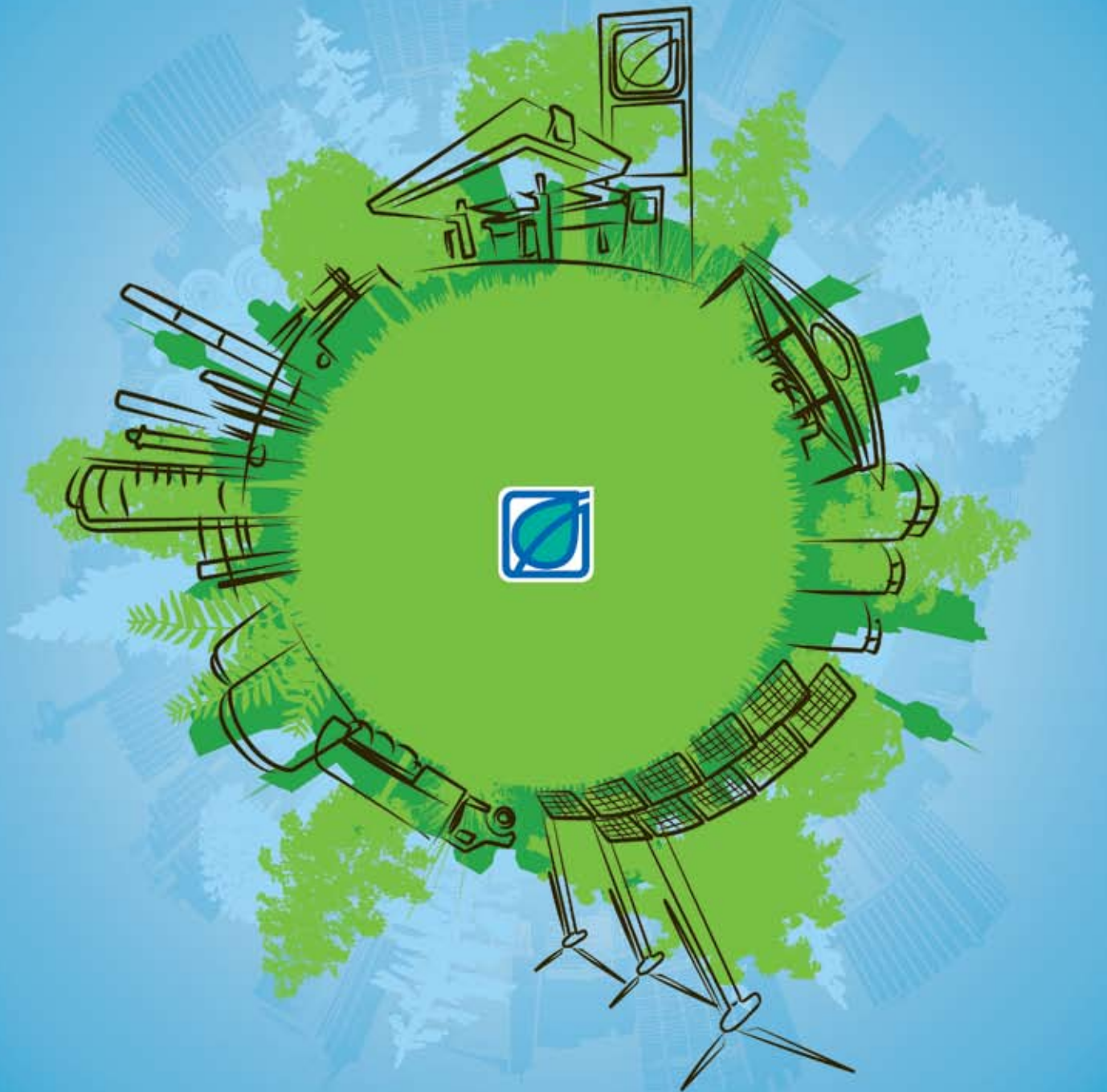


GREENERGY EXCELLENCE



ANNUAL REPORT 2009

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED

GREEN COMPLEX REFINERY

World Class Complex Refinery
Clean Energy for Thai People
Social and Environmental Responsibility

Adhering to the vision "Greenenergy Excellence", Bangchak ran 25 years of business with a 360° perspective to forge a balance between "worth" and "value" for shareholders, society and the environment, resulting in numerous awards and social acceptance.



Green Complex Refinery

CONTROL CENTER

GREEN SERVICE STATIONS

Renewable Energy for Sustainability

Bangchak Service Stations

A New Dimension That is More Than “A Drop of Oil”

Bangchak's new services stations are modern, brilliant and shady, riveting the company's position as the leader in renewable energy; which includes Gasohol 91, 95, E20, E85 and Biodiesel Power D B5 Euro IV. The service stations offer many other services, including “Bai Chak” convenient stores, “Inthanin” coffee houses, “Green Series” car auto serve centers, Bangchak Gasohol Club Card pride, proud to be a part of community economic development and the betterment of the qualities of life of Thai farmers by consistently having opportunities for famers to operate community service stations and using agricultural goods as promotional product.



GREEN

BUSINESS DEVELOPMENT

Clean Energy Development
Combating Global Warming
Relieving the Effect of National Disaster

Continuous sinuous line that forms the iconic Bangchak leaf creates a stable structure, a 360° perspective of constant care in the energy business and related fields; moreover, committed to become a “Zero Global Warming Impact Company” using lean energy in the refinery, the commissioning of the Biodiesel plant with the capacity of 300,000 liters a day, limitless power generation for the solar plant, ethanol joint-venture, and expanding new businesses for the long term benefit and sustainability of Thai people.



Green Business Development



*Her Royal Highness Princess Maha Chakri Sirindhorn
presiding over the opening of the Product Quality Improvement Unit*

on May 14, 2009



*Her Royal Highness Princess Maha Chakri Sirindhorn
arriving at the Green Complex Refinery of Bangchak
Petroleum Public Company Limited.*



*On hand to welcome Her Royal Highness Princess
Maha Chakri Sirindhorn; General Tawat Ked-unkoon,
the Chairman and Mr. Anusorn Sangninnuan,
the President and executives.*



Her Royal Highness Princess Maha Chakri Sirindhorn presiding over the opening of the Product Quality Improvement Unit signboard.



Her Royal Highness Princess Maha Chakri Sirindhorn planting the Magnolia Sirindhorniae.



Her Royal Highness Princess Maha Chakri Sirindhorn reviewing the Product Quality Improvement Unit exhibition.



Her Royal Highness Princess Maha Chakri Sirindhorn touring the Product Quality Improvement Unit



*Her Royal Highness Princess Maha Chakri Sirindhorn
inspecting the control rooms.*



*Her Royal Highness Princess Maha Chakri
Sirindhorn concludes her visit.*

Contents

| | |
|------------|---|
| 13 | Financial Highlights |
| 14 | Message from the Chairman |
| 16 | Business Description |
| 19 | Business Overview |
| 24 | Performance Review in 2009 |
| 30 | Operation Outcomes on Quality, Safety, Health and Environment |
| 34 | Sustainable Development in Harmony with the Environment and Society |
| 42 | Awards of 2009 |
| 45 | Declaration of the Directors' Responsibility for the Financial Statements |
| 46 | Report of the Audit Committee |
| 48 | Audit Report of Certified Public Accountant |
| 49 | Financial Statements |
| 57 | Notes to the Financial Statements |
| 97 | Connected Transactions |
| 103 | Management's Discussion and Analysis for Business Operations |
| 114 | Internal Control |
| 116 | Report of the Enterprisewide Risk Management Committee |
| 118 | Risk Management |
| 126 | Report of the Corporate Governance Committee |
| 128 | Good Corporate Governance (CG) |
| 146 | Organization Growth and Development |
| 148 | Capital Structure |
| 151 | Report of the Nomination and Remuneration Committee |
| 152 | Management Structure |
| 176 | Board of Directors |
| 190 | Executive Management |
| 204 | Changes in the Securities Portfolios of the Board and the Executive |
| 206 | Reference |
| 207 | Company Information |
| 209 | Awards and Achievements |



Financial Highlights

| | 2009 | 2008 | 2007 |
|--|---------|---------|--------|
| Statement of Income (Million Baht) | | | |
| Sales and service income | 108,681 | 129,042 | 94,979 |
| Gross profit (loss) | 7,672 | 3,701 | 6,093 |
| EBITDA | 12,325 | 456 | 4,066 |
| Adjusted EBITDA ^{1/} | 9,092 | 5,574 | 2,209 |
| Foreign Exchange Gain (loss) | (57) | (168) | (50) |
| Other items ^{2/} | (5) | 15 | (41) |
| Net profit (loss) | 7,524 | (750) | 1,764 |
| Balance Sheet (Million Baht) | | | |
| Total assets | 53,891 | 42,540 | 44,978 |
| Total liabilities | 27,938 | 22,777 | 23,753 |
| Shareholders' equity | 25,953 | 19,763 | 21,225 |
| Share capital | | | |
| • Registered share capital | 1,532 | 1,532 | 1,532 |
| • Issued & fully paid-up share capital | 1,170 | 1,119 | 1,119 |
| Financial ratios (%) | | | |
| Gross profit ratio | 7.1 | 2.9 | 6.4 |
| Net profit ratio | 6.9 | (0.6) | 1.9 |
| Return on total assets | 15.6 | (1.7) | 4.3 |
| Debt to Equity ratio | 0.6 | 0.8 | 0.5 |
| Operating outcomes per share (Baht) | | | |
| Net earnings per share | 6.57 | (0.67) | 1.58 |
| Book value per share | 22.11 | 17.62 | 18.97 |

Notes: Data based on Consolidated Financial Statements

1/ Adjusted EBITDA - not including profit (loss) from oil inventory

2/ Other items is loss adjustment / (loss) from impairment of assets



Message from the Chairman

With the world economy in recession in 2008 wielding its impact through 2009, the world economy edged up by a mere 1%. Meanwhile, countries around the world have sought measures to stimulate the economy, whether the US, Europe, or Japan which also encountered the economic recession; developing countries like China and India suffered a similar plight though not as ever. The result was a constant shrinkage of global energy demands. Only when the global economy showed signs of recovery again, did oil prices see a rising trend as the increase of oil demand, beginning in the first quarter of 2009.

With external factors showing high volatility, Bangchak Petroleum Plc (BCP) closely monitored the situation and adopted a management policy of austerity while strengthening immunity through constant risks assessment and the identification of risk preventive measures and tools. As a result, our performance in 2009 posted a profit of nearly Baht 7,500 million, a record since BCP was established 25 years ago. This is couple by the fact that our Product Quality Improvement Project (PQI) - at Baht 15,000 million in investment and designed to produce clean fuels for Thais - began commercial production of higher-value products. Moreover, we are most grateful to Her Royal Highness Princess Maha Chakri Sirindhorn for graciously inaugurating the PQI unit on May 14, 2009.

As a company owned by Thais, committed to working towards sustainable business development in harmony with the environment and society by producing clean, environmentally friendly fuels, as well as renewable energy, BCP is committed to expanding its business sustainably while taking into account environmental and national benefits. BCP has also taken part in community economic development by selling agricultural goods from communities in service stations, generating income for farmers and community enterprises.

With a resolution to run its business to forge balance between “worth” and “value”, BCP leverages knowledgeable personnel that are also competent, capable and with lifelong learning, while adopting a sound management system, transparent governance and accountability. These qualities are the key to BCP’s growth and business expansion to bolster long-term security. As a result of these, we have continued to garner social acceptance. This year, in particular, the Board of Year Awards for 2008/09, BCP was awarded the Board of the Year for Exemplary Practices (the third consecutive year), Audit Committee of the Year, and Board with Consistent Best Practices, in addition to awards for Top Corporate Governance Report Awards, Corporate Social Responsibilities Awards, and IR Excellence Awards at the SET Awards, not to mention countless other recognition.

It is through the coordinated contributions of all stakeholders - shareholders, customers, business partners, Ministry of Energy, Ministry of Finance, communities and all employees - that the success of Bangchak is possible. Bangchak, proud to be Thai, the pride of Thai people.

General (Signed) Tawat Ked-unkoon

(Tawat Ked-unkoon)

Chairman



Business Description

The Bangchak Petroleum Public Company Limited, the leading Thai petroleum company, has operated the **COMPLEX refinery business with maximum crude processing capacity of 120,000 barrels per day, with the supply of crude oil imported from the Middle East, Far East, as well as the domestic crude oil for oil production.** The refinery is capable of producing more portions of high-value products, i.e. gasoline and diesel and of processing high ratio of domestic feedstock. The Company has switched the refinery's fuel from, very low sulfur fuel oil to natural gas, much cleaner, cost effective and very environmental friendly. In addition, by first quarter of year 2010, the Company will purchase electricity and steam from a Co-Generation power plant, operated and owned by PTT Public Company Limited, to respond the higher energy demand and to maintain the stability of energy securities for the production process.

The Company is always aware of the importance of the renewable energy, especially ethanol and biodiesel which contributes to the country's energy security, reduction of foreign currency losses from oil imports, and supports of local agricultural sector in terms of local employment and improve their quality of living. Consequently, **the Company has been promoting the production and use of ethanol and biodiesel to blend with conventional fuel to be the Gasohol 91 and 95 as well as Gasohol E20 and E85 (gasoline blended with ethanol) and PowerD B2 and PowerD B5 (diesel blended with biodiesel).** Besides, the Company has established and operated a biodiesel unit in the refinery complex. The unit has a total production capacity of 20,000 liters per day, designed for crude palm oil or used cooking oil as raw material. Currently the unit utilizes used cooking oil as main raw material, which helps to address the health problems caused by the re-use of the used cooking oil and tackle environmental issues stemming from the disposal of the used cooking oil in the public sewage system. Additionally, the Biodiesel Plant with capacity of 300,000 liters a day, located near the Company's Bang Pa-in terminal in Ayutthaya Province, has already operated and produced biodiesel since December 2009.

The Company directly markets and distributes finished products to consumers via its nationwide service station network as well as sells to large or medium oil companies via several transportation modes such as pipeline, marine, railway, or road and these companies will afterward distribute the products to their customers via their distribution and sales channels. The Company also exports products to overseas markets, for example, very-low sulfur fuel oil exporting to Japan and China.

Marketing Business



Refinery Business

Capacity: 120,000 Barrels per Day



507 service stations



546 community service stations
(As of December 2009)



Aviation



Industrial



Lubricating

Non-Oil Business



Bai-Chak



Inthanin Coffee




Green Series



NGV Service Station

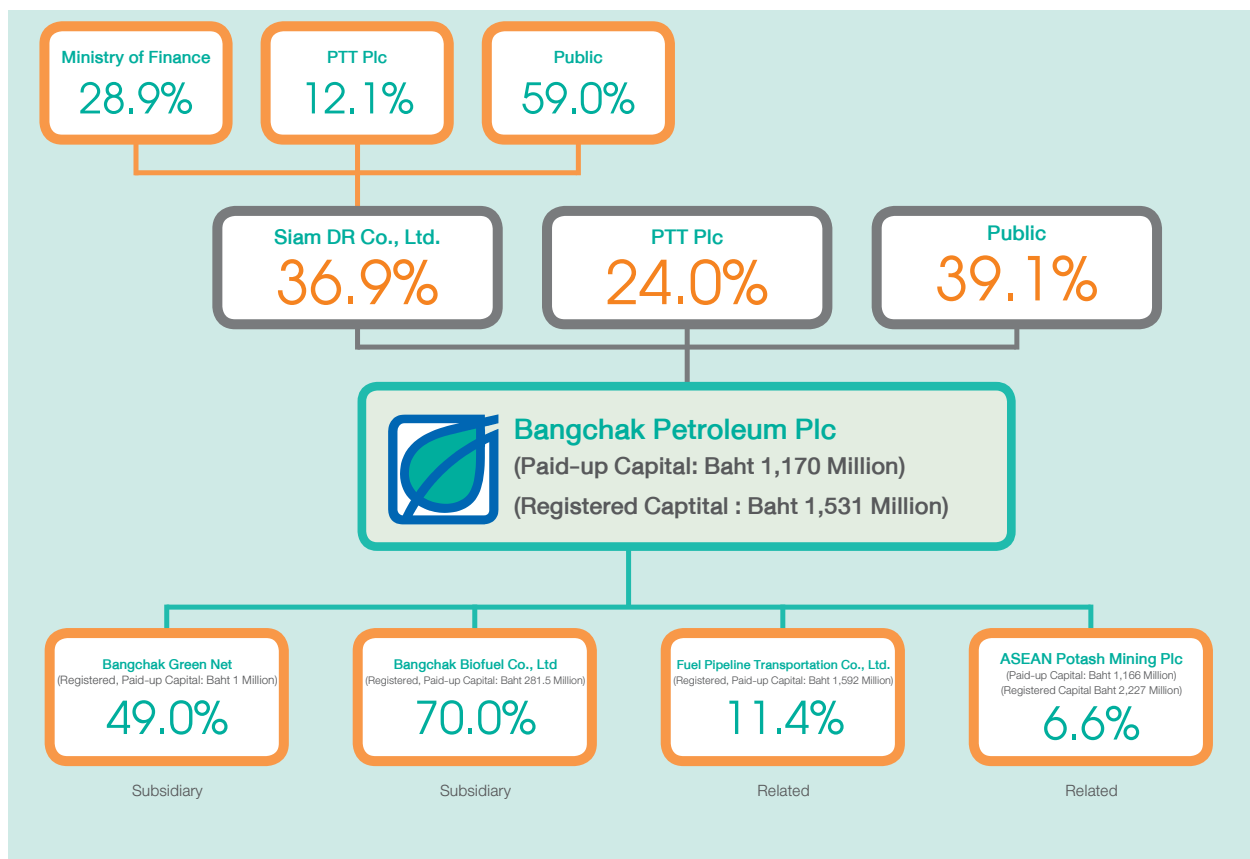
Annual Report 2009 | 16



The Company's retail business consists of its network of 507 standard service stations and 546 community service stations (end of 2009) under the trademark logo  also directly distributes products to consumers in various sectors, namely the transportation, aviation, shipping, construction, industrial and the agricultural sectors. Apart from the oil retail business, the Company operates the "Lemongreen" and "Bai Chak" convenient stores, "Green Series" the engine-oil-changing services and car wash service centers including the "Green Auto Serve", "Green Serve" and "Green Wash" as well as the "Inthanin" coffee houses, which are located in the service stations. Presently there are 15 service stations offering NGV as an alternative for consumers. In addition to the fuel products, the Company also produces and sells the "Bangchak" lubricant and special lubricant products (transmission fluid, brake fluid, and grease for lubrication). These products are marketed to the local customers through the network of Bangchak service stations, shops, factories and the Original Equipment Manufacturer (OEM), as well, exported to foreign markets, such as Burma, China, Laos, Cambodia, Taiwan, Fiji, etc.

The Company has 2 subsidiaries, Bangchak Green Net Co., Ltd. and Bangchak Biofuel Co., Ltd. and 2 related companies, Fuel Pipeline Transportation Limited (FPT) and ASEAN Potash Mining Plc (APMC). The diagram below illustrates the relations between Bangchak and the four companies.

Equity Chart of Bangchak Petroleum Plc and Its Related Companies



Bangchak Green Net Co., Ltd.

The Company holds 49% stake of Bangchak Green Net, which has registered capital of Baht 1 million. The subsidiary was setup to manage the retail business, including the service stations and the sales of the consumer products in Lemon Green and Bai Chak Convenient Stores. Other services include the engine-oil-changing service centers and restaurants and cafes. Its mission is to serve the Company's continued expansion in the retail business.

Bangchak Biofuel Co., Ltd.

The Company holds a 70% stake of Bangchak Biofuel, which has registered capital of Baht 281.5 million and paid-up capital of Baht 112.6 million. The subsidiary was setup to develop and produce domestic renewable energy. Bangchak Biofuel, capacity of 300,000 liters a day, is located in Bang Pa-in, Ayutthaya Province. The plant has adopted "Zero Discharge" technology to make sure the achievement of excellence in environmental management. The Bangchak Biofuel has commenced biodiesel operation from crude palm oil since late 2009.

Fuel Pipeline Transportation Limited (FPT)

The Company owns 11.4% shares of FPT, which has registered capital of Baht 1,592 million. FPT is in charge of distributing oil through the underground pipeline system. FPT's Multi-Product Pipeline system can transport various types of oil via a single pipeline at the same time. The transportation starts at the Bangchak refinery and runs in parallel with the railway leading to the Chongnonsri and Don Muang depots before reaching the Company's depot and FPT in Bang Pa-in, where the pipeline ends. In 2005, the aviation fuel pipeline operator JP-One Asset Company Limited tied in with the FPT's pipeline at the Makasan area extending to serve the aviation demand at the Suvarnabhumi Airport.

ASEAN Potash Mining Plc. (APMC)

The Company acquired 6.6% stakes in APMC, which has registered capital of Baht 2,227 million and paid-up Capital of Baht 1,166 million, established to explore and produce Potash, a major fertilizer ingredient in Bunnegnarong, Chaiyaphum province. APMC is a joint venture bringing together the governments of the Association of Southeast Asian Nations (ASEAN) to capitalize on the natural resources of member countries.

Revenue Structure

In 2009, the consolidated financial statements of the Company and its subsidiaries totaled Baht 114,537 million, consisting of Baht 113,538 million from BCP and the following from its subsidiaries, Baht 16,421 million from Bangchak Green Net Co., Ltd. (where BCP holds 49% equity) and Baht 53 million from BBF (where BCP holds 70% equity). Of this income, Baht 15,475 million was accounted for by connected transaction items, most of which came from selling refined products to Bangchak Green Net. Below is the revenue structure by product and service from all companies in 2007-2009.

| Product/Service | Operated by | 2009 | | 2008 | | 2007 | |
|--------------------------------|--------------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | | Revenue (Baht Mill) | % | Revenue (Baht Mill) | % | Revenue (Baht Mill) | % |
| Refined products ^{1/} | BCP and subsidiary | 108,068 | 94.4 | 128,491 | 99.4 | 94,489 | 99.0 |
| Consumer products | Subsidiary | 613 | 0.5 | 551 | 0.4 | 490 | 0.5 |
| Others ^{2/} | BCP and subsidiary | 5,856 | 5.1 | 251 | 0.2 | 464 | 0.5 |
| | Total | 114,537 | 100.0 | 129,293 | 100.0 | 95,443 | 100.0 |

Note: 1/ The proportions of earnings from sales of products in the domestic in 2009, 2008 and 2007 is 85.4%, 78.4% and 82.6% respectively.

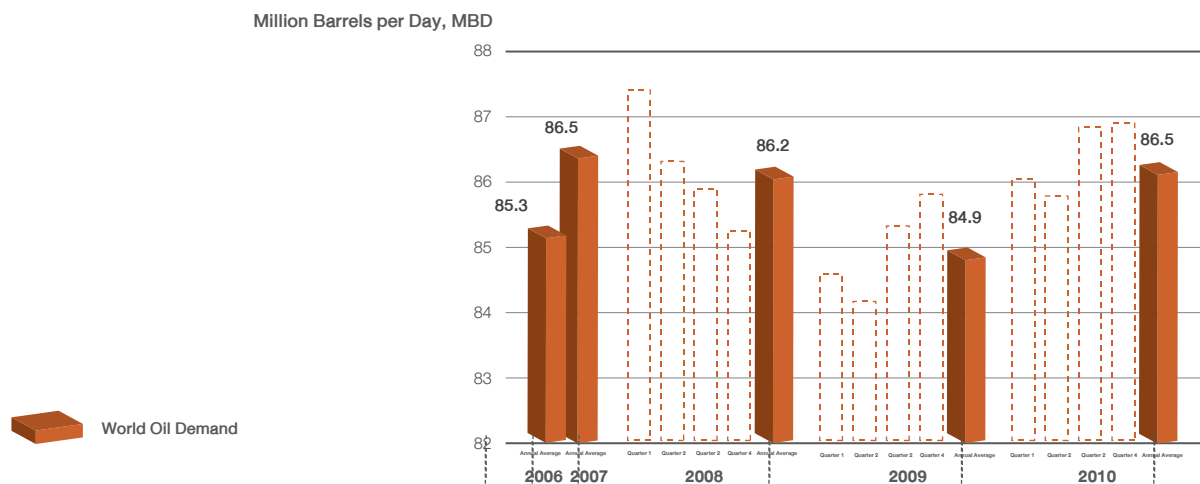
2/ Other earnings, namely, interest receivable, earnings from hedging gain, profit from exchange rates, loss adjustment from impairment assets, earnings from sales promotions, land lease, service station lease, equipment lease etc.

Business Overview

Refinery Business

As a result of the downturn that began in the fourth quarter of 2008 wielding its impact through 2009, and despite innumerable measures by governments around the world to stimulate their economies, the global economy contracted by 1%. The decline is highest among members of the Organization for Economic Co-operation and Development (OECD), such as the U.S.A., Japan and EU countries, which experienced an economic decline of 2.5%, 5.3% and 3.9% respectively. Also affected by the global downturn were developing countries, whose economic growth slowed down in 2009. The economies of China and India, for example, expanded only by 8.7% and 5.6%.

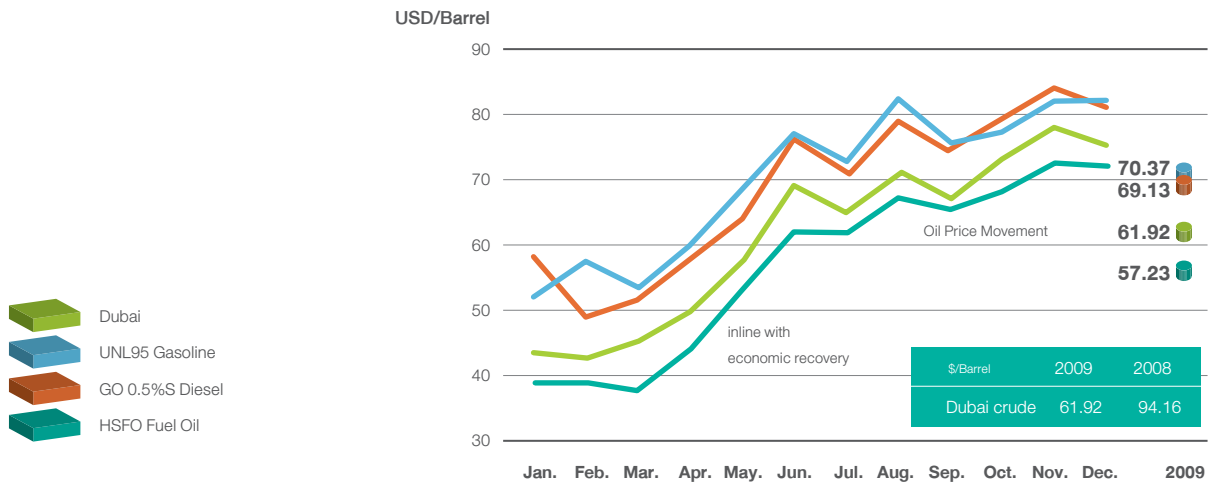
World Oil Demand



Source : International Energy Agency, January 2010 Release

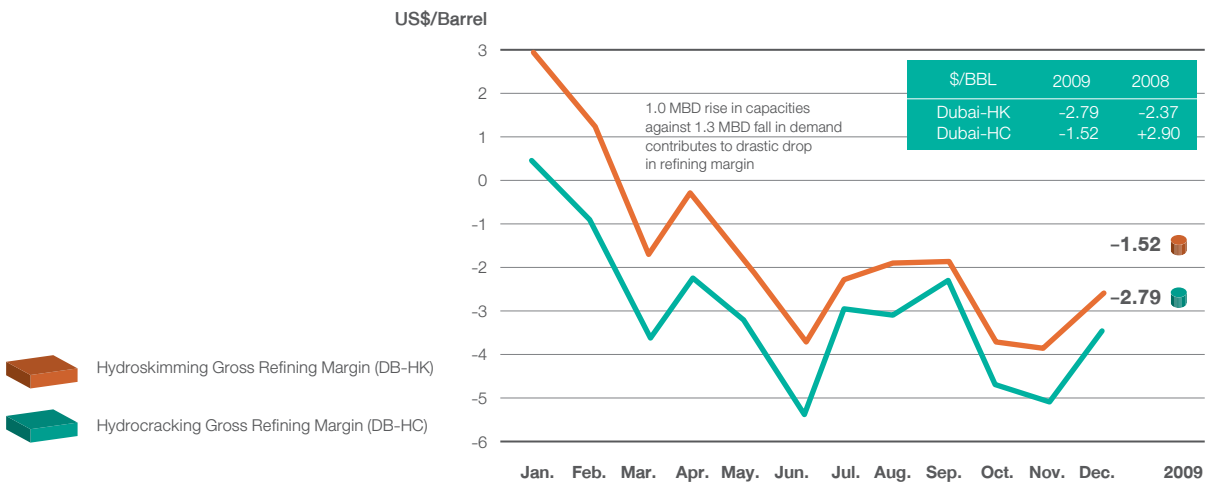
This economic downturn has resulted in the decline of world oil demand by 1.3 million barrels per day (MBD), from 86.2 MBD in 2008 to 84.9 MBD in 2009, which is comparable to the demand in 2006. However, the International Energy Agency (IEA) expects the demand for oil in 2010 to increase as the global economy is on its path to recovery. This is in line with forecasts by the International Monetary Fund (IMF) that the global economy is expected to expand by 3.9% in 2010.

2009 Oil Price Movement



Oil prices started to fall since the second quarter of 2008 through 2009. Prices, however, began to bounce back to the level of USD 70-80 per barrel around the end of the first quarter of 2009 as the global economy showed signs of recovery. Nevertheless, average oil prices in 2009 are lower than prices in 2008. The Dubai crude averaged USD 61.92 per barrel in 2009, a drop of USD 32.26 per barrel from the previous year. However, the refining sector will see an increase in inventory value because oil prices at the end of 2009 were much higher than the previous year, e.g. the Dubai crude closed at USD 77.95, an increase of USD 36.65 per barrel year-on-year.

Gross Refining Margin of Singapore Dubai Crude in 2009 (USD/Barrel)

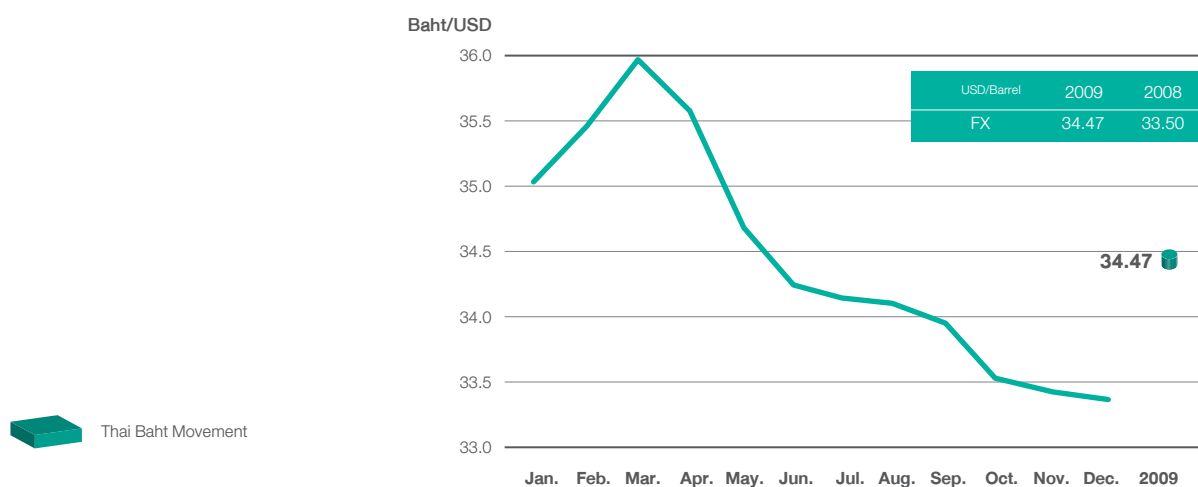


Source : International Energy Agency

Despite the decreasing oil demand, new refineries with a capacity of 1 million barrels per day are commencing operations, resulting in an oversupply of finished products pressuring gross refinery margins (GRMs) downward. Singapore Dubai Cracking GRMs in 2009 averaged at - USD 1.5 per barrel; GRM in 2008 averaged USD 4.5. This is due to the significantly narrow spread between finished products and crude oil of the global economic recession relative of 2008. Refineries in Thailand remain restricted by governmental regulation of ex-refinery price for liquefied petroleum gas (LPG).



Thai Baht Movement in 2009 (FX: Baht/USD)



The economic situation and foreign capital movement resulted in volatility of the Thai Baht, which fell to 36 Baht per US dollar at the beginning of 2009, only to regain strength in the second quarter as economic outlook improved and inflow of capital increased. Although, the value of the Thai currency closed quite strongly by year-end at 33.5 Baht per US dollar, **the annual average for 2009 (34.5 Baht per US dollar) was nevertheless lower than the 2008 average of 33.5 Baht per US dollar. As a result of the Baht's depreciation, this year's GRM will exceed 2008 levels when calculated on a Thai Baht basis.**

Despite the declining GRM, domestic refining capacity utilization of the seven major refineries in Thailand - Thai Oil, Esso, PTT Aromatic & Refining, Star Petroleum, IRPC, Bangchak, and Rayong Purifier - rose slightly by 0.9% from 2008 to 930,000 barrels per day. Bangchak Refinery was one of the three refineries that reported an increase in refining capacity.

Average Crude Run of Domestic Refineries

| Name | Crude Run (Thousand Barrels/day) | | |
|--------------------------|----------------------------------|--------------|-------------|
| | 2009 | 2008 | Ratio |
| Thai Oil | 268.2 | 271.8 | 29% |
| Esso | 137.5 | 141.4 | 15% |
| PTT Aromatics & Refining | 142.6 | 127.5 | 15% |
| Star Petroleum | 152.9 | 127.5 | 16% |
| IRPC | 143.3 | 171.8 | 15% |
| Bangchak | 79.2 | 74.2 | 9% |
| Rayong Purifier | 10.2 | 11.5 | 1% |
| Total | 933.9 | 925.7 | 100% |
| Total Capacity | 1,072 | 1,072 | |

Source: Department of Energy Business

Marketing Business

The global economic downturn led to a reduction in Thai exports, resulting in a decrease in Thailand's economic growth by 2.8% from last year. However, domestic oil demand grew by 2% from last year to 113.4 million liters, or 713,000 barrels per day due to a drop in oil prices both globally and domestically. Demand for gasoline and diesel increased by 6% and 5% as a result of retail prices that were much lower than in 2008. Also impacted by lower gasoline and diesel prices was the demand for liquefied petroleum gas (LPG), which only increased by 5% in 2009. Demand for fuel oil continued to drop as it is being substituted by coal and natural gas, reporting a 19% decrease from 2008. As for natural gas for vehicles, or NGV, consumption in the fourth quarter of 2009 was 4.3 million liters of oil equivalent, a minimal increase from the highest utilization level in 2008 of 3.8 million liters of oil equivalent. It is expected that domestic demand for fuels will rise in 2010 as the economy begins to recover, but world oil prices remain the largest factor in determining the direction of domestic demand.

However, there is yet no serious proactive governmental sponsorship of Gasohol and Biodiesel B5 consumption, coupled with the decline in oil prices, resulted in consumption rates that remained constant throughout 2009 for both gasohol (60%) and B5 diesel (45%). Compare with usage proportion in December 2008, it is found that the proportion remains stagnant till the end of 2009.

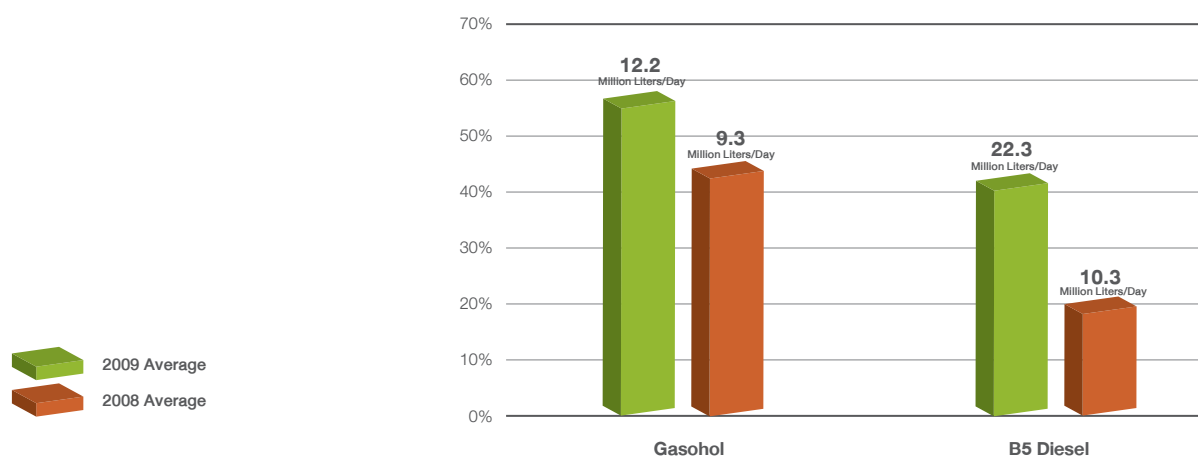
2009 Demand & Supply of Finished Products

(Unit: Million Liters per Day)

| Product | 2009 | 2008 | ▲ |
|-----------------------|--------------|--------------|-------------|
| Regular Gasoline | 8.4 | 10.2 | -18% |
| Gasohol | 12.2 | 9.3 | +31% |
| Gasoline Group | 20.6 | 19.5 | +6% |
| Jet Fuel | 12.2 | 12.7 | -4% |
| B2 Diesel | 28.2 | 37.9 | -26% |
| B5 | 22.3 | 10.3 | +117% |
| Diesel Group | 50.6 | 48.2 | +5% |
| Fuel Oil | 7.5 | 8.9 | -16% |
| LPG | 22.8 | 21.7 | +5% |
| Total | 113.4 | 111.0 | +2% |
| | (KBD) | 713 | 698 |

Source: Department of Energy Business

Consumption of Gasohol vs. B5 Diesel

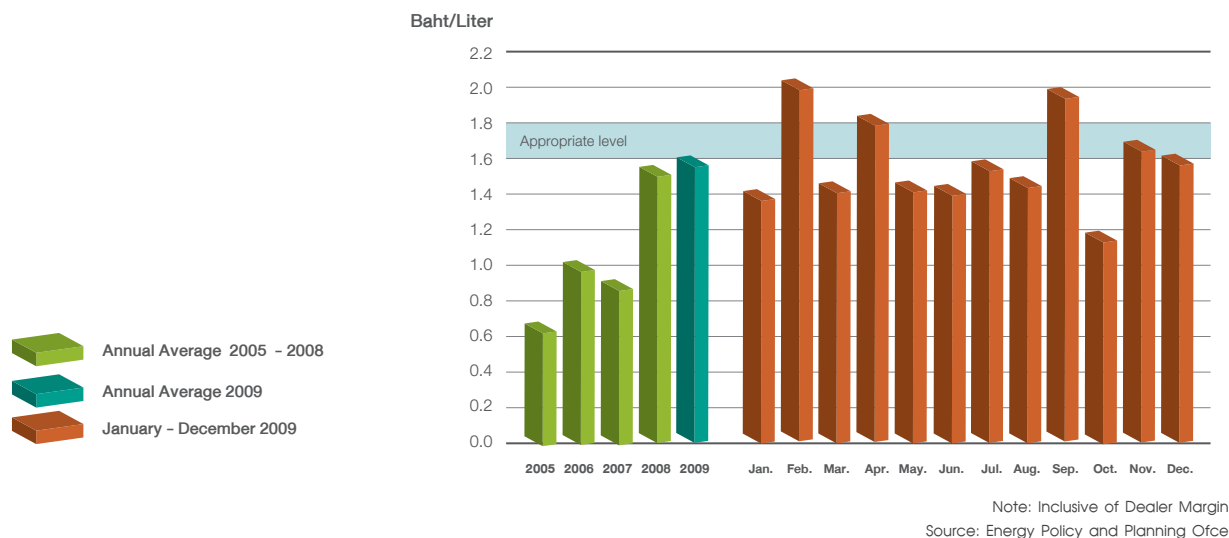


Source: Department of Energy Business



Due to lower volatility of world oil prices, the retail marketing margin (inclusive of dealer margin) fluctuated within a reasonably small range, averaging 1.6 Baht per litre in 2009. This is considered an appropriate level of margin to sufficiently attract retailers to continuously maintain or improve operations in terms of safety, the environment and service.

Marketing Margins, 2009



Service Station Market

As a result of lower retail prices, sales of gasoline (including gasohol products) and diesel (including B5 diesel) at all service stations in 2009 rose by 2.7% from last year to 1,390 million liters per month. Similarly, the jobber market saw an increase in sales. Throughout 2009, there were 33 new service stations, bringing the total up to 18,935 stations. LPG stations accounted for most of the new stations launched by oil companies covered under Major Oil companies. The biofuels market also saw significant expansion. The number of stations that offered gasohol 95, gasohol 91, gasohol E20 and B5 diesel increased by 88, 79, 70, and 687 stations, resulting in a total of 4,111, 2,741, 271 and 3,676 stations. In addition, there are now five stations that offer gasohol E85.

Industrial and Lubricant Markets

In 2009, natural gas and coal continued to replace fuel oil as cheaper alternatives, thereby reducing domestic consumption of fuel oil to only 7.4 million liters per day (a 19% drop from the previous year). In addition, the industrial sector is relying less on fuel oil, as some of them begin to produce biogas to power their plants. Therefore, consumption of fuel oil is expected to decline until it is limited to markets where there is no other renewable, i.e. the marine industry. As a result from lower domestic consumption, oversupply of fuel oil in the country will exist and hence make the market into very high competitive. For the lubricant market (including grease), domestic sales rose slightly by 2.7% to 1.5 million liters per day. While the automotive lubricant sector showed signs of growth, demand for lubricating oil in the manufacturing sector decreased in line with the economic downturn. Major Oil companies sustained their market share of 60%, but their sales collectively shrank by 2% as a result of lower demand from the manufacturing sector. On the other hand, small lube oil retailers saw a rise of 12% in sales.

Performance Review in 2009



In 2009, BCP and subsidiaries earned Baht 108,681 million in total revenue with earnings before interest and depreciation (EBITDA) of Baht 12,325 million (adjusted EBITDA was Baht 9,025 million). Net interests payable (after deduction of interests receivable) accounted for Baht 610 million. With depreciation and amortization of Baht 1,010 million and an income tax refund of Baht 3,182 million, the company realized a major shareholders' net profit of Baht 7,524 million and a minor shareholders' net loss of Baht 1 million.

Refining Business

In 2009, BCP succeeded in the implementation of Product Quality Improvement Project (PQI) and managed to start its commercial operation under the planned budget. BCP refinery competitiveness has, thus, enhanced and made ready to receive more various types of crude for refining. It has been also successful in replacing low-sulfur fuel oil with natural gas, a cleaner and more environmentally friendly energy, as fuel for the refining unit since August 2009. The year-round crude throughput at the refinery averaged 79.2 thousand barrels per day, higher than the 74.2 thousand barrels per day in 2008. Refining margins throughout the year (excluding gains/losses from inventories) averaged USD 9.60 per barrel, USD 3.06 per barrel higher than that of the previous year. With low refining margins situation caused by the oversupply environment, BCP accomplished an increase in the refining volume while keeping the refining margins manageable to achieve the target revenue. The following measures were imposed to achieve the above.

- Closely monitoring of the world oil price situation to manage risks that occurred from the volatility of refining margins by using price hedging as the financial tool in the oil futures market. As for risks from foreign exchange, BCP also opted for doing foreign-exchange hedging.
- Keeping the procurement of domestic crude oil for refining which bears lower costs than imported crude, while its yield, the very low-sulfur fuel oil has the permission quality for export market, creating higher revenue than producing fuel oil for domestic sales. The attempt also included a search for new sources of crude which yields very low-sulfur fuel oil and gives an economic refining margin, such as crudes from the Far East like Kikeh, Bungakekwa, and Stybarrow.
- Managing oil stocks to the minimum without affecting the refining operation to reduce the risk from oil price fluctuation.

BCP still values safety, health, environment and energy (SHEE) in the refinery and terminals operation with stringent measures. Employees are encouraged to take the matters seriously through various activities. They are also invited to take part in social programs to win friendship and trust by communities around the refinery and oil terminals. According to an analysis of air quality in the communities surrounding the refinery (Somtawin School), done by the air quality control station and according to the analysis of the waste water discharged from the refinery, the quality of both the air and discharge water were found superior to standards. Facts and figures concerning air and discharge water quality were displayed on the air and wastewater quality display board installed in front of the refinery. This was the outcome of the environmental monitoring jointly carried out by the communities surrounding the refinery.









Marketing Business

The sales volume through all channels (retail and industrial markets) was collectively 14% higher than 2008, from a daily average of 53.2 to 61.0 thousand barrels per day — equivalent to 293 million litres per month. The marketing margins (before deducting the station operator’s portion) averaged around 1.6 Baht per litre, about the same level as the previous year. BCP achieved a higher market share of gasoline products sold through service stations, moving up to 3rd. The Company’s strong determination to be the leader in renewable energy has been confirmed through active promotion and expansion of the sale of gasohol 91, gasohol 95 and E20 gasohol, as well as Power D B5 diesel. In the industrial sector, its sale volume shot up by over 50% following the attempt to diversify distribution channels to export and aviation fuel markets. This endeavour was in response to higher production from the refinery after the completion of PQI. Achievements in the marketing business were due to the following measures:

- Continuous sales promotion programs and expansion of distribution channels of renewable energy, i.e. gasohol 91, gasohol 95 and E20 gasohol, as well as Power D B5 diesel, especially through the Gasohol Club, a customer relationship management (CRM) program the company has continuously implemented. The number of service stations selling renewable energy has also been expanding, making gasohol 91, gasohol 95 and Power D B5 diesel now available at all BCP stations across the country. Sale of gasohol E20 was also expanded and the product is now available at BCP stations in prime areas around Bangkok. This resulted in an increase in the overall sales volume of gasoline products.

Number of BCP Stations

| | As at the end of 2009 | |
|--|----------------------------|--------|
| | Number of Service Stations | Change |
|  แก๊สโซฮอล์ 95 | 730 | +9 |
|  แก๊สโซฮอล์ 91 | 818 | +33 |
|  แก๊สโซฮอล์ E20 | 138 | +38 |
|  พาวเวอร์ B5 | 1,014 | +5 |



- Placing a firm emphasis on service improvement while making the image of service stations recognized by cleanliness, modernity and the increased capability to respond to customers’ needs. BCP brand came 2nd in the 2009 survey of Brand of Choice.
- Subsequent to the fierce competition in the commercial market, the continuously decreased demand for fuel oil in the industrial sector and the direction to export all refined fuel oil, very low sulfur, for better economic returns, BCP needed to procure fuel oil from other refineries for sale to industrial customers. It, therefore, opted to only concentrate on marketing fuel oil in profitable markets in order to maintain its fuel oil customer base for greater sale of the product in the future. The Company, at the same time, underscored the sale of Power D B5 diesel, which is cheaper than regular diesel, to jobbers while expanding the export market of the product to neighbouring countries.
- In the lubricant market, BCP worked steadily on the penetration into the industrial sector and neighbouring countries, which is a continuous endeavour from the year earlier. During 2009, sales volume in the industrial sector increased by 44% to approximately 1.3 million litres per month.



Product Quality Improvement Project (PQI) and Related Projects

The Product Quality Improvement Project (PQI), the construction of which started in May 2006, involves a hydrocracking unit, vacuum distillation unit, hydrogen producing plant and other supporting units in the refinery, at a total investment of USD 378 million. BCP managed to start commercial operation in December 2009 under a planned budget. This project also included the replacement of fuel oil with natural gas as the refinery fuel, which was completed around the middle of 2009. The Company could, then, turn to fully use natural gas in August 2009. Meanwhile, **it is expected that PTT Plc's co-generation Power Plant project could become operational by the first quarter of 2010.** The project will supply electricity and steam to BCP in response to the higher demand in a bid to increase its refining efficiency while maintaining the stability of power distribution in BCP's refinery. When the PQI, the use of natural gas, and the co-generation Power Plant projects are completed, BCP will be in a more competitive position through a complex refinery with a hydrocracking unit of the latest technology and with cost efficiency of fuel and utilities. It will, then, gain a higher competitive advantage, able to make higher revenue while having a more stable financial status.



New Business

BCP constantly aims to venture into new businesses, both related and unrelated to the existing business, to add value to the organization while diversifying financial risks under the rapidly changing business environment and ever-fluctuating oil price. It adheres to the principle of running a business with concerns on the environment and social responsibility in order to forge the organization's stability and sustainable growth. However, the sluggish economy of both the country and the

world has triggered a need to review the business and carefully draw up a plan and direction suitable to the external changes. The completed new business in 2005 was the **biodiesel production plant in Bang Pa-in**. Bangchak Biofuel Company Limited, a joint venture with Universal Absorbent and Chemicals Company Limited (UAC), was established as a new business in the renewable energy sector. With an investment of Baht 1,000 million, the subsidiary has a capacity to produce biodiesel at 300,000 litres per day on average. The plant was constructed in April 2008 and started to produce B100 biodiesel for sale since December 2009. It is expected that the plant will be operational in full commercial scale by the first quarter of 2010.



Organizational Development

In parallel with making business progress during the previous year, BCP puts a strong focus on advancing the organization's capability so that the business can move on with efficiency, transparency and competitiveness. To achieve this, BCP realizes the need to pay attention to developing human resources, creating customer satisfaction through dedication to working with honesty, integrity and building a strong tie between staff and the Company. At the same time, modern management and information technology as well as international organizational management systems were embraced and adjusted into the company's work process to make the organization stay competitive with other leading companies.



Efficient and Well-rounded Employee with Strong Tie with the Company

BCP realizes that employees are vital for creating sustainable growth for the organization. Various human resources development programs, therefore, have been carried out systematically and continuously. Competency-Based Management was chosen, in which BCP's core competencies was mapped out in response to the outlined visions and future business expansion. BCP employees are, therefore, developed and characterized with the six following core competencies:



1. **Ability for Adaptation and Initiation** - This means the ability to embrace change and think out of the box.
2. **Leadership** - This means being a leader with vision who dares to do the right thing that benefits the organization with transparency.
3. **Teamwork Spirit** - This means working in a team with a service mind, willingness to cooperate with others and readiness to lend a hand while accepting team members' values.
4. **Organization Commitment** - This means determination and dedication to working toward the organizational goal with the right method, professionalism and efficiency.
5. **Personal Mastery** - This means eagerness to learn at all times and always use one's knowledge for the development of his/her own self and the organization.
6. **Social and "SHEE" Awareness** - This implies awareness and act in compliance with rules and regulations concerning safety, occupational health, and environment and behaviour in line with international standards and the Company's practice. This includes having public spirit and participation in activities that benefit the organization, the community and society.

In this regard, development of functional competency is provided to each individual employee, depending on each one's duties and responsibilities. Employees will, then, be able to perform their best.

During 2009, BCP reviewed and improved Competency-Based Management to keep it in line with the organization's vision and future business direction. However, the six above core competencies are still retained. Meanwhile, the Executive Competency Development program, which has been completely excluded from Functional Competency, was adjusted and enhanced. As a result, BCP was able to arrange for each individual employee's proper career development plan. Moreover, its knowledge management method has been improved and staff can share their knowledge and experience easier through the Interactive Knowledge Management system. Staff can, furthermore, improve their knowledge by learning through many other activities held in the organization, such as IT Day, CG Day and SHEE (Safety Health Environment and Energy) Day. BCP also made internal radio broadcast to provide knowledge in several areas, including legal, IT, human resources management, accounting and tax, as well as corporate governance. All of these have been carried out to cultivate a lifelong learning culture to make BCP a learning organization as a result.

In addition to human resources development, BCP achieved good progress in growing relationship and bond between employees and itself. According to a consultant's findings of a survey on employee engagement last year, employee engagement for the company was ranked in the 44th percentile when compared with other organizations across the world. BCP, therefore, has a plan to strengthen this bond to reach the 80th percentile target, which will reflect employees' high engagement for the organization and willingness to dedicate to the success of the organization.





 **e-HR**
ระบบบริหารทรัพยากรคนออนไลน์

 **EHS**
ระบบบริหารความปลอดภัย อาชีวอนามัย และสภาพแวดล้อม

 **ERM**
ระบบบริหารความเสี่ยงองค์กร (Risk Monitoring System)
(ใช้บริหารจัดการความเสี่ยงทั้งองค์กร)

 **e-Procurement**
ระบบบริหารการซื้อของด้วยคอมพิวเตอร์
• มีใบอนุญาตการใช้งานจาก User

 **e-Workflow**
ระบบบริหารงานเอกสารออนไลน์

 **e-Service Station**
ฐานข้อมูลสารสนเทศออนไลน์
(ใช้บริหารจัดการความเสี่ยงทั้งองค์กร)

 **e-Legal System**
ระบบงานระบบกฎหมายทางกฎหมาย
(ใช้บริหารจัดการความเสี่ยงทั้งองค์กร)

 **e-Learning**
นิตยสารออนไลน์

 **e-News Clipping Online**
ระบบการติดตามข่าวสารออนไลน์

 **KM Web**
ระบบจัดการความรู้

Transparency and Efficiency of Work Process

BCP is still going ahead with the cascade of Enterprisewide Risk Management down the reporting line. In this regard, it not only keeps on providing knowledge to employees from the corporate level down to small section level, but also seeks brainstorming to identify and assess risks in order to draw up plans to manage risks which may affect the organization’s goals. BCP’s risk management method was also improved to match the standards of State Enterprise Policy Office (SEPO), while the internal work processes were raised to Thailand Quality Award (TQA)’s international standards. In addition to having the TQA Steering Committee drive forward this attempt, BCP also established the Work Process Improvement Taskforce (WPI Taskforce) to take responsibility for the improvement of work processes throughout the organization.

In this regard, BCP pushes for the use of information technology to enhance the efficiency and transparency of work processes, for example, the installation of Lab Information Management System (LIMS), improvement of the information technology system to the standards of ISO27001 for Network, establishment of Financial Data Warehouse, and implementation of e-Safety (safety for gate entrance and gate pass) system to beef up the security system around the refinery.

Corporate Image with “Modern, Transparent, Social Responsible and Growth”

After having winning several awards, BCP’s corporate image was more widely recognized as an organization with modernity, transparency, and social responsibilities. Awards received comprised Top Corporate Governance Report Award for the fourth year, Top Corporate Social Responsibilities Award for the third year, and IR Excellence Award for the second year from SET Award competition among listed companies in the previous year. BCP, moreover, won the ASEAN Business Awards 2008 for its corporate social responsibilities. These awards were the results of the company’s continuous emphasis on transparency as well as social interests and responsibilities under the corporate governance principles. Having been recognized by investors as an organization with modernity and stable growth, BCP’s share was selected for inclusion among the SET 50 Index (with effect from January 1, 2010 onward).



Operation Outcomes on Quality, Safety, Health and Environment

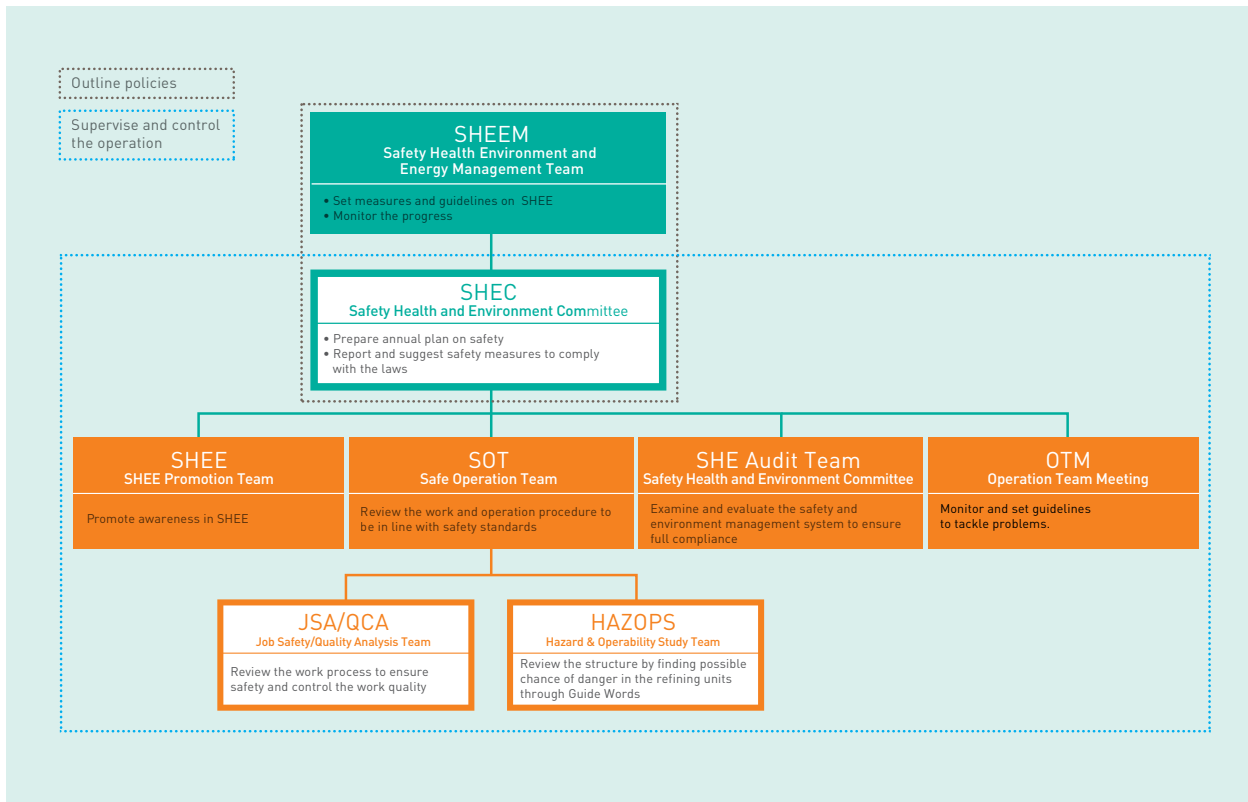
The Company places importance to safety, occupational health, environmental and energy management to ensure that operations do not affect the safety, security, health and environment of employees, the Company's property, contractors, the public, as well as the Company's reputation. The Board and the management together defined a policy and framework for safety, health, environmental and energy management system as follows.

Safety, Health, environment and energy (SHEE) policy

The Bangchak Petroleum Plc (BCP), a Thai company, with an integrated energy business, ranging from supply sourcing, oil refining to marketing under a business culture that requires it to 'working towards sustainable business development in harmony with the environment and society'. Therefore, it considers its SHEE management system, covering all activities, products and services, the key to business success, and it is the direct responsibility of all executives and employees, as well as that of contractors working on behalf the Company, to:

- Work safely, creating no undue impact on themselves, related parties, the community and the environment
- Observe all occupational safety, health, environmental and energy-related laws
- Prevent oil pollution, spills and losses
- Prevent all accidents and illnesses
- Use resources, that is, energy, water and chemicals to their best value and according to goals.

BCP executives are to provide adequate resources which operationally suitable to achieve goals and targets, and train all employee adequately to ably perform their duties and fulfill their responsibilities while encouraging staff participation in sharing views and revising policies and management systems.



Safety, Health, Environment and Energy management structure

The structure of SHEE management consists of all executives and organizational units, divided into policy and operation control teams. The Safety, Health, Environment and Energy Management Team (SHEEM) define management system policies and guidelines for safety, health, environment and energy - and regularly review them. This team may appoint other task forces to look after miscellaneous operations to promote and drive health, safety, environmental and energy management efficiently and effectively - including taking control of crisis management, including emergency plans for fires, flash floods, and earthquakes.

In practice, BCP operations adhere to the OHSAS/TIS 18001 standard for health and safety and the ISO 14001 environmental management system for the refinery, the Bangchak Terminal and the Bang Pa-in Terminal. Training, required by law, is continually provided, including safety in confined space and primary firefighting. Several activities have been launched to cultivate and promote social awareness of safety, health, environment and energy among employees:



CSR & SHE-E

- **Social & SHEE Channel:** BCP educated all employees through the internal radio broadcasts on social, safety, health, environmental and energy-saving aspects.



- **Energy Saving and Environment Day:** BCP launched campaigns on energy-saving and the environment by putting up exhibits of how energy consumption and carbon dioxide reduction had resulted from its activities. A stage show by Junior Energy-Saving Ambassadors from Energy Fantasia, supported by the Energy Policy and Planning Office (EPPO), reiterated energy-saving awareness among employees. The 'Reduce Plastic Bags and Foam Consumption Project' was inaugurated with an educational campaign for employees through exhibits on the ecological impacts of such bags and foam; documentary video shows on garbage were also screened. On top of this, employees were engaged in public service (planting trees along the Company's fence) together with the residents of flats for officers of the Office of the Permanent Secretary of Defence in Khwaeng Bang Chak, forces from the Secretariat Department and the Defence Energy Department.

- **Safety Promotion Day:** To continually drum up awareness of SHEE, BCP organized promotional exhibits on safety and a slogan contest on occupational safety and health, energy-saving and the environment, together with a 'BCP Safety Walk Rally' and a special talk on 'Behavior-Based Safety'.



- **Happy Healthy Week:** The Company launched a week focusing on mental well-being and occupation health by organizing physical examinations for employees, health corners with advice from specialist doctors and introducing employee clubs with health-oriented activities, together with a special talk on 'Smart and Happy Brain' by Ms. Noodee Vanissa Race.
- **Social & SHEE Day:** The Company's exhibition captured the social and SHEE activities conducted in 2009.



- Project to reduce water and chemical consumption: By installing a reverse-osmosis water-making unit to improve water quality before entering the demineralization plant, the Company instituted close monitoring management of water consumption and successfully reduced chemical consumption for water quality improvement. It also installed more sensor systems in toilets to cut down water consumption in buildings.
- Control and disclosure of information on air and quality: The Company closely monitored air and quality in a transparent way by installing an air quality monitoring station at Somthawil School, located in a community around the refinery, to keep a close watch on the air quality in the community. Analytical results of the quality of air and effluent were displayed online, linked to "Air and Wastewater Quality Display Board" in front of the refinery. That way, the community can play a part in monitoring BCP's environmental operation.

The Company has evolved a system to record environmental expenses compatible with its accounting entry system to compile such information more accurately and promptly. Findings were reported quarterly to raise environmental management efficiency. And to contribute to society, in keeping with the BCP employee culture of 'To be virtuous, knowledgeable and contributive to society', **the Company launched training courses on environmental accounting for interested external entities.** It also provided integrated training courses, that is, primary firefighting, advanced firefighting, fire extinguishing techniques, emergency command and annual fire evacuation drills for employees and external parties at the environmental and safety training center at the Bang Pa-in Terminal in Ayutthaya province. In 2009, the Company held a total of 52 courses for 6,476 persons.



Thanks to its continual promotion of safety and health, the injury rates of employees and contract employees have dropped, **and in 2009 the Company won the National Outstanding Business Operator in Safety, Occupational Health and Work Environment, presented by the Department of Labor Protection and Welfare, Ministry of Labor, at the 23rd National Safety Week for the second consecutive year.**



Sustainable Development in Harmony with the Environment and Society

Sustainable business development together with the environment and society, as in Bangchak Petroleum Plc's perennial corporate culture, means more than just legal compliance, as it extends to the Company's commitment in improving Thai society's living standards at all stages of business. The Company, therefore, considers it responsibility of employees to conserve the environment and foster a decent society in keeping with the employee culture of **"To be virtuous, knowledgeable and contributive to society"**.

BCP recognizes that sustainable development is possible only when development begins at the smallest and most crucial unit: the family. A strong family is the foundation of strong ethics, learning and aids in the family's development of its members' capability — particularly children and youths, the nation's future. That is why the Company values the continual development of the quality of life for the family and children, beginning with the surrounding communities. The highlights of BCP's 2009 activities are as follows:

1. Education

1.1 Exhibition boards contest (*Pee Bio, Nong Gassy*) Project

This was its third year, under the theme 'Together, Let's Take Thailand to Asia's No. 1 Renewable-Energy Leadership', which is a continuing program designed to find the renewable-energy youth champion to receive a trophy from HRH Princess Maha Chakri Sirindhorn and scholarships worth two million baht. The objective was to apply the initiatives on renewable energy of HM the King and build on gasohol and biodiesel knowledge so that Thai children recognize its significance and benefits, and come up with innovations involving renewable energy for the sake of national energy security in line with HM the King's Sufficiency Economy philosophy. Having undertaken this project for three years, more than 1.8 million children from 1,500 schools nationwide participated. In 2009, the project expanded from the middle to high-school level. Activities included science project contests and presentation of projects; the *Pee Bio, Nong Gassy* contest has now gone from presentation in Thai to include foreign languages like English, Chinese and Japanese.



1.2 Non-formal Education for Communities project

Recognizing the significance of education as a tool for improving the quality of life, BCP has coordinated with the Non-formal Education offices of Khet Phra Khanong and Khet Bang Na on introducing volunteer teachers for secondary-level science subjects to non-formal program students at the Learning Center at Wat Bang Nak Nok and Wat Boonrot Thammaram. This knowledge sharing promotes volunteerism amongst employees.



1.3 Open up the World of Knowledge project

This project enabled young middle and high school students to listen to talks from experienced engineers about the Company, including its vision and corporate culture, as well as the oil refining process, transportation, safety, the environment and renewable energy - a solution to global warming.



1.4 Field Trip project

This project enhanced learning, fostering experiences and imagination for Prathom 5 students from schools around the Company. In 2009, more than 700 teachers and students expanded their horizons and knowledge with field trip to the Museum Siam.

1.5 My School project

- **Pee Bangchak Son Nong**

BCP employees volunteered to help students with their homework and engaged them in useful activities, focusing on subjects like mathematics, English, Thai, social studies art, together with ethics for children in communities around the refinery during the final 1-1.5 office hours between Monday to Thursday. The children were from four communities: in front of the refinery, *Phongwet Anusorn*, around the refinery and in front of Bangchak School. Each session involved about 20 students; volunteers either visited a given community or taught on Company premises.

- **Bangchak Summer Camp, Year 4**

This project enabled more than 70 children from communities around the refinery to join fun and games while deriving benefit and knowledge during school breaks. Activities included crafts or inventing things, bird-watching, cooking, learning about petroleum, child yoga, sightseeing at *Suan Siam* Adventure Park and watching the film *Kan Kluyay*. Throughout the five days, BCP employees volunteered as teachers and coaches.



1.6 Bangchak Youth Scholarship Project

The Company remains committed to supporting the education of Thai youths, particularly for those needy children with good behavior, good intentions and good academic records, whereby the Company gave educational opportunities to students from 19 schools in its School Lunch project and students from the community. Community members took part in screening applications for 428 scholarships, of which 263 were kindergarten to the elementary students and 137 were secondary level or equivalent. Apart from these, BCP supported continuing education scholarships to encourage youths to pursue higher education by awarding 17 scholarships at the two-year junior degree level and 11 bachelor degree scholarships worth 1,516,000 baht.



2 Safety

Bangchak Cares for Community/School Safety

2.1 Emergency training and drills

The Company promotes the constant preparedness to communities by organizing training for community youths in primary firefighting at the Company's environmental and safety training center in Amphoe Bang Pa-in, Ayutthaya.

Additionally, it regularly organized emergency training and drills through lectures on theories of safety, the transport of patients, the use of fire extinguishers and fire evacuation drills by employees of the safety division who are certified by the Ministry of Labour.

2.2 Chemical refill and fire extinguisher support

BCP promotes the constant preparedness of communities by promoting the inspection of public safety equipment so that it is always ready for use. New instruments are provided and existing ones are maintained and repaired, including fire-extinguisher nozzles, fire hoses with joints, replacement of defective parts, provision of patrol gear for community volunteers and replacement of chemicals for fire extinguishers.



3. Sports

3.1 The fifth Bangchak Youth Futsal Tournament project

For five consecutive years, the Company has organized this tournament to provide a forum for youths to develop their sports skills, strengthen their body, train their discipline and sportsmanship, while enhancing the sharing of experiences in competing against other schools.

Additionally, there was also a cheering-section contest which enabled youths to show off their creativity; a total of 32 schools from Bangkok entered the contest.



3.2 Bangchak community futsal contest

To promote unity among communities and support youth and community hobbies by engaging in sports, the Company together with community leaders around the refinery organized a community futsal contest for youths for the third consecutive year. Teams with players aged 12 years and above and more competed in their own groups; with a total of 13 teams from eight communities participating.



3.3 The forth Bangchak youth futsal camp

BCP promotes youth hobbies through the forth futsal skill training during October the school break. Training was extended to youths of both genders from communities around the refinery. Ajan Surasak Tangsurat, a former national soccer player and his experienced team of instructors, shared their knowhow with more than 100 youths participating.

4. Quality of life

4.1 Bangchak Children's Day

Recognizing love and care for children, as well as children's significance as the future of the nation, BCP organized children's day events at both the refinery and the Bang Pa-in terminal, providing children with entertainment, knowledge and assorted fun and game stations. An abundance of food and beverages abounded under the Happy Family Kids theme. Our neighbors, numbering 3,100, joined the Bangchak event, with about 1,500 joining the Bang Pa-in event.





4.2 One Family project, Year 16

The Company promoted health care for families in the community by providing knowledge and understanding of health care, both physical and mental, to family members. The focus was put on self-practice activities, consisting of Aunt Boonmee boy-scout staff, Bangchak yoga, *Klan Chai Sai Tham* (Refine Your Heart with Dharma) and Family Trip to Bang Nam Phueng Floating Market.



4.3 Ballroom dance for Health

To promote beneficial recreational for the elderly, BCP along with the elderly club of Wat Boonrot Thammaram organized a dance for health activity and supplied two trainers for members every weekend.



4.4 Waen Kaeo project

BCP, in cooperation with the Electricity Generating Authority of Thailand (EGAT), sent out Waen Kaeo project teams to give optometric services to about 600 residents of communities around the refinery and promote a decent quality of life for the communities' elderly members.

5. Environment

5.1 Sapling planting, Phu Long reforestation project

The Company highly values conservation activities and cooperated with a project to restore the Lam Pa Thao forest (Phu Long), undertaken by Wat Sukhato of Chaiyaphum province. The aim was to conserve watershed areas, restore natural conditions and expand natural forest areas. Participating were five schools around the refinery and two local schools, with students joining sapling planting activities to cultivate awareness and provide students with a part in forest conservation. In its fifth year, about 20,000 saplings were planted — equivalent to 50 rai of forest land. The saplings were then taken to Phu Long forest for reforestation.





5.2 Bai Mai Family Saves Electricity through Mini-Fluorescent Lamps and T5 Fluorescent Lamp

BCP campaigned for communities around the refinery to switch to mini-fluorescent lamps and T5 fluorescent lamps replacing the fluorescent lamps in favor of conventional ones. Volunteer employees went out to replace these lamps around the six communities and eight schools neighboring the refinery. As a way to promote electricity saving, cut expenses and cultivate awareness of relief from global warming, in 2009, there are 8,000 Mini-Fluorescent Lamps and 5,800 T5 uorescent lamps were replaced.



5.3 Mangrove planting in Samut Sakhon

BCP, along with six groups of stakeholders, namely G4S, Kbank, IRPC, the Phra Khanong Revenue Office, the Excise Department, and Thai Airways, launched mangrove planting in Samut Sakhon province for stakeholders to join a public service activity for a better environment.



5.4 Purchase of used cooking oil for biodiesel production

This activity was an invitation for the public to join environmental conservation and health consciousness activities by using used cooking oil for biodiesel production. In 2009, the project saw additional member groups through its additional activities with the Bai Mai Kheo Foundation, six hotels in the Bangkok Metropolitan area and the Faculty of Science, Ramathibodi Hospital. Existing members, namely Central and Zen department stores, added three more branches to make five to sell more used cooking oil to BCP; at the same time, they built on their participation by setting up more outlets for used cooking oil donation from their customers at Central Chidlom and Zen. As for the income, both department stores donated it to the Foundation for the Environment; and at Queen Sirikit National Convention Center, the income was donated to the Green Globe Foundation for use in further funding environmental activities for society.



6. Relationship and conservation of customs

6.1 Nine-temple Pilgrimage

The Company's community trip, took 80 elderly members from seven communities around the refinery to pay homage at nine temples to jointly make merits at Songkran, the Thai traditional New Year festival. They engaged themselves in the sightseeing of archeological sites around Rattanakosin Island and paid homage to auspicious places for a peace of mind, which was their objective.

6.2 Taking Kids to Movies

BCP promoted extracurricular learning for youths from communities around the refinery through this activity at a special screening of 'Kan Kluy 2', an animation film with a patriotic and socially creative theme. 190 youths and their parents took part in the activity.

6.3 Community calls

Recognizing and valuing 'Thainess', BCP conceived activities to conserve Thai traditions by allowing employees to visit communities around the refinery on special occasions, including New Year's Day, Songkran and Mother's Day.

6.4 Open house

The Company also held an open house for community members to observe the operations, environmental management and security system of the refinery. Dining and meeting with executives, they shared their views and needs as they had done as an annual tradition.



6.5 Khrop Khrua Bai Mai bulletin and Rob Rua Bangchak newsletter

The Company issued these publications every other month to communicate bits of knowledge and updates concerning the Company and the communities. They also serve as a forum for community knowledge sharing and feedback.



7. Public Service

7.1 Renovation of the Thammasala Child Development Center at Wat Thammongkhon

BCP's policy is to promote and develop quality in youths to maximize their potential and prepare them to become the nation's future. The Company renovated buildings and supplied fixtures and utensils for toilets, kitchens, the library and stairways, as well as repainting the Thammasala Child Development Center at the temple — the largest child development center in the Bangkok Metropolitan area. The center currently houses 440 children. It is



BCP's ambition to make the center equipped with buildings to make it convenient and safe for the children and personnel of the center to use the different rooms.

7.2 Painting of playground items, Thammasala Child Development Center

Under its White Playground project, the Company along with two bank stakeholders, namely Kbank and Thanachart Bank, jointly repaired and painted playground items at the center, so that children may have a nice, safe and workable playground.

7.3 Lamp posts around the main temple, Wat Boonrot Thammaram

BCP installed six lamp posts and improved the lighting system around the main temple of Wat Boonrot Thammaram after replacing the dilapidated, old ones to make it convenient and safe for both the temple and the community to use the main temple for religious purposes.

7.4 Renovating the library and community front yard at the entrance to Wat Boonrot Thammaram

Recognizing the value of individual learns for youths and community residents, BCP joined in the renovation of common facilities for community use, improving the community library in front of the temple, which was in disrepair. The Company turned it into a proper library, a place where people could search for knowledge, and turned the front yard into a community common area and created a pavilion.

8. Economics

During the year, BCP introduced community products at its service stations, including the **Luk Yee Preserved** from the southern provinces, Pattani, Yala and Narativas, the **Buttered Banana** of Ban Nong Toom Women Cooperative, **Longans** were bought from growers to ease their depressed prices and market oversupply while generating some income for them, **School Rice**, the rice from the students, teachers and families' cooperative of Lumplaymas School, Burirum province. The refinery communities also earned income through their prepared dishes, sweets and drinks for the Company's assorted activities. Community children were hired to deliver the **Khrop Khrua Bai Mai** bulletins every other month. In addition, BCP gave special job considerations to interested, qualified community members at the Company and its service stations.





Awards of 2009

Thanks to its culture of “Working towards sustainable business development in harmony with the environment and society”, the Bangchak Petroleum Plc (BCP) is committed to running its business while valuing organizational management with international potential and corporate governance in a virtuous, ethical and transparent manner. Not only does it seek to maximize its profits, but it also values service to society and environmental conservation for constant sustainable growth together with the environment, communities and society.



In 2009, BCP still continued to garner recognition from the public and awards from various institutions as one with sound corporate governance and management characterized by transparent, efficient, socially responsible and conscious attention to the environment.

- **ASEAN Business Award 2008** for Corporate and Environmental Social Responsibility for Large-Scale Businesses in ASEAN, sponsored by the ASEAN Business Advisory Council and the Thai Chamber of Commerce, The Federation of Thai Industries (FTI) and Thai Bankers' Association (TBA).

- **Board of the Year Awards 2008/09 Project achievements:**

- The Board of the Year Award for Exemplary Practices for the third consecutive year, ranking in the top five with the highest average score.
- Audit Committee of the Year Award, ranking in the top five with the highest average score.
- Honorary Award (Hall of Fame) for being a Board with Consistent Exemplary Practices, presented to the Board that has received the Board of the Year Award for Exemplary Practices for three consecutive years.

This was organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand (SET), Board of Trade of Thailand, Federation of Thai Industries (FTI), TBA, Thai Listed Companies Association and the Federation of Thai Capital Market Organizations (FETCO).

- **The Top Corporate Governance Report Award** as a listed Company with outstanding good corporate governance practices for the fourth consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- **The Corporate Social Responsibility Award** as a listed company with outstanding corporate social responsibility (CSR) and environmental practices for the third consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.



- **The IR Excellence Award** as a listed company with outstanding investor relations (IR) practices, which values participation from across the board in the organization for investor relations with investors and shareholders. The Company received this award for the second consecutive year at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.



- **A perfect score of 100 under a project to assess the quality of organizations for the Annual General Meeting of Shareholders (AGM) 2009**, organized by the Securities and Exchange Commission (SEC) in conjunction with the Listed Companies Association and the Thai Investor Association.
- **A plaque under a staff volunteer project entitled 'Chit Asa Personnel Development toward Sustainable Development of Organization and Society'**, sponsored by the Center for the Promotion and National Strength on Moral Ethics and Values, the Office of Knowledge Management and Development and Kenan Institute Asia.
- **The "Quality and Safety Service Stations Award"** from the Department of Energy Business, designed to raise the quality of service stations nationwide. 67 BCP stations were awarded with 17 gold (five-star) medals, 38 silver (four-star) medals and 12 bronze (three-star) medals.
- **A plaque under a project entitled 'Rak Mae, Rak Mae Nam' as an organization** which has conserved and recognized the value of the Chao Phraya River under the initiative of 'Friendly Works and Community and Environment' following the guidance of Her Majesty Queen Sirikit, who has expressed concern for the quality of river water. The project coordinated efforts from the public, schools, local communities, local administrations and organizations, private industrial entrepreneurs and the Ministry of Industry to restore and conserve the four major rivers, namely the Chao Phraya, Tha Chin, Mae Klong and Bang Pakong river. The Company has received this honor for the second consecutive year.



- **Operator in Safety, Occupational Health and Work Environment Award** for the second consecutive year, presented at the 23rd National Safety Week 2009 event, organized by the Department of Welfare and Labour Protection, Ministry of Labour.
- **A certificate of laboratory competence under ISO/ IEC 17025:2005 standards**, terms, rules and conditions of the Office of Administration and Laboratory Accreditation, Department of Science Service, Ministry of Science and Technology.



Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of the Bangchak Petroleum Plc (BCP) has prepared the Company's financial statements to show its financial status and performance for 2009 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992 and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries — including financial information that appears in the annual report of 2009. Such statements have been prepared under generally accepted accounting principles, with a suitable accounting policy chosen and due discretion exercised for sensible estimation. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system and its opinions duly appear in its own report found in this publication.

It is our view that BCP's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of BCP and its subsidiaries ended December 31, 2009 are reliable under generally accepted accounting principles, legally sound and acceptable to relevant regulations.

General (Signed) Tawat Ked-Unkoon

(Tawat Ked-Unkoon)

Chairman

(Signed) Anusorn Sangnimnuan

(Anusorn Sangnimnuan)

President

Report of the Audit Committee

To the Shareholders

At its meeting No. 7/2008, the Board of Directors ("Board") appointed this committee, chaired by Dr. Anusorn Tamajai and consisting of Mr. Wirat lam-ua-yut, Dr. Nipon Surapongrakcharoen and Associate Professor Pranom Kowinwipat as members.

In 2009 the committee held twelve meetings, six of which included senior management. When meeting with senior management, executives with vested interests stayed away from the meetings. The following captures the meeting attendances.

| Name | Attendance / Total |
|---------------------------------------|--------------------|
| Dr. Anusorn Tamajai | 12 / 12 |
| Mr. Wirat lam-ua-yut | 12 / 12 |
| Dr. Nipon Surapongrakcharoen | 10 / 12 |
| Associate Professor Pranom Kowinwipat | 12 / 12 |

The committee deliberated various matters, summarized below:

1. Reviewed quarterly, annual financial statements as well as related financial reports, including adequate and timely disclosure of information, compliance with generally accepted accounting principles, accounting standards and significant changes in accounting policies, together with connected transactions among shareholders and subsidiaries or related companies. This was to ensure that such connected transactions were conducted in the normal course of business without transferring benefits, in the best interests of the Company and in compliance with the regulations of the Stock Exchange of Thailand (SET). The committee also met with the Company's legal team to keep updated on significant court cases in which BCP was being sued, which could have significant impacts on its business.
2. Reviewed to ensure that the Company
 - Had instituted a proper, transparent and efficient internal control and internal audit system by monitoring the performance of the internal audit office to ensure independence and efficiency.
 - Confirmed the independence of the performance of external auditor.
 - Recognized the need for improved business efficiency while minimizing oil losses in its processes.

In 2009, recognizing the criticality of promoting corporate governance, the committee launched training on corporate governance in investment for executives and employees.

3. Reviewed the Company's compliance with all accounting standards in effect, laws, SET regulations and laws relevant to its business in a complete and accurate manner and in line with corporate governance principles. The committee's emphasis was that BCP would exceed such standards.



4. Selected, nominated and proposed compensation for KPMG Phoomchai Audit Ltd. as the external auditor for 2009 and staged quarterly meetings between the committee and the external auditor to discuss concerns arising from each audit and find prompt solutions to significant ones.
5. Reviewed BCP's risk management practices, investigated risks under identified ones and instituted coordination between the committee and the Enterprisewide Risk Management Committee.
6. Actively encouraged and ensured compliance with safety standards and stewardship of the refinery surroundings and nearby communities.
7. Revised the Audit Committee Charter in line with the criteria and terms of the Office of the Securities and Exchange Committee (SEC) and SET and the Corporate Governance Policy to ensure confidence of shareholders, business partners, customers and other stakeholders that BCP's business follows such terms and the code of conduct to maintain an efficient internal control system.
8. Reviewed the policy and operating manual of the office of internal audit to cover the roles and responsibilities of the Audit Committee and the office of internal audit for use as a practical guideline.
9. Cooperated fully with the State Enterprise Policy Office in assessing BCP's internal control and internal audit performance through Thai Rating and Information Service Company (TRIS), the findings of which were implemented in audit quality improvement.
10. Participated in a project entitled Board of the Year Awards for 2008/09 organized by the Thailand Institute of Directors, The Stock Exchange of Thailand, The Federation of Thai Capital Market Organizations, The Federation of Thai Industries, Thai Bankers' Association, Thai Listed Companies Association, Board of Trade of Thailand and won an Audit Committee of the Year Award. The committee pledges to maintain its corporate governance standard and strive for greater efficiency.

Having monitored the Company's performance in 2009 under the scope of authority and assigned responsibility, the Audit Committee approved the way BCP had prepared its financial statements, regarding it as accurate in significant details under generally accepted accounting principles. Connected transactions or items of potential conflicts of interest were adequately disclosed. BCP's internal controls and a risk management process are compatible with its business, with accurate and complete compliance with the law, SET regulations and relevant laws.

(Signed) Anusorn Tamajai

(Anusorn Tamajai)

Chairman

Audit Report of Certified Public Accountant

To the shareholders of the Bangchak Petroleum Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009, and the related statements of income, changes in equity and cash flows for the year then ended of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements and the Company's financial statements of The Bangchak Petroleum Public Company Limited and its subsidiaries and of The Bangchak Petroleum Public Company Limited, respectively, for the year ended 31 December 2008 were audited by another auditor whose report dated 16 February 2009 expressed an unqualified opinion on those statements.

I conducted my audit 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and the results of operations and cash flows for the year then ended of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively, in accordance with generally accepted accounting principles.



(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2010

Financial Statement

Balance sheets

The Bangchak Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2009 and 2008

| Baht | | | | | |
|------------------------------------|------|--------------------------------------|-----------------------|---------------------------------|-----------------------|
| | Note | Consolidated financial statements | | Separate financial statement | |
| | | 2009 | 2008 | 2009 | 2008 |
| Assets | | | | | |
| <i>Current assets</i> | | | | | |
| Current and cash equivalents | 5 | 2,136,226,731 | 2,322,310,096 | 1,710,655,824 | 2,095,167,252 |
| Current investments | 6 | 8,400,163 | 7,719,766 | - | - |
| Trade accounts receivable | | | | | |
| Related parties | 4,7 | 764,467,776 | 200,218,758 | 1,381,982,395 | 562,210,499 |
| Other parties | 7 | 4,139,645,931 | 3,897,814,914 | 4,119,035,657 | 3,887,564,282 |
| Inventories | 8 | 14,053,694,650 | 5,916,487,918 | 13,624,876,047 | 5,743,313,340 |
| Material and Supplies | | 338,122,747 | 310,268,296 | 336,957,057 | 310,268,296 |
| Oil Fuel Fund Subsidies Receivable | | 485,252,075 | 676,472,599 | 485,252,075 | 676,472,599 |
| Other current assets | 4,9 | 1,172,805,966 | 1,333,508,260 | 1,121,366,230 | 1,288,593,199 |
| Total current assets | | 23,098,616,039 | 14,664,800,607 | 22,780,125,285 | 14,563,589,467 |
| <i>Non-current assets</i> | | | | | |
| Investments in subsidiaries | 10 | - | - | 197,539,500 | 79,309,800 |
| Other long-term investments | 6 | 200,257,215 | 157,157,448 | 199,357,215 | 156,257,448 |
| Tariff prepayment | 4 | 19,901,700 | 19,901,700 | 19,901,700 | 19,901,700 |
| Property, plant and equipment | 11 | 28,570,850,803 | 25,234,945,752 | 27,711,312,306 | 25,020,845,503 |
| Leasehold right | 12 | 1,025,002,923 | 1,086,737,154 | 1,025,002,923 | 1,086,737,154 |
| Intangible assets | 13 | 88,840,795 | 102,448,871 | 87,647,920 | 101,140,034 |
| Investment in service stations | 14 | 238,902,314 | 269,362,462 | 238,902,314 | 269,362,462 |
| Deferred tax assets | 15 | 158,328,410 | 474,343,226 | 158,328,410 | 474,343,225 |
| Other non-current assets | 16 | 490,294,819 | 530,138,038 | 482,954,458 | 521,695,331 |
| Total non-current assets | | 30,792,378,979 | 27,875,034,651 | 30,120,946,746 | 27,729,592,657 |
| Total assets | | 53,890,995,018 | 42,539,835,258 | 52,901,072,031 | 42,293,182,124 |

The accompanying notes are an integral part of these financial statement

Balance sheets

The Bangchak Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2009 and 2008

| Baht | | | | | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Note | Consolidated | | Separate | |
| | | financial statements | | financial statement | |
| | | 2009 | 2008 | 2009 | 2008 |
| Liabilities and equity | | | | | |
| <i>Current liabilities</i> | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 17 | 900,000,000 | 1,270,000,000 | 800,000,000 | 1,270,000,000 |
| Trade accounts payable | | | | | |
| Related parties | 4,18 | 5,354,318,449 | 3,841,667,348 | 5,438,686,027 | 3,843,713,700 |
| Other parties | 18 | 714,877,468 | 672,788,927 | 584,276,472 | 618,877,246 |
| Other accounts payable to related parties | 4 | 10,393,170 | 12,682,546 | 10,393,170 | 12,682,546 |
| Current portion of long-term loans from financial institutions | 17 | 922,542,537 | 603,500,000 | 887,261,287 | 603,500,000 |
| Excise tax and Oil Fuel Fund payable | | 598,358,345 | 142,707,336 | 598,358,345 | 142,707,336 |
| Income tax payable | | 1,356,306,408 | - | 1,350,461,634 | - |
| Liabilities on hedging contracts | | 246,527,725 | 10,773,805 | 246,527,725 | 10,773,805 |
| Other current liabilities | 4,19 | 2,841,208,008 | 1,536,422,984 | 2,705,197,701 | 1,512,512,045 |
| Total current liabilities | | 12,944,532,110 | 8,090,542,946 | 12,621,162,361 | 8,014,766,678 |
| <i>Non-current liabilities</i> | | | | | |
| Long-term loans from financial institutions | 17 | 12,060,989,628 | 11,042,832,165 | 11,531,770,878 | 10,909,032,165 |
| Convertible debentures | 17 | 2,036,570,000 | 2,761,550,000 | 2,036,570,000 | 2,761,550,000 |
| Deferred tax liabilities | 15 | 16,356,850 | 19,628,219 | 16,356,850 | 19,628,219 |
| Liabilities on long-term lease | | 352,936,704 | 414,481,760 | 352,936,704 | 414,481,760 |
| Other non-current liabilities | 20 | 526,423,896 | 447,534,299 | 509,912,061 | 432,651,924 |
| Total non-current liabilities | | 14,993,277,078 | 14,686,026,443 | 14,447,546,493 | 14,537,344,068 |
| Total liabilities | | 27,937,809,188 | 22,776,569,389 | 27,068,708,854 | 22,552,110,746 |

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



Balance sheets

The Bangkok Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2009 and 2008

| | | Baht | | | |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statement | |
| | Note | 2009 | 2008 | 2009 | 2008 |
| Liabilities and equity | | | | | |
| <i>Equity</i> | | | | | |
| Share capital | 21 | | | | |
| Authorised share capital | | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 | 1,531,643,461 |
| Issued and paid-up share capital | | 1,169,829,952 | 1,119,132,050 | 1,169,829,952 | 1,119,132,050 |
| Additional paid-in capital | 22 | | | | |
| Share premium | | 8,179,615,548 | 7,505,333,450 | 8,179,615,548 | 7,505,333,450 |
| Share premium on subsidiary of the Company | | 8,621,225 | 18,621,225 | - | - |
| Unrealised surplus | | | | | |
| Surplus on revaluation of property, plant, and equipment | | 4,477,247,790 | 4,856,479,716 | 4,477,247,790 | 4,856,479,716 |
| Capital surplus on registered and paid-up share reduction | | 189,617,759 | 189,617,759 | 189,617,759 | 189,617,759 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 22 | 153,164,346 | 153,164,346 | 153,164,346 | 153,164,346 |
| Unappropriated | | 11,676,691,109 | 5,881,772,402 | 11,662,887,782 | 5,917,344,057 |
| Total equity attributable to equity holders of the Company | | 25,864,787,729 | 19,724,120,948 | 25,832,363,177 | 19,741,071,378 |
| Minority interests | | 88,398,101 | 39,144,921 | - | - |
| Total equity | | 25,953,185,830 | 19,763,265,869 | 25,832,363,177 | 19,741,071,378 |
| Total liabilities and equity | | 53,890,995,018 | 42,539,835,258 | 52,901,072,031 | 42,293,182,124 |

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

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

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

Statements of income

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2009 and 2008

| Baht | | | | | |
|--|------|--------------------------------------|------------------------|---------------------------------|------------------------|
| | Note | Consolidated financial statements | | Separate financial statement | |
| | | 2009 | 2008 | 2009 | 2008 |
| Revenue from sale of goods and rendering of services | 4,31 | 108,681,229,134 | 129,041,557,121 | 107,678,233,690 | 128,053,433,453 |
| Cost of sale of goods and rendering of services | 4 | (101,009,520,691) | (125,340,670,804) | (100,588,183,031) | (124,760,296,402) |
| Gross Profit | | 7,671,708,443 | 3,700,886,317 | 7,090,050,659 | 3,293,137,051 |
| Other income | 4,25 | 224,617,498 | 235,887,007 | 229,071,377 | 252,120,916 |
| Profit before expenses | | 7,896,325,941 | 3,936,773,324 | 7,319,122,036 | 3,545,257,967 |
| Selling expenses | 4,26 | (2,077,638,845) | (1,972,918,553) | (1,605,918,650) | (1,633,041,830) |
| Administrative expenses | 4,27 | (1,012,838,464) | (811,305,238) | (970,993,825) | (702,050,203) |
| Management benefit expenses | 28 | (59,945,193) | (54,081,046) | (59,900,193) | (54,036,046) |
| Reversal of loss (loss) from inventory write - down | | 948,227,619 | (948,227,619) | 942,158,173 | (942,158,173) |
| Gain (loss) from crude and product oil price hedging contract | | 5,630,745,713 | (249,874,897) | 5,630,745,713 | (249,874,897) |
| Loss on foreign exchange | | (56,822,728) | (168,136,904) | (56,822,728) | (168,136,904) |
| Reversal of loss (loss) from impairment of asset | | (5,004,768) | 15,390,546 | (5,004,768) | 15,390,546 |
| Profit (loss) before finance costs and income tax expense | | 11,263,049,275 | (252,380,387) | 11,193,385,758 | (188,649,540) |
| Finance costs | 29 | (558,067,395) | (856,625,995) | (553,808,565) | (856,625,995) |
| Profit (loss) before income tax expense | | 10,704,981,880 | (1,109,006,382) | 10,639,577,193 | (1,045,275,535) |
| Income tax expense | 30 | (3,182,135,916) | 355,846,789 | (3,164,689,091) | 355,846,789 |
| Profit (loss) for the year | | 7,522,845,964 | (753,159,593) | 7,474,888,102 | (689,428,746) |
| Profit (loss) attributable to: | | | | | |
| Equity holders of the Company | | 7,524,263,084 | (750,091,929) | 7,474,888,102 | (689,428,746) |
| Minority interests | | (1,417,120) | (3,067,664) | - | - |
| Profit (loss) for the year | | 7,522,845,964 | (753,159,593) | 7,474,888,102 | (689,428,746) |
| Earnings (loss) per share (Baht) | | | | | |
| Basic | 32 | 6.57 | (0.67) | 6.53 | (0.62) |
| Diluted | 32 | 5.75 | (0.67) | 5.72 | (0.62) |

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

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

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President

Statements of changes in equity

Consolidated financial statements

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2009 and 2008

| Baht | | | | | | | | | | |
|--|----------------------------------|----------------------|--|--|---|--------------------|-----------------------|---|--------------------|-----------------------|
| Note | Issued and paid-up share capital | Share premium | | Unrealised surplus | Capital surplus | Retained earnings | | Total equity | | |
| | | Share premium | Share premium on subsidiary of the Company | Surplus on revaluation of property, plant, and equipment | on registered and paid-up share reduction | Legal reserve | Unappropriated | attributable to equity holders of the Company | Minority interests | Total equity |
| Balance at 1 January 2008 | 1,119,132,050 | 7,505,333,450 | - | 5,289,307,563 | 189,617,759 | 153,164,346 | 6,967,603,946 | 21,224,159,114 | 510,000 | 21,224,669,114 |
| Minority interest's share capital in subsidiary | - | - | - | - | - | - | - | - | 41,760,725 | 41,760,725 |
| Premium on share capital of subsidiary of the Company | - | - | 18,621,225 | - | - | - | - | 18,621,225 | - | 18,621,225 |
| Transaction not recognised in the income statement | | | | | | | | | | |
| - Depreciation and write off on the property revaluation | - | - | - | (432,827,847) | - | - | - | (432,827,847) | - | (432,827,847) |
| Dividend paid to preferred shareholders | - | - | - | - | - | - | - | - | (58,140) | (58,140) |
| Dividend paid to common shareholders | 33 | - | - | - | - | - | (335,739,615) | (335,739,615) | - | (335,739,615) |
| Loss for the year | - | - | - | - | - | - | (750,091,929) | (750,091,929) | (3,067,664) | (753,159,593) |
| Balance at 31 December 2008 and 1 January 2009 | 1,119,132,050 | 7,505,333,450 | 18,621,225 | 4,856,479,716 | 189,617,759 | 153,164,346 | 5,881,772,402 | 19,724,120,948 | 39,144,921 | 19,763,265,869 |
| Minority interest's share capital in subsidiary | - | - | - | - | - | - | - | - | 50,670,300 | 50,670,300 |
| Issue of share capital from redemption of convertible debentures | 21 | 50,697,902 | 674,282,098 | - | - | - | - | 724,980,000 | - | 724,980,000 |
| Transaction not recognised in the income statement | | | | | | | | | | |
| - Depreciation on the property revaluation | - | - | - | (379,231,926) | - | - | - | (379,231,926) | - | (379,231,926) |
| Dividend paid to common shareholders | 33 | - | - | - | - | - | (1,729,344,377) | (1,729,344,377) | - | (1,729,344,377) |
| Profit (loss) for the year | - | - | - | - | - | - | 7,524,263,084 | 7,524,263,084 | (1,417,120) | 7,522,845,964 |
| Balance at 31 December 2009 | 1,169,829,952 | 8,179,615,548 | 18,621,225 | 4,477,247,790 | 189,617,759 | 153,164,346 | 11,676,691,109 | 25,864,787,729 | 88,398,101 | 25,953,185,830 |

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

Statements of changes in equity

Separate financial statements

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2009 and 2008

| Baht | | | | | | | |
|--|----------------------------------|----------------------|--|---|--------------------|-----------------------|--|
| Note | Issued and paid-up share capital | Share premium | Unrealised surplus | | Retained earnings | | Total equity attributable to equity holders of the company |
| | | | Surplus on revaluation of property, plant, and equipment | Capital surplus on registered and paid-up share reduction | Legal reserve | Unappropriated | |
| Balance at 1 January 2008 | 1,119,132,050 | 7,505,333,450 | 5,289,307,563 | 189,617,759 | 153,164,346 | 6,942,512,418 | 21,199,067,586 |
| Transaction not recognised in the income statement | | | | | | | |
| - Depreciation and write off on the property revaluation | - | - | (432,827,847) | - | - | - | (432,827,847) |
| Dividend paid to common shareholders | 33 | - | - | - | - | (335,739,615) | (335,739,615) |
| Loss for the year | - | - | - | - | - | (689,428,746) | (689,428,746) |
| Balance at December 31 2008 and January 1 2009 | 1,119,132,050 | 7,505,333,450 | 4,856,479,716 | 189,617,759 | 153,164,346 | 5,917,344,057 | 19,741,071,378 |
| Issue of share capital from redemption of | | | | | | | |
| convertible debentures | 21 | 50,697,902 | 674,282,098 | - | - | - | 724,980,000 |
| Transaction not recognised in the income statement | | | | | | | |
| - Depreciation on the property revaluation | - | - | (379,231,926) | - | - | - | (379,231,926) |
| Dividend paid to common shareholders | 33 | - | - | - | - | (1,729,344,377) | (1,729,344,377) |
| Profit for the year | - | - | - | - | - | 7,474,888,102 | 7,474,888,102 |
| Balance at December 31 2009 | 1,169,829,952 | 8,179,615,548 | 4,477,247,790 | 189,617,759 | 153,164,346 | 11,662,887,782 | 25,832,363,177 |

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



Statements of cash flows

The Bangkok Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2009 and 2008

| | Baht | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statement | |
| | 2009 | 2008 | 2009 | 2008 |
| Cash flows from operating activities | | | | |
| Profit (loss) for the year | 7,522,845,964 | (753,159,593) | 7,474,888,102 | (689,428,746) |
| <i>Adjustments for</i> | | | | |
| Depreciation | 837,473,262 | 659,937,814 | 828,688,096 | 657,305,543 |
| Amortisation | 172,894,731 | 183,132,429 | 172,329,874 | 182,682,202 |
| Reversal of Bad debt and doubtful debts | (40,797,603) | (22,768,774) | (43,077,801) | (23,360,120) |
| Unrealised loss (gain) on foreign exchange | 241,313,745 | (13,075,813) | 241,313,745 | (13,075,813) |
| (Reversal of loss) loss from inventory write - down | (948,227,619) | 948,227,619 | (942,158,173) | 942,158,173 |
| (Reversal of loss) loss from impairment of asset | 5,004,768 | (15,390,546) | 5,004,768 | (15,390,546) |
| Loss on disposal of property, plant and equipment | 18,078,187 | 12,097,489 | 18,002,571 | 10,286,716 |
| Reserve for pension fund | 62,729,959 | 46,175,547 | 62,729,959 | 46,175,547 |
| Deferred revenue | (1,585,709) | (1,585,709) | (1,585,709) | (1,585,709) |
| Dividend received | - | - | - | (20,090,000) |
| Finance costs | 558,067,395 | 856,625,995 | 553,808,565 | 856,625,995 |
| Income tax expense | 3,182,135,916 | (355,846,789) | 3,164,689,091 | (355,846,789) |
| | <u>11,609,932,996</u> | <u>1,544,369,669</u> | <u>11,534,633,088</u> | <u>1,576,456,453</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | (795,810,563) | 1,285,260,166 | (1,040,848,743) | 1,512,103,239 |
| Inventories | (7,188,979,113) | 4,164,637,796 | (6,939,404,534) | 4,058,928,809 |
| Other current assets | 398,301,105 | (461,660,425) | 408,120,724 | (461,475,610) |
| Other non-current assets | 19,753,890 | 488,921,964 | 19,620,974 | 512,246,619 |
| Trade accounts payable | 1,565,228,815 | (4,488,480,733) | 1,570,860,726 | (4,488,118,673) |
| Other current liabilities | 749,574,020 | (437,473,946) | 634,237,580 | (421,970,131) |
| Other non-current liabilities | (32,924,523) | (43,440,339) | (27,010,427) | (44,428,724) |
| Interest paid | (778,639,774) | (1,165,895,862) | (759,598,788) | (1,163,462,796) |
| Income tax paid | (1,563,083,464) | 1,791,544,557) | (1,551,985,538) | (1,767,784,601) |
| Net cash provided by (used in) | | | | |
| operating activities | <u>3,983,353,389</u> | <u>(905,306,267)</u> | <u>3,848,625,062</u> | <u>(687,505,415)</u> |

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

Statements of cash flows

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2009 and 2008

| | Baht | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statement | |
| | 2009 | 2008 | 2009 | 2008 |
| Cash flows from investing activities | | | | |
| Increase in current investments | (680,397) | (708,766) | - | - |
| Increase in long-term investments | (42,506,896) | (133,140,278) | (42,506,896) | (133,140,278) |
| Net cash outflow from issue of subsidiary's share capital | - | - | (118,229,700) | (78,819,800) |
| Dividend received | - | - | - | 20,090,000 |
| Purchase of property, plant and equipment | (3,379,738,497) | (7,702,897,609) | (2,744,875,864) | (7,541,422,885) |
| Sale of property, plant and equipment | 5,284,632 | 10,955,394 | 5,281,361 | 58,226,425 |
| Increase in leasehold right | (24,753,513) | (10,129,948) | (24,753,513) | (10,129,948) |
| Purchase of intangible assets | (15,568,006) | (28,733,846) | (15,207,501) | (28,426,846) |
| Net cash used in investing activities | (3,457,962,677) | (7,864,655,053) | (2,940,292,113) | (7,713,623,332) |
| Cash flows from financing activities | | | | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | (370,000,000) | 390,000,000 | (470,000,000) | 390,000,000 |
| Proceeds from long - term loans | 1,940,700,000 | 14,354,982,165 | 1,510,000,000 | 14,221,182,165 |
| Repayment of long - term loans | (603,500,000) | (10,108,370,172) | (603,500,000) | (10,108,370,172) |
| Dividend paid to common shareholders | (1,729,344,377) | (335,739,615) | (1,729,344,377) | (335,739,615) |
| Dividend paid to preferred shareholders | - | (58,140) | - | - |
| Proceeds from issue of subsidiary's share capital | 50,670,300 | 33,780,200 | - | - |
| Premium on share capital of subsidiary | - | 26,601,750 | - | - |
| Net cash provided by (used in) financing activities | (711,474,077) | 4,361,196,188 | (1,292,844,377) | 4,167,072,378 |
| Net increase (decrease) in cash and cash equivalents | (186,083,365) | (4,408,765,132) | (384,511,428) | (4,234,056,369) |
| Cash and cash equivalents at beginning of year | 2,322,310,096 | 6,731,075,228 | 2,095,167,252 | 6,329,223,621 |
| Cash and cash equivalents at end of year | 2,136,226,731 | 2,322,310,096 | 1,710,655,824 | 2,095,167,252 |

Non-cash transactions

On 3 July 2009, the Company issued 50.70 million new ordinary shares at the par value of Baht 1 each, totalling Baht 50.70 million to support the conversion of Convertible Debentures. The convertible value of each debenture is Baht 14.30 per common share, which results in a share premium totaling Baht 674.28 million.

Note to the Financial statement

For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 19 February 2010.

| Note | Contents | Note | Contents |
|------|--|------|---|
| 1 | General information | 21 | Share capital |
| 2 | Basis of preparation of the financial statements | 22 | Additional paid-in capital and reserves |
| 3 | Significant accounting policies | 23 | Warrants |
| 4 | Related party transactions and balances | 24 | Segment information |
| 5 | Cash and cash equivalents | 25 | Other income |
| 6 | Investments | 26 | Selling expenses |
| 7 | Trade accounts receivable | 27 | Administrative expenses |
| 8 | Inventories | 28 | Employee benefit expenses |
| 9 | Other current assets | 29 | Finance costs |
| 10 | Investments in subsidiaries | 30 | Income tax expense |
| 11 | Property, plant and equipment | 31 | Promotional privileges |
| 12 | Leasehold right | 32 | Earnings per share |
| 13 | Intangible assets | 33 | Dividends |
| 14 | Investment in oil service station | 34 | Financial instruments |
| 15 | Deferred tax | 35 | Commitments with non-related parties |
| 16 | Other non-current assets | 36 | Contingent liabilities and contingent assets |
| 17 | Interest-bearing liabilities | 37 | Thai Accounting Standards (TAS) not yet adopted |
| 18 | Trade accounts payable | 38 | Reclassification of accounts |
| 19 | Other current liabilities | 39 | Events after the reporting period |
| 20 | Other non-current liabilities | | |

1. General information

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

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

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

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

The Company is a company in the PTT Public Company Limited ("PTT") group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 28.46% of the Company's issued and paid-up share capital as of 31 December 2009.

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

Details of the Company's subsidiaries as at 31 December 2009 and 2008 were as follows:

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | | |
|---|---|--------------------------|------------------------|-------|--|
| | | | 2009 | 2008 | |
| Direct subsidiaries | | | | | |
| • The Bangchak Green Net Co., Ltd. | Manage BCP service stations and consumer goods retailer | Thailand | 49.00 | 49.00 | |
| • The Bangchak Biofuel Co., Ltd. | Production and distribution of Biodiesel | Thailand | 70.00 | 70.00 | |
| Indirect subsidiary | | | | | |
| • The Bangchak Green Line Co., Ltd. (During liquidation process) | Fuel transportation | Thailand | 49.00 | 49.00 | |



2. Basis of preparation of the financial statements

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

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards ("IAS") on which the TAS/TFRS are based.

The Group has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 37.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest million. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and jointly-controlled entities (together referred to as the "Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transaction, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of future foreign currency transactions

Forward foreign exchange contracts protect the Company from movements in exchange rates by establishing the rates at which foreign currency assets will be realized or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognized in the financial statements on inception. The premium or discount on the establishment of each agreement is amortized on a straight-line method over the contract period.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

Hedge of Crack Spread

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.



(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in the statement of income.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method.

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is credited to equity under the heading 'revaluation surplus' unless it offsets a previous decrease in value recognised in the statement of income in respect of the same asset. A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in equity in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and credited to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

| Property | Year |
|---|--------|
| Buildings | 20 |
| Machinery, equipment refinery plants and terminal | 30 |
| Marketing and office equipment | 5 - 20 |
| Vehicles | 5 |

No depreciation is provided on freehold land, platinum and assets under construction.

(j) Leasehold right

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

Leasehold rights are presented at cost deducted by accumulated amortisation.

(k) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

The right to use and the cost of development of computer software 5 year.

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.



An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost, the reversal is recognised in the statement of income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

Employee Joint Investment Program (EJIP)

Obligations for contributions to Employee Joint Investment Program (EJIP) are recognised as an expense in the statement of income as incurred.

Pensions

Pensions are computed on the benefit formula at balance sheet date and are recognised as an expense in the statement of income. Benefits are payable upon retirement, disability, death or resignation

(p) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(q) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Income from operating right

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

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

(r) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease or lease incentives received in accordance with lease agreement. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Related party transactions and balances

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

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

| Name of entities | Country of incorporation/nationality | Nature of relationships |
|--|--------------------------------------|---|
| PTT Public Company Limited | Thailand | Major Shareholder, some common directors |
| Fuel Pipeline Transportation Limited | Thailand | Shareholding, representative from the Company as director |
| PTT ICT Solutions Company Limited | Thailand | Major shareholder as the Company's shareholder |
| PTT International Trading Pte. Limited | Singapore | Major shareholder as the Company's shareholder |
| PTT Aromatics and Refining Public Company Limited | Thailand | Major shareholder as the Company's shareholder |
| IRPC Public Company Limited | Thailand | Major shareholder as the Company's shareholder |
| Thai Oil Public Company Limited | Thailand | Major shareholder as the Company's shareholder |
| NPC Safety and Environmental Service Company Limited | Thailand | Related Company of Major Shareholder |
| Thai Lube Base Public Company Limited | Thailand | Related Company of Major Shareholder |
| Thai Oleochemicals Company Limited | Thailand | Related Company of Major Shareholder |
| PTTEP Siam Company Limited | Thailand | Related Company of Major Shareholder |
| Energy Complex Company Limited | Thailand | Related Company of Major Shareholder |

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

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

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

| | (in million Baht) | | | |
|---|----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Major Shareholder | | | | |
| Sales of goods | 10,931.90 | 7,763.73 | 10,931.90 | 7,763.73 |
| Purchases of raw material | 68,144.23 | 76,582.60 | 68,144.23 | 76,582.60 |
| Other income | 130.59 | 77.78 | 130.59 | 77.78 |
| Service expense | 287.51 | 56.10 | 287.51 | 56.10 |
| Loss from crude and product oil price hedging contract | 5.46 | - | 5.46 | - |
| Interest Expense | 17.57 | 17.53 | 17.57 | 17.53 |
| Subsidiaries | | | | |
| Sales of goods | - | - | 15,409.93 | 17,294.24 |
| Purchases of goods | - | - | 119.35 | 2.42 |
| Other income | - | - | 14.16 | 26.20 |
| Interest expenses | - | - | 0.83 | 0.32 |
| Other related parties | | | | |
| Sale of goods | 269.09 | 1,046.02 | 269.09 | 1,046.02 |
| Purchases of raw material and product | 12,374.52 | 25,908.78 | 12,374.52 | 25,908.78 |
| Pipeline transportation expenses | 115.43 | 105.25 | 115.43 | 105.25 |
| Selling and administration expenses | 0.43 | 11.13 | 0.43 | 11.13 |
| Other income | 4.37 | 5.43 | 4.37 | 5.43 |



Balances as at 31 December 2009 and 2008 with related parties were as follows:

| | (in million Baht) | | | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Trade accounts receivable - related parties | | | | |
| Major Shareholder | | | | |
| PTT Public Company Limited | 764.14 | 199.89 | 764.14 | 199.89 |
| Subsidiaries | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 615.59 | 361.43 |
| The Bangchak Biofuel Co., Ltd. | - | - | 1.92 | 0.56 |
| Other related party | | | | |
| Fuel Pipeline Transportation Ltd. | 0.33 | 0.33 | 0.33 | 0.33 |
| | 764.47 | 200.22 | 1,381.98 | 562.21 |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | 764.47 | 200.22 | 1,381.98 | 562.21 |
| Bad and doubtful debts expense for the year | | | | |
| | - | - | - | - |
| Trade accounts payable - related parties | | | | |
| Major Shareholder | | | | |
| PTT Public Company Limited | 3,911.21 | 3,544.33 | 3,911.21 | 3,544.33 |
| Subsidiaries | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 1.83 | 2.04 |
| The Bangchak Biofuel Co., Ltd. | - | - | 82.54 | - |
| Other related parties | | | | |
| Thai Oil Public Co., Ltd. | 549.88 | 182.73 | 549.88 | 182.73 |
| IRPC Public Co., Ltd. | 354.71 | 113.56 | 354.71 | 113.56 |
| Thai Lube Base Public Co., Ltd. | 0.33 | 1.05 | 0.33 | 1.05 |
| PTT Aromatics and Rening Public Company Limited | 538.19 | - | 538.19 | - |
| Total | 5,354.32 | 3,841.67 | 5,438.69 | 3,843.71 |
| Other accounts payable - related parties | | | | |
| Other related party | | | | |
| Fuel Pipeline Transportation Ltd. | 10.39 | 12.68 | 10.39 | 12.68 |
| Non-current assets | | | | |
| Other related party | | | | |
| Energy Complex Company Limited | 4.70 | - | 4.70 | - |
| Tariff prepayment | | | | |
| Other related party | | | | |
| Fuel Pipeline Transportation Ltd. | 117.20 | 127.63 | 117.20 | 127.63 |
| Less allowance for doubtful accounts | (97.30) | (107.73) | (97.30) | (107.73) |
| Net | 19.90 | 19.90 | 19.90 | 19.90 |
| Other current liabilities | | | | |
| Subsidiary | | | | |
| The Bangchak Green Net Co., Ltd. | - | - | 26.15 | 25.32 |

Tariff prepayment

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated 14 June 1996. Subsequently, the Company, together with the other FPT creditors agreed on 3 March 1999 to restructure the FPT's loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million. On 30 April 1999, Baht 48.75 million was converted to capital stock (preferred stock) with remaining loan outstanding totalling 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 of MLR-2%) will be paid on a monthly basis. Subsequently, FPT was able to repay some parts of the loan, however, due to financial difficulties it could not comply with the agreed terms. An amendment to the original agreement was made on 28 March 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 of 153 periods, with the first payment made on 30 April 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from 29 March 2002. The difference in the interest shall be established as a receivable in a suspense account which will be written-off provided FPT complies with the agreement, without default, over a three-year consecutive period.

On 29 December 2009, the Company and other FPT creditors had additionally amended the restructuring agreement to comply with FPT's ability to pay debt. The Company and other FPT creditors agreed to give up interest receivable and changed repayment schedule as stipulated in the restructuring agreement without additional debt relief.

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

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

Feedstock Supply Agreement

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

Crude Oil Supply and Oil-Products Sales and Purchase Agreement

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

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

Bio-diesel Sales and Purchase Agreement

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



Gas Sales and Purchase Agreement

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

Service Station Operating Right Agreement

During 2007, the Company entered into Service Station Operating Right Agreement which include the right to operate within service station with a subsidiary for a period of three years. The subsidiary agreed to pay the fee at agreed prices as stipulated in the agreement. For mutual interest under the agreement, the subsidiary agreed to purchase the finish oil products at contractually agreed prices.

Store Operation Right Agreement

During 2007, the Company entered into Store Operation Right Agreement with a subsidiary for a period of three years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices as stipulated in the agreement.

Cogeneration Purchase and Sale Agreement

On 25 February 2008, the Company entered into Cogeneration Project Agreement with the major shareholder under which the major shareholder invests in the construction of a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. It is anticipated that the completion of the construction of the power plant and the commencement of its commercial operation will be around mid 2010.

Petroleum and Gas Tank Storage Service Agreement

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

Office Rental and Service Agreements

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

5. Cash and cash equivalents

| | (in million Baht) | | | |
|--------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Cash on hand | 19.55 | 19.01 | 1.14 | 1.05 |
| Cash at banks — current accounts | 566.55 | 990.90 | 439.56 | 891.32 |
| Cash at banks — savings accounts | 1,550.13 | 672.40 | 1,269.96 | 602.80 |
| Highly liquid short-term investments | - | 640.00 | - | 600.00 |
| Total | 2,136.23 | 2,322.31 | 1,710.66 | 2,095.17 |

Cash and cash equivalents as at 31 December was as follows:

| (in million Baht) | | | | |
|-----------------------------|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Thai Baht (THB) | 2,133.15 | 2,298.85 | 1,707.58 | 2,071.71 |
| United States Dollars (USD) | 3.08 | 23.46 | 3.08 | 23.46 |
| Total | 2,136.23 | 2,322.31 | 1,710.66 | 2,095.17 |

6. Investments

| (in million Baht) | | | | |
|---|----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Current investments | | | | |
| Short-term deposits at financial institutions | 8.40 | 7.72 | - | - |
| | 8.40 | 7.72 | - | - |
| Other long-term investments | | | | |
| Non-marketable equity securities | | | | |
| Fuel Pipeline Transportation Ltd. | 181.75 | 181.75 | 181.75 | 181.75 |
| Less Allowance for impairment | (181.75) | (181.75) | (181.75) | (181.75) |
| ASEAN Potash Mining Public Company Limited | 80.00 | 80.00 | 80.00 | 80.00 |
| MFC Energy Fund | 126.22 | 73.29 | 126.22 | 73.29 |
| Less Allowance for impairment | (9.85) | - | (9.85) | - |
| Non-marketable equity securities - net | 196.37 | 153.29 | 196.37 | 153.29 |
| Debt securities held to maturity | | | | |
| Special Government bonds | 3.00 | 3.00 | 3.00 | 3.00 |
| Less Discount on investments | (0.01) | (0.03) | (0.01) | (0.03) |
| The Express way Authority of Thailand's bond | 0.90 | 0.90 | - | - |
| Debt securities held to maturity - net | 3.89 | 3.87 | 2.99 | 2.97 |
| Other long-term investments | 200.26 | 157.16 | 199.36 | 156.26 |
| Total | 208.66 | 164.88 | 199.36 | 156.26 |

7. Trade accounts receivable

| (in million Baht) | | | | | |
|--------------------------------------|------|----------------------|-----------------|----------------------|-----------------|
| | Note | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 2009 | 2008 | 2009 | 2008 |
| Related parties | 4 | 764.47 | 200.22 | 1,381.98 | 562.21 |
| Other parties | | 4,213.62 | 3,979.47 | 4,190.18 | 3,966.52 |
| | | 4,978.09 | 4,179.69 | 5,572.16 | 4,528.73 |
| Less allowance for doubtful accounts | | (73.97) | (81.66) | (71.14) | (78.96) |
| Net | | 4,904.12 | 4,098.03 | 5,501.02 | 4,449.77 |
| Reverse of Bad and doubtful | | | | | |
| debts expense for the year | | (7.69) | (0.95) | (7.82) | (0.91) |



Aging analyses for trade accounts receivable were as follows:

| (in million Baht) | | | | |
|--------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Related parties | | | | |
| Within credit terms | 764.47 | 200.22 | 1,381.98 | 562.21 |
| Less allowance for doubtful accounts | - | - | - | - |
| Net | 764.47 | 200.22 | 1,381.98 | 562.21 |
| Other parties | | | | |
| Within credit terms | 4,104.76 | 3,332.32 | 4,086.45 | 3,323.42 |
| Overdue: | | | | |
| Less than 3 months | 32.03 | 557.13 | 28.69 | 556.26 |
| 3-6 months | 0.42 | 4.06 | 0.51 | 3.83 |
| 6-12 months | 0.24 | 1.11 | 0.30 | 0.04 |
| Over 12 months | 76.17 | 84.85 | 74.23 | 82.97 |
| | 4,213.62 | 3,979.47 | 4,190.18 | 3,966.52 |
| Less allowance for doubtful accounts | (73.97) | (81.66) | (71.14) | (78.96) |
| Net | 4,139.65 | 3,897.81 | 4,119.04 | 3,887.56 |
| Total | 4,904.12 | 4,098.03 | 5,501.02 | 4,449.77 |

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

The currency denomination of trade accounts receivable as at 31 December was as follows:

| (in million Baht) | | | | |
|-----------------------------|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Thai Baht (THB) | 4,015.01 | 1,773.25 | 4,611.91 | 2,124.99 |
| United States Dollars (USD) | 889.11 | 2,324.78 | 889.11 | 2,324.78 |
| Total | 4,904.12 | 4,098.03 | 5,501.02 | 4,449.77 |

8. Inventories

| (in million Baht) | | | | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Crude oil | 8,991.61 | 4,023.54 | 8,954.70 | 4,023.54 |
| Finished oil products | 5,001.82 | 2,788.69 | 4,670.18 | 2,661.93 |
| Consumer products | 61.50 | 53.85 | - | - |
| | 14,054.93 | 6,866.08 | 13,624.88 | 6,685.47 |
| Less: allowance for decline in value | - | (948.22) | - | (942.16) |
| Less: allowance for obsolete and slow moving | (1.24) | (1.37) | - | - |
| Net | 14,053.69 | 5,916.49 | 13,624.88 | 5,743.31 |

As at 31 December 2009 and 2008, the Company's inventories included petroleum legal reserve of 431.38 million litres with approximated value of Baht 6,903.25 million and 326.51 million litres with approximated value of Baht 4,928.41 million, respectively.

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

(2008: The Group recorded allowance for decline in value equally to net realisable value totalling Baht 948.22 million)

9. Other current assets

| (in million Baht) | | | | |
|---------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Receivable from oil hedging contracts | 559.35 | 27.07 | 559.35 | 27.07 |
| Value added tax receivable | 452.66 | - | 437.09 | - |
| Prepayment of corporate income tax | 66.81 | 1,143.15 | 50.50 | 1,126.33 |
| Others | 93.99 | 163.29 | 74.43 | 135.19 |
| Total | 1,172.81 | 1,333.51 | 1,121.37 | 1,288.59 |

10. Investments in subsidiaries

| (in million Baht) | | | | |
|-----------------------|-------------------------------|--|--------------|--|
| | Separate financial statements | | | |
| | 2009 | | 2008 | |
| Subsidiaries | | | | |
| At 1 January | 79.31 | | 0.49 | |
| Acquisitions | 118.23 | | 78.82 | |
| At 31 December | 197.54 | | 79.31 | |

Investments in subsidiaries as at 31 December 2009 and 2008, and dividend income for the years ended were as follows:

| | Separate financial statements | | | | | | | | | | | |
|----------------------------------|-------------------------------|-------|-----------------------------------|--------|---------------|--------------|------------|----------|---------------|--------------|-----------------|--------------|
| | Ownership interest (%) | | Paid-up capital (in million Baht) | | Cost method | | Impairment | | At cost - net | | Dividend income | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Subsidiaries | | | | | | | | | | | | |
| The Bangchak Green Net Co., Ltd. | 49.00 | 49.00 | 1.00 | 1.00 | 0.49 | 0.49 | - | - | 0.49 | 0.49 | - | 20.09 |
| The Bangchak Biofuel Co., Ltd. | 70.00 | 70.00 | 281.50 | 112.60 | 197.05 | 78.82 | - | - | 197.05 | 78.82 | - | - |
| Total | | | | | 197.54 | 79.31 | - | - | 197.54 | 79.31 | - | 20.09 |



11. Property, plant and equipment

| (in 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 1 January 2008 | 1,368.64 | 527.71 | 24,592.52 | 3,742.29 | 273.10 | 127.90 | 5,182.97 | 35,815.13 |
| Additions | - | - | - | 3.52 | - | 3.28 | 7,984.12 | 7,990.92 |
| Transfers | 0.40 | 4.01 | 260.15 | 106.98 | 30.86 | 14.54 | (412.57) | 4.37 |
| Disposals | - | (1.29) | (202.12) | (61.05) | - | (17.30) | (71.40) | (353.16) |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | 1,369.04 | 530.43 | 24,650.55 | 3,791.74 | 303.96 | 128.42 | 12,683.12 | 43,457.26 |
| Additions | - | - | 0.22 | 14.66 | - | 1.13 | 4,587.30 | 4,603.31 |
| Transfers | 3.85 | 279.16 | 16,095.98 | 97.09 | 159.90 | 33.63 | (16,669.61) | - |
| Disposals | - | - | (30.00) | (79.68) | (17.03) | (0.38) | (21.35) | (148.44) |
| At 31 December 2009 | 1,372.89 | 809.59 | 40,716.75 | 3,823.81 | 446.83 | 162.80 | 579.46 | 47,912.13 |
| Finance cost capitalised | | | | | | | | |
| Finance cost capitalised | | | | | | | | |
| during 2008 (note 29) | - | - | - | - | - | - | 270.46 | 270.46 |
| Rates of interest capitalised | | | | | | | | |
| during 2008 (% per annum) | - | - | - | - | - | - | 4.79-7.00 | 4.79-7.00 |
| Finance cost capitalised | | | | | | | | |
| during 2009 (note 29) | - | - | - | - | - | - | 358.00 | 358.00 |
| Rates of interest capitalised | | | | | | | | |
| during 2009 (% per annum) | - | - | - | - | - | - | 3.09-6.5 | 3.09-6.5 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2008 | - | (344.89) | (14,244.09) | (2,078.82) | - | (100.50) | - | (16,768.30) |
| Depreciation charge for the year | - | (16.69) | (799.41) | (227.39) | - | (13.69) | - | (1,057.18) |
| Transfers | - | - | - | (2.48) | - | - | - | (2.48) |
| Disposals | - | 1.11 | 157.86 | 46.85 | - | 17.28 | - | 223.10 |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | - | (360.47) | (14,885.64) | (2,261.84) | - | (96.91) | - | (17,604.86) |
| Depreciation charge for the year | - | (19.76) | (926.17) | (239.60) | - | (14.20) | - | (1,199.73) |
| Transfers | - | - | - | - | - | - | - | - |
| Disposals | - | - | 28.28 | 57.07 | - | 0.38 | - | 85.73 |
| At 31 December 2009 | - | (380.23) | (15,783.53) | (2,444.37) | - | (110.73) | - | (18,718.86) |
| Allowance for impairment | | | | | | | | |
| At 1 January 2008 | (568.50) | - | (0.56) | (65.47) | - | - | - | (634.53) |
| Additions | - | - | - | (11.48) | - | - | - | (11.48) |
| Decrease | 28.55 | - | - | - | - | - | - | 28.55 |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | (539.95) | - | (0.56) | (76.95) | - | - | - | (617.46) |
| Additions | (14.06) | - | - | - | - | - | - | (14.06) |
| Decrease | - | - | 0.56 | 8.54 | - | - | - | 9.10 |
| At 31 December 2009 | (554.01) | - | - | (68.41) | - | - | - | (622.42) |
| Net Book value | | | | | | | | |
| At 31 December 2008 | 829.09 | 169.96 | 9,764.35 | 1,452.95 | 303.96 | 31.51 | 12,683.12 | 25,234.94 |
| At 31 December 2009 | 818.88 | 429.36 | 24,933.22 | 1,311.03 | 446.83 | 52.07 | 579.46 | 28,570.85 |

(in million Baht)

Separate financial statements

| | Land | Buildings | Machinery, equipment refinery plants and terminal | Marketing and office equipments | Platinum Catalyst | Construction Vehicles work in progress | Total | |
|----------------------------------|-----------------|-----------------|--|---------------------------------------|----------------------|--|------------------|--------------------|
| Cost / Revaluation | | | | | | | | |
| At 1 January 2008 | 1,368.64 | 527.71 | 24,592.52 | 3,702.23 | 273.10 | 122.84 | 5,182.97 | 35,770.01 |
| Additions | - | - | - | - | - | - | 7,825.12 | 7,825.12 |
| Transfers | - | 4.01 | 260.15 | 106.98 | 30.86 | 14.54 | (412.57) | 3.97 |
| Disposals | (45.48) | (1.29) | (202.12) | (58.58) | - | (16.97) | (71.40) | (395.84) |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | 1,323.16 | 530.43 | 24,650.55 | 3,750.63 | 303.96 | 120.41 | 12,524.12 | 43,203.26 |
| Additions | - | - | - | - | - | - | 3,948.98 | 3,948.98 |
| Transfers | 3.85 | 19.56 | 15,567.87 | 97.09 | 159.90 | 33.63 | (15,881.90) | - |
| Disposals | - | - | (30.00) | (68.28) | (17.03) | (0.38) | (21.35) | (137.04) |
| At 31 December 2009 | 1,327.01 | 549.99 | 40,188.42 | 3,779.44 | 446.83 | 153.66 | 569.85 | 47,015.20 |
| Finance cost capitalised | | | | | | | | |
| Finance cost capitalised | | | | | | | | |
| during 2008 (note 29) | - | - | - | - | - | - | 270.46 | 270.46 |
| Rates of interest capitalised | | | | | | | | |
| during 2008 (% per annum) | - | - | - | - | - | - | 4.79-5.49 | 4.79-5.49 |
| Finance cost capitalised | | | | | | | | |
| during 2009 (note 29) | - | - | - | - | - | - | 338.96 | 338.96 |
| Rates of interest capitalised | | | | | | | | |
| during 2009 (% per annum) | - | - | - | - | - | - | 3.09-4.43 | 3.09-4.43 |
| Accumulated depreciation | | | | | | | | |
| At 1 January 2008 | - | (344.89) | (14,244.09) | (2,042.31) | - | (96.97) | - | (16,728.26) |
| Depreciation charge for the year | - | (16.69) | (799.41) | (225.73) | - | (12.72) | - | (1,054.55) |
| Transfers | - | - | - | (2.48) | - | - | - | (2.48) |
| Disposals | - | 1.11 | 157.86 | 44.40 | - | 16.96 | - | 220.33 |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | - | (360.47) | (14,885.64) | (2,226.12) | - | (92.73) | - | (17,564.96) |
| Depreciation charge for the year | - | (18.25) | (922.49) | (236.43) | - | (13.78) | - | (1,190.95) |
| Transfers | - | - | - | - | - | - | - | - |
| Disposals | - | - | 28.28 | 45.78 | - | 0.38 | - | 74.44 |
| At 31 December 2009 | - | (378.72) | (15,779.85) | (2,416.77) | - | (106.13) | - | (18,681.47) |
| Allowance for impairment | | | | | | | | |
| At 1 January 2008 | (568.50) | - | (0.56) | (65.47) | - | - | - | (634.53) |
| Additions | - | - | - | (11.48) | - | - | - | (11.48) |
| Decrease | 28.55 | - | - | - | - | - | - | 28.55 |
| At 31 December 2008 and | | | | | | | | |
| 1 January 2009 | (539.95) | - | (0.56) | (76.95) | - | - | - | (617.46) |
| Additions | (14.06) | - | - | - | - | - | - | (14.06) |
| Decrease | - | - | 0.56 | 8.54 | - | - | - | 9.10 |
| At 31 December 2009 | (554.01) | - | - | (68.41) | - | - | - | (622.42) |
| Net book value | | | | | | | | |
| At 31 December 2008 | 783.21 | 169.96 | 9,764.35 | 1,447.56 | 303.96 | 27.68 | 12,524.12 | 25,020.84 |
| At 31 December 2009 | 773.00 | 171.27 | 24,408.57 | 1,294.26 | 446.83 | 47.53 | 569.85 | 27,711.31 |

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2009 amounted to Baht 1,563.14 million (2008: Baht 1,376.12 million).

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



12. Leasehold Rights

| | (in million Baht) |
|---|--|
| | Consolidated and Separate financial statements |
| Cost | |
| At 1 January 2008 | 2,131.30 |
| Addition | 9.88 |
| Disposal | (13.40) |
| At 31 December 2008 and 1 January 2009 | 2,127.78 |
| Addition | 27.20 |
| At 31 December 2009 | 2,154.98 |
| Accumulated amortisation | |
| At 1 January 2008 | (950.65) |
| Amortisation charge for the year | (90.89) |
| Disposal | 11.93 |
| At 31 December 2008 and 1 January 2009 | (1,029.61) |
| Amortisation charge for the year | (89.52) |
| At 31 December 2009 | (1,119.13) |
| Allowance for impairment | |
| At 1 January 2008 | (12.64) |
| Reversal of loss on impairment | 1.21 |
| At 31 December 2008 and 1 January 2009 | 11.43 |
| Reversal of loss on impairment | 0.58 |
| At 31 December 2009 | (10.85) |
| Net book value | |
| At 31 December 2008 | 1,086.74 |
| At 31 December 2009 | 1,025.00 |

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 551.63 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. The annually instalments of the leasehold fee are as followed;

| | (in million Baht) |
|----------------------|-------------------|
| Period | Total |
| The year 2007 - 2009 | 137.90 |
| The year 2010 - 2012 | 183.88 |
| The year 2013 - 2016 | 229.85 |
| | 551.63 |

As at 31 December 2009, leasehold right liability has remaining balance totalling Baht 414.48 million (2008: Baht 460.70 million).

13. Intangible assets

| | (in million Baht) | |
|---|--|----------------------------------|
| | Right to use and cost of development of computer software | |
| | Consolidated financial statements | Separate financial statements |
| Cost | | |
| At 1 January 2008 | 138.14 | 136.07 |
| Addition | 28.85 | 28.43 |
| Disposal | (3.74) | (3.63) |
| At 31 December 2008 and 1 January 2009 | 163.25 | 160.87 |
| Addition | 15.58 | 15.21 |
| At 31 December 2009 | 178.83 | 176.08 |
| Accumulated amortisation | | |
| At 1 January 2008 | (38.85) | (38.23) |
| Amortisation charge for the year | (25.58) | (25.13) |
| Disposals | 3.63 | 3.63 |
| At 31 December 2008 and 1 January 2009 | (60.80) | (59.73) |
| Amortisation charge for the year | (29.19) | (28.70) |
| At 31 December 2009 | (89.99) | (88.43) |
| Net book value | | |
| At 31 December 2008 | 102.45 | 101.14 |
| At 31 December 2009 | 88.84 | 87.65 |

14. Investment in Oil Service Stations

The investments in oil service stations comprise oil service station expansion with different approaches. The Company invests and grants others to operate or enter into a joint venture agreement, or with investment made by the operator and the Company providing support.

As at 31 December 2009, the balances outstanding in the investment in service stations account total Baht 238.90 million (2008: Baht 269.36 million). The Company amortised the investment in service stations on a straight-line basis over the term of the agreement. Amortisation charge for the year ended 31 December 2009 total Baht 45.04 million (2008: Baht 53.10 million)

15. Deferred tax

Deferred tax assets and liabilities determined after appropriate offsetting are included in the balance sheets as follows:

| | (in million Baht) | | | |
|--------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Deferred tax assets | 158.33 | 474.34 | 158.33 | 474.34 |
| Deferred tax liabilities | (16.36) | (19.63) | (16.36) | (19.63) |
| Net | 141.97 | 454.71 | 141.97 | 454.71 |



Movements in deferred tax assets and liabilities during the year were as follows:

| (in million Baht) | | | |
|-------------------------------|--|--|------------------------|
| | Consolidated and Separate financial statements | | |
| | At 1 January 2009 | (Charged) / credited to Statement of income (Note 30) | At 31 December 2009 |
| Deferred tax assets | | | |
| Pension fund reserve | 118.17 | 18.82 | 136.99 |
| Loss carry forward | 332.48 | (332.48) | - |
| Others | 23.69 | (2.35) | 21.34 |
| Total | 474.34 | (316.01) | 158.33 |
| Deferred tax liability | | | |
| Property, plant and equipment | 19.63 | (3.27) | 16.36 |
| Total | 19.63 | (3.27) | 16.36 |
| Net | 454.71 | (312.74) | 141.97 |

| (in million Baht) | | | |
|-------------------------------|--|--|------------------------|
| | Consolidated and Separate financial statements | | |
| | At 1 January 2008 | (Charged) / credited to Statement of income (Note 30) | At 31 December 2008 |
| Deferred tax assets | | | |
| Pension fund reserve | 104.32 | 13.85 | 118.17 |
| Loss carry forward | - | 332.48 | 332.48 |
| Others | 26.71 | (3.02) | 23.69 |
| Total | 131.03 | 343.31 | 474.34 |
| Deferred tax liability | | | |
| Property, plant and equipment | 22.90 | (3.27) | 19.63 |
| Total | 22.90 | (3.27) | 19.63 |
| Net | 108.13 | 346.58 | 454.71 |

16. Other non-current assets

| (in million Baht) | | | | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Fixed deposit for staff welfare | 223.64 | 222.50 | 223.64 | 222.50 |
| Deposit for crude and product oil hedging contracts | - | 14.73 | - | 14.73 |
| Deferred expenses for the issuance of debentures and long-term loans | 185.49 | 210.51 | 178.90 | 202.86 |
| Others | 81.16 | 82.40 | 80.41 | 81.61 |
| Total | 490.29 | 530.14 | 482.95 | 521.70 |

17. Interest-bearing liabilities

| (in million Baht) | | | | |
|--|----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Current | | | | |
| Short-term loans from financial institutions | | | | |
| secured | 100.00 | 970.00 | - | 970.00 |
| unsecured | 800.00 | 300.00 | 800.00 | 300.00 |
| | 900.00 | 1,270.00 | 800.00 | 1,270.00 |
| Current portion of long-term loans | | | | |
| from financial institutions | | | | |
| secured | 35.28 | 603.50 | - | 603.50 |
| unsecured | 887.26 | - | 887.26 | - |
| | 922.54 | 603.50 | 887.26 | 603.50 |
| Total Current | 1,822.54 | 1,873.50 | 1,687.26 | 1,873.50 |
| Non-current | | | | |
| Long-term loans from financial institutions | | | | |
| secured | 529.22 | 11,042.83 | - | 10,909.03 |
| unsecured | 11,531.77 | - | 11,531.77 | - |
| | 12,060.99 | 11,042.83 | 11,531.77 | 10,909.03 |
| Convertible Debenture | | | | |
| unsecured | 2,036.57 | 2,761.55 | 2,036.57 | 2,761.55 |
| | 2,036.57 | 2,761.55 | 2,036.57 | 2,761.55 |
| Total Non-current | 14,097.56 | 13,804.38 | 13,568.34 | 13,670.58 |
| Total | 15,920.10 | 15,677.88 | 15,255.60 | 15,544.08 |

Details of the Group's loans from financial institutions as at 31 December were as follows:

| (in million Baht) | | | | | | | | |
|---|----------|----------------------------|--|---|--------------------------------------|------------------|----------------------------------|------------------|
| | Currency | Facilities (in million) | Interest Rates (%) p.a | Repayment Terms | Consolidated financial statements | | Separate financial statements | |
| | | | | | 2009 | 2008 | 2009 | 2008 |
| Short-term loans from financial institutions | | | | | | | | |
| The Company | Baht | 14,249 | MMR | Payable in accordance with terms in Promissory note | 800.00 | 1,270.00 | 800.00 | 1,270.00 |
| Subsidiary | Baht | 220 | MOR-1 | Payable in accordance with terms in Promissory note | 100.00 | - | - | - |
| Total | | | | | 900.00 | 1,270.00 | 800.00 | 1,270.00 |
| Long-term loans from financial institutions | | | | | | | | |
| The Company | Baht | 7,100 | THBFIX 6M plus margin | The principle will be repayable in 18 instalments commencing in December 2008 | 6,212.50 | 6,816.00 | 6,212.50 | 6,816.00 |
| The Company | Baht | 8,400 | THBFIX 6M plus margin | The principle will be repayable in 15 instalments commencing in December 2010 | 6,206.53 | 4,696.53 | 6,206.53 | 4,696.53 |
| Subsidiary | Baht | 710 | Sign agreement -2 years MLR minus 0.25 After - MLR minus 0.50 | The principle will be repayable in 24 instalments commencing in June 2010 | 564.50 | 133.80 | - | - |
| Total | | | | | 12,983.53 | 11,646.33 | 12,419.03 | 11,512.53 |
| <i>Less: Current portion</i> | | | | | (922.54) | (603.50) | (887.26) | (603.50) |
| Net | | | | | 12,060.99 | 11,042.83 | 11,531.77 | 10,909.03 |

The loan agreements contain certain conditions and restrictions such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio.

As at 31 December 2009 the Group and the Company had unutilised credit facilities totalling Baht 16,815 million and 16,530 million, respectively (2008: Baht 15,018 million and Baht 14,201 million, respectively).

Convertible Debentures

On 29 January 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per common stock, subjected to subsequent adjustment of price according to the terms of the exercise of conversion right in the Debentures. The issuance of the convertible debentures was part of the financial restructuring plan, approved by the cabinet on 8 July 2003; in which offerings were made to investing institution in the form of depository receipt against benefits derived from the convertible debentures. The issuance of the depository receipt was made by the Siam DR Co., Ltd. (which is 99% owned by The Stock Exchange of Thailand) on the basis of one depository receipt for one convertible debenture. The Ministry of Finance guarantees the investment and 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 commenced on 30 September 2004 and will end on 30 September 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures.

On 16 May 2006, the Company issued 58,560 units of unsecured, convertible into common stock, subordinated registered debentures with holders' 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 31 December 2009, the remaining balances of Convertible Debentures were 203,657 units.

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

| | (in million Baht) | | | |
|--------------------------------------|----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Within one year | 1,822.54 | 1,873.50 | 1,687.26 | 1,873.50 |
| After one year but within five years | 7,860.14 | 4,634.72 | 7,491.80 | 4,565.15 |
| After five years | 6,237.42 | 9,169.66 | 6,076.54 | 9,105.43 |
| Total | 15,920.10 | 15,677.88 | 15,255.60 | 15,544.08 |



Secured interest-bearing liabilities as at 31 December were secured on the following assets:

| (in million Baht) | | | | |
|-------------------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Property, plant and equipment | 831.15 | 22,247.57 | - | 22,247.57 |
| Total | 831.15 | 22,247.57 | - | 22,247.57 |

Interest-bearing liabilities of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

18. Trade accounts payable

| (in million Baht) | | | | | |
|-------------------|------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Note | Consolidated financial statements | | Separate financial statements | |
| | | 2009 | 2008 | 2009 | 2008 |
| Related parties | 4 | 5,354.32 | 3,841.67 | 5,438.69 | 3,843.71 |
| Other parties | | 714.88 | 672.79 | 584.27 | 618.88 |
| Total | | 6,069.20 | 4,514.46 | 6,022.96 | 4,462.59 |

Trade accounts payable of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

19. Other current liabilities

| (in million Baht) | | | | |
|--|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Accrued expenses | 645.18 | 439.85 | 534.45 | 411.02 |
| Other accounts payable | 1,308.34 | 222.45 | 1,294.32 | 221.86 |
| Retention | 659.49 | 612.03 | 650.76 | 612.03 |
| Current portion of non-current liabilities | 78.91 | 60.60 | 78.91 | 60.47 |
| Value added tax payable | 0.74 | 82.30 | - | 82.30 |
| Others | 148.55 | 119.19 | 146.76 | 124.83 |
| Total | 2,841.21 | 1,536.42 | 2,705.20 | 1,512.51 |

20. Other non-current liabilities

| (in million Baht) | | | | |
|-----------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Provision for pension funds | 456.62 | 393.89 | 456.62 | 393.89 |
| Others | 69.80 | 53.64 | 53.29 | 38.76 |
| Total | 526.42 | 447.53 | 509.91 | 432.65 |

21. Share capital

| (million shares / million Baht) | | | | | |
|---------------------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Per value per share (in Baht) | 2009 | | 2008 | |
| | | Number | Baht | Number | Baht |
| Authorised | | | | | |
| At 1 January | | | | | |
| ordinary shares | 1 | 1,531.64 | 1,531.64 | 1,531.64 | 1,531.64 |
| At 31 December | | | | | |
| ordinary shares | 1 | 1,531.64 | 1,531.64 | 1,531.64 | 1,531.64 |
| Issued and paid-up | | | | | |
| At 1 January | | | | | |
| ordinary shares | 1 | 1,119.13 | 1,119.13 | 1,119.13 | 1,119.13 |
| Issue of new shares | 1 | 50.70 | 50.70 | - | - |
| At 31 December | | | | | |
| ordinary shares | 1 | 1,169.83 | 1,169.83 | 1,119.13 | 1,119.13 |

On 3 July 2009, the Company issued 50.70 million new ordinary shares with a par value of Baht 1 each, totalling Baht 50.70 million to support the conversion of convertible debentures. The convertible value of each debenture is Baht 14.30 per common share, which results in a share premium totalling Baht 674.28 million.

22. Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Capital surplus on registered and paid-up share reduction

On 6 July 2004, the Company 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. 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 proceeded the share reduction to Capital on registered and paid-up share reduction account.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.



23. Warrants

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

As of 31 December 2009, the remaining balance of the warrants was 69,032,486 units.

24. Segment information

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

Business segments

The Group comprises the following main business segments:

| | |
|-----------|-----------|
| Segment 1 | Refinery |
| Segment 2 | Marketing |

Profit (loss) results, based on consolidated business segments for the years ended 31 December 2009 and 2008 were as follows:

| | 2009 (in million Baht) | | | |
|--|------------------------|-----------------|-------------|------------------|
| | Refinery | Marketing | Elimination | Total |
| Sales | 104,137.75 | 75,190.64 | (70,647.16) | 108,681.23 |
| Cost of sales | (99,785.23) | (71,871.45) | 70,647.16 | (101,009.52) |
| Gross margin | 4,352.52 | 3,319.19 | - | 7,671.71 |
| Other income | 6,655.32 | 148.27 | - | 6,803.59 |
| Selling and administrative expenses and Management benefit expenses | (737.48) | (2,412.94) | - | (3,150.42) |
| Loss on foreign exchange | (56.82) | - | - | (56.82) |
| Reversal of loss (loss) from impairment of assets | (10.32) | 5.31 | - | (5.01) |
| Profit before finance costs and income tax expense | 10,203.22 | 1,059.83 | - | 11,263.05 |
| Finance costs | | | | (558.07) |
| Income tax | | | | (3,182.14) |
| Profit for the year | | | | 7,522.84 |
| EBITDA | 10,838.61 | 1,486.14 | | 12,324.75 |

| 2008 (in million Baht) | | | | |
|--|-----------------|-----------------|-------------|-----------------|
| | Refinery | Marketing | Elimination | Total |
| Sales | 124,954.29 | 84,504.19 | (80,416.92) | 129,041.56 |
| Cost of sales | (124,070.17) | (81,687.42) | 80,416.92 | (125,340.67) |
| Gross margin | 884.12 | 2,816.77 | - | 3,700.89 |
| Other income (expenses) | (1,101.02) | 138.81 | - | (962.21) |
| Selling and administrative expenses | | | | |
| and Management benefit expenses | (594.44) | (2,243.88) | - | (2,838.32) |
| Loss on foreign exchange - net | (168.13) | - | - | (168.13) |
| Reversal of loss from impairment of assets | 0.03 | 15.36 | - | 15.39 |
| Profit (loss) before finance costs and income tax expense | (979.44) | 727.06 | - | (252.38) |
| Finance costs | | | | (856.63) |
| Income tax | | | | 355.85 |
| Profit for the period | | | | (753.16) |
| EBITDA | (660.70) | 1,132.64 | | 471.94 |

25. Other income

| (in million Baht) | | | | |
|---------------------------------|----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Interest income | 41.55 | 59.82 | 41.55 | 59.82 |
| Rental fee for NGV distribution | 99.82 | 73.23 | 99.82 | 73.23 |
| Dividend received | - | - | - | 20.09 |
| Others | 83.25 | 102.84 | 87.70 | 98.98 |
| Total | 224.62 | 235.89 | 229.07 | 252.12 |



26. Selling expenses

| | (in million Baht) | | | |
|-------------------------------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Personnel | 426.79 | 394.47 | 193.16 | 176.43 |
| Advertising | 190.19 | 118.53 | 132.22 | 94.05 |
| Depreciation and amortisation | 416.25 | 420.23 | 414.86 | 418.84 |
| Distribution | 493.30 | 598.84 | 493.30 | 598.84 |
| Others | 551.11 | 440.85 | 372.38 | 344.88 |
| Total | 2,077.64 | 1,972.92 | 1,605.92 | 1,633.04 |

27. Administrative expenses

| | (in million Baht) | | | |
|-------------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Personnel | 626.45 | 470.30 | 593.38 | 442.16 |
| Advertising | 113.53 | 81.96 | 113.53 | 81.96 |
| Depreciation and amortisation | 53.05 | 40.49 | 48.86 | 38.80 |
| Others | 219.81 | 218.56 | 215.22 | 139.13 |
| Total | 1,012.84 | 811.31 | 970.99 | 702.05 |

28. Employee benefit expenses

| (in million Baht) | | | | |
|---------------------------------------|----------------------|-----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Management | | | | |
| Wages and salaries | 38.83 | 43.21 | 38.79 | 43.17 |
| Contribution to defined benefit plans | 2.94 | 2.69 | 2.94 | 2.69 |
| Pension | 1.84 | 1.31 | 1.84 | 1.31 |
| EJIP | 0.47 | - | 0.47 | - |
| Others | 15.86 | 6.87 | 15.86 | 6.87 |
| | 59.94 | 54.08 | 59.90 | 54.04 |
| Other employees | | | | |
| Wages and salaries | 775.92 | 691.71 | 532.32 | 470.13 |
| Contribution to defined benefit plans | 44.52 | 40.04 | 42.83 | 38.39 |
| Pension | 72.61 | 54.16 | 72.61 | 54.16 |
| EJIP | 8.11 | - | 8.11 | - |
| Others | 278.78 | 162.40 | 261.67 | 145.77 |
| | 1,179.94 | 948.31 | 917.54 | 708.45 |
| Total | 1,239.88 | 1,002.39 | 977.44 | 762.49 |

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

On 6 October 2009, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC) in accordance with the notification of the SEC, SorJor 12/2009, dated 10 June 2009. EJIP is an investment program for the periodic accumulative buying of the Company's shares, established to serve as another means of compensating Company employees and executives.

29. Finance costs

| (in million Baht) | | | | | |
|--|------|----------------------|-----------------|----------------------|-----------------|
| | Note | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 2009 | 2008 | 2009 | 2008 |
| Interest payable to Financial institutions | | 717.40 | 741.27 | 694.10 | 741.27 |
| Interest payable to Convertible Debentures | | 16.36 | 17.62 | 16.36 | 17.62 |
| Amortisation of transaction costs capitalised | | 12.09 | 9.66 | 12.09 | 9.66 |
| Premium on hedging contracts | | 38.22 | 2.59 | 38.22 | 2.59 |
| Others | | 132.00 | 355.95 | 132.00 | 355.95 |
| | | 916.07 | 1,127.09 | 892.77 | 1,127.09 |
| Capitalised as cost of assets under construction | 11 | (358.00) | (270.46) | (338.96) | (270.46) |
| Net | | 558.07 | 856.63 | 553.81 | 856.63 |



30. Income tax expense

| (in million Baht) | | | | | |
|--------------------------------------|------|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Note | Consolidated financial statements | | Separate financial statements | |
| | | 2009 | 2008 | 2009 | 2008 |
| Current tax expense | | | | | |
| Current year | | 3,344.40 | - | 3,326.95 | - |
| Under (over) provided in prior years | | - | (9.27) | - | (9.27) |
| | | 3,344.40 | (9.27) | 3,326.95 | (9.27) |
| Deferred tax expense | | | | | |
| Movements in | | | | | |
| temporary differences | 15 | 312.74 | (346.58) | 312.74 | (346.58) |
| Benefit of tax losses recognised | | (475.00) | - | (475.00) | - |
| | | (162.26) | (346.58) | (162.26) | (346.58) |
| Total | | 3,182.14 | (355.85) | 3,164.69 | (355.85) |

Reconciliation of effective tax rate

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------------------|----------------|------------------------|
| | Rate (%) | 2009 (in million Baht) | Rate (%) | 2008 (in million Baht) |
| Profit (Loss) before income tax expense | | 10,704.98 | | (1,109.01) |
| Income tax using the Thai corporation tax rate | 30.00 | 3,211.49 | (30.00) | (332.70) |
| Income not subject to tax / Expenses that are deductible at a greater amount | (0.23) | (24.21) | (3.10) | (34.39) |
| Expenses not deductible / Other adjustments | 1.34 | 143.33 | 1.01 | 11.24 |
| Utilisation of previously unrecognised tax losses | (1.39) | (148.47) | - | - |
| Total | 29.72 | 3,182.14 | (32.09) | (355.85) |

Reconciliation of effective tax rate

| | Separate financial statements | | | |
|--|-------------------------------|------------------------|----------------|------------------------|
| | Rate (%) | 2009 (in million Baht) | Rate (%) | 2008 (in million Baht) |
| Profit (Loss) before income tax expense | | 10,639.58 | | (1,045.28) |
| Income tax using the Thai corporation tax rate | 30.00 | 3,191.87 | (30.00) | (313.58) |
| Income not subject to tax / Expenses that are deductible at a greater amount | (0.23) | (24.21) | (3.29) | (34.39) |
| Expenses not deductible / Other adjustments | 1.31 | 139.54 | (0.75) | (7.88) |
| Utilisation of previously unrecognised tax losses | (1.34) | (142.51) | - | - |
| Total | 29.74 | 3,164.69 | (34.04) | (355.85) |

31. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process and production of Biodiesel. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board.
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

| (in million Baht) | | | | | | |
|-----------------------------------|------------------------|--------------------------------|-------------------|------------------------|--------------------------------|-------------------|
| Consolidated financial statements | | | | | | |
| | 2009 | | | 2008 | | |
| | Promoted businesses | None Promoted businesses | Total | Promoted businesses | None Promoted businesses | Total |
| Export sales | - | 16,500.44 | 16,500.44 | - | 27,543.91 | 27,543.91 |
| Local sales | 52.65 | 107,589.08 | 107,641.73 | - | 118,740.36 | 118,740.36 |
| Eliminations | | | (15,460.95) | | | (17,242.72) |
| Total Revenue | | | 108,681.22 | | | 129,041.55 |

| (in million Baht) | | | | | | |
|-------------------------------|------------------------|--------------------------------|-------------------|------------------------|--------------------------------|-------------------|
| Separate financial statements | | | | | | |
| | 2009 | | | 2008 | | |
| | Promoted businesses | None Promoted businesses | Total | Promoted businesses | None Promoted businesses | Total |
| Export sales | - | 16,500.44 | 16,500.44 | - | 27,543.91 | 27,543.91 |
| Local sales | - | 91,177.79 | 91,177.79 | - | 100,509.52 | 100,509.52 |
| Total Revenue | - | 107,678.23 | 107,678.23 | - | 128,053.43 | 128,053.43 |



32. Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the years ended 31 December 2009 and 2008 were based on the profit (loss) for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

| | (in million Baht / million shares) | | | |
|--|------------------------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Profit (loss) attributable to equity holders of the Company (basic) | 7,524.26 | (750.09) | 7,474.89 | (689.43) |
| Number of ordinary shares outstanding at | | | | |
| 1 January | 1,119.13 | 1,119.13 | 1,119.13 | 1,119.13 |
| Effect of shares issued on 3 July 2009 | 25.28 | - | 25.28 | - |
| Weighted average number of ordinary shares outstanding | 1,144.41 | 1,119.13 | 1,144.41 | 1,119.13 |
| Earnings (loss) per share (basic) | | | | |
| (in Baht) | 6.57 | (0.67) | 6.53 | (0.62) |

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the years ended 31 December 2009 and 2008 were based on the profit (loss) for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

| | (in million Baht / million shares) | | | |
|--|------------------------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Profit (loss) attributable to equity holders of the Company (basic) | 7,524.26 | (750.09) | 7,474.89 | (689.43) |
| After-tax effect of interest on convertible debentures | 31.64 | 47.78 | 31.64 | 47.78 |
| Profit (loss) attributable to equity holders of the Company (diluted) | 7,555.90 | (702.31) | 7,506.53 | (641.65) |
| Weighted average number of ordinary shares outstanding (basic) | 1,144.41 | 1,119.13 | 1,144.41 | 1,119.13 |
| Effect of conversion of convertible Debentures | 168.71 | 193.99 | 168.71 | 193.99 |
| Weighted average number of ordinary shares outstanding (diluted) | 1,313.12 | 1,313.12 | 1,313.12 | 1,313.12 |
| Earnings (loss) per share (diluted) | | | | |
| (in Baht) | 5.75 | (0.67) | 5.72 | (0.62) |

33. Dividends

At the Board of Directors' meeting of the Company held on 14 August 2009, the Board of Director approved the appropriation of interim dividend from retained earnings as of 30 June 2009 at of Baht 1.00 per share, amounting to Baht 1,169.78 million. The dividend was paid to shareholders on 7 September 2009

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

At the annual general meeting of the shareholders of the Company held on 25 April 2008, the shareholders approved the appropriation of dividend from the profit for the year ended 31 December 2007 at Baht 0.30 per share, amounting to Baht 335.74 million. The dividend was paid to shareholders during 2008.

34. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.



The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

| (in million Baht) | | | | | |
|-----------------------------------|--|-----------------|------------------------------------|-----------------|------------------|
| Consolidated financial statements | | | | | |
| | Effective interest rate (% per annum) | Within 1 year | After 1 year but within 5 years | After 5 years | Total |
| 2009 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 1.5 - 5.1 | 1,822.54 | - | - | 1,822.54 |
| Non-current | | | | | |
| Loans from Financial institutions | 3.1 - 3.6 | - | 6,409.17 | 5,651.82 | 12,060.99 |
| Convertible debentures | 3.0 | - | 1,450.97 | 585.60 | 2,036.57 |
| Total | | 1,822.54 | 7,860.14 | 6,237.42 | 15,920.10 |
| 2008 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 6.1 | 1,873.50 | - | - | 1,873.50 |
| Non-current | | | | | |
| Loans from Financial institutions | 5.9 | - | 4,634.72 | 6,408.11 | 11,042.83 |
| Convertible debentures | 3.0 | - | - | 2,761.55 | 2,761.55 |
| Total | | 1,873.50 | 4,634.72 | 9,169.66 | 15,677.88 |

| (in million Baht) | | | | | |
|-----------------------------------|--|-----------------|------------------------------------|-----------------|------------------|
| Separate financial statements | | | | | |
| | Effective interest rate (% per annum) | Within 1 year | After 1 year but within 5 years | After 5 years | Total |
| 2009 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 1.5 - 5.1 | 1,687.26 | - | - | 1,687.26 |
| Non-current | | | | | |
| Loans from Financial institutions | 3.1 - 3.6 | - | 6,040.83 | 5,490.94 | 11,531.77 |
| Convertible debentures | 3.0 | - | 1,450.97 | 585.60 | 2,036.57 |
| Total | | 1,687.26 | 7,491.80 | 6,076.54 | 15,255.60 |
| 2008 | | | | | |
| Current | | | | | |
| Loans from Financial institutions | 6.1 | 1,873.50 | - | - | 1,873.50 |
| Non-current | | | | | |
| Loans from Financial institutions | 5.9 | - | 4,565.15 | 6,343.88 | 10,909.03 |
| Convertible debentures | 3.0 | - | - | 2,761.55 | 2,761.55 |
| Total | | 1,873.50 | 4,565.15 | 9,105.43 | 15,544.08 |

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

| (in million Baht) | | | | | |
|-------------------------------------|------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Note | Consolidated financial statements | | Separate financial statements | |
| | | 2009 | 2008 | 2009 | 2008 |
| United States Dollars | | | | | |
| Cash and cash equivalents | 5 | 3.08 | 23.46 | 3.08 | 23.46 |
| Trade accounts receivable | 7 | 889.11 | 2,324.78 | 889.11 | 2,324.78 |
| Receivable from | | | | | |
| oil hedging contracts | 9 | 559.35 | 27.07 | 559.35 | 27.07 |
| Payable from oil hedging contracts | | (1.79) | (10.77) | (1.79) | (10.77) |
| Gross balance sheet exposure | | 1,449.75 | 2,364.54 | 1,449.75 | 2,364.54 |
| Other current liabilities | | (849.53) | (306.76) | (849.53) | (306.76) |
| Currency forwards | | 891.58 | - | 891.58 | - |
| Gross balance sheet exposure | | - | (306.76) | - | (306.76) |
| Net exposure | | 1,449.75 | 2,057.78 | 1,449.75 | 2,057.78 |

Additionally, the Company entered into foreign currency forward exchange contracts, totalling Baht 6,794.59 million net, to hedge future sales and purchases transaction of goods with price denominated in foreign currencies and foreign currency forward contracts totalling Baht 701.23 million to hedge the construction payable for EURO IV project.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments is taken to approximate the carrying value

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of Convertible debentures together with the carrying values shown in the balance sheets at 31 December were as follows:

| | (in million Baht) | | | |
|------------------------|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | Fair value | Carrying value | Fair value | Carrying value |
| 2009 | | | | |
| Non-current | | | | |
| Convertible debentures | 2,135.10 | 2,036.57 | 2,135.10 | 2,036.57 |
| Total | 2,135.10 | 2,036.57 | 2,135.10 | 2,036.57 |
| 2008 | | | | |
| Non-current | | | | |
| Convertible debentures | 2,411.74 | 2,761.55 | 2,411.74 | 2,761.55 |
| Total | 2,411.74 | 2,761.55 | 2,411.74 | 2,761.55 |

35. Commitments with non-related parties

| (in million Baht) | | | | |
|--|--------------------------------------|-----------------|----------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2009 | 2008 | 2009 | 2008 |
| Capital commitments | | | | |
| Construction projects | 1,763.83 | 2,799.54 | 1,654.08 | 2,186.37 |
| Total | 1,763.83 | 2,799.54 | 1,654.08 | 2,186.37 |
| Non-cancellable operating lease commitments | | | | |
| Within one year | 358.47 | 65.93 | 358.47 | 65.93 |
| After one year but within five years | 1,399.61 | 256.29 | 1,399.61 | 256.29 |
| After five years | 2,812.05 | 275.33 | 2,812.05 | 275.33 |
| Total | 4,570.13 | 597.55 | 4,570.13 | 597.55 |
| Other commitments | | | | |
| Bank guarantees | 71.53 | 387.40 | 71.53 | 387.40 |
| Total | 71.53 | 387.40 | 71.53 | 387.40 |

The Company entered into 1.68 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2010 and December 2010.

The Company entered into foreign currency buying forward contracts cover the period to December 2010 amounting to USD 158.47 million equivalents to Baht 5,277.80 million and selling forward contracts cover the period to December 2010 amounting to USD 341.44 million equivalents to Baht 11,370.51 million. Additionally, the Company has a foreign currency buying and selling forward contract with conditions that the Company buy or sell the currency at the specific rates for the amounts not exceeding USD 65.75 million in 2010.

The Company entered into a foreign currency buying forward contracts until May 2010 to manage the risk for PQI Project amounting to USD 26.67 million or equivalent to Baht 890.85 million.

The Company entered into an interest rate swap contract for a loan agreement with a total facility of Baht 3,000 million by swap from float to fixed rate as stipulated in the agreement. The interest rate swap contract is due on 30 June 2013.

The Company entered into an interest rate swap contract for a loan agreement with a total facility of Baht 1,500 million by swap from float to fixed rate as stipulated in the agreement. The interest rate swap contract is due on 30 December 2011.

The Company entered into an interest rate swap contract for a loan agreement with a total facility of Baht 1,500 million by swap from float to fixed rate as stipulated in the agreement. The interest rate swap contract is due on 30 June 2015.

The Company entered into an interest rate swap contract for a loan agreement with a total facility of Baht 1,500 million by swap from float to fixed rate as stipulated in the agreement. The interest rate swap contract is due on 30 June 2016.



The Company entered into a cross currency swap contract to exchange Baht for USD for partial loan settlement amounting to USD 200 million and interest rate swaps contract from THB float to USD float totalling USD 170 million. And, interest rate swaps contract from THB float to USD fixed totalling USD 30 million. The contract is due on 30 June 2013.

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

36. Contingent liabilities and contingent assets

The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the civil court verdict to dismiss the case. This was being re-appealed with the Supreme Court and currently under petition to Supreme Court.

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

The Company has 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" and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional payment totalling Baht 50 million related to these matters in which the Company has already submitted and filed for appeal. The case is still under investigation by the Revenue Department.

37. Thai Accounting Standards (TAS) not yet adopted

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

| TAS | Consolidated | Year effective |
|-----------------------|---|----------------|
| TAS 24 (revised 2009) | Related Party Disclosures (formerly TAS 47) | 2011 |
| TAS 40 (revised 2009) | Investment Property | 2011 |

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the consolidated and Company's financial statements.

38. Reclassification of accounts

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows:

| 2008 (in million Baht) | | | | | | |
|--|--------------------------------------|------------|-------------------|----------------------------------|------------|-------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Before reclass. | Reclass. | After reclass. | Before reclass. | Reclass. | After reclass. |
| Balance sheet | | | | | | |
| Cash and cash equivalent | 1,682.31 | 640.00 | 2,322.31 | 1,495.17 | 600.00 | 2,095.17 |
| Current investments | 647.72 | (640.00) | 7.72 | 600.00 | (600.00) | - |
| | | - | | | - | |
| Statement of income | | | | | | |
| Interest income | 73.45 | (73.45) | - | 59.82 | (59.82) | - |
| Loss on disposal of property, plant and equipment | 12.80 | (12.80) | - | 10.28 | (10.28) | - |
| Other income | 162.44 | 73.44 | 235.88 | 192.30 | 59.82 | 252.12 |
| Selling and administrative expenses | 2,811.82 | (2,811.82) | - | 2,365.21 | (2,365.21) | - |
| Selling expenses | - | 1,972.92 | 1,972.92 | - | 1,633.04 | 1,633.04 |
| Administrative expenses | - | 811.31 | 811.31 | - | 702.05 | 702.05 |
| Directors' remuneration | 16.27 | (16.27) | - | 16.23 | (16.23) | - |
| Management benefit expenses | - | 54.08 | 54.08 | - | 54.04 | 54.04 |
| Interest expenses | 854.04 | (854.04) | - | 854.04 | (854.04) | - |
| Finance costs | - | 856.63 | 856.63 | - | 856.63 | 856.63 |
| | | - | | | - | |

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development Re: Determination of items in the financial statements B.E. 2552 dated 30 January 2009.

39. Events after the reporting period

At the Board of Directors' meeting held on 19 February 2010, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2009 dividend payment at the rate of Baht 1.80 per share, of which Baht 1 per share was paid as an interim dividend on 7 September 2009 as discussed in note 33. Thus, the remaining dividend will be at the rate of Baht 0.80 per share to the shareholders entitled to receive dividends, totalling approximately Baht 936 million. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 8 April 2010.

Connected Transactions

1. Connected transactions between shareholders

For the year ended December 31, 2009 and 2008, these were the connected transactions with the shareholders.

| Company | Relationship | Connected transaction | As of December | As of December |
|---------------------|-------------------|---|----------------------------|----------------------------|
| | | | 31, 2009 (Million Baht) | 31, 2008 (Million Baht) |
| PTT Plc | Major shareholder | • Sales value of refined products to PTT | 10,931.90 | 7,763.73 |
| | | • Other revenue | 130.59 | 77.78 |
| | | • Trade receivables as of the end of the period | 764.14 | 199.89 |
| | | • Loss incurring from forward/futures oil and product contracts | 5.46 | - |
| | | • Purchase value of refined products from PTT | 67,735.27 | 76,582.60 |
| | | • Accounts payable as of the end of the period | 3,911.20 | 3,544.33 |
| | | • Service fee for the use of PTT's Si Racha Terminal | 287.51 | 56.10 |
| | | • Cost of natural gas | 408.96 | - |
| | | • Interests derived from converted subordinated debentures | 17.57 | 17.53 |
| | | • Product testing fee | 0.22 | 0.06 |
| Ministry of Finance | Shareholder | Investment underwriter of the principal of CD-DR | | |
| | | - As of December 31, 2009, the outstanding balance of converted debentures was 145,097 units at a repurchase value of 10,000 Baht each | 1,450.97 | |
| | | - As of December 31, 2008, the outstanding balance of converted debentures was 217,595 units at a repurchase value of 10,000 Baht each | | |
| | | Investment underwriter of the principal of BCP-DRI | | 2,175.95 |
| | | - As of December 31, 2009, the outstanding balance was 432 million units at a repurchase value of 13 Baht each | 5,619.03 | |
| | | - As of December 31, 2009,, the outstanding balance of converted debentures was 520 million units at a repurchase value of 13 Baht each | | 6,759.00 |

2. Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2009 and 2008 consisted of the following.

2.1 Product and service sales items: These items represented sales by BCP and services performed by BCP to subsidiaries, jointly-controlled businesses, associated companies and related companies.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|---------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Management |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 15,403.66 | 17,294.24 | BCP holds 49% shares | BCP delegates its representatives as directors |
| Bangchak Biofuel Co., Ltd. | 6.27 | - | BCP holds 70% shares | BCP delegates its representatives as directors |
| Other related businesses | | | | |
| IRPC Plc | 229.70 | 1,046.02 | PTT Plc holds shares in this company | - |
| PTT Aromatics and Refining Plc | 39.39 | - | PTT Plc holds shares in this company | - |
| Thai Oil Plc | - | - | PTT Plc holds shares in this company | - |

2.2 Product and service purchase items: These items represented BCP's purchase of products and/or services from subsidiaries, jointly-controlled businesses, associated companies and related companies.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|-------------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 0.97 | 2.42 | BCP holds 49% shares | BCP delegates its representatives as directors |
| Bangchak Biofuel Co., Ltd. | 118.38 | - | BCP holds 70% shares | BCP delegates its representatives as directors |
| Other related businesses | | | | |
| IRPC Plc | 3,053.87 | 8,717.38 | PTT Plc holds shares in this company | - |
| PTT Aromatics and Refining Plc | 1,444.24 | 3,729.88 | PTT Plc holds shares in this company | - |
| Thai Oil Plc | 7,466.89 | 13,344.66 | PTT Plc holds shares in this company | - |
| Thai Oleochemicals Co., Ltd. | 41.87 | 3.07 | Shared relationship with PTT Plc | - |
| Thai Lube Base Plc | 24.76 | 113.79 | Shared relationship with PTT Plc | - |
| PTT International Trading Co., Ltd. | 342.88 | - | PTT Plc holds shares in this company | - |
| Fuel Pipeline Transportation Ltd. | 115.43 | 105.25 | BCP holds 11.40% shares in this company | BCP delegates its representatives as directors |



2.3 Other revenue from subsidiaries, jointly-controlled businesses, associated companies and related companies.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|-----------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 10.10 | 15.63 | BCP holds 49% shares | BCP delegates its representatives as directors |
| Bangchak Biofuel Co., Ltd. | 4.06 | 10.57 | BCP holds 70% shares | BCP delegates its representatives as directors |
| Other related businesses | | | | |
| PTTEP Siam Co., Ltd. | 0.09 | - | Shared relationship with PTT Plc | - |
| Fuel Pipeline Transportation Ltd. | 4.29 | 5.43 | BCP holds 11.40% shares in this company | BCP delegates its representatives as directors |

2.4 Interest expenses paid by BCP to subsidiaries for loan guarantees under contractual grant of operating rights.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 0.83 | 0.32 | BCP holds 49% shares | BCP delegates its representatives as directors |

2.5 Other expenses paid by BCP to subsidiaries, jointly-controlled businesses, associated companies and related companies.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|---|----------------|----------------|---|--------------|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Other related businesses | | | | |
| PTT Aromatics and Refining Plc | - | 0.03 | PTT Plc holds shares in this company | - |
| Thai Oil Plc | 0.10 | 6.80 | PTT Plc holds shares in this company | - |
| PTT ICT Solutions Co., Ltd. | - | 3.75 | Shared relationship with PTT Plc | - |
| PTT Utility Co., Ltd. | - | 0.01 | Shared relationship with PTT Plc | - |
| NPC Safety and Environmental Services Co., Ltd. | 0.33 | 0.55 | Shared relationship with PTT Plc | - |

2.6 Receivable items, advance payments, and short-term loans to related businesses

2.6.1 Trade receivables

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 615.59 | 361.43 | BCP holds 49% shares | BCP delegates its representatives as directors |
| Bangchak Biofuel Co., Ltd. | 1.92 | 0.56 | BCP holds 70% shares | BCP delegates its representatives as directors |

2.6.2 Trade receivables

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|--|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Related businesses | | | | |
| Fuel Pipeline Transportation Co., Ltd. | 0.33 | 0.33 | BCP holds 11.40% shares in this company | BCP delegates its representatives as directors |

2.7 Receivable items, advance payments, and long-term loans to related businesses.

2.7.1 Advance transport expenses

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|--|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Related businesses | | | | |
| Fuel Pipeline Transportation Co., Ltd. | 19.90 | 19.90 | BCP holds 11.40% shares in this company | BCP delegates its representatives as directors |

2.8 Accounts payable of related businesses

2.8.1 Accounts payable

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|---------------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Co., Ltd. | 1.83 | 2.04 | BCP holds 49% shares | BCP delegates its representatives as directors |
| Bangchak Biofuel Co., Ltd. | 82.54 | - | BCP holds 70% shares | BCP delegates its representatives as directors |
| Other related businesses | | | | |
| PTT Aromatics and Refining Plc | 538.19 | - | PTT Plc holds shares in this company | - |
| Thai Oil Plc | 549.88 | 182.73 | PTT Plc holds shares in this company | - |
| IRPC Plc | 354.71 | 113.56 | PTT Plc holds shares in this company | - |
| Thai Lube Base Plc | 0.33 | 1.05 | Shared relationship with PTT Plc | - |



2.8.2 Other payables

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|--|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Related businesses | | | | |
| Fuel Pipeline Transportation Co., Ltd. | 10.39 | 12.68 | BCP holds 11.40% shares | BCP delegates its representatives as directors in this company |

3. Other non-current assets: These items were BCP's guarantee payment for office use under lease contracts for offices and related services.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|---------------------------|----------------|----------------|---|--------------|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Related businesses | | | | |
| Energy Complex Co., Ltd. | 4.70 | - | PTT Plc holds shares in this company | - |

4. Other current liabilities: These items were BCP's demanded guarantee payment for service contracts with subsidiary companies.

| Related company | 2009 | 2008 | Relationship for the year ended December 31, 2009 | |
|-------------------------|----------------|----------------|---|--|
| | (Million Baht) | (Million Baht) | Shareholding | Shareholding |
| Subsidiaries | | | | |
| Bangchak Green Net Ltd. | 26.15 | 25.32 | BCP holds 49% shares | BCP delegates its representatives as directors |

Connected transactions

1. With PTT Plc

Crude oil orders between BCP and PTT, which is BCP's crude oil supplier for sale to industrial operators under the terms of feedstock supply agreements, were designed to add BCP's capability for sourcing feedstock for its processes. As for the sale of refined products, PTT notified BCP six months in advance of its orders. A meeting was held each month to confirm orders, for which pricing followed market prices.

2. With the Ministry of Finance

The ministry underwrote the CD-DR debentures and BCP-DR1 equity shares issued by Siam DR Co., Ltd., for BCP's financial restructuring to ease BCP's search for better sources of fund.

3. With Bangchak Green Net Co., Ltd.

Bangchak Green Net was set up to manage Bangchak service stations and consumer product sales at Lemon Green and Bai Chak outlets. These connected transactions followed normal business practices, relied on market prices, and follow details stated in the operating contracts.

4. With Bangchak Biofuel Co., Ltd.

A subsidiary, Bangchak Biofuel was set up to produce and sell biodiesel. These connected transactions followed normal business practices, relied on market prices, and followed details stated in the operation contracts.

5. With Fuel Pipeline Transportation Ltd.

BCP entered into a fuel pipeline transportation contract with this company to take its oil products from Bangchak Terminal to its Bang Pa-in Terminal and sell them to its customers in the Central, North, and Northeast under normal business conditions and market prices.

6. With Thai Oil Plc

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

7. With PTT Aromatics and Refining Plc

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

8. With Thai Lube Base Plc

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

9. With IRPC Plc

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

10. With NPC Safety and Environmental Services Co., Ltd.

The service fees with this company, a connected company as a result of PTT's shareholding in both, follow normal business practices and market prices.

11. With Thai Oleochemicals Co., Ltd.

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

12. With PTT International Trading Co., Ltd.

Transaction items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

13. With PTT ICT Solutions Co., Ltd.

Microsoft software rent items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

14. With PTTEP Siam Co., Ltd.

Other service fee items with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

15. With Energy Complex Co., Ltd.

The deposit payments, office leases, and office service fees between BCP and this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

16. With PTT Utility Co., Ltd.

The connected transactions with this company, a connected company as a result of PTT's shareholding in both, were treated as other expenses.

Transactions were undertaken in the normal course of business, with none being extraordinary transactions. No siphoning of interests occurred among the Company, the subsidiary companies, the connected companies, and the shareholders. Approvals were deliberated by the President, who approved as authorized by Company regulations, with the exception of the underwriting of the investment in debentures and capital stocks by the Ministry of Finance, which enabled BCP's to find sources of funds with superior conditions to the case without underwriting. Disclosure of connected transactions followed the rules of the Office of the Securities and Exchange (SEC) and the Stock Exchange of Thailand (SET), as well as the accounting standard for the disclosure of information about connected parties and businesses, issued by the Federation of Accounting Professions.

Policy for future connected transactions

In undertaking future connected transactions, BCP will continue its product and oil pipeline transport service transactions with connected companies, as these are normal business practices in the same industry. The pricing of products and services will follow market practices and/or details stipulated in commercial contracts. In such cooperation, however, BCP takes into consideration its best interests. The Audit Committee and the Internal Audit Office supervise and review the Company's business to ensure its compliance with securities and exchange laws, as well as the requirements, announcements, orders, or regulations of SET. In addition, for whichever transactions involving parties related to BCP executives, they are not allowed to cast their votes in meetings.

Management's Discussion and Analysis for Business Operations

For the year ended December 31, 2009

Business Overview for 2009

Oil Price Situation

For the year 2009, the oil prices in the World's markets maintained in an upward trend. The main supported factors consisted of production volume control of OPEC and depreciation of the US Dollar while the spread between finished products and crude oil, particularly, the Diesel maintained at the low level caused by the dramatic decrease of oil consumption after the slump of the World's economy, leading to lower growth rate of oil finished products prices when compared with the crude oil price. In addition, the expansion of production capacity of refineries across the World, especially in Asia, had affected the demand and supply of the crude oil prices and finished products, respectively. However, the spread between fuel oil price and crude oil price had improved after the depressed situation of fuel oil in the region due to the demand of fuel oil for bunker in Singapore, and the high demand from the Middle East. In 2008, the oil prices were very volatile. In the first half of 2008, crude oil price had continuously increased till it reached its historical high at USD 140.77 per barrel in July before it dramatically decreased till the end of 2008 when the Dubai crude oil price reached USD 36.40 per barrel, the lowest price of the year. Many of international and local refinery business operators received negative impacts from stock loss caused by the decrease of oil prices.

Table 1: The comparison of oil prices

USD/BBL

| Price | 2009 | | | 2008 | | | Changing (A)-(B) |
|----------|-------|--------|-------------|--------|--------|-------------|---------------------|
| | Max | Min | Avg. (A) | Max | Min | Avg. (B) | |
| DB | 79.57 | 36.40 | 61.82 | 140.77 | 36.40 | 93.48 | -31.66 |
| UNL95/DB | 20.91 | 0.38 | 8.55 | 18.04 | -4.65 | 9.12 | -0.57 |
| GO/DB | 18.25 | 1.14 | 7.24 | 45.66 | 13.39 | 25.98 | -18.74 |
| FO/DB | -0.86 | -12.89 | -5.06 | -1.95 | -31.21 | -14.93 | +9.87 |

Production and Sales

In the second quarter of 2009, the Hydro-cracking unit was shutdown for repairing the damage which caused the delay of the PQI project in terms of commercial production. After the repair, test-run, and the final performance test run as stated in the EPC contract, the Company accepted the PQI refining unit and its expenses, including production expenditures, depreciation, and interest were recorded in the Company's balance sheet since December 7, 2009. For 2009, the Company's oil refining was at an average of 79.2 thousand barrels per day increased from 74.2 thousand barrels per day in 2008 due to the rise of total distribution in the markets.

For oil distribution through marketing business in 2009, the total volume of distribution increased from 53.2 thousand barrels per day in the previous year to 61.0 thousand barrels per day, or increased by 14.7% of which every channel of distribution was increase, particularly the jet oil market and industry market through transportation channel. The information from the Department of Energy Business shows that the local demand of the total oil market in January-December 2009 increases by 2.3% when compared with the same period of 2008.

1. Explanation and Analysis of the Operating Results

1.1 Net Profit/(Loss) Analysis

1) For the year of 2009, the consolidated financial statements recorded net profit of Baht 7,523 million, which was the Company's net profit of Baht 7,475 million and the subsidiaries' (Bangchak Green Net Company Limited- BGN and Bangchak Bio Fuel - BBF) net profit of Baht 49 million. The consolidated figures were adjusted by connected transactions of Baht 1 million. While taking out the loss attributed to Minority interests of Baht 1 million, remaining to equity holders of the Company of Baht 7,524 million. (EPS 6.57 Baht)

2) The Company's performance EBITDA for 2009 was Baht 9,081 million. Combining with another Baht 3,163 million inventory effect, total EBITDA was Baht 12,244 million. The breakdown EBITDA by business units were summarized as follows:

| Details of Breakdown EBITDA | | | |
|--|---------------|--------------|----------------------|
| (Million Baht) | 2009 (A) | 2008 (B) | Changing +/- (A)-(B) |
| • Performance EBITDA | 9,081 | 5,610 | +3,471 |
| - Refinery | 7,676 | 4,419 | +3,257 |
| - Marketing | 1,405 | 1,191 | +214 |
| • Plus Gain from Inventory effect | 3,163 | - | +3,163 |
| (Minus) Loss from Inventory effect | - | (5,080) | -5,080 |
| • Total EBITDA | 12,244 | 530 | +11,714 |
| - Refinery | | 10,839 | (661)+11,500 |
| - Marketing | 1,405 | 1,191 | +214 |

- Focusing to Refinery Business, its performance EBITDA was Baht 7,676 million, increased from Baht 4,419 million of last year. Gross Refining Margin (excluded inventory effect) for this year was 9.60 USD/BBL with crude run level at 79.2 KBD, higher than that of last year which was 6.54 USD/BBL with crude run level at 74.2 KBD. GRM analysis is as follows:

USD/BBL

| GRM from | 2009 | 2008 | Changing +/- |
|-----------------------|--------------|-----------------|---------------|
| Base GRM | 3.98 | 6.79 | -2.81 |
| GRM Hedging | 5.62 } 9.60 | (0.25) } 6.54 | +5.87 } +3.06 |
| Inventory Gain/(Loss) | 2.22 | (4.54) | +6.76 |
| LCM | 0.94 } 3.16 | (1.03) } (5.57) | +1.97 } +8.37 |
| Total | 12.76 | 0.97 | +11.79 |

Base GRM decreased by USD 2.81 per barrel due to narrow spread of all finished products and crude oil, particularly the diesel spread (the Company has high yield production) had decreased from average USD 25.98 per barrel in 2008 to USD 7.24 in 2009. The decrease mainly came from high level of stock in the region. Though the overall picture of the economy started to recover, the demand of diesel utilization showed very little improvement, of which continuously put the pressure on oil prices. Yet, the crude oil price was growing strong due to the policy of OPEC to reduce production capacity to control crude oil price. As a result, many refinery operators experienced low gross refining margin, causing many refineries to reduce their production capacity.

For the spread between fuel oil and Dubai crude oil price (FO/DB) had improved from an average of USD-14.93 per barrel to USD -5.06 per barrel, leading to the better price of export fuel oil of the Company in 2009 when compared to last year's with the realization of benefit from the fuel oil export contract at high premium.



Products crack spread were shown below.

USD/BBL

| Products crack spread | 2009 | 2008 | Changing +/- |
|-----------------------|-------|--------|--------------|
| UNL95/DB | 8.55 | 9.12 | -0.57 |
| IK/DB | 8.28 | 27.90 | -19.62 |
| GO/DB | 7.24 | 25.98 | -18.74 |
| FO/DB | -5.06 | -14.93 | +9.87 |

GRM hedging increased by USD 5.87 per barrel due to the Company's entering hedging transaction when the refining margin was high (around quarter 1-2 of 2008), allowing the Company to sell forward of nished products and crude oil price spread in 2009 at high level. In 2009, the hedged position was at around 54% of average refinery production level (Last year, the hedged position was around 23% of refinery production level), amounting for the profit of Baht 5,631 million from GRM hedging in this year.

Inventory Effect and LCM in this year showed stock gain of USD 3.16 per barrel due to an ongoing high oil price from the beginning of 2009. This was totally different from the oil price direction in 2008 when the oil price dramatically decreased in the second half of 2008, leading to stock loss, including the loss from Lower of Cost or Market -LCM

- EBITDA from the marketing business at Baht 1,405 million was higher than that of last year at Baht 1,191 million. In 2009, the Company's marketing margin (excluding lubricant) was at Baht 0.57 per litre (equivalent to USD 2.63 per barrel) which was slightly different from last year's marketing margin of around Baht 0.60 per litre (equivalent to USD 2.83 per barrel). It was because in 2009, the movement of the oil prices in the World's markets had gradually increased without much fluctuation, leading to this year's control and marketing margin determination to be in accordance with the actual cost. To compare with the previous year while the marketing margin was higher, but there was a limitation to determine the marketing margin after the fluctuation of the oil prices situation which had caused the marketing margin in the first half of 2008 to negatively shrink. The marketing margin in the second half of the year was so high since the oil prices in the World dramatically plunged, particularly in August-September. The distribution volume through marketing business, it increased from 2008 at 53.2 thousand barrels per day to 61.0 thousand barrels per day in 2009 due to the more expansion to transportation channel and more export to neighbouring countries.

1.2 Income Analysis

1) Revenue from sale and services of the Company and its subsidiaries for 2009 were Baht 108,681 million, composed of the Company's revenues of Baht 107,678 million and its subsidiaries, Baht 16,411 million from Bangchak Green Net (BGN) as well as Baht 53 million from Bangchak Bio Fuel (BBF), adjusted by connected transaction of Baht 15,461 million which mostly associates with the sale transactions from the Company to BGN. The major combinations of the changes in the Company's revenues comparing to last year were as follows:

- Revenues from total sales (including refinery business sales and marketing business sales) were lower than last year by Baht 20,375 million or 15.9%. Owing to lower world oil price caused the average oil selling price reduced by 21.1%, whereas total sales volume increased 6.4%.
- Other income decreased by Baht 23 million or 9.1% after the Company had received dividend payment of Baht 20 million from Bangchak Green Net Co., Ltd. in 2008
- In 2009, the Company's gain Baht 5,631 million from crude and product oil price hedging contract, while last year's loss of Baht 250 million, was caused by the hedging transaction as analyzed in the aforementioned refining margin from GRM Hedging.

1.3 Expense Analysis

Total expenses of the Company along with its subsidiaries for 2009 primarily were costs of sales and services of Baht 101,009 million, which involved the Company's costs of Baht 100,588 million and its subsidiaries Baht 15,751 million from BGN and Baht 37 million from BBF, adjusted by connected transaction of Baht 15,367 million, which mostly were cost of product sales from the Company to BGN. Major components in changes of the Company's expenses comparing to last year were as follows:

- Cost of sell and services decreased by Baht 24,172 million or 19.4% because the cost of oil prices decreased following the oil prices in the World's markets. The cost had a higher decrease rate when compared with the decrease rate of sale revenue at 15.9% after the accounting method by Weighted Average. As a result, when the oil prices were in the upward direction, the average cost was lower than the present cost, leading to the stock gain of the Company.
- administration expenses increased by Baht 269 million, or 38.3%, mainly came from 1)Salary and fringe benefits expenses increased by Baht 152 million from employees' bonuses, salary base improvement, and Employee Joint Investment Program (EJIP) to create long-term engagement with employees 2)Corporate image advertising and public relations expenses increased by Baht 38 million 3)Security expenses increased by Baht 10 million 4)Expert advisory and consultancy fees increased by Baht 10 million 5)Depreciation and amortization for back office increased by Baht 10 million 6)Repair and maintenance expenses increased by Baht 7 million.
- Loss from foreign exchange rate decreased by Baht 111 million, or 66.2%. Since in 2008, the Thai Baht had depreciated from Baht 33.89 per USD at the end of 2007 to Baht 35.08 per USD at the end of 2008, leading to the loss from liabilities in foreign currencies such as trade account payables. For 2009, despite the appreciation direction of the Thai Baht, the Company's loss from foreign exchange rate still existed. It was caused by the Mark-to-Market of loaning item worth around USD 200 million which the Company had swapped the loan currency of Thai Baht to USD (Cross Currency Swap) following the policy of Natural Hedge to prevent the Company's business from the impact of foreign exchange rate's volatility.
- Financial costs decreased by Baht 303 million or by 35.4% after last year's loan refinance expenses, consisting of prepayment and cancellation fee, totaling of Baht 242 Million, were realized, as well as the cost of debt also decreased.

1.4 Profitability Analysis

| | Consolidated | | Company | |
|------------------------------------|--------------|---------|---------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| • Sales and Services, Million Baht | 108,681 | 129,042 | 107,678 | 128,053 |
| • Net Profit (Loss), Million Baht | 7,524 | (750) | 7,475 | (689) |
| • Gross Profit Margin, % | 7.06 | 2.87 | 6.58 | 2.57 |
| • Net Profit Margin, % | 6.92 | -0.58 | 6.94 | -0.54 |
| • Earning Per Share, Baht/Share | 6.57 | -0.67 | 6.53 | -0.62 |
| • Return on Equity-ROE, % | 33.01 | -3.68 | 32.80 | -3.37 |

Net profit margin for the year 2009 as shown in the consolidated financial statement and the Company's were 6.92% and 6.94% respectively, increased from -0.58% and -0.54% at last year. This came from changing in refining margin as well as marketing margin as aforementioned in the section of net profit (loss) analysis. The return on equity then increased from -3.68% to 33.01% for the consolidated financial statement.



2. Explanation and Analysis of the Financial Position as of December 31, 2009 compared with December 31, 2008

Assets

- 1) At the end of 2009, total assets of the Company and its subsidiaries were totally Baht 53,891 million, which comprised of the Company's total assets of Baht 52,901 million, Baht 779 million of BGN's total assets and Baht 1,150 million of BBF's total assets, adjusted by connected transactions of Baht 939 million which was mainly account receivable-BGN of Baht 616 million.
- 2) The Company's total assets at the end of 2009 increased by Baht 10,608 million or 25.1% compared to the end of 2008. The major changes of assets were as follows:
 - Cash and cash equivalent decreased by Baht 384 million or 18.3%, caused by oil price increasing consequently cash out flow into the working capital; more details are showing in Cash Flow statement.
 - Account receivable increased by Baht 1,051 million, or 23.6% due to the increase of oil prices. The average selling oil prices of the Company increased by 77.6% from Baht 12.67 per litre in December 2008 to Baht 22.50 per litre in 2009, whereas the sales volume in December 2009 compared with those of 2008 decreased by 12.5%.
 - The value of inventory increased by Baht 7,882 million, or 137.2% after the increase of oil prices (referring to the Dubai crude oil price in December 2009 at an average of USD 75.26 per barrel, increased by 87.9% when compared with the average price of USD 40.05 per barrel in December 2008) and the increase of inventory volume to serve the refining activity of the PQI Unit. The inventory volume as of ended 2009 was at around 69 days. However, when the Company fully utilizes the refining capacity, the inventory volume can be controlled and decreased to an appropriate level of 50-55 days.
 - Oil Fuel Fund Subsidies Receivable decreased by Baht 191 million, or 28.3% since the Company received more compensation, mostly came from Biodiesel B5 and the incentive for Diesel production with Euro 4 standard.
 - Investment in subsidiaries increased by Baht 118 million, or increased around 1.5 times after the Company had fully paid the capital increase in BBF as the Company's investment proportion of 70%. Thus, as of December 31, 2009, the Company's investment in BBF was at Baht 197.05 million and in BGN was at Baht 0.49 million.
 - Other long-term investments increased by Baht 43 million or increased by 27.6% due to additional investment in MFC Energy Fund at Baht 53 million. However, the Company had set the provisional loss from impairment at Baht 10 million.
 - Deferred tax assets decreased by Baht 316 million, or decreased by 66.6%. In the first 6 months of 2009, the Company's profits from operations were subjected to income tax payment and the Company had utilized benefit from the loss carrying forward of the 2008 for tax credit. Thus, the deferred income tax, recorded as assets, was decreased

Liabilities

- 1) At the end of 2009, total liabilities of the Company and its subsidiaries were Baht 27,938 million, which consisted of Baht 27,069 million of the Company's total liabilities and Baht 741 million of BGN's total liabilities as well as Baht 857 million of BBF's total liabilities, adjusted by connected transactions of Baht 729 million most of which resulted from account payable-BGN of Baht 616 million.
- 2) Comparing to the end of 2008, the Company's total liabilities increased by Baht 4,517 million or 20.0% at the end of this period. The major changes of liabilities were as follows:
 - Trade account payable increased by Baht 1,560 million or 35.0% due to high oil price causing average purchasing crude oil and finished products prices to increase (in December 2009, the average purchasing price was at Baht 22.6 per litre, or around USD 107.1 per barrel while in December 2008, the average purchasing price was at Baht 10.9 per litre or around USD 49.6 per barrel). However, the purchased volume in December 2009 decreased by 0.6 million barrels when compared with those of December 2008.
 - Excise tax and Oil Fuel Fund payable increased by Baht 455 million or increased around 3.2 times. It was because the excise tax and oil fund rates were back to the normal rate after the completion of the 9-months stimulus measures' excise tax reduction project.

- Liabilities on hedging contracts increased by Baht 236 million mainly came from the Mark to Market of forward contract as risk prevention against depreciation of foreign exchange rates.
- Other current liabilities increased by Baht 1,193 million, or increased by 78.8% mainly came from PQI project payment provision of Baht 971 million.
- Long-term loan from financial institutions (including with current portion of long-term loans) increased by Baht 907 million due to loan withdrawal for the PQI project of Baht 1,510 million and Baht 603 million for long-term loan repayment within the period
- Convertible Debentures decreased by Baht 725 million or decreased by 26.3% after the holders of BCP141A debenture exercised their rights to convert the debentures to common shares, amounting for 51 million shares.

Shareholders' Equity

- 1) At the end of 2009, the consolidated total shareholders' equity of the Company were Baht 25,953 million, which comprised of Baht 25,832 million from the total shareholders' equity of the Company and Baht 38 million from BGN's as well as Baht 293 million from BBF's, adjusted by Baht 210 million connected transactions.
- 2) The Company's total equity increased by Baht 6,091 million or 25.9% comparing to the end of 2008. The changes in the Company's equity were as follow;
 - The Company reported net profit of 2009 at Baht 7,475 million.
 - Shareholders of BCP141A debenture exercised their right to convert the debenture worth Baht 725 million to common shares at Baht 14.30 per 1 common share, leading to an increase of common share of Baht 51 million (with the par at Baht 1 per share) and the share premium increased by Baht 674 million.
 - Annual dividend payment to shareholders in April 2009 at Baht 0.50 per share and an interim dividend payment in September 2009 at Baht 1.00 per share, amounting for total dividend payment of Baht 1,729.
 - Amortization of surplus on revaluation of fixed assets revaluation was at Baht 379 million.
- 3) On August 24, 2009, the ESOP warrant, amounting to 24,000,000 units, expired. During which time, no warrant holder had exercised the right to purchase the Company's new ordinary shares according to the terms and condition of such warrant. Therefore as of December 31, 2009, other financial instruments, such as convertible debenture and warrants, if these were fully converted or exercised, it would be equivalent to 212 million shares or 15.3% of total shares after full dilution.

3. Explanation and Analysis of the Cash Flows Statement for the year 2009

- 3.1 For the year of 2009, the Company and its subsidiaries had beginning cash and cash equivalents of total Baht 2,322 million. During the period, net cash decreased from the utilizing in various activities by Baht 186 million, of which Baht 3,983 million were received from operating activities, while Baht 3,458 million were used in investing activities and Baht 711 million were used in financing activities. Hence, cash and cash equivalent as shown in the consolidated financial statements at the end of 2009 were Baht 2,136 million, which consisted of Baht 1,711 million of the Company and Baht 380 million of BGN as well as Baht 45 million of BBF.
- 3.2 The Company's beginning cash of the period was Baht 2,095 million, consisted of Baht 187 million for PQI project and Baht 1,908 million for normal operation. During this year, the Company's net cash was decreased by Baht 384 million to the following activities;
 - 1) Net cash received from operating activities was Baht 3,849 million;
 - Cash from operating profit before changes in operating assets and liabilities worth Baht 11,535 million.
 - Cash utilized in operating assets of Baht 7,552 million consisting of Baht 6,939 million for increase of inventory, Baht 1,041 million for increase of account receivable but Baht 428 million from decrease in other assets
 - Baht 2,178 million of cash received from operating liabilities consisting of Baht 1,571 million from increase in trade account payable and Baht 607 million from other liabilities.
 - Interest and corporate income tax the Company paid by cash amounting to Baht 2,312 million.



- 2) Net cash used for investing activities was Baht 2,940 million;
- Baht 118 million for fund raising of share capital of Bangchak Biofuel Company Limited (BBF).
 - Baht 2,745 million of cash payment for investment in fixed asset-equipment, of which Baht 1,398 million paid for the PQI project.
 - Cash decreased from investment in other assets, amounting to Baht 77 million.
- 3) Net cash used in financing activities was Baht 1,293 million;
- Baht 470 million for short-term loan repayment.
 - Baht 1,510 million from long-term loan drawdown for the PQI project.
 - Baht 603.50 million for scheduled long-term loan repayment.
 - Baht 1,729 million for annual and interim dividend payments to the shareholders.

At the end of 2009, cash and cash equivalents outstanding was Baht 1,711 million which consisted of Baht 299 million appropriated for PQI project and Baht 1,412 million for normal operation usage.

4. Financial ratios analysis and the explanation for the year 2009 compared with 2008

| | Unit | 2009 | 2008 |
|--|------|------|------|
| Liquidity Ratios | | | |
| Current Ratio | Time | 1.8 | 1.8 |
| Quick Ratio | Time | 0.7 | 1.1 |
| Receivable Turnover | Time | 24.2 | 27.2 |
| Average Collection Period | Day | 15.1 | 13.5 |
| Inventory Turnover | Time | 10.1 | 14.8 |
| Inventory Turnover Period | Day | 36.1 | 24.7 |
| Account Payable Turnover | Time | 19.1 | 18.5 |
| Average Payment Period | Day | 19.1 | 19.7 |
| Cash Cycle | Day | 32.1 | 18.5 |
| Profitability Ratios | | | |
| Net Profit Margin | % | 6.9 | -0.6 |
| Net Profit Margin (excluded inventory effect) ^{1/} | % | 4.8 | 2.2 |
| Return on Equity | % | 33.0 | -3.7 |
| Return on Equity (excluded inventory effect) ^{1/} | % | 20.3 | 14.4 |
| Efficiency Ratios | | | |
| Return on Total Assets | % | 15.6 | -1.7 |
| Return on Total Assets (excluded inventory effect) ^{1/} | % | 9.8 | 6.7 |
| Assets Turnover | Time | 2.2 | 2.9 |
| Financial Policy Ratios | | | |
| Debt to Equity ^{2/} | Time | 0.6 | 0.8 |
| Debt to Equity (included convertible debenture) ^{3/} | Time | 0.5 | 0.6 |

Remark : Calculation from consolidated financial statements

1/ Excluding impact from inventory gain or loss and apply tax rate at 30% for calculation only

2/ Calculating from Interest Bearing Debt

3/ Including convertible debenture in equity portion

5. Factors and major influences that may affect the Company's performance or financial status in the future

Product Quality Improvement Project (PQI)

The main factors, which have affects on the operating results of the Company, as it is in the oil business, are the marketing margin and the refining margin. In terms of the marketing margin, it is affected by the fluctuation of oil prices which influences the adjustment of retail prices. It is because the adjustment is usually lagging the actual cost. For the refining margin, at present, the Company has installed the cracking unit and related units with world class technology. As a result, the Company's refinery has become a complex refinery which can reduce fuel oil production capacity to be at the same level with other local and oversea refineries. In addition, the Company's refinery can increase its refining utilization rate. However, the selection of crude oil type and refining mode depends mainly upon refining margin and the oil prices at certain period. The PQI project has an investment value, including contingency reserve, amounting for Baht 15,369 million, or around USD 378 million. The Company appointed CTCI Overseas Corporation Limited and CTCI (Thailand) Company Limited to be contractors of the PQI under fixed price, date certain and performance guaranteed arrangement.

Presently, the construction has reached its completion and the test-run performance of the machines and the three main units - Vacuum Distillation Unit (VDU), Hydrogen Plant Unit (HPU), Hydro-cracking Unit (HCU), has already accomplished. The final performance test run as stated in the construction contract has already conducted and started its commercial operation date since December 7, 2009.

Furthermore, as the Company shut down Hydro-cracking Unit for repairing its automatic control valves which were damaged during final test run process on May 21, 2009, the damage was under the insurance coverage of Construction All Risks and Delay in Start-Up, of which are in the process of negotiation with the insurance companies and the contractor



Foreign Exchange

Another factor which may have impact on the Company's performance is the foreign exchange volatility (mostly Baht/USD). The Company pays for the feedstock in US dollar term and sells its product on US dollar-linked basis, and subsequently records transactions as trade payable and trade receivable respectively. Since the Company's assets are greater than liabilities', the appreciation of Thai Baht will cause the shrink in net assets value, Baht margin value and vice versa. However, being aware of that risk, the Company has been managing to mitigate the risk by utilizing some market financial instrument. In addition, as completion of the loan refinancing on July 2, 2008, the Company has performed Cross Currency Swap (CCS) from Thai baht loan to Dollar link amounted USD 200 million following the policy to leverage the differences of US dollar liabilities balancing with revenue (natural Hedge) to protect the business from impact of the exchange rate fluctuations. Therefore, when the Baht depreciates, the Company will record loss from exchange rate and realize the increase revenue in the term of baht. But in the other hand, when the Baht appreciates, the revenue in the term of baht will be reduced however the Company will realize gain from the exchange rate. The referred CCS contracts affected from January 5, 2009 to September 30, 2013.

Gross Refining Margin from Hedging (GRM Hedging)

Although the Company has fully adopted PQI project to add long term business value, the oil price is likely to continually fluctuate according to fundamental factors both demand and supply as well as speculating, which directly affects gross refining margin. Being realized such risk, the Price Risk Management Committee (PRMC) consisted of high-level executives and related divisions was set up in 2006. PRMC is responsible in officiate prescribed hedging policy and objective as well as closely monitor the oil price market situation to minimize impact on business operations by utilizing some hedging instruments to determine the appropriate and level satisfied margin between product and crude in advance and/or inventory price management.

6. Environmental Management Accounting (EMA)

Having the environmental concerns and social responsibilities, since 2005, the Company has prepared the environmental management accounting report (production line) and also published in the Sustainability Report. The environmental cost accounting helps the Company to keep track the related information, which is useful for enhancing the environmental management effectiveness and resource utilization. The EMA report for the year is summarized hereunder;

Unit : Million Baht

| | 2009 | 2008 | Change +/- |
|---|---------------|---------------|----------------|
| Material Costs of Product Outputs | 64,141 | 91,564 | -27,423 |
| : Consist of crude oil, ethanol, bio-diesel, chemical, energy and utilities in production | | | |
| Material Costs of Non-Product Outputs | 96 | 19 | +77 |
| : Consist of slop and sludge oil, waste water, chemical surplus | | | |
| Waste and Emission Control Costs | 79 | 87 | -8 |
| : Consist of maintenance cost of environmental control equipments and depreciation and other fees | | | |
| Prevention and Other Environmental Management Costs | 5 | 4 | +1 |
| : Consist of monitoring and measurement cost, environmental management system expenses | | | |
| Benefit from by-product and waste recycling | -3 | -3 | - |
| : The revenue realization from liquid sulfur, glycerin, waste paper | | | |

The above table shows that total expense in the year 2009 was lower than that of last year caused by the material costs of product outputs. Despite the increase of refining production in this year was higher than that of last year by 5.0 KBD, the average crude mix price for intake of this period was lower than last year by Baht 7.57 per litre. The material costs of non-product outputs increased by Baht 77 million or 4 times, mainly came from higher volume of the slop oil which had to rerun into the refining process on PQI commissioning period. Waste and emission control costs decreased by Baht 8 million or by 9.2% from last year since the refinery had the plant turnaround in 2008. For the prevention and other environmental management costs increased by Baht 1 million or 25.0% since the Company has placed an emphasis upon precaution by increasing frequency on the inspection of environmental quality.



Internal Control



Below is a summary of opinions of the Board of Directors (“Board”) of Bangchak Petroleum Plc (BCP) on the adequacy and suitability of the Company’s internal control system.

1. Control environment

The Company’s organizational environment and structure favor the implementation of the internal control system with the commitment to promote a participatory culture for everyone to forge internal controls and corporate governance to prevent frauds and strengthen the employee community. BCP’s business goals are deliberated by the Board in a clear and measurable way for use as guidelines for employees. Employee incentives or compensation has undergone a critical analysis for sensibility. A proper organizational structure favors efficient business execution by the management, who continue to support renewable energy promotion and value business integrity and ethics. In 2009, BCP took part in PTT Group CG Day 2009 “Toward Sustainability with Virtue” to bolster corporate governance practices among the PTT Group and equality among shareholders and stakeholders. The Company also instituted whistle-blowing measures for reporting unethical behavior that implies corruption or malfeasance; this applies to employees and other stakeholders alike and includes inaccurate financial reports or a defective internal control system so that stakeholders may contribute to the monitoring.

2. Risk Assessment

The Company has appointed the Enterprisewide Risk Management Committee (ERMC) to define policies, strategies and enterprisewide risk management goals; evolve a risk management system for continual efficiency; support and actively encourage cooperation in risk management at all levels; and ensure suitable and efficient risk management. In 2009, BCP revised its Enterprisewide Risk Management Manual for more up-to-date and thorough contents for all employees to use as their guideline.





3. Control activities

BCP's control activities rely on key performance indicators (KPIs) as a planning and control tool, with segregation of responsibilities for checks and balances. Authority, responsibility and approval of expenditure are defined in writing; with preparation of documents that favor segmentation and identification of responsible parties should things go wrong. Custodianship and stewardship of Company properties to prevent losses or abuses have been instituted. BCP transactions with long-term obligations are properly monitored for contractual compliance. Measures are in place to prevent personal gains of Company opportunities or benefits. Subsidiaries are properly monitored. Procedures are in place to ensure that the Company observes the law and relevant regulations. Computer systems are in use to promote internal controls. In 2009, the Company developed a laboratory information management system (e-LIMS), e-Budgeting, e-Health Care Record, Fuel Automation systems while revising its business processes in line with the organizational development criteria of Thailand Quality Award (TQA). To prevent undue transfer of benefits, proper, strict measures are also in place if BCP carries out transactions with the major shareholder, directors, etc. For instance, approvals must be sought without parties with vested interests may be involved in such decisions; also, details of such transactions are to follow the rules of the Securities and Exchange Commission by disclosing information about the connected parties or businesses under accounting standards.

4. Information technology and communication

BCP constantly develops its information technology and communication systems, with adequate preparation of significant information for decision-making. Company directors receive meeting notices and meeting documents with enough information early enough as defined before each meeting to scrutinize minutes of meetings. Their views are duly summarized. Documents are systematically stored. Entry of accounting items follows generally accepted accounting principles and is compatible with the Company's business.

5. Monitoring and assessment

The Company has instituted a performance monitoring process, under which the Board regularly compares performance against defined goals. An internal audit unit reports to the Audit Committee under a defined internal control process.

Report of the Enterprisewide Risk Management Committee

To the Shareholders

For 2009, Bangchak Petroleum Plc (BCP) maintained the following composition in the Enterprisewide Risk Management Committee (ERMC): Dr. Nipon Surapongrukcharoen (chairman), Mr. Thevan Vichitakul, Mr. Tevin Vongvanich, Dr. Twarath Sutabutr and Dr. Anusorn Sangnimnuan. Mr. Thaweesak Woraphiwut and Associate Professor Pradit Wannarat served as advisers to the committee.

The committee held twelve meetings during the year to supervise major corporate risk management, implemented a strategic plan in developing the corporate risk management processes for continuous efficiency and encouraged cooperation in risk management throughout the Company. The following captures the essence of its achievements.

1. Consider risk factors and management plans and monitor corporate risks

The committee continually considered and supervised risk management actions to ensure the achievement of the Company's major business goals by paying attention to the following matters. First, risk management concerns the Product Quality Improvement Project (PQI), to ensure commissioning with confidence in safety and environmental systems, without incurring community complaints. Second, investment risk management plans for new businesses, to foster investment confidence in achieving targeted returns. The committee also added Key Risk Indicators (KRIs) to measure activities or factors easing risk direction indication whether they are on the rise or decline; early warnings to support quantitative risk measurement; and risk management for value creation through additional business opportunity analysis.

2. Monitor, revise and drill of crisis management plan

The committee ensured revision of crisis management plans, including emergency plan drills to ensure the preparedness of personnel and resources in assorted scenarios, including a drill for sales systems, regular emergency drills with external and internal agencies at Bangchak and Bang Pa-in Terminal and a crisis management plan drill in case of earthquakes. It also participated in a Ministry of Energy committee for the preparedness of fuels and energy to jointly analyze and propose solutions, as well as developing preparedness plans to prevent and solve fuel shortages.

3. Supervise implementation of community relations plan to ensure the Company's consistent stewardship of community safety and surroundings

The committee monitored the implementation of the Company's community relations plan and provided additional views on the launching of assorted activities to promote community safety and decent living and stressed assorted vigilance measures for communities.



4. Promote the development of information technology (IT) systems for the risk management monitoring system to ensure greater efficiency for risk management processes

During the year, the Company implemented its program for the information management and risk management monitoring system, which had undergone improvement in 2008, to link risk factors to the outcome of such management for greater integration. It also revised the roles of risk coordinators for each department and revised the second-edition corporate risk management manual for intranet distribution to all executives and employees.

5. Support the institution of risk management as a corporate culture for all employees to recognize the criticality of risk management and apply it in their daily job performance while fostering a learning organization with knowledge management

Since 2005 the committee has organized workshops to gather ideas from relevant executives and employees involved in formulating risk management plans affecting the Company's major goals; this exercise was meant to foster participation and appreciation of risk management processes. To do this, it promoted formulation of risk management plans at all levels — corporate, line, department and division — which form a part of learning organization promotion to stay up to date. To promote knowledge management, the committee shared new knowledge of risk management with executives and employees by various means, including training, intra-company broadcast, intranet and special talks by risk management experts. The Company also became an executive committee member of the state-enterprise risk management club, designed to share experiences and views among state enterprises and develop risk management personnel. Finally, the Company also linked risk management to annual performance appraisals to ensure that employees recognize their responsibility for the supervision and management of the risks under their ownership.

Having continuously developed and promoted understanding and participation in enterprisewide risk management, the committee is convinced that these will enable Bangchak Petroleum Plc to achieve the defined goals through the overall reduction of risks and their repercussions to manageable levels.

(Signed) Nipon Surapongrukcharoen

(Mr. Nipon Surapongrukcharoen)

Chairman

Risk Management



The Bangchak Petroleum Plc (BCP) has embraced Enterprisewide Risk Management since 2004 as a tool to handle risks and uncertainties which may obstruct the attempts to attain operating goals. Risk management methods have, since then, been continuously developed to compete with international practices and suit the Company's operations. This is to ensure that the Company will accomplish business goals in accordance to corporate governance practices amid the rapid changes and fierce competition. BCP, therefore, established the Enterprisewide Risk Management Committee (ERMC) and many risk management experts were invited to sit on the committee together with the Company's directors and executives. The committee is charged with directing and developing an efficient enterprisewide risk management system while pushing for cooperation at all levels. The responsibilities of the committee also cover keeping the risks within the acceptable level and drawing up a suitable risk management structure. In this regard, ERMC sets up an enterprisewide risk management team as the central working unit to coordinate with other units in identifying, assessing and following up with risks in four areas throughout the organization under the State Enterprise Policy Office (SEPO) guidelines specifically, strategic risks, business risks, financial risks and risks resulting from compliance with rules and regulations. The ERMC also appoints a risk manager and a risk coordinator in each business unit to constantly drive the enterprisewide risk management to reach the objectives below:

1. Identify risks which may have an effect on prime strategic goals of the organization, departments and their divisions.
2. Assess levels of impacts and possible damage from each type of risk and prioritizing them.
3. Map out a risk management plan in accordance with the risk priority, efficiently using limited resources.
4. Institute a risk management monitoring system and make a monthly report for submission to the Company's Board of Directors.

In 2009, BCP held a workshop to brainstorm ideas for drawing up plans to cope with risks that may affect the organization's prime strategic goals at all levels, i.e. corporate, departments and divisions. The Company also organized various activities as a means to encourage employees to have awareness of risk management and realize its benefits. Moreover, risk management has now been made a part employees performance assessment, as a way to equip staff with risk management in their everyday activities. This is in line with the company's intention to create an organization with risk management awareness culture.

In this respect, the ERMC called a meeting to develop a risk management motoring system as a tool to follow up on the Company's risk management progress. The Company, realizing the importance of business continuity management, also arranged for the development of a crisis management plan while reviewing existing plans and arranging regular emergency drills. This move is made to ensure readiness against any serious incident and to cushion possible impacts on the business, leading a quick turnaround of the business to the normal situation.

Recognizing that one needs to face changes in doing business, the Company realizes the need to be readily equipped for handling risks in several areas, i.e. business risks, financial risks, operating risks, risks from the Product Quality Improvement Project (PQI) and risks from new investments. BCP has, therefore, formulated strategies to deal with risks in each area as detailed below:



1. Business Risks

1.1 Risk from losing government support after financial restructuring and corporatization

Prior to August 14, 2003, BCP was a state enterprise with the Ministry of Finance holding a 48% share and PTT Plc (PTT) holding a 24% share of the registered 522.04 million shares. Prior to financial restructuring, the ministry provided financial assistance to BCP by granting a loan guarantee and an approval for a direct loan of Baht 8,100 million. The ministry also issued a letter of comfort to commercial banks that made loans to the Company for Baht 4,000 million. These accounted for 62% of the total loan of Baht 19,500 million.

Following financial restructuring, in which the increase of shares was made through issuing a warrant for common shares, the government's shareholding portion, consequently, decreased to less than 50%. The Company, as a result, was no longer a state enterprise and might not be entitled for direct financing from the government.

However, the Ministry of Finance still maintains its guarantee on the investment value of warrants and convertible bonds which are not yet converted into common shares, with the remaining value of Baht 5,400 million, for additional five years (to expire in 2014). Even though BCP is no longer a state enterprise, the Company believes that the government will continue with its support for the Company's business. This will ensure satisfactory returns on investments for investors. The Company's prosperous business will, in turn, reduce the government's burden on providing guarantee in the future. On the contrary, the Company's poor performance will cause investors to sell warrants and turn their convertible bonds into common shares for selling back to the ministry. In such case, the ministry will again become the major shareholder, making the Company's status return to that of a state enterprise.

1.2 Risk from refinery location, its environment and safety conditions

Due to the fact that the BCP refinery is the only refinery located in the Bangkok Metropolitan area, without proper environmental and safety controls, the operations may affect nearby communities, which will, in turn, impact the Company's business and the consideration on the suitability of the refinery's location. The Company, however, is still confident that there has so far been no cause to trigger such considerations because:

- BCP consistently has a good safety and environment management system. The Company runs a business with the prime concerns on environmental and safety through implementation of core risk management measures, such strictly complying with related laws and regulations, undertaking risk assessment for all stages of work, regularly carrying out equipment maintenance and arranging emergency drills among related parties to ensure their ability to cope with emergencies. The Company has, moreover, won many awards for the Company standards of operation and safety. BCP is the first refinery in Thailand to win TIS 18001 No. OHS00007/007 certification for its occupational health and safety standards in 2004 and with supplementary OHSAS 18001 standards. The Company has continuously been successful in ISO14001 assessments for all stages of its petroleum refining processes and environment quality monitoring since 1997. Moreover, in the previous year, BCP disclosed facts and figures of the quality of air and discharge water from the refinery

through the air and wastewater quality display board to win the confidence of the community people. The figures displayed on the board were real-time actual readings and usually within government standards.

- The Treasury Department's decision to extend the land lease for the refinery until 2033 leaves the Company with a rental period of twenty-four more years.

2. Financial Risk

2.1 Risk from world oil price

Over 90% of the Company's cost is subject to crude oil price which is highly volatile, fluctuating with the world market, BCP, therefore, needs to arrange procurement of crude for 1-2 months in advance (which is the normal practice in the refining business). The Company makes an agreement with crude sellers regarding the type of crude, the delivery month, as well as other conditions used for price calculation upon each purchase. In most cases, conditions used for price calculation normally involve the price of the benchmark crude in the delivery month. After actual delivery, there are also subsequent processes, i.e. oil movement, raw material preparation, then, refining and storage in tanks before sales. As for the sale of finished products, product prices in Singapore are used as reference. Therefore, there exists a lag time of around 2-3 months from the day the crude is procured until the day finished products are delivered to consumers. The situation brings about a risk in cost management to obtain the highest gross refining margin (GRM).

The Company, however, has been able to reduce such risk by having the risk management team working on price and finance take responsibilities for oil price risk management. The committee, established to be in charge of formulating policy, criteria and objectives of oil price risk management, closely monitors the oil price situation to minimize the impacts of price fluctuation on the business. They use risk management tools readily available in the market, e.g. hedging in derivatives to be able to fix the spread between the price of refined products and reference price of crude oil and hedging against purchase crude and sale of finished products in stock. Additionally, the Company cooperates with other oil companies and refineries in the PTT Group to exchange information concerning the movement of oil price for better analysis of the oil price trend.

Since 2002, BCP has agreed with business partners in joint transportation of crude from the Middle East since the interval of each crude transportation trip could be reduced. And after the Company signed a feedstock supply contract with PTT Plc (PTT) and PTT became the sole crude procurement agent for BCP, the Company has been able to increase its capacity in raw material procurement while being able to trim the volume of crude purchased per order. Crude oil supply in stock has, thus, been reduced. By having PTT as the sole crude procurement agent for refineries in which PTT holds shares, BCP believes that the practice benefits the Company in terms of the combined purchasing volume and transportation cost. Moreover, BCP will continue seek to procurement of crude from indigenous sources because of the lower cost of both crude and transportation



when compared with procurement of crude of similar specifications from abroad. Procurement of indigenous crude can also shield the Company from oil price fluctuations since it requires shorter transportation time.

2.2 Risk from currency exchange

Even though the Company's refining business is in Thailand, the cost of raw materials and revenue of the Company depend very much on the US dollar currency. A significant part of the cost is the procurement of crude oil, which needs to be imported and paid for in US dollars. Meanwhile, the domestic ex-refinery price of refined products is converted into the Baht from the reference price in Singapore market, where the US dollar is used. Therefore, the fluctuation of the foreign exchange may produce effects on the Company's profit in the form of the Baht currency.

To reduce the risk from currency exchange, the Company has opted to use forward contracts and/or derivative instruments. In this regard, the risk management team working on price and finance will take responsibility for the consideration and formulation of a policy regarding management of risks from foreign exchange. In addition, following BCP's loan restructuring, part of the total loan was made in US dollars in order to counterbalance the revenue received in foreign currencies. This reduced impacts from natural hedges against foreign exchange.

BCP also has a policy to reduce the risk from foreign exchange that affects the operating cost of various projects, e.g. the Euro IV project, by using forward contract according to the plan and budget.

3. Operating Risk

3.1 Risk from accidents during transportation

BCP business is significantly engaged in transportation, which may bring about the risks:

- **Risk from sabotage or accidents during transportation of crude from sources to the refinery**

Crude oil, from both indigenous and overseas sources, is transported in large vessels. In case of sabotage during transportation, not only assets but the environment and the Company's production may be affected despite insurance on assets and third parties. Realizing possible risks, the Company attaches high importance on continuous improvement of transportation standards. In this regard, BCP has joined hands with companies in the PTT Group in upgrading the crude fleet to international standards using PTT Group Vetting System, which has international standards as reference. Furthermore, the Company now deploys a higher number of oil booms throughout the ship's mooring period. Additionally, it has reached an agreement with numerous domestic oil companies to jointly operate emergency responses. If a crude vessel missed its delivery date to BCP, these oil companies have already agreed to temporarily supply their crude or refined products to BCP.

- **Risk from accidents during transportation of refined products to customers**

Transportation of refined products to customers, i.e. industrial and retail customers and jobbers, is made by truck. At present, BCP has 16 transportation contractors working under long-term agreements. A working team was set up to take responsibility for hiring fuel transportation contractors. It is in charge of considering contractors' management efficiency, experience, safety standards, truck and tank conditions, which are required to meet international standards. It is also assigned to monitor contractors' compliance with the Company's regulations to ensure transportation efficiency and safety. Moreover, BCP arranges for emergency drills with all transportation contractors so that they are capable enough to handle potential accidents during road transportation.

If an accident occurs and damages the Company's assets, people, the community, or public property, it was agreed that the Company could ask for compensation from the contractor. In response to this, BCP installed a satellite global positioning system (GPS) to efficiently monitor oil trucks. Additionally, oil transportation through pipeline from the BCP refinery to Bang Pa-In Terminal is also an optional means to reduce accidents from road transportation.

3.2 Risk from accidents involving the oil pipeline belonging to Fuel Pipeline Transportation Company Limited (FPT)

BCP's oil transportation through pipeline accounts for about 40% of the total production, relying on the system of FPT. The pipeline, with a total distance of 69 kilometres, starts at the refinery and runs along the railway to oil terminal at Don Muang Airport before ending at BCP's terminal in Bang Pa-in district, Ayutthaya province. Even though the pipeline was designed to be flexible enough to withstand vibration impact, it can still be affected by infrastructural constructions. Impacts from such construction may cause damage and leakage to the pipeline and oil transportation may have to be suspended for a certain period of time. The situation may consequently cause disruption to BCP's ability to deliver finished products to retail stations in the North and Northeast.

FPT conducts regular maintenance work on its pipeline and installed the SCADA system for pipeline inspection. If a problem is found, FPT can immediately arrange for reparation. Furthermore, BCP's reserves at the Bang Pa-in terminal can last about 10 days. In case of oil shortage and the Company can't arrange timely delivery to Bang Pa-in terminal through pipeline, BCP can relocate oil products from other Company-owned terminals. The Company can also ask for cooperation from other oil companies to jointly use oil terminals or ask for oil products on loan in an emergency.

Additionally, BCP regularly launches emergency drills among BCP terminal, Bang Pa-In terminal and FPT terminal to ensure cooperation among all parties and readiness of FPT equipment.



4. Risk from Product Quality Improvement Project (PQI)

BCP completed the commissioning of the PQI and started commercial production in 2009. BCP's production process has now turned from a hydroskimming refinery into a complex refinery. At present, the refinery is capable of producing a higher volume of high value products, such as diesel and gasoline, sufficient to the country's need. At the same time, production of fuel oil is lowered, bringing about benefitting the Company in the long run.

Even though the project is complete and the Company can run the operation on a full commercial scale, BCP still has risk management plans for the following scenarios:

4.1 Risk from failure to find markets for additional products of PQI Project

Following the commissioning of the PQI project, the BCP refinery is capable of producing high-value oil products, such as diesel and gasoline, at a higher volume. Production of high value fuels has been increased by 135 million litres per month against a crude input of 100,000 barrels per day (the figures can be altered depending on the adjustment of refining proportion to suit consumers' demand). Therefore, if BCP failed to find a market for the additional volume, the Company will not be able to make the highest returns from the project.

In this regard, BCP expects to explore more markets for these additional products in the future. Despite the lower demand in the world market following the sluggish economy, domestic oil consumption shows an upward trend. Moreover, no new, significant refining capacity could be foreseen in the country with no new refinery to be constructed by other oil companies. Moreover, BCP has entered a long-term contract to sell 30% of the total gasoline and diesel produced from the refinery to PTT. This reduces the risk from failure to find markets for the additional products. BCP also tries to expand distribution channels, i.e. through BCP service stations and industrial markets as well as through large and medium size oil traders who do not own a refinery for further sale to their customers.

4.2 Risk from conflicts of interest between minor shareholders and PTT Plc (PTT), the major shareholder

Regarding the investment in the PQI Project, BCP acquired the investment capital from both issuing shares and loans from local commercial banks. The Company sold common shares and convertible bonds to PTT, resulting in PTT becoming the major shareholder. In some circumstances, the interests of PTT or its affiliates could become a conflict with those of other minor shareholders of BCP. Because PTT is the major shareholder, PTT holds the rights not to vote or to hold negative control, which may affect some vital decision-makings in shareholders' meetings. In this respect, BCP already has in place guidelines to prevent conflicts of interest between the Company and PTT as follows:

- BCP and PTT both have a policy of transparent business management and have committees which protect the interests of minor shareholders. The Company, moreover, has a balanced management structure in line with corporate governance principles.

- The retail business operates in an open market, in which the number of service stations can be freely expanded, subject to market mechanisms. Investments with business partners and station operators are controlled by transparent contractual conditions, thus, making no intervention possible.
- BCP is confident that the government, as the major shareholder of both BCP and PTT and as the policy maker of the country's energy affairs, will still conduct policies that benefit the public at large, causing no damage to shareholders of BCP and PTT, both of which are Thai companies

5. Risk from new investment

As a consequence of the Company's vision, which is the "Greenery Excellence, BCP realizes the importance of investment in businesses that are related to the current business to strive for its sustainability. This strong determination is evident in BCP's investment in a biodiesel plant in Bang Pa-in. Therefore, in the feasibility studies of all new investment projects, analyses will be made on risk factors which may hold back the strategic attempt to reach the objectives. The Company will assess each and every risk factor and draw up a plan to address such risks to prevent or reduce ensuing impacts. Moreover, the Company will follow up with the progress of risk management plans, which must be earlier approved by the ERMC to ensure success of new investments.

Additionally, BCP is well equipped with a crisis management plan, drawn up from careful consideration of current and future environments. The plan will be used as guidelines for emergency responses so that normal operation could be restored as soon as possible after the crisis. The crisis management plan comprises a working plan to alleviate negative impacts on assets, people and the environment, a working plan to deal with impacts on business to ensure business continuity and another working plan to deal with the media to prevent or reduce impacts on the Company's reputation. In this regard, the plan has been prepared to especially cope with these following situations:

- In case of complaints widely rose to all channels of media, such as radio, newspaper, magazine, television and website, regarding the quality of BCP products: The situation is believed to possibly damage the Company's business and reputation. Guidelines are in place to correct such problems, to lessen the impacts from such complaints, or to set the record straight via the media to restore the Company's reputation and confidence among consumers.
- In case of threats to sabotage the refinery or oil terminal, the Company has guidelines to properly act to prevent any damage to employees or other people working in or those surrounding the refinery while minimizing damage on assets. The guidelines are also used for emergency drills with all parties involved to ensure that they can act responsibly in such situations. The plan covers the refinery premises, all operating areas belonging to BCP terminals nationwide and/or areas nearby the operations, which are considered to hold possible impacts on the Company.
- In case of a fire at Head Office, the Company already has a plan to deal with office fires. Fire-extinguishing operation must proceed with urgency, correct method and safety to prevent or minimize any damage on people, assets, the environment and the business.



- In case of employee absence as a result of epidemics, the Company has guidelines for coping with both total and partial absences of employee.
- In case of chemical/gas leakage or fire in the refinery area during the PQI operation test, the Company has guidelines to alleviate impacts or damage on people, the environment and the business.
- In case of sudden floods in the premises of the refinery and Bang Pa-in terminal, the Company is equipped with a plan to minimize impacts and damage on assets, the environment and the business.
- In case of an earthquake around the refinery, the Company has guidelines to reduce the severity caused by the quakes. The guidelines are intended to prevent damages to the refining process, with a focus on the strength of structures and equipment. Impacts on assets and people could also be prevented by fire fighting and evacuation.

In this regard, the Company closely monitors the crisis management plan through regular reviews and updates of some vital parts, such as the changing circumstances and environment, employee rotation, work processes, as well as information updates. The Company also arranges an annual emergency response exercise with both internal and external parties at the refinery and Bang Pa-in terminal.

BCP also takes part in the Ministry of Energy's committee for readiness of fuel and energy supply as well as sub-committees working on relevant matters, such as the prevention and correction of fuel shortage problems and biofuels. BCP is also equipped with a fuel supply plan, which is integrated into that of the Ministry of Energy which is in turn part of the prevention plan for the civilian sector under the national preparedness plan.

Report of the Corporate Governance Committee

To the Shareholders

The Board of Directors of Bangchak Petroleum Plc (BCP) had appointed a Corporate Governance Committee under the chairmanship of Mr. Wirat Iam-Ua-Yut, with Dr. Twarath Sutabutr and Dr. Anusorn Sangnimnuan as members, which was later supplemented by Mr. Thana Putarangsi and Mr. Surong Bulakul, appointed during the 7/2009 meeting. Mr. Surong Bulakul later resigned from the Board during the year, which automatically ended his membership of this committee.

In 2009 this committee held three meetings with senior management in attendance to deliberate revisions to the policy and the corporate governance development plan and monitor progress of compliance with such principles. It also encouraged employees to apply these principles in their daily routine performance in the hopes of developing a company culture that favors sustainable growth. The major issues are summarized as follow:

1. Revising the Corporate Governance Policy (revision 5) to raise the standard of company practices. Specifically, it added a policy on joint meetings of independent directors and another on connected transactions to enable decisions to undertake such transactions transparently and free of conflicts of interests to maximize the benefits to the Company and all stakeholders.

2. The improvements to shareholders rights

- The 2009 annual general meeting (AGM) of the shareholders was held on April 9, 2009, somewhat sooner than in previous years to avoid overlapping with the AGMs of most listed companies to allow more shareholders to attend; the actual numbers of attending shareholders and proxies proved higher than in the previous year.
- The Company used the shareholder record date at the 2009 AGM and extraordinary general meeting of shareholders No. 1/2009 to raise the efficiency of staging shareholders' meetings to give them more time to scrutinize meeting notices or request additional information ahead of the meeting.

3. The improvement to information disclosure and transparency

- Refinery output data compared with the entire industry was added to the annual report and the structure of the business group to the Company's website for greater transparency.
- The Company's performance briefings were given to analysts and investors at the Opportunity Day event, organized by the Stock Exchange of Thailand (SET) and the Company's Analyst Meeting Day every quarter. In addition, relevant information was presented through the Company's website and several other channels with investors, including signing up to electronic mailing lists and direct communication with executives through Investor Relations.
- Company launched an information booth at the Money Expo 2009 event, organized by SET and welcomed investors and shareholders in Singapore and Hong Kong at the ASEAN Corporate Day event, organized by BNP Paribas Securities Asia and Thana Chart Securities Co., Ltd.



4. The development of directors' roles and responsibilities

- The Company supported training to enhance directors' knowledge and competence in performing their duties.
- The Company organized the 'Fraud Risk and Whistleblower Program' by experts from PriceWaterhouseCoopers to educate the Board on the current corrupt practices in Thai and international business organizations, as well as guidelines for decision-making and actions to take to tackle corruption in a given organization.
- The Company instituted joint meetings of independent directors to provide a floor for discussion about efficiency and independence for improved corporate governance.
- Organize a field study concerning wave and wind energy.

5. The Launching of public relations activities to promote a corporate governance culture

- The Company includes training on corporate governance in its orientation programs for new employees and training on connected transactions, with experts from the Office of the Securities and Exchange Commission (SEC) sharing their knowledge with executives and employees.
- The Company reinforced the awareness of corporate governance and good practices through its assorted communication channels, including the 'CG Na Ru' (CG Nice to Know) program, intra-company voice broadcast, or bulletins illustrating its performance and awards for corporate governance.
- The Company organized the 'CG Day 2009: CG DNA', with exhibition and employee performances to reinforce and foster employee appreciation of the policy on connected transactions and corporate governance, specifically conflict of interest.

6. The Participation in corporate governance publicity

Directors and executives shared their understanding of the corporate governance policy with interested companies and organizations on several occasions:

- A talk on 'CG Sharing: Organization and Sustainable Growth', organized by Capital Market Academy
- An executive seminar on 'CG: Opportunities or Obstacles for GC' at the PTT Group CG Day 2009 'CG to GC: From Good to Great' event, and participation in the CG exhibits and presentation of the Company's corporate governance practices, winning the grand prize and popular vote award at this event organized by the PTT Group.

Throughout 2009, the Company welcomed delegates from public and private agencies, as well as several educational institutions, to its operation, where experiences were shared and studied the Company's corporate governance practices.

The Company's commitment to corporate governance, was recognized by the three SET Awards, organized by SET and Finance & Banking Magazine, namely the Top Corporate Governance Report Award (fourth consecutive year), Corporate Social Responsibility Award (third consecutive year) and IR Excellence Award (second consecutive year).

(Signed) Wirat lam-Ua-Yut

(Mr. Wirat lam-Ua-Yut)

Chairman



Good Corporate Governance (CG)

In 2009, Bangchak Petroleum Plc remains dedicated to conducting business under the Company’s vision, which was revised last year to focus the Company toward “Greenery Excellence” or “Creating an energy business that is environmentally friendly for sustainable development”. To fulfill this vision, the Company encourages employees to hold the following values:

- B**eyond Expectation
- C**ontinuing Development
- P**ursuing Sustainability

In creating an environmentally friendly energy business, the Company has implemented the Product Quality Improvement (PQI) and initiated a project to use natural gas as a fuel source in the production process, thereby reducing pollution and greenhouse gases. The Company has also developed a new business which produces renewable energy, namely establishing a production plant for biodiesel at Bang Pa-in. To achieve sustainable growth, the Company also conducts business with principles, integrity and accountability, as well as considering the maximum benefit to the shareholder while considering the interests of all stakeholders. This includes caring for the environment and society, according to the principles of corporate governance. The Company has held the guidelines ever since its establishment, to “**Working towards sustainable business development in harmony with the environment and society**”. It has strived to instill an understanding of corporate governance for the employees and instill a conscience for corporate governance in their daily work practices, until a corporate culture is born. This coincides with the employee corporate culture to “**To be virtuous, knowledgeable and contributive to society**”. The Directors and Executives have acted accordingly to set a good example for the employees. Moreover, the Company has held a workshop with employee participation and together with the employees has drawn up policies, which has produced a set of guidelines to ensure corporate governance for Directors, Executives and employees in their work practices. As well as this, the Company has encouraged the distribution of information and raising awareness of the culture of corporate governance throughout the year.

In the past year, the Company has encouraged the culture of corporate governance and reinforced the conscience for employees to act according to the principles of corporate governance, as well as adjusted them, which has raised the Company’s standards of corporate governance to be equal to international standards and ensures a steady progress toward excellence. Moreover, the Company has been active in promoting the principles of corporate governance to the public. **Because of this, the Company has received awards and national recognition, this is, SET (Stock Exchange of Thailand) awards, organized by SET and Money and Banking Magazine, in three categories: Top Corporate Governance Report Award for the fourth consecutive year, Corporate Social Responsibility Award for the third consecutive year and Investor Relations Excellence Award for the second year. As well as this, the Company has received the “Board of the Year Awards 2008/9” in three categories: “Board of the Year for Exemplary Practices” for the third consecutive year, “Audit Committee of the Year Award” and “Board with Consistent Best Practices”, organized by the Thai Institute of Directors and SET, the Thai Chamber of Commerce, the Federation of Thai Industries, The Thai Bankers’ Association, The Thai Listed Companies’ Association and the Federation of Thai Capital Market Organizations. Moreover, the Company has**



received all “Excellent” scores in the auditor’s report according to the IOD guidelines for corporate governance for Listed Companies 2008 and received the highest average scores in every category when among 290 other companies which were also surveyed at the same time.

The Company has constantly tried to conduct business in accordance with the principles of corporate governance, keeping in mind the benefit to the shareholder and stakeholders. The Company maintains the goal of developing its corporate governance standards, to elevate the standards toward international standards, in line with the mission of SET’s National Corporate Governance Committee and the Securities and Exchange Commission (SEC), which aims to increase the credibility of the Thai capital market to be widely accepted and internationally competitive, for the benefit of the country.

1. Policy on Corporate governance

The Company has produced a “Corporate governance” manual, detailing the good practice of Directors, Executives and Employees, to act as the principle for business conduct for them in order to achieve the goal. The Board has determined that there should be a written guideline on corporate governance since 2003. In accordance with the principles of corporate governance, the guideline details the roles and responsibilities of the Board to regularly revise corporate governance practices to be more clear, complete and fitting with current events. In 2009, **the Company sought to amend the Corporate governance Guidelines for the fifth time to correspond to the current corporate governance practices and the standards set by SET and SEC, adding the guideline on Connected Transactions and a form on making connected transactions and has amended clauses on the Board, Sub-Committees (or Committees), the Executives and Internal Audit and Risk Management, as well as making changes to the Company’s vision and incorporating the values statement and the business mission, as well as printing the second version of the organization’s Risk Management manual** in order to measure up to international standards. This manual has been circulated to the employees through the Company’s channels and communicated to the shareholders and stakeholders. The Board of Directors’ commitment to carry out corporate governance has been stated based upon six principles:

1. Accountability
2. Responsibility
3. Transparency
4. Equitable Treatment
5. Vision to Create Long Term Value
6. Ethics

As well as communicating the policies stated above, the Company organized training on the principles of corporate governance to be included in the orientation for new employees. In the last year, the Company has organized activities to encourage better understanding of these principles for employee and help instill a conscience for corporate governance until it becomes a part of corporate culture, for example, a “CG Talk” program in the Company’s radio program, exhibition boards on the Company’s performance and organized awards for corporate governance, organizing “CG Day 2009 : CG DNA”, which featured exhibitions and plays from employees, for the fifth consecutive year to ensure understanding about the policy on connected transactions and conflicts of interest. This was accompanied by a talk session by Khun Saranya Jindawanik, Director, Securities Registration Department and Khun Sarika Apiwattakul, Senior Assistant Director, Securities Registration Department, Office of the Securities and Exchange Commission (SEC). The Company also invited other listed companies to observe CG Day to disseminate information about the Company’s CG to the public and elevate the standard practices of other Thai listed companies. This year, seven other listed companies observed CG Day, an increase from the previous year.

2. Rights and Equitable Treatment of Shareholders

The Company recognizes and values the rights of shareholders as owners of the Company and has appointed a Board to manage the Company for the utmost benefit of the shareholders. Since its establishment, the Company has encouraged shareholders to exercise their basic rights and has not taken any actions which would violate or diminish the rights of the shareholders.

In 2009, the Company organized the Annual General Meeting (AGM) of the Shareholders on April 9, which was moved up from last year’s date to prevent the date from conflicting with most other listed companies. The meeting was held at the Company Headquarters, which is located at a convenient location for shareholders. This year, the Record Date was also used for the first time at an AGM, which increased the efficiency of AGM, giving the shareholders time to review the meeting invitation and appendices before attending the meeting. **As for meeting preparations, the Company gave the shareholders approximately two months’ prior notice to give them the opportunity to plan their attendance to the meeting. The meeting invitation and agenda was made available on the Company’s website to give shareholders a chance to study relevant information and aid their decision in the meeting 36 days prior to the meeting and the meeting invitation was sent to the shareholders 24 days prior to the meeting, which is above the requirements set by law.** Each agenda was accompanied by the opinion of the Board, the annual report and a proxy form, detailing the documents needed to assign a proxy person to help the shareholder cast the vote. There is a telephone number to ask for further details if a question arises. Moreover, the Company allows shareholders to submit questions which they would like to raise in the meeting to be included in the agenda of AGM 2009. The Company has listed the criteria for submitting questions on the website, as well as notifying the shareholders through the channels at SET.



At the AGM, the Company provided the following conveniences for the shareholder:

- Prepared enough parking spaces and provided a shuttle service between On-Nut BTS station and Sukhumvit Soi 64 for those who did not come by car.
- Provided a barcode system at registration to allow shareholders to conveniently cast and count their votes. In the case of a proxy, tax stamps were made available free of charge. Shareholders who had already registered were given stickers for easy entry and exit from the meeting without having to re-check their documents.
- Provided an option for E-voting, with Thailand Securities Depository Company Limited being responsible for the registration and vote-counting process for maximum efficiency and transparency.
- Interested shareholders could visit and tour the refinery. Exhibition boards were prepared to illustrate the progress of various parts of the business as an additional channel for shareholders to be informed of the Company's business report.

Shareholders who were unable to attend the meeting could view a recording of the meeting on the Company's website to find out the details of the meeting in addition to the meeting minutes, which were made available to the shareholders through SET and the Company's website.

The Board has clearly specified the Rights of the Shareholders in the corporate governance manual as follows:

The Rights of Shareholders

1. The Board of Director safeguards the basic rights of all shareholders:
 - The right to receive share certificates, the right to transfer shares and the right to receive the information which will affect the interests of the Company and the shareholders in a timely manner, presented in appropriate media.
 - The right to attend meetings and cast votes at the AGM to make important decisions about the Company's policy, including the right to assign a proxy voter to attend the meeting and cast votes on the shareholder's behalf if the shareholder is unable to attend. This also includes the right to appoint the Company's Board.
 - The right to appoint and remove Directors and to appoint an external auditor.
 - The right to a share of the Company's profits. In this year, the Company paid dividends of one Baht per share.
2. The Shareholder receives meeting invitations containing agenda details and related appendices. The Company selects an appropriate time and place and delivers the invitation to the shareholders and the registrar no less than 14 days prior to the meeting, advertises the meeting appointment in the newspaper for three consecutive days no less than three days prior to the meeting date, as well as making the information available on the Company website before delivering the meeting invitation.
3. In the agenda to appoint a Director, the shareholder can vote for individual nominees. The shareholder's vote is proportional to the number of the shares held.

4. According to the law and Company regulations, the Shareholder can submit a request to the Board for an item to be added to the meeting agenda and may ask questions, ask for explanations and express their opinions in an appropriate manner.
5. The Chairman, Directors and related executives are responsible for attending the AGM to answer shareholders' questions.
6. After the AGM, the shareholder can access information to find out the results of the ballots and matters considered.

This year, the Company invited shareholders to submit items to the meeting agenda and nominate qualified persons to be considered for Directors. It publicized the criteria and methods on the website, as well as notifying the shareholders through SET's channels between October and December 2009. The Board also adopted a policy against adding items to the meeting agenda without prior notice, especially those matters in which the shareholder needs time to study the relevant information. As well as this, the Board encourages shareholders to use proxy forms with the details of the matters for consideration (form B) as well as appointing Independent Directors as an option for assigning a proxy for added transparency and accountability. The Board also uses ballots to cast votes on each agenda item, especially that to appoint Directors. Shareholders can choose to appoint Directors on an individual basis, with one share counting as one vote. The Company also collects all ballots from shareholders who attend the AGM, whether they agree, disagree or abstain from voting.

The Board has specified the policy on Equitable Treatment of Shareholders in the corporate governance manual as follows:

Equitable Treatment of Shareholders

1. Shareholders have the right to cast as many votes as the shares they hold and have equal access to information and media about the Company.
2. Shareholders receive sufficient and fair information from the Company. The Company does not show favor to certain groups of shareholders by giving access to undisclosed information.
3. All shareholders receive equal treatment in the AGM.
4. Shareholders can add items to the meeting agenda or nominate Directors ahead of the meeting and in accordance with Company guidelines.

The Company observes the equitable treatment of all shareholders. Each shareholder has the same basic rights, even though the proportion of his or her shareholding may not be equal to each other. Moreover, the Company has arranged for many methods of communication to ensure that shareholders receive equal access to information, through the Company's website, press releases, analyst meetings, or company visits which allow shareholders, investors and analysts to observe the business and meet with executives. The Company participates in SET's quarterly Opportunity Day where listed companies meet investors, as well as giving out and receiving information over the telephone and E-mails of the Company's Investor Relations staff. The above-mentioned is in addition to giving out information according to the regulations of SET, thereby ensuring the shareholder's access to various types of media.



3. The Company's Role toward Stakeholders

In the Company's business, the stakeholders are customers, employees, partners, shareholders or investors, creditors, as well as the communities in the Company's surroundings. The Company recognizes the rights of all stakeholders. The Board encourages the cooperation between the Company and stakeholders in the Company's profitability, financial stability and sustainability, namely employees, suppliers/contractors, competitors and shareholders, especially the communities around the refinery and the environment. The Company recognizes that its business is a heavy industry and therefore gives utmost consideration to the environment and safety. The Company produces a sustainability report for the benefit of the stakeholders, related parties and interested parties, detailing business updates in three areas: the environment, society and economy. This reflects the Company's commitment to continued progress and conducting business with ethics, care for the environment and safety, as well as contributing to the economy by increasing the quality of life for society and involvement in developing the local community and society as a whole. This has been the guideline for the Company's Corporate Social Responsibility (CSR), which is practiced in conjunction with corporate governance.

The Company has written guidelines on treatment of stakeholders in the corporate governance manual, taking into consideration the rights of the stakeholders over and above those stated by the law, as well as not taking actions which might violate the rights of stakeholders. This can be summarized below.

Employees

The Company recognizes that employees are the driving force and encourages the training of employees to increase their competency. Moreover, the Company has arranged for the equal treatment of employees and fair remuneration and benefits including medical care, the Company's shuttle service, Bangchak Family Day, activities on employee's birthdays and Children's Day, the Employee Club House which has various activity clubs for the employee's relaxation after their work. (Further details are included in the Sustainability Report 2009) Moreover, the Company has created the Employee Joint Investment Program (EJIP) to motivate the employees and keep human capital with the Company in the long run. In EJIP, employees have the choice to enter a savings program by buying the Company's stock through a system which is consistent, efficient and complies with the rules and regulations of SET, SEC and other related bodies. This program also creates a sense of joint ownership for employees and has a positive effect for the Company's business progress.

Customers and Society

The Company is dedicated to improving the quality of products and services for maximum customers' satisfaction. The policy aims to deliver quality goods which meets or exceeds the customer's demands under fair conditions and aims to give adequate, accurate and timely information about the products and services. The Company does not exaggerate or mislead the customer about the quality, quantity or other terms and conditions of the products or services. Company employees protect the customer's secrets and do not use them for personal gains.

Suppliers / Contractors The Company has a policy which limits the practices in contract and procurement as well as the provision and sales of petroleum and petroleum-related products to ensure that business conduct with its suppliers/contractors is carried out in an appropriate and fair manner and complies with corporate governance. Moreover, the Company has a "Manual for Appropriate Business Conduct" and "Guidelines for Bangchak Petroleum Station Representatives" to ensure that the Entrepreneur/ Representative of the Company conducts business with efficiency, corporate governance and good business ethics. The policy treats suppliers/contractors fairly and is based on the principle of fair compensation for both parties, honors contractual obligations and agreements and seeks to notify suppliers/contractors as soon as possible in the case that one or more of the agreements cannot be fulfilled, in order to find a timely resolution.

Lenders Bangchak treats lenders fairly, responsibly and transparently and seeks to fulfill all its contractual and financial obligations. It does not engage in dishonest practices and does not conceal information which may cause losses for the lender. If the Company cannot fulfill one or more of its obligations, it seeks to notify the lender so that a resolution can be agreed upon together.

Competitors The Company conducts business with ethics, transparency and engages in fair competition with its competitors under the guidance of fair competition. It does not seek to find information about Competitors through dishonest or inappropriate means, for example, bribing a competitor's employees. The Company does not engage in slander or discrediting its competitors.

Shareholders The Company is determined to follow the principles of corporate governance and is focused on creating a business which has financial stability and sustainability to maximize the value of shares for the benefit of the shareholders.

The Community around the Refinery Society, and the Environment The Company considers health and safety and the environment an integral part of the business and has a written guideline on health, safety and the environment for the Directors, Executives and employees to uphold. Under the mission to "Develop sustainable business, while safeguarding environment and Society", Directors, executives and employees uphold the following practices:

- Engage in work practices that are safe and do not have undesirable effects on themselves, related parties, the community and the environment.
- Comply with laws on health and safety, the environment and energy.
- Prevent pollution, leakage and loss of petroleum.
- Take action to prevent accidents in all aspects.
- Use resources such as energy, water and chemicals efficiently.
- Constantly improve the health and safety and environmental practices.



The Company produces “*Krob Krua Bai Mai*” (Leaf Family) newsletter and “*Rob Rua Bangchak*” (Bangchak Neighbors) magazine for distribution every other month to allow the community to know the goings-on of the Company as well as receiving interesting information, such as how to save energy, how to ensure safety in daily life and health tips and how to protect the environment. This is another way for the Company to communicate with and take care of communities around its refinery.

Moreover, the Board has developed a mechanism for the stakeholders to be involved with the Company’s business by making information available and transparent, as well as listening to various opinions on Open House days, receiving information through opinion boxes, Investor Relations and the website. **Various channels are available for tipping or making complaints against misconduct or unethical behavior in financial practices or internal control. There are mechanisms for protecting the whistleblower and appropriate mechanisms for action after information is received. This ensures that the stakeholders play an active part in protecting the Company’s interest.**

| Methods of filing a complaint or inquiry | |
|--|---|
| E-Mail | ico@bangchak.co.th |
| Mail | Internal Control Office Bangchak Petroleum Plc 210 Sukhumvit 64, Bangchak, Phra Khanong, Bangkok 10260 Tel : 0-2335-4566 Fax : 0-2331-6530 |

4. Annual General Meeting of the Shareholders (AGM)

For the 2009 AGM, the Company sent invitations and annual report to all registered shareholders at the closing date. Fourteen directors attended the meeting, namely General Tawat Ked-Unkoon, Chairman; Prof. Dr. Chai-Anan Samudavanij, Vice Chairman and Chairman of the Nomination and Remuneration Committee; Dr. Anusorn Tamajai, Director and Chairman of the Audit Committee; Dr. Nipon Surapongrukcharoen, Director, member of the Audit Committee and Chairman of the Enterprisewide Risk Management Committee; Mr. Wirat Iam-Ua-Yut, Director and Chairman of the Corporate governance Committee; Assoc. Prof. Pranom Kowinpiapat, Director and member of the Audit Committee; Mr. Apisit Rujkeatkumjorn, Director; Mr. Pichai Chuhavajjira, Director; Mr. Chaiwat Churitti, Director; Mr. Tevin Vongvanich, Director; Mr. Sayan Satangmongkol, Director; Mr. Thevan Vichitakul, Director; Dr. Twarath Sutabutr, Director; and Dr. Anusorn Sangnimnuan, CEO and Company Secretary, as well as Senior Executive Vice Presidents and Executive Vice Presidents from all departments. The Chairman of the Board chaired the meeting. **In the AGM, the Company invited Kanung and Partners Law Firm, represented by Mr. Visith Uavirojnungoon, as the official responsible for examining registration documents, the balloting process, as well as the results of the ballot and the motion, which ensures a transparent**

and legal meeting. During the meeting, all shareholders received equal opportunities in expressing their opinions and posing any questions. The questions raised and important opinions were documented in the minutes of the meeting and a recording of the meeting is available for reference purposes.

Due to its attempt to constantly improve the organization of the AGM, this year, the Company received the highest scores during the assessment of its organization of its AGM 2009, organized by SEC in conjunction with the Listed Companies Association and Thai Investors Association, with a perfect score of 100. The Company also made an assessment form for the AGM 2009 to assess the quality and get opinions of the attendees. The result showed that attendee satisfaction was in the “Good to Very Good” range.

This year, the Board held an Extraordinary General Meeting of the shareholders No. 1/2009 on 24 September 2009 to allow shareholders to vote on amending the Company’s regulations in Section 3 concerning the transfer of shares. The amendment altered the proportion of non-Thai shareholders to correspond with current shareholding. Shareholders were also informed about the interim payment of dividends, which was the first time since the Company was established. The meeting was organized according to corporate governance practices similar to the AGM

5. Leadership and Vision

Directors play a part in defining the vision, mission, strategy, business goals and budget every year, seeking to add maximum value to the business. Moreover, the Directors are responsible for approval of key strategies and policies, especially with regard to the Key Performance Indicator (KPI), which was put into implementation for finance and planning since the beginning of the year. Since 2004, the Company also joined an assessment survey by the State Enterprise Policy Office (SEPO), Ministry of Finance, also known as the Performance Evaluation of State-Owned Enterprises program.

The Board has laid out systems of internal control, internal audit and effective risk management strategies, as well as following up on them regularly in Board meetings.

The Board monitors the work of the management, receiving regular progress reports and business reports every month in board meetings. Moreover, the Board realizes the importance of complying with rules and regulations and has given instructions to the management to report important goings-on in the Company for effective and proper action to be taken.

6. Conflicts of Interest

The Company takes great care to prevent conflicts of interest and has a set clear policies and processes governing making connected transactions in the corporate governance manual. The manual forbids employees to take any actions which could cause a conflict of interest for the Company or cause the Company to lose profit or



cause any profit to be shared. This includes not holding shares in rival companies if it will affect employee's job performance. If employee obtained those shares prior to entering the Company's employment or inherited them, they must report the matter to their superiors

Directors and executives are required to make a list of their securities portfolios and those of their connected persons for the Company's information and to help the Company Secretariat ensure that Directors and executives conduct their work with integrity. The Company Secretariat also sends copies and notifies the Chairman of the Audit Committee of this matter. This had been put into practice before the SEC regulations came into effect. **The Company also organizes training sessions about making connected transactions, instructed by Khun Sarika Apiwathakakul, Senior Assistant Director and Khun Weeruna Tanchotikul, Senior Administrative Officer, from the Securities Registration Department of the Office of SEC. The policy about connected transactions has also been included in the corporate governance manual's 5th revision. The Company produced a form to report connected transactions and has carried out internal communication to create understanding about using the form. This has also been communicated through the "CG Day 2009: CG DNA", which aimed to create understanding about connected transactions and prevent conflicts of interest for the Company and employees.**

7. Monitoring the Use of Inside Information

The Company has a policy detailing the accepted practices of director, executive and employees and forbidding the disclosure of important secret information to the public for personal or other gains, as well as policies on the buying and selling of Company shares as follows:

1. Directors and executives, as well as spouses and offspring, including connected persons, according to Article 258 of the Securities and Exchange Act of 1992 must notify and distribute information about shares held, as well as reporting any changes to SEC every time they buy, sell, transfer, or receive shares within three days of the change to comply with Article 59 or face punishment according to Clause 275 of the Securities and Exchange Act of 1992.
2. Notify the Directors and executives of the financial information which affects the price of shares. Avoid buying or selling Company shares one month prior to the disclosure of information and three days after disclosure, as well as not disclosing information to others before it is made available to the public.

Furthermore, in the Board Meeting, Directors and executives must report changes in shares held every month and must notify the Company without delay if:

- They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
- They hold shares or bonds in the Company and its subsidiaries.

The Company also has penalties against employees who use the Company's inside information for personal gains, ranging from a warning to termination of employment.

8. Business Ethics

The Board has defined a policy and direction for the Company's business to comply with the principles of corporate governance, paying attention to Internal Control and Internal Audit and Risk Management, as well as seeing that the management follows all the principles of corporate governance for the long-term benefit of the shareholders and stakeholders. The business ethics guidelines as defined by the Company are listed below:

1. Transparency and Disclosure of Information

Management, financial records and financial reports are properly handled to comply with laws and regulations and meet international standards. Information is disclosed in an accurate, clear and timely manner for investors' confidence.

2. Equitable Treatment of Stakeholders

Commitment to equal treatment of all stakeholders: shareholders, customers, partners, lenders, employees and society. In addition, the Company is committed to equitable treatment of major and minor shareholders.

3. Risk Management

The Company has a risk management system which deals with efficiency, effectiveness, accuracy of financial reports and is determined to follow the law, rules, guidelines and policies relating to corporate governance while considering the risk of conducting business. Potential risk is assessed and ranked and measures are taken to reduce risk as much as possible.

4. Strive for Excellence

The Company encourages business practices which ensure good results and encourages all departments to constantly improve and strive for excellence.

5. Commitment to the Community

The Company conducts business with awareness for roles and responsibilities for the maximum benefit of the environment, social benefit and plays an active role for the betterment of Thai society.

6. Moral and Ethical Behavior at Every Organization Level

Morality and ethics are important elements of the Company's corporate governance principles. It is the work ethics at every level of the organization including Directors, executives and all employees. The Board recognizes that an organization that does not uphold morality and ethical practices cannot form a sustainable business

The Company has a written code of conduct for the Board, Executives and employees to act as a guideline for conducting the Company's business with honesty, integrity and fairness.



9. Balance of Power for Non-Executive Directors

The Company has 14 directors made up of:

- One Non-executive Director
- Seven Independent Directors
- Six other Directors (from major shareholders)

The names of Directors who represent major shareholders are listed under "The Board of Directors"

10. The President and Senior Executives Accepting Positions as Directors in Other Companies

The Company has clearly defined policies and code of conduct when the President and senior executives from the Company accept positions as directors in other companies as follows:

1. The President and other senior executives may be delegated to be directors of the Company's affiliates or subsidiaries.
2. If the President wishes to be a director of another company which is not an affiliate or subsidiary of the Company, he must have the approval of the Board of Directors and are limited to no more than three companies.
3. If a senior executive wishes to be a director in another company which is not an affiliate or subsidiary of the Company, they must have the approval of the President and are limited to serving no more than three other companies. They must also notify the Board of Directors.

11. Terms of Directorship

Bangchak decided that directors can serve for maximum consecutive terms as follows:

"The appropriate term for directorship is no more than three consecutive terms (from 2008 onward) except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the director who is under consideration and defend their decision to the shareholders.

Directors do not hold more than three consecutive terms, meaning that they cannot serve for more than nine years (three years in each term) to allow the Company to find other qualified Directors for the maximum benefit of the Company.

12. Limiting the Number of Companies Where Directors Can Serve

The Company has limited the number of listed companies in the SET where directors can serve to the following:

"The appropriate number of SET-listed companies where directors can serve should not exceed five companies. If a director serves at more than five companies, the Board will consider the efficiency of that director and defend their decision as well as giving an assessment of duties carried out to the shareholder."

Currently there is no director serving as director at more than five other listed companies in SET.

13. Segregation and Merger of Positions

The Chairman of the Board is an independent director according to SET definitions and is a separate person from the President. The Chairman does not have any involvement with the management and there is a clear separation between policy making and management execution. The Chairman demonstrates leadership, makes sure the Board meeting is efficient and effective and encourages each director to participate in meetings and supports the execution of the management through the President. Moreover, the Chairman does not hold any positions in sub-committees and all directors can freely express their opinions to ensure that the management conducts business in an effective and transparent way.

14. Remuneration for Directors and Executives

The Board has appointed the Nomination and Remuneration Committee to decide the remuneration of directors and executives, which has been written as follows:

Remuneration for Directors

"The Company remunerates its Directors with consideration to the duties and responsibilities carried out and at a comparable rate to other listed companies which is in a similar industry and business size. The remuneration is sufficient to attract qualified directors who can complete their duties to achieve a desirable goal and direction for the Company. The remuneration process is transparent and creates investors' confidence."

The remuneration of directors follows the approval of the AGM and the details of directors and executives' remuneration have been detailed under the heading "Remuneration of Directors and Executives" under the Management Structure section.

15. Remuneration for the External Auditor

15.1 Audit Fee

The Company and its subsidiaries have paid audit fees as follows:

- The Company's External Auditor (Mr. Wairote Jindamaneepitak or Mr. Jaroen Poosumritlert or Mr. Winid Silamongkol) in the last year totalled 0 Baht.
- The Audit Company (KPMG Phoomchai Audit Ltd.), persons and businesses related to the external auditor and the Audit Company in the last year totalled 2,221,490 Baht (Bangchak Petroleum Plc: 1,490,840 Baht, Bangchak Green Net Ltd.: 594,650 Baht and Bangchak Biofuel Ltd.: 136,000 Baht)

15.2 Other fees

- none -



16. The Meeting of the Board of Directors

The Board has scheduled meetings for the year and has regular meetings every month and additional meetings when necessary.

At the Board meeting, the Chairman and the President jointly consider the meeting agenda. The meeting agenda includes following up on business progress. The Company Secretariat sends the meeting invitation with the agenda and related appendices no less than seven days prior to the meeting to allow enough time for the directors to study the information before attending the meeting. The minutes of the meeting are produced, documented and verified by the directors and distributed to the directors and related parties. (The meeting attendance of directors has been detailed under "Board Meetings" under the Management Structure section.)

17. Sub-Committees

The Board of Directors has appointed appropriate directors who are knowledgeable and qualified to serve in sub-committees to study relevant points and aid the work of directors, as they can more thoroughly consider and gain access to relevant matters. However, all outside liability from all of the Company's activities lies with the Board of Directors. The structure, duties and names of sub-committee members have been detailed under the heading "Sub-Committees" in the Management Structure section.

18. Internal Control and Internal Audit

The Company recognizes the importance of internal control, both at the level of the management and execution and has organized an appropriate organization structure and chain of command and inter-departmental relations. There is a limit on the powers of authorization for each position and clear company regulations relating to budgeting, finance and accounting, human resources, the provision and sales of petroleum and petroleum products and contract and procurement, as well as risk management and whistle-blowing and reporting of irregular items.

The Board has arranged for an audit company to assess the system of internal control to assure that all the departments are performing their duties efficiently and effectively. The assessment followed the strategy of a risk-based approach. The audit company reports directly to the Audit Committee in order to assure their freedom to do their job.

19. Risk Management

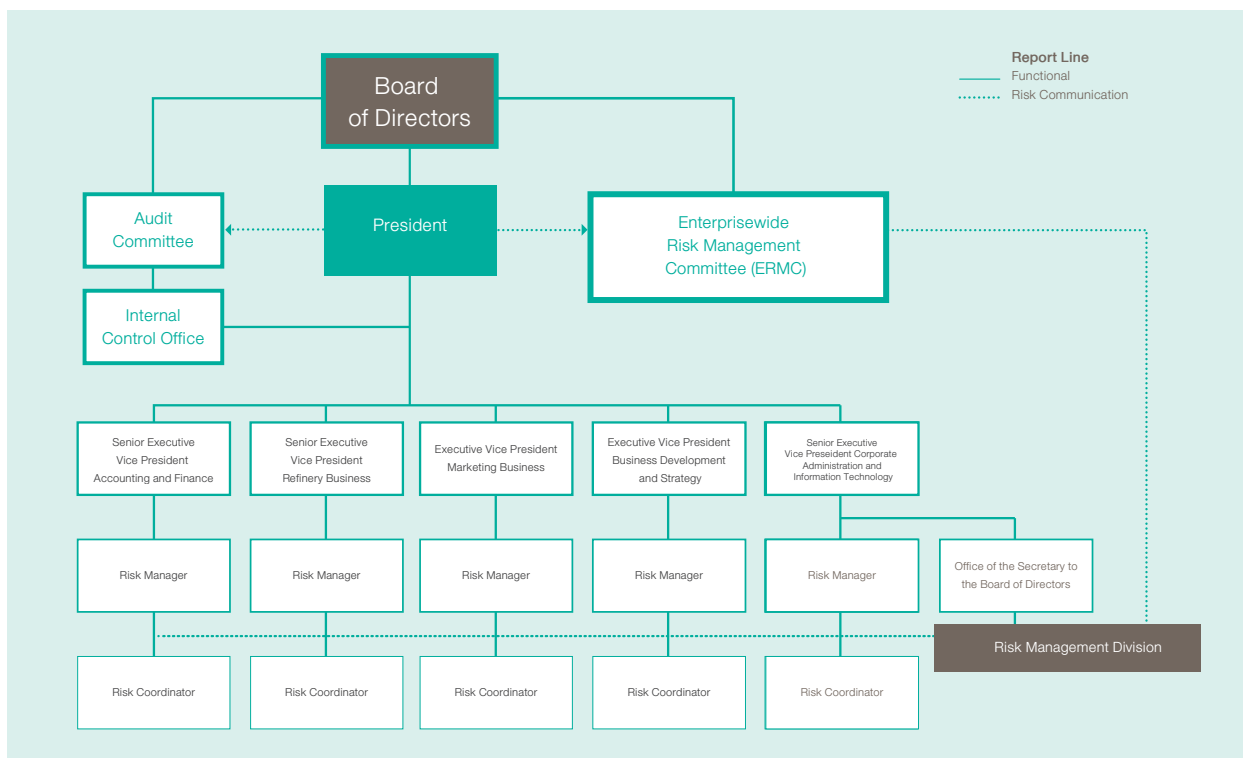
The Company recognizes the importance of risk management and has appointed the Enterprisewide Risk Management Committee to be responsible for identifying and assessing any risks to the business. There are measures to prevent and manage risk and monitoring to ensure compliance with legal requirements and risk management reports. The Company has the following risk management policies and overall risk management structure:

Policy for Enterprisewide Risk Management

1. Managers and employees oversee risk and play an active role in developing the organization's risk management. They have full understanding of their roles and responsibilities related to risk management.
2. There are effective risk management procedures in every step of the work process in line with corporate governance principles. This reduces uncertainty in the work process.
3. Take action and support successful risk management throughout the organization by efficiently using limited resources to identify, assess and manage risk.
4. Encourage and stimulate risk management as a corporate culture and encourage awareness of risk management.

Risk Management Structure

The organization's risk management structure incorporates the directors, executives and all departments in the organization. The Enterprisewide Risk Management Committee has been appointed by the Board to ensure effective risk management in the organization. The committee is responsible for ensuring that there is an effective risk management system for the Company, raising awareness of potential risk with executives and employees and ensuring that there are appropriate measures to handle risk. The corporate risk management section coordinates, supports the managers and other departments to ensure that steps are taken towards effective risk management as shown below:



The Company has revised and produced the second edition of the risk management manual with the approval of the Enterprisewide Risk Management Committee, which was communicated through the Company intranet to pass on information about risk management to managers and employees for effective implementation.

20. The Board of Directors' report

The Board of Directors is responsible for the financial statements of the Company, its subsidiaries and information about the Company's finances in the fiscal year. The financial statements are prepared with care, comply with accounting standards and are appropriate to the Company's needs and are strictly adhered to. There is adequate supporting information contained in the notes to the financial statements.

The Board maintains an effective system of internal control to ensure that accounting information is accurate, complete and adequate enough to prevent frauds or irregularities. The Board considers the overall system of internal control in the Company to be at a satisfactory level and enough to create confidence in the finances of the Company and its subsidiaries as of December 31, 2009.

21. Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations. The Investor Relations department acts as a center for giving out important information to investors and ensuring that financial reports as well as important information which affects the value of the Company's shares, such as the financial statements, the business performance report, MD&A report and analysis for each quarter and year, are distributed in a timely and regular manner and that complying with SEC regulations. This is for the benefit of investors both in Thailand and abroad. The Company produces a performance report and provides information to investors, shareholders and stakeholders directly and indirectly as follows:

- **Directly:** The Company keeps analysts, investors and employees updated regularly through analyst meetings, company road shows, E-newsletters, conference calls and attending conferences organized by various institutions, meeting with minor investors on SET's Opportunity Day or company visits to other listed companies through the Federation of Thai Industries to allow potential investors, shareholders in listed companies, analysts and Federation of Thai Industries members to have access to the Company's management information and activities. Related parties can also make appointments to ask for information about business updates and can attend the company visit programs as well. Moreover, those who cannot attend analyst meetings can access the information through videotaped sessions, which are put on the website in Thai and English.

A Summary of Investor Relations Activities in 2009

| Activity | Number (times) |
|--|-----------------------|
| Foreign Roadshow | 4 |
| Local Roadshow | 3 |
| Analyst Meetings | 5 |
| Opportunity Day (organized by the SET) | 4 |
| Company Visit | 49 |
| Conference Call | 24 |
| Answering Inquiries by E-mail/telephone | Approx. 3-4 times/day |
| E-newsletter | 4 |
| Site Visit | 3 |
| Shareholder and Minor Investors Get-together | 4 |



- **Indirectly:** The Company gives out both current and past information about the Company, financial statements performance reports, as well as other reports submitted to SET on the Company's website www.bangchak.co.th, where interested parties can read and download this information. The Investor's Relations page contains information in Thai and English which is updated frequently.

Investors and related parties can make queries or ask for the Company's information at Ms. Pornsuk Limsathit, tel. 0-2335-4580-83, 87, at the Website: www.bangchak.co.th, or e-mail address: ir@bangchak.co.th

Furthermore, the Company distributes information about public relations, business updates, business progress and ongoing projects, as well as answering questions and allowing ready access for the media and the public, through e-mails, press releases, photo captions, press conferences, as well as Opportunity Day. Activities in 2009 can be summarized as follows:

| Activity | Number (times) |
|---|----------------|
| Press Conference / other ceremonies involving the media | 14 |
| SMS news alert | 63 |
| Press Release | 29 |
| Photo Caption | 67 |

Organization Growth and Development



Since the commencement of the Product Quality Improvement Project (PQI), the refinery becomes a fully complex refinery, capable of delivering high value gasoline and diesel yields at greater proportions, as a result, the Company's performance will be more solid, as strong fundamental for sustainable growth. After which the Company will proceed with investment plans to improve the energy efficiency of the refinery, as well as further upgrades of the refinery for higher production yield, for cleaner fuel products and for better environment and safety standards as well as adjustments of marketing strategies to keep up with the changing marketing environment.

In addition, the Company has plans to expand its business towards renewable energy business, which is not just clean fuel to replace fossil fuels (oil, coal and natural gas) for reducing global warming impact, but the business also shows very high growth potential. Besides, the Company is looking to expand into the development of natural resources business with using clean and environment-friendly technology as well as new businesses, both related and unrelated to the existing business, as an attempt to add value to the Company while diversifying the risks of the Company's performance. With a determination to do a business with environment friendliness and responsibility for the society to achieve sustainable development, BCP has set a target to be a **"Zero Global Warming Impact Company"**.

In response to future business development, BCP puts a strong emphasis on organizational development. Employees are well-trained to be ethical and yet competent and able to cope with business changes. Meanwhile, work processes have been made more efficient with transparency, thus, able to support BCP's presence in the international arena.

Petroleum Business (Refining and Marketing)

- To enhance the long-term competitiveness of the refinery business, BCP plans to upgrade its refining technology even further. It chooses to adopt the benchmarking program and use benchmarking findings for considering the improvement of the operation and investment in new or more advanced equipment to make the refinery competitive with other international refineries.
- BCP continuously pays attention to environmental management with a plan to invest in clean technology for the efficient management of air and discharge water. It aims to make the refinery most friendly to the environment and has set a target to minimize carbon dioxide emission.
- BCP has been working on a project to upgrade its production unit to ensure that its gasoline products will meet the EURO IV standard (which requires that the benzene content in gasoline must be reduced from not exceeding 3.5% to not exceeding 1% by volume). The standard will be effective on January 1, 2012 as a measure to reduce pollution from fuel consumption in Thailand.
- After attaining the goal to be the leader in renewable energy by making gasohol 91, gasohol 95 and Power D B5 diesel available nationwide, BCP will now focus on improving production and sales processes in response to the expansion of the sale of gasohol E20, considering the higher number of vehicles compatible with gasohol E20. Moreover, it will increase the number of service stations offering gasohol E85 to adequately serve the growing number of FFV vehicles. This move is in line with the government policy to promote renewable energy to strengthen the national energy security and economy.



- BCP will still be working on the improvement of its service station image and service standards. At the same time, development of quality fuels which are clean and of high standards will continuously proceed. In addition to increasing the number of standard retail stations in strategic locations, the Company has in place a plan to develop and increase the number of community stations to serve the higher number of customers and for the benefit of community cooperatives.
- Considering the market potential in neighboring countries, BCP has a plan to export refined products and lubricants. The focus will be put on products with a blend of biofuels, i.e. ethanol and biodiesel. This corresponds well with the Company's production capability while being able to respond to the needs of the biofuel markets in this region.

New Investment

- Bangchak Biofuel Company Limited (BBF) started the production of biodiesel for sale in December 2009. BCP will, thus, be able to realize the revenue from the operation in full year 2010. It also has plans for further expanding to add more value to BBF in the future.
- BCP has invested in a solar-cell power generation plant with a capacity of 30 megawatt on the premises adjacent to in Bang Pa-In terminal. The construction will be commenced in April 2010 and scheduled to completion within third quarter of 2011. After completion, the plant will be able to produce electricity for sale to Electricity Generating Authority of Thailand, which generates a continuous and stable income.
- The Company highly values investment in new businesses, both related and unrelated to the existing business. In addition to doing a feasibility study to increasing the shares in a potash mining project, it is looking into other new investment opportunities, such as an ethanol plant and a power-generating plant using other renewable energy.

Organizational Competitiveness

- BCP has determined to holistically improve its organizational competitiveness with targets, strategies and operating plans in four areas, that are development of human resources, development of work processes, adoption of information technology and raising the Company's image. These four key areas will be developed continuously and in unison.
- BCP focuses on the continuous development of human resources using the improved Competency-Based Management method. It is also gearing toward being a learning organization by encouraging employees to constantly learn, especially about new businesses, through the Interactive Knowledge Management system. This is part of its attempt to lay a foundation for future business expansion. It also established Communities of Practice (CoPs) groups as a channel for knowledge-sharing.
- As part of its human resources management, BCP strives to strengthen the bond between itself and its employees. It has conducted more employee engagement, like other world-leading companies.
- BCP accepted Thailand Quality Award standards as guidelines for developing work process to raise efficiency, transparency and competitiveness to the international level. This reflects its move toward the goal of operating excellence.
- BCP highly values good corporate governance, which takes all stakeholders into account. This is similar to how it values risk management as a management tool to attain its organizational goals. In this respect, it not only encourages the management and employees to embrace good corporate governance principles to their daily life, but has also been trying to cultivate good corporate governance and risk management into the organizational culture and normal practice.



Capital Structure

Common shares

As of year-end 2009, the Company's registered capital amounted to Baht 1,531,643,461 of which Baht 1,169,829,952 was paid up. An equal number of common shares were issued at a par value of one Baht each. This number included the common shares issued to Siam DR Co., Ltd., to support the full exercise of the rights to convert the shares into depositary receipts (the so-called BCP-DR 1). As of year-end 2009, a total of 432,233,363 such depositary receipts were outstanding.

Warrants

- On 25 August 2004, the Company issued 24 million warrants for ESOP (common shares to be issued) for directors, executives and the employees of both the Company and Bangchak Green Net Co., Ltd., with a maturity period of five years. Each such warrant entitles one common share to be bought at five baht per share under the following conditions:
 - After one year, 45% of the warrants were exercisable, provided that BCP common share prices stayed at 21 Baht for five consecutive days (operating days)
 - After two years, 25% additional warrants were exercisable, provided that BCP common share prices stayed at 23 Baht for five consecutive days
 - After three years, 30% additional warrants were exercisable, provided that BCP common share prices stayed at 23 Baht for five consecutive days.

These warrants matured on August 24, 2009 with none exercising the above-mentioned rights through the maturity period under the given conditions. All 24 million warrants therefore expired.

- On 15 May 2006, the Company issued 69,092,486 warrants for new shares (the so-called BCP-W1) and allocated them to existing shareholders at 10 existing shares per warrant, with a maturity period of five years. Each warrant was equivalent to one common shares at an exercise price of 18 Baht per share. From the date of warrant issuance to December 31, 2008 60,000 warrants have been converted for share purchase into 60,000 common shares, resulting in a balance of 69,032,486 warrants at year-end 2009.

Convertible debentures

As of year-end 2009, the Company had a total of 145,097 units of convertible debentures in the form of depositary receipts issued by Siam DR Co., Ltd., worth Baht 10,000 each, for a total of Baht 1,450,970,000. This resulted from the exercise of the right to redeem such warrants, amounting to 254,903 units from the date of issuance to year-end 2009. Of these, the same number of warrants was converted into 178,253,831 common shares (at a conversion price of 14.30 Baht per share, the fraction of each common share was disregarded.)

In addition, the Company offered to sell 58,560 units of non-transferable subordinated debentures to PTT Plc at 10,000 Baht per unit, for a total of Baht 585,600,000. The conversion price was Baht 14 per share at an interest rate of 3% per year. The fund was part of the recapitalization drive to support the Product Quality Improvement (PQI) Project.



Loans

As of year-end 2009, the Company incurred Baht 13,219 million in domestic loans from banks, of which Baht 800 million was in the form of short-term bank loans and Baht 12,419 million was in the form of long-term loans. Details of loans have been disclosed in the notes to the financial statements for the year ended December 31, 2009

Shareholders

• Common shares (BCP)

| Top 10 Shareholders (as of August 31, 2009) | Number of Shares | Shareholding (%) |
|--|----------------------|---------------------|
| 1. Siam DR Co., Ltd. | 496,549,463 | 42.45 |
| 2. PTT Plc | 280,680,000 | 23.99 |
| 3. Thai NVDR Co., Ltd. | 66,866,860 | 5.72 |
| 4. The Bank of New York (Nominees) Limited | 25,401,650 | 2.17 |
| 5. Social Security Office (2 cases) | 17,672,200 | 1.51 |
| 6. Social Security Office (4 cases) | 12,887,013 | 1.10 |
| 7. Deutsche Bank Ag, London Prime Brokerage | 10,312,400 | 0.88 |
| 8. Morgan Stanley & Co. International Plc | 9,326,900 | 0.80 |
| 9. Mr. Santi Mahapiyasin | 5,000,000 | 0.43 |
| 10. Mr. Suthidech Chirathivat | 4,510,000 | 0.39 |
| Top 10 Total | 929,206,486 | 79.43 |
| Grand Total | 1,169,829,952 | 100.00 |

• Holders of depositary receipts for common shares (BCP-DR1), issued by Siam DR Co., Ltd

| Top 10 Shareholders (as of August 31, 2009) | Number of Shares | Shareholding (%) |
|--|---------------------|---------------------|
| 1. Ministry of Finance | 124,947,970 | 25.16 |
| 2. PTT Plc | 52,240,000 | 10.52 |
| 3. The Bank Of New York (Nominees) Limited | 24,583,700 | 4.95 |
| 4. Ms. Buppha Ngam-apichon | 17,000,000 | 3.42 |
| 5. Bangkok Life Assurance Plc | 16,940,200 | 3.41 |
| 6. Somers (U.K.) Limited | 15,593,200 | 3.14 |
| 7. Wayuphak Mutual Fund One by MFC Asset Management Plc | 10,415,700 | 2.10 |
| 8. Wayuphak Mutual Fund One by Krung Thai Asset Management Plc | 10,415,700 | 2.10 |
| 9. Raffles Nominees (Pte) Limited | 9,858,000 | 1.99 |
| 10. Ms. Woraphan Chuengsapphaisal | 8,900,000 | 1.79 |
| Top 10 Total | 290,894,470 | 58.58 |
| Grand Total | 496,549,463 | 100.00 |

- Common share (BCP) holders through Thai NVDR Co., Ltd.

| Top 10 Shareholders (as of August 31, 2009) | Number of Share | Shareholding (%) |
|---|--------------------|---------------------|
| 1. Goldman Sachs & Co | 38,130,460 | 57.02 |
| 2. Morgan Stanley & Co. International Plc | 13,937,500 | 20.84 |
| 3. Mr.Hwang, Shine-Hsiung | 4,003,000 | 5.99 |
| 4. Somers (U.K.) Limited | 2,297,800 | 3.44 |
| 5. Raffles Nominees (Pte) Limited | 1,654,800 | 2.47 |
| 6. Mr.Hon Hung Chan | 1,000,000 | 1.50 |
| 7. Citibank Nominees Singapore Pte Ltd-Tfcb-Ing Thailand Fd | 789,100 | 1.18 |
| 8. Citibank Nominees Singapore Pte Ltd - A/C United Overseas Ba | 511,000 | 0.76 |
| 9. Phillip Securities Pte Ltd | 439,400 | 0.66 |
| 10. Mellon Bank,N.A. | 429,000 | 0.64 |
| Top 10 Total | 63,192,060 | 94.50 |
| Grand Total | 66,866,860 | 100.00 |

Dividend policy

The Company's dividend policy is 50% of the net profit stated in the consolidated financial statements, subject to economic circumstances and its own future business projects. Dividends must follow the public company limited laws.

Subsidiaries' dividend policies

- **Bangchak Green Net Co., Ltd.**

For a given fiscal year, the holders of preferred shares are entitled to annual dividends equivalent to the average daily interest rates for one-year fix deposits announced by Krungthai Bank Plc plus 3%. Dividends are paid in proportion to each paid-up share value when the dividends are paid out as stated in the resolution of the annual general meeting of shareholders (AGM). For a given year, if the company's profit is less than the dividends calculated for holders of preferred shares, all dividends are to be paid from such profit to holders of preferred shares only and none is to be paid to holders of common shares. Any outstanding dividends for holders of preferred shares will be carried forward or accumulated to the following year along with those for the holders of common shares. For a given year, if the company's profit exceeds the dividends calculated for holders of preferred shares, the AGM will approve dividends for holders of common shares, case by case.

- **Bangchak Biofuel Co., Ltd.**

Dividend payment must have the approval of an AGM and will be made only when the company has allocated at least 5% of its net profit in a given year as provisional capital until the provisional capital reaches 10% of the registered capital. The Board may consider interim dividend payment to shareholders but not as long as it still has cumulative losses

Report of the Nomination and Remuneration Committee

To the Shareholders

At its meeting 7/2008 The Board of Directors of Bangchak Petroleum Plc, appointed the current Nomination and Remuneration Committee, with Prof. Dr. Chai-Anan Samudavanija as chairman, and Mr. Pichai Chunchavajira, Mr. Chaivat Churitti, and Dr. Nipon Surapongrukcharoen as members.

The committee held three meetings through 2009 to nominate those qualified to be directors, define directors' compensation, assess the President's performance and decide his compensation, and deliberate succession planning for the President and Executive Vice Presidents.

In nominating directors and senior management, the committee took into consideration personal qualifications, expertise, competence, experience and career profiles, leadership, vision, righteousness, ethics, attitude toward the Company, and the ability to devote enough time to the Company's business, apart from suitability and alignment with the composition and structure of the Board under the Company's prevailing business strategies. To foster confidence for shareholders, the nomination process is transparent. The present Board is made up of fourteen members, seven of whom are independent directors and six non-management ones, and with the President as its secretary. The profile of each director appears under 'The Board of Directors'.

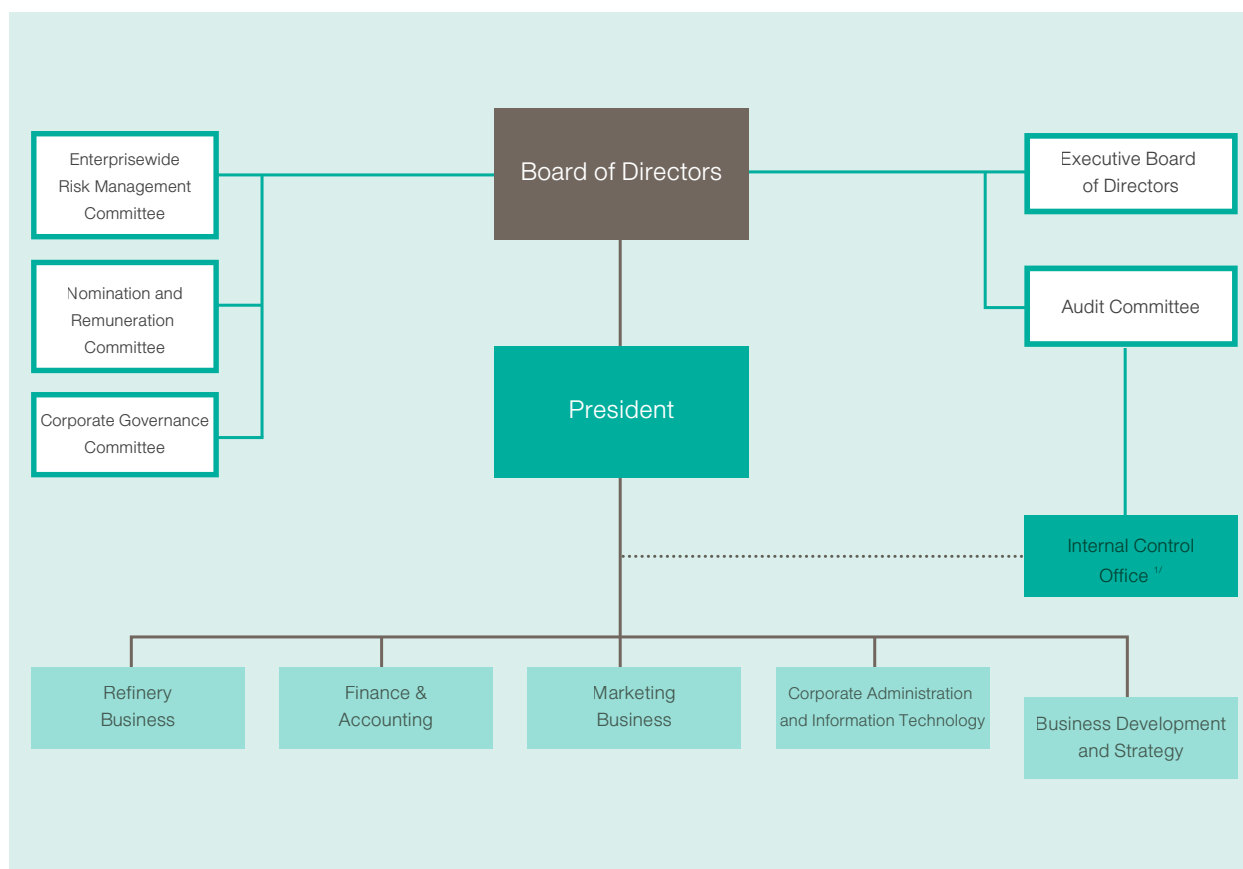
In defining the compensation for the Board and senior management, the Company's guidance is compensation suited with each person's role and responsibility, as well as competitive with listed companies in the Stock Exchange of Thailand of the same industry and comparable business size; compensation must be able to attract quality directors or executives to achieve the goals and directions as defined by the Company. To foster confidence for shareholders, the remuneration process is transparent. For 2009, the annual general meeting of the shareholders approved the adjustment of monthly compensation and bonuses; each director's compensation information appears under 'Management Structure'.

(Signed) Chai-Anan Samudavanija
(Mr. Chai-Anan Samudavanija)

Management Structure



1. Management Structure



Note: ^{1/}The Audit Committee determines and evaluates the Internal Control Office's annual performance to ensure corporate governance and the independence of the Internal Control Office.

2. Board of Directors

According to the Company's regulations, the Board of Directors consists of at least five and no more than fourteen directors and at least half of the directors must reside in the Kingdom. The directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf. For instance, the President has the authority to allocate the annual budget, pay for the Company's activities according to the contract or other commitments as approved by the authorized person, administration and procurement and sale of petroleum products.



At present, the Board of Directors consists of fourteen directors as follows:

| Name | Position |
|-------------------------------------|---|
| 1. General Thawat Ked-Unkoon | Chairman (Independent Director) |
| 2. Prof. Dr. Chai-anan Samudavanija | Vice Chairman (Independent Director) |
| 3. Dr. Anusorn Tamajai | Independent Director |
| 4. Mr. Wirat Iam-Ua-Yut | Independent Director |
| 5. Dr. Nipon Surapongrukcharoen | Independent Director |
| 6. Ms. Pranom Kowinwipat | Independent Director |
| 7. Mr. Thana Putarungsi | Independent Director |
| 8. Mr. Pichai Chunhavajira | Director |
| 9. Mr. Chaivat Churitti | Director |
| 10. Mr. Tevin Vongsanich | Director |
| 11. Mr. Nattachart Charuchinda | Director |
| 12. Mr. Thevan Vichitakul | Director |
| 13. Dr. Twarath Sutabutr | Director |
| 14. Dr. Anusorn Sangnimnuan | President and Secretary to the Board of Directors |

Note: The names of the Directors who are authorized to sign and bind for the Company are General Thawat Ked-Unkoon jointly with Mr. Anusorn Sangnimnuan and affix the Company's seal. Or one of the two joint signature with Mr. Chai-anan Samudavanija or Mr. Wirat Iam-Ua-Yut or Mr. Pichai Chunhavajira or Mr. Nipon Surapongrukcharoen or Ms. Pranom Kowinwipat or Mr. Chaivat Churitti or Mr. Tevin Vongsanich or Mr. Twarath Sutabutr or Mr. Thana Putarungsi or Mr. Thevan Vichitakul or Mr. Nattachart Charuchinda, with two in total and affix the Company's seal.

Independent Directors

The present Board of Directors consists of seven Independent Directors, which is more than one third of all Directors.

According to the Company's policy, the Chairman of the Board must be an Independent Director and must not be the same person as the President. Additionally, the Chairman must not hold any position in the appointed Sub-committee (sometimes called Committee) in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as committed to good governance as follows:

1. Hold no more than 0.5 % of the overall shares in the Company, subsidiaries, related company or person(s) with potential conflicting interests.
2. Take no part in the administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or related company, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, related company, or person(s) with potential conflicts of interest and thus lacking independence.
4. Are not close relatives of the Executives or major shareholders of the Company, subsidiaries, or related company, or person(s) with potential conflicting interests and not appointed as a representative to protect the interest of Directors and/or major shareholders.

Directors from major shareholders are

- | | |
|-------------------------------|----------------------------|
| 1. Mr. Thevan Vichitakul | Ministry of Finance |
| 2. Dr. Twarath Sutabutr | Ministry of Finance |
| 3. Mr. Pichai Chunhavajira | PTT Public Company Limited |
| 4. Mr. Chaivat Churitti | PTT Public Company Limited |
| 5. Mr. Tevin Vongvanich | PTT Public Company Limited |
| 6. Mr. Nattachart Charuchinda | PTT Public Company Limited |

Appointment and dismissal of Directors

1. Shareholder's meetings elect Directors through majority voting with one shareholder holding one vote per share held and can elect Directors individually. The candidates with the most votes are to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.
2. In every Annual General Meeting (AGM), one-third of the Directors must retire. If this number is not a multiple of three, then the number nearest to one-third. The names of the Directors to retire during the first and second year after the Company was registered are to be drawn by lots if not agreed otherwise. For subsequent years, those with the longest terms must retire. The retired Directors can be re-elected.
3. Other than the completion of term, a Director may retire for to the following reasons:
 - death
 - resignation (effective from the date the Company receives the letter of resignation)
 - lack of qualifications according to Article 68 of the Public Company Limited Act 1992
 - decision of the shareholders' meeting to resign according to Article 76 of the Public Company Limited Act 1992
 - court order
4. In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors is to elect a candidate with qualifications according to the Company's regulations in the next meeting except when the Director's term is to be completed in less than two months. At least, a three-quarter vote of the Directors present at the meeting is required. The elected Director holds the position until the completion of term of the Director they have replaced

Roles, duties and responsibilities of the Board of Directors

1. Each newly elected Director must attend an orientation course on the Company's business.
2. Carry out duties under laws, objectives and regulations of the Company as well as resolutions of shareholders' meetings with honesty, protect the Company's benefit and have accountability to the shareholders.
3. Define the Company's policy and direction and monitor and supervise management so that they may work efficiently and effectively according to the Company's policy and regulations under corporate governance practices so as to maximize economic value and shareholders' wealth.
4. Follow-up on the Company's activities at all times and act according to the laws and regulations pertaining to the Company's contracts by assigning management to report the Company's performance and important matters to the Board of Directors at its monthly meeting so that the Company's business may run effectively.
5. Regularly and truthfully report to the shareholders on the Company's situations, including the Company's future trends, whether positively or negative, with sufficient rationale.
6. Ensure that the Company possesses an effective and reliable accounting system, financial report, internal controls and internal audit.
7. Regularly review the corporate governance policy.
8. Play an important role in risk management through appropriate and sufficient risk management guidelines and measures, with regular monitoring.



9. Ensure that management treats all stakeholders ethically and equally.
10. Independent and external Directors are prepared to express their opinions freely formulating strategies, management, use of resources, appointment of Directors and business standard as well as to disagree with other Directors or the administration in conflicts that affect the equality of all shareholders.
11. If necessary, the Board of Directors may seek professional opinions from external advisers on Company performance at the expense of the Company.
12. Appoint a Company Secretary according to the Securities and Exchange Act to prepare and maintain documents and other matters as determined by the Capital Market Supervisory Board as well as to facilitate the Board's and the Company's business, such as meetings of the Board and shareholders, regularly provide the Directors and the Company with legal advice and remind them of the various regulations that they need to know and comply with, as well as ensuring that Directors and the Company disclose correct, complete and transparent information.
13. Provide a code of conduct, code of ethics as working guidelines within the Company.
14. Undertake no securities transactions at least one month before budget announcement and at least three days after budget announcement.
15. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay in the following cases:
 - Have vested interests, whether direct or indirect, in any of the Company's contracts within the accounting year.
 - Hold shares or debentures in the Company or the subsidiary companies.
16. Attend at least one training course organized by Thai Institute of Directors Association (IOD), such as Director Accreditation Program (DAP) or Director Certification Program (DCP) or equivalent, to increase expertise at work.
17. The Directors who are not executives must annually evaluate the President.
18. The Directors who are not executives and Independent Directors may convene among themselves as necessary to discuss relevant management problems without the management's attendance and report the findings of the meeting to the President.
19. Each Director cannot hold the position of Director in a listed company in the Stock Exchange of Thailand (SET) in more than five companies. In case a Director hold more positions, the Board of Directors will consider the efficiency of the Director's performance and report the reasons and performance to the shareholders.

Meetings of the Board of Directors

The Board of Directors set the 2009 timetable for its official meetings in advance. The Chairman and the President jointly consider the items to be included in the agenda. The meeting is set once every month on the last Friday of the month, with additional extraordinary meetings as appropriate. The Secretariat will send out letters of invitation with the agenda attached and complete meeting documents to each Director at least seven days in advance so that the Directors may have sufficient time to study and review the documents before the meeting and ask additional questions to the Senior Vice President of the Secretariat. Each Director can submit items to the agenda by informing the Secretariat.

In meetings, the Chairman allocates sufficient time for Directors to discuss important matters and supports the Directors' independent opinions. The minutes of meetings are undertaken in written form with complete information. The certified minutes are maintained, so that Directors and relevant persons can check, with a good filing system. Amendments cannot be made without the consent of the Board. Each meeting lasts approximately three hours.

In 2009, the Board convened in twelve general meetings and one extraordinary meeting. Moreover, the Board organized a meeting/seminar on organizational strategies with the management to set up strategies and action plans for 2010; the detail of each Director's meeting attendance is as follows:

| Names | Meeting attendance/all meetings (Times) | | | | Remark |
|------------------------------------|---|-----------------------|----------|-------|---------------------------------|
| | General meetings | Extraordinary meeting | Seminars | Total | |
| 1 General Thawat Ked-Unkoon | 12/12 | 1/1 | 1/1 | 14/14 | |
| 2 Prof. Dr. Chai-anan Samudavanija | 12/12 | 1/1 | 1/1 | 14/14 | |
| 3 Dr. Anusorn Tamajai | 11/12 | 1/1 | 1/1 | 13/14 | |
| 4 Mr. Wirat Iam-Ua-Yut | 12/12 | 1/1 | 1/1 | 14/14 | |
| 5 Dr. Nipon Surapongrukcharoen | 12/12 | 1/1 | 1/1 | 14/14 | |
| 6 Assoc. Prof. Pranom Kowinwipat | 12/12 | 1/1 | 1/1 | 14/14 | |
| 7 Mr. Thana Putarungsi | 8/9 | 1/1 | 1/1 | 10/11 | Started on April 9, 2009 |
| 8 Mr. Pichai Chunchavajira | 11/12 | 1/1 | 0/1 | 12/14 | |
| 9 Mr. Chaivat Churitti | 12/12 | 1/1 | 0/1 | 13/14 | |
| 10 Mr. Tevin Vongvanich | 11/12 | 1/1 | 1/1 | 13/14 | |
| 11 Mr. Nattachart Charuchinda | 1/1 | 0/0 | 0/0 | 1/1 | Started on November 27, 2009 |
| 12 Mr. Thevan Vichitakul | 10/12 | 1/1 | 0/1 | 11/14 | |
| 13 Dr. Twarath Sutabutr | 11/12 | 1/1 | 0/1 | 12/14 | |
| 14 Dr. Anusorn Sangnimnuan | 12/12 | 1/1 | 1/1 | 14/14 | |
| 15 Mr. Apisit Rujikeatkamjorn | 3/3 | 0/0 | 0/0 | 3/3 | Completed term on April 9, 2009 |
| 16 Mr. Sayan Satangmongkol | 3/3 | 0/0 | 0/0 | 3/3 | Completed term on April 9, 2009 |
| 17 Mr. Surong Bulakul | 6/6 | 1/1 | 1/1 | 8/8 | Resigned on September 28, 2009 |

Additionally, according to corporate governance practices, the Board of Directors agreed on joint meetings for non-executive Directors and Independent Directors. In 2009, during the Board of Directors meetings No. 3/2009 on March 27, 2009, 7/2009 on July 31, 2009 and 13/2009 on December 18, 2009, before the Board of Directors meeting, non-executive Directors and Independent Directors convened without the management's attendance to discuss general problems of the Company's management and inform the President so that the management may take due action.

Moreover, the Board of Directors also evaluated the supporting performance of the Secretariat to improve and determine a direction to efficiently develop and maximize Board of Directors' meetings.



Evaluation of the Board of Directors

In view of corporate governance practices, the Board of Directors set up an evaluation form for the Board's performance at least once a year. In 2009, the Board conducted the evaluation in three forms, namely individual evaluation (self-evaluation), individual evaluation (cross-evaluation) and group evaluation with reference to the evaluation form of the Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD) which was the same as in the previous year.

Moreover, to upgrade the standard of continuous corporate governance, this year the Board of Directors improves the evaluation method of individual evaluation (cross-evaluation). Previously, one Director evaluated another Director (1:1). It was changed to include a group of 3-4 Directors in the evaluation of one Director (3-4:1). The name of the evaluating Directors would not be revealed to the director being evaluated. Additionally, the Board of Directors set an evaluation process for Members in Committees, such as the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Enterprisewide Risk Management Committee, as in the previous year, so that the Board of Directors and the Committees may use it as a framework to review duties, problems and obstacles and leverage the findings to analyze the work of Directors and improve and develop the work.

The evaluation results of the Board of Directors and the Sub-committees are as follows:

- Individual evaluation (self-evaluation) had the average score of 71.6 from 80, rated excellent.
- Individual evaluation (cross by group) had the average score of 77.3 from 80, rated excellent.

Both types of evaluation had the same three categories, namely the Company's strategies and direction, monitoring and evaluation of management performance and responsibilities of the Directors with the following details:

1) The Company's strategies and direction

Most Directors thought that the Board of Directors had a role in considering/reviewing the Company's mission and vision, and had a good understanding of the Company's strategies. Moreover, most Directors thought that the Board of Directors participated in presenting their specialized knowledge, which was beneficial to the Company's plans and directions.

2) Monitoring and evaluation of management

Most Directors thought that all Directors oversaw that the management presented plans to solve problems in case the performance did not meet the objectives of the set business plan as well as coordinating between the Board of Directors and the management by providing advice and recommendations useful to the management so that it may effectively implement policy.

3) Responsibilities of Directors

Most Directors thought that all Directors regularly attended the Board and Committee meetings and gave sufficient time to study and review the agenda before Board meetings. On the decision of the Company's important matters, all Directors carefully considered on the basis of correct information by taking into account the Company's interests and the general shareholders, and the importance of the policy to strictly eliminate conflicts of interests and ensure that the Company has an internal control system, risk management system and efficient compliance of relevant regulations as well as a set policy to disclose complete, correct and transparent information to shareholders.

- Group evaluation had the average score of 156 from 160, rated excellent. There were eight categories used in the evaluation, namely, the structure and qualifications of the Board of Directors, strategic implementation, risk management and internal controls, elimination of conflicts of interest, the meetings of the Board of Directors, self-development of Directors, Nomination and Remuneration and relationship with the management with the following details:

1) Structure and qualifications of the Board of Directors

The Board of Directors thought that the number of Directors was appropriate, taking into account the Company's business, aiding the implementation of the Board's duties efficiently. There was an adequate number of Independent Directors (seven out of fourteen Directors) to decide on important issues independent from the management. The appointment of Independent Directors in Committees was also appropriate by clearly defining duties, structure and work process of the Committees, consisting of Members with a variety of backgrounds, experience and expertise appropriate to the Company. Moreover, an orientation course promoted Directors to regularly attend training courses to increase knowledge of their duties.

2) Strategic implementation

The Board of Directors thought that most Directors participated and concurred in terms of the vision, mission, strategies, objectives, business plan and budget as working guidelines. They gave enough time for the consideration of important matters concerning the Company's business guidelines. They also followed up the management's work and ensured regular reports of the Company's performance to the Board of Directors as compared to the objectives and appropriately assigned responsibilities to the management, appropriately so as not to create risks or hinder work. Moreover, the Board of Directors clearly set the levels of responsibilities and decision process on financial authorization as well as instituting the publicizing of the Company's strategies for the acknowledgement and understanding of individual involved.

3) Risk management and internal control

The Board of Directors thought that most Directors regularly monitored risk management, such as assigning the management to regularly report risk management activity to the Board of Directors, reviewed the Company's internal control system so that it was efficient and appropriate to the business as well as assigned regular internal controls and performance report to the Audit Committee or the Board of Directors.

4) Elimination of conflicts of interest

The Board of Directors thought that all Directors knew of connected transactions and the transactions of conflicts of interest, and gave due meticulous consideration each time, taking into account the Company's maximum benefit. They followed SET regulations correctly in their entirety, set business ethics and prohibitions that might create conflicts of interest and ensured compliance therein. Due consideration and sufficient time were also given to ensure of the Board of Directors' compliance to business ethics.

5) Meetings of the Board of Directors

The Board of Directors thought that the number of meetings of the Board of Directors was adequate to efficiently ease the Board in their work and ensured the Company's successful undertaking. Meeting agendas were also appropriate and facilitated the Board's efficiency. During meetings, the Directors presented creative opinions, carefully considering objectives, important business policy and at risk regulations with caution, appropriateness, reason and independence from the management and major shareholders. They expressed their opinions freely and accepted differences of opinions with no conflict. They also understood important issues and gave appropriate consideration to the issues, not wasting time on trivial issues. They also assigned that the minutes of the meetings should be detailed, complete, sufficient and accepted the criticism in case the minutes of the meetings were not accurate or complete, and allowed stakeholders to scrutinize them at all times.



6) Self-development of the Directors

The Board of Directors thought that the Board had a clear-cut division of roles, duties and responsibilities among the Board, the Committees and the management. They were alert in searching for information and following important economic and industrial news, law amendments and competition to render the Directors' work efficient and allocated enough time to act as Directors. The Directors were also encouraged to take training courses to understand their work.

7) Nomination and Remuneration

The Board of Directors thought that the selection process of Directors and President was done with caution and appropriateness, in line with the Company's needs. The nomination and appointment processes were also clear and transparent before submission to the shareholders for approval. As for remuneration, the Board of Directors presented the Directors' remuneration to the shareholders for approval, based on transparent criteria, in line with the business performance and at an appropriate level compared to the same industry. As for the remuneration of senior management team members, the Board of Directors thought that the remuneration was based on clear and transparent criteria and inductive to make good remuneration to shareholders. As for the evaluation of the President, the Board of Directors had appropriate process for performance evaluation annually, taking into account objectives, performance and success according to the Key Performance Indicators.

8) Relationship with the management

The Board of Directors thought that the Directors had good relationship with the management by which the President could seek advice from the Directors when necessary and the Board of Directors did not intervene in the working of the management. They also took part in appropriately solving problems in case the working of the management did not meet the business plan and budget. Moreover, the Board of Directors could openly discuss matters with the President.

- The group evaluation of various Committees in 2009 was undertaken on the criteria of responsibilities and meetings; the evaluations of all Committees were as follows:
 - Audit Committee, the group evaluation had the average score of 79.7 from 80, rated excellent.
 - Nomination and Remuneration Committee, the group evaluation had the average score of 46 from 48, rated excellent.
 - Corporate Governance Committee, the group evaluation had the average score of 43.8 from 48, rated excellent.
 - Enterprisewide Risk Management Committee, the group evaluation had the average score of 47.8 from 48, rated excellent.

Orientation for new Directors

The Company organized an orientation course for new Directors by presenting the new Directors with an overview of the Company's business, as follows:

- Operational framework (laws, cabinet decisions, regulations, rules)
- Information on the Company's business profile and activities
- The Company's important projects
- Organizational development
- The Company's policy and the corporate governance approach
- Activities for the community and the environment

Additionally, the Company organized Company visits for new Directors, including the refinery, terminal and service stations and provided the Securities and Exchange Commission's "Handbook for Directors of Listed Companies" and the information files of the Board of Directors and the Executives as a handbook/introduction of the Company to the new Directors as a guideline to oversee the Company's activities for the following topics:

- The Company's vision and objectives
- Profiles summaries of other Directors and the Executives
- Qualifications and remuneration of Directors
- Roles, authorities, duties and responsibilities of Directors
- Management structure
- Corporate governance policy
- Risk management handbook
- Information on the Company's establishment
- The Company's memorandum of association, certificate, regulations and rules

Training of the Board of Directors

The Company promotes opportunities for the Board of Directors to pursue further study and training so as to increase knowledge and understanding of corporate governance principle, rules and regulations, as well as roles and duties of the Board of Directors so that they may work efficiently and ethically. In 2009, the Directors who attended the training courses organized by the Thai Institute of Directors Association (IOD) are as follows:

1. Director Certification Program (DCP): Mr. Thana Putarungsi, Dr. Twarath Sutabutr and Mr. Surong Bulakul
2. Financial Statement for Directors (FSD): General Thawat Ked-Unkoon, Mr. Thana Putarungsi and Mr. Tevin Vongvanich
3. Audit Committee Program (ACP): Associate Professor Pranom Kowinwipat
4. Seminar: "What the Board Should Do in a Turndown Situation": Associate Professor Pranom Kowinwipat and Mr. Tevin Vongvanich

At present, 13 out of 14 Directors had attended the Directors' courses (DCP and DAP). The Company also applied all Directors for IOD membership to receive news and information, and every time the Company received documents announcing news on training courses and documents attached to the training courses concerning the Board of Directors, such information would be forwarded to the Directors for further study.



Summary of the Board of Directors' attendance of major training course as follows:

| NO. | Name | Director Certification Program | Director Accreditation Program | Finance for Non-Finance Director |
|-----|--|--------------------------------|--------------------------------|----------------------------------|
| 1 | General Thawat Ked-Unkoon | - | 2004 | 2005 |
| 2 | Professor Dr. Chai-anan Samudavanija | - | - | - |
| 3 | Dr. Anusorn Tamajai | 2003 | 2004 | - |
| 4 | Mr. Wirat lam-Ua-Yut | - | 2006 | 2006 |
| 5 | Dr. Nipon Surapongrukcharoen | 2003 | - | - |
| 6 | Associate Professor Pranom Kowinwipat | 2001 | - | - |
| 7 | Mr. Thana Putarungsi | 2009 | - | - |
| 8 | Mr. Pichai Chunhavajira | 2008 | 2005 | - |
| 9 | Mr. Chaivat Churitti | - | 2007 | - |
| 10 | Mr. Tevin Vongvanich | 2002 | - | - |
| 11 | Mr. Nattachart Charuchinda | - | - | - |
| 12 | Mr. Thevan Vichitakul | 2002 | - | - |
| 13 | Dr. Twarath Sutabutr | 2009 | - | - |
| 14 | Dr. Anusorn Sangnimnuan | 2005 | 2005 | 2005 |
| 15 | Mr. Apisit Rujikeatkamjorn ^{1/} | - | 2004 | 2005 |
| 16 | Mr. Sayan Satangmongkul ^{1/} | 2004 | 2004 | 2004 |
| 17 | Mr. Surong Bulakul ^{2/} | 2009 | - | - |

Note: 1/ Term expired on April 9, 2009
2/ Resigned on September 28, 2009

Additionally, the Company invited lecturers to give talks to increase the knowledge and understanding of various issues for Directors and Executives. In 2009, a lecturer from PriceWaterhouseCoopers was invited to give a lecture on Fraud Risk and the Whistleblower Program, so that the Board of Directors and Executives might become aware of the present situations of business frauds both in Thailand and abroad, the nature of problems and environments conducive to corruption in an organization, as well as guidelines to decide and take action when there is corruption in the organization.

3. Committees

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business undertaking, with five sub-committees as follows:

1. Audit Committee (AUDIT)

The present Audit Committee consists of four Directors, all of whom are Independent Directors and three of whom are specialists in accounting and finance or audit. Their responsibilities are assigned by the Board of Directors in written form in the Audit Commission charter. Their meetings are to be convened at least four times per quarter. The names of the Audit Committee are:

| Name | Position |
|---------------------------------|--|
| 1. Dr. Anusorn Tamajai | Chairman, Independent Director with expertise in accounting and finance |
| 2. Assoc Prof Pranom Kowinwipat | Member, Independent Director with expertise in accounting and finance |
| 3. Mr. Wirat lam-Ua-Yut | Member and Independent Director |
| 4. Dr. Nipon Surapongrukcharoen | Member and Independent Director with expertise in accounting and finance |

* If necessary, the Audit Committee may seek advice from outside independent advisers, the expense paid by the Company.

Scopes, Duties and responsibilities of the Audit Committee

1. Review the Company's financial reporting process as required by law to ensure accuracy and adequacy.
2. Ensure the suitability and effectiveness of the Company's internal controls and internal audit as well as risk management procedures.
3. Ensure the Company's compliance with SEC laws, SET regulations or relevant laws.
4. Consider connected transactions or potential conflicts of interest in view of compliance with SET laws and regulations.
5. Jointly review and consider with the management on identified important faults and the response from the management.
6. Have the authority to check and investigate those involved under the scopes and duties of the Audit Committee and have the authority to procure or bring in specialists to help in the check and investigation processes, in compliance with the Company's regulations.
7. Prepare a report on its own performance for disclosure in the Company's annual report, signed by the Chairman.
8. Select, nominate and recommend the fees for the external auditor and attend at least one meeting a year with the external auditor in the absence of the management.
9. Ensure that the external auditor's and the internal audit office's auditing scope and plan are mutually supportive to reduce redundancy in financial audits.
10. Give consent to the internal audit office's charter, plan, budget and personnel.
11. Appoint, transfer, rotate and evaluate the annual performance of the director of the internal audit office, as well as the independence of the internal audit office.
12. Review efficiency and effectiveness of the information technology system concerning internal controls and risk management.
13. In performing their work, if the Audit Committee found or doubted a transaction or action that might significantly affect the Company's financial status and business performance as follows:
 1. Transactions with potential conflicts of interest.
 2. Corruption or abnormalities of significant faults in the internal control system.
 3. Violation of securities and exchange laws, regulations or relevant laws, the Audit Committee must report to the Board of Directors for solutions within the timeframe that the Audit Committee deems appropriate. If the Board of Directors or the Executives did not undertake to solve the problems within a suitable time, any Audit Committee member may report the findings to the SEC or SET.
14. Perform other tasks assigned by the Board with the Committee's approval.

Remuneration

Monthly remuneration was set at 10,000 Baht per person and a meeting allowance 5,000 Baht per meeting (only the Directors attending the meeting) and the Audit Committee Chairman would get an additional 25 percent.

2. Nomination and Remuneration Committee (NRC)

In compliance with the corporate governance principle of directors in a listed company on SET, the Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance with **the charter of the Nomination and Remuneration Committee** as follows:

Nomination policy for Directors

"To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company's benefit. Moreover, consideration was also given for the appropriate qualifications in compliance with the structure of Directors and in line with the Company's business strategies through transparent procedures to bolster the confidence of shareholders".



Remuneration policy for Directors

"To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry and business size. The remuneration for the Directors is sufficient to induce the Directors to work with quality and meet the objectives and business direction as determined by the Company through transparent procedures, giving confidence to the shareholders".

Moreover, the Board of Directors sets the following procedures for the official and transparent nomination of Directors:

1. The Company gives minor shareholders opportunities to submit names of candidates as potential Directors to the Company.
2. The Nomination and Remuneration Committee reviews the structure of Directors in line with the Company's strategies.
3. Define new Directors' qualifications in terms of knowledge, competing and experience in compliance with the Company's objectives and strategies by using the Director Qualifications and Skill Matrix tool.
4. The Committee defines the qualifications needed for the replacement or additional appointment and submits the names of the qualified candidates to the Secretary of the Committee.
5. The Committee selects qualified candidates and submits their name to the Board of Directors for approval.
6. The Board agrees on the list of qualified candidates and submits their names to the AGM for approval.

The Nomination and Remuneration Committee hold a meeting once every quarter. At present, there are four members with at least one member with expertise in personnel management as follows:

| Name | Position |
|-------------------------------------|---|
| 1. Prof. Dr. Chai-anan Samudavanija | Chairman, non-executive Director and Independent Director |
| 2. Mr. Pichai Chuhavajira | Member, non-executive Director |
| 3. Mr. Chaivat Churitti | Member, non-executive Director |
| 4. Dr. Nipon Surapongrukcharoen | Member and Secretary, non-executive Director and Independent Director |

Scopes, duties and responsibilities of the Nomination and Remuneration Committee

1. Define qualifications needed for potential Directors and President.
2. Recommend qualified candidates for the positions of Directors and President to the Board of Directors.
3. Define criteria of remuneration for Directors and the President.
4. Submit the remuneration for Directors to the Board of Directors and then for the shareholders for approval.
5. Submit the remuneration for the President to the Board of Directors for approval.
6. Review and summarize the President's succession plan every year and report it to the Board of Directors.
7. Perform other tasks assigned by the Board of Directors.

Remuneration

The remuneration is set as a meeting allowance of 10,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.

3. Management Committee (MANCOM)

To maximize the Company's management in line with guideline, policy and objectives set and assigned by the Board of Directors in view of business stability and sustainability. The Board of Directors appoints a Management Committee with the responsibilities as assigned by the Board of Directors in written form. The present Management Committee consists of experts in management as follows:

| Name | Position |
|---|-----------------|
| 1. Mr. Pichai Chunhavajira | Chairman |
| 2. President | Member |
| 3. Senior Executive Vice President | Member |
| 4. Corporate Planning and Investor Relations Office | Secretary |

Scopes, Duties and Responsibilities of the Management Committee

1. Manage and ensure that the Company works efficiently in compliance with the Company's direction/objectives and with strength in line with the policy of the Board of Directors, and screen issues to be presented to the Board for consideration and perform other tasks as assigned by the Board and report the performance to the Board.
2. Formulate and screen both short-term and long-term plans to meet the Company's targets and objectives.
3. Formulate and screen financial management to ease financial burden and create a strong financial structure.
4. Formulate and screen proactive public relations to create a good and sustainable image.
5. Perform other duties as assigned by the Board of Directors.
6. Perform duties strictly according to the Company's laws, objectives, regulations and rules.

Remuneration

- None -

4. Enterprisewide Risk Management Committee (ERMC)

The Enterprisewide Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has seven members and advisers, with at least one member with expertise in risk management as follows:

| Name | Position |
|---------------------------------|-------------------------------------|
| 1. Dr. Nipon Surapongrukcharoen | Chairman |
| 2. Mr. Thevan Vichitakul | Member |
| 3. Mr. Tevin Vongvanich | Member |
| 4. Dr. Twarath Sutabutr | Member |
| 5. Mr. Thaweesak Woraphiwu | Advisor (expert in risk management) |
| 6. Assoc. Prof. Pradit Wannarat | Advisor (expert in risk management) |
| 7. President | Member and Secretary |



Scopes, duties and responsibilities of the Enterprisewide Risk Management Committee

1. Set policy, strategies and objectives of the enterprisewide risk management.
2. Develop enterprisewide risk management system in view of continuous efficiency.
3. Promote enterprisewide risk management at all levels of the organization.
4. Ensure that the Company has appropriate and efficient risk management.
5. The Chairman of the Enterprisewide Risk Management Committee reports the findings to the Board of Directors' next meeting.
6. Perform other tasks as assigned by the Board of Directors.

Remuneration

The Members and the experts in risk management receive remuneration in the form of meeting allowances of 10,000 Baht per meeting (only Members who attended the meeting) and the Chairman receives an additional 25 percent.

5. Corporate Governance Committee (CGC)

The Corporate Governance Committee is responsible for ensuring that the whole organization has corporate governance in compliance with the guidelines and policy of corporate governance as set by the Board of Directors in written form, as well as continuously improving the principles of corporate governance in line with international standards. The present Committee consists of four members with at least one expert in corporate governance principles in line with international standards as follows:

| Name | Position |
|----------------------------|---|
| 1. Mr. Wirat Iam-Ua-Yut | Chairman, non-executive Director and Independent Director |
| 2. Mr. Thana Putarungsi | Member, non-executive Director and Independent Director |
| 3. Dr. Twarath Sutabutr | Member and non-executive Director |
| 4. Dr. Anusorn Sangnimnuan | Member and Secretary, executive Director |

Scopes, duties and responsibilities of Corporate Governance Committee

1. Recommend the implementation of corporate governance to the Board of Directors.
2. Monitor the work of the Committee and the management in compliance with the principles of corporate governance.
3. Review the implementation of corporate governance by comparing it with international standards and recommend it to the Board of Directors for continual follow-ups.
4. Give the policy of corporate governance to the Company's corporate governance working team.
5. Have the authority to invite external advisors to attend meetings at the Company's expense.
6. Perform other tasks as assigned by the Board of Directors.

Remuneration

The Members are to receive a meeting allowance of 10,000 Baht per meeting (only Members who attended the meeting) and the Chairman receives an additional 25 percent.

The meetings of the Sub-committees in 2009

| 2009 ^{1/} | Committees | | | | | Remark |
|---------------------------------------|------------|-----|--------|-------|-----|-----------------------------------|
| | AUDIT | NRC | MANCOM | ERMC | CGC | |
| 1. Prof. Dr. Chai-anan Samudavanija | - | 3/3 | - | - | - | |
| 2. Dr. Anusorn Tamajai | 12/12 | - | - | - | - | |
| 3. Mr. Wirat Iam-Ua-Yut | 12/12 | - | - | - | 3/3 | |
| 4. Dr. Nipon Surapongrukcharoen | 10/12 | 3/3 | - | 12/12 | - | |
| 5. Assoc. Prof. Pranom Kowinwipat | 12/12 | - | - | - | - | |
| 6. Mr. Thana Putarungsi ^{2/} | - | - | - | - | 2/3 | Started term on April 9, 2009 |
| 7. Mr. Pichai Chunhavajira | - | 2/3 | 11/11 | - | - | |
| 8. Mr. Chaivat Churitti | - | 3/3 | - | - | - | |
| 9. Mr. Tevin Vongvanich | - | - | - | 8/12 | - | |
| 10. Mr. Nattachart Charuchinda | - | - | - | - | - | Started term on November 27, 2009 |
| 11. Mr. Tevan Vichitakul | - | - | - | 9/12 | - | |
| 12. Dr. Twarath Sutabutr | - | - | - | 7/12 | 2/3 | |
| 13. Dr. Anusorn Sangnimnuan | - | - | 11/11 | - | 3/3 | |
| 14. Mr. Apisit Rujikeatkamjorn | - | - | - | - | - | Completed term on April 9, 2009 |
| 15. Mr. Sayan Satangmongkol | - | 2/3 | - | - | - | Completed term on April 9, 2009 |
| 16. Mr. Surong Bulakul ^{2/} | - | - | - | - | 1/3 | Resigned on September 28, 2009 |

Note: 1/ General Thawat Ked-Unkoon, Chairman, did not join any Committee as member

2/ Appointed as Member of Corporate Governance Committee on July 31, 2009

4. Company Secretary

The Board of Directors appoints Miss Pakawadee Junrayapes, senior manager office of the secretary to the Board of Directors, as the Company Secretary responsible for providing legal and regulatory advice that the Board of Directors and the Executives must know and oversee the Board of Directors' activities, as well as coordinate to ensure that the resolutions of the Board of Directors and the shareholders are in compliance with the Company's corporate governance. The Secretary has the main duties and responsibilities as follows:

- Give preliminary advice to Directors on laws, and company rules and regulations and ensure correct and continuous compliance, as well as reporting on important changes to the Directors.
- Organize meetings of shareholders and the Board of Directors in compliance of the Company's laws and regulations.
- Prepare minutes of the meetings of the shareholders and the Board of Directors, as well as monitor the implementation of the resolutions of the shareholders and the Board of Directors.
- Ensure the disclosure of information and information technology report under responsibilities to the Company's monitoring office in compliance with the Company's rules and regulations.
- Communicate with general shareholders on their rights and the Company's news.
- Oversee the activities of the Board of Directors.



5. Executive Management

The Company's Executive Management (or Management) consists of six persons, namely:

| Name | Position |
|--------------------------------|--|
| 1. Dr. Anusorn Sangnimnuan | President |
| 2. Mr. Vichien Usanachote | Senior Executive Vice President, Refinery Business |
| 3. Mr. Wattana Opanon-amata | Senior Executive Vice President, Corporate Administration and Information Technology |
| 4. Mr. Yodphot Wongrukmit | Executive Vice President, Marketing Business |
| 5. Mr. Bundit Sapianchai | Executive Vice President, Business Development and Strategy |
| 6. Mr. Surachai Kositsareewong | Executive Vice President, Accounting and Finance |

The Board of Directors' regulations on scopes, duties and responsibilities of the Executive Management

The Board of Directors defines the roles, duties and responsibilities of the Executive Management as follows:

1. Manage the Company's daily operations in compliance with the Company's policy, action plans, objectives, regulations and rules as set by the Board of Directors.
2. Manage operations according to the resolutions of the meetings of the Board of Directors with the allocated budget with sternness, honesty, protecting the best interest of the Company and the shareholders.
3. Regularly report performance and update on the work according to the resolutions and the Company's important performance to the meeting of the Board of Directors at least once a month.
4. Manage the Company' activities in compliance with corporate governance practices as set by the Board of Directors.
5. Refrain from running the business or participate in similar businesses in competition with the Company's business, whether for one's own interest for interest of others, with the exception that one's respective superior and the Internal Control Office have been informed and approves such activity.
6. If the President takes the position of Director in another company, the Board of Directors must approve it first. In the case of a senior executive, the President must approve it first.
7. All senior executives including the first four senior-most executives after the President, and all those who hold the equivalent position to the fourth senior-most executive, as well as the executive in accounting and finance at the same level as the vice president, must refrain from securities trading at least one month before the announcement of the Company's financial statements and at least three days after such announcement. They have to report the ownership of securities of their own, those of their spouse and their children not yet of legal age, held in the Company and subsidiaries to the Board of Directors every month and must promptly report to the Company in the following cases:
 - Direct and indirect vested interests with any contract concluded by the Company during the accounting year.
 - Possess shares or debentures of the Company and its subsidiary companies.
8. Must participate in courses related to the Company's business and daily operation at the Company's expense, to enhance knowledge and skills to perform duties. As for the Senior Executive Vice Presidents, the Board of Directors encourage them to participate in the Director Certification Program (DCP) organized by the Thai Institute of Directors Association (IOD) to enhance understanding of the Director's roles and responsibilities that would lead to effective management of the Company.

Stipulations of the Board of Directors concerning the succession plan and improvement of Executives

The Board of Directors sets a policy to nominate the President and Vice Presidents with appropriate qualifications which any person whether external or internal the Company can apply. The rationale is to suit the Company's situations at that particular time and to prepare Company personnel to work in case

the President or Senior Executives could not perform their duties or complete their term. It is also designed to reduce the risk or impact of the non-continuity in the Company's management. The succession plan is thus set. The qualified person is selected by the Nomination and Remuneration Committee, which sets a succession plan for the President and the Senior Executive Vice Presidents under the following procedures:

1. Determine an executive position that needs a succession plan, consisting of the President and Senior Executive Vice Presidents of all business departments.
2. The Nomination and Remuneration Committee determines the competency, experiences and the required level of each position.
3. The Nomination and Remuneration Committee selects qualified executives for the succession in each business department.
4. Assign the President to evaluate the performance and competency of the qualified executives against the required competency to set a plan to develop each person to reduce the competency gap.
5. Assign the Personnel and Management Committee to take charge of training and the development of the competency of qualified executives.
6. The President stipulates the rotation of duties of qualified executives and instructs the Senior Executive Vice Presidents and Executive Vice Presidents to attend the meetings of the Board of Directors to acquire better understanding, experience and readiness in general organizational management.
7. The President regularly reports the performance and the improvement, according to the individual development plan, of the qualified executive to the Nomination and Remuneration Committee.
8. The Nomination and Remuneration Committee annually reviews and summarizes the succession plans for the President and Senior Executive Vice Presidents and reports them to the Board of Directors.

Appointment of Executives

According to the Company's rules, the Board of Directors promotes executives at the level of department. The Board of Directors assigns the Nomination and Remuneration Committee to select executives at the level of Senior Executive Vice President before submitting their names to the Board of Directors.

Evaluation of the President

Non-executive Directors are to evaluate the performance of the President at least once every year. Each year, the Board of Directors evaluates the performance of the President in the form of KPIs against the KPIs stated in the objectives in the hiring contract and action plan that were submitted to the Board of Directors. The President must present his performance in various fields, such as management of the refinery business, marketing business and organizational development, as well as in terms of success, obstacles and capability to expand opportunities and business competition while responding to the government's assorted policies.

6. Remuneration of Directors

The Nomination and Remuneration Committee fairly and sensibly sets the remuneration for Directors in line with the responsibilities of Directors, the financial status, and against other companies listed on SET in a similar industry or business size, as well as comparing the average of listed companies from a survey of remuneration rates of registered Directors of IOD Association by setting the remuneration in the forms of meeting allowances and bonus. The Directors assigned as Members in various Committees receive additional compensation to reflect additional responsibilities. The Company has sought permission to pay Directors from the meeting of the shareholders as follows:



1. Annual remuneration and meeting allowance

The 2009 AGN on April 9, 2009 gave permission to pay Directors as follows:

The Board of Directors

- Monthly remuneration 20,000 Baht/person
- Meeting allowances 20,000 Baht/person per meeting (only Directors who attended the meeting)

Committee Members

1. Audit Committee

- Monthly remuneration 10,000 Baht/person
- Meeting allowances 5,000 Baht/person per meeting (only Members who attended the meeting)

2. Nomination and Remuneration Committee

- Monthly allowance — none —
- Meeting allowance 10,000 Baht/person (only Members who attended the Meeting)

3. The remuneration of other Committees appointed by the Board of Directors is under the consideration of the Board of Directors on the basis of appropriateness and in line with the Members' duties and responsibilities.

The Chairmen of the Board of Directors and the Committees receive monthly remuneration and meeting allowances amounting to 25 percent higher than other Directors, and the Vice Chairmen receive monthly remuneration and meeting allowances amounting to 12.5 percent higher than other Directors do.

2. Bonuses for Directors

The bonus for each Director is set at 1 percent of net profit but altogether no more than Baht 15,000,000 per year for all Directors. However, the President and Vice Presidents receive 25 percent and 12.5 percent higher bonuses.

In 2009, the individual remuneration of Directors was as follows:

| | Name | Remuneration in Baht | | | | | Bonus | Net total |
|----|----------------------------------|----------------------|---------|--------|---------|--------|-------|-----------|
| | | BOARD | AUDIT | NRC | ERMC | CGC | | |
| 1 | General Thawat Ked-Unkoon | 650,000 | 0 | 0 | 0 | 0 | 0 | 650,000 |
| 2 | Prof. Dr. Chai-anan Samudavanija | 607,500 | 0 | 37,500 | 0 | 0 | 0 | 645,000 |
| 3 | Dr. Anusorn Tamajai | 500,000 | 225,000 | 0 | 0 | 0 | 0 | 725,000 |
| 4 | Mr. Wirat Iam-Ua-Yut | 540,000 | 180,000 | 0 | 0 | 37,500 | 0 | 757,500 |
| 5 | Dr. Nipon Surapongrukcharoen | 540,000 | 170,000 | 30,000 | 150,000 | 0 | 0 | 890,000 |
| 6 | Assoc. Prof. Pranom Kowinwipat | 540,000 | 180,000 | 0 | 0 | 0 | 0 | 720,000 |
| 7 | Mr. Thana Putarungsi | 410,000 | 0 | 0 | 0 | 20,000 | 0 | 430,000 |
| 8 | Mr. Pichai Chuhavajira | 400,000 | 0 | 20,000 | 0 | 0 | 0 | 420,000 |
| 9 | Mr. Chaivat Churitti | 500,000 | 0 | 30,000 | 0 | 0 | 0 | 530,000 |
| 10 | Mr. Tevin Vongvanich | 460,000 | 0 | 0 | 80,000 | 0 | 0 | 540,000 |
| 11 | Mr. Nattachart Charuchinda | 40,000 | 0 | 0 | 0 | 0 | 0 | 40,000 |
| 12 | Mr. Thevan Vichitakul | 480,000 | 0 | 0 | 90,000 | 0 | 0 | 570,000 |
| 13 | Dr. Twarath Sutabutr | 480,000 | 0 | 0 | 70,000 | 20,000 | 0 | 570,000 |
| 14 | Dr. Anusorn Sangnimnuan | 540,000 | 0 | 0 | 0 | 30,000 | 0 | 570,000 |

Directors who completed their terms and resigned during 2009

| Name | Remuneration in Baht | | | | | | Net total |
|------------------------------|----------------------|-------|--------|------|--------|-------|-----------|
| | BOARD | AUDIT | NRC | ERMC | CGC | Bonus | |
| 1 Mr. Apisit Rujikeatkamjorn | 120,000 | 0 | 0 | 0 | 0 | 0 | 120,000 |
| 2 Mr. Sayan Satangmongkol | 120,000 | 0 | 20,000 | 0 | 0 | 0 | 140,000 |
| 3 Mr. Surong Bulakul | 270,000 | 0 | 0 | 0 | 10,000 | 0 | 280,000 |

Note:

- In 2009, no bonus was paid to the Directors
- Since the Independent Directors (No. 1-7) did not hold the positions of Directors in a related company or equivalent, there was no remuneration for holding the position.

Comparison of Remuneration of Directors in 2008 and 2009

| Remuneration | 2008 | | 2009 | |
|-------------------|-----------|-------------------|-----------|------------------|
| | Directors | Baht | Directors | Baht |
| Meeting allowance | 16 | 6,965,000 | 17 | 8,597,500 |
| Bonus | 15 | 9,000,000 | 0 | 0 |
| Total | | 15,965,000 | | 8,597,500 |

7. Remuneration of Executives

The Company evaluates the performance of executives every year in the form of KPIs by comparing them with the objectives in the hiring contract and/or action plan presented to the President and/or the Board of Directors, which will be connected to the rate received according to the Board of Directors' regulations. As for the President, the evaluation will be undertaken every year as well by the non-executive Directors as detailed above.

The Nomination and Remuneration Committee sets remuneration which reflects the performance and remuneration according to the standard of various companies in the same industry and submit appropriate remuneration to the Board of Directors for further consideration and approval.

The President and the Senior Executives of the Company, totaling six persons, received a total of Baht 50,559,156 in remuneration in 2009, detailed as follows:

Remuneration of Senior Executives

| Remuneration | 2008 | | 2009 | |
|-----------------|---------|------------|---------|------------|
| | Persons | Baht | Persons | Baht |
| Salary | 6 | 26,943,182 | 6 | 29,447,143 |
| Bonus and other | | 8,172,899 | | 18,167,299 |

Provident Fund for Senior Executives

| Remuneration | 2008 | | 2009 | |
|----------------|---------|-----------|---------|-----------|
| | Persons | Baht | Persons | Baht |
| Provident fund | 6 | 2,694,315 | 6 | 2,944,714 |



Detail of the Executives and authorized controllers of the Company as of December 31, 2009

| No | Name - Surname | Position | Position in subsidiary companies | | Position in related companies |
|----|-----------------------------|--|----------------------------------|---------------------------|-------------------------------------|
| | | | Bangchak Green Net Co., Ltd | Bangchak Biofuel Co., Ltd | Fuel Pipeline Transpotation Limited |
| 1. | Dr. Anusorn Sangnimnuan | President | - | Chairman | - |
| 2. | Mr. Vichien Usanachote | Senior Executive Vice President, Refinery Business | - | - | Director |
| 3. | Mr. Wattana Opanon-amata | Senior Executive Vice President, Corporate Administration and Information Technology | - | Director | Director |
| 4. | Mr. Yodphot Wongrukmit | Executive Vice President, Marketing Business | Director | - | - |
| 5. | Mr. Bundit Sapianchai | Executive Vice President, Business Development and Strategy | - | - | - |
| 6. | Mr. Surachai Kositsareewong | Executive Vice President, Accounting and Finance | Director | Director | Director |

Remuneration of executives holding positions in subsidiary companies and related companies

-None-

8. Personnel

On December 31, 2009, the Company had a total headcount of 935:

- Supporting Employee (Accounting and Finance, Administration and Information Technology, Internal Audit Office): 213 persons
- Refinery Employee: 449 persons
- Marketing business and special projects Employee: 273 persons

Remuneration of employee

Employee receive remuneration in the form of salary; shift, night shift, overtime and upcountry pay; operation at the refinery; and discipline remuneration. Employees have the right to apply for membership of "Bangchak Public Company Limited Provident Fund" by choosing the accumulated at a rate of five percent or ten percent of the salary and the Company will pay the same rate to the Fund. In 2009, the Company paid remuneration to the personnel in the form of salary, shift, night shift, overtime, upcountry, refinery stand-by pay, discipline pay, special bonus and other welfare, with a total of Baht 968 million.

Moreover, the personnel and the Company's executives are entitled to join the Employee Joint Investment Program (EJIP) as approved at the meeting of the Board of Directors No. 9/2009 on August 28, 2009, with the project timeframe spanning October 1, 2009 to September 30, 2011, a total of two years. The Company deducts the salary of those who were eligible and who volunteered to join the Program at a rate of up to five percent of the salary every month until the end of the program, to be accumulated into the Fund. Every month the Company pays 7.5 percent of the salary of those who joined the Program. With the accumulated sum plus the Company's payment, the Company buys BCP shares and/or BCP-DR1 on SET within a date set by the Company.

The Company issued and offered to sell the right to purchase new common shares under Employee Stock Option Program (ESOP) to Directors, Executives and the Company's employees, as well as those of Bangchak Green Net Co., Ltd., and securities transferees on August 25, 2004, with a project timeframe of five years from the date of

issuing the right for 24,000,000 units. It was found that the warrants expired on August 24, 2009, during which time no one could purchase the new common shares as defined by the regulations; therefore, as of that date, all the warrants expired.

Significant changes in number employee for the past three years

For the past three years, the Company increased its employee from 826 (as of December 31, 2006) to 935 (as of December 31, 2009) to prepare for the operation of the Product Quality Improvement (PQI) unit, due to start operation in early 2009.

9. Human Resource Development Policy

The Company is committed to developing human resource toward excellence, high levels of knowledge and capability, good governance and potential to create profits on a fair and sustainable basis by urging employees to attend continuous training courses, both within and outside the organization, as well as urging employees to seek knowledge for themselves and be involve in lifelong learning to cement Bangchak's culture as a Learning Organization, as the Company believes that employees with potential will propel the Company toward success. The Talent Management Project was initiated to select a group of employees with qualities and behavior contributing to operational successes and develop these individuals so that they may progress and grow with the Company.

In the past year, the Company set core competencies for executives and employees to prepare for future operation. It also assessed the knowledge and skills of all employees against the standard set by the Company (the so-called Competency Gap). In 2009, the Company focused on human resource development in compliance with Individual Development Plans, both training courses within the Company and courses from institutions outside the Company, so that all possess the qualifications that the Company had defined (Core Competency). The six qualifications of the organization are:

1. Ability for Adaptation and Initiation

This means the ability to understand the organization and business environment by opening up for changing, learning new things, daring to think out of the box and do new things to create opportunities and lead the organization toward maximum success.

2. Leadership

This means a leader with vision, who dares to think and do what is right for the benefit of the organization with transparency and fairness, ready for differences of opinions, and show responsibility for a result as well as giving advice and creating inspiration to cooperate and is accepted at all levels.

3. Teamwork Spirit

This means working as a service-minded team, the willingness to work with others, enthusiastic to assist, accept the value of colleagues in the team and forge good relationships with all concerned, both within and outside, to create willingness to work together and render service so that the jointly set objectives may be met.

4. Organization Commitment

This means the commitment to dedicate oneself to meet the organization's objectives through integrity, professionalism and efficiency, and improve work processes to upgrade the general performance so that it may be generally accepted as well as continually creating success and business growth.

5. Personal Mastery

This means the enthusiasm to constantly learn and be ready to apply knowledge to develop one's own potential as well as that of the organization.



6. Social and "SHEE" Awareness

This means being aware and following the principles of safety, occupational health and environment in compliance with international standards and BCP's operation as well as have public consciousness and participating in activities benefiting the organization, community and society.

In 2009, BCP improved the planning procedures to develop executives and employees by organizing training courses to forge understanding among them on 5, 6 and November 12, 2009. Moreover, it added functional competencies for subordinates and prepared executive competencies for supervisors as a guideline to develop employees to manage and work in their own positions more efficiently.

The Company prepared functional competencies for subordinates, as detailed below:

1. **Building Trust** meaning communication through credible methods in oneself or in one's own organization.
2. **Communication and Presentation** meaning information and thinking communication on a comprehensive and clear basis with others in various circumstances, communication through objectified methods and can urge others to think and act, make the audience participate and help the audience understand and remember more, efficiently present ideas to others by preparing and appropriately presenting according to the audience groups.
3. **Customer Service Orientation** meaning the ability to respond to the needs of customers (both in and outside the organization), create growing relationship with customers, responsible for the customers' satisfaction and loyalty.
4. **Persuasion and Influencing** meaning the use of methods and techniques of communication to create acceptance of ideas or action plans, efficient search for alternative means of presentation for acceptance and support from all parties.
5. **Continuous Improvement** meaning the initiative to improve work and work procedures, seeking opportunities to improve, and find improvement approaches and implement them.
6. **Decision making** meaning the identification and appreciation of problems and opportunities and comparison of the information obtained from various sources to find solutions, and use of efficient means to select guidelines or solutions to problems, work under given facts, limitations and potential impact.
7. **Managing Work** meaning managing time and resources to meet targets.
8. **Quality Orientation** meaning successful operation through attention-giving to all aspects of work, however small, show attention to work in all aspects, monitoring the procedure and work correctly and accurately, and closely monitoring initiate operations.
9. **Sales Persuasion** meaning persuading customers to accept opinions, specific agenda items or agreement.
10. **Sales Negotiation** meaning the identification of efficient alternative means and presentation to reach agreements for mutual benefit so that customers accept and are committed to them.
11. **Business Orientation** meaning the ability to understand economic, financial and industrial information to improve business, use of one's own understanding of core business units, industrial trends and the organization's information to develop strategies and action plans.
12. **Devising Sales Approaches and Solutions** meaning the identification of sales guidelines or appropriate action to analyze facts, limitations, competition and potential impacts, and the ability to clearly connect sales offers and business needs.
13. **Tenacity** meaning the ability to work or implement action plans until objectives are reached or until there is supporting reason that it can no longer be done.

Moreover, the Company prepared executive competencies for executives and supervisors, including:

1. **Communication and Presentation** meaning the communication of concise and clear information and ideas to others under various circumstances, through means with clear targets, and urging others to show interest and the ability to attract people's interest.
2. **Building Partnership** meaning the forging of relationship and the ability to use that relationship to create cooperation to meet objectives. The creation and implementation of strategies that can attract stakeholders to increase business objectives for mutual benefits.
3. **Empowerment/Delegation** meaning the delegation of authority and responsibilities to others along with due decision-making authority and responsibilities in the organization to increase employees' capabilities and achieve business strategies.
4. **Facilitating Teams** meaning the use of methods and approaches to communicate, to develop, persuade and give approaches to teams to achieve business strategies.
5. **Leading through Vision and Values** meaning employee stimulation to apply Company vision and values as the guideline for decision-making and action.
6. **Building Organizational Talent** meaning the institution of processes and procedures for employees with potential and attract their interest, give advice, develop, induce participation, and retain employees, create an atmosphere where the personnel recognize their own potential so that the organization may be ready for current and future challenges.
7. **Business acumen** meaning the ability to apply and implement economic, financial and industrial information to improve business, leverage one's own understanding of the main business, industrial trends and the organization's information to develop strategies and action plans.
8. **Customer Centric** meaning the use of customers' viewpoints as a main decision factor for business preparation and implementation of guidelines to respond to the needs of both the customers and the organization.
9. **Planning and Organizing** meaning the implementation of strategies through operation, forging of operational compliance, communication, accountability, resource capability, internal procedures and continuous measurement processes so that strategies may be successful, measurable and sustainable.
10. **Facilitating Change** meaning the defining of opportunities to change and push for necessary changes in organization and culture to adapt to the change in market demand, technology and business initiative projects and stimulation for new approaches for better results by changing the organizational culture, system or products/services.
11. **Driving for Results** meaning the taking of immediate action to achieve targets, doing more than what is required to reach objectives, proactive work, challenging employees to have higher standards and earn success, working tenaciously to achieve or exceed challenging goals, as well as showing satisfaction in achievements and continuous improvement.
12. **Executive Disposition** meaning the display of composed, credible and confident personality to earn trust and respect from others, while reflecting an image in line with that of organizational vision and values.

As for in-house training courses, BCP organized human resource development training to increase the skills and knowledge of executives and employees for 5,230 man-days in 38 courses. The focus was on increasing planning, problem-solving, risk management, environmental and energy stewardship skills, as well as knowledge of necessary laws, relevant information and various performance techniques for each unit.



Board of Directors



1. General Tawat Ked-unkoon 2. Prof. Dr. Chai-Anan Samudavanija
3. Dr. Anusorn Tamajai 4. Mr. Pichai Chunhavajira





5. Mr. Thevan Vichitakul 6. Thana Putarungsi

7. Assoc.Prof. Pranom Kowinwipat 8. Dr. Nipon Surapongrukcharoen 9. Mr. Wirat Iam-Ua-Yut





10. Mr. Nattachart Charuchinda 11. Mr. Chaivat Churitti 12. Mr. Tevin Vongvanich
13. Dr. Twarath Sutabutr 14. Dr. Anusorn Sangnimnuan



Board of Directors

General Tawat Ked-unkoon

Chairman (Independent Director)

- Age 70
- Education
 - B.Sc., Chulachomklao Royal Military Academy
 - Army Command & General Staff College
 - National Defence College
- Directorship training
 - Responsibilities of Directors and Executives under Securities and Exchange Act, B.E. 2535 (amended version)
 - Role of the Chairman Program (RCP), IOD
 - Director Accreditation Program (DAP), IOD
 - Finance for Non-finance Director (FND), IOD
- Experience
 - Financial Statements for Directors (FSD), IOD
 - 1998 : Chairman of the advisory Group, Office of the Supreme Commander, Ministry of Defence
 - 2000 : Permanent-Secretary, Ministry of Defence
 - Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - None -
 - Non-listed businesses
 - o Retired military officer

Prof. Dr. Chai-Anan Samudavanija

Vice Chairman (Independent Director)

Chairman of the Nomination and Remuneration Committee

- Age 66
- Education
 - Doctorate degree, University of Wisconsin (Madison)
 - Master's degree, University of Wisconsin (Madison)
 - Bachelor's degree, Victoria University of Wellington, New Zealand
 - Certificate, Social Planning, United Nations Asian Institute
 - Honorary doctorate (development administration), National Institute of Development Administration
 - Honorary doctorate, Edgewood University
 - Honorary doctorate and outstanding alumnus, University of Wisconsin (Madison)
 - Honorary degree, National Defence College
- Experience
 - 1996 - June 2007 : Director, Vajiravudh College
 - 1998 - 2000 : Judge, Constitutional Court
 - 2003 : Fellow of the Academy of Moral and Political Sciences, The Royal Institute
- Other directorship positions / other positions at present
 - Vice President, The Royal Institute
 - Chairman, Electricity Generating Authority of Thailand
 - Chairman, Electricity Generating Public Company Limited
 - Chairman of Audit Committee, Krungthai Bank Public Company Limited
 - Director, Office of the Public Sector Development Commission (OPDC)
 - Executive Director, National Research Council
 - Director, State Enterprise Policy Committee
 - 2006 - 2008
 - : Member, National Legislative Assembly
 - Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - None -
 - Non-listed businesses
 - o Chairman, Standing Committee of Education and Sport
 - o Chairman, Institute of Public Policy Studies
 - o President, The Royal Institute
 - o Chairman, Office of the Basic Education Commission
 - o Director, College of Management, Mahidol University

Dr. Anusorn Tamajai

Independent Director

Chairman of Audit Committee

- Age 44
- Education
 - Ph.D.Econ. (International economics, finance and development), Fordham University New York, USA
 - MBA., Southeastern University
 - M.Econ, Fordham University New York, USA



- B.Econ (Honours), Chulalongkorn University
- Directorship training
 - Director Certification Program (DCP), IOD
 - Strategy and Policy Development, IOD
 - Audit Committee Program (ACP), IOD
 - Role of the Chairman Program (RCP), IOD
 - Role of the Compensation Committee (RCC), IOD
 - Financial Statement for Directors (FSC), IOD
 - Monitoring the System of Internal Control and Risk Management (MIR), IOD
 - Monitoring the Quality of Financial Reporting (MFR), IOD
 - State-enterprise Leadership Development for Senior Managers (Class 2) King Prajadhipok's Institute
- Experience
 - 2000 : Vice President, Corporate Regulatory, Research and Public Affairs, Citibank
 - 2002 - 2005 : Senior Director, Research and Fund Management Office, Bankthai Public Company Limited
 - 2002 - 2003 : Managing Director, BT Asset Management Company Limited
 - 2002 - 2006 : Director and Chairman of Internal Audit Committee, Thailand Post Company Limited
 - 2002 - 2006 : Director, Family Know How Company Limited (a subsidiary of Stock Exchange of Thailand)
 - 2005 - 2007 : Director, Center for the Promotion of National Strength on Moral Ethics and Values, Moral Center, Office of the Prime Minister
- Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - o Director and chairman of audit committee, MCOT Public Company Limited
 - Non-listed businesses
 - o Dean of Faculty of Economics / Acting Director, Research Center for Economic and Business Reform, Rangsit University
 - o Executive Director, Telecommunications Development for Public Benefit Fund (NTC)
 - o Director, Pridi Banomyong Institute
 - o Director and Executive Director, Bank for Agriculture and Agricultural Cooperatives
 - o Specialist and Director for supervision and execution of policies, Public Management Office, Ministry of Finance
 - o Member, Sub-committee on Performance Evaluation of State-Owned Enterprises, Ministry of Finance

Dr. Nipon Surapongrukcharoen

Independent Director

Chairman of Corporate Risk Management Committee

- Age 49
- Education
 - Honorary Ph.D. (Industrial Management), King Mongkut's Institute of Technology North Bangkok
 - MBA., National Institute of Development Administration
 - B.A. (Political Sciences), Ramkhamhaeng University
- Directorship training
 - Director Certification Program (DCP) จาก IOD
 - Director Certification Program (DCP), IOD
 - DCP Refresher Course, IOD
 - Role of the Compensation Committee (RCC), IOD
 - Strategy and Policy Development, IOD
 - Results of Survey on Compensation for Directors in Thai Companies, IOD
 - Change of Accounting Standards, IOD
- Experience
 - Vice Chief Executive Officer, Thai Tabuchi Electric Company Limited
 - Director, The Moral Center, Office of Knowledge Management and Development (public organization)
 - Director, Vocational Education Commission, Ministry of Education
 - Member, Specialist Council, King Mongkut's Institute of Technology Lad Krabang
 - CEO, Sun Global Network Company Limited
 - Chairman, I-IMC Corporation Company Limited
 - Director, City Planning Committee, Department of Public Works and Town and Country Planning
 - Director, Trade Unit, Office of the Welfare Promotion Commission for Teachers and Education Personnel, Ministry of Education
 - Member, Specialist Council, Northeast, Khon Kaen
 - Audit Committee member, North Eastern University
 - Member, Specialist Council, Nakhon Phanom University
- Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -

- Other listed companies
 - None -
- Non-listed businesses
 - o Director, The Education Council, Ministry of Education
 - o Director, Institute for the Promotion of Teaching Science and Technology
 - o Member, Specialist Council, King Mongkut's Institute of Technology North Bangkok
 - o Member, Specialist Council, Mae Jo University
 - o Director, Universities' business incubation project, Office of the Higher Education Commission
- o Member, Specialist Council, Siam University
- o Advisory Director, Market for Alternative Investment (MAI), Stock Exchange of Thailand
- o Member, Specialist Council, Rajamangala University of Technology Thanyaburi
- o Member, Specialist Council, Rajamangala University of Technology Krungthep
- o Member, Specialist Council, Rajamangala University of Technology Suvarnabhumi

Mr. Wirat Iam-Ua-Yut

Independent Director

Chairman of Corporate Governance Committee

- Age 66
- Education
 - Honorary Master Degree of Science (Cooperatives Economics), Mae Jo University
- Directorship training
 - Director Accredited Program (DAP), IOD
 - Finance for Non-finance Director (FND), IOD
- Experience
 - 1997 - 2001 : Chairman, The Administrative Authority of Ka-Mung District, Nakhon Sawan
 - 2002 - 2005 : Chairman, Cooperative League of Thailand: Board of National Cooperative Development

- Other directorship positions / other positions at present

- Subsidiaries/Related Company

- None -

- Other listed companies

- None -

- Non-listed businesses

- o Chairman, Chumsaeng Agricultural Cooperatives Limited
- o Member, National Economic and Social Advisory Council
- o Member, Cooperative League of Thailand

Assoc.Prof. Pranom Kowinwipat

Independent Director

- Age 65
- Education
 - MBA. (Accounting), Georgia State University, USA
 - B.A. (Accounting), Thammasat University
- Directorship training
 - Audit Committee in a New Era of Governance, Harvard Business School (USA)
 - Director Certification Program (CDP), IOD
 - Responsibilities of Directors and Executives under Securities and Exchange Act, B.E.2535 (amended version)
 - Corporate Fraud Detection and Prevention, IOD
 - Latest Amendment of Accounting Standards (Class 7), Federation of Accounting Professions under the Royal Patronage of His Majesty the King
 - Audit Committee Program (ACP), IOD

- What the Board Should Do in a Downturn Situation, IOD
- Keeping Pace with International Accounting, Commerce and Accountancy, Thammasat University

- Experience

- Director and Chairperson of Audit Committee, Metropolitan Electricity Authority
- Director, Tax Auditor Examination Committee, Revenue Department, Ministry of Finance
- Director, Tax Auditor Compliance Committee, Revenue Department, Ministry of Finance
- Director, Office of the Civil Service Commission (OCSC)'s committee to interview applicants for Ph.D/master's degree scholarships in accountancy
- Deputy Dean, Faculty of Commerce and Accountancy, Thammasat University
- Head of Accounting Department and Director of Faculty of Commerce and Accountancy, Thammasat University



- Director, Office of National Education Standards and Quality Assessment (public organization)
- Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - o Director and Audit Committee member, Bangkok Union Insurance Public Company Limited
 - o Director and Audit Committee member, Thai Coating Industrial Public Company Limited
- Non-listed businesses
 - o Advisor to the Rector, Thammasat University
 - o Vice Chairperson of a committee to manage the fund for merit making on Thammasat University's Birthday
 - o Specialist, Faculty of Commerce and Accountancy, Thammasat University
 - o Lecturer, Faculty of Accountancy and Management, Mahasarakham University

Thana Putarungsi

Independent Director

- Age 55
- Education
 - M.Eng. (Power Technology), Kasetsart University
 - B.Eng. (Power Technology), Kasetsart University
- Directorship training
 - Director Certification Program (DCP), IOD
 - Financial Statement for Directors (FSD), IOD
- Experience
 - 1992 - 1995 : Chief of High Voltage Station Division, Central Region Operations, Electricity Generating Authority of Thailand
 - 1995 - 2000 : Chief of High Voltage Station Maintenance Division, Central Region Operations, Electricity Generating Authority of Thailand.
- 2000 - 2003 : Assistant Director, Operations, Electricity Consumption, Electricity Generating Authority of Thailand
- 2003 - 2008 : Director, Operations, Electricity Consumption, Electricity Generating Authority of Thailand
- 2008 - Present : Assistant Governor, Transmission Operations, the Electricity Generating Authority of Thailand
- Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - o Director, Erawan Hotel Public Company Limited
 - Non-listed business
 - o Director-General, The Treasury Department

Mr. Pichai Chunhavajira

Director

Chairman of Management Committee

- Age 61
- Education
 - Honorary Ph.D. (Financial Management), Mahasarakham University
 - Honorary Ph.D. (Accounting), Thammasat University
 - MBA. (Business Administration), Indiana University of Pennsylvania, USA
 - B.A. (Accounting), Thammasat University
 - Capital Market Academy (Class 5)
 - Public and Private Joint Program (Class 4313), National Defence College
 - Certified Auditor No. 2918
- Directorship training
 - Director Accreditation Program (DAP), IOD
 - Director Certification Program (DCP), IOD
- Experience
 - 1999 - 2007 : Director, The Aromatics (Thailand) Public Company Limited
 - 2000 - 2001 : President, PTT Oil : Acting Deputy Governor, Finance and Accounting, Petroleum Authority of Thailand
 - 2001 : Acting President, PTT International Company Limited
 - 2001 : Deputy Governor, Finance and Accounting, Petroleum Authority of Thailand
 - 2001 - 2003 : Director, Eastern Water Resources Development and Management Public Company Limited
 - Sep 2003 - Dec 2004 : Acting President, Bangchak Petroleum Public Company Limited

- 2003 - 2008
: Director and Audit Committee member, Siam Commercial Bank Public Company Limited
 - 2004 - 2006
: Director, Metropolitan Electricity Authority
: Director, Electricity Generating Authority of Thailand
 - 1996 - May 2009
: Director, Dhipaya Insurance Public Company Limited
 - 2005 - Jun 2009
: Director, PTT Chemical Public Company Limited
 - 2007 - Jun 2009
: Director, PTT Aromatics and Refining Public Company Limited
 - 2001 - Dec 2007
: Senior Executive Vice President, Finance and Accounting, PTT Public Company Limited
 - 2008 - Jun 2009
: Chief Financial Officer, PTT Public Company Limited
 - Other directorship positions / other positions at present
- Subsidiaries/Related Company
- None -
 - Other listed companies
 - o Director, PTT Public Company Limited
 - o Director, IRPC Public Company Limited
 - o Director, Thai Oil Public Company Limited
 - o Director, Thai Airways International Public Company Limited
 - o Director, PTT Exploration and Production Public Company Limited
 - Non-listed businesses
 - o Director, Thai Lube Base Public Company Limited
 - o Director, Thai Oil Power Company Limited
 - o Director, Thai Oil Ethanol Company Limited
 - o Member, Specialist Council, Assumption University
 - o Member, Audit Committee, Mahidol University
 - o Vice Chairman / Chairman of Board of Accounting Profession for Accounting Management, Federation of Accounting Profession

Mr. Chaivat Churitti

- Director
- Age 62
 - Education
 - B.Sc. Economics, Nathaniel Hawthorne College, USA.
 - Directorship training
 - Director Accredited Program (DAP), IOD
 - Experience
 - 2001 - 2002
: Executive Vice President, Commercial Marketing, PTT Public Company Limited
 - 2002 - 2003
: Executive Vice President, Retail Marketing, PTT Public Company Limited
 - 2003 - 2005
: Executive Vice President, Planning, PTT Public Company Limited
 - Oct 2005 - Sep 2008
: Senior Executive Vice President, Oil Business, PTT Public Company Limited
- Oct 2008 - Present
: Consultant, PTT Retail Management Company Limited
 - Other directorship positions / other positions at present
 - Subsidiaries/Related Company
- None -
 - Other listed companies
 - o Director, IRPC Public Company Limited
 - Non-listed businesses
 - o Consultant, PTT Retail Management Company Limited
 - o Director, Thai Lube Blending Company Limited
 - o Director, Fuel Pipeline Transportation Limited
 - o Director, Retail Business Alliance Company Limited
 - o Director, Energy Complex Company Limited
 - o Director, PetroAsia (Thailand) Company Limited
 - o Director, Thai Petroleum Pipeline Company Limited
 - o Chairman, PTT Retail Management Company Limited
 - o Chairman, PTT Retail Business Company Limited
 - o Chairman, Conoco (Thailand) Company Limited

Mr. Tevin Vongvanich

- Director
- Age 51
 - Education
 - M.S. (Chemical Engineering), Rice University, USA
- M.S. (Petroleum Engineering), University of Houston, USA
 - B.Eng. (1st class honors), Chulalongkorn University
 - Senior Executive Program (SEP Class 7), Sasin Graduate Institute of Business Administration, Chulalongkorn University



- Program for Global Leadership (PGL), Harvard Business School
- High Certificate of Democratic Politics and governance for High-Level Administration Program (Class 10), King Prajadhipok's Institute
- Directorship training
 - Director Certification Program (DCP), IOD
 - Senior Fellow Member, IOD
 - What the Board Should Do in a Downturn, IOD
 - Financial Statements for Directors (FSD), IOD
 - Financial Statement for Directors (FSD), IOD
- Experience
 - Nov 1999 - Jul 2002
 - : Senior Vice President, Business Development, PTT Exploration and Production Public Company Limited
 - Jul 2002 - Dec 2003
 - : Senior Vice President, Operations, PTT Exploration and Production Public Company Limited
 - Dec 2003 - May 2004
 - : Senior Vice President, Regional Assets Division Investment, PTT Exploration and Production Public Company Limited
 - Jun 2004 - Jan 2008
 - : Secondment to PTT Public Company Limited as Executive Vice President for Corporate Business Development
- Feb 2008
 - : Senior Executive Vice President, Corporate Strategy & Development, PTT Public Company Limited
- Jul 2009 - Present
 - : Chief Financial Officer, PTT Public Company Limited
- Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - o Chief Financial Officer, PTT Public Company Limited
 - o Senior Executive Vice President, PTT Exploration and Production Public Company Limited
 - o Director, PTT Aromatics and Refining Public Company Limited
 - o Director, PTT Chemical Public Company Limited
 - o Director, Bangkok Aviation Fuel Service Public Company Limited
 - Non-listed businesses
 - o Director, PTT International Company Limited
 - o Chairman, PTTICT Solutions Company Limited

Mr. Nattachart Charuchinda

Director

- Age 54
- Education
 - MBA., Thammasat University
 - B.S. (Engineering), Chiangmai University
- Experience
 - 1996
 - : Senior Vice President, Marketing and Joint Venture, Petroleum Authority of Thailand
 - 2001
 - : Senior Vice President, Business Development and International Markets, Petroleum Authority of Thailand
 - 2002
 - : Executive Vice President, Business Development and International Markets, PTT Public Company Limited
 - Nov 2002 - 2004
 - : Executive Vice President, Terminal Operations, PTT Public Company Limited
 - Oct 2004
 - : Executive Vice President, Supply and Logistics, PTT Public Company Limited
 - Nov 2005
 - : Executive Vice President, Gas Business Unit for Vehicles, PTT Public Company Limited
 - Jul 2009 - Present
 - : Executive Vice President, International Trading Business Unit, PTT Public Company Limited
 - Other directorship positions / other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - o Executive Vice President, International Trading Business Unit, PTT Public Company Limited
 - Non-listed businesses
 - o Director, PetroAsia (Thailand) Company Limited
 - o Director, Star Petroleum Refining Company Limited

Mr. Thevan Vichitakul

Director

- Age 59

- Education

- M.A. (Business Economics), Thammasat University
- B.S. (Industrial Engineering), Chulalongkorn University
- Senior Executive Program (SEP Class 18), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Diploma, National Defence College (Class 43)
- Certificate, Senior Executive Program, (Class 27) , Office of the Civil Service Commission

Directorship training

- Director Certification Program (DCP), IOD
- Role of the Compensation Committee (RCC), IOD

- Experience

- 1990 - 1995
: Director, Mint Division, The Treasury Department
- 1995 - 1996
: Coin Specialist, The Treasury Department
- 1996 - 2006
: Deputy Director-General, The Treasury Department
- 1998 - 2000 : Director, Fish Marketing Organization
- 2000 - 2002 : Director, National Housing Authority

- 2002 - 2003 : Director, The Bangkok Dock Company Limited
- 2003 - 2007 : Director, NCC Management and Development Company Limited
- 1997 - 2008 : Director, Dhipaya Insurance Public Company Limited
- 2006 - 2008 : Director, Small and Medium Enterprise Development Bank of Thailand
- 2006 - 2008 : Inspector-General, Ministry of Finance
- 2008 -2009 : Chairman, Dhanarak Asset Development Company Limited
- 2008 - Present
: Director-General, The Treasury Department
- Other directorship positions / other positions at present
- Subsidiaries/Related Company
 - None -
- Other listed companies
 - o Director, Erawan Hotel Public Company Limited
- Non-listed businesses
 - o Director-General, The Treasury Department
 - o Director, Real Estate Information Center

Dr. Twarath Sutabutr

Director

- Age 40

- Education

- Ph.D. (Civil and Environmental Engineering), Massachusetts Institute of Technology (MIT), USA
- M.Eng. (Soil Mechanics), Asian Institute of Technology (AIT)
- B.S. (Civil Engineering), Chulalongkorn University

- Experience

- 1999 - 2001
: Petroleum Engineer, Mineral Fuels Division, Department of Mineral Resources
- 2001 : Secretary to the committee working on the privatization of Petroleum Authority of Thailand
- 2002 : Assistant secretary to the committee working on the establishment of Ministry of Energy
- 2002 - 2005 : Head of Strategic Unit and Petroleum, Ministry of Energy
- 2005 - 2007 : Director, cooperation with Danish government project, Policy and Strategy Office, Ministry of Energy

- 2005 - 2008
: Acting Director, Public Relations, Ministry of Energy
- 2006 - 2007
: Vice Spokesperson, Ministry of Energy
- 2006 - Present
: Director, Policy and Strategy Co-ordination Office, Ministry of Energy
- 2007 - Present
: Director, Communications and Public Acceptance Office Office of Nuclear Power Plant Project Development, Ministry of Energy
- 2007
: Spokesperson, Ministry of Energy
- 2007 - Oct 2008
: Director, Policy and Strategy Co-ordination Office, Ministry of Energy
- Present
: Deputy Director-General, Department of Alternative Energy Development and Efficiency, Ministry of Energy
- Other directorship positions / other positions at present



- Subsidiaries/Related Company

- None -

- Other listed companies

- None -

- Non-listed businesses

- o Deputy Director-General, Department of Alternative Energy Development and Efficiency, Ministry of Energy
- o Director, Communications and Public Acceptance Office, Office of Nuclear Power Plant Project Development, Ministry of Energy

- o Spokesperson, Ministry of Energy
- o Executive Director, Energy Research Institute, Chulalongkorn University
- o Executive Director, Promotion of Engineering Innovation Foundation
- o Member, Energy Committee, The Engineering Institute of Thailand under H.M. the King's Patronage

Dr. Anusorn Sangnimnuan

President

• Age 56

• Education

- Ph.D. (Chemical Engineering), Monash University, Melbourne, Australia
- M.Eng. (Environmental Engineering), Asian Institute of Technology
- B.Sc. (Chemical Technology), Chulalongkorn University
- Diploma, The joint State-Private Sector Course, National Defence College (Class 20)
- Advanced diploma, public administration and public law, King Prajadhipok's Institute (Class 5)

• Directorship training

- Director Certification Program (DCP), IOD
- Director Accreditation Program (DAP), IOD
- Finance for Non-finance Director (FND), IOD
- DCP Refresher Course (RE DCP), IOD

• Experience

- Bangchak Petroleum Public Company Limited
 - 2000 - 2001
 - : Senior Vice President, Planning and Supply
 - 2001 - 2004
 - : Senior Executive Vice President, Planning and Supply / Industrial Lubricant Marketing
 - 2003 - 2004
 - : Senior Executive Vice President, Refinery Business
 - 2005 - Present
 - : President and Secretary to Board of Directors

• Others

- 1997 - 2003 : Expert director providing consideration on industrial projects' environmental analysis reports

- 2000 - 2005 : Executive Director, National Research Center of Environmental and Hazardous Waste Management, Chulalongkorn University
- 2000 - 2008 : Executive Director, Petroleum and Petrochemical College, Chulalongkorn University
- 2001 - 2005 : Director, National Ethanol Committee
- 2002 - 2004 : Member, sub-committee providing consideration on ethanol-biodiesel, The House of Representatives
- 2006 - 2008 : Vice Chairman, Petroleum Refining Industry Club, Federation of Thai Industries
- 2006 - 2008 : Member, The National Legislative Assembly
- 2006 - 2008 : Commissioner and Secretary, Energy Committee

• Other directorship positions / other positions at present

- Subsidiaries/Related Company

- o Chairman, Bangchak Biofuel Company Limited

- Other listed companies

- None -

- Non-listed businesses

- o Chairman, Bangchak Biofuel Company Limited
- o Chairman, Thailand Business Council for Sustainable Development
- o Director, Thai Listed Companies Association
- o Director, National Center of Excellence for Petroleum, Petrochemicals, and Advanced Materials, Chulalongkorn University
- o Director, School of Environment, Resources and Development, Asian Institute of Technology
- o Director, Thai Capital Market Organizations

Executive Management



1. Dr. Anusorn Sangnimnuan
2. Mr. Vichien Usanachote
3. Mr. Wattana Opanon-amata





4. Mr. Yodphot Wongrukmit 5. Mr. Bundit Sapianchai 6. Mr. Surachai Kositsareewong
7. Mr. Pongchai Chaichirawiwat 8. Mr. Somchai Techavanich 9. Mr. Kiatchai Maitriwong





10. Dr. Kitti Niwatwong 11. Mr. Thanachit Makaranond
12. Mr. Chalermchai Udomrenu 13. Ms. Revadee Pornpatkul 14. Mr. Watcharapong Saisuk





15. Mr. Pichet Aimwatana 16. Mr. Chokchai Assavarangsarit 17. Mr. Prawit Sunthornsithipong
18. Ms. Ninira Abhisinha 19. Mr. Pichit Wongrujiravahich



Executive Management

Dr. Anusorn Sangnimnuan

President

- Age 56
- Education
 - Ph.D. (Chemical Engineering), Monash University, Melbourne, Australia
 - M.Eng. (Environmental Engineering), Asian Institute of Technology
 - B.Sc. (Chemical Technology), Chulalongkorn University
 - Diploma, The joint State-Private Sector Course, National Defence College (Class 20)
 - Advanced diploma, public administration and public law, King Prajadhipok's Institute (Class 5)
- Directorship training
 - Director Certification Program (DCP), IOD
 - Director Accreditation Program (DAP), IOD
 - Finance for Non-finance Director (FND), IOD
 - DCP Refresher Course (RE DCP), IOD
- Experience
 - Bangchak Petroleum Public Company Limited
 - 2000 - 2001
 - : Senior Vice President, Planning and Supply
 - 2001 - 2004
 - : Senior Executive Vice President, Planning and Supply / Industrial Lubricant Marketing
 - 2003 - 2004
 - : Senior Executive Vice President, Refinery Business
 - 2005 - Present
 - : President and Secretary to Board of Directors
- Others
 - 1997 - 2003 : Expert director providing consideration on industrial projects' environmental analysis reports
 - 2000 - 2005 : Executive Director, National Research Center of Environmental and Hazardous Waste Management, Chulalongkorn University
 - 2000 - 2008 : Executive Director, Petroleum and Petrochemical College, Chulalongkorn University
 - 2001 - 2005 : Director, National Ethanol Committee
 - 2002 - 2004 : Member, sub-committee providing consideration on ethanol-biodiesel, The House of Representatives
 - 2006 - 2008 : Vice Chairman, Petroleum Refining Industry Club, Federation of Thai Industries
 - 2006 - 2008 : Member, The National Legislative Assembly
 - 2006 - 2008 : Commissioner and Secretary, Energy Committee

- Other directorship positions / other positions at present

- Subsidiaries/Related Company

- o Chairman, Bangchak Biofuel Company Limited

- Other listed companies

- None -

- Non-listed businesses

- o Chairman, Bangchak Biofuel Company Limited

- o Chairman, Thailand Business Council for Sustainable Development

- o Director, Thai Listed Companies Association

- o Director, National Center of Excellence for Petroleum, Petrochemicals, and Advanced Materials, Chulalongkorn University

- o Director, School of Environment, Resources and Development, Asian Institute of Technology

- o Director, Thai Capital Market Organizations

Mr. Vichien Usanachote

Senior Executive Vice President, Refinery Business

- Age 55
- Education
 - M.S. (Engineering), Ohio State University, USA
 - B.S. (Engineering), Chulalongkorn University
 - Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration, Chulalongkorn University
 - Advanced diploma, public administration and public law, King Prajadhipok's Institute (Class 7)
- Training
 - Director Certification Program (DCP), IOD
- Experience
 - 1993 : Senior Executive Vice President, Marketing / Manufacturing
 - 2000 : Senior Executive Vice President, Marketing Business
 - 2001 : Senior Consultant
 - 2002 : Senior Executive Vice President, Planning and Logistics
 - 2003 - 2004 : Senior Consultant, Acting Senior Executive Vice President



- 2005 - present : Senior Executive Vice President, Refinery Business
- Present Position

- Other listed companies
 - None -
- Non-listed companies
 - o Director, Fuel Pipeline Transportation Limited

Mr. Wattana Opanon-amata

Senior Executive Vice President,
Corporate Administration and Information Technology

- Age 54
- Education
 - M.Eng (Chemical Engineering), Chulalongkorn University
 - B.Sc. (Chemical Technology), Chulalongkorn University
 - Mini-MBA, Chulalongkorn University
 - Diploma, Director Certification Program, IOD
 - Advanced diploma, public administration and public law, King Prajadhipok's Institute (Class 6)
- Training
 - Diploma, Enterprisewide Risk Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - Director Certification Program Refresher Course (RE DCP), IOD
 - Director Certification Program (DCP), IOD
 - Audit Committee Program (ACP), IOD
 - Finance for Non-finance Director Course (FND), IOD
 - Certificate, Management of Thinking and Cultural Conicts, Class 2, National Defence College Think Tank for Society
 - Certificate, Executive Leadership Program (ELP 5), Nida-Wharton, USA
- Experience
 - Bangchak Petroleum Public Company Limited

- 1994 - 2000 : Senior Vice President, Marketing and Engineering Service
- 2000 - 2001 : Senior Vice President, Planning and Logistics
- 2001 - 2004 : Executive Vice President
- 2004 - 2005 : Senior Consultant, Acting Senior Executive Vice President
- 2006 - present
 - : Senior Executive Vice President, Corporate Administration and Information Technology
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - o Director, Bangchak Biofuel Company Limited
 - o Director, Fuel Pipeline Transportation Limited
 - o Committee member, The Human Capacity Building Institute (HCBI), The Federation of Thai Industries
 - o Committee member, Economic Affairs Committee, The Federation of Thai Industries
 - o Committee member, Chemical Engineering Committee for 2008-2010, The Engineering Institute of Thailand under H.M. the King's Patronage
 - o Chairman of CSR Club, Thai Listed Companies Association, Stock Exchange of Thailand

Mr. Yodphot Wongrukmit

Executive Vice President, Marketing Business

- Age 50
- Education
 - MBA., MTSU, USA
 - B.Econ (2nd Class Honors), University of the Thai Chamber of Commerce
- Training
 - Director Certification Program (DCP), IOD
 - Logistics Economic
 - Economics for Decision Making
 - JCCP "Advanced Marketing" (Japan)
 - Marketing Outlook
 - Sales Management
 - Effective Negotiation Skills
 - PR Strategies for SET-Listed Companies
 - Strategic Leadership

- The Leadership GRID
- Experience
 - Bangchak Petroleum Public Company Limited
 - 1994: Manager, North and Central Districts Division
 - 1998: Senior Manager, Central District Division
 - 2001: Vice President, Retail Marketing
 - 2004: Senior Vice President, Retail Marketing
 - 2007 - 2008
 - : Executive Vice President, Retail Marketing
 - 2008 - present
 - : Executive Vice President, Marketing Business
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - o Director, Bangchak Green Net Company Limited

Mr. Bundit Sapianchai

Executive Vice President, Business Development and Strategy

- Age 45
- Education
 - M.Eng, Asian Institute of Technology (AIT), Thailand
 - B.S. (Engineering), King Mongkut's Institute of Technology Ladkrabang
- Training
 - Director Certification Program (DCP), IOD
 - Director Accredited Program (DAP), IOD
 - Finance for Non-finance Director (FND), IOD
 - Successful Formulation & Execution of Strategy (SFE), IOD
 - Management in Globalizing Era (Ex-PSM 5), Fiscal Policy Research Institute
- Experience
 - Bangchak Petroleum Public Company Limited
 - 1998 - present : Executive Vice President, Business Development and Strategy

Others

- 1988 - 1994 : Commercial Manager, National Petrochemical Public Company Limited
- 1994 - 1997 : Marketing Director, PTT Petrochemical Company Limited
- 1997 - 2004 : Planning and Business Development Director, Air Liquid (Thailand) Company Limited
- 2004 - 2008 : Senior Executive Vice President, Finance and Strategy, NFC Fertilizer Public Company Limited
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - None -

Mr. Surachai Kositsareewong

Executive Vice President, Accounting and Finance

- Age 47
- Education
 - MBA. (Finance), Stetson School of Economics and Business Administration Mercer University, USA
 - B.A. (Merchant Marine), Faculty of Commerce and Accounting, Chulalongkorn University
- Experience
 - Bangchak Petroleum Public Company Limited
 - Present : Executive Vice President, Accounting and Finance
- Others
 - 1998 - 2004 : Vice president, Treasury Department, Small and Medium Enterprise Development Bank of Thailand

- 2004 - 2007 : Independent director and audit committee member, Wyncoast Industrial Park Public Company Limited
- 2005 - 2007 : Business Consultant, finance and investment, Libra Law Office (Thailand)
- 2007 - 2009 : Vice President (Corporate Administration) and Chief Finance Officer, Dhanarak Asset Development Company Limited
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - o Director, Bangchak Biofuel Company Limited
 - o Director, Bangchak Green Net Company Limited
 - o Director, Fuel Pipeline Transportation Limited

Mr. Kiatchai Maitriwong

Senior Consultant

- Age 50
- Education
 - M.B.A. (Commerce and Accountancy) , Thammasat University
 - B.Sc. (Chemical Technology), Chulalongkorn University
- Training
 - LPG Recovery Technology, JCCP (Japan)
 - Essential Petroleum Refining for Process Engineer, JCCP (Japan)
 - Engineering Design, UOP (USA)
 - Distribution Control System, Honeywell (USA)
- Experience
 - Bangchak Petroleum Public Company Limited
 - 1997 : Senior Manager, Oil Supply
 - 2001 : Senior Manager, Planning and Evaluation, Marketing Business

- Oil Price Risk Management, Morgan Stanley (USA)
- The Manager Grid, AIM
- Fire & Business Interruption, CII
- Energy Leadership Development for Senior Managers (Class 4), Ministry of Energy
- Great Leadership, PACRIM
- Time Management, Planning and Prioritization, PTIT
- Executive Development Program Coaching for Result, Mahidol University
- Experience
 - Bangchak Petroleum Public Company Limited
 - 1997 : Senior Manager, Oil Supply
 - 2001 : Senior Manager, Planning and Evaluation, Marketing Business



- 2002 : Assistant Vice President, Corporate Planning Office
 - 2004 : Vice President, Planning, Planning and Logistics
 - 2006 : Acting Senior Vice President, Planning and Logistics
 - 2007 : Senior Vice President, Planning and Logistics
 - 2008 : Consultant
 - 2009 - present : Senior Consultant
- Others
- Team leader, OIM Risk Management, PTT Group
 - Vice chairman and committee member, Petroleum Refining Industrial Group, Federation of Thai Industries
 - Special instructor for refining and supply businesses, Petroleum Institute of Thailand
- Special course instructor and consultant to Ministry of Energy involved in the development of Energy Leadership Development training programs for advanced/intermediate/primary executives
 - Course director, Logistics Economics & Workshop
 - Consultant to Minister of Prime Minister's Office's in energy affairs
 - Special instructor for oil pricing structure and oil price risk management training
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - None -

Mr. Pongchai Chaichirawiwat

Senior Vice President

- Age 49
 - Education
 - MBA., Thammasat University
 - M.Eng, Asian Institute of Technology (AIT), Thailand
 - B.S. (Engineering), Chulalongkorn University
 - Experience
 - 1998 : Manager, Marketing Engineering
 - 2001 : Senior Manager, Marketing Engineering
 - 2004 : Vice President, Retail Marketing Development
 - 2006 : Vice President, Business
 - 2007 : Acting Senior Vice President, Commercial Marketing and Lubricants
- 2008 - present : Senior Vice President (Managing Director appointed to Bangchak Biofuel Company Limited)
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - o Managing Director, Bangchak Biofuel Company Limited
 - o Director, Bangchak Green Net Company Limited

Somchai Techavanich

Senior Vice President, Retail Marketing, Marketing Business

- Age 47
 - Education
 - MBA., Thammasat University
 - B.Eng, Kasetsart University
 - Energy Leadership Development for Senior Managers (Class 4), Ministry of Energy
 - Experience
 - 1996: Manager, Metropolitan Area
 - 2000: Senior Manager, Metropolitan Area
- 2002: Assistant Vice President, Metropolitan Area
 - 2003: Vice President (dealing with business partners)
 - 2006 - 2008 : Vice President, Retail Marketing
 - 2008 - present : Senior Vice President, Retail Marketing, Marketing Business
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - None -

Dr. Kitti Niwatwong

Vice President, Engineering and Innovation, Refinery Business

- Age 55
 - Education
 - Ph.D. (Engineering), Northwestern University
 - M.S. (Engineering), Mississippi State University
 - B.Eng, Chulalongkorn University
- Experience
 - 1999: Manager, Technique and Environment
 - 2000: Senior Manager (Engineering)
 - 2005 - Jun 2009 : Vice President, Technique, Refinery Business
 - Jun 2009 - present: Vice President, Engineering and Innovation, Refinery Business

Mr. Thanachit Makaranond

Vice President, Refining Technology, Refinery Business

- Age 50
- Education
 - M.S. (Chemical Engineering), The University of Southwestern Louisiana
 - B.Sc. (Chemical Technology), Chulalongkorn University
 - Energy Leadership Development for Senior Managers (Class 4), Ministry of Energy
- Experience
 - 1997 : Senior Manager (Operations)
 - 2000 : Senior Manager (Technique and Environment)
 - 2001 : Senior Manager, Refining Operations
 - 2004 - Jun 2009 : Vice President, Operations, Refinery Business
 - Jun 2009 - present : Vice President, Technique, Refinery Business

Ms. Revadee Pornpatkul

Vice President, Accounting and Tax,
Accounting and Finance

- Age 49
- Education
 - MBA., Thammasat University
 - B.Acct., Ramkhamhaeng University
 - B.A. (Law), Sukhothai Thammathirat University
 - B.Sc. Chulalongkorn University
- Experience
 - 2000: Manager, Revenue Accounting
 - 2002: Manager, Accounting
 - 2004: Senior Manager, Accounting, and Acting Vice President, Accounting and Tax
 - 2007 - present : Vice President, Accounting and Tax, Accounting and Finance

Mr. Chalermchai Udomreun

Vice President, Operations, Refinery Business

- Age 48
- Education
 - MBA., Thammasat University
 - B.Eng, Chulalongkorn University
- Experience
 - 1997 : Manager, Maintenance
 - 2000 : Senior Manager, Maintenance
 - 2001 : Senior Manager, Technique Service Office
 - 2003 : Senior Manager, Manufacturing Projects
 - 2005 - Jun 2009 : Vice President, Product Quality Improvement Project (PQI)
 - Jun 2009 - present : Vice President, Operations, Refinery Business

Mr. Pichet Aimwatana

Vice President, Planning and Logistics, Refinery Business

- Age 42
- Education
 - B.Eng, Chulalongkorn University
- Experience
 - 2000 : Manager, Oil Supply and Wholesale business
 - 2004 : Senior Manager, Oil Supply and Wholesale Business
 - 2006 : Senior Manager, Corporate Strategy Business and Risk Management Division
 - 2007 : Vice President, Corporate Business Development Office
 - 2008 - Jun 2009 : Acting Senior Vice President, Planning and Logistics
 - Jun 2009 - present : Vice President, Planning and Logistics, Refinery Business

Mr. Watcharapong Saisuk

Vice President, Corporate Planning and IR Office,
Accounting and Finance

- Age 44
- Education
 - B.Eng, Chulalongkorn University
- Experience
 - 1994 : Manager, Terminal and Transportation Division
 - 2000 : Senior Manager, Terminal and Transportation Division
 - 2003 : Assistant Vice President, Corporate Planning Office
 - 2004 - present : Vice President, Corporate Planning and IR Office, Accounting and Finance



Mr. Chokchai Assavarangsarit

Vice President, Corporate Business Development Office,
Corporate Strategy and Business Development

- Age 41
- Education
 - MBA., Kasetsart University
 - B.Eng, Chulalongkorn University
 - Director Certification Program (DCP), IOD
 - TCLA Executive Development Program (EDP), Thai Listed Companies Association
 - Energy Leadership Development for Senior Managers (Class 6), Ministry of Energy
- Experience
 - 2000 : Manager, Oil Supply
 - 2002: Manager, Business Planning and Analysis Division
 - 2003: Manager, Planning of Marketing Business
 - 2004 : Senior Manager, Corporate Strategy Business and Risk Management Office
 - 2005 : Senior Manager, Office of the Secretary to the Board of Directors
 - 2007 - Jun 2009 : Vice President, Office of the Secretary to the Board of Directors, and Company Secretary
 - Jun 2009 - present : Vice President, Corporate Business Development Office, Corporate Strategy and Business Development

Mr. Pichit Wongrujiravahich

Vice President, Internal Control Office

- Age 49
- Education
 - M.A. (Accounting), Thammasat University
 - B.A. (Accounting), Thammasat University
 - Certified Auditor No. 3766
- Experience
 - 1992 - 2005 : Assistant to Executive Director, Yontrakit Group
 - Oct 2005 - present : Vice President, Internal Control Office

Mr. Prawit Sunthornsithipong

Vice President, Marketing Business

- Age 48
- Education
 - MBA., Chulalongkorn University
 - B.S. (Dentistry), Mahidol University
- Experience
 - 2001 : Manager, Member Card and Business Card
 - 2002 : Manager, Corporate Business Development
 - 2003 : Manager, Metropolitan Area
 - 2004 : Senior Manager, Metropolitan Area
 - 2006 - 2008 : Acting Vice President
 - 2008 - present : Vice President, Marketing Business (Managing Director appointed to Bangchak Green Net Company Limited)
- Present Position
 - Other listed companies
 - None -
 - Non-listed companies
 - o Managing Director, Bangchak Green Net Company Limited

Ms. Nintira Abhisinha

Vice President, Finance and Credit, Accounting and Finance

- Age 43
- Education
 - MBA., Case Western Reserve University, USA (KBank scholarship)
 - B.A. (Commerce) (Honours), Chulalongkorn University
 - Energy Leadership Development for Senior Managers (Class 6), Ministry of Energy
- Experience
 - Bangchak Petroleum Public Company Limited
 - 2008 - present : Vice President, Finance and Credit, Accounting and Finance
 - Others
 - 1993 : Chief of Business Promotion, business development, K Bank
 - 1994 - 1999 : Vice President, Investment, Capital Management Company Limited
 - 1999 - 2001 : Deputy Managing Director, Capital Telecom Company Limited
 - 2001 - 2004 : Vice President, Corporate Business Development, Samart Corporation Public Company Limited
 - 2004 - 2007 : Vice President, Samart Comtech Company Limited
 - 2005 - 2007 : Member of sub-committee on national skill standards, Department of Skill Development, Ministry of Labour

Changes in the Securities Portfolios of the Board and the Executive

The Company has notified all Board of Directors and Executives team members about the announcement of the Securities and Exchange Commission (SEC), calling on them to report their portfolios, including those of their spouses and children not yet of age, to SEC within 30 days of their appointment to the Board and the management rank, and to do so with each change in portfolio.

Each month the portfolios and changes of the Board and the executives are reported to the Board at their meeting. As of year-end 2009, these portfolios were as follows.

| Name | Type of Securities ^{1/} | Share as of Year - end 2008 | Share as of Year - end 2009 | Up (Down) |
|--|----------------------------------|-----------------------------|-----------------------------|-----------|
| Board of Directors | | | | |
| 1. Gen. Tawat Ked-Unkoon | BCP-DR1 | 250,000 | 0 | (250,000) |
| | BCP | 0 | 250,000 | 250,000 |
| | Warrant (ESOP) | 230,000 | 0 | (230,000) |
| 2. Prof. Chai-Anan Samudavanija | Warrant (ESOP) | 190,000 | 0 | (190,000) |
| 3. Dr. Anusorn Tamajai | Warrant (ESOP) | 190,000 | 0 | (190,000) |
| 4. Mr. Wirat Iam-Ua-Yut | BCP-DR1 | 100,650 | 100,650 | - |
| | Warrant (ESOP) | 170,000 | 0 | (170,000) |
| | Warrant (BCP-W1) | 65 | 65 | - |
| 5. Dr. Nipon Surapongrukcharoen | Warrant (ESOP) | 170,000 | 0 | (170,000) |
| | Warrant (BCP-W1) | 9,000 | 9,000 | - |
| 6. Mr. Pichai Chunchavajira | BCP-DR1 | 500,000 | 500,000 | - |
| | Warrant (ESOP) | 170,000 | 0 | (170,000) |
| | Warrant (BCP-W1) | 50,000 | 50,000 | - |
| 7. Assoc. Prof. Pranom Kowinpipat | BCP-DR1 | 10,000 | 0 | (10,000) |
| | BCP | 20,000 | 60,000 | 40,000 |
| 8. Mr. Chaivat Churitti | BCP | 1,500 | 1,500 | - |
| | Warrant (BCP-W1) | 150 | 150 | - |
| 9. Mr. Tevin Vongvanich | - | - | - | - |
| 10. Mr. Thevan Vichitakul | - | - | - | - |
| 11. Mr. Twarath Sutabutr | - | - | - | - |
| 12. Mr. Thana Putarungsi ^{2/} | - | - | - | - |
| 13. Mr. Nuttachart Charuchinda ^{3/} | - | - | - | - |
| 14. Dr. Anusorn Sangnimnuan | BCP-DR1 | 175,460 | 252,360 | 76,900 |
| | BCP | 0 | 20,000 | 20,000 |
| | Warrant (ESOP) | 213,800 | 0 | (213,800) |
| | Warrant (BCP-W1) | 10,546 | 0 | (10,546) |



| Name | Type of Securities ^{1/} | Share as of Year-end 2008 | Share as of Year-end 2009 | Up (Down) |
|--------------------------------|----------------------------------|---------------------------|---------------------------|-----------|
| Executive Management | | | | |
| 1. Mr. Vichien Usanachote | Warrant (ESOP) | 47,900 | 0 | (47,900) |
| 2. Mr. Wattana Opanon-amata | BCP-DR1 | 2,860 | 2,860 | - |
| | Warrant (ESOP) | 79,300 | 0 | (79,300) |
| | Warrant (BCP-W1) | 286 | 286 | - |
| 3. Mr. Yodphot Wongrukmit | - | - | - | - |
| 4. Mr. Bundit Sapianchai | - | - | - | - |
| 5. Mr. Surachai Kositsareewong | - | - | - | - |

Note : 1/ Types of securities:

- BCP (common shares of BCP)
- BCP-DR1 (depository receipts on common shares of BCP)
- Warrant (ESOP): Warrants for new shares to be issued by BCP. (All these expired on August 24, 2009. Throughout the exercisable period, none had exercised the rights to buy such common shares under the conditions stated in the terms of reference.)
- Warrant (BCP-W1): Warrants for new shares to be issued by BCP No. 1/2006

2/ Appointed to the Board by the resolution of the 2009 AGM on April 9, 2009

3/ Appointed to the Board by the resolution of the Board at its 12/2009 meeting on November 27, 2009



Reference

Securities Registrar

Common shares (BCP)
 Depositary receipts on common shares (BCP-DR1)
 Converted debentures (BCP@A)
 Depositary receipts on convertible debentures (BCP141A)
 Warrant for new shares (BCP-W1)

Thailand Securities Depository Limited

2/7 Moo 4 (North Park), Vibhavadi Rangsit Road,
 Khwaeng Thung Song Hong, Khet Lak Si,
 Bangkok 10210
 Tel. 0-2596-9302-10
 Fax 0-2832-4994-6

Auditor

KPMG Phoomchai Audit Limited

50th-51st Floor, Empire Tower
 195 Sathon Tai Road, Bangkok 10120
 Tel. 0-2677-2200
 Fax 0-2677-2222

Others

Investor support
 Reporting losses of share certificates
 Shareholders' information change

Contact

Issuer Service Unit
 Thailand Securities Depository Limited
 2/7 Moo 4 (North Park), Vibhavadi Rangsit Road,
 Khwaeng Thung Song Hong, Khet Lak Si,
 Bangkok 10210
 Tel. 0-2596-9302-10
 Fax 0-2832-4994-6

Company Information

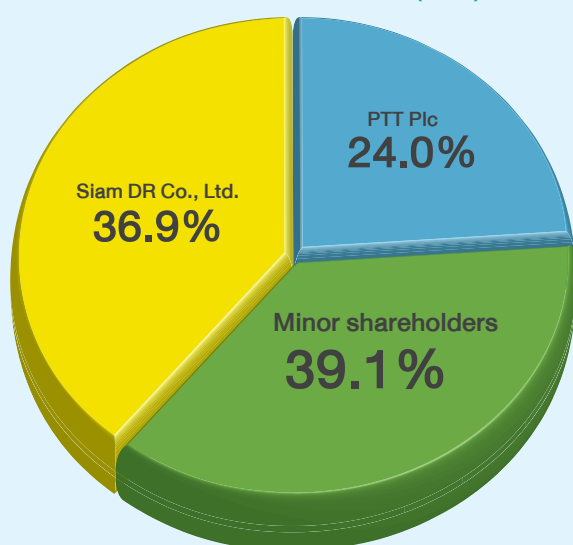


Business established:

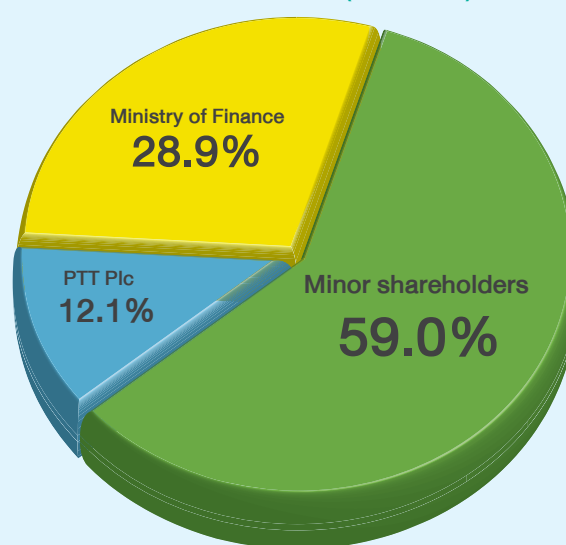
April 1985

Shareholders (%) as of December 31, 2009:

Holders of common shares (BCP):



Holders of depositary receipts on common shares (BCP-DR1):



Registered capital as of December 31, 2009:

- Baht 1,531 million, of which Baht 1,170 million was paid up

Business:

Sales of refined fuel products; management of 120,000-barrel/day Bangchak Refinery; sales of consumer products

Customers:

- General public through Bangchak and dealers' service stations nationwide
- Industrial sector, including industrial works
- Transport and service sectors, including aviations, marine vessels, hotels, trucks and construction activities
- Agricultural sector through cooperative-owned Bangchak service stations

Office and Terminals:

- **Head Office:** 555/1 Energy Complex, 10th Floor, Building A, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Tel. 0-2140-8999, Fax 0-2140-8900
- **Bangchak Refinery and Terminal:** 210 Sukhumwit 64 Road, Bangchak, Phra Khanong, Bangkok 10260, Tel. 0-2335-4999, 0-2331-0047, Fax 0-2335-4009
- **Central Region Business Office and Bang Pa-In Terminal:** 99 Moo 9, Tambon Bang Krasan, Amphoe Bang Pa-in, Ayutthaya 13160, Tel. 0-3535-0260, 0-3527-6999, Fax (Business Office) 0-3535-0290, Fax (Distribution Center) 0-3527-6920
- **Northern Region Business Office:** 87/9 Yee-wan Building, 3rd Floor, Thung Hotel Road, Tambon Wat Ket, Amphoe Muang, Chiang Mai 50000, Tel. 0-5330-0484, Fax 0-5330-0485
- **Northeastern Region Business Office:** 499 Moo 3, Mitraphab Road, Tambon Muang Kao, Amphoe Muang, Khon Kaen 40000, Tel. 0-4326-1789-92, 0-4326-1751-3, Fax 0-4326-1750
- **Southern Region Business Office:** Room 402, 4th Floor, P.C. Tower, 91/1 Moo 1, Kanchanawithi Road, Tambon Bang Kung, Amphoe Muang, Surat Thani 84000, Tel. 0-7722-4790-2, Fax 0-7722-4793
- **Surat Thani Oil Distribution Center:** 104/1 Moo 2, Surat-Pak Nam Road, Tambon Bang Kung, Amphoe Muang, Surat Thani 84000, Tel. 0-7727-5056-7, Fax 0-7728-2943
- **Si Racha Oil Distribution Center:** 191/26 Moo 8, Tambon Thung Sukhla, Amphoe Si Racha, Chon Buri 20230, Tel. 0-3835-2254, Fax 0-3835-2253
- **Rayong Oil Distribution Center:** No. 1, I-3B Road, Tambon Map Ta Phut, Amphoe Muang, Rayong 21150, Tel. 0-3868-4834, Fax 0-3868-4833
- **Samut Sakhon Oil Distribution Center:** 100/149 Moo 1, Tambon Tha Chin, Amphoe Muang, Samut Sakhon 74000, Tel. 0-3482-0974, Fax 0-3482-0974
- **Suksawat Lubricating Oil Distribution Center:** 196 Moo 1, Suksawat Road, Tambon Pak Khlong Bang Pla Kot, Amphoe Phra Samut Chedi, Samut Prakan 10290, Tel. 0-2815-6997-8, Fax 0-2815-6996

Awards and Achievements



- ASEAN Business Award 2008 for Corporate and Environmental Social Responsibility for Large-Scale Businesses in ASEAN, sponsored by the ASEAN Business Advisory Council and the Thai Chamber of Commerce, The Federation of Thai Industries (FTI) and Thai Bankers' Association (TBA).
- Board of the Year Awards 2008/09 Project achievements:
 - The Board of the Year Award for Exemplary Practices for the third consecutive year, ranking in the top five with the highest average score
 - Audit Committee of the Year Award, ranking in the top five with the highest average score
 - Honorary Award (Hall of Fame) for being a Board with Consistent Exemplary Practices, presented to the Board that has received the Board of the Year Award for Exemplary Practices for three consecutive years.
- This was organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand (SET), Board of Trade of Thailand, Federation of Thai Industries (FTI), TBA, Thai Listed Companies Association and the Federation of Thai Capital Market Organizations (FETCO).
- The Top Corporate Governance Report Award as a listed Company with outstanding good corporate governance practices for the fourth consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- The Corporate Social Responsibility Award as a listed company with outstanding corporate social responsibility (CSR) and environmental practices for the third consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- The IR Excellence Award as a listed company with outstanding investor relations (IR) practices, which values participation from across the board in the organization for investor relations with investors and shareholders. The Company received this award for the second consecutive year at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- A perfect score of 100 under a project to assess the quality of organizations for the Annual General Meeting of Shareholders (AGM) 2009, organized by the Securities and Exchange Commission (SEC) in conjunction with the Listed Companies Association and the Thai Investor Association.
- A plaque under a staff volunteer project entitled 'Chit Asa Personnel Development toward Sustainable Development of Organization and Society', sponsored by the

Center for the Promotion and National Strength on Moral Ethics and Values, the Office of Knowledge Management and Development and Kenan Institute Asia.

- The "Quality and Safety Service Stations Award" from the Department of Energy Business, designed to raise the quality of service stations nationwide. 67 BCP stations were awarded with 17 gold (five-star) medals, 38 silver (four-star) medals and 12 bronze (three-star) medals.
- A plaque under a project entitled '*Rak Mae, Rak Mae Nam*' as an organization which has conserved and recognized the value of the Chao Phraya River under the initiative of 'Friendly Works and Community and Environment' following the guidance of Her Majesty Queen Sirikit, who has expressed concern for the quality of river water. The project coordinated efforts from the public, schools, local communities, local administrations and organizations, private industrial entrepreneurs and the Ministry of Industry to restore and conserve the four major rivers, namely the Chao Phraya, Tha Chin, Mae Klong and Bang Pakong river. The Company has received this honor for the second consecutive year.
- National Outstanding Business Operator in Safety, Occupational Health and Work Environment Award for the second consecutive year, presented at the 23rd National Safety Week 2009 event, organized by the Department of Welfare and Labour Protection, Ministry of Labour.
- A certificate of laboratory competence under ISO/ IEC 17025:2005 standards, terms, rules and conditions of the Office of Administration and Laboratory Accreditation, Department of Science Service, Ministry of Science and Technology.
- The Top Corporate Governance Report Award as a listed company that has shown excellence in reporting good corporate governance practices under the guidance for listed companies. The Company received this award for the third consecutive year in the SET Awards 2008 event, organized by SET and Finance & Banking Magazine.
- The Corporate Social Responsibilities Award as a listed company with outstanding corporate social responsibility and environmental practices for the second consecutive year. This was presented at the SET Awards 2008 event, organized by SET and Finance and Banking Magazine.
- The IR Excellence Awards as a listed company with outstanding IR practices, which values participation from across the board in the organization for investor relations with investors and shareholders, presented at the SET Awards 2008 event and organized by SET and Finance and Banking Magazine.
- A plaque and Certificate of Compliance to Corporate Social Responsibility guidelines, under a project entitled "Corporate Social Responsibility, Department of Industrial Works" (CSR-DIW), awarded by Management System Certification Institute (Thailand) (MASCI) and the Department of Industrial Works.
- A plaque under a project entitled '*Rak Mae, Rak Mae Nam*' as an organization which has conserved and recognized the value of the Chao Phraya River under the initiative of 'Friendly Works and Community and Environment' following the guidance of Her Majesty Queen Sirikit, who has expressed concern for the quality of river water. The project raises awareness in industrial buildings and the local community situated on the river banks to coordinate efforts to curb pollution and restore the environment, as well as monitoring and safeguarding the quality of the river water, initiated by the Ministry of Industry.
- A plaque for participation in World Environment Day 2008 as an organization campaigning for public awareness of environmental protection and exemplary practices for environmental protection, organized by Office of Natural Resources and Environmental Policy and Planning and Bangkok Metropolitan Administration.
- National Outstanding Business Operator in Safety, Occupational Health and Work Environment Award, presented at the 22nd Occupational Safety and Health Week 2008, organized by the Department of Labour Protection and Welfare, Ministry of Labour.
- ISO/TS 16949:2002 certificate based on a set of internationally-recognized technical specifications for quality management for the automotive industry. The Company was the first in Thailand to receive this certification from United Registrar of Systems (Thailand) Ltd.



- Recognition for Good Lab Practice/Department of Industrial Works (GLP/DIW) and analytical laboratory which meets the standards of ISO/IEC 17025 from the Thai Industrial Standards Institute (TISI), Ministry of Industry.
- CNBC's Corporate Social Responsibility Award 2008, awarded for BCP's leading CSR practices, under CNBC's Asia Business Leader Award (ABLA) project, organized by the Consumer News and Business Channel (CNBC), NBC Universal.
- Board of the Year for Exemplary Practices 1996-1997 from IOD, organized in conjunction with SET, The Thai Chamber of Commerce and Board of Trade of Thailand, FTI, TBA, Thai Listed Companies Association, and FETCO.
- Runner-up for work practices that follow the guidelines of the Sufficiency Economy Philosophy Competition (for Large-Scale Businesses) from the Office of Royal Development Projects Board (RDPB).
- Bangchak laboratories are ISO 17025-certified for competence in diesel product testing from TISI, Ministry of Industry.
- A Certificate of Commitment to Social and/or Environment Issues from the Thailand Management Association (TMA) in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the "Thailand Corporate Excellence Awards" 2006 event.
- A Certificate of Commitment to Energy Saving from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 6th "Thailand Corporate Excellence Awards" 2006 event.
- Being among the nine companies with the highest scores for good corporate governance from IOD, organized in conjunction with SEC and SET.
- A certificate of Distinction in Maintaining Excellent Corporate Governance Reports from Money & Banking Magazine and SET, presented at the SET Awards 2006 event.
- Best Corporate Social Responsibilities Award from Money & Banking Magazine and SET, presented at the SET Awards 2006 event.
- A Certificate of Commitment to Social and/or Environment Issues from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 5th "Thailand Corporate Excellence Awards" 2006 event.
- A Certificate of Commitment to Energy Saving from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 5th "Thailand Corporate Excellence Awards" 2006 event.
- Best Toilets on Main Roads of the Year 2006 Award on Pahonyothin Road and Rama 2 Road, awarded by the Department of Health, Ministry of Public Health, under a project to develop Thai public toilets, presented at the "World Toilet Expo and Forum 2006" event.
- Certificate of recognition for Board of the Year 2004-2005 from IOD, organized in conjunction with SET, Board of Trade of Thailand, FTI, TBA, Thai Listed Companies Association, and FETCO.
- Certified in Occupational Health and Safety Management according to TISI /OHSAS 18001 for Bangchak's Bang Pa-in Oil Distribution Center, Ayutthaya province, from MASCI in 2005.
- Best Corporate Governance Report Award from Money & Banking Magazine and SET, presented at the SET Awards 2005 event.
- Selection to Top Quartile Companies 2005 for the third consecutive year, under the Corporate Governance of Thai Listed Companies 2005 project, organized by IOD in conjunction with SET and SEC.
- Most Creative Issue Award under the Best Bond Awards 2004 project of the Thai Bond Market Association.
- Recipient of the "Prueksa Nakhara" medal for Green and Clean Presentation of Large-scale Office Buildings between 2002 and 2004, organized by Khet Phra Khanong Office, Bangkok.
- Certificate of Occupational Health and Safety Management under TISI-18001-2542 and OHSAS 18001-1999 in all work processes as of 2004.

- OHSAS 18001 Certificate of Occupational Health and Safety Management in 2003.
- ISO 9001:2000 Quality Management Certificate for motor oil product development, contract and procurement, and car care in 2002
- EIA Monitoring Award 2001 for Environmental Impact Assessment and Planning, presented by the Office of Natural Resources and Environmental Policy and Planning.
- Bangchak Refinery was the first Thai refinery to receive Occupational Health and Safety Management System (OHSAS 18001) certification in 2000.
- EIA Monitoring Award 1997 for Environmental Impact Assessment and Planning, presented by the Office of Natural Resources and Environmental Policy and Planning 1998
- Best Board for Occupational Health and Safety Award 1998
- ISO 14001-Petroleum Refining Certificate for environmental management system in production processes in 1997, extended in 2003.
- Compliance with Environmental Impact Assessment and Environmental Monitoring 1995.
- National Outstanding Business Operator in Safety Award 1995.
- Best Industrial Practices for Safety Management 1994.
- Best Environmental Stewardship 1991.
- Best Energy Conservation 1990.



The Bangchak Petroleum Public Company Limited

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