-	372.04	-	-	-
KKD Oil Sands Partnership (KOSP) [8]	Canada	Petroleum	127,684.27	-	PTTEP CA	40%	-	65,524.02	-	66,550.01	-	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	681.63	-	PTTEP CA	40%	-	234.44	-	238.39	-	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	-	-	-	-	-	-	-

Relationship: The Company directly or indirectly holds the shares in subsidiaries, associates and jointly controlled entities. Subsidiaries' management teams are from the Company.

[1] As at December 24, 2010, PTTEPT has registered for the dissolution with the Ministry of Commerce and is in the process of liquidation.

[2] As at December 29, 2011 PTTEP Merangin Company Limited (PTTEPM) has registered for the dissolution with the Government of Cayman Island.

[3] As at November 29, 2010, PTTEP TP has registered for the dissolution with the Ministry of Commerce and as at November 29, 2011, PTTEP TP has finished liquidation.

[4] The name of PTTEP Myanmar Limited (PTTEP MYA) was changed to PTTEP South Asia Limited (PTTEP SA).

[5] The name of PTTEP Brazil Holding Limited (PTTEP BR) was changed to JV Shore Base Limited (JV Shore Base).

[6] As at January 17, 2011, JV Marine Limited entered into an agreement to purchase 13.11% interest in Erawan 2 FSO Bahamas Ltd.

[7] PTTEP AP's Associates are ShoreAir Pty Ltd and Troughton Island Pty Ltd.

[8] The name of Statoil Canada Partnership (SCP) was changed to KKD Oil Sands Partnership (KOSP).

[9] As at December 13, 2011 JV Shore Base Limited entered into an agreement with NST Supply Base Company Limited to purchase 19.5875% interests of NTS Supply Based Company Limited. As at February 3, 2012, NST Supply Base Company Limited has increased its registered share capital which resulted in a decrease in the Group's interests to 15.67%.

[10] As at December 31, 2011 PTTEP SA, JV Shore Base, PTTEP NC, PTTEP CA, PTTEP CIF and PTTEP MEA have share receivables.

* Details of PTTEP AU's and PTTEP AP group's subsidiaries are as follows:

Company	Registered country	Percentage of interest
PTTEP Australia Pty Limited (PTTEP AU)'s subsidiaries		
PTTEP Australia Offshore Pty Limited (PTTEP AO)	Australia	100%
PTTEP Australia Perth Pty Limited (PTTEP AP) group's subsidiaries		
PTTEP Australia Browse Basin Pty Limited (PTTEP AB)	Australia	100%
PTTEP Australia International Finance Pty Ltd (PTTEP AIF)	Australia	100%
PTTEP Australasia Pty Limited (PTTEP AA)	Australia	100%
PTTEP Australia Timor Sea Pty Limited (PTTEP AT)	Australia	100%
PTTEP Australasia (Finance) Pty Ltd (PTTEP AAF)	Australia	100%
PTTEP Australasia (Petroleum) Pty Ltd (PTTEP AAP)	Australia	100%
Tullian Pty Ltd (PTTEP AAT)	Australia	100%
PTTEP Australasia (Operations) Pty Ltd (PTTEP AAO)	Australia	100%
PTTEP Australasia (Ashmore Cartier) Pty Ltd (PTTEP AAA)	Australia	100%
PTTEP Australasia (Staff) Pty Ltd (PTTEP AAS)	Australia	100%

15.2 Investments in Subsidiaries, Associates and Jointly Controlled Entities

Changes of investments in subsidiaries and associates which are accounted for using the equity method for the consolidated financial statements and using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Net book value as at the beginning of the year	24.60	25.95	741.76	865.87
Share of net profit (loss) from investment after income taxes	2.42	(1.35)	74.87	(45.83)
Decrease in investment	(0.10)	-	(3.29)	-
Currency translation differences	-	-	39.89	(78.28)
Net book value as at the end of the year	26.92	24.60	853.23	741.76

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Net book value as at the beginning of the year	641.77	641.77	19,350.00	21,414.87
Increase in investment	0.05	-	1.58	-
Currency translation differences	-	-	988.26	(2,064.87)
Net book value as at the end of the year	641.82	641.77	20,339.84	19,350.00

15.3 **Investments in Subsidiaries**

Investments in subsidiaries accounted for using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
PTTEP International Limited	516.38	516.38	16,364.82	15,569.64
PTTEP Offshore Investment Company Limited	0.005	0.005	0.16	0.15
PTTEP Services Limited	0.01	0.01	0.20	0.20
PTTEP Siam Limited	99.79	99.79	3,162.50	3,008.82
PTTEP MEA Limited	0.05	-	1.58	-
Total	616.24	616.19	19,529.26	18,578.81

15.4 **Investments in Associates**

Investments in associates accounted for using the equity method for the consolidated financial statements and using the cost method for the Company's financial statements are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Energy Complex Company Limited	21.77	20.79	690.10	626.70
PTT ICT Solutions Company Limited	2.18	1.03	69.11	31.20
PTTEP AP group's associates	2.97	2.78	94.02	83.86
Total	26.92	24.60	853.23	741.76

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Energy Complex Company Limited	24.79	24.79	785.61	747.43
PTT ICT Solutions Company Limited	0.79	0.79	24.97	23.76
Total	25.58	25.58	810.58	771.19

Share of assets, liabilities, income and gains (losses) from associates as at December 31, 2011 and 2010 are as follows:

Unit : Million US Dollar

	EnCo		ICT		PTTEP AP group's associates	
	2011	2010	2011	2010	2011	2010
Assets	121.58	133.02	9.92	8.77	2.61	2.56
Liabilities	96.55	107.95	7.55	7.46	0.43	0.35
Income	19.48	13.00	13.29	7.44	2.34	0.97
Gains (losses)	1.47	(0.89)	1.08	(0.30)	0.29	(0.10)

Unit : Million Baht

	EnCo		ICT		PTTEP AP group's associates	
	2011	2010	2011	2010	2011	2010
Assets	3,853.03	4,010.69	314.53	264.49	82.68	77.07
Liabilities	3,059.83	3,254.73	239.24	224.88	13.69	10.40
Income	593.85	412.35	405.25	236.11	71.44	30.68
Gains (losses)	44.92	(28.24)	33.08	(9.55)	8.93	(3.08)

15.5 Investments in Jointly Controlled Entities

Investments in jointly controlled entities are recorded in the Company's financial statements using the cost method. The Company presents its share of the assets, liabilities, revenues and expenses of jointly controlled entities, together with similar items, under similar headings in the proportionate consolidated financial statements. The transactions of jointly controlled entities included in the Company's financial statements are as follows:

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of financial position :										
Current assets	1.03	6.43	31.67	24.39	19.84	14.83	147.49	107.35	34.50	28.31
Non-current assets	-	-	75.93	80.39	42.94	45.35	154.60	180.29	51.20	56.82
Current liabilities	(0.98)	(6.37)	(0.94)	(0.60)	(1.13)	(0.71)	(75.29)	(67.21)	(22.13)	(16.92)
Non-current liabilities	-	-	(45.32)	(46.05)	(16.56)	(14.21)	(63.48)	(64.27)	(20.17)	(20.25)
Net assets	0.05	0.06	61.34	58.13	45.09	45.26	163.32	156.16	43.40	47.96

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of financial position :										
Current assets	3.20	0.0006	3.98	-	93.99	-	0.31	-	3.30	-
Non-current assets	-	-	7.93	-	2,541.50	-	7.53	-	-	-
Current liabilities	(3.47)	(0.025)	(0.27)	-	(65.94)	-	(0.32)	-	(3.30)	-
Non-current liabilities	(6.50)	-	-	-	(595.62)	-	-	-	-	-
Net assets	(6.77)	(0.024)	11.64	-	1,973.93	-	7.52	-	-	-

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the years ended									
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of income :										
Revenues	-	-	151.47	133.93	101.18	88.28	294.77	272.02	104.51	95.23
Expenses	-	-	(8.93)	(8.77)	(5.43)	(5.50)	(140.29)	(145.79)	(46.24)	(50.93)
Income (loss) before income taxes	-	-	142.54	125.16	95.75	82.78	154.48	126.23	58.27	44.30
Income taxes	-	-	(41.58)	(36.03)	(28.86)	(24.25)	(77.18)	(54.87)	(32.42)	(20.62)
Net income (loss)	-	-	100.96	89.13	66.89	58.53	77.30	71.36	25.85	23.68

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the years ended									
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of income :										
Revenues	0.15	-	0.001	-	149.99	-	1.76	-	-	-
Expenses	(6.90)	(0.03)	(0.025)	-	(198.30)	-	(1.50)	-	-	-
Income (loss) before income taxes	(6.75)	(0.03)	(0.024)	-	(48.31)	-	0.26	-	-	-
Income taxes	-	-	-	-	11.88	-	-	-	-	-
Net income (loss)	(6.75)	(0.03)	(0.024)	-	(36.43)	-	0.26	-	-	-

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of financial position :										
Current assets	32.68	193.74	1,003.74	735.29	628.87	447.08	4,674.03	3,236.85	1,093.31	853.60
Non-current assets	-	-	2,406.17	2,423.77	1,361.02	1,367.38	4,899.31	5,436.00	1,622.57	1,713.10
Current liabilities	(30.93)	(192.03)	(29.91)	(18.20)	(35.94)	(21.44)	(2,385.99)	(2,026.60)	(701.33)	(510.04)
Non-current liabilities	-	-	(1,436.16)	(1,388.45)	(524.86)	(428.57)	(2,011.60)	(1,937.93)	(639.13)	(610.48)
Net assets	1.75	1.71	1,943.84	1,752.41	1,429.09	1,364.45	5,175.75	4,708.32	1,375.42	1,446.18

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of financial position :										
Current assets	101.35	0.02	126.13	-	2,978.55	-	9.72	-	104.68	-
Non-current assets	-	-	251.37	-	80,543.29	-	238.84	-	-	-
Current liabilities	(109.92)	(0.76)	(8.49)	-	(2,089.81)	-	(10.17)	-	(104.68)	-
Non-current liabilities	(205.99)	-	-	-	(18,875.76)	-	-	-	-	-
Net assets	(214.56)	(0.74)	369.01	-	62,556.27	-	238.39	-	-	-

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the years ended									
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of income :										
Revenues	-	-	4,614.44	4,242.61	3,083.46	2,794.25	8,975.63	8,618.37	3,183.64	3,026.09
Expenses	-	-	(272.53)	(277.85)	(165.75)	(174.70)	(4,277.58)	(4,627.03)	(1,409.77)	(1,617.82)
Income (loss) before income taxes	-	-	4,341.91	3,964.76	2,917.71	2,619.55	4,698.05	3,991.34	1,773.87	1,408.27
Income taxes	-	-	(1,267.48)	(1,140.15)	(879.28)	(767.04)	(2,346.34)	(1,741.59)	(985.22)	(658.67)
Net income (loss)	-	-	3,074.43	2,824.61	2,038.43	1,852.51	2,351.71	2,249.75	788.65	749.60

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the years ended									
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Statements of income :										
Revenues	4.70	-	0.04	-	4,584.50	-	53.54	-	-	-
Expenses	(210.89)	(0.76)	(0.78)	-	(6,026.32)	-	(45.72)	-	-	-
Income (loss) before income taxes	(206.19)	(0.76)	(0.74)	-	(1,441.82)	-	7.82	-	-	-
Income taxes	-	-	-	-	358.94	-	-	-	-	-
Net income (loss)	(206.19)	(0.76)	(0.74)	-	(1,082.88)	-	7.82	-	-	-

16. Property, Plant and Equipment - Net

Unit: Million US Dollar

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
Historical cost						
Balance as at January 1, 2010	9,173.68	108.55	640.13	203.08	90.08	10,215.52
Increase	1,550.85	13.28	110.42	1.48	37.78	1,713.81
Decrease	(40.00)	(1.96)	-	-	(33.76)	(75.72)
Balance as at December 31, 2010	10,684.53	119.87	750.55	204.56	94.10	11,853.61
Acquisition of partnership units	1,383.85	13.82	0.54	-	-	1,398.21
Increase	1,937.94	20.87	37.26	149.27	20.37	2,165.71
Transfer	271.42	-	11.14	-	-	282.56
Decrease	(140.53)	(0.95)	(104.32)	-	(5.20)	(251.00)
Currency translation differences*	(33.27)	(0.28)	(0.23)	-	-	(33.78)
Balance as at December 31, 2011	14,103.94	153.33	694.94	353.83	109.27	15,415.31
Accumulated depreciation						
Balance as at January 1, 2010	(3,699.56)	(72.23)	(225.47)	(77.51)	(48.37)	(4,123.14)
Depreciation for the year	(878.19)	(9.09)	(58.59)	(6.89)	(6.58)	(959.34)
Decrease	2.57	3.30	-	-	30.41	36.28
Balance as at December 31, 2010	(4,575.18)	(78.02)	(284.06)	(84.40)	(24.54)	(5,046.20)
Depreciation for the year	(968.36)	(13.10)	(57.40)	(6.88)	(8.13)	(1,053.87)
Decrease	2.29	0.37	-	-	4.65	7.31
Currency translation differences*	(0.50)	(0.91)	(0.12)	-	-	(1.53)
Balance as at December 31, 2011	(5,541.75)	(91.66)	(341.58)	(91.28)	(28.02)	(6,094.29)
Allowance for impairment of assets						
Balance as at January 1, 2010	(14.98)	-	-	-	-	(14.98)
Increase	(0.01)	-	-	-	-	(0.01)
Decrease	2.20	-	-	-	-	2.20
Balance as at December 31, 2010	(12.79)	-	-	-	-	(12.79)
Increase	(7.18)	(0.10)	-	-	-	(7.28)
Decrease	(0.04)	-	-	-	-	(0.04)
Balance as at December 31, 2011	(20.01)	(0.10)	-	-	-	(20.11)
Net book value as at December 31, 2010	6,096.56	41.85	466.49	120.16	69.56	6,794.62
Net book value as at December 31, 2011	8,542.18	61.57	353.36	262.55	81.25	9,300.91

Depreciation included in the statement of income for the year ended December 31, 2010 US Dollar 959.34 million

Depreciation included in the statement of income for the year ended December 31, 2011 US Dollar 1,053.87 million

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
Historical cost						
Balance as at January 1, 2010	306,123.20	3,622.14	21,360.55	6,776.53	3,005.88	340,888.30
Increase	48,157.83	412.27	3,412.33	44.54	1,161.03	53,188.00
Decrease	(1,206.11)	(61.72)	-	-	(1,036.65)	(2,304.48)
Currency translation differences*	(30,922.48)	(358.51)	(2,142.65)	(653.41)	(292.95)	(34,370.00)
Balance as at December 31, 2010	322,152.44	3,614.18	22,630.23	6,167.66	2,837.31	357,401.82
Acquisition of partnership units	41,724.99	416.68	16.14	-	-	42,157.81
Increase	59,602.49	643.07	1,171.16	4,576.13	623.34	66,616.19
Transfer	8,183.71	-	335.98	-	-	8,519.69
Decrease	(4,393.39)	(29.58)	(3,306.00)	-	(157.04)	(7,886.01)
Currency translation differences*	19,700.45	214.97	1,175.89	469.55	159.23	21,720.09
Balance as at December 31, 2011	446,970.69	4,859.32	22,023.40	11,213.34	3,462.84	488,529.59
Accumulated depreciation						
Balance as at January 1, 2010	(123,449.72)	(2,410.21)	(7,523.75)	(2,586.54)	(1,613.99)	(137,584.21)
Depreciation for the year	(27,877.80)	(290.31)	(1,887.25)	(218.44)	(207.83)	(30,481.63)
Decrease	407.35	111.38	78.56	2.04	935.61	1,534.94
Currency translation differences*	12,972.29	236.67	767.57	258.20	146.40	14,381.13
Balance as at December 31, 2010	(137,947.88)	(2,352.47)	(8,564.87)	(2,544.74)	(739.81)	(152,149.77)
Depreciation for the year	(29,516.39)	(399.27)	(1,748.58)	(209.74)	(247.87)	(32,121.85)
Decrease	69.20	9.88	-	-	140.42	219.50
Currency translation differences*	(8,229.64)	(163.10)	(511.68)	(138.23)	(40.56)	(9,083.21)
Balance as at December 31, 2011	(175,624.71)	(2,904.96)	(10,825.13)	(2,892.71)	(887.82)	(193,135.33)
Allowance for impairment of assets						
Balance as at January 1, 2010	(499.85)	-	-	-	-	(499.85)
Increase	(0.46)	-	-	-	-	(0.46)
Decrease	67.14	-	-	-	-	67.14
Currency translation differences*	47.65	-	-	-	-	47.65
Balance as at December 31, 2010	(385.52)	-	-	-	-	(385.52)
Increase	(218.50)	(6.51)	-	-	-	(225.01)
Decrease	(6.55)	-	-	-	-	(6.55)
Currency translation differences*	(23.46)	3.34	-	-	-	(20.12)
Balance as at December 31, 2011	(634.03)	(3.17)	-	-	-	(637.20)
Net book value as at December 31, 2010	183,819.04	1,261.71	14,065.36	3,622.92	2,097.50	204,866.53
Net book value as at December 30, 2011	270,711.95	1,951.19	11,198.27	8,320.63	2,575.02	294,757.06

Depreciation included in the statement of income for the year ended December 31, 2010 Baht 30,481.63 million

Depreciation included in the statement of income for the year ended December 31, 2011 Baht 32,121.85 million

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2010	4,115.88	49.92	311.03	68.07	4,544.90
Increase	855.61	5.04	30.85	33.52	925.02
Decrease	(0.07)	(1.79)	-	(33.04)	(34.90)
Balance as at December 31, 2010	4,971.42	53.17	341.88	68.55	5,435.02
Increase	821.99	3.86	-	10.07	835.92
Decrease	(15.41)	(0.06)	(69.51)	(5.21)	(90.19)
Balance as at December 31, 2011	5,778.00	56.97	272.37	73.41	6,180.75
Accumulated depreciation					
Balance as at January 1, 2010	(1,986.26)	(36.48)	(112.46)	(43.45)	(2,178.65)
Depreciation for the year	(543.46)	(2.28)	(19.89)	(5.35)	(570.98)
Decrease	2.49	3.17	-	29.62	35.28
Balance as at December 31, 2010	(2,527.23)	(35.59)	(132.35)	(19.18)	(2,714.35)
Depreciation for the year	(540.99)	(4.95)	(34.75)	(6.67)	(587.36)
Decrease	1.27	-	-	4.65	5.92
Balance as at December 31, 2011	(3,066.95)	(40.54)	(167.10)	(21.20)	(3,295.79)
Net book value as at December 31, 2010	2,444.19	17.58	209.53	49.37	2,720.67
Net book value as at December 31, 2011	2,711.05	16.43	105.27	52.21	2,884.96

Depreciation included in the statement of income for the year ended December 31, 2010 US Dollar 570.98 million

Depreciation included in the statement of income for the year ended December 31, 2011 US Dollar 587.36 million

Unit: Million Baht

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2010	137,342.02	1,665.79	10,378.88	2,271.47	151,658.16
Increase	26,596.32	154.71	930.20	1,026.04	28,707.27
Decrease	(2.10)	(56.53)	-	(1,014.81)	(1,073.44)
Currency translation differences*	(14,041.46)	(160.98)	(1,000.89)	(215.87)	(15,419.20)
Balance as at December 31, 2010	149,894.78	1,602.99	10,308.19	2,066.83	163,872.79
Increase	25,177.37	118.52	-	311.55	25,607.44
Decrease	(467.80)	(1.84)	(2,203.00)	(157.04)	(2,829.68)
Currency translation differences*	8,507.33	85.77	526.44	105.26	9,224.80
Balance as at December 31, 2011	183,111.68	1,805.44	8,631.63	2,326.60	195,875.35
Accumulated depreciation					
Balance as at January 1, 2010	(66,279.23)	(1,217.31)	(3,752.61)	(1,449.76)	(72,698.91)
Depreciation for the year	(17,259.67)	(71.95)	(636.51)	(169.02)	(18,137.15)
Decrease	245.61	103.16	75.96	911.34	1,336.07
Currency translation differences*	7,094.02	113.15	322.67	129.13	7,658.97
Balance as at December 31, 2010	(76,199.27)	(1,072.95)	(3,990.49)	(578.31)	(81,841.02)
Depreciation for the year	(16,484.47)	(151.02)	(1,058.50)	(203.52)	(17,897.51)
Decrease	37.29	-	-	140.42	177.71
Currency translation differences*	(4,548.94)	(60.87)	(246.41)	(30.60)	(4,886.82)
Balance as at December 31, 2011	(97,195.39)	(1,284.84)	(5,295.40)	(672.01)	(104,447.64)
Net book value as at December 31, 2010	73,695.51	530.04	6,317.70	1,488.52	82,031.77
Net book value as at December 31, 2011	85,916.29	520.60	3,336.23	1,654.59	91,427.71

Depreciation included in the statement of income for the year ended December 31, 2010 Baht 18,137.15 million

Depreciation included in the statement of income for the year ended December 31, 2011 Baht 17,897.51 million

* Net foreign exchange rate differences in translating financial statements.

17. Carried Costs under Petroleum Sharing Contract

As at December 31, 2011, the Group presented carried costs under oil and gas properties and other non-current assets in the statement of financial position and presented exploration expenses in the statement of income for the following projects:

Unit: Million US Dollar

Project	Carried Costs		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2011)
Vietnam 52/97	-	1.01	-
Vietnam B & 48/95	-	1.06	-
Vietnam 16-1	25.67	-	35.49
Vietnam 9-2	33.18	-	19.93
Algeria 433a & 416b	15.45	-	5.01
Algeria Hassi Ber Rekaiz	10.85	-	11.31

Unit: Million Baht

Project	Carried Costs		
	Oil and Gas Properties	Other Non-Current Assets	Exploration Expenses (Cumulative since 2002 – December 31, 2011)
Vietnam 52/97	-	31.97	-
Vietnam B & 48/95	-	33.46	-
Vietnam 16-1	813.54	-	1,268.59
Vietnam 9-2	1,051.72	-	791.82
Algeria 433a & 416b	502.12	-	168.68
Algeria Hassi Ber Rekaiz	343.71	-	345.75

18. Goodwill

	Consolidated	
	Unit: Million US Dollar	Unit: Million Baht
<u>Historical Cost</u>		
Balance as at January 1, 2010	7.31	244.05
Currency translation differences*	-	(23.53)
Balance as at December 31, 2010	7.31	220.52
Acquisition of partnership units	336.81	10,155.32
Currency translation differences*	(14.42)	72.59
Balance as at December 31, 2011	329.70	10,448.43
Net Book Value as at December 31, 2010	7.31	220.52
Net Book Value as at December 31, 2011	329.70	10,448.43

* Net foreign exchange rate differences in translating financial statements.

19. Intangible Assets, net

Unit: Million US Dollar

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical Cost			
Balance as at January 1, 2010	129.21	28.08	157.29
Increase	49.25	1.33	50.58
Decrease	(5.85)	-	(5.85)
Balance as at December 31, 2010	172.61	29.41	202.02
Acquisition of partnership units	1,140.57	-	1,140.57
Increase	191.10	24.60	215.70
Decrease	(96.06)	(0.36)	(96.42)
Transfer	(282.57)	-	(282.57)
Currency translation differences*	(18.16)	-	(18.16)
Balance as at December 31, 2011	1,107.49	53.65	1,161.14
Accumulated amortization			
Balance as at January 1, 2010	-	(17.17)	(17.17)
Amortization for the year	-	(1.66)	(1.66)
Balance as at December 31, 2010	-	(18.83)	(18.83)
Amortization for the year	-	(2.40)	(2.40)
Decrease	-	0.13	0.13
Balance as at December 31, 2011	-	(21.10)	(21.10)
Allowance for impairment of assets			
Balance as at January 1, 2010	-	-	-
Increase	-	-	-
Decrease	-	-	-
Balance as at December 31, 2010	-	-	-
Increase	(9.87)	-	(9.87)
Decrease	6.38	-	6.38
Balance as at December 31, 2011	(3.49)	-	(3.49)
Net Book Value as at December 31, 2010	172.61	10.58	183.19
Net Book Value as at December 31, 2011	1,104.00	32.55	1,136.55

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2010	4,311.67	937.01	5,248.68
Increase	1,484.87	41.15	1,526.02
Decrease	(176.46)	-	(176.46)
Currency translation differences*	(415.79)	(91.37)	(507.16)
Balance as at December 31, 2010	5,204.29	886.79	6,091.08
Acquisition of partnership units	34,389.67	-	34,389.67
Increase	5,864.59	766.59	6,631.18
Decrease	(2,940.57)	(11.30)	(2,951.87)
Transfer	(8,519.69)	-	(8,519.69)
Currency translation differences*	1,099.43	58.22	1,157.65
Balance as at December 31, 2011	35,097.72	1,700.30	36,798.02
Accumulated amortization			
Balance as at January 1, 2010	-	(572.97)	(572.97)
Amortization for the year	-	(13.81)	(13.81)
Currency translation differences*	-	19.03	19.03
Balance as at December 31, 2010	-	(567.75)	(567.75)
Amortization for the year	-	(72.16)	(72.16)
Decrease	-	4.04	4.04
Currency translation differences*	-	(32.84)	(32.84)
Balance as at December 31, 2011	-	(668.71)	(668.71)
Allowance for impairment of assets			
Balance as at January 1, 2010	-	-	-
Increase	-	-	-
Balance as at December 31, 2010	-	-	-
Increase	(304.17)	-	(304.17)
Decrease	194.68	-	194.68
Currency translation differences*	(1.04)	-	(1.04)
Balance as at December 31, 2011	(110.53)	-	(110.53)
Net Book Value as at December 31, 2010	5,204.29	319.04	5,523.33
Net Book Value as at December 31, 2011	34,987.19	1,031.59	36,018.78

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2010	-	23.74	23.74
Increase	0.31	0.93	1.24
Balance as at December 31, 2010	0.31	24.67	24.98
Increase	10.50	24.37	34.87
Balance as at December 31, 2011	10.81	49.04	59.85
Accumulated amortization			
Balance as at January 1, 2010	-	(14.54)	(14.54)
Amortization for the year	-	(1.60)	(1.60)
Balance as at December 31, 2010	-	(16.14)	(16.14)
Amortization for the year	-	(2.06)	(2.60)
Balance as at December 31, 2011	-	(18.20)	(18.20)
Net Book Value as at December 31, 2010	0.31	8.53	8.84
Net Book Value as at December 31, 2011	10.81	30.84	41.65

Unit: Million Baht

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical Cost			
Balance as at January 1, 2010	-	782.08	782.08
Increase	9.43	38.24	47.67
Currency translation differences*	-	(76.52)	(76.52)
Balance as at December 31, 2010	9.43	743.80	753.23
Increase	327.10	756.44	1,083.54
Currency translation differences*	6.06	53.84	59.90
Balance as at December 31, 2011	342.59	1,554.08	1,896.67
Accumulated Amortization			
Balance as at January 1, 2010	-	(485.26)	(485.26)
Amortization for the year	-	(14.88)	(14.88)
Currency translation differences*	-	13.41	13.41
Balance as at December 31, 2010	-	(486.73)	(486.73)
Amortization for the year	-	(62.66)	(62.66)
Currency translation differences*	-	(27.34)	(27.34)
Balance as at December 31, 2011	-	(576.73)	(576.73)
Net Book Value as at December 31, 2010	9.43	257.07	266.50
Net Book Value as at December 31, 2011	342.59	977.35	1,319.94

* Net foreign exchange rate differences in translating financial statements.

20. Income Taxes and Deferred Income Taxes

20.1 Income Taxes

Income taxes for the years ended December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Petroleum income tax				
Current tax expenses	857.23	761.60	26,091.73	24,185.37
Deferred tax expenses	50.21	(24.67)	1,558.77	(785.88)
	907.44	736.93	27,650.50	23,399.49
Tax Effect of currency translation on tax base	117.20	(131.55)	3,601.27	(4,177.81)
Total	1,024.64	605.38	31,251.77	19,221.68
Income tax under Revenue Code				
Current tax expenses	50.04	13.15	1,535.16	419.64
Deferred tax expenses	(21.11)	(21.01)	(646.48)	(666.86)
	28.93	(7.86)	888.68	(247.22)
Tax Effect of currency translation on tax base	20.92	(17.71)	646.33	(566.56)
Total	49.85	(25.57)	1,535.01	(813.78)
Income tax in foreign countries				
Current tax expenses	193.38	119.62	5,910.01	3,805.03
Deferred tax expenses	(28.04)	(57.08)	(850.53)	(1,875.98)
Total	165.34	62.54	5,059.48	1,929.05
Petroleum Resource Rent Tax in Australia				
Deferred tax expenses	(92.47)	(34.79)	(2,801.40)	(1,143.25)
Total	(92.47)	(34.79)	(2,801.40)	(1,143.25)
Total income taxes	1,147.36	607.56	35,044.86	19,193.70

The Group recognized deferred income taxes using the liability method when there are temporary differences between the carrying amount of an asset and liability in the financial statements and its tax base. Therefore, the Group recognized gain or loss on deferred income taxes resulting from movements in the Thai Baht, which is the currency used for calculating income taxes of the companies incorporated in Thailand when those companies have US Dollar as the functional currency. Such gain or loss on deferred income taxes are presented as “Tax Effect of currency translation on tax base”.

Income taxes for the years ended December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Petroleum income tax				
Current tax expenses	563.15	554.28	17,149.15	17,593.10
Deferred tax expenses	36.17	(26.62)	1,123.43	(844.84)
	599.32	527.66	18,272.58	16,748.26
Tax Effect of currency translation on tax base	93.98	(112.42)	2,888.28	(3,568.08)
Total	693.30	415.24	21,160.86	13,180.18
Income tax under Revenue Code				
Current tax expenses	46.90	0.47	1,439.43	14.95
Deferred tax expenses	(20.61)	(19.99)	(631.73)	(634.58)
	26.29	(19.52)	807.70	(619.63)
Tax Effect of currency translation on tax base	0.04	(0.02)	1.27	(0.69)
Total	26.33	(19.54)	808.97	(620.32)
Total income taxes	719.63	395.70	21,969.83	12,559.86

Income tax rates for the Group are as follows:

	Tax Rate (%)
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	
Income tax for the Company	20 – 30
Income tax for subsidiaries and jointly controlled entities	15 – 30
Corporate Income tax in the Union of Myanmar	30
Corporate Income tax in the Republic of Vietnam	50
Corporate income tax in Australia	30
Petroleum Resource Rent Tax in Australia	40
Corporate income tax in the Sultanate of Oman	55
Corporate income tax in Canada	26.5 (for 2011), 25 (commencing 2012)
Corporate income tax in Netherlands	25

Based on the issuance of the Royal Decree No. 530 to reduce and exempt the Corporate Income Tax which becomes effective for the accounting period beginning on or after January 1, 2012 followed by the announcement from the Federation of Accounting Professions (FAP) to clarify the tax rate used in deferred tax calculation for deferred tax assets and liabilities under the Revenue Code for the future tax benefit for the year 2012 of 23% and 2013 onward of 20%, the Group has assessed and concluded that there was no material impact to the current year financial statements because majority of deferred tax assets and deferred tax liabilities presented in the financial statements were calculated based on the Petroleum Income Tax Act.

20.2 Deferred Income Taxes

Deferred income taxes are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax assets				
Petroleum income tax	19.68	20.70	623.63	623.94
Income tax under Revenue Code	23.21	18.60	735.42	560.81
Corporate income tax in foreign countries	117.42	120.01	3,721.20	3,618.52
Petroleum Resource Rent Tax in Australia	336.43	264.17	10,662.11	7,965.01
	496.74	423.48	15,742.36	12,768.28
Tax Effect of currency translation on tax base	13.86	46.32	439.27	1,396.72
Total	510.60	469.80	16,181.63	14,165.00
Deferred income tax liabilities				
Petroleum income tax	(400.56)	(351.37)	(12,694.38)	(10,594.18)
Income tax under Revenue Code	-	-	-	-
Corporate income tax in foreign countries	(648.53)	(83.73)	(20,552.31)	(2,524.75)
	(1,049.09)	(435.10)	(33,246.69)	(13,118.93)
Tax Effect of currency translation on tax base	130.42	236.07	4,133.06	7,117.77
Total	(918.67)	(199.03)	(29,113.63)	(6,001.16)
Deferred income tax, net	(408.07)	270.77	(12,932.00)	8,163.84

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax assets				
Income tax under Revenue Code	21.13	16.96	669.71	511.53
Tax Effect of currency translation on tax base	0.15	0.20	4.83	5.86
Total	21.28	17.16	674.54	517.39
Deferred income tax liabilities				
Petroleum income tax	(308.01)	(271.84)	(9,761.24)	(8,196.46)
Tax Effect of currency translation on tax base	125.55	219.53	3,978.87	6,619.17
Total	(182.46)	(52.31)	(5,782.37)	(1,577.29)
Deferred income tax, net	(161.18)	(35.15)	(5,107.83)	(1,059.90)

Deferred income taxes presented by categories are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax assets				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	111.67	67.41	3,538.98	2,032.45
Provision for employee benefits	1.86	1.79	59.05	53.89
Depreciation	(13.54)	(25.30)	(428.98)	(762.72)
Petroleum Resource Rent Tax in Australia	235.51	184.92	7,463.48	5,575.51
Loss carried forward	293.01	244.35	9,285.89	7,367.52
Unrealized foreign exchange	(38.26)	4.15	(1,212.53)	125.26
Revaluation in value of oil and gas properties according to Australian law	(63.39)	(48.41)	(2,009.01)	(1,459.63)
Others	(30.12)	(5.43)	(954.52)	(164.00)
	496.74	423.48	15,742.36	12,768.28
Tax Effect of currency translation on tax base	13.86	46.32	439.27	1,396.72
Total	510.60	469.80	16,181.63	14,165.00

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax liabilities				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	133.17	96.58	4,220.44	2,912.14
Provision for employee benefits	28.56	24.05	905.11	725.15
Provision for impairment loss	6.39	6.39	202.61	192.76
Depreciation	(1,259.30)	(561.51)	(39,908.86)	(16,930.50)
Loss carried forward	27.65	-	876.31	-
Others	14.44	(0.61)	457.70	(18.48)
	(1,049.09)	(435.10)	(33,246.69)	(13,118.93)
Tax Effect of currency translation on tax base	130.42	236.07	4,133.06	7,117.77
Total	(918.67)	(199.03)	(29,113.63)	(6,001.16)

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax assets				
Loss carried forward	-	18.83	-	567.76
Others	21.13	(1.87)	669.71	(56.23)
	21.13	16.96	669.71	511.53
Tax Effect of currency translation on tax base	0.15	0.20	4.83	5.86
Total	21.28	17.16	674.54	517.39

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deferred income tax liabilities				
Amortization of decommissioning costs and currency translation differences from decommissioning costs	98.55	73.17	3,123.16	2,206.19
Provision for employee benefits	28.24	23.81	895.03	717.76
Depreciation	(434.80)	(368.82)	(13,779.43)	(11,120.41)
	(308.01)	(271.84)	(9,761.24)	(8,196.46)
Tax effect of currency translation on tax base	125.55	219.53	3,978.87	6,619.17
Total	(182.46)	(52.31)	(5,782.37)	(1,577.29)

In addition to the corporate income tax, there is Petroleum Resource Rent Tax imposed in Australia (PRRT) which is calculated at the rate of 40% using the specific method. The Group recorded the current tax and the deferred tax arising from PRRT in the current period by applying the same accounting policies with respect to valuation and disclosure as for the corporate income tax.

21. Prepaid Expenses

As at December 31, 2011, the major prepaid expenses totaling to US Dollar 30.41 million or Baht 963.76 million are the prepayments for investment in the Myanmar Zawtika pipeline project to facilitate the construction of a gas pipeline for Moattama Gas Transportation Company (MGTC). These prepayments will be amortized as expenses in according with the concession period of MGTC.

In addition, prepayments totalling to US Dollar 2.34 million or Baht 74.23 million in which PTTEPI had recorded as advance royalty fee to Myanmar's government for the Yadana and Yetagun projects will be amortized as expense together with the recognition of deferred income as disclosed in Note 28 to the financial statements.

22. Financial Derivatives

Financial derivatives as at December 31, 2011 and 2010 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Financial derivative assets				
Financial derivative assets - Non current				
Interest rate swap	6.15	7.33	194.97	220.95
Total financial derivative assets	6.15	7.33	194.97	220.95
Financial derivative liabilities				
Financial derivative liabilities - Current				
Cross currency and interest rate swap	(45.65)	-	(1,446.67)	-
Others *	(0.77)	(0.98)	(24.40)	(29.43)
Financial derivative liabilities - Non current				
Cross currency and interest rate swap	(46.83)	-	(1,484.15)	-
Total financial derivative liabilities	(93.25)	(0.98)	(2,955.22)	(29.43)

* Other financial derivative liabilities comprised forward foreign exchange contract and oil price hedge for the petroleum products.

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Financial derivative assets				
Financial derivative assets - Non current				
Interest rate swap	6.15	7.33	194.97	220.95
Total financial derivative assets	6.15	7.33	194.97	220.95
Financial derivative liabilities				
Financial derivative liabilities - Current				
Cross currency and interest rate swap	(45.65)	-	(1,446.67)	-
Others *	-	(0.98)	-	(29.43)
Financial derivative liabilities - Non current				
Cross currency and interest rate swap	(46.83)	-	(1,484.15)	-
Total financial derivative liabilities	(92.48)	(0.98)	(2,930.82)	(29.43)

* Other financial derivative liabilities comprised forward foreign exchange contract and oil price hedge for the petroleum products.

Fair value of financial derivatives as at December 31, 2011 and 2010 presented by fair value measurement are as follows:

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2011				December 31, 2011			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap	-	(92.48)	-	(92.48)	-	(2,930.82)	-	(2,930.82)
Others *	-	(0.77)	-	(0.77)	-	(24.40)	-	(24.40)

	Unit : Million US Dollar				Unit : Million Baht			
	Consolidated				Consolidated			
	December 31, 2010				December 31, 2010			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	7.33	-	7.33	-	220.95	-	220.95
Financial derivative liabilities								
Others *	-	(0.98)	-	(0.98)	-	(29.43)	-	(29.43)

* Other financial derivative liabilities comprised forward foreign exchange contract and oil price hedge for the petroleum products.

Level 1 : Fair value based on quoted prices in an active market for identical assets and liabilities.

Level 2 : Fair value based on inputs other than quoted prices included with Level 1 that are observable for the assets and liabilities either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Fair value based on internal valuation model or that are not based on observable market data (that is, unobservable inputs).

	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	December 31, 2011				December 31, 2011			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	6.15	-	6.15	-	194.97	-	194.97
Financial derivative liabilities								
Cross currency and interest rate swap*	-	(92.48)	-	(92.48)	-	(2,930.82)	-	(2,930.82)

	Unit : Million US Dollar				Unit : Million Baht			
	The Company				The Company			
	December 31, 2010				December 31, 2010			
	Level1	Level 2	Level 3	Total	Level1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	7.33	-	7.33	-	220.95	-	220.95
Financial derivative liabilities								
Others *	-	(0.98)	-	(0.98)	-	(29.43)	-	(29.43)

* Other financial derivative liabilities comprised forward foreign exchange contract and oil price hedge for the petroleum products.

Level 1 : Fair value based on quoted prices in an active market for identical assets and liabilities.

Level 2 : Fair value based on inputs other than quoted prices included with Level 1 that are observable for the assets and liabilities either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Fair value based on internal valuation model or that are not based on observable market data (that is, unobservable inputs).

Cash flow hedges

The Group entered into the currency forward or option that were being used to hedge cash flow risk of highly probable forecast transactions, as well as cross currency and interest rate swaps to fix the US dollar interest rate and US dollar redemption value to reduce the impact of foreign exchange rates volatility, with matching critical terms, i.e. the interest payment interval, maturity date, notional amount, on the currency leg of the swap with the underlying Thai Baht bonds or debt issuance.

The Group 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 Group did not have any hedged transactions which were reclassified from other comprehensive income to the statement of income during 2011.

23. Other Non-current Assets

Other non-current assets as at December 31, 2011 and 2010 comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Costs carried for PetroVietnam in projects:				
- Vietnam B & 48/95	1.06	1.06	33.46	31.84
- Vietnam 52/97	1.01	1.01	31.97	30.42
Deposits	4.02	4.38	127.46	132.06
Others	0.06	0.06	1.89	1.87
Total	6.15	6.51	194.78	196.19

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Deposits	3.64	4.21	115.44	126.83
Others	0.01	0.004	0.14	0.15
Total	3.65	4.21	115.58	126.98

24. Loans and Bonds

Loans and bonds are as followed:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Current Liabilities				
Short-term loans				
- Bills of exchange	-	263.50	-	7,944.91
- Short-term loans from financial institutions	315.55	-	10,000.00	-
Total short-term loans	315.55	263.50	10,000.00	7,944.91
Current portion of bonds	687.77	-	21,796.32	-
Total current liabilities	1,003.32	263.50	31,796.32	7,944.91
Non-current Liabilities				
Bonds	2,251.99	2,319.41	71,368.16	69,933.22
Long-term loans from financial institutions	617.86	-	19,580.74	-
Total non-current liabilities	2,869.85	2,319.41	90,948.90	69,933.22

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Current Liabilities				
Short-term loans				
- Bills of exchange	-	263.50	-	7,944.91
- Short-term loans from financial institutions	315.55	-	10,000.00	-
Total short-term loans	315.55	263.50	10,000.00	7,944.91
Current portion of bonds	687.77	-	21,796.32	-
Total current liabilities	1,003.32	263.50	31,796.32	7,944.91
Non-current Liabilities				
Bonds	858.84	1,625.31	27,217.78	49,005.20
Long-term loans from financial institutions	50.00	-	1,584.56	-
Total non-current liabilities	908.84	1,625.31	28,802.34	49,005.20

Bills of Exchange

The Company launched the "PTTEP Short-term Financing Program" which involved the Company's inaugural issuance of Bills of Exchange (B/Es). The B/Es are to be issued monthly on a revolving basis to institutional and high net-worth investors, with a total revolving credit up to Baht 50,000 million. As at December 31, 2011, the Company has no outstanding Bills of Exchange.

Short-term loans from financial institutions

Short-term loans from financial institutions are one-year unsecured loans with a total credit up to Baht 20,000 million. The Company drawdown for a line of credit was Baht 10,000 million equivalent to US Dollar 315.55 million during the period.

In May 2011, the Company entered into a Cross Currency Swap transaction with a financial institution to swap Baht for US Dollar at the exchange rate of Baht 30.315 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 1.46% per annum

Long-term loans from financial institutions

- The Company signed a five-year unsecured loan agreement with a financial institution with a total credit up to US Dollar 50 million. The Company fully utilized the drawdown during the year.
- PTTEP Offshore Investment Company Limited (PTTEPO) signed five-year unsecured loan agreements with four financial institutions with a total credit up to US Dollar 575 million. Those loans are fully guaranteed by PTTEP. PTTEPO fully utilized the drawdown of this loan during the year.

Bonds

The carrying value of unsecured and unsubordinated bonds as at December 31, 2011 and 2010 comprised:

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar Consolidated December 31, 2011	December 31, 2010	Unit: Million Baht Consolidated December 31, 2011	December 31, 2010
Maturity date within 1 year							
- Bonds Baht 18,300 million[1]	3.25	3.293	May 29, 2012	577.34	606.59	18,296.76	18,289.51
- Bonds Baht 3,500 million[2]	3.91	3.91	June 15, 2012	110.43	116.03	3,499.56	3,498.58
Maturity date between 1-3 years							
- Bonds Baht 5,000 million[3]	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25[4]	3.517	May 29, 2013	158.82	167.01	5,033.15	5,035.63
- Bonds Baht 11,700 million[5]	4.00	4.027	May 29, 2014	368.96	387.71	11,692.65	11,690.08
Maturity date between 3-5 years							
- Bonds USD 500 million[6]	4.152	4.366	July 19, 2015	496.50	495.61	15,734.43	14,943.14
- Bonds USD 200 million	4.152	4.326	August 4, 2015	198.66	198.49	6,295.81	5,984.88
Maturity date over 5 years							
- Bonds Baht 2,500 million[7]	3.30	3.30	March 27, 2018	78.88	82.92	2,500.00	2,500.06
- Bonds Baht 5,000 million[8]	4.80	4.816	May 29, 2019	157.62	165.66	4,995.13	4,994.72
- Bonds Baht 3,000 million NC5[9]	5.13	5.13	June 15, 2022	94.56	99.39	2,996.85	2,996.62
- Bonds USD 700 million[6]	5.692	5.731	April 5, 2021	697.99	-	22,120.14	-
Total Carrying Value				2,939.76	2,319.41	93,164.48	69,933.22

	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	Unit: Million US Dollar The Company December 31, 2011	December 31, 2010	Unit: Million Baht The Company December 31, 2011	December 31, 2010
Maturity date within 1 year							
- Bonds Baht 18,300 million [1]	3.25	3.293	May 29, 2012	577.34	606.59	18,296.76	18,289.51
- Bonds Baht 3,500 million [2]	3.91	3.91	June 15, 2012	110.43	116.03	3,499.56	3,498.58
Maturity date between 1-3 years							
- Bonds Baht 5,000 million [3]	Year 1-2 : 3.00 Year 3-4 : 4.00 or 6-M THB FIX + 1.25 [4]	3.517	May 29, 2013	158.82	167.01	5,033.15	5,035.63
- Bonds Baht 11,700 million [5]	4.00	4.027	May 29, 2014	368.96	387.71	11,692.65	11,690.08
Maturity date over 5 years							
- Bonds Baht 2,500 million [7]	3.30	3.30	March 27, 2018	78.88	82.92	2,500.00	2,500.06
- Bonds Baht 5,000 million [8]	4.80	4.816	May 29, 2019	157.62	165.66	4,995.13	4,994.72
- Bonds Baht 3,000 million NC5 [9]	5.13	5.13	June 15, 2022	94.56	99.39	2,996.85	2,996.62
Total Carrying Value				1,546.61	1,625.31	49,014.10	49,005.20

[1] In March 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 603.36 million at the exchange rate of Baht 30.33 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 1.452% per annum.

[2] In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 115.78 million at the exchange rate of Baht 30.23 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 1.73% per annum.

[3] In May 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 165.89 million at the exchange rate of Baht 30.14 per US Dollar.

[4] Minimum and maximum repayments are 3.25% and 6.00% per annum, respectively.

[5] In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 389.49 million at the exchange rate of Baht 30.039 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 2.6518% per annum.

[6] The Company has Optional Redemption rights. The redemption price is the sum of the bond par value, accrued interest, interest payable up to the day before the maturity date and Applicable Premium whereby the Applicable Premium is the higher of the following:

(1) 1 % per annum of the bond par value or

(2) Present value that is higher than the bond par value. Present value is the bond par value and the interest receivable if the bond is redeemed on the maturity date minus accrued interest and interest payable to the date of early redemption discounted using Treasury Rate as at the early redemption date plus 0.35% per annum.

[7] On September 27, 2005, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 60.82 million. Under this agreement, interest was charged at the rate of 3.85% per annum. On May 2, 2007, the Company swapped the US Dollar with the same bank for Baht 2,500 million. Under this agreement, the interest rate was reduced to 3.30% per annum until the expiration date. In May 2011, the Company swapped Baht 2,500 million for US Dollar 82.92 million at the exchange rate of 30.15 per US Dollar. Under this agreement, interest rate was charged at the rate of 3.30% per annum.

[8] In June 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Baht for US Dollar 161.81 million at the exchange rate of Baht 30.90 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 4.93% per annum.

[9] NC5 (Non Call 5 years): the Company can redeem these bonds in the 5th year or in 2012.

25. **Short-term Provision**

Short-term provision as at December 31, 2011 and 2010 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Provision for decommissioning cost that will be due within 1 year	72.97	124.49	2,312.67	3,753.37
Provision for Montara incident	2.80	5.96	88.62	179.83
Total	75.77	130.45	2,401.29	3,933.20

26. **Provision for Employee Benefits**

The reconciliation details for the present value of the defined benefit obligation plans and liabilities recognized in the statement of financial position as at December 31, 2011 are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Present value of the defined benefit obligation plans as at January 1, 2011	65.30	1,968.92
Current service cost	6.16	188.62
Interest cost	2.86	87.66
Benefits paid	(1.70)	(52.16)
Currency translation differences	(3.35)	2.36
Present value of the defined benefit obligation plans as at December 31, 2011	69.27	2,195.40
Unrecognized transitional liabilities	(5.91)	(187.28)
Unrealized actuarial gain (loss)	(0.90)	(28.60)
Net liabilities recorded in the statement of financial position	62.46	1,979.52

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Present value of the defined benefit obligation plans as at January 1, 2011	57.89	1,745.46
Current service cost	4.51	138.17
Interest cost	2.55	78.09
Benefits paid	(1.39)	(42.67)
Currency translation differences	(2.93)	2.30
Present value of the defined benefit obligation plans as at December 31, 2011	60.63	1,921.35
Unrecognized transitional liabilities	(5.64)	(178.68)
Unrealized actuarial gain	1.49	47.38
Net liabilities recorded in the statement of financial position	56.48	1,790.05

Expenses recognized in the statements of income for the years ended December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Current service cost	6.16	5.95	188.62	187.72
Interest cost	2.86	2.49	87.66	78.76
Transitional liabilities recognized during the year	6.06	5.98	185.57	188.62
Actuarial (gain) loss recognized during the year	0.18	(1.36)	5.62	(45.00)
Expenses recognized in the statements of income	15.26	13.06	467.47	410.10

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Current service cost	4.51	4.33	138.17	136.43
Interest cost	2.55	2.26	78.09	71.32
Transitional liabilities recognized during the year	5.78	5.71	176.98	179.97
Actuarial gain recognized during the year	-	(1.33)	-	(43.84)
Expenses recognized in the statements of income	12.84	10.97	393.24	343.88

Major Actuarial Assumptions

The Group's financial assumptions

	% per annum
Discount rate	4.6
Inflation rate	2.0
Credit interest rate on provident funds	4.1

The Group's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 1997 (TMO97) issued by the Office of the Insurance Commission. The TMO97 contains the results of the most recent mortality investigation of policyholders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the working population in Thailand.
- Turnover rate assumption:

Age-related scale	% per annum
Prior to age 30	2.5 - 16.0
Age 30-39	1.5 - 8.0
Age 40 thereafter	0.0 - 4.0

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.

27. Provision for Decommissioning Costs

Provision for decommissioning costs remaining as at December 31, 2011 and 2010 are as follows:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Provision for decommissioning costs	776.97	850.29	24,623.20	25,637.32
Less Current portion	(72.97)	(124.49)	(2,312.66)	(3,753.37)
Non-current portion of provision for decommissioning costs	704.00	725.80	22,310.54	21,883.95

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Provision for decommissioning costs	302.37	355.87	9,582.56	10,730.07
Less Current portion	-	-	-	-
Non-current portion of provision for decommissioning costs	302.37	355.87	9,582.56	10,730.07

Movements of provisions for decommissioning costs during the year 2011 are as follows:

	Unit : Million US Dollar	Unit : Million Baht
	Consolidated	Consolidated
Balance at the beginning of the year	850.29	25,637.32
Currency translation differences	-	1,221.41
Additional provision	88.00	2,683.40
Estimated liability incurred during the period	(89.50)	(2,728.94)
Revision in estimated cash flows	(71.82)	(2,189.99)
Balance at the end of the year	776.97	24,623.20

	Unit : Million US Dollar	Unit : Million Baht
	The Company	The Company
Balance at the beginning of the year	355.87	10,730.07
Currency translation differences	-	483.84
Additional provision	16.00	487.99
Estimated liability incurred during the period	-	-
Revision in estimated cash flows	(69.50)	(2,119.34)
Balance at the end of the year	302.37	9,582.56

28. Deferred Income

Deferred income as at December 31, 2011 and 2010 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Deferred income for the year 2000	36.22	45.96	1,147.73	1,385.89
Deferred income for the year 2001	0.05	1.76	1.62	52.99
Deferred income for the year 2011	0.10	-	3.29	-
Total	36.37	47.72	1,152.64	1,438.88

The major deferred income comes from MGTC and TPC receiving advance payments for pipeline transportation from MOGE and PTTEPI receiving advance payments from PTT for natural gas that PTT did not receive in 2000 - 2001 in accordance with the volumes stipulated in the gas sales contract of the Yadana and the Yetagun projects. The deferred income will be recognized by PTTEPI, MGTC and TPC when PTT receives gas in future years.

29. Financial Assets and Financial Liabilities

Financial assets and financial liabilities as at December 31, 2011 and 2010 are as follows:

Unit : Million US Dollar

	Consolidated					
	December 31, 2011			December 31, 2010		
	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	1,350.53	-	-	1,979.48
Account receivable - parent company	-	-	484.20	-	-	328.15
Trade and other accounts receivable	-	-	352.05	-	-	120.01
Other current assets	-	-	73.34	-	-	35.45
Long - term loans to related parties	-	-	18.49	-	-	19.70
Financial derivative assets	6.15	-	-	7.33	-	-
Other non-current assets	-	-	6.15	-	-	6.51
Total financial assets	6.15	-	2,284.76	7.33	-	2,489.30

Unit : Million US Dollar

	Consolidated					
	December 31, 2011			December 31, 2010		
	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						
Trade accounts payable and working capital to co-venturers	-	-	108.66	-	-	100.84
Current portion of long-term debts and short-term loans	-	-	1,003.32	-	-	263.50
Accrued expenses and interest payable	-	-	1,024.89	-	-	621.47
Other current liabilities	-	-	42.47	-	-	31.31
Financial derivative liabilities	7.54	85.71	-	0.98	-	-
Bonds and long-term loans	-	-	2,869.85	-	-	2,319.41
Other non-current liabilities	-	-	32.23	-	-	9.91
Total financial liabilities	7.54	85.71	5,081.42	0.98	-	3,346.44

Unit : Million Baht

	Consolidated					
	December 31, 2011			December 31, 2010		
	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	42,799.90	-	-	59,683.83
Account receivable - parent company	-	-	15,344.89	-	-	9,894.25
Trade and other accounts receivable	-	-	11,156.95	-	-	3,618.48
Other current assets	-	-	2,324.24	-	-	1,068.77
Long - term loans to related parties	-	-	585.82	-	-	593.83
Financial derivative assets	194.97	-	-	220.95	-	-
Other non-current assets	-	-	194.77	-	-	196.18
Total financial assets	194.97	-	72,406.57	220.95	-	75,055.34

Unit : Million Baht

	Consolidated					
	December 31, 2011			December 31, 2010		
	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						
Trade accounts payable and working capital to co-venturers	-	-	3,443.60	-	-	3,040.39
Current portion of long-term debts and short-term loans	-	-	31,796.32	-	-	7,944.91
Accrued expenses and interest payable	-	-	32,480.23	-	-	18,738.20
Other current liabilities	-	-	1,345.94	-	-	944.05
Financial derivative liabilities	238.90	2,716.32	-	29.43	-	-
Bonds and long-term loans	-	-	90,948.90	-	-	69,933.22
Other non-current liabilities	-	-	1,021.47	-	-	298.67
Total financial liabilities	238.90	2,716.32	161,036.46	29.43	-	100,899.44

Unit : Million US Dollar

	The Company					
	December 31, 2011			December 31, 2010		
	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	744.93	-	-	1,443.13
Account receivable - parent company	-	-	292.94	-	-	208.25
Trade and other accounts receivable	-	-	25.72	-	-	28.31
Other current assets	-	-	2.06	-	-	15.52
Long - term loans to related parties	-	-	3,101.45	-	-	2,021.11
Financial derivative assets	6.15	-	-	7.33	-	-
Other non-current assets	-	-	3.65	-	-	4.21
Total financial assets	6.15	-	4,170.75	7.33	-	3,720.53

Unit : Million US Dollar

	The Company					
	December 31, 2011			December 31, 2010		
	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						
Trade accounts payable and working capital to co-venturers	-	-	22.10	-	-	27.35
Current portion of long-term debts and short-term loans	-	-	1,003.32	-	-	263.50
Accrued expenses and interest payable	-	-	341.88	-	-	331.23
Other current liabilities	-	-	4.12	-	-	11.30
Financial derivative liabilities	6.77	85.71	-	0.98	-	-
Bonds and long-term loans	-	-	908.84	-	-	1,625.31
Other non-current liabilities	-	-	-	-	-	-
Total financial liabilities	6.77	85.71	2,280.26	0.98	-	2,258.69

Unit : Million Baht

	The Company					
	December 31, 2011			December 31, 2010		
	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable	Fair value through statement of income	Derivative hedging instruments	Loans and accounts receivable
Financial assets						
Cash and cash equivalents	-	-	23,607.88	-	-	43,512.16
Account receivable - parent company	-	-	9,283.69	-	-	6,279.13
Trade and other accounts receivable	-	-	815.02	-	-	853.51
Other current assets	-	-	65.02	-	-	467.14
Long - term loans to related parties	-	-	98,288.79	-	-	60,938.97
Financial derivative assets	194.97	-	-	220.95	-	-
Other non-current assets	-	-	115.58	-	-	126.99
Total financial assets	194.97	-	132,175.98	220.95	-	112,177.90

Unit : Million Baht

	The Company					
	December 31, 2011			December 31, 2010		
	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						
Trade accounts payable and working capital to co-venturers	-	-	700.35	-	-	824.63
Current portion of long-term debts and short-term loans	-	-	31,796.32	-	-	7,944.91
Accrued expenses and interest payable	-	-	10,834.69	-	-	9,986.93
Other current liabilities	-	-	131.09	-	-	340.87
Financial derivative liabilities	214.50	2,716.32	-	29.43	-	-
Bonds and long-term loans	-	-	28,802.34	-	-	49,005.20
Other non-current liabilities	-	-	-	-	-	-
Total financial liabilities	214.50	2,716.32	72,264.79	29.43	-	68,102.54

The majority of financial assets are classified as short-term. The interest rate on loans is approximate the market interest rate. The management of the Group believes that the book value of these financial assets are approximate similar to market value.

The Group calculated the fair value of long-term liabilities using the discounted cash flow based on a discounted rate of borrowing with similar terms. Details of the carrying value and fair value of these instruments are as follows:

Unit : Million US Dollar

	December 31, 2011	
	Carrying amount	Fair value
Baht 2,500 million of unsecured and unsubordinated bonds	78.88	82.44
Baht 6,500 million of unsecured and unsubordinated bonds		
- Tranche 1, Baht 3,500 million	110.43	110.67
- Tranche 2, Baht 3,000 million	94.56	94.39
Baht 40,000 million of unsecured and unsubordinated bonds		
- Tranche 1, Baht 18,300 million	577.34	577.09
- Tranche 2, Baht 5,000 million	158.82	158.96
- Tranche 3, Baht 11,700 million	368.96	373.39
- Tranche 4, Baht 5,000 million	157.62	164.98
USD 500 million of unsecured and unsubordinated bonds	496.50	512.96
USD 200 million of unsecured and unsubordinated bonds	198.66	207.22
USD 700 million of unsecured and unsubordinated bonds	697.99	741.62

Unit : Million Baht

	December 31, 2011	
	Carrying amount	Fair value
Baht 2,500 million of unsecured and unsubordinated bonds	2,500.00	2,612.47
Baht 6,500 million of unsecured and unsubordinated bonds		
- Tranche 1, Baht 3,500 million	3,499.56	3,507.39
- Tranche 2, Baht 3,000 million	2,996.85	2,991.46
Baht 40,000 million of unsecured and unsubordinated bonds		
- Tranche 1, Baht 18,300 million	18,296.76	18,288.65
- Tranche 2, Baht 5,000 million	5,033.15	5,037.73
- Tranche 3, Baht 11,700 million	11,692.65	11,833.08
- Tranche 4, Baht 5,000 million	4,995.13	5,228.49
USD 500 million of unsecured and unsubordinated bonds	15,734.43	16,256.48
USD 200 million of unsecured and unsubordinated bonds	6,295.81	6,567.05
USD 700 million of unsecured and unsubordinated bonds	22,120.14	23,502.67

30. Share Capital

The Company's registered capital consists of 3,322 million ordinary shares at Baht 1 per share, or a total of Baht 3,322 million. During the year 2011, the Company registered the change in its issued and fully paid-up capital to 3,319.98 million ordinary shares at Baht 1 per share, or a total of Baht 3,319.98 million. The details of the change in the issued and fully paid-up ordinary shares are as follows:

	Unit: Million Shares
Ordinary shares issued and fully paid-up	
Balance as at January 1, 2011	3,317.45
Share capital issued and paid-up	2.53
Balance as at December 31, 2011	3,319.98
Ordinary shares issued and fully paid-up	
Balance as at January 1, 2010	3,312.56
Share capital issued and paid-up	4.89
Balance as at December 31, 2010	3,317.45

The Company has reserved 62 million ordinary shares for employees to purchase in accordance with warrants in the Employee Stock Ownership Plan or ESOP for 5 continuous years. As at December 31, 2011, the employees had exercised the warrants to purchase 59.99 million shares and there were 2.01 million reserved shares outstanding. The details are as follows:

Date of warrants issued	Exercise price (Baht per share)	Exercised right warrant per ordinary share	The number of allotted shares (million shares)	The number of reserved shares (million shares)
August 1, 2002*	22.2	1:5	9.78	0.22
August 1, 2003*	23.4	1:5	9.72	0.28
August 1, 2004*	36.6	1:5	13.61	0.39
August 1, 2005*	55.6	1:5	13.53	0.47
August 1, 2006*	91.2	1:5	13.35	0.65
	Total		59.99	2.01

* As at December 31, 2011, the warrants issued on August 1, 2002, 2003, 2004, 2005 and 2006 had expired. The remaining warrants which cannot be exercised are 0.04, 0.06, 0.08, 0.09 and 0.13 million shares, respectively.

31. Petroleum Royalties and Remuneration

Petroleum royalties and remuneration for the years ended December 31, 2011 and 2010 comprised:

	Unit : Million US Dollar		Unit : Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Petroleum royalties	634.43	509.26	19,339.53	16,129.13
Special remuneration benefits	11.04	16.07	338.33	505.64
Total	645.47	525.33	19,677.86	16,634.77

	Unit : Million US Dollar		Unit : Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Petroleum royalties	378.67	329.99	11,542.45	10,454.70
Special remuneration benefits	-	-	-	-
Total	378.67	329.99	11,542.45	10,454.70

32. Gain (Loss) on Foreign Currency Translation

Gain (loss) on foreign currency translation for the years ended December 31, 2011 and 2010 comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Realized gain (loss) on foreign currency translation	(18.45)	83.09	(599.63)	2,606.55
Unrealized loss on foreign currency translation	(46.44)	(168.94)	(1,337.96)	(5,338.31)
Total	(64.89)	(85.85)	(1,937.59)	(2,731.76)

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Realized gain (loss) on foreign currency translation	(1.42)	101.42	(56.77)	3,201.79
Unrealized loss on foreign currency translation	(43.68)	(74.59)	(1,342.16)	(2,323.48)
Total	(45.10)	26.83	(1,398.93)	878.31

33. Expenses by Nature

Significant expenses by nature of the Group which comprise the expenses based on its percentage of interest in each project for the year ended December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	2011	2010	2011	2010
Salary, wages and employees' benefits	85.72	88.74	2,613.95	2,815.31
Repair and maintenance	63.09	57.82	1,931.88	1,834.41
Exploration well write-off	150.45	46.06	4,587.47	1,461.21
Geological and geophysical	66.60	27.70	2,030.10	878.81

	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	2011	2010	2011	2010
Salary, wages and employees' benefits	42.69	37.25	1,301.55	1,181.96
Repair and maintenance	44.11	35.17	1,344.86	1,115.72
Exploration well write-off	14.97	0.02	456.60	0.50
Geological and geophysical	9.77	0.53	298.01	16.67

34. Earnings per Share

Basic earnings per share for the years ended December 31, 2011 and 2010 are calculated as follows:

	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	2011	2010	2011	2010
Net income attributable to shareholders (unit: million)	1,468.25	1,380.48	44,748.06	43,773.79
Weighted average number of outside ordinary shares in issue during the period (million shares)	3,319.08	3,314.91	3,319.08	3,314.91
Basic earnings per share	0.44	0.42	13.48	13.21

	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	2011	2010	2011	2010
Net income attributable to shareholders (unit: million)	1,049.00	1,137.89	32,076.95	36,103.31
Weighted average number of outside ordinary shares in issue during the period (million shares)	3,319.08	3,314.91	3,319.08	3,314.91
Basic earnings per share	0.32	0.34	9.66	10.89

Diluted earnings per share is calculated based on the weighted average number of outside ordinary shares in issue during the period adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares are converted into ordinary shares. The Company has dilutive potential ordinary shares as a result from the warrants provided to employees in which the number of dilutive potential ordinary shares is calculated based on fair value of the warrants (calculated from the weighted average price of the ordinary outstanding shares during the year). This calculation serves to determine the unpurchased shares to be added to the outside ordinary shares to compute the dilution; no adjustment is made to the net income.

Diluted earnings per share for the years ended December 31, 2011 and 2010 are calculated as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2011	2010	2011	2010
Net income attributable to shareholders (unit: million)	1,468.25	1,380.48	44,748.06	43,773.79
Net income used to determine diluted earnings per share (unit: million)	1,468.25	1,380.48	44,748.06	43,773.79
Weighted average number of outside ordinary shares				
in issue during the year (million shares)	3,319.08	3,314.91	3,319.08	3,314.91
Adjustments for share options (million shares)	-	1.27	-	1.27
Weighted average number of ordinary shares for diluted				
earnings per share (million Shares)	3,319.08	3,316.18	3,319.08	3,316.18
Diluted earnings per share	0.44	0.42	13.48	13.20

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2011	2010	2011	2010
Net income attributable to shareholders (unit: million)	1,049.00	1,137.89	32,076.95	36,103.31
Net income used to determine diluted earnings per share (unit: million)	1,049.00	1,137.89	32,076.95	36,103.31
Weighted average number of outside ordinary shares				
in issue during the year (million shares)	3,319.08	3,314.91	3,319.08	3,314.91
Adjustments for share options (million shares)	-	1.27	-	1.27
Weighted average number of ordinary shares for diluted				
earnings per share (million shares)	3,319.08	3,316.18	3,319.08	3,316.18
Diluted earnings per share	0.32	0.34	9.66	10.89

35. Segment Information

Primary reporting - business segments

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011								
	Exploration and production					Pipeline			
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia	Others	Inter-company Elimination	Group's total business
Revenues - Third parties	390.61	285.52	-	149.89	16.80	124.07	-	-	966.89
- Related parties	4,185.42	339.80	-	-	71.68	127.77	-	(127.77)	4,596.90
Other revenues - Third parties	15.44	26.65	48.03	0.48	-	0.81	23.99	(13.43)	101.97
Total Revenues	4,591.47	651.97	48.03	150.37	88.48	252.65	23.99	(141.20)	5,665.76
Operating expenses	407.20	169.03	19.26	134.23	17.84	8.34	1.75	(132.26)	625.39
Administrative expenses	76.97	20.05	13.32	14.32	14.10	6.11	8.24	(2.38)	150.73
Exploration expenses									
- Amortization of dry holes and projects	21.63	75.06	36.33	11.05	6.38	-	-	-	150.45
- Geological and geophysical	8.34	30.31	7.31	8.06	12.42	-	-	-	66.44
Depreciation, depletion and amortization	896.59	76.00	56.86	30.85	39.55	7.21	1.88	-	1,108.94
Royalties and remuneration	573.95	68.01	-	3.51	-	-	-	-	645.47
Loss from Montara incident	-	-	5.33	-	-	-	-	-	5.33
Loss from financial derivatives	-	-	-	-	-	-	11.06	-	11.06
Foreign exchange (gain) loss	19.85	(0.72)	2.23	(0.03)	0.01	-	2.59	-	23.93
Share of (gain) loss from associates	-	-	(0.29)	-	-	-	(2.14)	-	(2.43)
Total Expenses	2,004.53	437.74	140.35	201.99	90.30	21.66	23.38	(134.64)	2,785.31
Segment result	2,586.94	214.23	(92.32)	(51.62)	(1.82)	230.99	0.61	(6.56)	2,880.45
Depreciation - general									(8.41)
Administrative expenses - general									(106.68)
Operating profit									2,765.36
Other income, net									3.09
Finance costs - Interest income									16.24
- Interest expenses and other finance costs									(123.56)
Gain on foreign exchange									(40.95)
Management's remuneration									(4.57)
Income before tax									2,615.61
Tax - Projects	(1,058.24)	(115.45)	88.39	12.83	(15.02)	(70.44)	(4.36)		(1,162.29)
- the Group									14.93
Net Income (Loss)	1,528.70	98.78	(3.93)	(38.79)	(16.84)	160.55	(3.75)		1,468.25

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	5,049.60	1,383.32	2,607.91	2,678.08	317.76	361.37	85.00		12,483.04
Investments under equity method	-	-	2.97	-	-	-	23.96		26.93
Unallocated assets									1,621.46
Total assets									14,131.43
Liabilities									
Segment liabilities	2,453.54	264.26	443.46	634.93	132.08	160.99	17.97		4,107.23
Unallocated liabilities									3,712.53
Total liabilities									7,819.76
Capital Expenditures	1,119.13	384.25	513.83	2,989.11	64.65	149.65	36.40		5,257.02

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011								
	Exploration and production					Pipeline			
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia	Others	Inter-company Elimination	Group's total business
Revenues - Third parties	11,897.88	8,767.63	-	4,581.39	512.35	3,780.18	-	-	29,539.43
- Related parties	127,562.32	10,352.71	-	-	2,191.36	3,892.95	-	(3,892.95)	140,106.39
Other revenues - Third parties	467.54	831.78	1,477.67	14.89	-	24.74	707.76	(386.79)	3,137.59
Total Revenues	139,927.74	19,952.12	1,477.67	4,596.28	2,703.71	7,697.87	707.76	(4,279.74)	172,783.41
Operating expenses	12,386.51	5,157.61	590.51	4,095.57	545.09	254.32	52.89	(4,007.92)	19,074.58
Administrative expenses	2,346.14	613.08	405.82	437.46	429.55	186.54	251.26	(72.52)	4,597.33
Exploration expenses									
- Amortization of dry holes and projects	656.58	2,283.55	1,121.39	342.12	194.71	-	-	-	4,598.35
- Geological and geophysical	253.59	929.39	224.85	230.29	378.70	-	-	-	2,016.82
Depreciation, depletion and amortization	27,323.39	2,324.23	1,730.69	934.53	1,208.27	219.83	57.19	-	33,798.13
Royalties and remuneration	17,494.64	2,076.09	-	107.13	-	-	-	-	19,677.86
Loss from Montara incident	-	-	164.21	-	-	-	-	-	164.21
Loss from financial derivatives	-	-	-	-	-	-	339.84	-	339.84
Foreign exchange (gain) loss	627.33	(22.62)	68.32	(1.05)	0.39	0.02	80.12	-	752.51
Share of (gain) loss from associates	-	-	(9.02)	-	-	-	(65.85)	-	(74.87)
Total Expenses	61,088.18	13,361.33	4,296.77	6,146.05	2,756.71	660.71	715.45	(4,080.44)	84,944.76
Segment result	78,839.56	6,590.79	(2,819.10)	(1,549.77)	(53.00)	7,037.16	(7.69)	(199.30)	87,838.65
Depreciation - general									(256.40)
Administrative expenses - general									(3,284.72)
Operating profit									84,297.53
Other income, net									94.97
Finance costs - Interest income									496.54
- Interest expenses and other finance costs									(3,770.87)
Gain on foreign exchange									(1,185.08)
Management's remuneration									(140.17)
Income before tax									79,792.92
Tax - Projects	(32,279.44)	(3,537.20)	2,677.11	384.02	(458.75)	(2,146.76)	(133.27)		(35,494.29)
- the Group									449.43
Net Income (Loss)	46,560.12	3,053.59	(141.99)	(1,165.75)	(511.75)	4,890.40	(140.96)		44,748.06

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011								
	Exploration and production					Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	North America	Middle East and Others	South East Asia			
Assets									
Segment assets	160,027.90	43,839.20	82,647.79	84,871.49	10,070.30	11,452.20	2,693.77		395,602.65
Investments under equity method	-	-	94.02	-	-	-	759.21		853.23
Unallocated assets									51,386.16
Total assets									447,842.04
Liabilities									
Segment liabilities	77,755.43	8,374.83	14,053.68	20,121.78	4,185.88	5,102.09	569.57		130,163.26
Unallocated liabilities									117,654.61
Total liabilities									247,817.87
Capital Expenditures	34,317.34	11,801.05	15,822.02	90,276.72	2,017.13	4,587.90	1,128.30		159,950.46

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2010							
	Exploration and production				Pipeline			
	Thailand	Other South East Asia	Australia	Middle East and Others	South East Asia	Others	Inter-company Elimination	Group's total business
Revenues - Third parties	330.73	107.48	60.40	16.99	110.84	-	-	626.44
- Related parties	3,465.78	296.55	-	51.71	111.26	-	(111.27)	3,814.03
Other revenues - Third parties	12.71	1.83	44.16	-	0.11	38.48	(32.81)	64.48
Total Revenues	3,809.22	405.86	104.56	68.70	222.21	38.48	(144.08)	4,504.95
Operating expenses	352.42	135.32	59.77	15.93	5.64	3.53	(114.22)	458.39
Administrative expenses	65.93	11.93	9.21	17.64	1.51	3.28	(5.09)	104.41
Exploration expenses								
- Amortization of dry holes and projects	2.51	33.86	-	9.86	-	-	-	46.23
- Geological and geophysical	20.63	10.90	3.26	5.49	-	0.41	-	40.69
Depreciation, depletion and amortization	833.60	52.37	82.16	33.81	7.19	1.21	-	1,010.34
Royalties and remuneration	476.71	48.62	-	-	-	-	-	525.33
Loss from Montara incident	-	-	14.41	-	-	-	-	14.41
Other Expenses	-	-	47.74	-	-	-	-	47.74
Loss from financial derivatives	-	-	-	-	-	3.47	-	3.47
Foreign exchange (gain) loss	(32.09)	1.69	2.81	0.28	-	(3.66)	-	(30.97)
Share of (gain) loss from associates	-	-	0.10	-	-	1.25	-	1.35
Total Expenses	1,719.71	294.69	219.46	83.01	14.34	9.49	(119.31)	2,221.39
Segment result	2,089.51	111.17	(114.90)	(14.31)	207.87	28.99	(24.77)	2,283.56
Depreciation - general								(7.00)
Administrative expenses - general								(88.06)
Operating profit								2,188.50
Other income, net								15.03
Finance costs - Interest income								11.80
- Interest expenses and other finance costs								(104.55)
Gain on foreign exchange								(116.82)
Management's remuneration								(5.92)
Income before tax								1,988.04
Tax - Projects	(699.73)	(53.88)	136.14	(52.13)	(60.27)	(1.10)		(730.97)
- the Group								123.41
Net Income (Loss)	1,389.78	57.29	21.24	(66.44)	147.60	27.89		1,380.48

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2010							
	Exploration and production				Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	Middle East and Others	South East Asia			
Assets								
Segment assets	4,633.30	997.45	1,960.87	266.24	137.24	80.53		8,075.63
Investments under equity method	-	-	2.78	-	-	21.82		24.60
Unallocated assets								2,593.52
Total assets								10,693.75
Liabilities								
Segment liabilities	2,334.95	159.91	349.68	116.04	45.91	19.94		3,026.43
Unallocated liabilities								2,259.27
Total liabilities								5,285.70
Capital Expenditures	1,210.95	231.55	268.99	13.85	1.48	37.57		1,764.39

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2010							
	Exploration and production				Pipeline			
	Thailand	Other South East Asia	Australia	Middle East and Others	South East Asia	Others	Inter-company Elimination	Group's total business
Revenues - Third parties	10,475.58	3,399.59	1,916.43	539.75	3,507.29	-	-	19,838.64
- Related parties	109,766.89	9,397.61	-	1,652.59	3,526.24	-	(3,526.24)	120,817.09
Other revenues - Third parties	393.83	56.15	1,361.57	-	3.29	1,252.22	(1,073.13)	1,993.93
Total Revenues	120,636.30	12,853.35	3,278.00	2,192.34	7,036.82	1,252.22	(4,599.37)	142,649.66
Operating expenses	11,170.31	4,282.95	1,905.89	504.51	178.66	112.87	(3,621.48)	14,533.71
Administrative expenses	1,962.31	381.90	292.82	554.24	47.87	101.92	(46.12)	3,294.94
Exploration expenses								
- Amortization of dry holes and projects	75.81	1,048.35	(5.98)	308.26	-	-	-	1,426.44
- Geological and geophysical	637.77	346.55	121.13	177.20	-	12.05	-	1,294.70
Depreciation, depletion and amortization	26,464.42	1,658.35	2,618.13	1,075.14	227.96	38.43	-	32,082.43
Royalties and remuneration	15,098.04	1,536.73	-	-	-	-	-	16,634.77
Loss from Montara incident	-	-	456.95	-	-	-	-	456.95
Other Expenses	-	-	1,472.11	-	-	-	-	1,472.11
Loss from financial derivatives	-	-	-	-	-	108.04	-	108.04
Foreign exchange (gain) loss	(991.39)	53.60	90.42	8.47	-	(116.93)	-	(955.83)
Share of (gain) loss from associates	-	-	3.08	-	-	42.75	-	45.83
Total Expenses	54,417.27	9,308.43	6,954.55	2,627.82	454.49	299.13	(3,667.60)	70,394.09
Segment result	66,219.03	3,544.92	(3,676.55)	(435.48)	6,582.33	953.09	(931.77)	72,255.57
Depreciation - general								(221.37)
Administrative expenses - general								(2,754.98)
Operating profit								69,279.22
Other income, net								482.98
Finance costs - Interest income								373.79
- Interest expenses and other finance costs								(3,295.46)
Gain on foreign exchange								(3,687.58)
Management's remuneration								(185.46)
Income before tax								62,967.49
Tax - Projects	(22,162.78)	(1,714.95)	4,474.06	(1,709.60)	(1,907.19)	(34.65)		(23,055.11)
- the Group								3,861.41
Net Income (Loss)	44,056.25	1,829.97	797.51	(2,145.08)	4,675.14	918.44		43,773.79

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2010							
	Exploration and production				Pipeline	Others	Inter-company Elimination	Group's total business
	Thailand	Other South East Asia	Australia	Middle East and Others	South East Asia			
Assets								
Segment assets	139,700.04	30,044.77	59,122.89	8,027.50	4,167.49	2,427.92		243,490.61
Investments under equity method	-	-	83.86	-	-	657.89		741.75
Unallocated assets								78,197.95
Total assets								322,430.31
Liabilities								
Segment liabilities	70,401.68	4,805.44	10,543.42	3,498.88	1,400.40	601.20		91,251.02
Unallocated liabilities								68,119.94
Total liabilities								159,370.96
Capital Expenditures	37,550.65	7,053.27	8,488.75	422.43	44.54	1,154.38		54,714.02

The Group is organized into the following business segments:

- Exploration and production: The Group operates in oil and gas exploration and production both domestically and overseas, either as an operator or as a joint venture partner with international oil and gas companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects are located in Southeast Asia, Australia, North America, the Middle East and others. As at the financial statement date, the Group had 21 projects in the production phase and 21 projects in the development and exploration phases.
- Overseas pipelines: The Group has investments with its joint venture partners to operate pipelines to transport natural gas from the exploration and production projects where the Group has working interests i.e., the Yadana and Yetagun projects.
- Others: The Group's other operations consist mainly of investments in projects strategically connected to the energy business; this does not constitute a separately reportable segment.

Secondary reporting – geographical segments

The Group's two main business segments are managed on a worldwide basis. They are operated in five main geographical areas:

Unit: Million US Dollar

	Consolidated financial statements for the year ended December 31, 2011					
	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	390.61	409.59	-	149.89	16.80	966.89
- Related parties	4,185.42	339.80	-	-	71.68	4,596.90
Segment assets	5,134.60	1,744.69	2,607.91	2,678.08	317.76	12,483.04
Investments under equity method	23.96	-	2.97	-	-	26.93
Capital expenditures	1,155.53	533.90	513.83	2,989.11	64.65	5,257.02
Consolidated total assets	6,780.02	1,744.69	2,610.88	2,678.08	317.76	14,131.43

Unit: Million Baht

	Consolidated financial statements for the year ended December 31, 2011					
	Thailand	Other Southeast Asia	Australia	North America	Middle East and Others	Group's total business
Revenues - Third parties	11,897.88	12,547.81	-	4,581.39	512.35	29,539.43
- Related parties	127,562.32	10,352.71	-	-	2,191.36	140,106.39
Segment assets	162,721.67	55,291.40	82,647.79	84,871.49	10,070.30	395,602.65
Investments under equity method	759.21	-	94.02	-	-	853.23
Capital expenditures	35,445.64	16,388.95	15,822.02	90,276.72	2,017.13	159,950.46
Consolidated total assets	214,867.04	55,291.40	82,741.81	84,871.49	10,070.30	447,842.04

Unit: Million US Dollar

Consolidated financial statements for the year ended December 31, 2010

	Thailand	Other Southeast Asia	Australia	Middle East and Others	Group's total business
Revenues - Third parties	330.73	218.32	60.40	16.99	626.44
- Related parties	3,465.78	296.54	-	51.71	3,814.03
Segment assets	4,713.83	1,134.69	1,960.87	266.24	8,075.63
Investments under equity method	21.82	-	2.78	-	24.60
Capital expenditures	1,248.52	233.03	268.99	13.85	1,764.39
Consolidated total assets	7,329.17	1,134.69	1,963.65	266.24	10,693.75

Unit: Million Baht

Consolidated financial statements for the year ended December 31, 2010

	Thailand	Other Southeast Asia	Australia	Middle East and Others	Group's total business
Revenues - Third parties	10,475.58	6,906.88	1,916.43	539.75	19,838.64
- Related parties	109,766.89	9,397.61	-	1,652.59	120,817.09
Segment assets	142,127.96	34,212.26	59,122.89	8,027.50	243,490.61
Investments under equity method	657.89	-	83.86	-	741.75
Capital expenditures	38,705.03	7,097.81	8,488.75	422.43	54,714.02
Consolidated total assets	220,983.80	34,212.26	59,206.75	8,027.50	322,430.31

36. Risk Management

The Group's business and operations cause it to be exposed to the following key risks:

<u>Market Risk</u>

Market risk is the situation whereby changes in commodities prices, interest rates, and foreign exchange rates may positively or adversely impact the Group's revenues, cash flows, assets, and liabilities.

Financial derivatives of various kinds are employed for the purpose of managing risk exposure to movements in prices of commodities, interest rates and foreign exchange rates.

- **Price Risk**

  In 2011, world oil prices fluctuated. The price of Brent crude oil is in the range of US Dollar 94 – 128 per barrel. The Group's product prices vary with those of world oil prices, which are subject to factors beyond its control, for instance, market demand and supply, political and economic stability of various countries, OPEC's production policy, oil reserves and the change in the global climate each season. Fluctuations in world oil prices affect the Group's revenue and investment planning.

  In this regard, when world oil prices change, so do the prices of the Group's crude oil and condensate. However, because of built-in natural gas pricing mechanisms found in the Gas Sale Agreement (GSA) which cushion natural gas prices from oil prices volatility (Natural Hedge), when the reference oil prices change, the typical prices of natural gas – the Group's main product – 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 and should this price rise or fall, the natural gas prices will move correspondingly to a certain degree compared to the prices of crude oil and condensate.

  The Group has managed the oil price risk by analyzing the impact of the level of oil price changes to revenue and net profit of the Group annually. The risk mitigation plan is reviewed by the Risk Management Committee and endorsed by the Board of Directors for future cash flows. In addition, the Group entered into a derivative on oil price hedged for the Group's petroleum products using the Brent oil price during January 2011 to December 2011 totaling to 6.2 million barrels.

  As at December 31, 2011, the Group has mark to market the value of the put option on the oil price hedged contracts for January 2012 of 0.15 million barrels. The market value of this derivative instrument is fluctuated based on the difference between the oil price and the strike price and the time value of the remaining contract period.

- **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 Company has a policy to maintain a proper proportion between fixed-interest rate debts and floating-interest rate debts. The Company considers both fixed and floating-interest rate borrowings as well as using the financial instruments, such as interest rate swap to swap from floating interest rate to fixed interest and vice versa rate in order to prevent interest rate risks. The Company considers costs, market conditions and acceptable risks in using the financial instrument to prevent the risk.

As at December 31, 2011, the Group has proportion of floating rate debt net of interest rate swaps at 16% of total debt (in 2010 at 10%). The weighted average interest rate on debt was 3.12% per annum (in 2010 was 3.69% per annum)

The Group's earnings are sensitive to changes in interest rates on the floating rate element of the Group's debt. If the interest rate applicable to floating rate instruments were to have increased by 1% on January 1, 2012, it is estimated that the Group's profit before taxation for 2012 would decrease by approximately US Dollars 6 million (in 2011 decrease by US Dollars 1 million). This assumes that the debt amount and the proportion of fixed and floating rate remain unchanged from that in place at December 31, 2012. Furthermore, the effect on earnings shown by this analysis does not consider the effect of any changes in general economic activity that may accompany such an increase or a decrease in interest rates.

- **Foreign Currency Risk**

The vast majority of the Group's domestic and international business (revenues and expenses) are in US Dollar. Commencing January 1, 2011, the Company's management has determined the US Dollar as the functional currency by considering revenue from and operating expenses use in the primary economic environment in which the entity operates. The Group is exposed to the exchange rate risks from transactions which are denominated in currencies that are not the Group's functional currency. Foreign exchange gains and losses are presented in Note 32.

The Group is aware of the risks surrounding financial assets and financial liabilities denominated in foreign currencies. As a result, the Group has a policy of asset and liability management by which the structure and features of transactions regarding assets, liabilities and shareholders' equity are aligned with each other. In addition, the Group has considered to manage foreign currency risk with financial derivatives together with the consideration yields and risks arising in each intervals.

The Group's earnings are sensitive to changes in foreign currency of net assets and liabilities denominated in currencies other than functional currency. If at December 31, 2011 and 2010, the other currencies had fluctuated 10% against the functional currency, the possible change to net profit is as follows:

Unit: Million US Dollar

	Consolidated	
	Exposure from assets and liabilities denominated in Baht	Exposure from assets and liabilities denominated in Canadian Dollars
For the year ended December 31, 2011		
Profit before tax increase (decrease)		
(10% US Dollar appreciate)	(10)	(147)
Profit before tax increase (decrease)		
(10% US Dollar depreciate)	10	147
For the year ended December 31, 2010		
Profit before tax increase (decrease)		
(10% US Dollar appreciate)	(147)	-
Profit before tax increase (decrease)		
(10% US Dollar depreciate)	147	-

<u>Credit Risk</u>

The Group seeks to ensure that sales of products are made to the customers with acceptable credit profiles, with the overwhelming majority of sales being made to PTT Public Company Limited, PTTEP's parent company. The credit risks are carefully assessed and regularly reviewed.

All of banks in which the Group places deposits are rated at investment grade level. The Group regularly assesses credit quality and stability of these banks by taking into account of their credit rating, investment portfolio, and other financial factors which demonstrate their performance and the ability of their business risks management process, such as, debt to deposit ration, non-performing to gross loan ration. These factors are used to manage risks and to consider the amount of bank deposit limit in order to ensure that deposits are well-diversified and to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

Before entering into financial derivatives contract, the Group has assessed the financial position and credit worthiness, including setting up credit exposure limit, of counterparty bank in the same way as when the Group assesses banks before placing deposit as described above. Currently all banks in which the Group has entered into financial derivatives contract are rated at investment grade level. In addition, the Group has adjusted, based on the timing and type of transaction, the outstanding balance of each derivative financial instruments made with banks to reflect the risk-adjusted exposure and has diversified transactions to avoid concentration risks with individual bank together with the consideration yields and risks arising in each interval.

The Group's maximum exposure to credit risks is the fair value of financial assets.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. The Group's contractual maturity of liabilities and interest as at December 31, 2011 are as follows:

Unit: Million US Dollar

	Within 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Trade accounts payable and working capital to co-venturers	108.67	-	-	-	108.67
Accrued expenses	995.31	-	-	-	995.31
Other current liabilities	42.47	-	-	-	42.47
Loans from financial institution with floating interest rate					
Principle	315.55	-	625.00	-	940.55
Interest*	13.40	23.74	15.76	-	52.90
Bond with fixed interest rate					
Principle	687.89	526.96	700.00	1,031.32	2,946.17
Interest*	117.71	195.19	140.95	230.38	684.23
Foreign currency and interest rate swap	-	-	-	1.54	1.54

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 principle amounts of loans other than repayment at scheduled maturity. The floating interest rate is based on the contractual interest rate at December 30, 2011. Thai Baht liabilities were equivalent to US Dollar at the weighted average exchange rate announced by the Bank of Thailand of Baht 31.6912 per US Dollar at December 30, 2011.

* interest represents the interest payment due within one year.

The Group manages its liquidity risks by preparing cash flow forecasts and adjusting financial estimates regularly. The Group operates a Short-Term Financing Programme in order to access Thailand's capital market by issuing short-term debt securities, and credit facilities with commercial banks. This credit facilities are available within 3 business days after notifying to the bank with the agreed upon interest rate in advance.

The outstanding principle amount undrawn facilities are summarized below:

Unit: Million Baht

	Credit limit	Undrawn amount
Committed bank credit facility	90	90
Uncommitted bank credit facility*	11,600	11,600
Short-term commercial paper	50,000	50,000

*Uncommitted bank credit facility amounted to US dollar 60 million equivalent to Thai Baht at the weighted average exchange rate announced by the Bank of Thailand of Baht 31.6912 per US Dollar at December 30, 2011.

The Group's Receivables Purchase Financing Facility has been launched for the purpose of converting credit terms to immediate cash to ensure flexible working capital.

The Company's International Credit Rating is comparable with the Sovereign Rating of Thailand and the National Credit Rating is at the AAA. As a result, the Company can access to the source of fund for the long-term loan at the interest rate approximate the market interest rate. For the years ended 2011 and 2010, the Company's credit ratings as assigned by prominent credit rating agencies for are as follows:

	2011		2010	
	Foreign Currency	Domestic Currency	Foreign Currency	Domestic Currency
Rating Agency				
Moody's	Baa1	Baa1	A3	A3
Standard and Poor's	BBB+	BBB+	BBB+	BBB+
Japan Credit Rating	A-	A	A-	A
TRIS Rating (National Rating)	-	AAA	-	AAA

37. Dividends

On March 30, 2011, the annual general meeting of the shareholders approved payment of a dividend for the year 2010 of Baht 5.03 per share. The Company made interim dividend payment for the first half-year operations of 2010 at the rate of Baht 2.55 per share on August 30, 2010 and for the second half-year operations of 2010 at the rate of Baht 2.48 per share on April 18, 2011.

The Company estimated the dividend to its shareholders for the year 2011 at Baht 5.40 per share. The Company made an interim dividend payment for the first half-year operations of 2011 at the rate of Baht 2.61 per share on August 29, 2011 and still has to pay the dividend for the second half-year operations of 2011 at the rate of Baht 2.79 per share. This dividend will be paid upon approval by the annual general meeting of the shareholders.

38. Commitments and Contingent Liabilities

- Commitment under operating leases – the Group as a lessee

  The future minimum lease payments for the non-cancellable operating leases as at December 31, 2011 and 2010 are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Within 1 year	73.16	143.82	2,318.42	4,336.33
Between 1 - 5 years	129.57	174.04	4,106.54	5,247.32
Over 5 years	74.75	93.45	2,368.87	2,817.73
Total	277.48	411.31	8,793.83	12,401.38

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Within 1 year	47.28	119.67	1,498.26	3,608.21
Between 1 - 5 years	51.45	92.10	1,630.46	2,777.13
Over 5 years	0.29	0.37	9.23	11.19
Total	99.02	212.14	3,137.95	6,396.53

- Commitment from loan agreements
  - The Company has a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at December 31, 2011 was US Dollar 18.30 millions (Baht 580 million).

- Commitment from loan and bond guarantee
  - The Company has commitment from unsecured and unsubordinated bond guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF) with US Dollar 700 million credit facilities.
  - The Company has commitment from loan guarantee for PTTEP Offshore Investment Company Limited with US Dollar 575 million credit facilities.
  - The Company has commitment from unsecured and unsubordinated bond guarantee for PTTEP Canada International Finance Limited (PTTEP CIF) with US Dollar 700 million credit facilities.

- Obligation under Gas Sales Agreement

  According to the Gas Sales Agreement of MTJDA B-17 Project, if the sellers fail to deliver the quantity of natural gas notified by the buyer on the date agreed upon, the buyer has the right to take the deficient quantity of natural gas (Shortfall) at a price equal to 75% of the current price applicable at the time the Shortfall occurred. PTT, the buyer, has nominated quantities of natural gas since late December 2009 but PTTEPI and joint venture partner, the seller, could not deliver the natural gas nominated by PTT. However, MTJDA-B17 Project started up its commercial production on February 5, 2010. PTTEPI and the joint venture partner may have an obligation for the Shortfall that occurred from late December 2009 to February 5, 2010 by selling the deficient amount of gas at the 75% discounted price as per GSA with the approximate total cost for PTTEPI of US Dollar 3.56 million (Baht 112.68 million). Currently, negotiation between the buyer (PTT) and the sellers are in process.

  On July 30, 2011, this project ceased its production because of a problem with the production equipment. This resulted in the Shortfall. PTTEPI and joint venture partners, the seller, may have an obligation for the Shortfall that occurred by selling the deficient amount of gas at the 75% discounted price as per GSA with the approximate total cost for PTTEPI of US Dollar 0.16 million (Baht 5.12 million).

- Contingent liabilities

  - On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to the incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 1, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven and unsubstantiated. No verifiable scientific evidence has yet been provided to support the claim.

    In December 2010, PTTEP AA and the Government of Indonesia agreed to provide each other additional documents and will conduct a joint survey to verify the Government of Indonesia's data on the claimed damage on the fisheries sector from the Montara oil spill. The discussion with the Government of Indonesia is on-going. The compensation regarding this matter has not been finalized.

  - As at December 31, 2011, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 57.07 million (Baht 1,808.63 million) for the Company's financial statements and US Dollar 75.22 million (Baht 2,383.92 million) for the consolidated financial statements.

39. Significant Events During the Period

- On February 25, 2011, the Company established a subsidiary, PTTEP Canada International Finance Limited, with registered capital of Canadian Dollars 50,000, consisting of 50,000 ordinary shares at Canadian Dollar 1 each, with 100% shareholding by PTTEP Netherlands Coöperatie U.A.

- On March 3, 2011, PTTEP Bengara I Company Limited was approved by the government sector of Indonesia (BPMIGAS) to withdraw the entire 40% participation interest from Indonesia Bengara – 1 project according to the Withdrawal Agreement with the joint venture on February 26, 2010.

- On March 11, 2011, the Company signed a loan agreement with Krung Thai Bank Plc. for Baht 20,000 million credit facility and a one-year tenor. This loan agreement cames under the remaining credit facility of Baht 28,250 million that was approved by the Company's Board of Directors in 2009 and 2010. As at December 31, 2011, the Company utilized the drawdown of the first loan installment of Baht 10,000 million.

- On March 25, 2011, PTTEP Australasia (Ashmore Cartier) Pty Ltd (PTTEP AAA) signed the Sale and Purchase Agreement for AC/RL7 for the purchase of 20% participation interest from an existing partner. The Australian government has approved this transaction on 20 June 2011 and the purchase price was paid in July 2011. After completion, PTTEP AAA will hold 100% participation interest.

- On March 29, 2011, PTTEP International Limited relinquished the entire area of Exploration Block M4 in the Union of Myanmar after fulfillment of the exploration work commitment. The termination was effective from May 1, 2011.
- On March 30, 2011, PTTEP Sidi Abd El Rahman Company Limited withdrawn the entire 30% participation interest from Sidi Abd El Rahman Offshore Project in the Arab Republic of Egypt after fulfillment of the exploration work commitment. The withdrawal will be fully effective upon receiving an official approval from the government of the Arab Republic of Egypt.
- On April 5, 2011, PTTEP Canada International Finance Limited completed the transaction of issuing unsecured and unsubordinated debentures to foreign institutional investors for the total amount of US Dollar 700 million carrying a coupon of 5.692% per annum, fully guaranteed by PTTEP with the tenor of 10 years. The debentures have been rated BBB+ by Standard and Poor's and Baa1 by Moody's.
- On June 30, 2011, PTTEP Australasia Offshore Pty Limited withdrew the entire 22.21% of participation interest from the Australia AC/P36 Project in Australia after fulfillment of the exploration work commitment. The withdrawal was officially approved by the Australian government on October 31, 2011.
- On July 11, 2011, PTTEP Australasia (Ashmore Cartier) Pty Limited received an approval from the Australian government to obtain 100% of rights in the exploratory area AC/P54 for six years effective from July 7, 2011.
- On August 1, 2011, the Company established a subsidiary, PTTEP MEA Limited, with registered capital of US Dollar 50,000, consisting of 50,000 ordinary shares at US Dollar 1 each, with 100% shareholding by PTTEP.
- On August 5, 2011, PTTEP New Zealand Limited and other joint venture partners entered into a Farmout agreement with Shell GSB Limited to transfer 50% of participation interest in the concession Nos. 50119 and 50120 of the New Zealand Great-South project to Shell GSB Limited. This agreement will be fully effective upon receiving an official approval from the Government of New Zealand (Crown Minerals). After the completion of the agreement, PTTEP New Zealand Limited will have 18% of participation interests as a joint venture effective retroactively since August 5, 2011. Shell GSB Limited paid 75% of all incurred exploratory expenses in these concessions from the project start date until 31 July 2011 of which is PTTEP New Zealand Limited recognized its proportion of participation interest as restricted deposit totaling to NZ Dollar 9.26 million (US Dollar 7.10 million).

- On August 19, 2011, PTTEP New Zealand Limited ceased the exploration and relinquished the concession No.50121 in New Zealand. The relinquishment was approved by the government of New Zealand (Crown Minerals).
- On September 29, 2011, PTTEP Australasia Offshore Pty Limited withdrew the entire 20% of participation interest from the concession WA378P of the PTTEP Australasia Project in Australia. The withdrawal will be fully effective upon receiving an official approval from the government of Australia.
- On November 30, 2011, the Indonesian government approved the transfer of participation interests to Total E & P Indonesia South Mandar. The transfer was retroactively effective from January 1, 2011 as follows:

Block	Previous PTTEP's Participation Interest (%)	New PTTEP's Participation Interest (%)
South Mandar	67	34
Sadang	40	30
South Sageri	30	20

- On December 1, 2011, PTTEP International Limited (PTTEPI) which holds the concession block L21/48, L28/48, and L29/48, had fulfilled its exploration obligation for all blocks under for the 2nd year of phase 2 of the concession agreement. PTTEPI has notified to the Department of Natural Resources to terminate and relinquish the concession block L29/48 before entering into the 3rd year of phase 2. The notification will be effective upon the approval from the Department of Mineral Fuels, Ministry of Energy.
- On December 29, 2011, PTTEP Merangin Company Limited ("PTTEPM") has registered for the dissolution with the Government of Cayman Island.

40. Events after the Statement of Financial Position Date

- On January 5, 2012, PTTEP International Limited (PTTEPI) entered into a Joint Operating Agreement in the Myanmar Zawtika project with Myanmar Oil and Gas Enterprise (MOGE). Under the Production Sharing Contract, MOGE will hold 20% of participation interest in the Myanmar Zawtika project and with a supplementary arrangement between PTTEPI and MOGE, MOGE has rights to invest in the project after the development project has been approved by paying the actual expenditures of the participation interest. However, PTTEPI will maintain 80% of participation interest and will be operator of this project. The agreement was retroactively effective from August 15, 2011.

- On December 29, 2011, PTTEP Exploration and Production Public Company Limited (PTTEP) and other joint venture partners in the Arthit project which comprise of Chevron Thailand Exploration and Production, Ltd. ("Chevron") and Mitsui Oil Exploration Co., Ltd. ("MOECO"), have re-entered into the North Arthit Participation Agreement. The participation interest under the agreement for PTTEP, Chevron, and MOECO are 80%, 16%, and 4%, respectively. The agreement was effective in January 2012 to deliver natural gas to the Arthit's production rig.
- On February 1, 2012, PTTEP International Limited (PTTEPI) has terminated and relinquished the exploration block M7 in the Union of Myanmar after fulfilment of the exploration work commitment.
- The Board of Directors of the Company authorized for the issue of these financial statements on February 17, 2012.

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

AND FINANCIAL INFORMATION

OF

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO: THE SHAREHOLDERS OF PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has reviewed the consolidated and separate statements of financial position as at March 31, 2014, and the related consolidated and separate statements of income, and of comprehensive income, of changes in shareholders' equity, and cash flows for the three-month period then ended, and condensed notes to the interim financial information of PTT Exploration and Production Public Company Limited and its subsidiaries and of PTT Exploration and Production Public Company Limited, respectively, which are presented in US Dollar and in Thai Baht. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review by the Office of the Auditor General of Thailand.

Scope of review

The Office of the Auditor General of Thailand conducted the review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

Office of the Auditor General of Thailand

Conclusion

Based on the review, nothing has come to attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Signed) *Sirin Phankasem*

(Sirin Phankasem)

Inspector General 1

(Signed) *Adisorn Puawaranukroh*

(Adisorn Puawaranukroh)

Director of Financial Audit Office No.8

Office of the Auditor General of Thailand

April 29, 2014

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014

CONSOLIDATED

	Notes	Unit: US Dollar March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)	Unit: Baht March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)
Assets					
Current Assets					
Cash and cash equivalents	5	3,071,484,107	2,357,037,861	99,648,770,644	77,342,817,867
Investments in trading securities	6	156,572	142,836	5,079,694	4,686,955
Account receivable - parent company	7	626,384,771	894,253,219	20,321,926,460	29,343,637,417
Trade accounts receivable	8	106,738,056	152,139,850	3,462,924,114	4,992,250,587
Other accounts receivable		110,614,503	142,625,353	3,588,669,988	4,680,063,328
Inventories		61,199,266	45,386,536	1,985,500,041	1,489,294,031
Materials and supplies, net		311,563,775	327,807,047	10,108,125,888	10,756,518,181
Assets held-for-sale	9	2,442,180,740	-	79,232,259,658	-
Other current assets					
Working capital from co-venturers		54,265,459	23,991,912	1,760,545,127	787,260,178
Accrued interests receivable		26,249,021	13,843,729	851,603,073	454,261,848
Financial derivative assets	17	3,258,116	2,119,447	105,703,699	69,546,622
Other current assets		144,751,533	146,239,087	4,696,199,040	4,798,627,634
Total Current Assets		6,958,845,919	4,105,586,877	225,767,307,426	134,718,964,648
Non-current Assets					
Investments in available-for-sales securities	10	1,596,837	1,659,535	51,806,496	54,455,256
Investments in associates	12.3	36,348,514	36,842,265	1,179,262,103	1,208,926,093
Investments in subsidiaries		-	-	-	-
Long-term loans to related parties	11.2	17,877,398	17,675,598	580,000,001	579,999,406
Property, plant and equipment, net	13, 14	10,800,721,311	12,671,864,746	350,409,961,029	415,809,028,442
Goodwill	15	682,976,967	992,292,779	22,157,958,376	32,560,657,075
Intangible assets, net	16	3,091,601,945	3,279,096,935	100,301,481,751	107,598,845,513
Deferred tax assets		359,606,715	354,942,781	11,666,790,287	11,646,940,919
Other non-current assets					
Prepaid expenses		22,097,208	22,419,584	716,904,125	735,666,523
Deferred remuneration under agreement		21,420,015	21,853,423	694,933,827	717,088,761
Financial derivative assets	17	45,440,543	22,933,069	1,474,238,308	752,515,316
Other non-current assets		47,135,854	45,245,692	1,529,237,677	1,484,672,790
Total Non-current Assets		15,126,823,307	17,466,826,407	490,762,573,980	573,148,796,094
Total Assets		22,085,669,226	21,572,413,284	716,529,881,406	707,867,760,742

Notes to interim financial information are an integral part of these financial information.

(Signed) Tevin Vongvanich
(Tevin Vongvanich)
President and Chief Executive Officer

(Signed) Yongyos Krongphanich
(Yongyos Krongphanich)
Senior Vice President
Finance and Strategic Information Technology Division

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014
CONSOLIDATED

		Unit: US Dollar		Unit: Baht	
	Notes	March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)	March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)
Liabilities and Shareholders' Equity					
Current Liabilities					
Trade accounts payable		100,857,308	131,915,944	3,272,133,027	4,328,637,970
Current portion of long-term debts	18	360,615,819	356,523,391	11,699,531,155	11,698,803,980
Working capital to co-venturers		9,407,132	25,073,288	305,197,480	822,743,989
Accrued expenses		817,042,040	873,622,639	26,507,462,324	28,666,660,998
Dividends payable		367,381,733	-	11,919,039,079	-
Accrued interests payable		68,440,200	49,505,360	2,220,419,961	1,624,447,135
Income tax payable		1,187,258,920	972,248,565	38,518,478,659	31,902,942,890
Financial derivative liabilities	17	33,033,330	35,869,960	1,071,706,934	1,177,021,317
Short-term provision		47,972,940	48,197,436	1,556,395,700	1,581,529,761
Liabilities directly associated with assets classified as held-for-sale	9	517,320,486	-	16,783,553,496	-
Other current liabilities		96,066,467	139,595,371	3,116,703,614	4,580,619,999
Total Current Liabilities		3,605,396,375	2,632,551,954	116,970,621,429	86,383,408,039
Non-current Liabilities					
Debentures	18	2,611,819,716	2,608,762,527	84,735,789,574	85,602,802,509
Long-term loans from financial institution	18	1,041,889,978	1,057,696,321	33,802,245,019	34,706,788,515
Deferred tax liabilities		1,222,039,617	1,639,494,811	39,646,875,953	53,797,659,688
Employee benefit obligations	19	106,380,981	103,800,747	3,451,327,829	3,406,084,578
Provision for decommissioning costs		1,198,129,079	1,188,900,093	38,871,141,409	39,012,052,039
Provision for remuneration for the renewal of petroleum production		521,851,124	530,471,131	16,930,520,406	17,406,649,686
Other non-current liabilities					
Financial derivative liabilities	17	30,650,615	34,128,583	994,404,035	1,119,880,534
Deferred income		29,565,845	28,751,929	959,210,624	943,453,324
Other non-current liabilities		29,042,852	29,035,085	942,243,048	952,744,701
Total Non-current Liabilities		6,791,369,807	7,221,041,227	220,333,757,897	236,948,115,574
Total Liabilities		10,396,766,182	9,853,593,181	337,304,379,326	323,331,523,613
Shareholders' Equity					
Share capital	20				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	150,683,762	3,969,985,400	3,969,985,400
Share premium		3,439,036,612	3,439,036,612	105,417,619,764	105,417,619,764
Subordinated capital debentures		156,570,483	156,570,483	4,981,947,515	4,981,947,515
Retained earnings					
Appropriated					
Legal reserve		15,048,319	15,048,319	396,998,540	396,998,540
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		7,562,974,008	7,547,030,327	250,728,239,926	249,784,387,847
Other components of shareholders' equity		(66,641,352)	(20,780,612)	(3,169,289,065)	3,085,298,063
Total Shareholders' Equity		11,688,903,044	11,718,820,103	379,225,502,080	384,536,237,129
Total Liabilities and Shareholders' Equity		22,085,669,226	21,572,413,284	716,529,881,406	707,867,760,742

Notes to interim financial information are an integral part of these financial information.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014

THE COMPANY

	Notes	Unit: US Dollar March 31, 2014 (Unaudited but reviewed)	Unit: US Dollar December 31, 2013 (Audited) (Restated)	Unit: Baht March 31, 2014 (Unaudited but reviewed)	Unit: Baht December 31, 2013 (Audited) (Restated)
Assets					
Current Assets					
Cash and cash equivalents	5	2,182,691,047	1,728,057,890	70,813,482,332	56,703,742,372
Investments in trading securities	6	150,309	137,122	4,876,506	4,499,477
Account receivable - parent company	7	360,944,044	565,995,193	11,710,179,845	18,572,320,874
Trade accounts receivable	8	1,567,492	3,749,866	50,854,443	123,046,474
Other accounts receivable		54,858,169	48,448,745	1,779,774,568	1,589,776,101
Inventories		6,105,828	4,060,174	198,092,611	133,228,790
Materials and supplies, net		110,159,796	115,941,644	3,573,936,294	3,804,458,854
Other current assets					
Working capital from co-venturers		3,714,485	4,904,051	120,509,789	160,919,410
Accrued Interests receivable		27,561,069	13,723,866	894,169,259	450,328,973
Other current assets		71,926,986	58,091,606	2,333,541,604	1,906,192,768
Total Current Assets		2,819,679,225	2,543,110,157	91,479,417,251	83,448,514,093
Non-current Assets					
Investments in associates	12.3	25,577,427	25,577,427	829,813,595	839,286,615
Investments in subsidiaries	12.2	616,236,293	616,236,293	19,992,677,327	20,220,910,528
Long-term loans to related parties	11.2	5,844,937,929	5,628,631,109	189,628,490,622	184,695,460,880
Property, plant and equipment, net	13, 14	3,811,199,318	3,840,780,923	123,647,501,978	126,029,720,011
Intangible assets, net	16	176,863,344	173,793,017	5,738,012,857	5,702,768,703
Deferred tax assets		11,016,332	11,254,571	357,405,065	369,302,606
Other non-current assets					
Deferred remuneration under agreement		21,420,015	21,853,423	694,933,827	717,088,761
Financial derivative assets	17	5,173,874	4,922,434	167,857,018	161,522,624
Other non-current assets		5,263,123	5,287,227	170,752,535	173,492,743
Total Non-current Assets		10,517,687,655	10,328,336,424	341,227,444,824	338,909,553,471
Total Assets		13,337,366,880	12,871,446,581	432,706,862,075	422,358,067,564

Notes to interim financial information are an integral part of these financial information.

(TRANSLATION)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014

THE COMPANY

		Unit: US Dollar		Unit: Baht	
	Notes	March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)	March 31, 2014 (Unaudited but reviewed)	December 31, 2013 (Audited) (Restated)
Liabilities and Shareholders' Equity					
Current Liabilities					
Trade accounts payable		13,399,496	12,203,148	434,722,543	400,428,808
Current portion of long-term debts	18	360,615,819	356,523,391	11,699,531,155	11,698,803,980
Working capital to co-venturers		-	1,989,010	-	65,266,515
Accrued expenses		420,142,446	445,396,775	13,630,765,428	14,615,056,663
Dividends payable		367,381,733	-	11,919,039,079	-
Accrued interests payable		8,506,511	11,231,311	275,978,438	368,539,362
Income tax payable		849,999,243	705,605,581	27,576,695,498	23,153,435,617
Financial derivative liabilities	17	29,103,282	34,177,424	944,203,592	1,121,483,170
Short-term provision		36,643,754	36,643,754	1,188,840,638	1,202,412,252
Other current liabilities		46,757,173	45,155,815	1,516,952,308	1,481,723,349
Total Current Liabilities		2,132,549,457	1,648,926,209	69,186,728,679	54,107,149,716
Non-current Liabilities					
Debentures	18	728,750,568	726,005,194	23,643,000,462	23,822,819,686
Long-term loans from financial institution	18	50,000,000	50,000,000	1,622,160,003	1,640,678,322
Deferred tax liabilities		432,574,207	385,276,559	14,034,091,556	12,642,297,972
Employee benefit obligations	19	96,432,015	94,235,841	3,128,563,157	3,092,214,007
Provision for decommissioning costs		499,703,712	494,170,035	16,211,987,518	16,215,481,270
Provision for remuneration for the renewal of petroleum production		521,851,124	530,471,131	16,930,520,406	17,406,649,686
Other non-current liabilities					
Financial derivative liabilities	17	30,650,615	34,128,583	994,404,035	1,119,880,534
Other non-current liabilities		14,612,197	14,473,352	474,066,445	474,922,306
Total Non-current Liabilities		2,374,574,438	2,328,760,695	77,038,793,582	76,414,943,783
Total Liabilities		4,507,123,895	3,977,686,904	146,225,522,261	130,522,093,499
Shareholders' Equity					
Share capital	20				
Authorized share capital					
3,969,985,400 ordinary shares of Baht 1 each				3,969,985,400	3,969,985,400
Issued and paid-up share capital					
3,969,985,400 ordinary shares of Baht 1 each		150,683,762	150,683,762	3,969,985,400	3,969,985,400
Share premium		3,439,036,612	3,439,036,612	105,417,619,764	105,417,619,764
Subordinated capital debentures		156,570,483	156,570,483	4,981,947,515	4,981,947,515
Retained earnings					
Appropriated					
Legal reserve		15,048,319	15,048,319	396,998,540	396,998,540
Reserve for expansion		431,231,212	431,231,212	16,900,000,000	16,900,000,000
Unappropriated		4,640,706,418	4,706,108,000	155,642,862,736	157,378,172,002
Other components of shareholders' equity		(3,033,821)	(4,918,711)	(828,074,141)	2,791,250,844
Total Shareholders' Equity		8,830,242,985	8,893,759,677	286,481,339,814	291,835,974,065
Total Liabilities and Shareholders' Equity		13,337,366,880	12,871,446,581	432,706,862,075	422,358,067,564

Notes to interim financial information are an integral part of these financial information.

(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
CONSOLIDATED

	Notes	Unit: US Dollar 2014	Unit: US Dollar 2013 (Restated)	Unit: Baht 2014	Unit: Baht 2013 (Restated)
Revenues					
Sales		1,784,951,307	1,797,758,169	58,288,950,882	53,564,732,691
Revenue from pipeline transportation		27,719,064	37,641,884	903,451,434	1,121,668,415
Other income					
Gain on foreign exchange	21	-	40,622,210	-	1,211,791,426
Interest income		5,872,059	12,303,333	191,927,369	366,755,425
Gain on financial derivatives		-	1,386,592	-	43,998,450
Other income		9,008,108	16,202,162	295,492,434	485,421,576
Total Revenues		1,827,550,538	1,905,914,350	59,679,822,119	56,794,367,983
Expenses					
Operating expenses		284,058,014	185,190,875	9,256,602,401	5,516,715,999
Exploration expenses		16,136,152	36,921,675	526,258,509	1,102,818,349
Administrative expenses		52,157,514	63,264,848	1,695,993,574	1,881,934,435
Petroleum royalties and remuneration	22	190,552,959	211,327,022	6,224,546,294	6,296,512,429
Depreciation, depletion and amortization		499,289,046	390,469,550	16,295,319,053	11,630,237,548
Other expenses					
Loss on foreign exchange	21	3,845,566	-	127,644,171	-
Loss on financial derivatives		1,122,584	-	36,840,000	-
Management's remuneration	11.1	1,478,452	1,510,184	48,256,086	44,994,259
Finance costs		56,508,961	48,232,161	1,845,209,069	1,435,004,833
Total Expenses		1,105,149,248	936,916,315	36,056,669,157	27,908,217,852
Share of gain (loss) from associates		(123,874)	1,596,581	(4,000,907)	47,267,678
Profit before income taxes		722,277,416	970,594,616	23,619,152,055	28,933,417,809
Income tax expenses		(342,549,087)	(290,746,670)	(11,184,293,876)	(8,687,380,146)
Profit for the period		379,728,329	679,847,946	12,434,858,179	20,246,037,663
Earnings per share	23				
Basic earnings per share		0.10	0.17	3.12	5.08
Diluted earnings per share		0.10	0.17	3.12	5.08

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
CONSOLIDATED

	Unit: US Dollar		Unit: Baht	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit for the period	379,728,329	679,847,946	12,434,858,179	20,246,037,663
Other comprehensive income (loss)				
Exchange differences on translating financial statement	(38,599,808)	(22,906,012)	(6,021,741,915)	(14,469,017,703)
Unrealized gain (loss) on available-for-sales securities	(62,698)	378,482	(2,090,941)	11,398,216
Gain (loss) on cash flow hedges	(1,020,882)	870,082	(30,644,323)	25,286,687
Income taxes relating to cash flow hedges	(6,177,352)	(999,347)	(200,109,949)	(29,497,651)
Other comprehensive loss for the period - net of tax	(45,860,740)	(22,656,795)	(6,254,587,128)	(14,461,830,451)
Total comprehensive income for the period	333,867,589	657,191,151	6,180,271,051	5,784,207,212

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

	Notes	Unit: US Dollar 2014	Unit: US Dollar 2013 (Restated)	Unit: Baht 2014	Unit: Baht 2013 (Restated)
Revenues					
Sales		909,123,434	972,727,780	29,694,338,514	28,987,631,326
Other income					
Gain on foreign exchange	21	22,669,305	120,036,895	744,777,004	3,587,092,893
Interest income		38,288,317	45,065,273	1,250,607,666	1,343,212,493
Gain on financial derivatives		-	4,274,378	-	128,799,448
Other income		1,088,672	1,001,557	35,238,245	29,825,318
Dividends received from related parties		19,186,713	512,943	621,536,688	15,000,000
Total Revenues		990,356,441	1,143,618,826	32,346,498,117	34,091,561,478
Expenses					
Operating expenses		69,490,669	53,516,311	2,267,176,593	1,594,258,643
Exploration expenses		2,483,391	588,677	80,999,064	17,542,692
Administrative expenses		27,689,889	30,450,394	901,008,843	901,058,359
Petroleum royalties and remuneration	22	113,626,971	121,571,289	3,711,363,688	3,622,862,137
Depreciation, depletion and amortization		247,893,706	213,000,297	8,097,680,844	6,346,088,876
Other expenses					
Loss on financial derivatives		157,297	-	5,148,845	-
Management's remuneration	11.1	1,478,452	1,510,184	48,256,086	44,994,259
Finance costs		17,752,580	11,973,188	579,312,243	356,375,570
Total Expenses		480,572,955	432,610,340	15,690,946,206	12,883,180,536
Profit before income taxes		509,783,486	711,008,486	16,655,551,911	21,208,380,942
Income tax expenses		(211,400,420)	(167,642,135)	(6,899,855,077)	(5,005,294,168)
Profit for the period		298,383,066	543,366,351	9,755,696,834	16,203,086,774
Earnings per share	23				
Basic earnings per share		0.07	0.14	2.44	4.06
Diluted earnings per share		0.07	0.14	2.44	4.06

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

	Unit: US Dollar		Unit: Baht	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit for the period	298,383,066	543,366,351	9,755,696,834	16,203,086,774
Other comprehensive income (loss)				
Exchange differences on translating financial statement	-	-	(3,680,661,478)	(10,763,168,754)
Gain on cash flow hedges	2,356,112	2,328,679	76,601,325	68,555,514
Income taxes relating to cash flow hedges	(471,222)	(465,736)	(15,264,832)	(13,747,074)
Other comprehensive income (loss) for the period - net of tax	1,884,890	1,862,943	(3,619,324,985)	(10,708,360,314)
Total comprehensive income for the period	300,267,956	545,229,294	6,136,371,849	5,494,726,460

Notes to interim financial information are an integral part of these financial information.

(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

CONSOLIDATED

Unit: US Dollar

	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of shareholders' equity – Other comprehensive income (loss): Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period													
Transaction cost of capital		-	1,273,540	-	-	-	-	-	-	-	-	-	1,273,540
Interest expenses for subordinated capital debentures		-	-	-	-	-	(2,466,343)	-	-	-	-	-	(2,466,343)
Dividends paid	25	-	-	-	-	-	(398,983,533)	-	-	-	-	-	(398,983,533)
Total comprehensive income (loss) for the period		-	-	-	-	-	679,847,946	(22,906,012)	378,482	870,082	(999,347)	(22,656,795)	657,191,151
Balance - as at March 31, 2013		150,683,762	3,440,194,553	156,570,483	15,048,319	431,231,212	6,771,453,858	21,891,132	292,634	(35,459,634)	5,700,377	(7,575,491)	10,957,606,696

Unit: US Dollar

	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Retained earnings: Legal reserve	Retained earnings: Reserve for expansion	Retained earnings: Unappropriated	Other components of shareholders' equity – Other comprehensive income (loss): Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period													
Interest expenses for subordinated capital debentures		-	-	-	-	-	(1,787,602)	-	-	-	-	-	(1,787,602)
Dividends paid	25	-	-	-	-	-	(361,997,046)	-	-	-	-	-	(361,997,046)
Total comprehensive income (loss) for the period		-	-	-	-	-	379,728,329	(38,599,808)	(62,698)	(1,020,882)	(6,177,352)	(45,860,740)	333,867,589
Balance - as at March 31, 2014		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	7,562,974,008	(45,267,017)	262,507	(24,411,750)	2,774,908	(66,641,352)	11,688,903,044

Notes to interim financial information are an integral part of these financial information.

(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

CONSOLIDATED

Unit: Baht

					Retained earnings			Other components of shareholders' equity – Other comprehensive income (loss)					
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period													
Transaction cost of capital		-	39,946,173	-	-	-	-	-	-	-	-	-	39,946,173
Interest expenses for subordinated capital debentures		-	-	-	-	-	(72,798,824)	-	-	-	-	-	(72,798,824)
Dividends paid	25	-	-	-	-	-	(12,376,588,879)	-	-	-	-	-	(12,376,588,879)
Total comprehensive income (loss) for the period		-	-	-	-	-	20,246,037,663	(14,469,017,703)	11,398,216	25,286,687	(29,497,651)	(14,461,830,451)	5,784,207,212
Balance - as at March 31, 2013		3,969,985,400	105,452,439,499	4,981,947,515	396,998,540	16,900,000,000	225,535,233,647	(35,172,820,409)	8,763,593	(1,098,484,702)	176,952,774	(36,085,588,744)	321,151,015,857

Unit: Baht

					Retained earnings			Other components of shareholders' equity – Other comprehensive income (loss)					
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Available-for-sales securities	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period													
Interest expenses for subordinated capital debentures		-	-	-	-	-	(57,907,779)	-	-	-	-	-	(57,907,779)
Dividends paid	25	-	-	-	-	-	(11,433,098,321)	-	-	-	-	-	(11,433,098,321)
Total comprehensive income (loss) for the period		-	-	-	-	-	12,434,858,179	(6,021,741,915)	(2,090,941)	(30,644,323)	(200,109,949)	(6,254,587,128)	6,180,271,051
Balance - as at March 31, 2014		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	250,728,239,926	(2,504,550,080)	7,656,010	(757,424,679)	85,029,684	(3,169,289,065)	379,225,502,080

Notes to interim financial information are an integral part of these financial information.

(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

Unit: US Dollar

						Retained earnings		Other components of shareholders' equity: Other comprehensive income (loss)			
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period											
Transaction cost of capital		-	1,273,540	-	-	-	-	-	-	-	1,273,540
Interest expenses for subordinated capital debentures		-	-	-	-	-	(2,466,343)	-	-	-	(2,466,343)
Dividends paid	25	-	-	-	-	-	(398,983,533)	-	-	-	(398,983,533)
Total comprehensive income (loss) for the period		-	-	-	-	-	543,366,351	2,328,679	(465,736)	1,862,943	545,229,294
Balance - as at March 31, 2013		150,683,762	3,440,194,553	156,570,483	15,048,319	431,231,212	4,417,082,603	(33,108,361)	6,621,672	(26,486,689)	8,584,324,243

Unit: US Dollar

						Retained earnings		Other components of shareholders' equity: Other comprehensive income (loss)			
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period											
Interest expenses for subordinated capital debentures		-	-	-	-	-	(1,787,602)	-	-	-	(1,787,602)
Dividends paid	25	-	-	-	-	-	(361,997,046)	-	-	-	(361,997,046)
Total comprehensive income (loss) for the period		-	-	-	-	-	298,383,066	2,356,112	(471,222)	1,884,890	300,267,956
Balance - as at March 31, 2014		150,683,762	3,439,036,612	156,570,483	15,048,319	431,231,212	4,640,706,418	(16,032,235)	12,998,414	(3,033,821)	8,830,242,985

Notes to interim financial information are an integral part of these financial information.

(Unaudited but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

Unit: Baht

								Other components of shareholders' equity				
					Retained earnings			Other comprehensive income (loss)				
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
Balance - as at January 1, 2013		3,969,985,400	105,412,493,326	4,981,947,515	396,998,540	16,900,000,000	144,598,691,270	(16,549,861,146)	(1,094,287,826)	218,327,468	(17,425,821,504)	258,834,294,547
Effects from changes in accounting policy	3	-	-	-	-	-	(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 period												
Transaction cost of capital		-	39,946,173	-	-	-	-	-	-	-	-	39,946,173
Interest expenses for subordinated capital debentures		-	-	-	-	-	(72,798,824)	-	-	-	-	(72,798,824)
Dividends paid	25	-	-	-	-	-	(12,376,588,879)	-	-	-	-	(12,376,588,879)
Total comprehensive income (loss) for the period		-	-	-	-	-	16,203,086,774	(10,763,168,754)	68,555,514	(13,747,074)	(10,708,360,314)	5,494,726,460
Balance - as at March 31, 2013		3,969,985,400	105,452,439,499	4,981,947,515	396,998,540	16,900,000,000	148,026,477,939	(27,313,029,900)	(1,025,732,312)	204,580,394	(28,134,181,818)	251,593,667,075

Unit: Baht

								Other components of shareholders' equity				
					Retained earnings			Other comprehensive income (loss)				
	Notes	Issued and paid-up share capital	Share premium	Subordinated capital debentures	Legal reserve	Reserve for expansion	Unappropriated	Exchange differences on translating financial statement	Cash flow hedges	Income taxes relating to cash flows hedges	Total other components of shareholders' equity	Total shareholders' equity
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	3	-	-	-	-	-	(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 period												
Interest expenses for subordinated capital debentures		-	-	-	-	-	(57,907,779)	-	-	-	-	(57,907,779)
Dividends paid	25	-	-	-	-	-	(11,433,098,321)	-	-	-	-	(11,433,098,321)
Total comprehensive income (loss) for the period		-	-	-	-	-	9,755,696,834	(3,680,661,478)	76,601,325	(15,264,832)	(3,619,324,985)	6,136,371,849
Balance - as at March 31, 2014		3,969,985,400	105,417,619,764	4,981,947,515	396,998,540	16,900,000,000	155,642,862,736	(749,700,885)	(492,453,610)	414,080,354	(828,074,141)	286,481,339,814

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
CONSOLIDATED

	Unit: US Dollar		Unit: Baht	
	2014	2013	2014	2013
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before income taxes	722,277,416	970,594,616	23,619,152,055	28,933,417,809
Adjustment to reconcile profit before income tax to net cash				
provided by (used in) operating activities				
Share of loss (gain) from associates	123,874	(1,596,581)	4,000,907	(47,267,678)
Depreciation, depletion and amortization	499,289,046	390,469,550	16,295,319,053	11,630,237,548
Amortization of prepaid expenses	1,775,554	1,536,020	57,983,821	44,280,135
Amortization of exploration expenses	354,945	17,646,369	11,083,709	520,871,954
Loss on disposal of assets	130,383	269,161	4,297,021	8,092,582
Income recognized from deferred income	813,916	(1,518,006)	26,583,888	(44,917,058)
Loss (gain) on financial derivatives	1,122,584	(1,386,592)	36,840,000	(43,998,450)
Employee benefit obligations	2,957,462	3,325,191	96,625,630	98,149,352
Other income	-	(387)	-	(11,422)
(Gain) loss on foreign exchange	(51,882,509)	27,747,125	(1,694,570,937)	827,811,371
Interest income less than interest expenses	49,093,668	35,067,818	1,602,939,035	1,044,136,379
	1,226,056,339	1,442,154,284	40,060,254,182	42,970,802,522
Changes in operating assets (increase) decrease				
Account receivable - parent company	283,358,996	172,881,444	9,254,986,510	5,152,230,084
Trade accounts receivable	16,880,413	29,758,913	551,342,996	886,878,104
Other accounts receivable	33,212,836	65,402,498	1,084,787,684	1,949,131,792
Inventories	(5,678,148)	(3,897,395)	(185,457,958)	(116,150,561)
Materials and supplies, net	9,037,262	(8,216,304)	295,172,345	(244,863,114)
Working capital from co-venturers	(30,261,569)	(10,455,345)	(988,394,275)	(311,591,250)
Other current assets	(8,394,597)	15,219,807	(274,181,807)	453,582,205
Prepaid expenses	322,377	(187,841)	10,529,377	(5,598,056)
Other non-current assets	(1,843,868)	(595,600)	(60,223,858)	(17,750,128)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(25,770,917)	(18,121,230)	(841,721,967)	(540,050,698)
Working capital to co-venturers	(15,666,155)	1,984,025	(511,683,258)	59,128,108

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

CONSOLIDATED

	Unit: US Dollar		Unit: Baht	
	2014	2013 (Restated)	2014	2013 (Restated)
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(56,260,459)	(65,323,577)	(1,837,562,233)	(1,946,779,758)
Other current liabilities	(16,911,193)	(37,576,153)	(552,348,302)	(1,119,848,258)
Other non-current liabilities	(197,732)	(1,949,816)	(6,458,275)	(58,108,606)
Currency translation differences	30,018,471	13,927,443	980,454,280	415,067,056
Interest received from bank deposits	5,477,271	11,324,333	178,896,971	337,488,902
Taxation paid	(55,755,844)	(53,254,558)	(1,821,080,638)	(1,587,097,666)
	161,567,144	110,920,644	5,277,057,592	3,305,668,156
Net cash provided by operating activities	1,387,623,483	1,553,074,928	45,337,311,774	46,276,470,678
Cash flows from investing activities				
Interest received from loans	179,302	205,307	5,856,314	6,118,567
Increase in property, plant and equipment	(540,972,957)	(669,875,799)	(17,669,096,369)	(19,963,705,541)
Increase in intangible assets	(68,570,000)	(62,026,514)	(2,239,612,757)	(1,848,520,365)
Net cash used in investing activities	(609,363,655)	(731,697,006)	(19,902,852,812)	(21,806,107,339)
Cash flows from financing activities				
Interest paid for loans	(37,508,680)	(31,398,066)	(1,225,097,241)	(935,728,299)
Cash payments for financial costs	-	(7,220,602)	-	(215,189,112)
Interest paid for subordinated capital debentures	(2,232,888)	(2,466,343)	(72,929,923)	(73,502,195)
Dividends paid	(102)	(40,924)	(3,343)	(1,219,627)
Net cash used in financing activities	(39,741,670)	(41,125,935)	(1,298,030,507)	(1,225,639,233)
Net increase in cash and cash equivalents	738,518,158	780,251,987	24,136,428,455	23,244,724,106
Cash and cash equivalents at the beginning of the period	2,357,037,861	2,291,918,927	77,342,817,867	70,205,143,796
	3,095,556,019	3,072,170,914	101,479,246,322	93,449,867,902
Cash and cash equivalents reclassified as assets held-for-sale	(37,235,156)	-	(1,208,029,165)	-
Adjustment for the effect of exchange rate changes	13,163,244	47,487,379	(622,446,513)	(2,017,362,836)
Cash and cash equivalents at the end of the period	3,071,484,107	3,119,658,293	99,648,770,644	91,432,505,066
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	410,551,242	300,418,948	13,409,301,450	8,953,115,531

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

	Unit: US Dollar		Unit: Baht	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from operating activities				
Profit before income taxes	509,783,486	711,008,486	16,655,551,911	21,208,380,942
Adjustment to reconcile profit before income tax to net cash provided by (used in) operating activities				
Depreciation, depletion and amortization	247,893,706	213,000,297	8,097,680,844	6,346,088,876
Amortization of prepaid expenses	626,855	293,717	20,470,980	8,753,520
Amortization of exploration expenses	302,478	69,173	9,832,039	2,038,933
Loss on disposal of assets	6,755	88,521	222,380	2,668,613
Loss (gain) on financial derivatives	157,297	(4,274,378)	5,148,845	(128,799,448)
Dividend received from related parties	(19,186,713)	(512,943)	(621,536,688)	(15,000,000)
Employee benefit obligations	2,618,797	2,812,601	85,564,904	83,019,268
Gain on foreign exchange	(43,123,809)	(52,207,844)	(1,408,496,922)	(1,555,015,575)
Interest income higher than interest expenses	(20,930,272)	(33,186,639)	(684,125,246)	(989,596,008)
	678,148,580	837,090,991	22,160,313,047	24,962,539,121
Changes in operating assets (increase) decrease				
Account receivable - parent company	216,056,662	119,290,896	7,056,777,847	3,555,119,225
Trade accounts receivable	2,244,305	(213,365)	73,302,804	(6,358,738)
Other accounts receivable	(5,601,810)	11,744,936	(182,964,641)	350,023,760
Inventories	(263,297)	116,711	(8,599,727)	3,478,230
Materials and supplies, net	5,775,444	2,726,148	188,635,812	81,244,936
Working capital from co-venturers	1,201,544	(82,840)	39,244,482	(2,468,810)
Other current assets	(13,477,386)	3,866,090	(440,194,326)	115,217,605
Other non-current assets	43,229	(539,026)	1,411,941	(16,064,099)
Changes in operating liabilities increase (decrease)				
Trade accounts payable	(4,058,143)	575,856	(132,545,854)	17,161,710
Working capital to co-venturers	(1,989,010)	-	(64,964,451)	-

Notes to interim financial information are an integral part of these financial information.

(Unaudited
but reviewed)

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
THE COMPANY

	Unit: US Dollar		Unit: Baht	
	2014	2013	2014	2013
		(Restated)		(Restated)
Changes in operating liabilities increase (decrease) (continued)				
Accrued expenses	(20,721,951)	(41,018,619)	(676,814,132)	(1,222,440,988)
Other current liabilities	1,164,332	3,592,925	38,029,065	107,076,712
Other non-current liabilities	1,531	(737,520)	49,997	(21,979,644)
Interest received from bank deposits	4,333,357	9,479,778	141,534,806	282,517,281
Taxation paid	-	(965,291)	-	(28,767,695)
	184,708,807	107,836,679	6,032,903,623	3,213,759,485
Net cash provided by operating activities	862,857,387	944,927,670	28,193,216,670	28,176,298,606
Cash flows from investing activities				
Cash received from long-term loans to related parties	197,440,895	388,502,842	6,448,755,273	11,578,200,561
Cash payment for long-term loans to related parties	(399,563,525)	(923,163,046)	(13,050,423,958)	(27,512,197,410)
Dividends received from related parties	18,816,836	-	614,589,852	-
Interest received from loans	22,278,231	17,915,219	727,644,907	533,911,147
Increase in property, plant and equipment	(228,779,552)	(205,096,633)	(7,472,329,051)	(6,112,310,354)
Increase in intangible assets	(6,107,313)	(17,382,693)	(199,475,213)	(518,040,764)
Net cash used in investing activities	(395,914,428)	(739,224,311)	(12,931,238,190)	(22,030,436,820)
Cash flows from financing activities				
Interest paid for loans	(16,706,073)	(5,909,430)	(545,648,750)	(176,113,409)
Interest paid for subordinated capital debentures	(2,232,888)	(2,466,343)	(72,929,923)	(73,502,195)
Dividends paid	(102)	(40,924)	(3,343)	(1,219,627)
Net cash used in financing activities	(18,939,063)	(8,416,697)	(618,582,016)	(250,835,231)
Net increase in cash and cash equivalents	448,003,896	197,286,662	14,643,396,464	5,895,026,555
Cash and cash equivalents at the beginning of the period	1,728,057,890	1,732,902,915	56,703,742,372	53,081,588,927
	2,176,061,786	1,930,189,577	71,347,138,836	58,976,615,482
Adjustment for the effect of exchange rate changes	6,629,261	28,510,738	(533,656,504)	(1,570,047,292)
Cash and cash equivalents at the end of the period	2,182,691,047	1,958,700,315	70,813,482,332	57,406,568,190
Supplementary cash flow information				
Unpaid for outstanding payable from purchases of property, plant and equipment	94,477,422	126,046,212	3,085,793,193	3,756,441,806

Notes to interim financial information are an integral part of these financial information.

PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014 (UNAUDITED BUT REVIEWED)

1. General Information

PTT Exploration and Production Public Company Limited (the Company) is registered as a company in Thailand and listed on the Stock Exchange of Thailand. The address of its registered office is 555/1 Energy Complex Building A, 6^{th} and 19^{th} – 36^{th} Floor, Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900.

The principal business operations of the Company, subsidiaries, and associates (the Group) are exploration and production of petroleum in Thailand and overseas, foreign gas pipeline transportation and investment in projects strategically connected to the energy business.

2. Basis of Interim Financial Information Preparation

This interim financial information is intended to provide additional information other than that included in the latest annual financial statements. Accordingly, the interim financial information focuses on the reporting of new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

This interim consolidated and the Company's financial information has been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act, B.E. 2547, 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. The primary financial statements i.e., statements of financial position, statements of income, comprehensive income, changes in shareholders' equity and cash flows have been prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial information have been prepared in a condensed format according to Thai Accounting Standard No. 34 "Interim Financial Reporting", and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

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". However, the Stock Exchange of Thailand and the Department of Business Development require the entity to present its financial statements in Thai Baht, so the Group also presents its financial information in Thai Baht by translating from US Dollar.

The consolidated and the Company's financial information has been prepared under the historical cost basis except as disclosed in the accounting policies.

An English-language version of the consolidated and the Company's financial information has been translated from the statutory financial information 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 information shall prevail.

3. Summary of Significant Accounting Policies

This interim financial information is prepared in accordance with Thai generally accepted accounting principles. For preparing of the interim financial information, the Company applies the same accounting policies and methods of computation as in the financial statements for the year ended December 31, 2013, except for the following accounting policies.

Accounting policy for assets and liabilities held-for-sale

Assets and liabilities are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets. Management must commit to the sale of the assets and they must be actively marketed at a price that is reasonable compared to its current fair value with the expectation that sale should be recorded as completed within one year from the date of classification. The assets and liabilities classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

The Group ceases to depreciate and amortize property, plant and equipment and intangible assets from the date the assets meet the criteria for classification as assets held-for-sale. The Group continues to recognize liabilities which include interests and other expenses attributable to liabilities classified as held-for-sale. For interests in a jointly controlled entities or associates that meet the criteria for classification as held-for-sale, the Group ceases the proportionate accounting or the equity method of accounting from the date the investments meet conditions for classification as held-for-sale.

Accounting policy for employee benefits

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 change in actuarial assumption from recognition the excess of the greater of 10% 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.

The Group has retrospectively adjusted for the change in the accounting policy. The impacts to the interim consolidated and the company's financial information are as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	December 31, 2013	January 1, 2013	December 31, 2013	January 1, 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, 2013	January 1, 2013	December 31, 2013	January 1, 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
	March 31, 2013	March 31,2013
Statement of Comprehensive Income		
Decrease in gain on foreign exchange	(962,054)	(29,560,013)
Decrease in administrative expenses	(165,958)	(4,898,558)
Decrease in income tax expenses	(398,048)	(12,330,727)
Decrease in profit for the period	(398,048)	(12,330,728)
Decrease in basic earnings per share	-	-
Decrease in diluted earnings per share	-	-

	Unit: US Dollar	Unit: Baht
	The Company	The Company
	March 31, 2013	March 31, 2013
Statement of Comprehensive Income		
Decrease in gain on foreign exchange	(961,010)	(29,527,914)
Decrease in administrative expenses	(165,958)	(4,898,558)
Decrease in income tax expenses	(397,526)	(12,314,678)
Decrease in profit for the period	(397,526)	(12,314,678)
Decrease in basic earnings per share	-	(0.01)
Decrease in diluted earnings per share	-	(0.01)

4. **New Accounting Standards, New Financial Reporting Standards, New Interpretation to Accounting Standards and New Intepretation 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 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 involving the legal form of a lease
Thai Standing Interpretations Committee No. 29	Disclosure of service concession arrangements
Thai Standing Interpretations Committee No. 32	Intangible assets – web site costs
Thai Financial Reporting Interpretations Committee No. 1	Changes in existing decommissioning, restoration and similar liabilities
Thai Financial Reporting Interpretations Committee No. 4	Determining whether an arrangement contains a lease

Thai Financial Reporting Interpretations Committee No. 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
Thai Financial Reporting Interpretations Committee No. 7	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
Thai Financial Reporting Interpretations Committee No. 10	Interim financial reporting and impairment
Thai Financial Reporting Interpretations Committee No. 12	Service concession arrangements
Thai Financial Reporting Interpretations Committee No. 13	Customer loyalty programmes
Thai Financial Reporting Interpretations Committee No. 17	Distributions of non-cash assets to owners
Thai Financial Reporting Interpretations Committee No. 18	Transfers of assets from customers

- Effective for the periods beginning on or after January 1, 2016

Thai Financial Reporting Standard No. 4	Insurance Contracts

The Group's management has assessed that if the new accounting standards, new financial reporting standards, new interpretation to accounting standards and new interpretation to financial reporting standards are implemented, there will not be any material impact to the financial information.

5. Cash and Cash Equivalents

Cash and cash equivalents comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cash on hand and at banks	2,391.64	1,637.06	77,592.73	53,717.79
Cash equivalents				
- Fixed deposits	305.12	676.59	9,899.00	22,201.33
- Treasury bills	374.72	43.39	12,157.04	1,423.70
Total	3,071.48	2,357.04	99,648.77	77,342.82

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cash on hand and at banks	1,706.52	1,051.47	55,365.14	34,502.41
Cash equivalents				
- Fixed deposits	305.12	676.59	9,899.00	22,201.33
- Treasury bills	171.05	-	5,549.34	-
Total	2,182.69	1,728.06	70,813.48	56,703.74

The interest rate on saving deposits held at call with banks for the three-month period ended March 31, 2014 is between 0.00% – 2.55% 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 three-month period ended March 31, 2014 is between 2.54% – 4.57% per annum (during the year 2013: interest rate is between 0.48% - 4.57% per annum).

The interest rate on treasury bills for the three-month period ended March 31, 2014 is between 2.17% – 2.19% per annum (during the year 2013: interest rate is between 2.39% - 2.70% per annum).

6. Investments in Trading Securities

The Group has invested its excess cash in Vayupak Fund 1 to manage its short-term liquidity. The Group has recognized the investment in the fund as investment in trading security at fair value on the purchase date.

Movements in the investments in trading securities for the three-month period are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	0.143	4.687
Additions	-	-
Gain on changes in fair value	0.012	0.390
Currency translation differences	0.002	0.003
Balance as at March 31, 2014	0.157	5.080

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2014	0.137	4.499
Additions	-	-
Gain on changes in fair value	0.011	0.374
Currency translation differences	0.002	0.003
Balance as at March 31, 2014	0.150	4.876

7. Account Receivable - Parent Company

Account receivable - parent company comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Sales of petroleum products	595.80	864.01	19,329.58	28,351.29
Gas pipeline construction service	30.58	30.24	992.35	992.35
Total	626.38	894.25	20,321.93	29,343.64

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Sales of petroleum products	330.36	535.76	10,717.83	17,579.97
Gas pipeline construction service	30.58	30.24	992.35	992.35
Total	360.94	566.00	11,710.18	18,572.32

8. Trade Accounts Receivable

Trade accounts receivable comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Binh Son Refining & Petrochemical Co.,Ltd.	17.16	8.84	556.74	290.00
BP Singapore PTE LTD	1.88	-	61.15	-
Chevron Product Company	2.12	6.25	68.74	205.19
Chevron U.S.A. INC.	5.89	-	191.16	-
Ministry of Oil and Gas (Oman)	1.17	1.31	38.12	42.95
Mobil Oil Australia Pty Ltd.	-	9.58	-	314.52
Myanmar Oil and Gas Enterprise	30.64	39.48	994.03	1,295.44
Petro Diamond Co.,Ltd	-	6.65	-	218.24
Petrobras Singapore Private Limited	-	6.25	-	205.12
SembCorp Gas Pte. Ltd	14.56	8.51	472.24	279.33
SK Energy Co.,Ltd.	9.72	-	315.28	-
Star Petroleum Refining Co., Limited	8.16	10.57	264.59	346.76
Statoil Canada Ltd.	-	19.24	-	631.23
Unipec Asia Co.,Ltd.	13.32	27.99	432.14	918.42
Vietnam National Oil and Gas Group	0.31	5.95	9.94	195.20
Electricity Generating Authority of Thailand	1.61	1.41	52.25	46.39
Others	0.20	0.11	6.54	3.46
Total	106.74	152.14	3,462.92	4,992.25

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Star Petroleum Refining Co., Limited	1.14	3.37	37.05	110.58
Electricity Generating Authority of Thailand	0.40	0.35	13.06	11.60
Others	0.03	0.03	0.74	0.87
Total	1.57	3.75	50.85	123.05

9. Assets Held-For-Sale

During the period, PTTEP Canada Limited (PTTEP CA), a subsidiary of the Company, has entered into a Partnership Units Redemption Agreement (PURA) with Statoil Canada Limited, a joint venture partner in the Canada Oil Sands KKD (KKD) project, to restructure the ownership interests in five areas of the KKD project, whereby PTTEP CA exchanged its 40% participating interests in Leismer and Corner areas with the 60% participating interests in Thournbury, Hangingstone and South Leismer areas plus cash of US Dollar 200 million and cash calculated from the working capital adjustment from January 1, 2013 until the effective date of the agreement. The agreement will become effective when PTTEP CA has fulfilled all the terms and conditions as prescribed in the PURA and the government of Canada has approved the transaction. As at March 31, 2014, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities as assets and liabilities held-for-sale and measured at the lower of carrying amount and fair value less costs to sell.

The Company expects that the agreement arrangements will be completed in the second quarter of 2014.

Assets held-for-sale comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cash and cash equivalents	37.24	-	1,208.03	-
Trade accounts receivable	28.79	-	934.10	-
Inventories	5.59	-	181.23	-
Materials and supplies, net	7.08	-	229.61	-
Other accounts receivable	0.25	-	8.23	-
Other current assets	0.04	-	1.43	-
Property, plant and equipment, net	1,841.37	-	59,740.12	-
Goodwill	297.65	-	9,656.61	-
Intangible assets, net	224.17	-	7,272.90	-
Total	2,442.18	-	79,232.26	-

Liabilities directly associated with assets classified as held-for-sale comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Trade accounts payable	28.01	-	908.85	-
Other current liabilities	27.33	-	886.60	-
Deferred tax liabilities	455.63	-	14,782.10	-
Provision for decommissioning costs	6.35	-	206.00	-
Total	517.32	-	16,783.55	-

10. Investments in Available-For-Sale Securities

Movements in the investments in available-for-sale securities for the three-month period are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	1.66	54.46
Unrealized loss on investments in available-for-sale securities	(0.06)	(2.09)
Currency translation differences	-	(0.56)
Balance as at March 31, 2014	1.60	51.81

11. Significant Transactions with Related Parties

Significant transactions with related parties are summarized as follows:

11.1 Revenues and Expenses with Related Parties

Significant transactions with related parties for the three-month period 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)	1,488.32	1,481.77	48,595.42	44,149.44
Amortization of deferred remuneration under agreement	0.43	0.43	14.16	12.92
Subsidiaries, associates and jointly controlled entities				
Interest income	0.18	0.21	5.86	6.12
Rental and service expenses	5.40	7.43	176.35	221.37
Information technology and communication expenses	0.62	3.07	20.36	91.40
Director and senior management's remuneration				
Director's remuneration	0.59	0.56	19.13	16.72
Senior management's remuneration *	0.89	0.95	29.13	28.27

	Unit: Million US Dollar The Company		Unit: Million Baht The Company	
	2014	2013	2014	2013
Parent company - PTT Public Company Limited (PTT)				
Sales revenue (world market reference price)	904.59	965.51	29,546.01	28,772.51
Amortization of deferred remuneration under agreement	0.43	0.43	14.16	12.92
Subsidiaries, associates and jointly controlled entities				
Interest income	33.97	34.81	1,109.44	1,037.45
Management and service fees	0.08	0.07	2.64	2.04
Rental and service expenses	5.40	7.43	176.35	221.37
Information technology and communication expenses	0.54	3.07	17.59	91.40
Director and senior management's remuneration				
Director's remuneration	0.59	0.56	19.13	16.72
Senior management's remuneration *	0.89	0.95	29.13	28.27

* Exclusive of the remuneration for senior management seconded to PTT Public Company Limited.

11.2 Long-term Loans to Related Parties

Long-term loans to related parties comprised:

Loans to	Unit: Million US Dollar Consolidated		Unit: Million Baht Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Associates				
Energy Complex Company Limited	17.88	17.68	580.00	580.00
Total	17.88	17.68	580.00	580.00

Loans to	Unit: Million US Dollar The Company March 31, 2014	 December 31, 2013	Unit: Million Baht The Company March 31, 2014	 December 31, 2013
Subsidiaries				
PTTEP International Limited	998.56	940.34	32,396.46	30,856.04
PTTEP Services Limited	6.43	4.77	208.76	156.58
PTTEP Offshore Investment Company Limited	4,822.07	4,665.84	156,443.27	153,102.84
Associates				
Energy Complex Company Limited	17.88	17.68	580.00	580.00
Total	5,844.94	5,628.63	189,628.49	184,695.46

Movements in the long-term loans to related parties for the three-month period are as follows:

	Unit: Million US Dollar Consolidated	Unit: Million Baht Consolidated
Balance as at January 1, 2014	17.68	580.00
Addition	-	-
Repayment	-	-
Foreign exchange differences	0.20	6.59
Currency translation differences	-	(6.59)
Balance as at March 31, 2014	17.88	580.00

	Unit: Million US Dollar The Company	Unit: Million Baht The Company
Balance as at January 1, 2014	5,628.63	184,695.46
Addition	399.56	13,050.42
Repayment	(197.44)	(6,448.75)
Foreign exchange differences	14.19	463.28
Currency translation differences	-	(2,131.92)
Balance as at March 31, 2014	5,844.94	189,628.49

The Company has provided loans to subsidiaries for the three-month period ended March 31, 2014 with an interest rate is between 0.70% - 4.02% 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 three-month period ended March 31, 2014 with an interest rate of 4.10% per annum (during the year 2013: interest rate is 4.25% per annum).

12. Investments in Subsidiaries, Associates and Jointly Controlled Entities

12.1 Investments in Subsidiaries and Associates

Changes of investments in subsidiaries and associates which are accounted for using the equity method for the consolidated financial information and using the cost method for the Company's financial information are as follows:

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Balance as at January 1, 2014	36.84	1,208.93
Share of net gain from investment after income taxes	(0.12)	(4.00)
Dividend received from associates	(0.37)	(11.98)
Increase in investment	-	-
Currency translation differences	-	(13.69)
Balance as at March 31, 2014	36.35	1,179.26

	Unit: Million US Dollar	Unit: Million Baht
	The Company	The Company
Balance as at January 1, 2014	641.82	21,060.20
Increase in investment	-	-
Currency translation differences	-	(237.71)
Balance as at March 31, 2014	641.82	20,822.49

12.2 Investments in Subsidiaries

Investments in subsidiaries accounted for using the cost method for the Company's financial information are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
PTTEP International Limited	516.38	516.38	16,753.14	16,944.39
PTTEP Services Limited	0.01	0.01	0.21	0.21
PTTEP Siam Limited	99.79	99.79	3,237.54	3,274.49
PTTEP Offshore Investment Company Limited	0.005	0.005	0.16	0.17
PTTEP MEA Limited	0.05	0.05	1.62	1.64
PTTEP HK Holding Limited	0.0003	0.0003	0.01	0.01
Total	616.24	616.24	19,992.68	20,220.91

12.3 Investments in Associates

Investments in associates accounted for using the equity method for the consolidated financial information and using the cost method for the Company's financial information are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Energy Complex Company Limited	26.51	27.12	859.89	890.04
PTT ICT Solutions Company Limited	3.95	4.15	128.19	136.06
PTTEP AP group's associates	5.89	5.57	191.17	182.82
UAQ Petroleum Limited	0.0004	0.0004	0.01	0.01
Total	36.35	36.84	1,179.26	1,208.93

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Energy Complex Company Limited	24.79	24.79	804.25	813.43
PTT ICT Solutions Company Limited	0.79	0.79	25.56	25.86
Total	25.58	25.58	829.81	839.29

12.4 **Investments in Jointly Controlled Entities**

The transactions of jointly controlled entities included in the Company's financial information are as follows:

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:										
Current assets	5.69	0.09	38.87	41.57	31.11	28.19	155.05	133.08	33.88	24.30
Non-current assets	-	-	65.95	67.15	37.87	38.45	180.01	184.58	62.57	64.42
Current liabilities	(5.64)	(0.04)	(0.96)	(0.54)	(8.59)	(4.09)	(68.68)	(53.85)	(20.02)	(15.49)
Non-current liabilities	-	-	(35.33)	(35.33)	(12.57)	(12.76)	(108.54)	(107.68)	(33.67)	(33.40)
Net assets	0.05	0.05	68.53	72.85	47.82	49.79	157.84	156.13	42.76	39.83

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:										
Current assets	0.91	1.01	5.48	4.50	57.25	96.01	1.33	1.31	9.77	20.85
Non-current assets	0.01	0.01	21.36	21.64	221.06	2,668.09	5.12	5.34	-	-
Current liabilities	(9.91)	(9.74)	(0.35)	(0.35)	(0.35)	(71.13)	(0.12)	(0.13)	(9.77)	(20.85)
Non-current liabilities	(9.50)	(9.50)	(2.02)	(2.00)	(47.97)	(529.87)	-	-	-	-
Net assets	(18.49)	(18.22)	24.47	23.79	229.99	2,163.10	6.33	6.52	-	-

Unit: Million US Dollar

	ATL		NST		Natuna 2 B.V.	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:						
Current assets	12.23	6.92	1.40	1.41	32.59	51.15
Non-current assets	624.58	566.27	-	-	404.89	414.67
Current liabilities	(56.59)	(66.22)	(0.50)	(0.53)	(50.31)	(81.00)
Non-current liabilities	(605.42)	(528.42)	-	-	(112.93)	(116.95)
Net assets	(25.20)	(21.45)	0.90	0.88	274.24	267.87

Unit: Million US Dollar

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the three-month periods ended									
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:										
Revenues	-	-	36.11	45.90	22.53	30.48	61.49	74.31	27.34	27.28
Expenses	-	-	(2.26)	(2.02)	(1.36)	(1.42)	(34.04)	(34.99)	(14.71)	(11.98)
Profit (loss) before income taxes	-	-	33.85	43.88	21.17	29.06	27.45	39.32	12.63	15.30
Income taxes	-	-	(9.20)	(3.91)	(5.35)	(7.32)	(12.25)	(15.25)	(5.95)	(6.41)
Net profit (loss)	-	-	24.65	39.97	15.82	21.74	15.20	24.07	6.68	8.89

Unit: Million US Dollar

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the three-month periods ended									
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:										
Revenues	(0.05)	0.07	1.01	1.00	68.32	56.39	0.47	0.70	-	-
Expenses	(0.23)	(0.59)	(0.31)	(0.30)	(74.59)	(80.78)	(0.41)	(0.45)	-	-
Profit (loss) before income taxes	(0.28)	(0.52)	0.70	0.70	(6.27)	(24.39)	0.06	0.25	-	-
Income taxes	-	-	(0.02)	(0.01)	-	5.95	-	-	-	-
Net profit (loss)	(0.28)	(0.52)	0.68	0.69	(6.27)	(18.44)	0.06	0.25	-	-

Unit: Million US Dollar

	ATL		NST		Natuna 2 B.V.	
	For the three-month periods ended					
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:						
Revenues	1.01	-	-	-	26.76	-
Expenses	(4.75)	(1.83)	0.01	(0.10)	(15.46)	-
Profit (loss) before income taxes	(3.74)	(1.83)	0.01	(0.10)	11.30	-
Income taxes	-	-	-	-	(4.94)	-
Net profit (loss)	(3.74)	(1.83)	0.01	(0.10)	6.36	-

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:										
Current assets	184.63	2.80	1,260.92	1,364.10	1,009.22	925.15	5,030.38	4,366.92	1,099.07	797.50
Non-current assets	-	-	2,139.80	2,203.39	1,228.76	1,261.74	5,839.96	6,056.70	2,030.00	2,113.77
Current liabilities	(183.08)	(1.24)	(31.00)	(17.83)	(278.87)	(134.42)	(2,228.09)	(1,767.00)	(649.55)	(508.29)
Non-current liabilities	-	-	(1,146.25)	(1,159.30)	(407.79)	(418.62)	(3,521.32)	(3,533.26)	(1,092.25)	(1,095.91)
Net assets	1.55	1.56	2,223.47	2,390.36	1,551.32	1,633.85	5,120.93	5,123.36	1,387.27	1,307.07

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:										
Current assets	29.68	33.32	177.86	147.66	1,857.45	3,150.32	42.96	42.91	316.90	684.33
Non-current assets	0.22	0.24	692.77	710.12	7,171.69	87,549.37	166.12	175.06	-	-
Current liabilities	(321.68)	(319.63)	(11.30)	(11.45)	(11.39)	(2,334.00)	(3.84)	(4.17)	(316.90)	(684.33)
Non-current liabilities	(308.21)	(311.73)	(65.55)	(65.75)	(1,556.24)	(17,386.79)	-	-	-	-
Net assets	(599.99)	(597.80)	793.78	780.58	7,461.51	70,978.90	205.24	213.80	-	-

Unit: Million Baht

	ATL		NST		Natuna 2 B.V.	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013
Statements of financial position:						
Current assets	396.80	227.18	45.50	46.34	1,057.18	1,678.42
Non-current assets	20,263.50	18,581.42	-	-	13,136.07	13,606.93
Current liabilities	(1,835.91)	(2,173.12)	(16.23)	(17.34)	(1,632.16)	(2,657.87)
Non-current liabilities	(19,641.78)	(17,339.46)	-	-	(3,663.93)	(3,837.57)
Net assets	(817.39)	(703.98)	29.27	29.00	8,897.16	8,789.91

Unit: Million Baht

	CPOC		MGTC		TPC		Orange		B8/32 Partners	
	For the three-month periods ended									
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:										
Revenues	-	-	1,177.72	1,367.87	734.45	908.17	2,008.20	2,214.68	893.19	812.90
Expenses	-	-	(73.79)	(60.26)	(44.67)	(42.58)	(1,111.37)	(1,042.10)	(480.40)	(356.79)
Profit (loss) before income taxes	-	-	1,103.93	1,307.61	689.78	865.59	896.83	1,172.58	412.79	456.11
Income taxes	-	-	(300.03)	(116.82)	(173.90)	(217.66)	(400.35)	(455.25)	(194.66)	(191.23)
Net profit (loss)	-	-	803.90	1,190.79	515.88	647.93	496.48	717.33	218.13	264.88

Unit: Million Baht

	PTT FLNG		Erawan 2		KOSP		LAL		GBRS	
	For the three-month periods ended									
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:										
Revenues	(1.44)	2.16	32.76	29.90	2,228.70	1,679.67	15.41	21.02	-	-
Expenses	(7.54)	(17.65)	(10.06)	(9.01)	(2,433.52)	(2,409.49)	(13.46)	(13.58)	-	-
Profit (loss) before income taxes	(8.98)	(15.49)	22.70	20.89	(204.82)	(729.82)	1.95	7.44	-	-
Income taxes	-	-	(0.54)	(0.32)	-	175.87	-	-	-	-
Net profit (loss)	(8.98)	(15.49)	22.16	20.57	(204.82)	(553.95)	1.95	7.44	-	-

Unit: Million Baht

	ATL		NST		Natuna 2 B.V.	
	For the three-month periods ended					
	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Statements of income:						
Revenues	32.83	-	0.02	0.02	874.24	-
Expenses	(155.08)	(54.67)	0.25	(2.84)	(503.77)	-
Profit (loss) before income taxes	(122.25)	(54.67)	0.27	(2.82)	370.47	-
Income taxes	-	-	-	-	(162.47)	-
Net profit (loss)	(122.25)	(54.67)	0.27	(2.82)	208.00	-

The details of investments in jointly controlled entities are as follows:

Unit: Million US Dollar

Company name	Registered country	Type of business	Paid-in capital Mar. 31, 2014	Paid-in capital Dec. 31, 2013	Shareholding by	Percentage of interest Mar. 31, 2014	Percentage of interest Dec. 31, 2013	Investments – Cost Method Mar. 31, 2014	Investments – Cost Method Dec. 31, 2013	Investments – Equity Method Mar. 31, 2014	Investments – Equity Method Dec. 31, 2013	Dividends for the three-month periods ended Mar. 31, 2014	Dividends for the three-month periods ended Mar. 31, 2013
Jointly Controlled Entities													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	0.10	0.10	PTTEPI	50%	50%	0.05	0.05	0.05	0.05	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.03	0.03	PTTEPO	25.5%	25.5%	0.008	0.008	68.53	72.85	28.97	42.33
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	0.10	0.10	PTTEPO	19.3178%	19.3178%	8.01	8.01	46.77	48.74	17.80	24.18
Orange Energy Limited (Orange)	Thailand	Petroleum	4.00	4.00	PTTEPO	53.9496%	53.9496%	329.77	329.77	179.09	177.39	13.49	21.58
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	4.40	4.40	PTTEPO	25.0009%	25.0009%	109.95	109.95	48.28	45.35	3.75	5.50
PTT FLNG Limited (PTT FLNG)	Hong Kong	Produce and sale of petroleum product	0.001	0.001	PTTEP FH	50%	50%	0.0006	0.0006	(18.49)	(18.22)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	FSO rental service	0.0001	0.0001	JV Marine	13.11%	13.11%	20.98	20.98	25.89	25.21	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	3,966.47	3,966.47	PTTEP CA	40%	40%	2,871.14	2,900.97	2,797.30	2,835.38	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	21.17	21.17	PTTEP CA	32%	32%	5.37	5.58	5.91	6.31	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	0.06	0.06	PTTEPO	80%	80%	0.05	0.05	(36.94)	(33.20)	-	-
NST Supply Base Company Limited (NST)	Thailand	Petroleum supply base, port and warehouse	32.20	32.20	JV Shore Base	15.67%	15.67%	5.05	5.05	0.90	0.88	-	-
Natuna 2 B.V. (Natuna 2)	Netherlands	Petroleum	0.10	0.10	PTTEP NH	50%	50%	266.01	266.01	274.24	267.87	-	-

Unit: Million Baht

Company name	Registered Country	Type of business	Paid-in capital		Shareholding by	Percentage of interest		Investment				Dividends for the three-month periods ended	
								Cost Method		Equity Method			
			Mar. 31, 2014	Dec. 31, 2013		Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
Jointly Controlled Entities													
Carigali – PTTEPI Operating Company Sdn Bhd. (CPOC)	Malaysia	Petroleum	3.68	3.68	PTTEPI	50%	50%	1.57	1.59	1.57	1.59	-	-
Moattama Gas Transportation Company (MGTC)	Bermuda	Gas pipeline transportation	0.76	0.76	PTTEPO	25.5%	25.5%	0.25	0.25	2,223.47	2,390.36	945.87	1,270.69
Taninthayi Pipeline Company LLC (TPC)	Cayman Islands	Gas pipeline transportation	2.62	2.62	PTTEPO	19.3178%	19.3178%	259.75	262.71	1,517.26	1,599.40	580.75	729.05
Orange Energy Limited (Orange)	Thailand	Petroleum	100.00	100.00	PTTEPO	53.9496%	53.9496%	10,698.75	10,820.88	5,810.37	5,820.68	414.41	670.77
B8/32 Partners Limited (B8/32 Partners)	Thailand	Petroleum	110.00	110.00	PTTEPO	25.0009%	25.0009%	3,567.16	3,607.88	1,566.32	1,488.17	122.82	170.96
PTT FLNG Limited (PTT FLNG)	Hong Kong	Produce and sale of petroleum product	0.04	0.04	PTTEP FH	50%	50%	0.02	0.02	(599.99)	(597.79)	-	-
Erawan 2 FSO Bahamas Limited (Erawan 2)	Bahamas	FSO rental service	0.003	0.003	JV Marine	13.11%	13.11%	680.53	688.30	840.05	827.38	-	-
KKD Oil Sands Partnership (KOSP)	Canada	Petroleum	127,684.27	127,684.27	PTTEP CA	40%	40%	93,148.91	101,245.17	90,753.27	98,956.04	-	-
Leismer Aerodrome Limited (LAL)	Canada	Services	681.63	681.63	PTTEP CA	32%	32%	174.26	194.81	191.73	220.21	-	-
Groupement Bir Seba (GBRS)	Algeria	Petroleum	-	-	PTTEP AG	35%	35%	-	-	-	-	-	-
Andaman Transportation Limited (ATL)	Cayman Islands	Gas pipeline transportation	2.13	2.13	PTTEPO	80%	80%	1.62	1.64	(1,198.43)	(1,089.37)	-	-
NST Supply Base Company Limited (NST)	Thailand	Petroleum supply base, port and warehouse	1,000.00	1,000.00	JV Shore Base	15.67%	15.67%	163.70	165.57	29.27	28.99	-	-
Natuna 2 B.V. (Natuna 2)	Netherlands	Petroleum	3.22	3.22	PTTEP NH	50%	50%	8,630.34	8,728.87	8,897.16	8,789.91	-	-

13. 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			
Historical cost						
Balance as at January 1, 2014	19,816.05	184.94	1,065.19	715.74	138.40	21,920.32
Increase	488.08	4.44	3.02	53.46	1.12	550.12
Transfer	5.03	-	-	-	-	5.03
Decrease	(1.23)	(5.72)	-	-	-	(6.95)
Classified as assets held-for-sale	(1,944.94)	(8.26)	(5.93)	-	-	(1,959.13)
Currency translation differences*	(75.52)	(0.57)	(0.23)	-	0.02	(76.30)
Balance as at March 31, 2014	18,287.47	174.83	1,062.05	769.20	139.54	20,433.09
Accumulated depreciation						
Balance as at January 1, 2014	(8,326.39)	(120.15)	(444.61)	(106.60)	(41.52)	(9,039.27)
Depreciation for the period	(459.76)	(3.76)	(42.35)	(2.81)	(3.24)	(511.92)
Decrease	-	5.71	-	-	-	5.71
Classified as assets held-for-sale	114.45	1.99	1.32	-	-	117.76
Currency translation differences*	4.38	0.11	0.05	-	-	4.54
Balance as at March 31, 2014	(8,667.32)	(116.10)	(485.59)	(109.41)	(44.76)	(9,423.18)
Allowance for impairment of assets						
Balance as at January 1, 2014	(209.19)	-	-	-	-	(209.19)
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
Balance as at March 31, 2014	(209.19)	-	-	-	-	(209.19)
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 March 31, 2014	9,410.96	58.73	576.46	659.79	94.78	10,800.72

Depreciation included in the statement of income for the three-month period ended March 31, 2013	US Dollar 394.28 million
Depreciation included in the statement of income for the three-month period ended March 31, 2014	US Dollar 511.92 million

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated					
	Oil and Gas Properties			Pipeline	Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs			
Historical cost						
Balance as at January 1, 2014	650,235.38	6,068.61	34,952.64	23,485.83	4,541.46	719,283.92
Increase	15,941.62	144.68	98.55	1,746.36	36.78	17,967.99
Transfer	164.27	-	-	-	-	164.27
Decrease	(40.48)	(186.53)	-	-	(0.08)	(227.09)
Classified as assets held-for-sale	(63,100.08)	(268.07)	(192.33)	-	-	(63,560.48)
Currency translation differences*	(9,896.69)	(86.74)	(402.74)	(276.77)	(50.99)	(10,713.93)
Balance as at March 31, 2014	593,304.02	5,671.95	34,456.12	24,955.42	4,527.17	662,914.68
Accumulated depreciation						
Balance as at January 1, 2014	(273,218.56)	(3,942.62)	(14,589.24)	(3,497.82)	(1,362.50)	(296,610.74)
Depreciation for the period	(15,012.62)	(122.86)	(1,383.25)	(91.57)	(105.73)	(16,716.03)
Decrease	-	186.40	-	-	0.07	186.47
Classified as assets held-for-sale	3,712.94	64.53	42.89	-	-	3,820.36
Currency translation differences*	3,322.58	47.86	175.55	39.82	16.08	3,601.89
Balance as at March 31, 2014	(281,195.66)	(3,766.69)	(15,754.05)	(3,549.57)	(1,452.08)	(305,718.05)
Allowance for impairment of assets						
Balance as at January 1, 2014	(6,864.15)	-	-	-	-	(6,864.15)
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
Currency translation differences*	77.48	-	-	-	-	77.48
Balance as at March 31, 2014	(6,786.67)	-	-	-	-	(6,786.67)
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 March 31, 2014	305,321.69	1,905.26	18,702.07	21,405.85	3,075.09	350,409.96

Depreciation included in the statement of income for the three-month period ended March 31, 2013	Baht	11,744.36 million
Depreciation included in the statement of income for the three-month period ended March 31, 2014	Baht	16,716.03 million

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2014	8,076.67	61.04	432.35	80.84	8,650.90
Increase	217.13	0.37	-	0.09	217.59
Decrease	(0.30)	(1.86)	-	-	(2.16)
Balance as at March 31, 2014	8,293.50	59.55	432.35	80.93	8,866.33
Accumulated depreciation					
Balance as at January 1, 2014	(4,497.58)	(47.01)	(236.25)	(29.28)	(4,810.12)
Depreciation for the period	(223.82)	(0.83)	(19.84)	(2.38)	(246.87)
Decrease	-	1.86	-	-	1.86
Balance as at March 31, 2014	(4,721.40)	(45.98)	(256.09)	(31.66)	(5,055.13)
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 March 31, 2014	3,572.10	13.57	176.26	49.27	3,811.20

Depreciation included in the statement of income for the three-month period ended March 31, 2013 US Dollar 212.44 million

Depreciation included in the statement of income for the three-month period ended March 31, 2014 US Dollar 246.87 million

Unit: Million Baht

	The Company				
	Oil and Gas Properties			Others	Total
	Proved Properties and Related Producing Properties	Support Equipment and Facilities	Decommissioning Costs		
Historical cost					
Balance as at January 1, 2014	265,024.45	2,002.96	14,186.76	2,652.60	283,866.77
Increase	7,091.74	12.17	-	3.08	7,106.99
Decrease	(9.88)	(60.84)	-	(0.08)	(70.80)
Currency translation differences*	(3,038.70)	(22.28)	(160.13)	(29.96)	(3,251.07)
Balance as at March 31, 2014	269,067.61	1,932.01	14,026.63	2,625.64	287,651.89
Accumulated depreciation					
Balance as at January 1, 2014	(147,581.73)	(1,542.37)	(7,752.13)	(960.82)	(157,837.05)
Depreciation for the period	(7,310.84)	(27.14)	(648.28)	(77.82)	(8,064.08)
Decrease	-	60.84	-	0.07	60.91
Currency translation differences*	1,715.32	17.18	91.96	11.37	1,835.83
Balance as at March 31, 2014	(153,177.25)	(1,491.49)	(8,308.45)	(1,027.20)	(164,004.39)
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 March 31, 2014	115,890.36	440.52	5,718.18	1,598.44	123,647.50

Depreciation included in the statement of income for the three-month period ended March 31, 2013 Baht 6,329.83 million

Depreciation included in the statement of income for the three-month period ended March 31, 2014 Baht 8,064.08 million

* Net foreign exchange rate differences in translating financial statements.

14. Carried Costs under Petroleum Sharing Contract

As at March 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 – March 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	0.13	44.19	-	10.88
Myanmar PSC G & EP 2	-	0.52	-	2.89
Mozambique Rovuma Offshore Area 1	0.65	41.19	-	11.77
Mozambique Rovuma Onshore	-	0.06	-	0.63

Unit: Million Baht

Consolidated				
Projects	Carried Costs			
	Oil and Gas Properties	Exploration and Evaluation Assets	Other Non – current Assets	Exploration Expenses (Cumulative since 2002 – March 31, 2014)
Vietnam 52/97	-	-	32.73	-
Vietnam B & 48/95	-	-	34.26	-
Vietnam 16-1 [(1)]	837.69	-	-	1,268.59
Vietnam 9-2 [(1)]	1,076.37	-	-	791.82
Algeria 433a & 416b	245.37	-	-	428.92
Algeria Hassi Ber Rekaiz	4.35	1,433.59	-	333.92
Myanmar PSC G & EP 2	-	16.81	-	89.48
Mozambique Rovuma Offshore Area 1	21.24	1,336.23	-	363.21
Mozambique Rovuma Onshore	-	2.02	-	19.40

[(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.

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 – March 31, 2014)
Algeria Hassi Ber Rekaiz	0.13	44.19	-	10.88

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 – March 31, 2014)
Algeria Hassi Ber Rekaiz	4.35	1,433.59	-	333.92

15. Goodwill

	Unit: Million US Dollar	Unit: Million Baht
	Consolidated	Consolidated
Historical cost		
Balance as at January 1, 2014	999.60	32,800.65
Classified as assets held-for-sale	(297.65)	(9,656.61)
Currency translation differences*	(11.66)	(748.80)
Balance as at March 31, 2014	690.29	22,395.24
Allowance for impairment of assets		
Balance as at January 31, 2014	(7.31)	(239.99)
Increase	-	-
Currency translation differences*	-	2.71
Balance as at March 31, 2014	(7.31)	(237.28)
Net Book Value as at December 31, 2013	992.29	32,560.66
Net Book Value as at March 31, 2014	682.98	22,157.96

* Net foreign exchange rate differences in translating financial statements.

16. Intangible Assets, Net

Unit: Million US Dollar

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2014	3,172.17	137.37	3,309.54
Increase	69.59	4.17	73.76
Transfer	(5.03)	-	(5.03)
Decrease	(0.18)	(0.17)	(0.35)
Classified as assets held-for-sale	(224.17)	-	(224.17)
Currency translation differences*	(28.80)	-	(28.80)
Balance as at March 31, 2014	2,983.58	141.37	3,124.95
Accumulated amortization			
Balance as at January 1, 2014	-	(30.44)	(30.44)
Amortization for the period	-	(3.08)	(3.08)
Decrease	-	0.17	0.17
Classified as assets held-for-sale	-	-	-
Currency translation differences*	-	-	-
Balance as at March 31, 2014	-	(33.35)	(33.35)
Allowance for impairment of assets			
Balance as at January 1, 2014	-	-	-
Increase	-	-	-
Decrease	-	-	-
Balance as at March 31, 2014	-	-	-
Net Book Value as at December 31, 2013	3,172.17	106.93	3,279.10
Net Book Value as at March 31, 2014	2,983.58	108.02	3,091.60

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	Consolidated		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2014	104,090.12	4,507.66	108,597.78
Increase	2,272.90	136.30	2,409.20
Transfer	(164.27)	-	(164.27)
Decrease	(6.04)	(5.43)	(11.47)
Classified as assets held-for-sale	(7,272.90)	-	(7,272.90)
Currency translation differences*	(2,122.85)	(51.91)	(2,174.76)
Balance as at March 31, 2014	96,796.96	4,586.62	101,383.58
Accumulated amortization			
Balance as at January 1, 2014	-	(998.93)	(998.93)
Amortization for the period	-	(100.61)	(100.61)
Decrease	-	5.43	5.43
Classified as assets held-for-sale	-	-	-
Currency translation differences*	-	12.01	12.01
Balance as at March 31, 2014	-	(1,082.10)	(1,082.10)
Allowance for impairment of assets			
Balance as at January 1, 2014	-	-	-
Increase	-	-	-
Decrease	-	-	-
Currency translation differences*	-	-	-
Balance as at March 31, 2014	-	-	-
Net Book Value as at December 31, 2013	104,090.12	3,508.73	107,598.85
Net Book Value as at March 31, 2014	96,796.96	3,504.52	100,301.48

* Net foreign exchange rate differences in translating financial statements.

Unit: Million US Dollar

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2014	77.16	122.91	200.07
Increase	1.77	4.10	5.87
Decrease	-	(0.01)	(0.01)
Balance as at March 31, 2014	78.93	127.00	205.93
Accumulated amortization			
Balance as at January 1, 2014	-	(26.28)	(26.28)
Amortization for the period	-	(2.80)	(2.80)
Decrease	-	0.01	0.01
Currency translation differences*	-	-	-
Balance as at March 31, 2014	-	(29.07)	(29.07)
Net Book Value as at December 31, 2013	77.16	96.63	173.79
Net Book Value as at March 31, 2014	78.93	97.93	176.86

* Net foreign exchange rate differences in translating financial statements.

Unit: Million Baht

	The Company		
	Exploration and Evaluation Assets	Other Intangible Assets	Total
Historical cost			
Balance as at January 1, 2014	2,531.70	4,033.33	6,565.03
Increase	57.85	133.99	191.84
Decrease	-	(0.37)	(0.37)
Currency translation differences*	(28.96)	(46.42)	(75.38)
Balance as at March 31, 2014	2,560.59	4,120.53	6,681.12
Accumulated amortization			
Balance as at January 1, 2014	-	(862.26)	(862.26)
Amortization for the period	-	(91.56)	(91.56)
Decrease	-	0.37	0.37
Currency translation differences*	-	10.34	10.34
Balance as at March 31, 2014	-	(943.11)	(943.11)
Net Book Value as at December 31, 2013	2,531.70	3,171.07	5,702.77
Net Book Value as at March 31, 2014	2,560.59	3,177.42	5,738.01

* Net foreign exchange rate differences in translating financial statements.

17. Financial Derivatives

Financial derivatives are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Financial derivative assets				
Financial derivative assets - Current				
Oil price hedge	3.26	2.12	105.70	69.55
Total financial derivative assets - Current	3.26	2.12	105.70	69.55
Financial derivative assets - Non - current				
Interest rate swap	5.17	4.92	167.86	161.52
Cross currency and interest rate swap	40.27	18.01	1,306.38	591.00
Total financial derivative assets - Non - current	45.44	22.93	1,474.24	752.52
Financial derivative liabilities				
Financial derivative liabilities - Current				
Oil price hedge	3.93	1.69	127.51	55.54
Cross currency and interest rate swap	29.10	34.18	944.20	1,121.48
Total financial derivative liabilities - Current	33.03	35.87	1,071.71	1,177.02
Financial derivative liabilities - Non - current				
Interest rate swap	1.63	1.28	52.97	42.06
Cross currency and interest rate swap	29.02	32.85	941.43	1,077.82
Total financial derivative liabilities - Non - current	30.65	34.13	994.40	1,119.88

The Group entered into a derivative on oil price hedged for the Group's petroleum products using the Brent crude oil price as a reference for the period from April 2014 to September 2014 of 12.20 million barrels.

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Financial derivative assets				
Financial derivative assets - Non - current				
Interest rate swap	5.17	4.92	167.86	161.52
Total financial derivative assets - Non - current	5.17	4.92	167.86	161.52
Financial derivative liabilities				
Financial derivative liabilities - Current				
Cross currency and interest rate swap	29.10	34.18	944.20	1,121.48
Total financial derivative liabilities - Current	29.10	34.18	944.20	1,121.48
Financial derivative liabilities - Non - current				
Interest rate swap	1.63	1.28	52.97	42.06
Cross currency and interest rate swap	29.02	32.85	941.43	1,077.82
Total financial derivative liabilities - Non - current	30.65	34.13	994.40	1,119.88

Fair values of financial derivative classified by fair value measurement are as follows:

	Unit: Million US Dollar				Unit: Million Baht			
	Consolidated				Consolidated			
	March 31, 2014				March 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Oil price hedge	-	3.26	-	3.26	-	105.70	-	105.70
Interest rate swap	-	5.17	-	5.17	-	167.86	-	167.86
Cross currency and interest rate swap	-	40.27	-	40.27	-	1,306.38	-	1,306.38
Financial derivative liabilities								
Oil price hedge	-	3.93	-	3.93	-	127.51	-	127.51
Interest rate swap	-	1.63	-	1.63	-	52.97	-	52.97
Cross currency and interest rate swap	-	58.12	-	58.12	-	1,885.63	-	1,885.63

	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

	Unit: Million US Dollar				Unit: Million Baht			
	The Company				The Company			
	March 31, 2014				March 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial derivative assets								
Interest rate swap	-	5.17	-	5.17	-	167.86	-	167.86
Financial derivative liabilities								
Interest rate swap	-	1.63	-	1.63	-	52.97	-	52.97
Cross currency and interest rate swap	-	58.12	-	58.12	-	1,885.63	-	1,885.63

	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 an active market for identical assets and liabilities.

Level 2: Fair value based on inputs other than quoted prices included with Level 1 that are observable for the assets and liabilities either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on internal valuation model or that are not based on observable market data (that is, unobservable inputs).

18. Loans and Debentures

Loans and debentures comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Current Liabilities				
Current portion of debentures	360.62	356.52	11,699.53	11,698.80
Total current liabilities	360.62	356.52	11,699.53	11,698.80
Non-current Liabilities				
Debentures	2,611.82	2,608.76	84,735.79	85,602.80
Long-term loans from financial institutions	1,041.89	1,057.70	33,802.25	34,706.79
Total non-current liabilities	3,653.71	3,666.46	118,538.04	120,309.59

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Current Liabilities				
Current portion of debentures	360.62	356.52	11,699.53	11,698.80
Total current liabilities	360.62	356.52	11,699.53	11,698.80
Non-current Liabilities				
Debentures	728.75	726.01	23,643.00	23,822.82
Long-term loans from financial institutions	50.00	50.00	1,622.16	1,640.68
Total non-current liabilities	778.75	776.01	25,265.16	25,463.50

Movements in the loans and debentures for the three-month period are as follows:

	Unit: Million US Dollar Consolidated	Unit: Million Baht Consolidated
Balance as at January 1, 2014	4,022.98	132,008.39
Deferred financing cost	1.72	64.57
Foreign exchange differences	(10.37)	(338.79)
Currency translation differences	-	(1,496.60)
Balance as at March 31, 2014	4,014.33	130,237.57

	Unit: Million US Dollar The Company	Unit: Million Baht The Company
Balance as at January 1, 2014	1,132.53	37,162.30
Deferred financing cost	0.17	6.26
Foreign exchange differences	6.67	217.95
Currency translation differences	-	(421.82)
Balance as at March 31, 2014	1,139.37	36,964.69

Debentures

The carrying value of unsecured and unsubordinated debentures comprised:

				Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Maturity date within 1 year							
- Debentures Baht 11,700 million [1]	4.00	4.089	May 29, 2014	360.62	356.52	11,699.53	11,698.80
Maturity date over 1 year but not exceeding 3 years							
- Debentures US Dollar 500 million [2]	4.152	4.152	July 19, 2015	498.62	498.45	16,176.97	16,355.87
- Debentures US Dollar 200 million	4.152	4.152	August 4, 2015	199.50	199.42	6,472.41	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	77.06	76.19	2,500.00	2,500.00
- Debentures US Dollar 500 million [2]	3.707	3.831	September 16, 2018	497.68	497.55	16,146.20	16,326.18
Maturity date over 5 years							
- Debentures Baht 5,000 million [4]	4.80	4.873	May 29, 2019	154.01	152.27	4,996.80	4,996.64
- Debentures US Dollar 700 million [2]	5.692	5.732	April 5, 2021	698.39	698.34	22,657.86	22,914.99
- Debentures US Dollar 490 million [2]	6.350	6.404	June 12, 2042	486.56	486.54	15,785.55	15,965.40
Total Carrying Value				2,972.44	2,965.28	96,435.32	97,301.60

				Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Maturity date within 1 year							
- Debentures Baht 11,700 million [1]	4.00	4.089	May 29, 2014	360.62	356.52	11,699.53	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	77.06	76.19	2,500.00	2,500.00
- Debentures US Dollar 500 million [2]	3.707	3.831	September 16, 2018	497.68	497.55	16,146.20	16,326.18
Maturity date over 5 years							
- Debentures Baht 5,000 million [4]	4.80	4.873	May 29, 2019	154.01	152.27	4,996.80	4,996.64
Total Carrying Value				1,089.37	1,082.53	35,342.53	35,521.62

[1] In April 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 389.50 million at the exchange rate of Baht 30.039 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 2.668% per annum.

[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 bank to swap Thai Baht debenture for US Dollar 60.82 million. Under this agreement, interest was charged at the rate of 3.85% per annum. On May 2, 2007, the Company swapped the US Dollar debenture with the same bank for Baht 2,500 million. Under this agreement, the interest rate was reduced to 3.30% per annum until the expiration date. In May 2011, the Company swapped Thai Baht debenture of 2,500 million for US Dollar 82.92 million at the exchange rate of Baht 30.15 per US Dollar. Under this agreement, interest rate was charged at the rate of 3.30% per annum.

[4] In June 2011, the Company entered into a Cross Currency Swap transaction with a bank to swap Thai Baht debenture for US Dollar 161.81 million at the exchange rate of Baht 30.90 per US Dollar. Under this agreement, the average interest rate was charged at the rate of 4.93% per annum.

Long-term loans from financial institutions

Long-term loans from financial institutions comprised:

				Unit: Million US Dollar		Unit: Million Baht	
				Consolidated		Consolidated	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million [1]	LIBOR + 1.30	1.70	December 9, 2015	50.00	50.00	1,622.16	1,640.68
Maturity date over 3 years but not exceeding 5 years							
- Loan Canadian Dollar 300 million	CDOR + 1.70	3.37	May 11, 2017	268.23	278.50	8,702.35	9,138.63
- Loan Canadian Dollar 75 million	CDOR + 1.90	3.25	May 11, 2017	67.69	70.33	2,196.00	2,307.72
- Loan US Dollar 500 million	LIBOR + 0.985	1.77	November 24, 2017	492.60	492.11	15,981.57	16,147.76
- Loan US Dollar 75 million	LIBOR + 0.985	1.77	December 1, 2017	73.87	73.79	2,396.48	2,421.37
Maturity date over 5 years							
- Loan Canadian Dollar 100 million [2]	CDOR + 2.10	3.60	September 19, 2019	89.50	92.97	2,903.69	3,050.63
				1,041.89	1,057.70	33,802.25	34,706.79

				Unit: Million US Dollar		Unit: Million Baht	
				The Company		The Company	
	Interest rates (% per annum)	Effective interest rates (% per annum)	Maturity date	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Maturity date over 1 year but not exceeding 3 years							
- Loan US Dollar 50 million [1]	LIBOR + 1.30	1.70	December 9, 2015	50.00	50.00	1,622.16	1,640.68
				50.00	50.00	1,622.16	1,640.68

[1] In April 2012, the Company swapped the interest rate on Loan amounting to US Dollar 50 million to average interest rate of 2.25% per annum.

[2] Amortized loan with the repayment schedule of 4 installments will start from Year 5.5.

19. 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	2.06	67.23
Interest cost	0.90	29.36
Benefits paid	(1.58)	(51.72)
Foreign exchange differences	1.20	39.40
Currency translation differences	-	(39.02)
Balance as at March 31, 2014	106.38	3,451.33

	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	1.78	58.23
Interest cost	0.84	27.30
Benefits paid	(1.52)	(49.56)
Foreign exchange differences	1.09	35.76
Currency translation differences	-	(35.38)
Balance as at March 31, 2014	96.43	3,128.56

Expenses recognized in the statements of income for the three-month period are as follows:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Current service cost	2.06	2.40	67.23	70.86
Interest cost	0.90	0.93	29.36	27.29
Expenses recognized in the statements of income	2.96	3.33	96.59	98.15

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Current service cost	1.78	1.95	58.23	57.70
Interest cost	0.84	0.86	27.30	25.32
Expenses recognized in the statements of income	2.62	2.81	85.53	83.02

Major Actuarial Assumptions

The Group's financial assumptions

	% per annum
Discount rate	3.6
Inflation rate	2.0
Credit interest rate on provident funds	4.8 – 6.6

The Group's demographic assumptions

- Mortality assumption: The mortality rate is from the Thailand Mortality Ordinary 2008 (TMO08) issued by the Office of the Insurance Commission. The TMO08 contains the results of the most recent mortality investigation of policyholders of life insurance companies in Thailand. It is reasonable to assume that these rates would reflect of the mortality rate of the working population in Thailand.
- Turnover rate assumption:

Age-related scale	% per annum
Prior to age 30	2.5 - 16.0
Age 30-39	1.5 - 10.0
Age 40 thereafter	0.0 - 5.0

The turnover rate above reflects the rate at which employees voluntarily resign from service. It does not include death, disability, and early retirement. The calculation for the employee benefits is based on these assumptions.

20. Share Capital

As at March 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
Share capital issued and paid-up during the period	-
Balance as at March 31, 2014	3,969.98

	Unit: Million Shares
Ordinary shares issued and fully paid-up	
Balance as at January 1, 2013	3,969.98
Share capital issued and paid-up during the period	-
Balance as at December 31, 2013	3,969.98

21. Gain (loss) on Foreign Exchange

Gain (loss) on foreign exchange for the three-month period comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Realized gain (loss) on foreign exchange	(22.11)	85.53	(730.46)	2,544.03
Unrealized gain (loss) on foreign exchange	18.26	(44.91)	602.82	(1,332.24)
Total	(3.85)	40.62	(127.64)	1,211.79

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Realized gain (loss) on foreign exchange	(24.35)	70.10	(798.54)	2,084.75
Unrealized gain on foreign exchange	47.02	49.94	1,543.32	1,502.34
Total	22.67	120.04	744.78	3,587.09

22. Petroleum royalties and remuneration

Petroleum royalties and remuneration for the three-month period comprised:

	Unit: Million US Dollar		Unit: Million Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Petroleum royalties	190.17	208.83	6,212.03	6,221.97
Special remuneration benefits	0.38	2.50	12.52	74.54
Total	190.55	211.33	6,224.55	6,296.51

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	2014	2013	2014	2013
Petroleum royalties	113.63	121.57	3,711.36	3,622.86
Special remuneration benefits	-	-	-	-
Total	113.63	121.57	3,711.36	3,622.86

23. **Earnings per Share**

Basic earnings per share for the three-month period are calculated as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Profit attributable to shareholders (unit: million)	379.73	679.85	12,434.86	20,246.04
Less: Interest expenses for subordinated capital debentures (unit: million)	(1.79)	(2.47)	(57.91)	(72.80)
Profit used to determine basic earnings per share (unit: million)	377.94	677.38	12,376.95	20,173.24
Weighted average number of ordinary shares in issue during the period (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Basic earnings per share	0.10	0.17	3.12	5.08

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2014	2013	2014	2013
Profit attributable to shareholders (unit: million)	298.38	543.37	9,755.70	16,203.09
Less: Interest expenses for subordinated capital debentures (unit: million)	(1.79)	(2.47)	(57.91)	(72.80)
Profit used to determine basic earnings per share (unit: million)	296.59	540.90	9,697.79	16,130.29
Weighted average number of ordinary shares in issue during the period (million shares)	3,969.98	3,969.98	3,969.98	3,969.98
Basic earnings per share	0.07	0.14	2.44	4.06

Diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period adjusted with dilutive potential ordinary shares assuming that all dilutive potential ordinary shares are converted into ordinary shares.

Diluted earnings per share for the three-month period are calculated as follows:

	Unit: US Dollar		Unit: Baht	
	Consolidated		Consolidated	
	2014	2013	2014	2013
Profit attributable to shareholders (unit: million)	379.73	679.85	12,434.86	20,246.04
Less: Interest expenses for subordinated capital debentures (unit: million)	(1.79)	(2.47)	(57.91)	(72.80)
Profit used to determine diluted earnings per share (unit: million)	377.94	677.38	12,376.95	20,173.24
Weighted average number of ordinary shares in issue during the period (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	0.10	0.17	3.12	5.08

	Unit: US Dollar		Unit: Baht	
	The Company		The Company	
	2014	2013	2014	2013
Profit attributable to shareholders (unit: million)	298.38	543.37	9,755.70	16,203.09
Less: Interest expenses for subordinated capital debentures (unit: million)	(1.79)	(2.47)	(57.91)	(72.80)
Profit used to determine diluted earnings per share (unit: million)	296.59	540.90	9,697.79	16,130.29
Weighted average number of ordinary shares in issue during the period (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	0.07	0.14	2.44	4.06

24. Segment Information

Unit: Million US Dollar

	Consolidated financial information for the three-month period ended March 31, 2014									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	65.80	160.59	-	67.52	-	2.72	27.72	-	-	324.35
- Related parties	1,262.67	88.48	119.93	-	-	17.24	31.73	-	(31.73)	1,488.32
Other revenues - Third parties	0.93	-	0.24	1.33	-	-	0.18	27.82	(23.80)	6.70
Total Revenues	1,329.40	249.07	120.17	68.85	-	19.96	59.63	27.82	(55.53)	1,819.37
Operating expenses	107.30	56.38	82.73	58.89	-	5.64	2.79	4.84	(34.51)	284.06
Administrative expenses	22.55	9.85	3.48	6.73	(8.31)	1.05	1.59	21.11	(21.02)	37.03
Exploration expenses										
- Amortization of dry holes and projects	1.24	(1.05)	-	-	0.16	-	-	-	-	0.35
- Geological and geophysical	1.90	8.35	1.21	1.57	2.42	0.33	-	-	-	15.78
Depreciation, depletion and amortization	347.36	37.69	90.13	11.19	0.25	3.96	2.82	0.88	(0.03)	494.25
Petroleum royalties and remuneration	166.59	22.15	-	1.81	-	-	-	-	-	190.55
Loss on financial derivatives	-	-	-	-	-	-	-	1.12	-	1.12
(Gain) loss on foreign exchange	22.65	(2.74)	(0.24)	0.03	0.06	-	-	(1.00)	-	18.76
Share of gain from associates	-	-	(0.32)	-	-	-	-	0.44	-	0.12
Total Expenses	669.59	130.63	176.99	80.22	(5.42)	10.98	7.20	27.39	(55.56)	1,042.02
Segment result	659.81	118.44	(56.82)	(11.37)	5.42	8.98	52.43	0.43	0.03	777.35
Depreciation - general										(5.04)
Administrative expenses - general										(15.13)
Operating profit										757.18
Other income, net										2.31
Finance costs										
- Interest income										5.87
- Interest expenses and other finance costs										(56.51)
Gain on foreign exchange										14.91
Management's remuneration										(1.48)
Profit before income taxes										722.28
Tax - Project	(303.47)	(37.49)	(2.77)	-	-	(5.00)	(14.55)	(0.48)		(363.76)
- Group										21.21
Net Profit (Loss)	356.34	80.95	(59.59)	(11.37)	5.42	3.98	37.88	(0.05)		379.73

Unit: Million US Dollar

	Consolidated financial information for the three-month period ended March 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	6,191.47	2,394.08	3,044.61	3,057.74	2,596.38	31.58	725.92	118.61		18,160.39
Investments under equity method	-	-	5.89	-	-	-	-	30.46		36.35
Unallocated assets										3,888.93
Total assets										22,085.67
Liabilities										
Segment liabilities	3,977.09	524.88	284.14	565.41	68.26	26.05	77.44	32.30		5,555.57
Unallocated liabilities										4,841.20
Total liabilities										10,396.77
Capital Expenditures	306.61	136.48	8.96	27.92	69.11	0.48	53.53	20.79		623.88

Unit: Million Baht

	Consolidated financial information for the three-month period ended March 31, 2014									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	2,152.98	5,249.03	-	2,202.66	-	88.86	903.45	-	-	10,596.98
- Related parties	41,245.77	2,884.47	3,901.79	-	-	563.39	1,034.61	-	(1,034.61)	48,595.42
Other revenues - Third parties	30.67	-	7.82	43.48	-	-	5.97	908.20	(777.33)	218.81
Total Revenues	43,429.42	8,133.50	3,909.61	2,246.14	-	652.25	1,944.03	908.20	(1,811.94)	59,411.21
Operating expenses	3,503.46	1,839.63	2,683.44	1,921.14	-	184.15	91.20	159.15	(1,125.57)	9,256.60
Administrative expenses	736.44	322.00	113.39	219.53	(274.54)	34.53	51.93	689.34	(686.36)	1,206.26
Exploration expenses										
- Amortization of dry holes and projects	40.37	(34.50)	(0.29)	-	5.51	-	-	-	-	11.09
- Geological and geophysical	62.22	272.16	39.48	51.16	79.43	10.72	-	-	-	515.17
Depreciation, depletion and amortization	11,347.06	1,229.34	2,931.50	365.40	8.16	129.56	92.00	28.70	(1.09)	16,130.63
Petroleum royalties and remuneration	5,442.29	723.01	-	59.25	-	-	-	-	-	6,224.55
Loss on financial derivatives	-	-	-	-	-	-	-	36.84	-	36.84
(Gain) loss on foreign exchange	738.47	(85.72)	(7.53)	0.99	2.00	-	(0.03)	(32.20)	-	615.98
Share of gain from associates	-	-	(10.41)	-	-	-	-	14.41	-	4.00
Total Expenses	21,870.31	4,265.92	5,749.58	2,617.47	(179.44)	358.96	235.10	896.24	(1,813.02)	34,001.12
Segment result	21,559.11	3,867.58	(1,839.97)	(371.33)	179.44	293.29	1,708.93	11.96	1.08	25,410.09
Depreciation - general										(164.69)
Administrative expenses - general										(489.73)
Operating profit										24,755.67
Other income, net										76.68
Finance costs										
- Interest income										191.93
- Interest expenses and other finance costs										(1,845.21)
Gain on foreign exchange										488.34
Management's remuneration										(48.26)
Profit before income taxes										23,619.15
Tax - Project	(9,899.41)	(1,227.02)	(90.18)	-	-	(163.33)	(473.94)	(15.01)		(11,868.89)
- Group										684.60
Net Profit (Loss)	11,659.70	2,640.56	(1,930.15)	(371.33)	179.44	129.96	1,234.99	(3.05)		12,434.86

Unit: Million Baht

	Consolidated financial information for the three-month period ended March 31, 2014									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	200,871.19	77,671.58	98,776.81	99,203.00	84,234.90	1,024.41	23,551.23	3,848.20		589,181.32
Investments under equity method	-	-	191.17	-	-	-	-	988.09		1,179.26
Unallocated assets										126,169.30
Total assets										716,529.88
Liabilities										
Segment liabilities	129,029.51	17,028.69	9,218.27	18,343.73	2,214.69	845.17	2,512.28	1,047.92		180,240.26
Unallocated liabilities										157,064.12
Total liabilities										337,304.38
Capital Expenditures	10,014.52	4,457.59	292.58	912.14	2,257.23	15.66	1,748.37	679.10		20,377.19

Unit: Million US Dollar

	Consolidated financial information for the three-month period ended March 31, 2013 (Restated)									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	74.81	181.07	-	56.14	-	3.97	37.64	-	-	353.63
- Related parties	1,361.15	102.61	-	-	-	18.01	38.57	-	(38.57)	1,481.77
Other revenues - Third parties	1.06	9.86	0.10	1.36	-	-	0.18	4.74	(1.39)	15.91
Total Revenues	1,437.02	293.54	0.10	57.50	-	21.98	76.39	4.74	(39.96)	1,851.31
Operating expenses	100.24	55.99	0.13	59.43	-	6.69	2.01	0.10	(39.40)	185.19
Administrative expenses	15.72	10.81	3.78	6.83	2.48	1.55	0.79	2.91	(0.15)	44.72
Exploration expenses										
- Amortization of dry holes and projects	1.69	(0.02)	0.14	-	15.69	0.16	-	-	-	17.66
- Geological and geophysical	6.30	7.65	(7.00)	7.32	4.87	0.12	-	-	-	19.26
Depreciation, depletion and amortization	302.90	54.40	1.57	10.16	0.63	16.10	1.82	0.65	-	388.23
Petroleum royalties and remuneration	181.64	28.91	-	0.78	-	-	-	-	-	211.33
Gain on financial derivatives	-	-	-	-	-	-	-	(1.39)	-	(1.39)
(Gain) loss on foreign exchange	40.56	0.64	0.42	0.10	0.19	-	-	(1.54)	-	40.37
Share of gain from associates	-	-	(0.50)	-	-	-	-	(1.10)	-	(1.60)
Total Expenses	649.05	158.38	(1.46)	84.62	23.86	24.62	4.62	(0.37)	(39.55)	903.77
Segment result	787.97	135.16	1.56	(27.12)	(23.86)	(2.64)	71.77	5.11	(0.41)	947.54
Depreciation - general										(2.24)
Administrative expenses - general										(18.54)
Operating profit										926.76
Other income, net										0.29
Finance costs										
- Interest income										12.30
- Interest expenses and other finance costs										(48.23)
Gain on foreign exchange										80.99
Management's remuneration										(1.51)
Profit before income taxes										970.60
Tax - Project	(291.80)	(34.54)	4.83	6.65	-	(0.61)	(16.14)	(3.14)		(334.75)
- Group										44.00
Net Profit (Loss)	496.17	100.62	6.39	(20.47)	(23.86)	(3.25)	55.63	1.97		679.85

Unit: Million US Dollar

	Consolidated financial information for the three-month period ended March 31, 2013 (Restated)									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Assets										
Segment assets	6,412.66	1,621.34	2,895.25	3,114.95	2,929.53	100.02	238.91	119.90		17,432.56
Investments under equity method	-	-	3.95	-	-	-	-	28.33		32.28
Unallocated assets										3,424.67
Total assets										20,889.51
Liabilities										
Segment liabilities	4,031.61	325.72	316.39	635.25	635.24	53.11	38.57	29.10		6,064.99
Unallocated liabilities										3,866.91
Total liabilities										9,931.90
Capital Expenditures	711.59	143.09	106.92	67.90	35.51	0.94	70.97	5.22		1,142.14

Unit: Million Baht

	Consolidated financial information for the three-month period ended March 31, 2013 (Restated)									
	Exploration and production						Pipeline			
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia	Others	Inter-company elimination	Group's total business
Revenues - Third parties	2,227.26	5,397.34	-	1,672.33	-	118.36	1,121.67	-	-	10,536.96
- Related parties	40,555.70	3,057.23	-	-	-	536.51	1,148.97	-	(1,148.97)	44,149.44
Other revenues - Third parties	31.69	296.54	3.10	40.58	-	-	5.39	139.71	(40.32)	476.69
Total Revenues	42,814.65	8,751.11	3.10	1,712.91	-	654.87	2,276.03	139.71	(1,189.29)	55,163.09
Operating expenses	2,986.02	1,668.40	3.84	1,770.12	-	199.21	59.92	3.05	(1,173.84)	5,516.72
Administrative expenses	467.22	322.15	112.65	204.27	73.99	46.14	23.39	86.53	(4.13)	1,332.21
Exploration expenses										
- Amortization of dry holes and projects	49.78	(0.60)	4.14	-	463.02	4.92	-	-	-	521.26
- Geological and geophysical	188.83	227.56	(205.86)	221.17	146.29	3.57	-	-	-	581.56
Depreciation, depletion and amortization	9,020.44	1,621.25	46.86	302.71	18.90	479.87	54.14	19.38	-	11,563.55
Petroleum royalties and remuneration	5,411.85	861.51	-	23.15	-	-	-	-	-	6,296.51
Gain on financial derivatives	-	-	-	-	-	-	-	(44.00)	-	(44.00)
(Gain) loss on foreign exchange	1,210.78	18.60	12.56	2.84	5.61	-	0.01	(46.33)	-	1,204.07
Share of gain from associates	-	-	(14.73)	-	-	-	-	(32.54)	-	(47.27)
Total Expenses	19,334.92	4,718.87	(40.54)	2,524.26	707.81	733.71	137.46	(13.91)	(1,177.97)	26,924.61
Segment result	23,479.73	4,032.24	43.64	(811.35)	(707.81)	(78.84)	2,138.57	153.62	(11.32)	28,238.48
Depreciation - general										(66.69)
Administrative expenses - general										(549.73)
Operating profit										27,622.06
Other income, net										8.73
Finance costs										
- Interest income										366.76
- Interest expenses and other finance costs										(1,435.00)
Gain on foreign exchange										2,415.86
Management's remuneration										(44.99)
Profit before income taxes										28,933.42
Tax - Project	(8,699.77)	(1,036.41)	141.80	196.11	-	(19.56)	(479.76)	(92.81)		(9,990.40)
- Group										1,303.02
Net Profit (Loss)	14,779.96	2,995.83	185.44	(615.24)	(707.81)	(98.40)	1,658.81	60.81		20,246.04

Unit: Million Baht

	Consolidated financial information for the three-month period ended March 31, 2013 (Restated)									
	Exploration and production						Pipeline	Others	Inter-company elimination	Group's total business
	Thailand	Other Southeast Asia	Australia	North America	Africa	Middle East	Southeast Asia			
Assets										
Segment assets	187,945.39	47,519.14	84,855.46	91,294.65	85,860.03	2,931.36	7,001.96	3,514.13		510,922.12
Investments under equity method	-	-	115.75	-	-	-	-	830.37		946.12
Unallocated assets										100,371.95
Total assets										612,240.19
Liabilities										
Segment liabilities	118,160.31	9,546.20	9,272.94	18,618.09	18,618.07	1,556.67	1,130.46	852.95		177,755.69
Unallocated liabilities										113,333.48
Total liabilities										291,089.17
Capital Expenditures	20,942.83	4,229.38	3,162.80	1,503.52	853.86	27.66	2,105.39	153.27		32,978.71

The Group is organized into the following business segments:

- Exploration and production: The Group operates in oil and gas exploration and production both domestically and overseas, either as an operator or as a joint venture partner with international oil and gas companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects are located in Southeast Asia, Australia, North America, Africa and the Middle East. As at the financial information date, the Group had 23 projects in the production phase and 19 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; this does not constitute a separately reportable segment.

25. 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.

26. 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	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Within 1 year	72.52	75.13	2,353.37	2,465.23
Over 1 year but not exceeding 5 years	72.57	81.17	2,354.26	2,663.86
Over 5 years	63.23	65.83	2,051.47	2,160.60
Total	208.32	222.13	6,759.10	7,289.69

	Unit: Million US Dollar		Unit: Million Baht	
	The Company		The Company	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Within 1 year	32.04	42.33	1,039.09	1,389.25
Over 1 year but not exceeding 5 years	28.07	34.79	910.99	1,141.58
Over 5 years	0.07	0.01	2.37	0.56
Total	60.18	77.13	1,952.45	2,531.39

- Commitment from loan agreements
  - The Company has a subordinated loan agreement with Energy Complex Company Limited (EnCo), with the loan limit of Baht 1,250 million. The agreement shall continue for 13 years and 6 months effective from April 2, 2009. The total value of loans provided by the Company as at March 31, 2014 was US Dollar 17.88 million (Baht 580 million).

- Commitment from loan and debenture guarantee of subsidiaries
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 500 million and US Dollar 200 million, respectively to guarantee for PTTEP Australia International Finance Pty Ltd (PTTEP AIF).
  - The Company has commitment from loan guarantee within the credit facility of US Dollar 500 million and US Dollar 75 million, respectively to guarantee for PTTEP Offshore Investment Company Limited (PTTEPO).
  - The Company has commitment from unsecured and unsubordinated debenture of US Dollar 490 million and US Dollar 700 million and loan guarantee of Canadian Dollar 300 million, Canadian Dollar 75 million and Canadian Dollar 100 million, respectively, to guarantee for PTTEP Canada International Finance Limited (PTTEP CIF).

- Obligation under Gas Sale Agreement

According to the Gas Sales Agreement of MTJDA B-17 Project, if PTTEP International Limited (PTTEPI) and the joint operation, as the sellers, fail to deliver the quantity of natural gas notified by the buyer on the date agreed upon, the buyer has the right to take the deficient quantity of natural gas (Shortfall) at a price equal to 75% of the current price applicable at the time the Shortfall occurred.

On March 31, 2014 PTTEPI had an obligation for the Shortfall as per GSA mentioned above with the approximate total cost for PTTEPI of US Dollar 15.04 million (Baht 488.02 million). Currently, negotiation between the buyer (PTT) and the seller are in process.

- Contingent liabilities

  - On August 26, 2010, PTTEP Australasia Pty Ltd (PTTEP AA) received a letter claiming for compensation relating to an incident of oil and natural gas leak in Montara area under PTTEP Australasia project from the Government of Indonesia. Subsequently on September 1, 2010, PTTEP AA submitted the letter rejecting the claim for the compensation because the evidence provided by the Government of Indonesia is considered unproven and unsubstantiated. No verifiable scientific evidence has yet been provided to support the claim.

    Currently, there are uncertainties for this claim and charge, and the Company is in discussion with the Government of Indonesia to agree on the Memorandum of Understanding (MOU). The discussion is on-going and the conclusion regarding to this matter has not yet finalized.

  - As at March 31, 2014, the Company had contingent liabilities in the form of letters of guarantee amounting to US Dollar 7.23 million (Baht 234.58 million) for the Company's financial information and US Dollar 9.04 million (Baht 293.14 million) for the consolidated financial information.

- Significant litigation

  - Cove Energy Plc. (Cove), a subsidiary of the Company has been claimed by The Tanzanian Revenue Authority (TRA) for the additional Value Added Tax (VAT), including interest based on the Farm-in agreement made in 2009. The TRA has requested for the additional payment of VAT including interest total to US Dollar 0.51 million (Baht 16.51 million). Cove is currently negotiating with the TRA. However, in order for Cove to proceed for the negotiation, the TRA has requested Cove to pay the one-third of the assessed amount total to US Dollar 0.17 million (Baht 5.50 million) upfront in which Cove has paid in June 2012.

    As at March 31, 2014, the Company has already recognized the remaining amount of assessed claim, plus interest total to US Dollar 0.34 million (Baht 11.00 million) in the consolidated financial information.

27. Events after the Statement of Financial Position Date

- On April 3, 2014, PTTEP Brazil Investments in Oil and Gas Exploration and Production Limitada (PTTEP BL), a subsidiary of PTTEP, has entered into an agreement with BG E&P Brasil Ltda. (BG Brasil) to farm-in to concession blocks BAR-M-215, BAR-M-217, BAR-M-252 and BAR-M-254. Under the agreement, PTTEP BL will hold 25% participation interest, while BG Brasil will be the operator and hold the remaining 75% participation interest. The Agreement is subject to the approval of Brazil's National Agency of Petroleum, Natural Gas and Biofuels (the ANP).

- On April 22, 2014, PTTEP Offshore Investment Company Limited and PTTEP International Limited, subsidiaries of the Company, have entered into the Share Purchase Agreement (SPA) to acquire 100% equity stakes in Hess Thailand Holdings II Limited (HTH) and Hess Exploration Thailand Company Limited (HETCL) with details as follows:

    - HTH holds 100% equity stake in Hess (Thailand) Limited (HTL) which owns 15% interest in Block B12/27 of Contract 4 Project and 35% interest in Block EU-1 and Block E5 North of Sinphuhorm Project.
    - HETCL owns 15% interest in Block G7/50 of Contract 4 Project.

  Prior to the acquisition, the Company held 45% and 20% participating interests in Contract 4 Project and Sinphuhorm Project, respectively. Subsequently after the completion of the acquisition, the participating interests will increase to 60% and 55%, respectively. The Chevron Group remains the operator of the Contract 4 Project, while the Company will become the operator of Sinphuhorm Project.

  The transaction of HTH was completed on April 22, 2014 while the HETCL transaction is expected to be completed within May 2014 in accordance with SPA.

- The Audit Committee of the Company authorized for the issue of these interim financial information on April 29, 2014.

COMPANY

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PTTEP

OFFERING MEMORANDUM

BofA Merrill Lynch **Credit Suisse** **HSBC** **J.P. Morgan**