

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
AND
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

EXPRESSED IN
THAI BAHT

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

To the Shareholders of The Bangchak Petroleum Public Company Limited

I have audited the consolidated balance sheets of The Bangchak Petroleum Public Company Limited and its subsidiary as of December 31, 2006 and 2005, and the related consolidated statements of changes in shareholders' equity, income and cash flows for the years then ended. I have also audited the 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bangchak Petroleum Public Company Limited and its subsidiary and of The Bangchak Petroleum Public Company Limited as of December 31, 2006 and 2005, the results of their operations, and cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualify opinion to the above financial statement, we draw attention to note 2.4 to the financial statement, that the Company and its subsidiary have changed the cost calculation method of finished petroleum products and crude oil from first-in, first-out to weighted average by restated approach effected from July 1st 2006, to conform with the accounting policies of The PTT Public Company Limited which enter into the Company's major shareholder. The change of the accounting policy has effected the inventories balances in the consolidated financial statements as of December 31, 2006 and 2005 by the increased amount of Baht 533.67 million and Baht 34.79 million respectively and the inventories balances in the company only financial statements as of December 31, 2006 and 2005 by the increased amount of Baht 534.70 million and Baht 38.85 million respectively. The retained earnings in the consolidated and company only financial statements as of January 1st, 2006 have equally increased by the amount of Baht 23.13 million. The retained earnings in the consolidated and

company only financial statements as of January 1st, 2005 have equally decreased by the amount of Baht 8.74 million. Net income in the consolidated and company only financial statements for the year ended December 31st 2006 have equally increased by the amount of Baht 373.57 million. Net income in the consolidated and company only financial statements for the year ended December 31st 2005, have equally increased by the amount of Baht 31.87 million.

(KESREE NARONGDEJ)
Certified Public Accountant
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 12, 2007

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2006

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST	As of 31 ST	As of 31 ST	As of 31 ST
		December	December	December	December
		2006	2005	2006	2005
			(Restated)		(Restated)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	2,705,239,667	1,753,014,138	2,599,184,005	1,560,773,205
Short term investment	5	4,085,050,172	-	4,045,039,044	-
Trade accounts receivable - net					
Related parties	3.1	134,844,697	691,389,881	518,227,452	1,087,835,835
Other parties	6	2,635,075,653	2,929,177,371	2,609,982,213	2,910,916,725
Inventories - net	7	8,875,290,581	10,973,982,258	8,640,364,911	10,710,059,243
Other current assets					
Material and Supplies - net	8	330,044,336	327,785,886	330,044,336	327,785,886
Oil Fund Subsidies Receivable		127,657,672	433,002,973	127,657,672	433,002,973
Others		233,495,053	524,159,047	227,488,549	506,585,345
Total Current Assets		19,126,697,831	17,632,511,554	19,097,988,182	17,536,959,212
NON-CURRENT ASSETS					
Investments for using the equity method	1.3,3.2	4,388,414	4,388,414	-	9,592,942
Other long-term investments	9	3,837,291	3,820,188	2,937,291	2,920,188
Tariff prepayment - net	10	16,963,830	24,071,580	16,963,830	24,071,580
Property, plant and equipment - net	11	15,693,094,880	13,898,444,836	15,687,047,894	13,893,227,213
Intangible assets - net	12	1,337,371,120	1,402,770,290	1,335,411,435	1,402,770,290
Investment in service station - net	13	429,929,700	484,642,740	429,929,700	484,642,740
Other non-current assets					
Deferred income tax assets	14	228,099,928	102,856,153	228,099,928	102,856,153
Others	15	745,301,804	744,736,485	742,548,876	741,984,903
Total Non-Current Assets		18,458,986,967	16,665,730,686	18,442,938,954	16,662,066,009
TOTAL ASSETS		37,585,684,798	34,298,242,240	37,540,927,136	34,199,025,221

The accompanying notes to 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

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST	As of 31 ST	As of 31 ST	As of 31 ST
		December	December	December	December
		2006	2005	2006	2005
			(Restated)		(Restated)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	16,17.1	1,200,000,000	2,000,000,000	1,200,000,000	2,000,000,000
Trade accounts payable					
Related parties	3.3	3,142,620,832	2,925,923,282	3,144,782,134	2,928,892,924
Other parties		1,051,626,465	2,614,995,407	1,000,678,301	2,549,193,432
Current portion of long-term loans	17	1,285,000,000	318,750,000	1,285,000,000	318,750,000
Other current liabilities					
Accrued excise tax and oil stabilization fund		291,175,607	297,262,676	291,175,607	297,262,676
Accrued corporate income tax		-	265,349,750	-	260,950,194
Accrued expenses		345,608,801	446,515,234	322,322,008	430,895,663
Others	12	486,344,853	441,849,702	483,061,024	438,281,558
Total Current Liabilities		<u>7,802,376,558</u>	<u>9,310,646,051</u>	<u>7,727,019,074</u>	<u>9,224,226,447</u>
NON-CURRENT LIABILITIES					
Long-term loans	17	10,242,815,428	11,160,960,000	10,242,815,428	11,160,960,000
Other non-current liabilities					
Liabilities on long-term lease	12	505,662,502	551,631,820	505,662,502	551,631,820
Liabilities on service stations leasehold right		12,578,498	29,551,575	12,578,498	29,551,575
Reserve for pension fund		295,804,368	257,577,704	295,804,368	257,577,704
Deferred income tax liabilities	14	26,170,959	29,442,329	26,170,959	29,442,329
Others		51,592,994	65,024,807	39,619,989	52,737,392
Total Non-Current Liabilities		<u>11,134,624,749</u>	<u>12,094,188,235</u>	<u>11,122,651,744</u>	<u>12,081,900,820</u>
Total Liabilities		<u>18,937,001,307</u>	<u>21,404,834,286</u>	<u>18,849,670,818</u>	<u>21,306,127,267</u>

The accompanying notes to 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

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST	As of 31 ST	As of 31 ST	As of 31 ST
		December	December	December	December
		2006	2005	2006	2005
			(Restated)		(Restated)
SHAREHOLDERS' EQUITY					
Share Capital - Par Value Baht 1.00 per share					
Authorized share capital					
		1,531,643,461	1,531,643,461	1,531,643,461	1,531,643,461
Common share 1,531,643,461 shares					
Issued and paid - up share capital					
	18	1,119,096,351	-	1,119,096,351	-
Common share 1,119,096,351 shares in 2006 and					
		-	687,481,908	-	687,481,908
Common share 687,481,908 shares in 2005					
Capital Surplus					
		7,504,729,149	1,951,157,333	7,504,729,149	1,951,157,333
Premium on share capital					
	19	189,617,759	189,617,759	189,617,759	189,617,759
Capital surplus on registered and paid-up share reduction					
		4,283,181,275	4,502,376,960	4,283,181,275	4,502,376,960
Surplus on fixed assets revaluation					
Retained earning (deficit)					
		153,164,346	153,164,346	153,164,346	153,164,346
Appropriated – legal reserve					
		5,398,384,611	5,409,099,648	5,441,467,438	5,409,099,648
Unappropriated					
		18,648,173,491	12,892,897,954	18,691,256,318	12,892,897,954
Total Equity of Parent Company's Shareholders					
		510,000	510,000	-	-
Minority interests					
		18,648,683,491	12,893,407,954	18,691,256,318	12,892,897,954
Total Shareholders' Equity					
		37,585,684,798	34,298,242,240	37,540,927,136	34,199,025,221
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					

The accompanying notes to 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 YEAR ENDED DECEMBER 31, 2006 AND 2005

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
	Notes	2006	2005	2006	2005
REVENUES			(Restated)		(Restated)
Sales	21	94,269,873,360	85,869,953,568	93,538,667,989	85,035,235,365
Other incomes					
Interest income		176,556,635	20,436,454	171,750,103	19,657,690
Gain from foreign exchange	22	119,859,177	-	119,859,177	-
Gain from crude oil and product oil price hedging contract	25.3	681,505,796	537,069,545	681,505,796	537,069,545
Reversal of loss from Inventory write - down		59,005	287,853,112	59,005	287,853,112
Gain from assets disposal		420,951	-	-	-
Loss adjustment from impairment of assets		4,482,408	7,174,371	4,482,408	7,174,371
Others		122,023,289	93,228,555	83,531,886	50,315,123
Share of gains from investments for using the equity method		-	-	-	13,011,267
Total Revenues		95,374,780,621	86,815,715,605	94,599,856,364	85,950,316,473
EXPENSES					
Cost of sales		92,148,406,051	80,573,882,779	91,721,815,757	80,106,432,303
Selling and administrative expenses		2,009,938,172	2,010,467,105	1,611,850,362	1,621,682,133
Other expenses					
Depreciation		301,376,653	295,809,107	298,507,222	292,986,630
Directors' remuneratiorn		14,920,000	5,080,500	14,890,000	5,040,500
Loss from Inventory write - down		54,510,520	59,005	54,510,520	59,005
Loss from foreign exchange	22	-	26,293,254	-	26,293,254
Loss from crude oil and product oil price hedging contract		-	3,505,033	-	3,505,033
Loss from assets disposal		11,796,596	4,506,616	11,796,596	4,436,970
Loss from impairment of assets		459,194	-	459,194	-
Share of losses from investment for using the equity method		-	8,682	9,592,942	-
Total Expenses		94,541,407,186	82,919,612,081	93,723,422,593	82,060,435,828
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		833,373,435	3,896,103,524	876,433,771	3,889,880,645
Interest expenses	23	(744,938,400)	(639,495,872)	(744,938,400)	(639,495,872)
Income tax	14	107,116,991	(297,933,014)	107,116,991	(291,977,853)
PROFIT (LOSS) AFTER INCOME TAX		195,552,026	2,958,674,638	238,612,362	2,958,406,920
MINORITY INTERESTS		(22,491)	(81,600)	-	-
NET PROFIT (LOSS)		195,529,535	2,958,593,038	238,612,362	2,958,406,920
BASIC EARNING PER SHARE	24				
Earning per share (Baht)		0.20	4.40	0.25	4.40
Number of weighted average shares (shares)		959,703,294	671,886,687	959,703,294	671,886,687
DILUTED EARNING PER SHARE	24				
Earning per share (Baht)		0.20	3.57	0.25	3.57
Number of weighted average shares (shares)		1,138,717,261	843,143,449	1,138,717,261	843,143,449

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

(Signed) General Tawat Ked-Unkooor

(General Tawat Ked-Unkoon)

Chairman

(Signed) Anusorn Sangnimnuan

(Anusorn Sangnimnuan)

President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

		BAHT							
Note	Issue 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)		Minority interests	Total	
					Appropriated legal reserve	Unappropriated (Restated)		(Restated)	
	Beginning balance as at January 1, 2005	660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,696,777	540,997	9,780,805,347
2.4	Accumulative amount from changing in accounting policy	-	-	-	-	-	(8,740,167)	-	(8,740,167)
	Beginning balance after adjustment	660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,516,956,610	540,997	9,772,065,180
	Share capital increase from redemption of convertible debentures	26,922,373	-	-	-	-	-	-	26,922,373
	Premium on share capital from redemption of convertible debentures	-	358,067,627	-	-	-	-	-	358,067,627
	Transaction not recognised in the income statement								
	- Depreciation on the fixed assets revaluation	-	-	-	(222,209,267)	-	-	-	(222,209,267)
	Adjusted from minority shareholder	-	-	-	-	-	-	(30,997)	(30,997)
	Dividend payment for preferred stock	-	-	-	-	-	-	(81,600)	(81,600)
	Legal reserve	-	-	-	-	66,450,000	(66,450,000)	-	-
	Net profit (loss)	-	-	-	-	-	2,958,593,038	81,600	2,958,674,638
	Ending balance as at December 31, 2005	<u>687,481,908</u>	<u>1,951,157,333</u>	<u>189,617,759</u>	<u>4,502,376,960</u>	<u>153,164,346</u>	<u>5,409,099,648</u>	<u>510,000</u>	<u>12,893,407,954</u>
	Beginning balance as at January 1, 2006	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	510,000	12,870,274,075
2.4	Accumulative amount from changing in accounting policy	-	-	-	-	-	23,133,879	-	23,133,879
	Beginning balance after adjustment	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,409,099,648	510,000	12,893,407,954
18	Issued and Paid-up share capital	428,117,940	-	-	-	-	-	-	428,117,940
	Premium on share capital	-	5,507,068,319	-	-	-	-	-	5,507,068,319
	Share capital increase from redemption of convertible debentures	3,496,503	-	-	-	-	-	-	3,496,503
	Premium on share capital from redemption of convertible debentures	-	46,503,497	-	-	-	-	-	46,503,497
	Transaction not recognised in the income statement								
	- Depreciation on the fixed assets revaluation	-	-	-	(219,195,685)	-	-	-	(219,195,685)
	Dividend payment for preferred stock	-	-	-	-	-	-	(22,491)	(22,491)
28	Dividend paid	-	-	-	-	-	(206,244,572)	-	(206,244,572)
	Net profit (loss)	-	-	-	-	-	195,529,535	22,491	195,552,026
	Ending balance as at December 31, 2006	<u>1,119,096,351</u>	<u>7,504,729,149</u>	<u>189,617,759</u>	<u>4,283,181,275</u>	<u>153,164,346</u>	<u>5,398,384,611</u>	<u>510,000</u>	<u>18,648,683,491</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THE COMPANY ONLY
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	Note	BAHT					Total	
		Issue 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
					(Restated)	(Restated)		
Beginning balance as at January 1, 2005		660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,882,895	9,780,450,468
Accumulative amount from changing in accounting policy	2.4	-	-	-	-	-	(8,740,167)	(8,740,167)
Beginning balance after adjustment		660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,517,142,728	9,771,710,301
Share capital increase from redemption of convertible debentures		26,922,373	-	-	-	-	-	26,922,373
Premium on share capital from redemption of convertible debentures		-	358,067,627	-	-	-	-	358,067,627
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation		-	-	-	(222,209,267)	-	-	(222,209,267)
Legal reserve		-	-	-	-	66,450,000	(66,450,000)	-
Net profit (loss)		-	-	-	-	-	2,958,406,920	2,958,406,920
Ending balance as at December 31, 2005		<u>687,481,908</u>	<u>1,951,157,333</u>	<u>189,617,759</u>	<u>4,502,376,960</u>	<u>153,164,346</u>	<u>5,409,099,648</u>	<u>12,892,897,954</u>
Beginning balance as at January 1, 2006		687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	12,869,764,075
Accumulative amount from changing in accounting policy	2.4	-	-	-	-	-	23,133,879	23,133,879
Beginning balance after adjustment		687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,409,099,648	12,892,897,954
Issued and Paid-up share capital	18	428,117,940	-	-	-	-	-	428,117,940
Premium on share capital		-	5,507,068,319	-	-	-	-	5,507,068,319
Share capital increase from redemption of convertible debentures		3,496,503	-	-	-	-	-	3,496,503
Premium on share capital from redemption of convertible debentures		-	46,503,497	-	-	-	-	46,503,497
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation		-	-	-	(219,195,685)	-	-	(219,195,685)
Dividend paid	28	-	-	-	-	-	(206,244,572)	(206,244,572)
Net profit (loss)		-	-	-	-	-	238,612,362	238,612,362
Ending balance as at December 31, 2006		<u>1,119,096,351</u>	<u>7,504,729,149</u>	<u>189,617,759</u>	<u>4,283,181,275</u>	<u>153,164,346</u>	<u>5,441,467,438</u>	<u>18,691,256,318</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	B A H T				
	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005 (Restated)	2006	2005 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES :					
Net profit (loss)		195,529,535	2,958,593,038	238,612,362	2,958,406,920
Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities:					
Depreciation		649,803,560	611,444,063	646,934,130	608,621,586
Bad debt and doubtful debts		12,146,125	338,530	7,037,698	(565,916)
Amortization		210,916,623	187,809,305	210,800,969	187,809,305
Loss (gain) from foreign exchange	22	50,969,973	(9,417,823)	50,969,973	(9,417,823)
Loss (Gain) from assets impairment		(4,023,215)	(3,669,338)	(4,023,215)	(3,669,338)
Deferred income tax	14	(128,515,145)	(11,712,181)	(128,515,145)	(11,712,181)
Loss (gain) from fixed assets disposal		12,215,648	4,506,616	11,794,697	4,436,970
Reserve for pension fund		38,226,664	42,855,442	38,226,664	42,855,442
Deferred revenue		(1,237,159)	959,084	(1,237,159)	959,084
Loss (gain) from investments for using the equity method		-	38,706	9,592,942	(13,011,267)
Minority interests		22,491	50,603	-	-
Operating gain before changes in operating assets and liabilities:		1,036,055,100	3,781,796,045	1,080,193,916	3,764,712,782
Operating assets (increase), decrease					
Trade accounts receivable		900,169,983	(381,531,197)	911,148,654	(329,379,045)
Inventories		2,098,691,677	(866,858,909)	2,069,694,332	(771,161,200)
Other current assets		132,301,658	825,852,218	134,760,208	821,532,015
Operating liabilities increase, (decrease)					
Trade accounts payable		(1,346,497,619)	(2,109,826,755)	(1,332,452,149)	(2,108,311,672)
Other current liabilities:		(421,272,266)	323,108,788	(424,255,615)	323,824,289
Other non - current liabilities:		(12,211,755)	373,060	(11,897,347)	(394,619)
Net Cash Provided by (Used in) Operating Activities:		2,387,236,778	1,572,913,250	2,427,191,999	1,700,822,550

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

B A H T

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
			(Restated)		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES :					
Decrease(increase) in temporary investments:		(4,085,050,172)	-	(4,045,039,044)	-
Decrease(increase) in long-term investments:		7,107,750	6,353,463	7,107,750	10,780,583
Decrease(increase) in long-term loans to related parties:		-	1,100,000	-	-
Acquisition in property, plant and equipment:		(2,295,867,741)	(734,046,380)	(2,291,747,996)	(733,266,778)
Proceeds from sales of property, plant and equipment:		21,569,067	9,082,231	21,569,067	9,082,232
Decrease(increase) in intangible assets:		(42,996,081)	(60,194,498)	(40,920,741)	(60,194,498)
Decrease(increase) in other non-current assets:		(66,798,696)	(198,423,560)	(66,797,350)	(204,700,741)
Net Cash Provided by (Used in) Investing Activities		(6,462,035,873)	(976,128,744)	(6,415,828,314)	(978,299,202)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase(decrease) in bank overdrafts and short-term loans from financial institutions:		(800,000,000)	-	(800,000,000)	-
Proceeds from long-term loans:		623,100,000	700,000,000	623,100,000	700,000,000
Payment of long-term loans:		(524,994,572)	(1,756,250,000)	(524,994,572)	(1,756,250,000)
Dividend paid:		(206,244,572)	-	(206,244,572)	-
Dividend payment for preferred stock:		(22,491)	(81,600)	-	-
Proceeds from issued and paid-up shares capital:		428,117,940	-	428,117,940	-
Proceeds from premium on shares capital:		5,507,068,319	-	5,507,068,319	-
Net Cash Provided by (Used in) Financing Activities		5,027,024,624	(1,056,331,600)	5,027,047,115	(1,056,250,000)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		952,225,529	(459,547,094)	1,038,410,800	(333,726,652)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		1,753,014,138	2,212,561,232	1,560,773,205	1,894,499,857
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	2,705,239,667	1,753,014,138	2,599,184,005	1,560,773,205
Cash paid during the periods for					
Interest expenses		732,541,130	752,138,411	732,541,130	752,138,411
Income tax		618,019,203	30,493,815	616,037,049	30,874,214

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

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 December 31, 2006 and 2005, the company employed 827 and 757 employees respectively and the employees related expenses were Baht 576.28 million and Baht 583.61 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 December 31, 2006 and 2005, the company employed 1,652 and 1,860 employees respectively and the employees related expenses were Baht 189.04 million and Baht 195.40 million respectively.

1.2 Basis for preparation and presentation of financial statements

The financial statements of the company are prepared in accordance with the generally accepted accounting standards and presented in brief in accordance with the Department of Business Development announcement on September 14, 2001.

The company's consolidated financial statements incorporate the financial statements of The Bangchak Petroleum Public Company Limited and The Bangchak Green Net Co., Ltd., in which the company holds 49% share. 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	Holding and joint directors	49.00%
- The Retail Net Co., Ltd.	Manage BCP service station (Company is in self liquidation process)	Indirect holding and joint directors	48.66%
- The Bangchak Green Line Co., Ltd.	Fuel transportation. (Company is in self liquidation process)	Indirect holding and joint directors	49.00%
<u>Related companies</u> :			
- PTT Public Company Limited.*	Petroleum business	Holded and joint directors	-
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%
- Thai Oil Public Company Limited. *	Oil refinery	Related company of PTT	-
- Aromatics(Thailand)Public Co.,Ltd. *	Petrochemical	Related company of PTT	-
- Thai Lube Base Public Co.,Ltd. *	Lubrication base refinery	Related company of PTT	-

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. and The Retail Net 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 whereas The Retail Net Co., Ltd. is in the process of redemption of the capital and share of profit to The Bangchak Green Net Co., Ltd.

* Relationship has started since May 16, 2006.

1.4 Others.

The financial statements of above subsidiaries are prepared in accordance with generally accepted accounting standards for non-public company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Sales Revenue

Sales are recognized as revenue when delivery of goods has occurred.

Income from operating right

Income from operating right is recognized in accordance with the substance of the contract.

Interest income

Interest is recognized on a time proportion basis that takes into account the effective yield on the asset.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks and deposits at banks and financial institutions, which are due within 3 months.

2.3 Allowance for Doubtful Accounts

The allowance for doubtful accounts is set-up based on debts deemed uncollectible from debtors as judged from the current status of each account receivable.

2.4 Inventories

Finished petroleum products and crude oil are stated at the lower of cost determined by the weighted average basis or net realizable value. The Company and its subsidiary have changed the cost calculation method of finished petroleum products and crude oil from first-in, first-out to weighted average by restated approach effected from July 1 2006, to conform with the accounting policies of The PTT Public Company Limited which enter into the Company's major shareholder.

The change of the accounting policy has effected the inventories balances in the consolidated financial statements as of December 31, 2006 and 2005 by the increased amount of Baht 533.67 million and Baht 34.79 million respectively and the inventories balances in the company only financial statements as of December 31, 2006 and 2005 by the increased amount of Baht 534.70 million and Baht 38.85 million respectively. The retained earnings in the consolidated and company only financial statements as of January 1, 2006 have equally increased by the amount of Baht 23.13 million. The retained earnings in the consolidated and company only financial statements as of January 1, 2005 have equally decreased by the amount of Baht 8.74 million. Net income in the consolidated and company only financial statements for the year ended December 31, 2006 have equally increased by the amount of Baht 373.57 million. Net income in the consolidated and company only financial statements for the year ended December 31, 2005 have equally increased by the amount of Baht 31.87 million.

Lubrication oils are stated at the lower of cost determined by weighted average or net realizable value.

Consumer goods are stated at cost determined by weighted average or net realizable value.

2.5 Materials and Supplies

Materials and supplies are stated at cost determined by the weighted average less allowance for deterioration of materials and supplies.

2.6 Investments in Subsidiaries

Investments in subsidiaries, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All inter-company transactions, balances and unrealized gains (losses) on transactions between group companies have been eliminated.

Investments in subsidiaries (in the Company's financial statements) are stated at the equity method.

2.7 Other Long-Term Investments

Investments in non-marketable securities are treated as general investment and presented at cost less allowance for impairment of investment.

Investments in debt securities held-to-maturity are presented at amortized cost. The difference between cost and redemption value of an investment in debt securities is amortized by straight line over the remaining period of the investment, which is credited or changed to interest income and is added to or subtracted from the carrying amount of the securities.

2.8 Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and with allowance for cost on assets impairment.

The Company revalues assets every five years by an independent appraiser for machinery, equipment and refinery plants and platinum catalyst. The machinery, equipment and refinery plants comprised of boat piers, machinery and equipment in the refinery. Hence the mentioned assets are presented based on their revalued cost, less the accumulated depreciation. The incremental value from the revaluation is shown under Shareholders' Equity as "Surplus on fixed assets revaluation". Should the assets revalued be lower than their initial cost, the reduced value is charged against the surplus on fixed assets revaluation until that amount is fully depleted before booking the rest as expense in the profit and loss for that same accounting period.

Depreciation of buildings, machinery and equipment are computed on a straight-line method based on the estimated useful life of the assets. The details of which are as follows: -

<u>Type of Assets</u>	<u>No. of Year</u>
Building	20
Machinery, equipment and refinery plants	30
Equipment	5-20

Equipment with value of not over Baht 10,000 each and service station asset costing less than Baht 1,000 each are booked as expense in the period of purchase.

Expenditures on repairs or maintenance of buildings, machinery and equipment which extend the useful life of such assets or increase their capacity are recorded as capital expenditure. Whereas the maintenance and repair costs of buildings, machinery and equipment to have them perform to the standard level initially assessed are booked as expense in the period they occurred.

2.9 Borrowing Cost

Interest expenses incurred from loan, especially used for the construction of fixed assets, are booked as cost of assets until the assets are ready for their intended use. Such interest expenses are derived from the total amount of interests paid less the revenue earned from the loan temporary used as short-term investments.

Interest expense on loan for general purposes but partly used for the construction of fixed assets are capitalized. The capitalization of such interest is computed by multiplying the interest rate against the average assets costs during construction. Upon completion of the construction project, the interest cost is booked to expense.

2.10 Intangible Assets

Intangible assets consist of leasehold rights, license and development costs of computer software. They are presented at cost deducted by accumulated amortization.

Leasehold rights are the rights obtained from the land lease contracts, which are amortized on a straight-line method over the contractual period within 30 years.

License and development costs of computer software cover expenditures to enhance future economic benefit to the company of more than one year. They are amortized within five years on a straight-line basis.

2.11 Deferred Income Tax

The Company calculates the deferred income tax from the temporary differences between the net book value of the assets and their tax base in accordance with the International Accounting Standards No.12, "Income Taxes" (IAS No.12).

The temporary differences arise from the allowance for doubtful accounts, pension fund reserve, unutilized taxable losses carried-forward and accumulated depreciation of equipment.

2.12 Impairment of assets

The Company reviews the impairment of assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. The Company will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical.

The Company recognizes an impairment loss in the income statements whenever the carrying value of an asset exceeds its recoverable amount. The Company will reverse the impairment loss to other income whenever there is any indication that the impairment loss recognized may no longer exist or may have decreased.

2.13 Foreign Currencies

Foreign currency transactions are converted into Baht at the exchange rate on the date the transactions occur. The assets and liabilities in foreign currencies at the ending period are translated into Baht using the exchange rate as announced by the Bank of Thailand. Differences from foreign exchange translations are totally booked as income or expense.

Gains or losses resulting from debt repayment during the year are recorded as income or expense.

In cases where forward exchange contracts are made to minimize the risk exposure on foreign exchange of debts in foreign currency, the Company books the exchange rate based on the contract. The premium associated with this is amortized over the period of the contract.

2.14 Crude and Product Oil Price Hedging Contract

Selling and buying forward crude and product oil contracts are made to reduce the risk of changes in the oil price. The Company records the difference between the oil price in the contract and market price as income or expense when transactions occur.

2.15 Deferred Revenue

Deferred revenue, which represents the advance income from the lease of equipment and others, are amortized over the term of the contract.

2.16 Pension Fund Reserve

A 100% reserve is established at the end of each accounting year on pension amounts payable to all employees with years service of five years and over.

2.17 Legal Reserve

The Company sets up the appropriation for a legal reserve of at least 5% of its net profit, less accumulated deficit brought forward (if any), until the reserve is not less than 10% of the authorized share capital.

2.18 Registered Provident Fund

The Company established a contributory provident covering substantially all employees. Members are required to make monthly contribution to the fund at either 5% or 10% of the members' salaries depending on their choice and the Company is required to make monthly contribution at the same rate.

2.19 Earnings per Share

Earnings per share is calculated from the net profit (loss) divided by the weighted average of issued and paid-up share capital. Diluted earnings per share is calculated by dividing net earnings for the year, after adjusting the effect of transactions relating to dilute potential ordinary shares, by the total sum of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares to be issued for conversion of all diluted potential ordinary shares into ordinary shares.

3. RELATED PARTY TRANSACTION

The Company had certain accounting transactions with its subsidiary 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 subsidiary and related companies as at December 31, 2006 are as follows:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	383.38	396.45
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Companies</u>				
- PTT Public Company Limited.	76.52	674.00	76.52	674
- The Related Companies of PTT	58.33	17.39	58.33	17.39
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable -				
Related parties net	134.85	691.39	518.23	1,087.84

3.2 Investments for using the equity method

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				December 31, 2006		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	-	-

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				December 31, 2005		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	9.59	-

3.3 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	2.16	2.97
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Related Companies</u>				
- PTT Public Company Limited.	2,120.39	2,212.91	2,120.39	2,212.91
- The Related Companies of PTT	1,015.23	705.90	1,015.23	705.90
- Fuel Pipeline Transportation Ltd.	7.00	7.11	7.00	7.11
Total Account Payable				
- related parties	3,142.62	2,925.92	3,144.78	2,928.89

3.4 Transaction with related parties

Transaction with related parties for the year ended December 31, 2006 and 2005 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Revenue from sales of oil	12,600.23	19,009.12	23,727.48	28,654.26
Revenue from operating right	-	-	74.25	70.27
Revenue from sale promotion items	-	-	6.58	3.24
Cost of pipeline transportation	79.69	73.83	79.69	73.83
Crude and Product purchase	50,118.51	41,387.57	50,118.51	41,387.57
Terminal service	52.53	73.08	52.53	73.08

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

4. CASH AND CASH EQUIVALENTS

As at December 31, 2006 and 2005, Cash and cash equivalents consist of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Cash and deposits at Banks	* 2,705.24	1,753.01	* 2,599.18	1,560.77
Fixed deposit (maturity dates not longer than 3 months)	-	-	-	-
Total	2,705.24	1,753.01	2,599.18	1,560.77

* Included Banks deposits for PQI project amounting to Baht 800.12 million.

The Company entered into an agreement with financial institutions to pledge banks deposits as security for the credit facilities obtained from those financial institutions, as referred in Notes 17.1.

5. SHORT TERM INVESTMENT

As at December 31, 2006 and 2005, Cash and cash equivalents consists of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Fixed deposit	40.01	-	-	-
Fixed deposit for investment in PQI Project	** 4,045.04	-	** 4,045.04	-
Less Fixed deposit (maturity over 1 year)	-	-	-	-
Total	4,085.05	-	4,045.04	-

** Part of the above investment is the excess fund of the funding proceeds for Product Quality Improvement Project (PQI) by issuing common stocks and convertible debentures.

6. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES - NET

As at December 31, 2006 and 2005, Trade accounts receivable consist of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Trade accounts receivable - other parties	2,724.44	3,018.32	2,695.79	2,996.20
Less Allowance for doubtful accounts	(89.36)	(89.14)	(85.81)	(85.28)
Trade accounts receivable - other parties - net	2,635.08	2,929.18	2,609.98	2,910.92

As at December 31, 2006 and 2005, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2006	2005
Over than 3 months to 6 months	1.99	1.90
Over than 6 months to 12 months	6.50	2.83
Over than 12 months	85.67	83.53
Total	94.16	88.26

7. INVENTORIES - NET

As at December 31, 2006 and 2005, Inventories consist of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Crude oil	4,565.31	7,053.48	4,565.31	7,053.48
Finished oil product	4,311.17	3,568.11	4,129.56	3,368.79
Consumer product	56.09	66.97	-	-
<u>Less</u> Allowance for devaluation	(57.28)	285.42	(54.51)	287.79
Inventories – net	8,875.29	10,973.98	8,640.36	10,710.06

Inventories as at December 31, 2006 and 2005, are included petroleum legal reserve of 328.50 million liters approximated value Baht 4,843.45 Million and 342.81 million liters approximated value Baht 5,249.57 Million respectively.

The Company entered into an agreement with financial institutions to pledge legal reserved inventories as security for the credit facilities obtained from those financial institutions, as referred in Notes 17.1.

8. MATERIAL AND SUPPLIES - NET

As at December 31, 2006 and 2005, Material and supplies consist of:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Material and supplies	350.50	352.32	350.50	352.32
<u>Less</u> Allowance for obsolescence	(20.46)	(24.53)	(20.46)	(24.53)
Material and supplies - net	330.04	327.79	330.04	327.79

9. OTHER LONG-TERM INVESTMENTS

As at December 31, 2006 and 2005, Other long-term investments consist of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
<u>Investment in capital paper</u>				
- Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less</u> Allowance for impairment	(181.75)	(181.75)	(181.75)	(181.75)
Investment in capital paper – net	-	-	-	-
<u>Investment 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</u> Discount on investments	(0.06)	(0.08)	(0.06)	(0.08)
Total Investment in commercial paper	3.84	3.82	2.94	2.92
Total other long-term investments	3.84	3.82	2.94	2.92

On October 25, 2005, the Company invested in The Government's bond, B.E. 2547 no.4 which 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 spread over the duration period. During this year, the Company amortized the discount to be income amounting to Baht 17,102.64.

10 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 part of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statements as at December 31, 2006 shows an outstanding prepaid tariff balance of Baht 146.49 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 16.96 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, the Company write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. In 2005, it wrote-off the interest receivable set-up for the year 2002 of Baht 10.67 Million. And in 2006, it wrote-off the interest receivable set-up for the year 2003 of Baht 9.40 Million. As for the interest from January 1, 2004 to December 31, 2006 of Baht 25.42 million, the Company will consider the write-off on an annual basis and the Company has set up an allowance for doubtful debt of the whole amount.

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Million Baht							
	Consolidated							
	Land	Buildings	Machinery, equipment and refinery plants	Marketing and office equipment	Platinum Catalyst	Vehicles	Construction in progress	Total
Cost / Revaluation								
At January 1, 2006	1,353.55	511.86	23,146.22	3,777.35	322.70	138.17	653.12	29,902.97
Additions	-	-	-	1.55	-	1.76	2,947.09	2,950.40
Borrowing Cost	-	-	-	-	-	-	11.58	11.58
Disposals	-	(12.96)	(57.95)	(89.37)	-	(17.78)	(382.52)	(560.58)
Reclassification	6.50	3.62	298.14	73.43	-	3.80	(252.21)	133.28
At December 31, 2006	1,360.05	502.52	23,386.41	3,762.96	322.70	125.95	2,977.06	32,437.65
Accumulated depreciation :								
At January 1, 2006	-	(317.17)	(13,241.44)	(1,751.92)	-	(83.84)	-	(15,394.37)
Additions	-	(17.24)	(606.04)	(227.80)	-	(17.63)	-	(868.71)
Disposals	-	6.20	45.66	58.02	-	17.62	-	127.50
Reclassification	-	-	(0.03)	-	-	-	-	(0.03)
At December 31, 2006	-	(328.21)	(13,801.85)	(1,921.70)	-	(83.85)	-	(16,135.61)
Allowance for impairment								
At January 1, 2006	(573.58)	-	(0.56)	(36.02)	-	-	-	(610.16)
Reversal of loss on impairment of assets	4.55	-	-	(3.34)	-	-	-	1.21
At December 31, 2006	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Property, plant and equipment - net								
At January 1, 2006	779.97	194.69	9,904.22	1,989.41	322.70	54.33	653.12	13,898.44
At December 31, 2006	791.02	174.31	9,584.00	1,801.90	322.70	42.10	2,977.06	15,693.09
Depreciation included in income statements for the years ended :								
2005								611.44
2006								649.80
Cost								
At December 31, 2005	1,353.55	511.86	13,058.23	3,777.35	134.57	138.17	653.12	19,626.85
Add (Less) : Reclassification	6.50	(9.34)	240.19	(14.39)	-	(12.22)	2,323.94	2,534.68
Less : Accumulated depreciation	-	(328.21)	(7,815.06)	(1,921.70)	-	(83.85)	-	(10,148.82)
Less : Allowance for impairment	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
At December 31, 2006	791.02	174.31	5,482.80	1,801.90	134.57	42.10	2,977.06	11,403.76
Appraisal Surplus								
At December 31, 2005	-	-	10,087.98	-	188.13	-	-	10,276.11
Less : Accumulated depreciation	-	-	(5,986.78)	-	-	-	-	(5,986.78)
At December 31, 2006	-	-	4,101.20	-	188.13	-	-	4,289.33

	Million Baht							
	The Company Only							
	Land	Buildings	Machinery, equipment and refinery plants	Marketing and office equipment	Platinum Catalyst	Construction in progress	Vehicles	Total
Cost / Revaluation								
At January 1, 2006	1,353.55	511.86	23,146.22	3,740.55	322.70	134.87	653.12	29,862.87
Additions	-	-	-	-	-	-	2,947.09	2,947.09
Borrowing Cost	-	-	-	-	-	-	11.58	11.58
Disposals	-	(12.96)	(57.95)	(89.37)	-	(17.78)	(382.52)	(560.58)
Reclassification	6.50	3.62	298.14	73.43	-	3.80	(252.21)	133.28
At December 31, 2006	1,360.05	502.52	23,386.41	3,724.61	322.70	120.89	2,977.06	32,394.24
Accumulated depreciation :								
At January 1, 2006	-	(317.17)	(13,241.44)	(1,718.78)	-	(82.09)	-	(15,359.48)
Additions	-	(17.24)	(606.04)	(226.13)	-	(16.83)	-	(866.24)
Disposals	-	6.20	45.66	58.02	-	17.62	-	127.50
Reclassification	-	-	(0.03)	-	-	-	-	(0.03)
At December 31, 2006	-	(328.21)	(13,801.85)	(1,886.89)	-	(81.30)	-	(16,098.25)
Allowance for impairment								
At January 1, 2006	(573.58)	-	(0.56)	(36.02)	-	-	-	(610.16)
Reversal of loss on impairment of assets	4.55	-	-	(3.34)	-	-	-	1.21
At December 31, 2006	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Property, plant and equipment - net								
At January 1, 2006	779.97	194.69	9,904.22	1,985.75	322.70	52.78	653.12	13,893.23
At December 31, 2006	791.02	174.31	9,584.00	1,798.36	322.70	39.59	2,977.06	15,687.04
Depreciation included in income statements for the years ended :								
2005								608.62
2006								646.93
Cost								
At December 31, 2005	1,353.55	511.86	13,058.23	3,740.55	134.57	134.87	653.12	19,586.75
Add (Less) : Reclassification	6.50	(9.34)	240.19	(15.94)	-	(13.98)	2,323.94	2,531.37
Less : Accumulated depreciation	-	(328.21)	(7,815.06)	(1,886.89)	-	(81.30)	-	(10,111.46)
Less : Allowance for impairment	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
At December 31, 2006	791.02	174.31	5,482.80	1,798.36	134.57	39.59	2,977.06	11,397.71
Appraisal Surplus								
At December 31, 2005	-	-	10,087.98	-	188.13	-	-	10,276.11
Less : Accumulated depreciation	-	-	(5,986.78)	-	-	-	-	(5,986.78)
At December 31, 2006	-	-	4,101.20	-	188.13	-	-	4,289.33

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 25.3.4.

12. INTANGIBLE ASSETS - NET

As at December 31, 2006 and 2005, Intangible assets consist of:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Cost				
Leasehold right	2,112.49	2,140.68	2,112.49	2,140.68
License and development costs of computer software	184.21	135.86	182.13	135.86
	<u>2,296.70</u>	<u>2,276.54</u>	<u>2,294.62</u>	<u>2,276.54</u>
Accumulated amortization				
Leasehold right	(864.11)	(790.77)	(864.10)	(790.77)
License and development costs of computer software	(84.41)	(71.51)	(84.30)	(71.51)
	<u>(948.52)</u>	<u>(862.28)</u>	<u>(948.40)</u>	<u>(862.28)</u>
Total	1,348.18	1,414.26	1,346.22	1,414.26
Less : Allowance for impairment	(10.81)	(11.49)	(10.81)	(11.49)
Intangible assets – net	<u>1,337.37</u>	<u>1,402.77</u>	<u>1,335.41</u>	<u>1,402.77</u>

On February 27, 2005, 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 an annual basis, commencing from the year 2007 - 2009 at Baht 76.62 million per annum. 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.

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 17.1.

13. 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 December 31, 2006 and 2005, the balances outstanding in the investment in service station account are Baht 429.93 million and Baht 484.64 million respectively. The amortization expense of Baht 50.51 million on total investment balance was recorded in this accounting period.

14. 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
Net income for the portion not exceeding Baht 300 million for the accounting period of five years from 2002 to 2006	25
- Subsidiaries	15 – 30

Deferred income tax as at December 31, 2006 and 2005 are as follows:

	Million Baht	
	<u>Consolidated</u>	<u>The Company Only</u>
Deferred income tax assets		
As at December 31, 2005	102.86	102.86
Income tax expenses	125.24	125.24
As at December 31, 2006	<u>228.10</u>	<u>228.10</u>
Deferred income tax liabilities		
As at December 31, 2005	29.44	29.44
Income tax expenses	(3.27)	(3.27)
As at December 31, 2006	<u>26.17</u>	<u>26.17</u>

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.

15. OTHER NON-CURRENT ASSETS - OTHERS

As at December 31, 2006 and 2005, Other non-current assets consist of:

	Million Baht			
	<u>Consolidated</u>		<u>The Company Only</u>	
	2006	2005	2006	2005
15.1 Fixed deposit for staff welfare	186.38	177.22	186.38	177.22
15.2 Deposit for crude and product oil price hedging contract	184.22	338.39	184.22	338.39
15.3 Deferred expenses for the issuance of debentures and long-term loans	80.00	90.62	80.00	90.62
15.4 Other	294.70	138.51	291.95	135.75
Total	<u>745.30</u>	<u>744.74</u>	<u>742.55</u>	<u>741.98</u>

15.1 Fixed deposit for staff welfare

As at December 31, 2006 and 2005, the Company has a fixed deposit fund in a bank of Baht 186.38 million and Baht 177.22 million respectively with interest rates of 0-1.25 %. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

15.2 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.

15.3 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 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 114.63 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.

For the year period ended December 31, 2006, the total amortized expenses on loans and issuance of the convertible debentures was Baht 10.62 million.

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

As at December 31, 2006 and 2005, Bank overdrafts and Short-term loans from financial institutions consist of :

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Bank overdrafts	-	-	-	-
Short-term loans from financial institutions	1,200.00	2,000.00	1,200.00	2,000.00
Total	1,200.00	2,000.00	1,200.00	2,000.00

Short-term loans from financial institutions are part of the credit facilities covered by collateral as describe in Note 17.1. As at December 31, 2006 and 2005, the loans bared the interest rates at 6.50% and 4.925% per annum respectively.

17. LONG-TERM LOANS

As at December 31, 2006 and 2005, Long-term loans consist of:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
17.1 Loans from bank	7,821.26	8,308.75	7,821.26	8,308.75
17.2 Debentures	800.00	800.00	800.00	800.00
17.3 Convertible debentures	2,761.56	2,225.96	2,761.56	2,225.96
17.4 Promissory notes	145.00	145.00	145.00	145.00
Total	11,527.82	11,479.71	11,527.82	11,479.71
Less : current portion of long-term loans	(1,285.00)	(318.75)	(1,285.00)	(318.75)
Long-term loans	10,242.82	11,160.96	10,242.82	11,160.96

17.1 Loans from bank

17.1.1 The Company has entered a loan agreement with Krung Thai Bank Public Company Limited for working capital, for Baht 12,500 million credit line which are divided into Baht 8,500 million 10-year long-term loans and Baht 4,000 million 10-year working capital short-term loans.

The loan agreement secured by the pledge of fixed deposits, fixed assets and the conditional assignment of rights over banks deposit, legal reserved Inventoried and leasehold right. The loan agreement contains certain covenants and restrictions pertaining to, restrictions on capital expenditure, dividend payment, obligations over the Company's assets and not using the loans for other than the approved purposes, the maintenance of a certain debt to equity ratio and debt service coverage ratio.

17.1.2 The Company has entered a loan agreement with 3 Financial Institutions for the Product Quality Improvement Project (PQI), for Baht 8,800 million credit line which are divided into Baht 8,400 million about 9-year long-term loans and Baht 400 million about 6-year long-term loans for VAT.

The loan agreement secured by the same Company's asset and contains certain covenants and restrictions as referred in Notes 17.1.

As at December 31, 2006 the Company has obtained long-term loans of Baht 7,821.26 million and working capital short-term loans of Baht 1,200 million which presented under bank overdrafts and short-term loans from financial institutions.

17.2 Debentures

As at December 31, 2006, the Company had 800,000 units of unsecured, unsubordinated registered debentures with the holders' names, B.E. 2545 no.25 amounting to Baht 800 million. The interest rate is 6.25% per annum, which will be paid twice annually in June 02 and December 02 of each year, with maturity on Dec 02, 2007.

17.3 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 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 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 at December 31, 2006, the convertible debentures holders exercised the right by redeem 182,404 units of convertible debentures, the balance of convertible debentures, remaining were 276,156 units

17.4 Promissory note

Transferable and unsecured promissory note of baht 145 million will be matured in the year 2007 with interest rate of 6.25% per annum.

18. ISSUE 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 December 31, 2006, the Issue and paid-up share capital amounting to Baht 1,119,096,351.

19. 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.

20. WARRANTS

20.1 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.

20.1.1 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.

- 20.1.2 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.
- 20.1.3 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.
- 20.2 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 June 30, 2006, and the last exercise date shall be at the end of term of warrants, which is on May 14, 2011.
- As at December 31, 2006, the warrants (BCP-W1) holders exercised the right by redeem 25,000 warrants, the balance of the warrants (BCP-W1), remaining were 69,067,486 warrants.

21. SALES

Sales revenue for the year ended December 31, 2006 and 2005 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Sales revenue from fuel products	94,219.21	85,828.07	93,413.76	84,923.09
Income from investment charge	50.66	41.88	124.91	112.15
Total	94,269.87	85,869.95	93,538.67	85,035.24

22. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the year ended December 31, 2006 and 2005 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2006	2005	2006	2005
Realized gain (loss) from foreign exchange fluctuations	170.83	(35.71)	170.83	(35.71)
Unrealized gain(loss) from foreign exchange fluctuations	(50.97)	9.42	(50.97)	9.42
Total	119.86	(26.29)	119.86	(26.29)

23. INTEREST EXPENSE

The total interest for this period is Baht 756.41 million, of which Baht 11.47 million is recorded as cost of work in progress and Baht 744.94 million as expense.

24. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the year ended December 31, 2006					
	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	195.53	959.70	0.20	238.61	959.70	0.25
Effect of dilutive potential ordinary shares	49.92	179.02		49.91	179.02	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	245.45	1,138.72	0.20	288.52	1,138.72	0.25

For the year ended December 31, 2005

	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	2,958.59	671.89	4.40	2,958.41	671.89	4.40
Effect of dilutive potential ordinary shares	48.90	171.25		48.90	171.25	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	3,007.49	843.14	3.57	3,007.31	843.14	3.57

25. CONTINGENT LIABILITIES AND COMMITMENTS

25.1 Liabilities on guarantees

As at December 31, 2006, the Company's total liabilities in the form of bank guarantees is amounted to Baht 31.80 million. These guarantees are mainly to cover refunding of VAT, land leasing agreement, electricity usage and the telecommunication contract with the Telephone Organization of Thailand.

25.2 Allegation

As at December 31, 2006, the Company has allegation as follows:

- 25.2.1 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 on April 30, 2003 and now is being appealed with the appeal court.
- 25.2.2 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 Bio-diesel. Now is being appealed with the court of first instance. However, The Company's Legal Office believe that it will final win.

25.3 Commitments

As at December 31, 2006, the Company has commitments as follows:

- 25.3.1 The Company has entered into 3.99 million barrels oil price hedging contracts with foreign oil traders for price period from January 2007 to December 2007.
- 25.3.2 The Company has foreign currency selling forward contracts cover the period to January 2007 amounting to US\$ 2.80 million equivalent to Baht 100.86 million.
- 25.3.3 The Company applies the financial instrument to manage the risk for PQI Project as follows:
- 23.3.3.1 Buying forward contracts cover the period to September 2008 amounting to US\$ 180.90 million equivalent to Baht 6,928.56 million.
- 23.3.3.2 Buying Interest Rate Swap contracts amounting to Baht 8,242 million.
- 25.3.4 The Company has entered into subscription agreements with PTT as follows:
- 23.3.4.1 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).
- 23.3.4.2 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).

26. DISCLOSURE FOR FINANCIAL INSTRUMENTS

26.1 Risk from foreign exchange rate

The Company faces the risk in foreign exchange rate 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 rate 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.

26.2 Risk from interest rate

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

26.3 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 months. 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.

26.4 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 receivables recorded as shown in the balance sheets, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

26.5 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.

27. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statements of income of the Company segmented by type of business for the year ended December 31, 2006 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	91,448.05	64,659.36	(62,568.74)	93,538.67
Cost of sales	(91,244.36)	(63,046.19)	62,568.74	(91,721.81)
Gross margin	203.69	1,613.17	-	1,816.86
Selling and administrative expenses	(301.87)	(1,171.27)	-	(1,473.14)
Other incomes (expenses)	869.48	29.99	-	899.47
Depreciation and Amortization	(7.43)	(444.68)	-	(452.11)
EBIT	763.87	27.21	-	791.08
Gain (loss) from impairment				4.02
Gain (loss) from foreign exchange fluctuations of others				(80.82)
Share of gain (loss) from investments for using equity method				(9.59)
Interest-net				(573.19)
Income Tax				107.11
Net Profit				238.61
EBITDA	1,141.08	471.88	-	1,612.96

The statements of income of the Company segmented by type of business for the year ended December 31, 2005 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	83,815.40	54,284.29	(53,064.46)	85,035.23
Cost of sales	(79,755.15)	(53,415.74)	53,064.46	(80,106.43)
Gross margin	4,060.25	868.55	-	4,928.80
Selling and administrative expenses	(279.27)	(1,197.91)	-	(1,477.17)
Other incomes (expenses)	810.16	21.29	-	831.45
Depreciation and Amortization	(8.01)	(434.52)	-	(442.53)
EBIT	4,583.13	(742.59)	-	3,840.55
Gain (loss) from impairment				3.67
Gain (loss) from foreign exchange fluctuations of others				13.00
Share of gain (loss) from investments for using equity method				13.01
Interest-net				(619.84)
Income Tax				(291.98)
Net Profit				2,958.39
EBITDA	4,927.95	(308.07)	-	4,619.89

28. DIVIDEND

At the Company's ordinary shareholders' meeting held on April 18, 2006, the shareholders unanimously approved the distribution of cash dividends for the year ended December 31, 2005 at Baht 0.30 per share for 687,481,908 ordinary shares, amounting to Baht 206,244,572 and was paid in May 2006.

29. EVENTS AFTER THE BALANCE SHEET DATE

On January 8, 2007, the Company has registered Baht 15,000 paid up share to increase the paid up shares capital from Baht 1,119,096,351 to Baht 1,119,111,351 with the Ministry of Commerce. This is from a warrant holder who, on January 2, 2007, converted 15,000 warrants to 15,000 ordinary at Baht 18 per unit convertible price. After the conversion, the balance of warrants remaining was 69,052,486 units.

On January 23, 2007, the Company has signed a Head of Agreement of "Cogeneration Project" with PTT which PTT will invest to build a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. The Company will enter into the Agreement to Sell and Purchase of Electricity and Steam with PTT around mid of 2007. It is expected that the completion of the construction of the Power Plant and the commencement of its commercial operation will be around the end of 2008.

On February 6, 2007, the Company has entered into 3-year forward contracts with conditions to sell foreign currency at fixed exchange rates for the amount of US\$ 12 million in first year, US\$ 12 million in second year and US\$ 48 million in third year.

30. ACCOUNT RECLASSIFICATION

The Company has reclassified certain items in the financial statements for the year ended December 31, 2005 to comply with the financial statements for the year 2006 by presenting the "Service station image improvement project," previously presented in "Investment in service station", in "Other non-current assets" and reclassified the "Loss from inventory write-down" and the "Adjust loss from inventory write - down" previously presented in "Cost of sales" to "Other expenses" and "Other incomes" respectively. Such reclassifications do not affect the net profit or the shareholders equity as previously reported.

31. THE APPROVED OF THE FINANCIAL STATEMENT

The financial statement has been approved by the designated management on February 12, 2007.

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