

**The Bangchak Petroleum Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2010

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

Review Report of Certified Public Accountant

To the Board of Directors of The Bangchak Petroleum Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 June 2010, the related statements of income for the three-month and six-month periods ended 30 June 2010 and 2009, and the related statement of changes in equity and cash flows for the six-month periods ended 30 June 2010 and 2009 of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform 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 company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2009 of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 19 February 2010.

I have not performed any audit procedures subsequent to the date of that report. The consolidated and separate balance sheets as at 31 December 2009, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
30 July 2010

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2010 and 31 December 2009

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited)	31 December 2009	30 June 2010 (Unaudited)	31 December 2009
<i>(Baht)</i>					
Current assets					
Cash and cash equivalents		1,853,771,857	2,136,226,731	1,451,786,312	1,710,655,824
Current investments	4	9,277,752	8,400,163	-	-
Trade accounts receivable					
Related parties	3, 5	1,037,360,512	764,467,776	1,589,637,958	1,381,982,395
Other parties	5	4,819,593,029	4,139,645,931	4,767,416,655	4,119,035,657
Inventories	6	15,508,747,106	14,053,694,650	15,028,257,472	13,624,876,047
Material and Supplies		514,204,285	338,122,747	509,594,992	336,957,057
Oil Fuel Fund Subsidies Receivable		499,574,814	485,252,075	499,574,814	485,252,075
Other current assets	3, 7	478,541,862	1,172,805,966	459,123,748	1,121,366,230
Total current assets		24,721,071,217	23,098,616,039	24,305,391,951	22,780,125,285
Non-current assets					
Investments in subsidiaries	8	-	-	197,539,500	197,539,500
Other long-term investments	4	294,684,278	200,257,215	293,784,278	199,357,215
Tariff prepayment	3	17,532,450	19,901,700	17,532,450	19,901,700
Property, plant and equipment	9	27,958,771,572	28,570,850,803	27,109,153,872	27,711,312,306
Leasehold right		981,658,846	1,025,002,923	981,658,846	1,025,002,923
Intangible assets		77,032,120	88,840,795	75,959,355	87,647,920
Investment in service stations		224,886,572	238,902,314	224,886,572	238,902,314
Deferred tax assets		166,829,739	158,328,410	166,829,739	158,328,410
Other non-current assets	3, 10	492,449,172	490,294,819	485,017,796	482,954,458
Total non-current assets		30,213,844,749	30,792,378,979	29,552,362,408	30,120,946,746
Total assets		54,934,915,966	53,890,995,018	53,857,754,359	52,901,072,031

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2010 and 31 December 2009

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited)	31 December 2009	30 June 2010 (Unaudited)	31 December 2009
<i>(Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions		1,590,000,000	900,000,000	1,500,000,000	800,000,000
Trade accounts payable					
Related parties	3	7,129,408,396	5,354,318,449	7,201,002,023	5,438,686,027
Other parties		780,364,141	714,877,468	613,634,674	584,276,472
Other accounts payable to related parties	3	148,341,383	10,393,170	148,332,181	10,393,170
Current portion of long-term loans from financial institutions		1,101,014,691	922,542,537	1,042,424,591	887,261,287
Excise tax and Oil Fuel Fund payable		640,993,184	598,358,345	640,993,184	598,358,345
Income tax payable		456,294,690	1,356,306,408	456,294,690	1,350,461,634
Liabilities on hedging contracts		214,175,498	246,527,725	214,175,498	246,527,725
Other current liabilities	3, 11	2,450,462,911	2,841,208,008	2,323,543,217	2,705,197,701
Total current liabilities		14,511,054,894	12,944,532,110	14,140,400,058	12,621,162,361
Non-current liabilities					
Long-term loans from financial institutions		11,448,569,811	12,060,989,628	10,932,976,931	11,531,770,878
Convertible debentures	3, 13	2,036,570,000	2,036,570,000	2,036,570,000	2,036,570,000
Deferred tax liabilities		14,721,165	16,356,850	14,721,165	16,356,850
Liabilities on long-term lease		304,978,936	352,936,704	304,978,936	352,936,704
Other non-current liabilities	3, 12	550,291,849	526,423,896	529,257,580	509,912,061
Total non-current liabilities		14,355,131,761	14,993,277,078	13,818,504,612	14,447,546,493
Total liabilities		28,866,186,655	27,937,809,188	27,958,904,670	27,068,708,854

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Balance sheets

As at 30 June 2010 and 31 December 2009

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010 (Unaudited)	31 December 2009	30 June 2010 (Unaudited)	31 December 2009
<i>(Baht)</i>					
Equity					
Share capital					
Authorised share capital		<u>1,531,643,461</u>	<u>1,531,643,461</u>	<u>1,531,643,461</u>	<u>1,531,643,461</u>
Issued and paid-up share capital		1,169,829,952	1,169,829,952	1,169,829,952	1,169,829,952
Additional paid-in capital					
Share premium		8,179,615,548	8,179,615,548	8,179,615,548	8,179,615,548
Share premium on subsidiary of the Company		18,621,225	18,621,225	-	-
Unrealised surplus					
Surplus on revaluation of property, plant, and equipment		4,290,227,153	4,477,247,790	4,290,227,153	4,477,247,790
Capital surplus on registered and paid-up share reduction		189,617,759	189,617,759	189,617,759	189,617,759
Retained earnings					
Appropriated					
Legal reserve		153,164,346	153,164,346	153,164,346	153,164,346
Unappropriated		<u>11,957,897,914</u>	<u>11,676,691,109</u>	<u>11,916,394,931</u>	<u>11,662,887,782</u>
Total equity attributable to equity holders of the Company		<u>25,958,973,897</u>	<u>25,864,787,729</u>	<u>25,898,849,689</u>	<u>25,832,363,177</u>
Minority interests		<u>109,755,414</u>	<u>88,398,101</u>	<u>-</u>	<u>-</u>
Total equity		<u>26,068,729,311</u>	<u>25,953,185,830</u>	<u>25,898,849,689</u>	<u>25,832,363,177</u>
Total liabilities and equity		<u>54,934,915,966</u>	<u>53,890,995,018</u>	<u>53,857,754,359</u>	<u>52,901,072,031</u>

(Signed) Krairit Nilkuha
(Krairit Nilkuha)
Chairman

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 June 2010 and 2009 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
(Baht)					
Revenue from sale of goods and rendering of services	3	32,958,358,814	27,113,803,376	32,970,059,786	26,851,564,031
Cost of sale of goods and rendering of services	3	<u>-31,678,358,387</u>	<u>-24,215,044,280</u>	<u>-31,858,620,551</u>	<u>-24,119,452,978</u>
Gross Profit		1,280,000,427	2,898,759,096	1,111,439,235	2,732,111,053
Other income	3	<u>92,582,356</u>	<u>58,209,519</u>	<u>109,976,446</u>	<u>60,031,470</u>
Profit before expenses		1,372,582,783	2,956,968,615	1,221,415,681	2,792,142,523
Selling expenses	3	(535,753,509)	(494,359,031)	(408,554,676)	(376,730,299)
Administrative expenses	3	(222,438,245)	(228,256,131)	(212,128,639)	(218,016,182)
Management benefit expenses		(13,140,189)	(10,297,726)	(13,140,189)	(10,297,726)
Reversal of loss from inventory write - down		-	18,165,325	-	18,165,325
Gain from crude and product oil price hedging contract		148,482,364	1,517,330,661	148,482,364	1,517,330,661
Gain on foreign exchange		90,654,276	231,741,924	90,654,276	231,741,924
Reversal of loss from impairment of assets		<u>7,618,762</u>	<u>173,999</u>	<u>7,618,762</u>	<u>173,999</u>
Profit before finance costs and income tax expense		848,006,242	3,991,467,636	834,347,579	3,954,510,225
Finance costs		<u>-228,972,077</u>	<u>-134,220,058</u>	<u>-219,679,526</u>	<u>-134,184,202</u>
Profit before income tax expense		619,034,165	3,857,247,578	614,668,053	3,820,326,023
Income tax expense		<u>-174,807,685</u>	<u>-1,154,458,144</u>	<u>-177,067,984</u>	<u>-1,143,700,910</u>
Profit for the period		<u>444,226,480</u>	<u>2,702,789,434</u>	<u>437,600,069</u>	<u>2,676,625,113</u>
Profit (loss) attributable to:					
Equity holders of the Company		434,280,828	2,703,542,701	437,600,069	2,676,625,113
Minority interests		<u>9,945,652</u>	<u>-753,267</u>	-	-
Profit for the period		<u>444,226,480</u>	<u>2,702,789,434</u>	<u>437,600,069</u>	<u>2,676,625,113</u>
Earnings per share (Baht)					
Basic	17	0.37	2.42	0.37	2.39
Diluted	17	0.34	2.06	0.34	2.04

(Signed) Krairit Nilkuha
(Krairit Nilkuha)
Chairman

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

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The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of income
For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Consolidated financial statements		Separate financial statements		
	Note	2010	2009	2010	2009
				(Baht)	
Revenue from sale of goods and rendering of services	3	66,938,009,050	48,635,334,863	66,194,330,121	48,170,626,516
Cost of sale of goods and rendering of services	3	-64,088,565,848	-44,483,211,642	-63,703,825,937	-44,302,774,072
Gross Profit		2,849,443,202	4,152,123,221	2,490,504,184	3,867,852,444
Other income	3	148,477,808	112,186,121	165,917,973	114,058,813
Profit before expenses		2,997,921,010	4,264,309,342	2,656,422,157	3,981,911,257
Selling expenses	3	(1,037,275,573)	(956,138,400)	(784,709,975)	(734,016,307)
Administrative expenses	3	(391,521,996)	(400,170,259)	(370,709,313)	(380,333,724)
Management benefit expenses		(40,441,967)	(20,243,511)	(40,441,967)	(20,243,511)
Reversal of loss from inventory write - down		-	948,227,619	-	942,158,173
Gain from crude and product oil price hedging contract		173,351,221	2,824,224,065	173,351,221	2,824,224,065
Gain (loss) on foreign exchange		309,776,534	(271,737,438)	309,776,534	(271,737,438)
Reversal of loss from impairment of assets		121,666,032	173,999	121,666,032	173,999
Profit before finance costs and income tax expense		2,133,475,261	6,388,645,417	2,065,354,689	6,342,136,514
Finance costs		-437,545,196	-274,950,961	-418,523,005	-274,895,365
Profit before income tax expense		1,695,930,065	6,113,694,456	1,646,831,684	6,067,241,149
Income tax expense		-457,506,094	-1,820,291,029	-457,506,094	-1,809,533,795
Profit for the period		1,238,423,971	4,293,403,427	1,189,325,590	4,257,707,354
Profit (loss) attributable to:					
Equity holders of the Company		1,217,025,246	4,294,777,594	1,189,325,590	4,257,707,354
Minority interests		21,398,725	-1,374,167	-	-
Profit for the period		1,238,423,971	4,293,403,427	1,189,325,590	4,257,707,354
Earnings per share (Baht)					
Basic	17	1.04	3.84	1.02	3.80
Diluted	17	0.94	3.28	0.92	3.25

(Signed) Krairit Nilkuha
(Krairit Nilkuha)
Chairman

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
 Statements of changes in equity
 For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

Consolidated financial statements										
Note	Issued and paid-up share capital	Share premium		Unrealised surplus	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
		Share premium	Share premium on subsidiary of the Company	Surplus on revaluation of property, plant, and equipment		Legal reserve	Unappropriated			
										(Baht)
Balance at 1 January 2009	1,119,132,050	7,505,333,450	18,621,225	4,856,479,716	189,617,759	153,164,346	5,881,772,402	19,724,120,948	39,144,921	19,763,265,869
Minority interest's share capital in subsidiary	-	-	-	-	-	-	-	-	16,890,100	16,890,100
Transaction not recognised in the income statement										
- Depreciation on the property revaluation	-	-	-	(192,589,667)	-	-	-	(192,589,667)	-	(192,589,667)
Dividend paid to common shareholders	18	-	-	-	-	-	(559,566,025)	(559,566,025)	-	(559,566,025)
Profit for the period	-	-	-	-	-	-	4,294,777,594	4,294,777,594	(1,374,167)	4,293,403,427
Balance at 30 June 2009	1,119,132,050	7,505,333,450	18,621,225	4,663,890,049	189,617,759	153,164,346	9,616,983,971	23,266,742,850	54,660,854	23,321,403,704
Balance at 1 January 2010	1,169,829,952	8,179,615,548	18,621,225	4,477,247,790	189,617,759	153,164,346	11,676,691,109	25,864,787,729	88,398,101	25,953,185,830
Transaction not recognised in the income statement										
- Depreciation on the property revaluation	-	-	-	(187,020,637)	-	-	-	(187,020,637)	-	(187,020,637)
Dividend paid to common shareholders	18	-	-	-	-	-	(935,818,441)	(935,818,441)	-	(935,818,441)
Dividend paid to preferred shareholders	-	-	-	-	-	-	-	-	(41,412)	(41,412)
Profit for the period	-	-	-	-	-	-	1,217,025,246	1,217,025,246	21,398,725	1,238,423,971
Balance at 30 June 2010	1,169,829,952	8,179,615,548	18,621,225	4,290,227,153	189,617,759	153,164,346	11,957,897,914	25,958,973,897	109,755,414	26,068,729,311

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Statements of changes in equity
For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

Separate financial statements

	Note	Issued and paid-up		Unrealised surplus	Capital surplus on registered and paid-up share reduction	Retained earnings		Total equity attributable to equity holders of the Company
		share capital	Share premium	Surplus on revaluation of property, plant, and equipment		Legal reserve	Unappropriated	
Balance at 1 January 2009		1,119,132,050	7,505,333,450	4,856,479,716	189,617,759	153,164,346	5,917,344,057	19,741,071,378
Transaction not recognised in the income statement								
- Depreciation on the property revaluation		-	-	(192,589,667)	-	-	-	(192,589,667)
Dividend paid to common shareholders	18	-	-	-	-	-	(559,566,025)	(559,566,025)
Profit for the period		-	-	-	-	-	4,257,707,354	4,257,707,354
Balance at 30 June 2009		1,119,132,050	7,505,333,450	4,663,890,049	189,617,759	153,164,346	9,615,485,386	23,246,623,040
Balance at 1 January 2010		1,169,829,952	8,179,615,548	4,477,247,790	189,617,759	153,164,346	11,662,887,782	25,832,363,177
Transaction not recognised in the income statement								
- Depreciation on the property revaluation		-	-	(187,020,637)	-	-	-	(187,020,637)
Dividend paid to common shareholders	18	-	-	-	-	-	(935,818,441)	(935,818,441)
Profit for the period		-	-	-	-	-	1,189,325,590	1,189,325,590
Balance at 30 June 2010		1,169,829,952	8,179,615,548	4,290,227,153	189,617,759	153,164,346	11,916,394,931	25,898,849,689

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
	(Baht)			
<i>Cash flows from operating activities</i>				
Profit for the period	1,238,423,971	4,293,403,427	1,189,325,590	4,257,707,354
<i>Adjustments for</i>				
Depreciation	813,687,508	404,360,064	789,283,185	402,914,256
Amortisation	77,038,802	86,080,940	76,709,032	85,842,706
Reversal of allowance for doubtful accounts	-2,298,691	-3,293,289	-2,652,727	-3,835,419
Unrealised loss (gain) on foreign exchange	-139,075,854	312,697,868	-139,075,854	312,697,868
Reversal of loss from inventory write - down	-	-948,227,619	-	-942,158,173
Reversal of loss from impairment of assets	-121,666,032	(173,999)	-121,666,032	(173,999)
Loss on disposal of property, plant and equipment	5,346,593	14,484,368	6,477,432	14,558,907
Reserve for pension fund	28,147,393	32,678,225	28,147,393	32,678,225
Deferred revenue	-792,854	-792,853	-792,854	-792,853
Dividend received	-	-	-17,640,000	-
Finance costs	437,545,196	274,950,961	418,523,005	274,895,365
Income tax expense	457,506,094	1,820,291,029	457,506,094	1,809,533,795
	<u>2,793,862,126</u>	<u>6,286,459,122</u>	<u>2,684,144,264</u>	<u>6,243,868,032</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	-941,117,921	-1,107,573,999	-844,379,648	-1,239,961,840
Inventories	-1,455,052,455	-5,468,929,364	-1,403,381,425	-5,382,417,567
Other current assets	507,487,497	-938,584,034	485,677,533	-935,104,954
Other non-current assets	-20,483,408	51,318,578	-20,502,058	27,525,753
Trade accounts payable	1,822,727,906	3,169,126,679	1,773,991,233	3,181,146,085
Other current liabilities	-122,894,441	282,373,679	-115,909,265	265,953,192
Other non-current liabilities	-49,397,239	-46,601,407	-54,409,892	-46,816,587
Interest paid	-411,975,951	-391,953,806	-393,120,678	-384,857,992
Income tax paid	-1,363,993,118	-64,141,815	-1,361,800,073	-62,734,009
Net cash provided by operating activities	<u>759,162,996</u>	<u>1,771,493,633</u>	<u>750,309,991</u>	<u>1,666,600,113</u>
<i>Cash flows from investing activities</i>				
Increase in current investments	-877,589	-460,681,369	-	-500,000,000
Decrease (increase) in long-term investments	-91,173,588	4,738,500	-91,173,588	4,738,500
Net cash outflow from issue of subsidiary's share capital	-	-	-	-39,409,900
Dividend received	-	-	17,640,000	-
Purchase of property, plant and equipment	-287,247,991	-1,898,160,154	-272,764,464	-1,507,273,408
Sale of property, plant and equipment	20,768,475	3,232,774	19,637,634	3,113,110
Decrease in leasehold right	-	100,284	-	100,284
Purchase of intangible assets	-3,279,660	-4,267,138	-3,070,000	-4,267,138
Net cash used in investing activities	<u>-361,810,353</u>	<u>-2,355,037,103</u>	<u>-329,730,418</u>	<u>-2,042,998,552</u>

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
	<i>(Baht)</i>			
<i>Cash flows from financing activities</i>				
Increase in bank overdrafts and short-term loans from financial institutions	690,000,000	630,000,000	700,000,000	630,000,000
Proceeds from long - term loans	9,682,980	1,194,000,000	-	890,000,000
Repayment of long - term loans	-443,630,643	-284,000,000	-443,630,643	-284,000,000
Dividend paid to common shareholders	-935,818,442	-559,566,025	-935,818,442	-559,566,025
Dividend paid to preferred shareholders	-41,412	-	-	-
Proceeds from issue of subsidiary's share capital	-	16,890,100	-	-
Net cash provided by (used in) financing activities	-679,807,517	997,324,075	-679,449,085	676,433,975
Net increase (decrease) in cash and cash equivalents	-282,454,874	413,780,605	-258,869,512	300,035,536
Cash and cash equivalents at beginning of period	2,136,226,731	1,682,310,096	1,710,655,824	1,495,167,252
Cash and cash equivalents at end of period	1,853,771,857	2,096,090,701	1,451,786,312	1,795,202,788

The accompanying notes are an integral part of these financial statements.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

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The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 30 July 2010.

1 General information

The Bangchak Petroleum Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office : 555/1, Energy Complex Building A, Floor 10th, Vibhavadi Rangsit Road, Chatuchak, Bangkok.

Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 23 April 1993.

The Company is a company in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 28.46% of the Company’s issued and paid-up share capital as of 30 June 2010.

The principal businesses of the Company are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Company’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders.

Details of the Company’s subsidiaries as at 30 June 2010 and 31 December 2009 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2010	31 December 2009
<i>Direct subsidiaries</i>				
The Bangchak Green Net Co., Ltd.	Manage BCP service stations and consumer goods retailer	Thailand	49.00	49.00
The Bangchak Biofuel Co., Ltd.	Production and distribution of Biodiesel	Thailand	70.00	70.00
<i>Indirect subsidiary</i>				
The Bangchak Green Line Co., Ltd. (During liquidation process)	Fuel transportation	Thailand	49.00	49.00

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

2 Basis of preparation of the financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standards No. 34 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principle in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2009. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2009.

On 26 May 2010, the FAP announced (Announcement No. 17/2010) the issuing a number of new and revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) (revised 2009). The Group has adopted the revised Framework (revised 2009) for the Preparation and Presentation of Financial Statements. The adoption of the revised Framework does not have any material impact on the consolidated or separate financial statements. For TAS and TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS and TFRS are disclosed in note 21.

The interim financial statements are presented in Thai Baht, rounded to the nearest million in the note to the financial statements unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month period ended 30 June 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009.

3 Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors or related to the major shareholder of the Company. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly-controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT Public Company Limited	Thailand	Major Shareholder, some common directors
Fuel Pipeline Transportation Limited	Thailand	Shareholding, representative from the Company as director
PTT ICT Solutions Company Limited	Thailand	Major shareholder as the Company’s shareholder
PTT International Trading Pte. Limited	Singapore	Major shareholder as the Company’s shareholder
PTT Aromatics and Refining Public Company Limited	Thailand	Major shareholder as the Company’s shareholder

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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Name of entities	Country of incorporation/ nationality	Nature of relationships
IRPC Public Company Limited	Thailand	Major shareholder as the Company's shareholder
Thai Oil Public Company Limited	Thailand	Major shareholder as the Company's shareholder
Energy Complex Company Limited	Thailand	Major shareholder as the Company's shareholder
PTTEP Siam Company Limited	Thailand	Related Company of Major Shareholder
NPC Safety and Environmental Service Company Limited	Thailand	Related Company of Major Shareholder
Thai Lube Base Public Company Limited	Thailand	Related Company of Major Shareholder

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	Market price/ Contractually agreed prices
Rendering of service	Contractually agreed prices
Purchase of goods/raw materials	Market price/ Contractually agreed prices
Receiving of services	Contractually agreed prices
Technical assistance fee	Contractually agreed prices
Royalty expense	Contractually agreed prices

Significant transactions for the three-month and six-month periods ended 30 June 2010 and 2009 with related parties were as follows:

Three-month period ended 30 June	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Major Shareholder				
Sales of goods	3,984.52	2,440.87	3,984.52	2,440.87
Purchases of raw material	22,728.54	18,006.57	22,728.54	18,006.57
Other income	28.36	35.32	28.36	35.32
Service expense	57.91	72.00	57.91	72.00
Gain from crude and product oil price hedging contract	3.88	-	3.88	-
Loss from crude and product oil price hedging contract	-	5.46	-	5.46
Interest expense	4.38	4.38	4.38	4.38
Other expense	2.39	-	2.39	-
Subsidiaries				
Sales of goods	-	-	4,691.25	3,746.33
Purchases of goods	-	-	379.35	0.23
Other income	-	-	5.29	4.13
Interest expenses	-	-	0.18	0.20
Dividend income	-	-	17.64	-
Other expenses	-	-	5.23	-

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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<i>Three-month period ended 30 June</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2010	2009	2010	2009
Other related parties				
Sale of goods	1,320.38	63.76	1,320.38	63.76
Purchases of raw material and product	1,776.40	2,670.12	1,776.40	2,670.12
Other income	1.07	1.07	1.07	1.07
Pipeline transportation expenses	33.33	30.83	33.33	30.83
Service expenses	4.20	0.10	4.20	0.10
<i>Six-month period ended 30 June</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Major Shareholder				
Sales of goods	7,546.03	4,948.95	7,546.03	4,948.95
Purchases of raw material	41,506.70	32,068.44	41,506.70	32,068.44
Other income	53.00	61.81	53.00	61.81
Service expense	126.65	143.51	126.65	143.51
Gain from crude and product oil price hedging contract	3.88	-	3.88	-
Loss from crude and product oil price hedging contract	-	5.46	-	5.46
Interest expenses	8.71	8.71	8.71	8.71
Other expenses	7.12	-	7.12	-
Subsidiaries				
Sales of goods	-	-	9,262.17	6,710.08
Purchases of goods	-	-	806.06	0.37
Other income	-	-	9.36	7.75
Interest expenses	-	-	0.36	0.41
Dividend income	-	-	17.64	-
Other expenses	-	-	5.23	-
Other related parties				
Sale of goods	1,320.38	63.76	1,320.38	63.76
Purchases of raw material and product	5,287.02	5,765.80	5,287.02	5,765.80
Other income	2.23	2.23	2.23	2.23
Pipeline transportation expenses	65.42	57.60	65.42	57.60
Other expenses	10.76	0.41	10.76	0.41

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

Balances as at 30 June 2010 and 31 December 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
Trade accounts receivable from related parties				
Major Shareholder				
PTT Public Company Limited	1,037.03	764.14	1,037.03	764.14
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	548.34	615.59
The Bangchak Biofuel Co., Ltd.	-	-	3.94	1.92
Other related party				
Fuel Pipeline Transportation Ltd.	0.33	0.33	0.33	0.33
	<u>1,037.36</u>	<u>764.47</u>	<u>1,589.64</u>	<u>1,381.98</u>
<i>Less allowance for doubtful accounts</i>	-	-	-	-
Net	<u>1,037.36</u>	<u>764.47</u>	<u>1,589.64</u>	<u>1,381.98</u>
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bad and doubtful debts expense for the six-month period ended 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
Trade accounts payable to related parties				
Major Shareholder				
PTT Public Company Limited	6,521.10	3,911.21	6,521.10	3,911.21
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	1.65	1.83
The Bangchak Biofuel Co., Ltd.	-	-	69.94	82.54
Other related parties				
Thai Oil Public Co., Ltd.	438.07	549.88	438.07	549.88
IRPC Public Co., Ltd.	168.90	354.71	168.90	354.71
Thai Lube Base Public Co., Ltd.	1.34	0.33	1.34	0.33
PTT Aromatics and Refining Public Company Limited	-	538.19	-	538.19
Total	<u>7,129.41</u>	<u>5,354.32</u>	<u>7,201.00</u>	<u>5,438.69</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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	Consolidated		Separate	
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<i>Note</i>	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
<i>Other accounts payable to related parties</i>				
Major Shareholder				
PTT Public Company Limited	136.73	-	136.72	-
Other related parties				
Fuel Pipeline Transportation Ltd.	<u>11.61</u>	<u>10.39</u>	<u>11.61</u>	<u>10.39</u>
Total	<u>148.34</u>	<u>10.39</u>	<u>148.33</u>	<u>10.39</u>
<i>Other current assets</i>				
Major Shareholder				
PTT Public Company Limited	<u>3.88</u>	<u>-</u>	<u>3.88</u>	<u>-</u>
<i>Tariff prepayment</i>				
Other related party				
Fuel Pipeline Transportation Ltd.	111.99	117.20	111.99	117.20
Less allowance for doubtful accounts	<u>(94.46)</u>	<u>(97.30)</u>	<u>(94.46)</u>	<u>(97.30)</u>
Net	<u>17.53</u>	<u>19.90</u>	<u>17.53</u>	<u>19.90</u>
<i>Other non-current assets</i>				
Other related party				
Energy Complex Company Limited	<u>4.51</u>	<u>4.51</u>	<u>4.51</u>	<u>4.51</u>
<i>Other current liabilities</i>				
Subsidiary				
The Bangchak Green Net Co., Ltd.	<u>-</u>	<u>-</u>	<u>26.50</u>	<u>26.15</u>
<i>Convertible Debentures</i>				
Major Shareholder				
PTT Public Company Limited	<u>585.60</u>	<u>585.60</u>	<u>585.60</u>	<u>585.60</u>
<i>Other non-current liabilities</i>				
Other related party				
Fuel Pipeline Transportation Ltd.	<u>6.06</u>	<u>6.30</u>	<u>6.06</u>	<u>6.30</u>

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

In 1997, the Company entered into a fuel pipeline transportation agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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Feedstock Supply Agreement

In 2006, the Company entered into Feedstock Supply Agreement, to enhance the Company's feedstock supply, whereby the major shareholder will supply crude oil and other feedstocks for the refinery process commencing from 16 May 2006 and shall be in effect for a period of twelve years after PQI's commercial operation date.

Crude Oil Supply and Oil-Products Sales and Purchase Agreement

In 2006, the Company entered into Sale and Purchase Agreement with the major shareholder, to accommodate the additional Gasoline production outputs from the PQI project after commercial operation date. The major shareholder will purchase minimum level of 30% of refined petroleum products (not include aviation fuel and fuel oil) from the refinery. This agreement shall be in effect for a period of twelve years after PQI's commercial operation date.

Since 2007, the Company has entered into five oil products purchase agreements with related companies. The related companies will provide oil products at quantities and prices as stipulated in the agreement. The agreement has no specified expiry date and can be terminated by either party by giving at least 90 days written notice for termination to the other party.

Bio-diesel Sales and Purchase Agreement

In 2008, the Company entered into a Bio-diesel Sales and Purchase Agreement with a subsidiary for a period of seven years starting from the commencement of the Bio-diesel Plant's commercial operations. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the market prices as stipulated in the agreement.

Gas Sales and Purchase Agreement

In 2008, the Company entered into Gas Sales and Purchase Agreement with the major shareholder for the refinery process for a period of ten years commencing on the first date of Gas delivery by the major shareholder and the Company receive this gas with the service fee as stipulated in the agreement.

Service Station Operating Right Agreement

In 2010, the Company entered into Service Station Operating Right Agreement which include the right to operate within service station with a subsidiary for a period of three years. The subsidiary agreed to pay the fee at agreed prices as stipulated in the agreement. For mutual interest under the agreement, the subsidiary agreed to purchase the finish oil products at contractually agreed prices.

Store Operation Right Agreement

In 2010, the Company entered into Store Operation Right Agreement with a subsidiary for a period of three years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices as stipulated in the agreement.

Cogeneration Purchase and Sale Agreement

On 25 February 2008, the Company entered into Cogeneration Project Agreement with the major shareholder under which the major shareholder invests in the construction of a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. It started its commercial operation in June 2010. The market prices are as stipulated in the agreement.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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Petroleum and Gas Tank Storage Service Agreement

The Company entered into Petroleum and Gas Tank Storage Service Agreement with the major shareholder for a period of 15 years from 1 January 2009 to 31 December 2023 with the service fee as stipulated in the agreement.

Office Rental and Service Agreement

On 15 December 2009, the Company entered into office rental and service agreement with a related company for a period of 3 years commencing from 1 January 2010 to 31 December 2012 and with a renewable option for another period of 3 years. Office rental fees and conditions are as stipulated in the agreement.

Establishment and Management Service Agreement for NGV Service Station

The Company entered into establishment and management service agreement for NGV service station with the major shareholder. The major shareholder has the right to utilise the lands and/or lands with building. The Company will receive the fee for land utilisation and management fee for service station as stipulated in the agreements. Establishment agreements shall be in effect for a period of 8 - 23 years which will be expired between 2016 - 2031. Management service agreement for service station shall be effect for 1 year which will be annually reviewed.

4 Investments

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	9.28	8.40	-	-
	9.28	8.40	-	-
<i>Other long-term investments</i>				
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
Less allowance for impairment	(181.75)	(181.75)	(181.75)	(181.75)
ASEAN Potash Mining Public Company Limited	173.24	80.00	173.24	80.00
MFC Energy Fund	126.22	126.22	126.22	126.22
Less allowance for impairment	(11.81)	(9.85)	(11.81)	(9.85)
Non-marketable equity securities - net	287.65	196.37	287.65	196.37
Debt securities held to maturity				
Special Government bonds	6.00	3.00	6.00	3.00
Add/Less Premium (discount) on investments	0.13	(0.01)	0.13	(0.01)
The Express way Authority of Thailand's bond	0.90	0.90	-	-
Debt securities held to maturity - net	7.03	3.89	6.13	2.99
<i>Other long-term investments</i>	294.68	200.26	293.78	199.36
Total	303.96	208.66	293.78	199.36

The Bangchak Petroleum Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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5 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009
		<i>(in million Baht)</i>			
Related parties	3	1,037.36	764.47	1,589.64	1,381.98
Other parties		4,893.68	4,213.62	4,838.75	4,190.18
		<u>5,931.04</u>	<u>4,978.09</u>	<u>6,428.39</u>	<u>5,572.16</u>
Less allowance for doubtful accounts		<u>(74.09)</u>	<u>(73.97)</u>	<u>(71.33)</u>	<u>(71.14)</u>
Net		<u>5,856.95</u>	<u>4,904.12</u>	<u>6,357.06</u>	<u>5,501.02</u>
		2010	2009	2010	2009
		<i>(in million Baht)</i>			
Bad and doubtful debts expense (reversal) for the three-month period ended 30 June		<u>0.24</u>	<u>(7.41)</u>	<u>0.29</u>	<u>(7.36)</u>
Bad and doubtful debts expense (reversal) for the six-month period ended 30 June		<u>0.12</u>	<u>(5.45)</u>	<u>0.19</u>	<u>(5.25)</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	1,037.36	764.47	1,589.64	1,381.98
Less allowance for doubtful accounts	-	-	-	-
Net	<u>1,037.36</u>	<u>764.47</u>	<u>1,589.64</u>	<u>1,381.98</u>
Other parties				
Within credit terms	4,806.22	4,104.76	4,757.61	4,086.45
Overdue:				
Less than 3 months	11.87	32.03	8.49	28.69
3-6 months	2.41	0.42	1.21	0.51
6-12 months	0.28	0.24	0.14	0.30
Over 12 months	72.90	76.17	71.30	74.23
	<u>4,893.68</u>	<u>4,213.62</u>	<u>4,838.75</u>	<u>4,190.18</u>
Less allowance for doubtful accounts	<u>(74.09)</u>	<u>(73.97)</u>	<u>(71.33)</u>	<u>(71.14)</u>
Net	<u>4,819.59</u>	<u>4,139.65</u>	<u>4,767.42</u>	<u>4,119.04</u>
Total	<u>5,856.95</u>	<u>4,904.12</u>	<u>6,357.06</u>	<u>5,501.02</u>

The normal credit term granted by the Group ranges from 19 days to 60 days.

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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6 Inventories

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
Crude oil	10,172.79	8,991.61	10,105.37	8,954.70
Finished oil products	5,291.66	5,001.82	4,922.89	4,670.18
Consumer products	45.04	61.50	-	-
	<u>15,509.49</u>	<u>14,054.93</u>	<u>15,028.26</u>	<u>13,624.88</u>
<i>Less: allowance for obsolescence and slow moving</i>	<i>(0.74)</i>	<i>(1.24)</i>	<i>-</i>	<i>-</i>
Net	<u>15,508.75</u>	<u>14,053.69</u>	<u>15,028.26</u>	<u>13,624.88</u>

As at 30 June 2010 and 31 December 2009, the Company's inventories included petroleum legal reserve of 427.82 million litres with approximated value of Baht 7,046.29 million and 431.38 million litres with approximated value of Baht 6,903.25 million, respectively.

During 2009, the Group reversed allowance for decline in value totalling Baht 948.22 million.

7 Other current assets

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in million Baht)</i>			
Receivable from oil hedging contracts	174.99	559.35	174.99	559.35
Value added tax receivable	142.12	452.66	142.12	437.09
Prepayment of corporate income tax	50.50	66.81	50.50	50.50
Others	110.93	93.99	91.51	74.43
Total	<u>478.54</u>	<u>1,172.81</u>	<u>459.12</u>	<u>1,121.37</u>

8 Investments in subsidiaries

	Separate financial statements	
	2010	2009
	<i>(in million Baht)</i>	
<i>Subsidiaries</i>		
At 1 January	197.54	79.31
Acquisitions	-	39.41
At 30 June	<u>197.54</u>	<u>118.72</u>

The Bangchak Petroleum Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 30 June 2010 and 31 December 2009, and dividend income from those investments for the six-month periods ended 30 June 2010 and 2009 were as follows:

	Separate financial statements										Dividend income for	
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		six months ended	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	30 June 2009
<i>Subsidiaries</i>												
The Bangchak Green Net Co., Ltd.	49.00	49.00	1.00	1.00	0.49	0.49	-	-	0.49	0.49	17.64	-
The Bangchak Biofuel Co., Ltd.	70.00	70.00	281.50	281.50	197.05	197.05	-	-	197.05	197.05	-	-
Total					197.54	197.54	-	-	197.54	197.54	17.64	-

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9 Property, plant and equipment

	Consolidated financial statements							Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	
	<i>(in million Baht)</i>							
Cost / Revaluation								
At 1 January 2010	1,372.89	809.59	40,716.75	3,823.81	446.83	162.80	579.46	47,912.13
Additions	-	0.07	0.80	2.28	-	7.50	472.43	483.08
Transfers	-	16.27	102.89	54.80	4.26	0.90	(176.19)	2.93
Disposals	(19.00)	-	(30.88)	(29.30)	-	(7.23)	(191.68)	(278.09)
At 30 June 2010	1,353.89	825.93	40,789.56	3,851.59	451.09	163.97	684.02	48,120.05
Accumulated depreciation								
At 1 January 2010	-	(380.23)	(15,783.53)	(2,444.37)	-	(110.73)	-	(18,718.86)
Depreciation charge for the year	-	(16.05)	(857.99)	(117.92)	-	(8.73)	-	(1,000.69)
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	27.43	22.40	-	7.23	-	57.06
At 30 June 2010	-	(396.28)	(16,614.09)	(2,539.89)	-	(112.23)	-	(19,662.49)
Allowance for impairment								
At 1 January 2010	(554.01)	-	-	(68.41)	-	-	-	(622.42)
Additions	-	-	-	-	-	-	-	-
Decrease	121.34	-	-	2.29	-	-	-	123.63
At 30 June 2010	(432.67)	-	-	(66.12)	-	-	-	(498.79)
Net book value								
At 1 January 2010	818.88	429.36	24,933.22	1,311.03	446.83	52.07	579.46	28,570.85
At 30 June 2010	921.22	429.65	24,175.47	1,245.58	451.09	51.74	684.02	27,958.77

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	Separate financial statements							Total
	Land	Buildings	Machinery, equipment refinery plants and terminal	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	
	<i>(in million Baht)</i>							
Cost / Revaluation								
At 1 January 2010	1,327.01	549.99	40,188.42	3,779.44	446.83	153.66	569.85	47,015.20
Additions	-	-	-	-	-	-	468.57	468.57
Transfers	-	16.27	91.96	65.72	4.26	0.90	(176.19)	2.92
Disposals	(19.00)	-	(30.88)	(29.30)	-	(4.40)	(191.68)	(275.26)
At 30 June 2010	1,308.01	566.26	40,249.50	3,815.86	451.09	150.16	670.55	47,211.43
Accumulated depreciation								
At 1 January 2010	-	(378.72)	(15,779.85)	(2,416.77)	-	(106.13)	-	(18,681.47)
Depreciation charge for the year	-	(9.62)	(841.75)	(117.93)	-	(6.95)	-	(976.25)
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	27.43	22.40	-	4.40	-	54.23
At 30 June 2010	-	(388.34)	(16,594.17)	(2,512.30)	-	(108.68)	-	(19,603.49)
Allowance for impairment								
At 1 January 2010	(554.01)	-	-	(68.41)	-	-	-	(622.42)
Additions	-	-	-	-	-	-	-	-
Decrease	121.34	-	-	2.29	-	-	-	123.63
At 30 June 2010	(432.67)	-	-	(66.12)	-	-	-	(498.79)
Net book value								
At 1 January 2010	773.00	171.27	24,408.57	1,294.26	446.83	47.53	569.85	27,711.31
At 30 June 2010	875.34	177.92	23,655.33	1,237.44	451.09	41.48	670.55	27,109.15

As at 30 June 2010, a subsidiary has mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totalling Baht 810.02 million (31 December 2009: Baht 831.15 million).

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10 Other non-current assets

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Fixed deposit for staff welfare	223.67	223.64	223.67	223.64
Deferred expenses for the issuance of debentures and long-term loans	171.52	185.49	165.46	178.90
Others	97.26	81.16	95.89	80.41
Total	492.45	490.29	485.02	482.95

11 Other current liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Accrued expenses	332.26	645.18	234.59	534.45
Other accounts payable	1,210.19	1,308.34	1,198.03	1,294.32
Retention	662.19	659.49	654.08	650.76
Current portion of non-current liabilities	82.11	78.91	80.47	78.91
Others	163.71	149.29	156.37	146.76
Total	2,450.46	2,841.21	2,323.54	2,705.20

12 Other non-current liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Provision for pension funds	484.77	456.62	484.77	456.62
Others	65.52	69.80	44.49	53.29
Total	550.29	526.42	529.26	509.91

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13 Convertible Debentures

On 29 January 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per common stock, subjected to subsequent adjustment of price according to the terms of the exercise of conversion right in the Debentures. The issuance of the convertible debentures was part of the financial restructuring plan, approved by the cabinet on 8 July 2003; in which offering were made to investing institution in the form of depository receipt against benefits derived from the convertible debenture. The issuance of the depository receipt was made by the Siam DR Co., Ltd. (which is 99% owned by The Stock Exchange of Thailand) on the basis of one depository receipt for one convertible debenture. The Ministry of Finance guarantees the investment and offer to buy back the depository receipt at the initial offered price of Baht 10,000 per unit; as specified under the term of the depository receipts.

The holders of the depository receipts can exchange them for convertible debentures and convert the debentures into common stock. Such conversion, however, must be done on every 30th day of March, June, September and December of each year. The first conversion commenced on 30 September 2004 and will end on 30 September 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures.

On 16 May 2006, the Company issued 58,560 units of unsecured, convertible into common stock, subordinated registered debentures with holders' name. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14 per one common stock, subjected to subsequent adjustment of price according to the terms of the exercise of conversion right in the Debentures. The issuance of the convertible debentures offered to PTT Public Co., Ltd. is part of the financing for Product Quality Improvement Project (PQI).

As of 30 June 2010, the remaining balances of Convertible Debentures were 203,657 units.

14 Warrants

On 15 May 2006, the Company issued 69,092,486 units of no offering price warrants for the purchase of Ordinary Shares to the Company's existing shareholders whose names are in the share register book as at the closing date of the share register book, which is on 20 April 2006. The allocation ratio of the existing shares to the new warrants is 10 existing shares for 1 unit of warrant, Term of Warrants 5 years, exercised price Baht 18 per share, exercised ratio 1 warrant: 1 ordinary share (the exercised price and exercised ratio may be changed in accordance with the conditions for adjustment of rights). The warrant holders are able to exercise the warrants on the last business day of March, June, September, and December throughout the term of the warrants. The first exercise date shall be on 30 June 2006, and the last exercise date shall be at the end of term of warrants, which is on 14 May 2011.

As of 30 June 2010, the balance of the unexercised warrants was 69,032,486 units.

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15 Segment information

Segment information is presented in respect of the Group's business. The primary format, business segments is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

<i>Segment 1</i>	Refinery
<i>Segment 2</i>	Marketing

Profit (loss) results, based on business segments, in the consolidated financial statements for the six-month periods ended 30 June 2010 and 2009 were as follows:

	2010			
	Refinery	Marketing	Elimination	Total
	<i>(million Baht)</i>			
Sales	64,515.46	48,165.21	(45,742.66)	66,938.01
Cost of sales	<u>(63,326.22)</u>	<u>(46,505.01)</u>	<u>45,742.66</u>	<u>(64,088.57)</u>
Gross margin	1,189.24	1,660.20	-	2,849.44
Other income	79.36	69.12	-	148.48
Selling and administrative expenses and management benefit expenses	(293.32)	(1,175.92)	-	(1,469.24)
Gain from crude and product oil				
Price hedging contract	173.35	-	-	173.35
Gain on foreign exchange	295.36	14.42	-	309.78
Reversal of loss from impairment of assets	<u>52.79</u>	<u>68.88</u>	<u>-</u>	<u>121.67</u>
Profit before finance costs and income tax expense	<u>1,496.78</u>	<u>636.70</u>	<u>-</u>	2,133.48
Finance costs				(437.55)
Income tax				<u>(457.51)</u>
Profit for the period				<u>1,238.42</u>
 EBITDA	 2,026.20	 760.91		 2,787.11

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	2009			Total
	Refinery	Marketing	Elimination	
			<i>(million Baht)</i>	
Sales	46,299.55	32,950.19	(30,614.41)	48,635.33
Cost of sales	(43,929.84)	(31,167.78)	30,614.41	(44,483.21)
Gross margin	2,369.71	1,782.41	-	4,152.12
Other income	38.83	73.36	-	112.19
Selling and administrative expenses and management benefit expenses	(304.06)	(1,072.49)	-	(1,376.55)
Reversal of loss from inventory write - down	942.16	6.07	-	948.23
Gain from crude and product oil Price hedging contract	2,824.22	-	-	2,824.22
Loss on foreign exchange	(216.91)	(54.83)	-	(271.74)
Reversal of loss from impairment of assets	-	0.17	-	0.17
Profit before finance costs and income tax expense	5,653.95	734.69	-	6,388.64
Finance costs				(274.95)
Income tax				(1,820.29)
Profit for the period				4,293.40
EBITDA	6,093.02	1,001.07		7,094.09

16 Expenses by nature

Significant expenses by nature for the six-month periods ended 30 June 2010 and 2009 were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2010	2009	2010	2009
			<i>(million Baht)</i>	
Changes in inventories of finished goods	273.88	1,522.99	252.71	1,428.21
Raw materials and consumables used	39,304.51	26,919.88	38,727.02	26,919.88
Employee benefits expense	576.17	496.09	440.95	370.45
Depreciation and amortisation expense	890.73	490.44	865.99	488.76
Transportation expense	256.39	242.62	255.57	242.62

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17 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the three-month and six-month periods ended 30 June 2010 and 2009 were based on the profit for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Three-month period ended 30 June</i>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	434.28	2,703.54	437.60	2,676.63
Number of ordinary shares outstanding	<u>1,169.83</u>	<u>1,119.13</u>	<u>1,169.83</u>	<u>1,119.13</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>0.37</u>	<u>2.42</u>	<u>0.37</u>	<u>2.39</u>
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Six-month period ended 30 June</i>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	1,217.03	4,294.78	1,189.33	4,257.71
Number of ordinary shares outstanding	<u>1,169.83</u>	<u>1,119.13</u>	<u>1,169.83</u>	<u>1,119.13</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>1.04</u>	<u>3.84</u>	<u>1.02</u>	<u>3.80</u>

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Diluted earnings per share

The calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2010 and 2009 were based on the profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Three-month period ended 30 June</i>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	434.28	2,703.54	437.60	2,676.63
After-tax effect of interest on convertible debentures	10.66	5.01	10.66	5.01
Profit attributable to equity holders of the Company (diluted)	444.94	2,708.55	448.26	2,681.64
Weighted average number of ordinary shares outstanding (basic)	1,169.83	1,119.13	1,169.83	1,119.13
Effect of conversion of convertible Debentures	143.29	193.99	143.29	193.99
Weighted average number of ordinary shares outstanding (diluted)	1,313.12	1,313.12	1,313.12	1,313.12
Earnings per share (diluted) (in Baht)	0.34	2.06	0.34	2.04

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Six-month period ended 30 June</i>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	1,217.03	4,294.78	1,189.33	4,257.71
After-tax effect of interest on convertible debentures	21.21	16.28	21.21	16.28
Profit attributable to equity holders of the Company (diluted)	1,238.24	4,311.06	1,210.54	4,273.99
Weighted average number of ordinary shares outstanding (basic)	1,169.83	1,119.13	1,169.83	1,119.13
Effect of conversion of convertible Debentures	143.29	193.99	143.29	193.99
Weighted average number of ordinary shares outstanding (diluted)	1,313.12	1,313.12	1,313.12	1,313.12
Earnings per share (diluted) (in Baht)	0.94	3.28	0.92	3.25

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18 Dividends

At the annual general meeting of the shareholders of the Company held on 8 April 2010, the shareholders approved the appropriation of dividend from the profit for the year ended 31 December 2009 at Baht 1.80 per share, amounting to Baht 2,105.60 million. The Company paid the interim dividend from the profit for the first half year of 2009 at Baht 1.00 per share, amounting to Baht 1,169.78 million on 7 September 2009. The remaining is the dividend from the profit for the second half year of 2009 at Baht 0.80 per share, amounting to 935.82 million. The dividend was paid to shareholders on 22 April 2010.

At the annual general meeting of the shareholders of the Company held on 9 April 2009, the shareholders approved the appropriation of dividend from retained earnings as of 31 December 2008 of Baht 0.50 per share, amounting to Baht 559.56 million. The dividend was paid to shareholders during 2009.

19 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	<i>(in million Baht)</i>			
Capital commitments				
Construction projects	1,506.86	1,763.83	1,496.45	1,654.08
Total	1,506.86	1,763.83	1,496.45	1,654.08
Non-cancellable operating lease commitments				
Within one year	357.19	358.47	357.19	358.47
After one year but within five years	1,422.28	1,399.61	1,422.28	1,399.61
After five years	2,674.07	2,812.05	2,674.07	2,812.05
Total	4,453.54	4,570.13	4,453.54	4,570.13
Other commitments				
Bank guarantees	55.21	71.53	55.21	71.53
Total	55.21	71.53	55.21	71.53

The Company entered into 2.27 million barrels oil price hedging contracts with foreign oil traders for the periods between July 2010 and December 2010.

The Company entered into foreign currency buying forward contracts covering the period to December 2010 amounting to USD 173.65 million equivalents to Baht 5,637.66 million and selling forward contracts covering the period to December 2010 amounting to USD 318.93 million equivalents to Baht 10,356.20 million. Additionally, the Company has a foreign currency buying and selling forward contract with conditions that the Company buy or sell the currency at the specific rates for the amounts not exceeding USD 31.50 million in 2010.

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The Company entered into an interest rate swap contract for a loan agreement by swap from float to fixed rate as stipulated in the agreement as follows:

Amount (in million Baht)	Due date
1,500	31 December 2011
3,000	30 June 2013
1,500	30 June 2015
1,500	30 June 2016

The Company entered into cross currency swap contracts to exchange Baht for USD for partial loan settlement amounting to USD 200 million and interest rate swaps contracts from THB float to USD fixed totalling USD 200 million. The contracts are due on 30 June 2013.

The Company entered into foreign currency buying forward contracts totalling USD 200 million to deliver under cross currency swap contract which due on 30 June 2013.

20 Contingent liabilities and contingent assets

The Company (the fifth defendant) was accused with 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 that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the civil court verdict to dismiss the case. This was being re-appealed with the Supreme Court and currently under petition to Supreme Court.

The Company was accused along with the Government, PTT and other private sector entities and, called upon to pay Baht 210 million in compensation for an infringement of the petty patentee's rights under the Patent Act in case of producing and selling biodiesel. The case is now being appealed with the court of first instance. The Company's Legal Office has its opinion that the Company will win the case.

The Company has utilised the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) "Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes" and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional payment totalling Baht 50 million related to these matters in which the Company has already submitted and filed for appeal. The case is still under investigation by the Revenue Department.

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21 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TAS/TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TAS/TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS/TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 12	Income Taxes	2013
TAS 17 (revised 2009)	Leases	2011
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011
TAS 40 (revised 2009)	Investment Property	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	2011