

TRANSLATION

REPORT OF THE AUDITOR

To the shareholders of The Bangchak Petroleum Public Company Limited

The Office of the Auditor General has reviewed the balance sheets as at June 30, 2003, the statements of income for the three months and six months ended June 30, 2003 and 2002, the statements of changes in shareholders' equity and the statements of cash flows for the six months ended June 30, 2003 and 2002 of The Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their fair presentation and completeness of the information. The responsibility of the Office of the Auditor General is to report on these financial statements based on the results of its review.

The Office of the Auditor General conducted the review in accordance with the auditing standards applicable to review engagements. Those standards require that the Office of the Auditor General plans and performs the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical comparison of financial data. This, therefore, provides less assurance than an audit in accordance with the generally accepted auditing standards. Due to this, the Office of the Auditor General is unable to express an opinion on the financial statements referred to above.

Based on our review, nothing has come to attention that causes the Office of the Auditor General to believe that the financial statements are not presented fairly, in all material respects, in conformity with the generally accepted accounting principles.

The Office of the Auditor General audited the financial statements as at December 31, 2002 of The Bangchak Petroleum Public Company Limited in accordance with the generally accepted auditing standards and expressed an unqualification opinion as per the independent auditor report dated February 24, 2003. The balance sheets as at December 31, 2002 as presented herein for comparison, formed partly the financial statements which the Office of the Auditor General previously audited and reported. The Office of the Auditor General has not performed any other audits since the date of that report.

(Sign) *Khum-Ying Jaruvan Maintaka*
(Khum-Ying Jaruvan Maintaka)
Auditors General

(Sign) *Suchita Sommanus*
(Suchita Sommanus)
Director of Audit Office

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS OF JUNE 30, 2003 AND DECEMBER 31, 2002

	<u>NOTE</u>	<u>JUNE 30, 2003</u> <u>(REVIEWED)</u>	<u>UNIT : BAHT</u> <u>DECEMBER 31, 2002</u> <u>(AUDITED)</u> <u>(REVISED)</u>
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	3.1	2,344,805,171	1,374,422,526
Trade accounts receivable, net	3.2	2,869,174,271	2,724,544,707
Inventories		6,325,305,502	6,088,998,548
Other current assets			
Materials and supplies, net	3.3	351,815,287	364,694,896
Others		359,749,704	371,243,206
Total Current Assets		<u>12,250,849,935</u>	<u>10,923,903,883</u>
Non-Current Assets			
Investments for using the equity method	3.4	-	665,117
Other long-term investments	3.5	4,795,057	4,835,413
Tariff prepayment	3.6	178,946,777	183,258,812
Property, plant and equipment, net	3.7	14,967,971,907	15,637,564,150
Intangible assets	3.8	1,021,478,187	1,056,486,540
Other non-current assets			
Investment - service station		625,406,453	634,137,556
Deferred income tax		58,996,788	59,740,331
Others		430,467,400	400,339,808
Total Non-Current Assets		<u>17,288,062,569</u>	<u>17,977,027,727</u>
TOTAL ASSETS		<u>29,538,912,504</u>	<u>28,900,931,610</u>

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS OF JUNE 30, 2003 AND DECEMBER 31, 2002

	<u>NOTE</u>	<u>JUNE 30, 2003</u> (REVIEWED)	<u>DECEMBER 31, 2002</u> (AUDITED) (REVISED)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities			
Bank overdrafts and short-term loans from financial institution:	3.9	6,711,205,662	1,000,000,000
Trade accounts payable		4,808,092,436	3,136,831,661
Current portion of long-term loans	3.11	3,155,000,000	6,380,000,000
Short-term loans	3.10	2,439,119,500	2,480,636,500
Other current liabilities			
Accrued excise tax and oil stabilization fund		221,813,127	144,186,565
Accrued expenses		340,404,916	501,753,412
Others		266,478,902	289,562,403
Total Current Liabilities		17,942,114,543	13,932,970,541
Non-Current Liabilities			
Long-term loans	3.11	7,395,000,000	9,972,500,000
Other non-current liabilities			
Long term liabilities for service station lease rights		127,393,346	150,930,248
Pension fund reserve		191,542,065	187,918,461
Others		69,766,373	70,506,941
Total Non-Current Liabilities		7,783,701,784	10,381,855,650
Total Liabilities		25,725,816,327	24,314,826,191
Shareholders' Equity			
Share capital			
Authorized share capital Common stock 772,040,940 shares par value at Baht 10 per share		7,720,409,400	7,720,409,400
Issued and paid-up share capital Common stock 522,040,940 shares par value at Baht 10 per share		5,220,409,400	5,220,409,400
Additional Paid-in capital			
Premium on share capital		2,007,950,671	2,007,950,671
Surplus on fixed assets revaluation		4,896,056,624	5,178,142,754
Retained earnings (Accumulated Deficit)			
Appropriated			
Legal reserve		547,594,555	547,594,555
Unappropriated		(8,858,915,073)	(8,367,991,961)
Total Shareholders' Equity		3,813,096,177	4,586,105,419
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		29,538,912,504	28,900,931,610

The accompanying notes are an integral part of these statements.

(Signed) *General Tawat Ked-Unkoon*
 (General Tawat Ked-Unkoon)
 Chairman

(Signed) *Narong Boonyasaquan*
 (Narong Boonyasaquan)
 President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2003 AND 2002

UNIT : BAHT

	NOTE	FOR THE THREE MONTHS		FOR THE SIX MONTHS	
		2003	2002	2003	2002
Revenues					
Sales		14,827,390,767	12,857,343,099	29,224,478,119	24,256,605,538
Other incomes					
Interest income		7,299,313	12,685,114	18,137,121	19,048,528
Gain from foreign exchange fluctuations	3.12	54,040,182	110,156,791	78,568,649	128,787,091
Gain from crude oil and product oil price hedging contract		71,498,715	6,353,646	27,290,648	48,103,610
Others		10,492,069	17,868,599	51,654,287	37,702,511
Total Revenues		14,970,721,046	13,004,407,249	29,400,128,824	24,490,247,278
Expenses					
Cost of sales		15,203,886,187	11,984,737,894	28,565,274,728	22,531,788,774
Selling and administrative expenses		327,452,185	297,429,402	629,027,299	540,024,957
Other Expenses					
Depreciation		71,757,758	71,149,498	144,129,791	141,152,536
Directors' remuneration		792,384	87,750	879,384	230,250
Share of losses from investments for using the equity method	3.4	1,390,317	8,767,372	665,117	7,403,622
Total Expenses		15,605,278,831	12,362,171,916	29,339,976,319	23,220,600,139
Profit (Loss) before Interest and Income Tax Expenses		(634,557,785)	642,235,333	60,152,505	1,269,647,139
Interest expenses	3.13	276,180,647	305,088,655	550,332,075	626,320,485
Income tax		2,403,173	(3,559,304)	743,542	(3,964,440)
Net Profit (Loss)		(913,141,605)	340,705,982	(490,923,112)	647,291,094
Earnings Per Share		(1.75)	0.65	(0.94)	1.24

The accompanying notes are an integral part of these statements.

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Narong Boonyasquan*

(Narong Boonyasquan)

President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002

	Share capital	Premium on	Surplus on	Legal	Retained earning	UNIT : BAHT Total
	Issued	share capital	fixed assets	reserve	(Accumulated	
	and paid-up		revaluation		deficit)	
Balance at December 31, 2001	5,220,409,400	2,007,950,671	3,556,765,260	547,594,555	(8,901,582,987)	2,431,136,899
Items not recognised in the income statement	-	-	(174,645,936)	-	-	(174,645,936)
Net profit (loss) for the period	-	-	-	-	647,291,094	647,291,094
Balance at June 30, 2002	5,220,409,400	2,007,950,671	3,382,119,324	547,594,555	(8,254,291,893)	2,903,782,057
Balance at December 31, 2002	5,220,409,400	2,007,950,671	5,178,142,754	547,594,555	(8,367,991,961)	4,586,105,419
Items not recognised in the income statement	-	-	(282,086,130)	-	-	(282,086,130)
Net profit (loss) for the period	-	-	-	-	(490,923,112)	(490,923,112)
Balance at June 30, 2003	5,220,409,400	2,007,950,671	4,896,056,624	547,594,555	(8,858,915,073)	3,813,096,177

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u> (REVISED)
Cash Flows from Operating Activities :		
Net Profit (Loss)	(490,923,112)	647,291,094
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities :		
Depreciation	441,252,291	440,059,757
Bad debts and doubtful debts	4,950,566	(2,026,174)
Amortization	79,145,055	81,684,676
Unrealized gain from foreign exchange fluctuations	(5,591,553)	(88,849,629)
Income tax	743,542	(3,964,440)
Gain from fixed assets disposal	(15,410,107)	(5,463,505)
Pension fund	3,623,604	9,887,226
Deferred revenue	(2,155,175)	(2,369,438)
Share of loss from investments for using the equity method	665,117	7,403,622
Operating gain before changes in operating assets and liabilities	16,300,228	1,083,653,189
Operating assets (increase), decrease		
Trade accounts receivable	(102,320,324)	(787,320,346)
Inventories	(236,306,954)	(1,582,118,205)
Other current assets	(6,093,481)	150,542,508
Operating liabilities increase, (decrease)		
Trade accounts payable	1,643,767,552	1,175,689,473
Other current liabilities	(160,342,290)	(252,329,304)
Other non-current liabilities	(740,569)	20,072
Net Cash Provided by (Used in) Operating Activities	1,154,264,162	(211,862,613)
Cash Flows from Investing Activities :		
Long term investments decrease	4,312,035	2,132,325
Purchase of property, plant and equipment	(101,970,270)	(120,011,210)
Proceeds from disposal of assets	63,634,199	8,031,134
Intangible assets increase	(6,986,168)	(22,842,337)
Other non-current assets increase	(51,576,976)	(56,007,218)
Net Cash Used in Investing Activities	(92,587,180)	(188,697,306)

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u> (REVISED)
Cash Flows from Financing Activities :		
Bank overdrafts and short-term loans from financial institutions increase,(decrease)	5,711,205,663	(197,842,496)
Short terms loan increase	-	124,480,000
Long term loans decrease	(5,802,500,000)	(1,121,801,043)
Net Cash Used in Financing Activities	(91,294,337)	(1,195,163,539)
 Increase (Decrease) in Cash and Cash Equivalents	 970,382,645	 (1,595,723,458)
Cash and Cash Equivalents at Beginning of Period	1,374,422,526	2,749,700,315
Cash and Cash Equivalents at Ending of Period	2,344,805,171	1,153,976,857
 Supplemental Cash Flow Information :		
Cash paid during this period for :		
Interest expenses	629,382,017	684,096,043
Income tax	-	2,788,229

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30,2003 (REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31,2002 (AUDITED)

1. The Preparation and Presentation of Financial Statements

The financial statements are presented in accordance with the Accounting Standard No.41, the interim financial statements, by indicating the items in the balance sheet, the statements of income, the statements of changes in shareholder's equity and the statements of cash flow, which are the same as the annual financial statements. As for the note of financial statements, only the significant ones are indicated

The interim financial statements are prepared as additional information to financial statements for the year ended December 31, 2002. Therefore, they should be read in conjunction with the annual financial statements.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with the generally accepted accounting principles. In preparation of the interim financial statements, the Company applies the accounting policies and the calculation methods, which are similar to the annual financial statements ended December 31, 2002.

3. Additional Information

3.1 Cash and cash equivalents

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
		Unit : Million Baht
Cash on hand and at banks	1,846.34	1,374.42
Short-term investments	<u>498.47</u>	<u>-</u>
Total	<u>2,344.81</u>	<u>1,374.42</u>

3.2 Trade accounts receivable - net

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
		Unit : Million Baht
Notes receivable	36.74	12.81
Trade accounts receivable	2,962.95	2,853.80
<u>Less</u> Allowance for doubtful accounts	<u>130.52</u>	<u>142.07</u>
Trade accounts and notes receivable - net	<u>2,869.17</u>	<u>2,724.54</u>

As of June 30, 2003, the Company has trade accounts receivable with problems in collection. The following is an age analysis of the outstanding amount of such debts.

Unit : Million Baht

over 3 - 6 months	1.44
over 6 - 12 months	3.44
over 12 months	<u>166.16</u>
Total	<u>171.04</u>

The Company has set up an allowance for doubtful accounts of Baht 130.52 Million.

3.3 Materials and supplies - net

Unit : Million Baht

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
Materials and supplies - Cost	364.14	377.96
<u>Less</u> Allowance for deterioration of materials and supplies	<u>12.33</u>	<u>13.27</u>
Materials and supplies - Net	<u>351.81</u>	<u>364.69</u>

3.4 Investments for using the equity method

Unit : Million Baht

Company	Type of Business	Relationship	Paid - up Share capital	Share Holding Ratio (%)	Investment				Dividend
					Cost Method		Equity Method		
					Jun 30,03	Dec 31,02	Jun 30,03	Dec 31,02	
The Bangchak Green Net Co.,Ltd.	Retail Business and Service	Shareholding	1.00	49.00	0.49	0.49	-	0.67	-
Total					0.49	0.49	-	0.67	-

As of June 30, 2003, the company realized its share of a loss in the operating results of investment in The Bangchak Green Net Co., Ltd. of Baht 0.67 million, which is equivalent to the amount of its remaining investment.

3.5 Long Term Investments

Unit : Million Baht

	<u>June 30, 2003</u>	<u>December 31, 2002</u>
3.5.1 General investment in equity securities		
Fuel Pipeline Transportation Ltd.	181.75	181.75
<u>Less</u> Loss from impairment of long term investment	<u>181.75</u>	<u>181.75</u>
	-	-
3.5.2 Investment in debt securities held-to-maturity	<u>4.80</u>	<u>4.84</u>
Total	<u>4.80</u>	<u>4.84</u>

3.6 Tariff prepayment

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on

March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some part of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statement for the six months ended June 30, 2003, shows an outstanding prepaid tariff balance of Baht 178.95 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, it will write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. And in 2005, it will write-off the interest receivable set-up from January 1, 2002 to March 28, 2002 of Baht 2.42 Million. As for the interest from March 29, 2002 to June 30, 2003 of Baht 13.39 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 37.19 million, which is reflected in the Balance Sheet under "Other Non-Current Assets".

3.7 Property, Plant and Equipment - Net

Unit : Million Baht

	First Cost As of Dec 31,02	Increase	Decrease	First Cost As of Jun 30,03	Accumulated Depreciation	Net Book Value Jun 30,03	Net Book Value Dec 31,02
Land	1,344.78	-	-	1,344.78	-	1,344.78	1,344.78
Buildings	497.15	0.38	-	497.53	277.40	220.13	232.45
Machinery, equipment and refinery plants	22,691.12	25.66	0.04	22,716.74	12,135.82	10,580.92	11,150.55
Marketing and office equipments	3,388.59	46.64	11.15	3,424.08	1,265.45	2,158.63	2,214.23
Platinum Catalyst	329.71	-	7.01	322.70	-	322.70	329.71
Vehicles	372.79	3.10	139.65	236.24	160.24	76.00	127.60
Construction work in progress	238.24	102.76	76.19	264.81	-	264.81	238.24
Total	28,862.38	178.54	234.04	28,806.88	13,838.91	14,967.97	15,637.56

The total depreciation for this period is Baht 441.25 million, of which Baht 297.12 million is booked as cost of product, and Baht 144.13 million as administrative expenses.

3.8 Intangible Assets

Unit : Million Baht

	First cost		Accumulated Amortization		Net Book Value	
	Jun 30,03	Dec 31,02	Jun 30,03	Dec 31,02	Jun 30,03	Dec 31,02
Leasehold	1,574.88	1,567.05	561.65	522.17	1,013.23	1,044.88
License and development costs of computer software	70.03	70.88	61.78	59.27	8.25	11.61
Total	1,644.91	1,637.93	623.43	581.44	1,021.48	1,056.49

3.9 Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions are Baht 6,711.21 million, of this, Baht 6,600 million are short-term loan from the Krungthai Bank with interest rate of 1.72-6.50% per annum.

3.10 Short - term loans

Short - term loans are Baht 2,439.12 million, mainly comprised the Baht 1,474.12 million short - term loan arranged by the Ministry of Finance under the Euro Commercial Paper Programme (ECP) as bridge financing of USD 35 million, with maturity on July 31, 2003 and with interest rate of 1.49% per annum. The Ministry of Finance has agreed to allow the Company to extend the said loan under the ECP Programme for another six months, with maturity on January 30, 2004 and with interest rate of 1.14% per annum.

3.11 Long - Term loans

	Unit : Million Baht	
	<u>June 30,2003</u>	<u>December 31,2002</u>
Domestic loans		
Government Saving Bank	-	500.00
Debentures	8,235.00	13,537.50
Promissory Note	<u>2,315.00</u>	<u>2,315.00</u>
Total long term loans	10,550.00	16,352.50
<u>Less</u> Current portion of long-term loans	<u>3,155.00</u>	<u>6,380.00</u>
Balance	<u>7,395.00</u>	<u>9,972.50</u>

Debentures

As of June 30, 2003, the Company has the debentures as follow;

Unsecured, unsubordinated registered debentures with the holders' names totaling 5,235,000 units with face value of Baht 1,000 per unit, for a total of Baht 5,235 million. The interest rates vary from 3.8125 to 8.25 % per annum.

	<u>Maturity Date</u>	<u>Interest Due</u>
No. 7/2543	Feb. 02, 2005	Feb 02 and Aug 02 of each year
No. 8/2543	Mar. 31, 2004	Mar 31 and Sep 30 of each year
No. 9/2543	Mar. 31, 2004	Mar 31 and Sep 30 of each year
No. 10/2543	Mar. 31, 2006	Mar 31 and Sep 30 of each year
No. 13/2543	May. 03, 2006	May 03 and Nov 03 of each year
No. 18/2543	Nov. 28, 2004	May 28 and Nov 28 of each year
No. 19/2543	Nov. 30, 2004	May 30 and Nov 30 of each year
No. 20/2544	Mar. 29, 2005	Mar 29 and Sep 29 of each year
No. 24/2545	Dec. 02, 2005	Jun 02 and Dec 02 of each year
No. 25/2545	Dec. 02, 2007	Jun 02 and Dec 02 of each year

Guaranteed registered debentures with the holders' names and trustee totaling 3,600,000 units with face value of Baht 1,000 per unit, for a total of Baht 3,000 million. The debenture guaranteed by the Ministry of Finance . The interest rates of 4.80 % per annum.

	<u>Maturity Date</u>	<u>Interest Due</u>
No. 22/2544	Nov. 29, 2006	May 29 and Nov 29 of each year

Promissory Notes

Promissory notes are Baht 2,315 million, with interest rates varying from 5.50 - 6.25% per annum. The repayment of which are Baht 2,000 million in year 2004, Baht 170 million in year 2005 and Baht 145 million in year 2007.

3.12 Gain from foreign exchange fluctuations

	Unit : Million	
	Baht	
	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Realized gain from foreign exchange fluctuations	72.98	39.94
Unrealized gain from foreign exchange fluctuations	<u>5.59</u>	<u>88.85</u>
Total	<u>78.57</u>	<u>128.79</u>

3.13 Interest Expense

The total interest for this period is Baht 550.53 million, of which Baht 0.20 million is recorded as cost of work in progress and Baht 550.33 million as expense.

3.14 Transactions with related companies

The Company has engaged in significant business transactions with related companies in which it hold shares and, in some of these companies, serve as member of the board. The conditions of the transactions are in accordance with normal business practices. For the six months ended June 30, 2003 and 2002 and as of December 31, 2002, the following transactions were made;

	Unit : Million Baht	
	<u>June 30, 2003</u>	<u>December 31, 2002</u>
Account receivable with related companies	305.16	139.29
Account payable with related companies	9.20	8.00
	<u>For six months</u>	
	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Income from sales of oil	2,233.60	833.44
Transportation management fee	-	36.43
Pipeline throughput fee	44.10	42.83
Interest expense	-	1.18
Franchise fee – Lemon Green (Minimart)	1.97	2.83

3.15 Risk Management

So as to reduce the risk of changes in the oil price, as of June 30, 2003, the Company has an agreement guaranteeing the future buying and selling price of 0.40 million barrels of oil product, with a net receivable value of Baht 14.53 million.

3.16 Contingent Liabilities

3.16.1 Liabilities on guarantees

As of June 30, 2003, the Company's total liabilities in the form of bank guarantees amounted to Baht 308.18 million. These guarantees are mainly to cover the corporate income tax refunds, electricity usage and the tele-communication contract with the Telephone Organization of Thailand.

3.16.2 Allegation

On April 30, 2003 the civil court dismissed the case lodged against the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery. The Company as a leasee of the land was charged as the fifth defendant. The case is being appealed with the appeal court.

3.17 Events after the balance sheets date

On July 29, 2003, The Board of Directors has resolved to hold the shareholders' meeting to propose the approval in the decrease of the Company's registered capital from 7,720,409,400 Baht to 5,220,409,400 Baht, by canceling shares which have not been issued and sold, and to approve the decrease in the registered capital from 5,220,409,400 Baht to 522,040,940 Baht, by reducing the par value of the shares from 10 Baht per share to 1 Baht per share.

3.18 Account reclassification

The Company has reclassified items in the financial statement for the year ended December 31, 2002 in order to conform with those in 2003, which do not affect the net profit or the shareholders' equity previously reported.
