

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

INTERIM FINANCIAL STATEMENTS

FOR THE THREE – MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008

AND

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Shareholders and Board of Directors of The Bangchak Petroleum Public Company Limited

I have reviewed the consolidated balance sheet of The Bangchak Petroleum Public Company Limited and its subsidiary as of September 30, 2008, and the related consolidated statements of income for the three-month and nine-month periods ended September 30, 2008 and 2007, the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended September 30, 2008 and 2007. I have also reviewed the separate financial statements for the same periods of The Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my review.

I conducted my review in accordance with the standards on auditing applicable to review engagements. These standards require 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, and accordingly, I do not express an opinion.

Based on my review, nothing has come to my attention that caused me to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

The consolidated and separate balance sheets as of December 31, 2007 presented herein for comparison have been derived from such financial statements, which I have audited and reported in accordance with generally accepted auditing standards and expressed an unqualified opinion in my report dated February 15, 2008. I have not performed any other audit procedures subsequent to such report date.

(NATSARAK SAROCHANUNJEEN)

Certified Public Account

Registration No. 4563

A.M.T.& ASSOCIATES

Bangkok, Thailand

November 6, 2008

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED

AND ITS SUBSIDIARIES

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD OF NINE - MONTH ENDED SEPTEMBER 30, 2008 AND 2007

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	Notes	Consolidated Financial Statement		Separate Financial Statement	
		As of 30 TH	As of 31 ST	As of 30 TH	As of 31 ST
		September	December	September	December
		2008	2007	2008	2007
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	2,453,523,799	6,450,064,228	2,178,211,430	6,088,212,621
Short term investment	5	248,720,690	288,022,000	241,001,000	241,011,000
Trade accounts receivable - net					
Related parties	3.1	758,242,727	115,613,497	1,236,079,588	712,652,661
Other parties	6	5,567,191,696	5,286,555,533	5,550,905,026	5,268,273,637
Inventories - net	7	13,636,754,878	11,029,353,333	13,377,136,486	10,744,400,323
Other current assets					
Material and Supplies - net	8	306,674,378	336,332,480	306,674,378	336,332,480
Oil Fund Subsidies Receivable		700,748,843	196,690,719	700,748,843	196,690,719
Others	9	1,026,785,208	156,453,578	993,166,134	142,601,548
Total Current Assets		24,698,642,219	23,859,085,368	24,583,922,885	23,730,174,989
NON-CURRENT ASSETS					
Investments in subsidiary	1.3, 3.2	-	-	49,752,375	490,000
Other long-term investments	10	124,579,882	12,343,357	123,679,882	11,443,357
Tariff prepayment - net	11	1,800,630	9,761,310	1,800,630	9,761,310
Property, plant and equipment - net	12	24,965,813,815	18,412,290,880	24,846,887,217	18,407,213,305
Leasehold right - net	13	1,109,115,182	1,168,013,702	1,109,115,182	1,168,013,702
Intangible assets - net	14	95,892,121	99,295,653	94,464,166	97,843,589
Investment in service station - net	15	287,104,046	338,026,060	287,104,046	338,026,060
Other non-current assets					
Deferred income tax assets	16	141,500,248	131,028,038	141,500,248	131,028,038
Others	17	675,337,780	948,321,359	664,648,970	945,556,846
Total Non-Current Assets		27,401,143,704	21,119,080,359	27,318,952,716	21,109,376,207
TOTAL ASSETS		52,099,785,923	44,978,165,727	51,902,875,601	44,839,551,196

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		As of 30 TH	As of 31 ST	As of 30 TH	As of 31 ST
		September	December	September	December
Notes		2008	2007	2008	2007
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
	Bank overdrafts and short-term loans from -				
	financial institutions	18	1,900,000,000	880,000,000	1,900,000,000
	Trade accounts payable				
	Related parties	3.3	9,024,662,274	8,175,198,958	9,027,875,800
	Other parties		613,006,639	836,418,041	567,097,163
	Current portion of long-term loans	19	568,000,000	722,500,000	568,000,000
	Other current liabilities				
	Accrued excise tax and oil stabilization fund		120,797,824	293,807,011	120,797,824
	Accrued corporate income tax		3,102,035	659,225,521	-
	Accrued expenses		271,664,310	472,108,469	249,745,074
	Liabilities on hedging contracts	29.1, 29.3	75,630,618	929,062,981	75,630,618
	Others	20	1,534,721,651	465,437,815	1,548,707,611
	Total Current Liabilities		14,111,585,351	13,433,758,796	14,057,854,090
NON-CURRENT LIABILITIES					
	Long-term loans	19	14,040,482,165	9,438,770,172	13,990,082,165
	Other non-current liabilities				
	Liabilities on long-term lease	13	414,481,760	460,703,710	414,481,760
	Liabilities on service stations leasehold right		5,833,523	7,923,844	5,833,523
	Reserve for pension fund		384,990,757	347,715,363	384,990,757
	Deferred income tax liabilities	16	20,446,062	22,899,589	20,446,062
	Others		35,363,581	41,725,139	21,942,780
	Total Non-Current Liabilities		14,901,597,848	10,319,737,817	14,837,777,047
	Total Liabilities		29,013,183,199	23,753,496,613	28,895,631,137

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		As of 30 TH	As of 31 ST	As of 30 TH	As of 31 ST
		September	December	September	December
Notes		2008	2007	2008	2007
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
Share Capital - Par Value Baht 1.00 per share					
Authorized share capital					
	Common share 1,531,643,461 shares	1,531,643,461	1,531,643,461	1,531,643,461	1,531,643,461
Issued and paid - up share capital					
	Common share 1,119,132,050 shares in 2008 and	1,119,132,050	-	1,119,132,050	-
	Common share 1,119,132,050 shares in 2007	-	1,119,132,050	-	1,119,132,050
Capital Surplus					
	Premium on share capital	7,505,333,450	7,505,333,450	7,505,333,450	7,505,333,450
	Capital surplus on registered and paid-up share reduction	189,617,759	189,617,759	189,617,759	189,617,759
	Surplus on fixed assets revaluation	4,994,032,516	5,289,307,563	4,994,032,516	5,289,307,563
	Premium on share capital of subsidiary of the Company	18,621,225	-	-	-
Retained earning (deficit)					
	Appropriated – legal reserve	153,164,346	153,164,346	153,164,346	153,164,346
	Unappropriated	9,079,571,263	6,967,603,946	9,045,964,343	6,942,512,418
	Total Equity of Parent Company's Shareholders	23,059,472,609	21,224,159,114	23,007,244,464	21,199,067,586
	Minority interests	27,130,115	510,000	-	-
	Total Shareholders' Equity	23,086,602,724	21,224,669,114	23,007,244,464	21,199,067,586
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		52,099,785,923	44,978,165,727	51,902,875,601	44,839,551,196

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Anusorn Sangnimnuan*

(Anusorn Sangnimnuan)

President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENT

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

Note	BAHT								Total
	Issued and paid - up share capital	Premium on Share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Premium on share capital of subsidiary of the	Retained earning (Deficit)		Minority interests	
						Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	-	153,164,346	5,398,384,611	510,000	18,648,683,491
Accumulative effects amount from changing in accounting policy:									
- Investment in subsidiary	-	-	-	-	-	-	(4,289,114)	-	(4,289,114)
Beginning balance after adjustment	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	-	153,164,346	5,394,095,497	510,000	18,644,394,377
Issued and Paid-up share capital	15,000	-	-	-	-	-	-	-	15,000
Premium on share capital	-	255,000	-	-	-	-	-	-	255,000
Transaction not recognised in the income statement									
- Depreciation on the fixed assets revaluation	-	-	-	(164,302,758)	-	-	-	-	(164,302,758)
Dividend paid	-	-	-	-	-	-	(190,248,930)	-	(190,248,930)
Net profit (loss)	-	-	-	-	-	-	1,346,481,731	-	1,346,481,731
Ending balance as at September 30, 2007	1,119,111,351	7,504,984,149	189,617,759	4,118,878,517	-	153,164,346	6,550,328,298	510,000	19,636,594,420
Beginning balance as at January 1, 2008	1,119,132,050	7,505,333,450	189,617,759	5,289,307,563	-	153,164,346	6,967,603,946	510,000	21,224,669,114
Minority interests	-	-	-	-	-	-	-	29,093,150	29,093,150
Premium on share capital of subsidiary of the Company	-	-	-	-	18,621,225	-	-	-	18,621,225
Transaction not recognised in the income statement									
- Depreciation on the fixed assets revaluation	-	-	-	(295,275,047)	-	-	-	-	(295,275,047)
Dividend payment for preferred stock	-	-	-	-	-	-	-	(58,140)	(58,140)
Dividend paid	-	-	-	-	-	-	(335,739,615)	-	(335,739,615)
Net profit (loss)	-	-	-	-	-	-	2,447,706,932	(2,414,895)	2,445,292,037
Ending balance as at September 30, 2008	1,119,132,050	7,505,333,450	189,617,759	4,994,032,516	18,621,225	153,164,346	9,079,571,263	27,130,115	23,086,602,724

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SEPARATE FINANCIAL STATEMENT

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

Note	BAHT						Total
	Issued and paid - up share capital	Premium on Share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		
					Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,467,438	18,691,256,318
Accumulative effects amount from changing in accounting policy:							
- Investment in subsidiary	-	-	-	-	-	490,000	490,000
Beginning balance after adjustment	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,957,438	18,691,746,318
Issued and Paid-up share capital	15,000	-	-	-	-	-	15,000
Premium on share capital	-	255,000	-	-	-	-	255,000
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluatior	-	-	-	(164,302,758)	-	-	(164,302,758)
Dividend paid	-	-	-	-	-	(190,248,930)	(190,248,930)
Net profit (loss)	-	-	-	-	-	1,289,284,175	1,289,284,175
Ending balance as at September 30, 2007	<u>1,119,111,351</u>	<u>7,504,984,149</u>	<u>189,617,759</u>	<u>4,118,878,517</u>	<u>153,164,346</u>	<u>6,540,992,683</u>	<u>19,626,748,805</u>
Beginning balance as at January 1, 2008	1,119,132,050	7,505,333,450	189,617,759	5,289,307,563	153,164,346	6,942,512,418	21,199,067,586
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluatior	-	-	-	(295,275,047)	-	-	(295,275,047)
Dividend paid	31	-	-	-	-	(335,739,615)	(335,739,615)
Net profit (loss)	-	-	-	-	-	2,439,191,540	2,439,191,540
Ending balance as at September 30, 2008	<u>1,119,132,050</u>	<u>7,505,333,450</u>	<u>189,617,759</u>	<u>4,994,032,516</u>	<u>153,164,346</u>	<u>9,045,964,343</u>	<u>23,007,244,464</u>

The accompanying notes to interim financial statements are an integral part of these statements

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

	Notes	B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		2008	2007	2008	2007
Sales and services	24	106,527,450,921	67,085,942,842	105,801,110,948	66,470,562,986
Cost of sales and services		(99,107,924,547)	(63,574,626,272)	(98,752,940,373)	(63,308,471,983)
Gross Margin		7,419,526,374	3,511,316,570	7,048,170,575	3,162,091,003
Selling and administrative expenses		(1,992,769,619)	(1,723,993,429)	(1,668,309,283)	(1,431,260,060)
Income from Sales		5,426,756,755	1,787,323,141	5,379,861,292	1,730,830,943
Interest income		61,981,704	166,983,734	50,401,864	161,386,796
Loss from foreign exchange	25	(143,203,021)	(86,072,924)	(143,203,021)	(86,072,924)
Gain (Loss) from crude oil and product oil price hedging contract	28.3.1	(351,515,190)	155,730,402	(351,515,190)	155,730,402
Reversal of loss / (Loss) from inventory write - down		(953,679,504)	54,510,520	(950,019,026)	54,510,520
Gain (Loss) from assets disposal		1,574,242	(5,040,419)	3,384,899	(5,040,417)
Loss adjustment from impairment of assets		31,486,004	1,059,878	31,486,004	1,059,878
Other income		96,636,153	168,265,673	124,508,189	167,328,788
Directors' remuneration		(13,575,919)	(5,306,285)	(13,545,600)	(5,286,285)
Income before interests and taxes		4,156,461,224	2,237,453,720	4,131,359,411	2,174,447,701
Interest expenses	26	(697,772,252)	(502,440,668)	(697,772,252)	(502,440,668)
Income taxes	16	(1,013,396,935)	(388,531,321)	(994,395,619)	(382,722,858)
Net income for the period		2,445,292,037	1,346,481,731	2,439,191,540	1,289,284,175
Attributable to :					
Equity holders of the parent		2,447,706,932	1,346,481,731	2,439,191,540	1,289,284,175
Minority interest		(2,414,895)	-	-	-
		2,445,292,037	1,346,481,731	2,439,191,540	1,289,284,175
BASIC EARNINGS PER SHARE	27				
Earnings per share (Baht)		2.19	1.20	2.18	1.15
Number of weighted average shares (shares)		1,119,132,050	1,119,110,966	1,119,132,050	1,119,110,966
DILUTED EARNINGS PER SHARE	27				
Earnings per share (Baht)		1.89	1.05	1.89	1.01
Number of weighted average shares (shares)		1,313,124,957	1,313,104,572	1,313,124,957	1,313,104,572

The accompanying notes to interim financial statements are an integral part of these statements

(Signed) General Tawat Ked-Unkoon
(General Tawat Ked-Unkoon)
Chairman(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

FOR THE THREE - MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

B A H T

	Notes	Consolidated Financial Statement		Separate Financial Statement	
		2008	2007	2008	2007
Sales and services	24	37,121,404,959	23,007,928,460	36,869,649,502	22,815,460,599
Cost of sales and services		(35,333,746,583)	(21,582,020,129)	(35,155,202,623)	(21,499,305,634)
Gross Margin		1,787,658,376	1,425,908,331	1,714,446,879	1,316,154,965
Selling and administrative expenses		(671,113,588)	(604,188,696)	(553,577,025)	(507,394,670)
Income from Sales		1,116,544,788	821,719,635	1,160,869,854	808,760,295
Interest income		14,232,577	42,099,431	10,868,705	40,277,807
Loss from foreign exchange	25	(106,039,790)	(77,576,238)	(106,039,790)	(77,576,238)
Loss from crude oil and product oil price hedging contract	28.3.1	(55,792,935)	(42,401,270)	(55,792,935)	(42,401,270)
Loss from Inventory write - down		(953,679,504)	-	(950,019,026)	-
Gain (Loss) from assets disposal		1,215,019	(3,033,127)	1,215,018	(3,033,125)
Loss adjustment from impairment of assets		-	6,698	-	6,698
Other income		39,503,847	66,951,788	36,915,491	68,633,505
Directors' remuneration		(1,919,619)	(1,192,500)	(1,919,300)	(1,192,500)
Income before interests and taxes		54,064,383	806,574,417	96,098,017	793,475,172
Interest expenses	26	(418,333,466)	(160,578,918)	(418,333,466)	(160,578,918)
Income taxes	16	112,272,329	(138,218,332)	101,897,881	(134,947,254)
Net income (loss) for the period		<u>(251,996,754)</u>	<u>507,777,167</u>	<u>(220,337,568)</u>	<u>497,949,000</u>
Attributable to :					
Equity holders of the parent		(251,588,561)	507,777,167	(220,337,568)	497,949,000
Minority interest		(408,193)	-	-	-
		<u>(251,996,754)</u>	<u>507,777,167</u>	<u>(220,337,568)</u>	<u>497,949,000</u>
BASIC EARNINGS PER SHARE	27				
Earnings per share (Baht)		(0.22)	0.45	(0.20)	0.44
Number of weighted average shares (shares)		1,119,132,050	1,119,111,351	1,119,132,050	1,119,111,351
DILUTED EARNINGS PER SHARE	27				
Earnings per share (Baht)		(0.22)	0.40	(0.20)	0.39
Number of weighted average shares (shares)		1,313,124,957	1,313,104,957	1,313,124,957	1,313,104,957

The accompanying notes to interim financial statements are an integral part of these statements

(Signed) General Tawat Ked-Unkoon
(General Tawat Ked-Unkoon)
Chairman(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

	B A H T				
	Consolidated Financial Statement		Separate Financial Statement		
	2008	2007	2008	2007	
	<u>Note</u>				
CASH FLOWS FROM OPERATING ACTIVITIES :					
Net profit		2,447,706,932	1,346,481,731	2,439,191,540	1,289,284,175
Adjustments to reconcile net profit to net cash - provided by (used in) Operating Activities					
Depreciation		490,028,595	482,173,925	488,015,628	480,135,055
Bad debt and doubtful debts		6,256,828	3,566,888	4,827,823	3,784,034
Amortization		389,658,535	147,675,300	389,327,425	147,265,670
Loss from foreign exchange	25	21,099,171	22,632,212	21,099,170	22,632,212
Loss (Reversal of loss) from Inventory write - down		953,679,504	(54,510,520)	950,019,026	(54,510,520)
Gain from assets impairment adjustment		(31,486,004)	(1,059,878)	(31,486,004)	(1,059,878)
Deferred income tax	16	(12,925,737)	107,045,163	(12,925,737)	107,045,163
Loss (Gain) from fixed assets disposal		(1,574,242)	5,040,417	(3,384,899)	5,040,417
Reserve for pension fund		37,275,394	28,600,016	37,275,394	28,600,016
Deferred revenue		(1,189,282)	(1,264,987)	(1,189,282)	(1,264,987)
Dividends received		-	-	(20,090,000)	-
Minority interests		(2,414,895)	-	-	-
Interest expenses		697,772,252	502,440,668	697,772,252	502,440,668
Income tax		1,013,396,935	388,531,321	994,395,619	382,722,858
Operating gain before changes in operating assets and liabilities		6,007,283,986	2,977,352,256	5,952,847,955	2,912,114,883
Operating assets (increase), decrease					
Trade accounts receivable		(857,669,765)	(919,580,927)	(740,562,687)	(961,188,015)
Inventories		(3,561,081,049)	(3,210,262,980)	(3,582,755,190)	(3,178,209,439)
Other current assets		(1,346,265,260)	13,327,659	(1,324,969,210)	14,259,945
Operating liabilities increase, (decrease)					
Trade accounts payable		626,051,914	3,882,697,110	635,009,833	3,889,306,648
Other current liabilities		69,808,097	(648,143,314)	101,417,754	(642,899,663)
Other non - current liabilities		(5,185,102)	(7,304,544)	(6,004,169)	(7,498,731)
Cash Provided by Operating Activities		932,942,821	2,088,085,260	1,034,984,286	2,025,885,628
Interest payment		(862,693,961)	(517,899,448)	(861,949,698)	(517,899,448)
Income tax payment		(1,785,701,351)	230,531,525	(1,761,331,868)	232,170,937
Net Cash Provided by (Used in) Operating Activities		(1,715,452,491)	1,800,717,337	(1,588,297,280)	1,740,157,117

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2008 AND 2007

	B A H T				
	Consolidated Financial Statement		Separate Financial Statement		
	2008	2007	2008	2007	
	<u>Note</u>				
CASH FLOWS FROM INVESTING ACTIVITIES :					
Decrease in temporary investments		39,301,310	3,808,932,700	10,000	3,815,933,033
Increase in long-term investments		(104,263,018)	(363,567)	(104,263,018)	(4,751,982)
Proceeds from Liquidation of a subsidiary		-	-	(49,262,375)	-
Dividends received		-	-	20,090,000	-
Acquisition in property, plant and equipments		(7,738,679,157)	(1,668,896,337)	(7,668,842,089)	(1,667,391,794)
Proceeds from sales of property, plant and equipment		4,745,551	10,018,493	52,016,582	10,018,493
Increase in leasehold right		(9,378,090)	-	(9,378,090)	-
Increase in intangible assets		(15,335,793)	(28,284,287)	(15,028,793)	(28,284,287)
Decrease in other non - current assets		363,392,646	121,566,651	371,881,494	119,858,882
Net Cash Provide by (Used in) Investing Activities		<u>(7,460,216,551)</u>	<u>2,242,973,653</u>	<u>(7,402,776,289)</u>	<u>2,245,382,345</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (decrease) in bank overdrafts and short-term loans from -					
financial institutions		1,020,000,000	(1,200,000,000)	1,020,000,000	(1,200,000,000)
Proceeds from long - term loans		14,271,582,165	-	14,221,182,165	-
Payment of long - term loans		(9,824,370,172)	(336,535,256)	(9,824,370,172)	(336,535,256)
Dividend paid		(335,739,615)	(190,248,930)	(335,739,615)	(190,248,930)
Dividend payment for preferred stock		(58,140)	-	-	-
Issued and Paid-up share capital		-	15,000	-	15,000
Premium on share capital		-	255,000	-	255,000
Issuance of subsidiary's share capital		21,112,625	-	-	-
Premium on share capital of subsidiary		26,601,750	-	-	-
Net Cash Provided by (Used in) Financing Activities		<u>5,179,128,613</u>	<u>(1,726,514,186)</u>	<u>5,081,072,378</u>	<u>(1,726,514,186)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		(3,996,540,429)	2,317,176,804	(3,910,001,191)	2,259,025,276
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		6,450,064,228	2,705,239,667	6,088,212,621	2,599,184,005
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	<u>2,453,523,799</u>	<u>5,022,416,471</u>	<u>2,178,211,430</u>	<u>4,858,209,281</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2008

1. GENERAL INFORMATION

1.1 General matter

The Company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The Company operates in Thailand and the main business is 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. As at September 30, 2008 and 2007, the company employed 890 and 859 employees respectively and the employees related expenses were Baht 505.06 million and Baht 433.04 million respectively.

The Bangchak Green Net Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on July 13, 1993. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The Company operates in Thailand with its main business being the running of the Bangchak service stations and the consumer goods retail shops under the Lemon Green and the Bi-Chak brand. It also provides other services to accommodate future expansion in the retail business. As at September 30, 2008 and 2007, the company employed 1,968 and 1,898 employees respectively and the employee related expenses were Baht 172.38 million and Baht 150.85 million respectively.

The Bangchak Biofuel Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on March 12, 2008. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The Company operates in Thailand with its main business being producing and distributing of biodiesel. The subsidiary is in the planned process of construction of a biodiesel plant.

1.2 Basis for preparation and presentation of financial statements

The interim financial statements of the Company are prepared in accordance with the generally accepted accounting standards. The interim financial statements provide additional information from the annual financial statements that were last reported. The interim financial statements should therefore be used in conjunction with the financial statements for the year ended December 31, 2007

The Company's consolidated financial statements incorporate the financial statements of The Bangchak Petroleum Public Company Limited, The Bangchak Green Net Co., Ltd., and The Bangchak Biofuel Co., Ltd. in which the company holds 49% share and 70% share respectively. For the purpose of the consolidation, all significant intercompany transactions and all intercompany account balances have been eliminated.

1.3 Related parties

Enterprises that directly, or indirectly through one or more intermediaries control, or are under common control of the Company are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiaries :</u>			
- The Bangchak Green Net Co., Ltd.	Manage BCP service station And consumer goods retailer	Share holding and joint directors	49.00%
- The Bangchak Green Line Co., Ltd.	Fuel transportation. (Company is in self liquidation process)	Indirect holding and joint directors	49.00%
- The Bangchak Biofuel Co., Ltd. **	Biodiesel	Share holding and joint directors	70.00%
<u>Related companies :</u>			
- PTT Public Company Limited.	Petroleum business	Company's share holder and joint directors	-
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Share holding and joint directors	11.41%
- Thai Oil Public Company Limited.	Oil refinery	Related company of PTT	-
- PTT Aromatics and Refining Public Company Limited *	Petrochemical and Refining	Related company of PTT	-
- Thai Lube Base Public Co., Ltd.	Lubrication base refinery	Related company of PTT	-

Name	Type of business	Relationship	Share holding (%)
- IRPC Public Company Limited.	Petrochemical	Related company of PTT	-
- IRPC Oil Company Limited.	Refined Petroleum business	Related company of PTT	-
- NPC Safety and Environmental Service Co., Ltd. *	Safety and Environmental business	Related company of PTT	-
- ASEAN Potash Mining Public Company Limited	Potash Mining, Potassium Chloride fertilizer producer and distributor	Share holding	6.56%

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. in its consolidated financial statements as The Bangchak Green Line Co., Ltd. has been in the process of self-liquidation and the investment in The Bangchak Green Line Co., Ltd. was written-off.

* The trading transactions have been initialized during quarter 4/2007.

** Relationship has been established since March 12, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the fiscal year ended December 31, 2007.

3. RELATED PARTY TRANSACTIONS

The Company had certain accounting transactions with its subsidiaries and related companies which were considered normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets, liabilities, account and trading transactions with subsidiaries and related companies as at September 30, 2008 and December 31, 2007 are as follows:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	477.84	597.04
<u>Related Companies</u>				
- PTT Public Company Limited.	757.92	115.29	757.92	115.29
- The Related Companies of PTT	-	-	-	-
- Fuel Pipeline Transportation Ltd.	0.32	0.32	0.32	0.32
Total accounts receivable - related parties net	758.24	115.61	1,236.08	712.65

3.2 Investments in subsidiary

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				Separate Financial Statements		
				September 30, 2008		
				Investments		
				Cost Method	Net Book Value	Dividend
<u>Subsidiaries :</u>						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	47.25	20.09
The Bangchak Biofuel Co., Ltd.	Holding and joint directors	281.50	70.00%	49.26	62.11	-
Total				49.75		

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				Separate Financial Statement		
				December 31, 2007		
				Investments		
				Cost Method	Net Book Value	Dividend
Subsidiaries :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	27.84	-

3.3 Trade accounts payable – related parties

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Subsidiaries				
- The Bangchak Green Net Co., Ltd.	-	-	3.21	2.01
Related Companies				
- PTT Public Company Limited.	7,132.55	6,319.29	7,132.55	6,319.29
- The Related Companies of PTT	1,882.55	1,846.71	1,882.55	1,846.71
- Fuel Pipeline Transportation Ltd.	9.56	9.20	9.56	9.20
Total Accounts Payable - related parties	9,024.66	8,175.20	9,027.87	8,177.21

3.4 Transactions with related parties

Transactions with related parties for the nine-month period ended September 30, 2008 and 2007 are as follows:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Revenue from sales of oil	7,678.75	3,166.41	21,902.75	12,436.31
Revenue from operating right	-	-	62.64	55.50
Other Revenue	53.56	27.74	74.34	38.67
Cost of pipeline transportation	75.55	65.13	75.55	65.13
Crude and Product purchase	88,634.08	52,795.23	88,634.08	52,795.23
Terminal service	36.05	42.87	36.05	42.87

Transfer pricing with the related parties does not differ from unrelated parties.

4. CASH AND CASH EQUIVALENTS

As at September 30, 2008 and December 31, 2007 Cash and cash equivalents consisted of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Cash and deposits at Banks *	2,453.52	6,450.06	2,178.21	6,088.21
Fixed deposit (maturity dates not longer than 3 months) *	-	-	-	-
Cash and cash equivalents	2,453.52	6,450.06	2,178.21	6,088.21

* Included Banks deposits for PQI project as at September 30, 2008 and December 31, 2007 amounting to Baht 1,057 million and 2,918.16 million.

5. SHORT TERM INVESTMENTS

As at September 30, 2008 and December 31, 2007, trade accounts receivable consisted of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Fixed deposit	248.72	288.02	241.00	241.01
Short term investments	248.72	288.02	241.00	241.01

6. TRADE ACCOUNTS RECEIVABLE – OTHER PARTIES - NET

As at September 30, 2008 and December 31, 2007, Trade accounts receivable consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Trade accounts receivable - other parties	5,656.64	5,378.62	5,637.58	5,357.31
<u>Less</u> : Allowance for doubtful accounts	(89.45)	(92.06)	(86.68)	(89.04)
Trade accounts receivable - other parties - net	5,567.19	5,286.56	5,550.90	5,268.27

As at September 30, 2008 and December 31, 2007, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2008	2007
	Over 3 months to 6 months	0.44
Over 6 months to 12 months	36.35	0.41
Over 12 months	51.18	55.42
Total	87.97	92.69

7. INVENTORIES - NET

As at September 30, 2008 and December 31, 2007, Inventories consist of :

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Crude oil	9,881.54	6,783.24	9,881.54	6,783.24
Finished oil products	4,662.83	4,196.74	4,445.62	3,961.16
Consumer products	47.71	51.01	-	-
<u>Less</u> : Inventories write down	(953.78)	-	(950.02)	-
<u>Less</u> : Allowance for devaluation	(1.55)	(1.64)	-	-
Inventories – net	13,636.75	11,029.35	13,377.14	10,744.40

Inventories as at September 30, 2008 and December 31, 2007, are included petroleum legal reserve of 321.99 million liters approximated value at Baht 7,920.47 million and 331.09 million liters approximated value at Baht 6,135.06 million respectively.

8. MATERIALS AND SUPPLIES - NET

As at September 30, 2008 and December 31, 2007, Materials and supplies consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Materials and supplies	317.00	346.66	317.00	346.66
<u>Less</u> : Allowance for obsolescence	(10.33)	(10.33)	(10.33)	(10.33)
Material and supplies - net	306.67	336.33	306.67	336.33

9. OTHER CURRENT ASSETS – OTHERS

As at September 30, 2008 and December 31, 2007, other current assets consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Accounts receivable -Hedging contract	7.59	18.31	7.59	18.31
Value added tax	724.32	69.04	724.32	69.04
Compensation for Excise tax	133.08	-	120.48	-
Corporate Income Tax	103.31	-	103.31	-
Others	58.49	69.10	37.47	55.25
Total	1,026.79	156.45	993.17	142.60

Compensation for Excise tax

The Cabinet had its resolutions on July 15, 2008, to set up a measure to support the public by reducing the Excise tax rates on fuels which resulted in the reduction of fuel retail prices for a six-month period starting from July 25, 2008 to January 31, 2009. The compensation for Excise tax is to compensate the losses on decrease in fuel prices that incurred to fuel traders and gas station owners on quantity of fuel inventories which obtained before the price reduction.

The fuel inventories of the Company and its subsidiary as at July 24, 2008, before the price decrease which will be compensated for Excise tax, were 40.87 million liters valued at Baht 120.48 million and 4.90 million liters valued at Baht 12.60 million respectively. The compensation was recorded as a reduction of cost of sales.

10. OTHER LONG-TERM INVESTMENTS

As at September 30, 2008 and December 31, 2007, Other long-term investments consist of :

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
<u>Investments in capital paper</u>				
- Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less : Allowance for impairment</u>	(181.75)	(181.75)	(181.75)	(181.75)
- MFC Energy Fund	40.71	8.49	40.71	8.49
- ASEAN Potash Mining Public Company Limited	80.00	-	80.00	-
Investment in capital paper – net	120.71	8.49	120.71	8.49
<u>Investments in commercial paper</u>				
- The Express way Authority of Thailand's bond	0.90	0.90	-	-
- The Government bond	3.00	3.00	3.00	3.00
<u>Less Discount on investments</u>	(0.03)	(0.05)	(0.03)	(0.05)
Total Investments in commercial paper - net	3.87	3.85	2.97	2.95
Total other long-term investments	124.58	12.34	123.68	11.44

On October 25, 2005, the Company invested in The Government's bond, B.E. 2547 no.4 with 5 years duration, amounting to Baht 2,917,337.43. The total 3,000 units bond, which face value Baht 1,000 per unit and stated interest rate at 4.25% per annum payable twice per year in February and August, was registered on August 13, 2006. The discounted amount of Baht 82,662.57 on the stated value will be amortized by straight-line method spreading over the duration period. During the nine-month period ended September 30, 2008, the Company amortized the discount to be income amounting to Baht 12,826.98.

On August 3, 2007, the Company invested in MFC Energy Fund, a redeemable special open-end mutual fund established for institutional investors, for a total committed purchase amount of Baht 200 million at a unit price of Baht 10. The first payment was called for Baht 100 million which the Company paid for its proportion at 10.22%, amounting to Baht 10.22 million. The Company has, according to the investment agreement, sold 0.17 million investment units at Baht 10 per unit amounting to Baht 1.73 million on December 12, 2007 and 0.035 million investment units at Baht 10 per unit amounting to Baht 0.35 million on May 6, 2008 respectively.

In the 3rd quarter of 2008, the Company has made the 2nd payment for the 32.57 million investment units at a unit price of Baht 10 amounting to Baht 32.57 million. As a result, the investment of the Company as at September 30, 2008 equaled to 8.14%, amounting to Baht 40.71 million.

On August 27, 2008, the Company has invested in ASEAN Potash Mining Public Company Limited amounting to Baht 80 million for an investment proportion of 6.56%.

11. TARIFF PREPAYMENT - NET

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 parts 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 shall be established as a receivable in a suspense account which will be written-off if FPT fulfill the agreement, without default, over a three-year consecutive period.

The financial statements as at September 30, 2008 show an outstanding prepaid tariff amounting Baht 131.32 million which the Company has provided an allowance for doubtful debt of Baht 129.52 million. The balance is Baht 1.80 million. The difference in the interest rates, which is pending in the suspense account, has been written-off as follows ;

	<u>Million Baht</u>
In 2004, it wrote-off the interest receivable set-up for the year 2001	21.38
In 2005, it wrote-off the interest receivable set-up for the year 2002	10.67
In 2006, it wrote-off the interest receivable set-up for the year 2003	9.40
In 2007, it wrote-off the interest receivable set-up for the year 2004	<u>8.06</u>
Total	<u>49.51</u>

The Company will consider the write-off of the interest receivable, pending in the suspense account during January 1, 2005 to September 30, 2008 amounting Baht 32.43 million, annually. The allowance for doubtful debt for the interest receivable has been fully provided.

12. PROPERTY, PLANT AND EQUIPMENT - NET

	Million Baht							
	Consolidated Financial Statements							
	Land	Buildings	Machinery, equipment refinery plants and terminal	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	Total
Cost / Revaluation								
At January 1, 2008	1,368.64	527.71	24,592.52	3,742.29	273.10	127.90	5,182.97	35,815.13
Additions	-	-	-	-	-	-	7,138.40	7,138.40
Borrowing Cost	-	-	-	-	-	-	154.40	154.40
Disposals	-	(1.29)	(0.08)	(16.15)	-	(2.23)	(54.01)	(73.76)
Reclassification	0.40	-	169.03	48.65	-	1.87	(145.56)	74.39
At September 30, 2008	1,369.04	526.42	24,761.47	3,774.79	273.10	127.54	12,276.20	43,108.56
Accumulated depreciation :								
At January 1, 2008	-	(344.89)	(14,244.09)	(2,078.82)	-	(100.51)	-	(16,768.31)
Additions	-	(12.47)	(593.65)	(168.43)	-	(10.76)	-	(785.31)
Disposals	-	1.11	0.01	13.07	-	2.21	-	16.40
Reclassification	-	-	-	(2.48)	-	-	-	(2.48)
At September 30, 2008	-	(356.25)	(14,837.73)	(2,236.66)	-	(109.06)	-	(17,539.70)
Allowance for impairment								
At January 1, 2008	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
Reversal of loss on impairment of assets	31.48	-	-	-	-	-	-	31.48
At September 30, 2008	(537.02)	-	(0.56)	(65.47)	-	-	-	(603.05)
Property, plant and equipment - net								
At January 1, 2008	800.14	182.82	10,347.87	1,598.00	273.10	27.40	5,182.97	18,412.29
At September 30, 2008	832.02	170.17	9,923.18	1,472.66	273.10	18.48	12,276.20	24,965.81
Depreciation included in income statements for the :								
Year ended December 31, 2007								642.13
Nine-month period ended September 30, 2008								490.03
<u>Property, plant and equipment are classified by cost and revaluation</u>								
<u>Cost</u>								
At December 31, 2007	1,368.64	527.71	13,390.18	3,742.29	134.58	127.90	5,182.97	24,474.27
Add (Less) : Reclassification	0.40	(1.29)	168.95	32.50	-	(0.36)	7,093.23	7,293.43
Less : Accumulated depreciation	-	(356.25)	(8,490.90)	(2,236.66)	-	(109.06)	-	(11,192.87)
Less : Allowance for impairment	(537.02)	-	(0.56)	(65.47)	-	-	-	(603.05)
At September 30, 2008	832.02	170.17	5,067.67	1,472.66	134.58	18.48	12,276.20	19,971.78
<u>Revaluation</u>								
At December 31, 2007	-	-	11,202.34	-	138.52	-	-	11,340.86
Add(Less) : Changing in appraisal surplus	-	-	-	-	-	-	-	-
Less : Accumulated depreciation	-	-	(6,346.83)	-	-	-	-	(6,346.83)
At September 30, 2008	-	-	4,855.51	-	138.52	-	-	4,994.03
<u>Property, plant and equipment - net</u>								
At September 30, 2008	832.02	170.17	9,923.18	1,472.66	273.10	18.48	12,276.20	24,965.81

Million Baht								
Separate Financial Statements								
	Land	Buildings	Machinery, equipment refinery plants and terminal	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	Total
Cost / Revaluation								
At January 1, 2008	1,368.64	527.71	24,592.52	3,702.23	273.10	122.84	5,182.97	35,770.01
Additions	-	-	-	-	-	-	7,138.40	7,138.40
Borrowing Cost	-	-	-	-	-	-	154.40	154.40
Disposals	(45.48)	(1.29)	(0.08)	(16.13)	-	(1.89)	(54.01)	(118.88)
Reclassification	-	-	169.03	45.35	-	-	(210.42)	3.96
At September 30, 2008	1,323.16	526.42	24,761.47	3,731.45	273.10	120.95	12,211.34	42,947.89
Accumulated depreciation :								
At January 1, 2008	-	(344.89)	(14,244.09)	(2,042.31)	-	(96.97)	-	(16,728.26)
Additions	-	(12.47)	(593.65)	(167.19)	-	(9.98)	-	(783.29)
Disposals	-	1.11	0.01	13.07	-	1.89	-	16.08
Reclassification	-	-	-	(2.48)	-	-	-	(2.48)
At September 30, 2008	-	(356.25)	(14,837.73)	(2,198.91)	-	(105.06)	-	(17,497.95)
Allowance for impairment								
At January 1, 2008	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
Reversal of loss on impairment of assets	31.48	-	-	-	-	-	-	31.48
At September 30, 2008	(537.02)	-	(0.56)	(65.47)	-	-	-	(603.05)
Property, plant and equipment - net								
At January 1, 2008	800.14	182.82	10,347.87	1,594.45	273.10	25.87	5,182.97	18,407.22
At September 30, 2008	786.14	170.17	9,923.18	1,467.07	273.10	15.89	12,211.34	24,846.89
Depreciation included in income statements for the :								
Year ended December 31, 2007								639.43
Nine-month period ended September 30, 2008								488.02
Property, plant and equipment are classified by cost and revaluation								
Cost								
At December 31, 2007	1,368.64	527.71	13,390.18	3,702.23	134.58	122.84	5,182.97	24,429.15
Add (Less) : Reclassification	(45.48)	(1.29)	168.95	29.22	-	(1.89)	7,028.37	7,177.88
Less : Accumulated depreciation	-	(356.25)	(8,490.90)	(2,198.91)	-	(105.06)	-	(11,151.12)
Less : Allowance for impairment	(537.02)	-	(0.56)	(65.47)	-	-	-	(603.05)
At September 30, 2008	786.14	170.17	5,067.67	1,467.07	134.58	15.89	12,211.34	19,852.86
Revaluation								
At December 31, 2007	-	-	11,202.34	-	138.52	-	-	11,340.86
Add(Less) : Changing in appraisal surplus	-	-	-	-	-	-	-	-
Less : Accumulated depreciation	-	-	(6,346.83)	-	-	-	-	(6,346.83)
At September 30, 2008	-	-	4,855.51	-	138.52	-	-	4,994.03
Property, plant and equipment - net								
At September 30, 2008	786.14	170.17	9,923.18	1,467.07	273.10	15.89	12,211.34	24,846.89

The Company has mortgaged its land, buildings and machinery which the net book value as at September 30, 2008 and December 31, 2007 were Baht 22,179.91 million and Baht 15,948.02 million respectively as collateral with financial institutions for the credit facilities extended to the Company by the financial institutions as mentioned in Note 19.1

Construction in progress is the investment in PQI project which is partially financed by an issuance of new common shares to PTT. The Company has entered into a long term business cooperation agreement with PTT as referred in Notes 28.3.6.

13. LEASEHOLD RIGHT

As at September 30, 2008 and December 31, 2007, Leasehold right consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Cost	2,131.15	2,131.30	2,131.15	2,131.30
Accumulated amortization	(1,009.40)	(950.65)	(1,009.40)	(950.65)
Total	1,121.75	1,180.65	1,121.75	1,180.65
<u>Less</u> : Allowance for impairment	(12.64)	(12.64)	(12.64)	(12.64)
Leasehold right – net	1,109.11	1,168.01	1,109.11	1,168.01

On February 27, 2004, The Treasury Department permitted the Company to pay, by installments, the leasehold fee of Baht 551.63 million covering the extension of the lease agreement of state-owned land on which the Company's refinery and the head office are located. The initial lease agreement, which expires on April 1, 2015, will be extended by 18 years under the new lease agreement, which will expire on March 31, 2033. The installment payments of the mentioned fee will be on annual basis as follows :

Payment of fee per annum	Million Baht
The year 2007 – 2009	45.97
The year 2010 - 2012	61.29
The year 2013 - 2015	76.62

The amounts of Baht 505.66 million and Baht 45.97 million are recorded as liability, against the long-term leasehold right and other current liability. The Company has extended the length of the net book value of the leasehold right to March 31, 2033, so as to correspond with terms of the new lease agreement. As at September 30, 2008 and December 31, 2007, the balances outstanding in the long-term leasehold right are Baht 414.48 million and Baht 460.70 million respectively.

In addition, The Treasury Department also permitted the Company to utilize the mentioned leasehold right to pledge as security against loan and to place the building structures, including machinery on the leased land as collateral for credit facilities from financial institutions, as referred to in Notes 19.1.

14. INTANGIBLE ASSETS – NET

Intangible assets comprise of the right to use and the cost of development of computer software.
As at September 30, 2008 and December 31, 2007, Intangible assets consist of:

	Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
<u>Cost</u> :		
At January 1, 2007	123.42	121.35
Additions	23.35	23.35
Disposals	(8.63)	(8.63)
At December 31, 2007	138.14	136.07
Additions	15.45	15.03
Disposals	(3.74)	(3.63)
At September 30, 2008	149.85	147.47
<u>Accumulated amortization</u> :		
At January 1, 2007	(23.62)	(23.51)
Additions	(22.72)	(22.21)
Disposals	7.49	7.49
At December 31, 2007	(38.85)	(38.23)
Additions	(18.74)	(18.41)
Disposals	3.63	3.63
At September 30, 2008	(53.96)	(53.01)
<u>Intangible assets – net</u> :		
At December 31, 2007	99.29	97.84
At September 30, 2008	95.89	94.46

15. INVESTMENT IN SERVICE STATIONS

The investment in service stations is for business expansion and the approach taken by the company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As at September 30, 2008 and December 31, 2007, the balances outstanding in the investment in service stations account are Baht 287.10 million and Baht 338.03 million respectively. The Company amortized the investment in service stations to expense amounting Baht 40.62 million in this accounting period.

16. INCOME TAX AND DEFERRED INCOME TAX

The Company paid income tax on rates under the Revenue Code as follows:

	<u>Tax rates (%)</u>
- The Company	30
- Subsidiaries	15 – 30

Deferred income tax as at September 30, 2008 and December 31, 2007 are as follows:

	<u>Million Baht</u>	
	<u>Consolidated Financial Statements</u>	<u>Separate Financial Statements</u>
Deferred income tax assets		
As at December 31, 2007	131.03	131.03
Income tax expenses	10.47	10.47
As at September 30, 2008	141.50	141.50
Deferred income tax liabilities		
As at December 31, 2007	22.90	22.90
Income tax expenses	(2.45)	(2.45)
As at September 30, 2008	20.45	20.45

Deferred income tax is the timing differences between taxable profit and accounting profit which arise from the allowance for doubtful accounts, pension fund reserve, unutilized taxable losses carried-forward and accumulated depreciation of equipment.

In 2007, the Company has written off the deferred income tax assets amounting Baht 102 million from the utilization of tax privilege in 2006 for the investment in PQI project 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." The Company is awaiting the result of the consideration of the Revenue Department of the examination of the Company's application for 2006 corporate income tax refund as disclosed in note 28.4.

17. OTHER NON-CURRENT ASSETS - OTHERS

As at September 30, 2008 and December 31, 2007, other non-current assets consist of:

	<u>Million Baht</u>			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
17.1 Fixed deposit for staff welfare	221.70	210.42	221.70	210.42
17.2 Deposit for crude and product oil price hedging contract	134.37	410.89	134.37	410.89
17.3 Deferred expenses for the issuance of debentures and long-term loans	208.37	94.20	208.37	94.20
17.4 Deposit for Customs duty	0.05	162.87	0.05	162.87
17.5 Others	110.85	69.94	100.16	67.18
Total	675.34	948.32	664.65	945.56

17.1 Fixed deposit for staff welfare

As at September 30, 2008 and December 31, 2007, the Company has fixed deposit fund in a bank of Baht 221.70 million and Baht 210.42 million respectively with interest rate of 1.0 %.The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

17.2 Deposit for crude and product oil price hedging contract

The Company made forward contracts with several overseas traders with different amounts of deposit to protect against risk from the fluctuation of crude and product oil prices. Some traders request the Company to pledge initial deposit as per the initial agreement or even more afterwards in cases where the market price deviates in the direction which the Company loses and has to settle the balance. The traders preserve the right to request the Company to transfer deposit in the similar amount that the Company has to settle in each day. The traders commit to pay interest in the agreed rate for the deposit. Vice versa, in case that the market price deviates in the direction which the Company gains, the Company preserves the right to request the traders to transfer partial or all of the deposits to the Company.

17.3 Deferred expenses for the issuance of debentures and long-term loans

In January 2004, the Company issued Baht 4,000 million convertible debentures and in February 2004, the Company entered a loan contract with Krung Thai Bank Public Company Limited for a Baht 12,500 million credit line. The Company paid fees for the issuance of convertible debentures, expenses for the loans and other expenses in the amount of Baht 157.13 million. On May, 2006, The Company issued Baht 585.60 million of convertible into common stock, subordinated registered debentures. The Company paid fees for into the issuance of convertible debentures, expense for the loans and other expense in the amount of Baht 2.63 million. This was recorded as deferred expenses for the issuance of debentures and long-term loans and amortized using the straight line accounting method based on the loan life and weighted with the debt balance.

In July 2008, the Company cancelled the loan agreement with Krung Thai Bank (Public) Company Limited and the loan for PQI Project and entered into a new long-term loan agreement for a total amount of Baht 16,500 million with 4 local banks. The total expense relating to the new loan arrangement of Baht 129.87 million was recorded as deferred charge.

The deferred charge for the former loan arrangement of Baht 67.69 million was amortized in the 3rd quarter of 2008. Thus the total amortization of deferred expenses for the issuance of debentures and long-term loans for the nine-month period ended September 30, 2008 was Baht 79.52 million.

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at September 30, 2008 and December 31, 2007, Bank overdrafts and Short-term loans from financial institutions consist of :

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Bank overdrafts	-	-	-	-
Short-term loans from financial institutions	1,900.00	880.00	1,900.00	880.00
Total	1,900.00	880.00	1,900.00	880.00

Short-term loans from financial institutions are part of the credit facilities covered by collateral as describe in Note 19.1. As at September 30, 2008, the Company has the short-term loan of Baht 1,900 million bared the interest rate at 4.05 - 4.75 % per annum. As at December 31, 2007, the Company has the short-term loan of Baht 880 million bared the interest rate at 5.875 % per annum

19. LONG-TERM LOANS

As at September 30, 2008 and December 31, 2007, Long-term loans consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
19.1 Loans from bank	11,846.93	7,399.72	11,796.53	7,399.72
19.2 Convertible debentures	2,761.55	2,761.55	2,761.55	2,761.55
Total	14,608.48	10,161.27	14,558.08	10,161.27
Less : current portion of long-term loans	(568.00)	(722.50)	(568.00)	(722.50)
Long-term loans	14,040.48	9,438.77	13,990.08	9,438.77

19.1 Loans from bank

On July 2, 2008, the Company has entered into a new syndicate loan agreement with a group of banks comprised of 4 local banks and 2 foreign banks to acquire Baht 23,734 million loans which consist of ;

- Long-term loan facility amounting to Baht 16,500 million for the repayment of the outstanding loans with the Krung Thai Bank Public Company Limited, loans for the PQI Project and loans for part of the construction of EURO IV Project and other projects relating to energy.
- Baht 7,234 million short-term loan for the operation.

There were expenses relating to the new loans acquisition as the following:

1. Fee for loan early retirement and fee for loan facility cancellation of the former loan amounting to Baht 174.79 million were recorded as expenses in this period.
2. Amortization of the deferred charge of the former loan facility to expenses amounting to Baht 67.69 million.
3. Expenses of the new loans acquisition of Baht 129.87 million were recorded as deferred charge.

The benefits which the company will gain from the new loans are as follow;

1. The extension of repayment period of the loans from 7 years to 9 years and the lower amount of the repayments during the early stage of the loans which increase the liquidity and the opportunity for reinvestment for the Company.
2. Benefit from Interest saving of the new loans which the interest rate was altered from the Minimum Loan Rate (MLR) to Thai Baht Fix rate (THBFIX).
3. Increase of the ability of financial cost risk management of the Company through use of different financial instruments.
4. The Company has pledged its assets such as land, buildings, machinery, equipment and the leasehold right of the state-owned land as the collaterals for the loans. The Company may release the pledged assets 6 months after the PQI Project passes the performance test agreed with the banks. Furthermore, there are conditions that allow the Company to source additional investments or loans for future projects.

The loan agreement contains certain covenants and restrictions pertaining to, the maintenance of a certain debt to equity ratio, debt service coverage ratio and current ratio.

19.2 Convertible debentures

On January 29, 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 form part of the financial restructuring plan, approved by the cabinet on July 8, 2003; in which offerings are made to investing institution in the form of depository receipt against benefits derived from the convertible debentures. The issuance of the depository receipt is 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 offers to buy back the depository receipts 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 commences on June 30, 2004 and ends on September 30, 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures.

On May 16, 2006, the Company issued 58,560 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 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 September 30, 2008, the convertible debentures holders exercised the right by redeem 182,405 units of convertible debentures, the balance on convertible debentures was 276,155 units.

20. OTHER CURRENT LIABILITIES - OTHERS

As at September 30, 2008 and December 31, 2007, Other current liabilities - others consist of:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Other accounts payable	798.70	143.27	792.96	136.62
Deposit & Retention	599.19	185.10	599.19	185.10
Current portion of long-term debt	57.66	61.96	57.66	61.96
Others	79.17	75.11	98.90	72.57
Total	1,534.72	465.44	1,548.71	456.25

21. ISSUED AND PAID – UP SHARE CAPITAL

On May 16, 2006, the Company issued 428,092,940 units of ordinary shares, Par Value of Baht 1.00 per share, Offered price of Bath 14 per share, and have already paid-up in full amount of Baht 5,993,301,160. As at September 30, 2008, the issued and paid-up share capital is amounting to Baht 1,119,132,050.

22. CAPITAL SURPLUS ON REGISTERED AND PAID-UP SHARE REDUCTION

On July 6, 2004, the Company has registered with the Ministry of Commerce, the reduction in the Company's registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. so as to be consistent with the number of "Depository Receipts of BCP's Ordinary Shares (DR)" which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback .The Company also received approval to transfer the proceeds from the said share reduction of Baht 189,617,759 to the account, Capital Surplus on Registered and Paid-Up Share Reduction.

23. WARRANTS

23.1 On August 25, 2004, the Company allotted, free of charge, 24 million units of warrants for the purchase of Ordinary Shares by the Company's director, management and employees and The Bangchak Green Net Co., Ltd. (ESOP) and people to whom buying rights have been transferred.

The warrant has a 5-year duration and is exercisable on a quarterly basis at one warrant per one ordinary share, at the price of Baht 5 per share. The conditions are as follows.

23.1.1 45% of the total allotted warrants is exercisable on the first year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 21 or higher, over a continuous period of 5 days.

23.1.2 25% of the total allotted warrants is exercisable on the second year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 23 or higher, over a continuous period of 5 days.

23.1.3 30% of the total allotted warrants is exercisable on the third year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 25 or higher, over a continuous period of 5 days.

23.2 On May 15, 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 April 20, 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 18.00 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 September 30, 2006, and the last exercise date shall be at the end of term of warrants, which is on May 14, 2011.

As of September 30, 2008, the warrants (BCP-W1) holders exercised the right by redeem 60,000 warrants, the balance of the warrants (BCP-W1) was 69,032,486 warrants.

24. SALES

Sales revenue for the nine-month period ended September 30, 2008 and 2007 are as follows:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Sales revenue from fuel products	106,495.14	67,051.42	105,706.17	66,380.55
Income from investment charge	32.31	34.52	94.94	90.01
Total	106,527.45	67,085.94	105,801.11	66,470.56

25. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the nine-month period ended September 30, 2008 and 2007 are as follows:

	Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
Realized gain (loss) from foreign exchange fluctuations	(122.10)	(63.44)	(122.10)	(63.44)
Unrealized gain(loss) from foreign exchange fluctuations	(21.10)	(22.63)	(21.10)	(22.63)
Total	(143.20)	(86.07)	(143.20)	(86.07)

26. INTEREST EXPENSE

Total interest expense for the nine-month period ended September 30, 2008 is Baht 852.17 million, of which Baht 154.40 million is recorded as cost of work in progress and Baht 697.77 million as expense.

27. EARNINGS PER SHARE

The calculation of basic earnings per share and diluted earnings per share for the nine-month period ended September 30, 2008 and 2007 are as follows:

	Million Baht							
	Basic Earnings per Share				Diluted Earnings per Share			
	Consolidated Financial Statements		Separate Financial Statements		Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007	2008	2007	2008	2007
Net income attributable to ordinary shareholders	2,447.71	1,346.48	2,439.19	1,289.28	2,447.71	1,346.48	2,439.19	1,289.28
Adjustment of net income	-	-	-	-	36.26	35.44	36.26	35.44
Net income for the calculation of earning per share	2,447.71	1,346.48	2,439.19	1,289.28	2,483.97	1,381.92	2,475.45	1,324.72
Weighted average number of ordinary shares for the calculation of earnings per share (million shares)	1,119.13	1,119.11	1,119.13	1,119.11	1,313.12	1,313.10	1,313.12	1,313.10
Earnings per share (Baht/ share)	2.19	1.20	2.18	1.15	1.89	1.05	1.89	1.01

The calculation of basic earnings per share and diluted earnings per share for the three-month period ended September 30, 2008 and 2007 are as follows:

	Million Baht							
	Basic Earnings per Share				Diluted Earnings per Share			
	Consolidated Financial Statements		Separate Financial Statements		Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007	2008	2007	2008	2007
Net income attributable to ordinary shareholders	(251.59)	507.78	(220.34)	497.95	(251.59)	507.78	(220.34)	497.95
Adjustment of net income	-	-	-	-	12.32	11.82	12.32	11.82
Net income for the calculation of earning per share	(251.59)	507.78	(220.34)	497.95	(239.27)	519.60	(208.02)	509.77
Weighted average number of ordinary shares for the calculation of earnings per share (million shares)	1,119.13	1,119.11	1,119.13	1,119.11	1,313.12	1,313.10	1,313.12	1,313.10
Earnings per share (Baht/ share)	(0.22)	0.45	(0.20)	0.44	(0.22)	0.40	(0.20)	0.39

28. CONTINGENT LIABILITIES AND COMMITMENTS**28.1 Liabilities on guarantees**

As at September 30, 2008, the Company's total liabilities in the form of bank guarantees is amounted to Baht 387.40 million. These guarantees are mainly to cover bank guarantee for Corporate Income Tax refund, land lease agreement and electricity usage.

28.2 Litigation

As at September 30, 2008, the Company has litigation as follows:

28.2.1 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. The civil court dismissed the case on April 30, 2003 and now is being appealed with the appeal court.

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

28.2.3 An international crude oil carrier hired by the Company has claimed to the Company for a damage caused by a crude oil lighter hired by the Company amounting to USD. 0.22 million equivalent to Baht 7.37. Presently, the dispute is under the consideration of an arbitrator. The Company's Legal Office has its opinion that the Company will win the dispute.

28.3 Commitments

As at September 30, 2008, the Company has commitments as follows:

28.3.1 The Company has entered into 15.79 million barrels oil price hedging contracts with foreign oil traders for oil price of period from October 2008 to December 2009.

28.3.2 The Company has foreign currency buying forward contracts cover the period to June 2009 amounting to USD. 94.78 million equivalent to Baht 3,224.03 million and selling forward contracts cover the period to December 2008 amounting to USD. 284.16 million equivalent to Baht 9,689.99 million. 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. 7 million in 2009, USD. 69 million in 2009 and USD. 52 million in 2010 respectively.

28.3.3 The Company applies the financial instrument to manage the risk for PQI Project as follows:

28.3.3.1 Buying forward contracts cover the period to April 2009 amounting to USD. 34.11 million which is equivalent to Baht 1,163.01 million.

28.3.3.2 Buying Interest Rate Swap contracts amounting to Baht 7,000 million. The contract ends 31 December 2008

28.3.4 The Company has entered into an interest rate swap contract for a loan agreement for the Company's operation with a total facility of Baht 3,000 million. The Interest Rate Swap contracts ends on June 30, 2013.

28.3.5 The Company has entered into a cross currency swap contract for part of a loan that exchange Baht for US Dollar amounting to US Dollar 200 million. The contract is effective as from January 1, 2009 to June 30, 2013.

28.3.6 The Company has entered into subscription agreements with PTT as follows:

28.3.6.1 Feedstock Supply Agreement, to enhance the Company's feedstock supply, which PTT will supply crude oil and other feedstocks for the refinery. The agreement has been effective since May 16, 2006 and shall be in effect for an initial period of twelve years after PQI's commercial operation date (COD).

28.3.6.2 Product Offtake Agreement, to accommodate the additional production outputs from the PQI project. PTT will purchase 30% of refined petroleum products (not include aviation fuel and fuel oil) from the refinery. This agreement shall be in effect for an initial period of twelve years after PQI's commercial operation date (COD).

28.3.6.3 On February 25, 2008, the Company has signed a Head of Agreement of "Cogeneration Project" with PTT which PTT 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 is anticipated that the completion of the construction of the power plant and the commencement of its commercial operation will be around mid of 2009.

28.3.7 The Company has obligations to pay rental charges of service station lease agreements for the periods as follows:

	Million Baht
Not exceed 1 year	59.92
Over 1 year but not exceed 5 years	259.75
Over 5 years	289.94
Total	<u>609.61</u>

28.4 The Company has utilized 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" which the Company has paid its 2006 corporate income tax about Baht 40 million less than the case that the Company chose not to utilize the tax privilege. The Revenue Department is examining the Company's application for 2006 corporate income tax refund. The Company believes that the utilization of such tax privilege is fully in accordance with the announcement mentioned above.

29. DISCLOSURE FOR FINANCIAL INSTRUMENTS

29.1 Risk from foreign exchange rate

The Company faces the risk in foreign exchange rates as the Company's cost of goods and revenue are tied to US Dollar. The essentially major costs are crude and oil products imported from overseas in US Dollar. The selling price in Thai Baht is derived from the oil product prices in Singapore market in US Dollar multiplied by the exchange rates of US Dollar against Thai Baht on the selling date. To safeguard against risk from the fluctuation of foreign exchange, the Company applies the financial instrument to manage the risk by entering into forward contracts on foreign exchange.

29.2 Risk from interest rate

The interest rate risk depends on the fluctuation of the interest rates in the financial market in the future, which could impact on the Company's operations and its cash flows. However, the Company has applied financial instruments to manage the risk by entering into Interest Rate Swap contracts.

29.3 Risk from product oil price in the global market

Over 90% of the Company's cost is related to oil. The price of crude oil and finished oil products will fluctuate in accordance with the buying and selling price in the global market. The price of crude oil against each purchase is based on the average benchmark price in the month of delivery. Purchases of finished oil products are based on the Singapore market price at the time of delivery. From the time of crude transfers to the sale of finished products to customers takes two to three-month. As such, there is the risk arising from price fluctuation due to the timing difference. There is also the risk in the inventory value at the end of the accounting period being lower than the beginning period. In order to safeguard against such risks, the Company has established a risk management committee to monitor oil purchases, to assess situations and the trend in prices. The committee establishes policies related to oil purchases, inventory level and also the instruments for managing risks in the market. The Company also enters into hedging contracts with oil traders to minimize the risk from price fluctuation.

29.4 Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to the Company. However, since the Company currently sells its products to creditworthy customers and applies systematic credit control procedures on its credit sales approval process, it does not anticipate any material problem in collecting its debts. The concentration of credit risk with respect to trade receivable is limited as company debtors are spread over different type of businesses.

The carrying amount of accounts receivable recorded as shown in the balance sheets, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

29.5 Fair value

The management believes that the fair value of the Company's financial assets and liabilities does not materially differ from their carrying value.

30. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statements of income of the Company segmented by types of business for the nine-month period ended September 30, 2008 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	104,243.61	68,319.75	(66,762.26)	105,801.10
Cost of sales	(98,251.65)	(67,263.55)	66,762.26	(98,752.94)
Gross margin	5,991.96	1,056.20	-	7,048.16
Selling and administrative expenses	(376.68)	(963.91)	-	(1,340.59)
Other incomes (expenses)	(1,438.62)	96.51	-	(1,342.11)
Depreciation and amortization	(20.22)	(321.04)	-	(341.26)
EBIT	4,156.44	(132.24)	-	4,024.20
Gain (loss) from impairment				31.49
Gain (loss) from foreign exchange fluctuations of others				25.26
Interest-net				(647.36)
Income tax				(994.40)
Net (loss) profit				2,439.19
EBITDA	4,458.43	188.81	-	4,647.24

The statements of income of the Company segmented by type of business for the three-month period ended September 30, 2008 are as follows:

	Million Baht			Total
	Refinery	Marketing	Elimination	
Sales	35,747.60	21,930.19	(20,808.15)	36,869.64
Cost of sales	(34,980.71)	(20,982.64)	20,808.15	(35,155.20)
Gross margin	766.89	947.55	-	1,714.44
Selling and administrative expenses	(121.78)	(318.76)	-	(440.54)
Other incomes (expenses)	(1,081.58)	30.11	-	(1,051.47)
Depreciation and amortization	(7.30)	(107.64)	-	(114.94)
EBIT	(443.77)	551.26	-	107.49
Gain (loss) from impairment				-
Gain (loss) from foreign exchange fluctuations of others				(22.26)
Interest-net				(407.46)
Income tax				101.89
Net (loss) profit				(220.34)
EBITDA	(335.43)	658.91	-	323.48

31. Dividends

At the Company's ordinary shareholders' meeting held on April 25, 2008, the shareholders unanimously approved the distribution of cash dividends for the year ended December 31, 2007 at Baht 0.30 per share for 1,119,132,050 ordinary shares, amounting to Baht 335,739,615 and was paid in May 2008.

32. ACCOUNT RECLASSIFICATION

The Company has reclassified certain items in the financial statements for the year ended December 31, 2007 to comply with the financial statements for the nine-month period ended September 30, 2008.

33. THE APPROVAL FOR ISSUE OF THE FINANCIAL STATEMENTS

The interim financial statements have been approved by the designated management to issue on November 6, 2008.