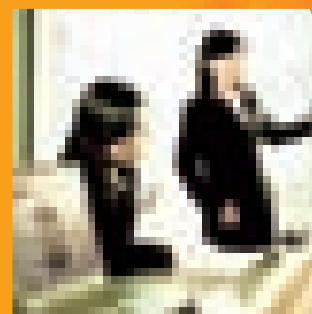
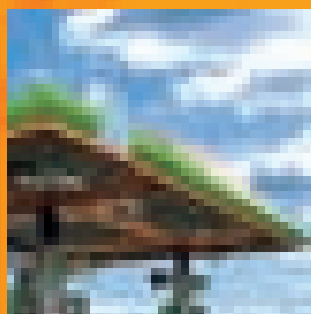
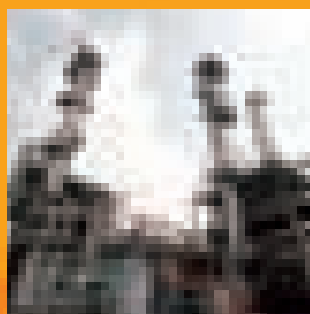




LOOK BEYOND WHAT YOU SEE



ANNUAL REPORT 2007

The Bangchak Petroleum Public Company Limited



Contents

001	Financial Highlight
002	Message from Chairman
004	Business Description
006	Business and Competition Overview in 2007
012	Performance Review in 2007
018	Operation Outcomes on Quality, Safety, Health and Environment
022	Environment and Society Responsibility in Support of Sustainable Development
030	Awards of the Year
033	Declaration of the Directors' Responsibility for the Financial Statements
034	Audit Committee's Report
036	Independent Certified Public Accountants' Report
038	Financial Statements
074	Opinions on Connected Transactions
078	Management's Discussion and Analysis
090	Opinion on the Company's Internal Control
092	Enterprisewide Risk Management Committee's Report
094	Risk Management
102	Corporate Governance Committee's Report
104	Good Corporate Governance
118	Development Direction of the Company
120	Capital Structure
123	Nomination and Remuneration Committee's Report
124	Management Structure
146	Board of Directors
156	Executive Management
166	A Report on Changing in Bangchak's Stocks Holdings of Board and Executives
168	Reference
169	Company's General Information
170	Awards and Certificates

Financial Highlight

	2007	2006 ^{1/}	2005
Statement of Income (Million Baht)			
Sales income	94,979	95,270	85,870
Total income	95,456	95,377	86,816
Gross profit (loss)	6,092	2,122	5,296
EBITDA	4,066	1,566	4,636
Adjusted EBITDA ^{2/}	2,209	2,276	2,277
Foreign Exchange Gain (loss)	(47)	120	(26)
Other items	(41)	4	4
Net profit	1,764	196	2,959
Balance Sheet (Million Baht)			
Total assets	44,987	37,586	34,298
Total liabilities	23,762	18,937	21,405
Shareholders' equity	21,225	18,649	12,893
Share capital			
Registered share capital	1,532	1,532	1,532
Issued & fully paid-up share capital	1,119	1,119	687
Financial ratios (%)			
Gross profit ratio	6.4	2.2	6.2
Net profit ratio	1.9	0.2	3.4
Return on total assets	4.3	0.5	8.6
Debt to Equity ratio	0.5	0.7	1.0
Operating outcomes per share (Baht)			
Net earnings per share	1.58	0.20	4.40
Book value per share	18.97	16.66	18.75

Notes : Data based on Consolidated Financial Statements

1/ The meeting of the Company's Board of Directors no. 11/2006, dated September 28, 2006, passed a resolution to change the accounting policy for the valuation of cost of oil products and crude oil inventories in 2006 from the criteria of "first in first out" (FIFO) to the weighted average, which is the accounting method generally used. The new accounting policy has been effective from July 1, 2006 (third quarter) onwards and the 2005 audited financial statements were restated.

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

A close-up portrait of a middle-aged man with dark hair, wearing a dark blue suit, white shirt, and a patterned tie. He is resting his chin on his right hand and looking directly at the camera with a slight smile. The background is a blurred office setting with windows.

Message from Chairman

“ Success, deriving from efficient management and confidence in the Company, is the major step towards the future sustainable prosperity and benefits to Thai society. This is owing to shareholders, clients, trade partners, employees, the Ministry of Energy and others who have continuously granted positive supports to Bangchak. ”

2007 was the auspicious year as His Majesty the King celebrated his 80th birthday. Throughout his reign, he has upheld the ten royal virtues of the king and devoted himself to ease his subjects' suffering for the Kingdom's prosperity, just as he said in the coronation speech - "We will rule the land with justice for the peacefulness of Siamese people". He is determined to ensure most subjects who are farmers to be able to stand on their own feet under the sufficiency economy philosophy.

The Bangchak Petroleum Public Company Limited has integrated the philosophy into business operations and we have produced and marketed crops-based gasohol and biodiesel upon the initiative research at His Majesty's Chitralada Palace. The Alternative Energy Production and Research Center at Bang Pa-In, is initiated and its biodiesel production development project is underway, which will lift the living quality of farmers aside from strengthening the country's energy security and saving foreign currency income.

Besides, the knowledge in the production of biodiesel from used vegetable oil, also initiated by His Majesty's Royal Chitralada Project, is being utilized with such production unit in Bangchak's refinery premises. Bangchak also forges partnership in urging the public to sell their used vegetable oil for biodiesel production, which will reduce the reuse of used vegetable oil and oil wastes to public channels. This year, in cooperation with the Education Ministry's Office of Basic Education Commission Bangchak also kicked off a campaign to raise energy-saving awareness among the youth and educate them about the value of alternative energy, through an

exhibition board and "Bio and Gassy Brothers" presenter contest under the theme "Biodiesel and Gasohol: Thais' sufficient way of living".

On business operations, the Company last year witnessed volatility in the global market, the skyrocketing oil prices which peaked over US\$100 a barrel in the fourth quarter, the continued appreciation of the Thai baht, as well as political instability which affected economic confidence. The Board of Directors, all executives and all employees devoted themselves in achieving strategic goals and implementing the integrated and thorough risk management. This resulted in satisfactory financial performance, with net profits for four consecutive years.

On the Product Quality Improvement Project, an important project which continued from 2006, the construction works have progressed as scheduled without disruptions. Upon completion, Bangchak's refinery will be equipped with the international-standard refining technology. Meanwhile, the Company will look into new business investment possibilities as well as the improvement of the administration and human resource development, to support the future expansion.

Aside from the economic "value", there are "merits" in terms of good corporate governance and social contribution. Bangchak was the first runner-up in the contest of the Office of The Royal Development Projects Board (RDPB) on projects which succeeded in applying the sufficiency economy philosophy in business operations (large-sized enterprise category) and for the second consecutive year won the Board of the Year for Exemplary Practices Award for 2006/2007 from the Thai Institute of Directors (IOD) for the excellent job. Early 2008, CNBC, a global news network of NBC Universal, presented Bangchak "CNBC's Corporate Social Responsibility Award 2008" to the Company's President, for his outstanding performance in CSR activities resulting in an international recognition of Bangchak as a world-class business entity in terms of social responsibility.

Success, deriving from efficient management and confidence in the Company, is the major step towards the future sustainable prosperity and benefits to Thai society. This is owing to shareholders, clients, trade partners, employees, the Ministry of Energy and others who have continuously granted positive supports to Bangchak. On behalf of the Board of Directors, the management and the employees of Bangchak, we will continue to enhance The Company's capability under good corporate governance and the sufficiency economy philosophy which is in line with new-age administration concept, for The Company's future business expansion.



(Signed) General *Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman


Business Description

The Bangchak Petroleum Public Company Limited has operated the oil refinery business with maximum crude processing capacity of 120,000 barrels per day. Its production raw materials are the crude oil imported from the Middle East and the Far East regions as well as the domestic crude oil. Bangchak's existing refinery is in the type of the simple refinery (hydroskimming), which separates the crude oil into light, intermediates and heavy oil products, according to each crude oil's natural qualities.

Currently Bangchak is constructing the Cracking Unit under its Product Quality Improvement Project (PQI), which can upgrade parts of the heavy oil (bunker oil) into the more valuable light oil products (gasoline and diesel). The PQI project will boost the Company's production efficiency and turn the Bangchak's refinery into the Complex Refinery. The construction is expected to be completed by late 2008. The Company is also undertaking the project of using the natural gas as fuel in the refinery in replacement of the use of low-sulphur bunker oil. The project is aimed to cut the production cost and to make its refinery operation become much more environmentally friendly. Bangchak already awarded the contract to PTT Public Company Limited to establish the electricity plant to generate electricity and steam to respond to rising power demand from PQI project upon its completion and to maintain the power supply stability in its production process.

Bangchak has realized the importance of the alternative energies, particularly those derived from the vegetables which contributes to enhancement of energy security and reduction of country's foreign exchange losses from the considerable oil import. The other benefit of promoting the alternative energies is it can help shore up the falling farm product prices, create jobs, and generate more incomes to the farmers. In this regard, Bangchak has promoted the use of ethanol and bio-diesel in the production the Gasohol 91 and 95 (gasoline blended with ethanol) as well as Gasohol E20 (gasoline blended with ethanol) and Power DB2 and DB5 (diesel blended with biodiesel). Bangchak also established the bio-diesel unit in the refinery complex. The unit with a total production capacity of 20,000 liters per day, has utilized the crude palm oil and used vegetable cooking oil as the production raw materials. Currently the unit utilizes the used vegetable cooking oil as its main raw material for producing the bio-diesel. This can help address the health problem of Thai people caused by the consumption of the used cooking oil and tackle the environmental problem stemming from the disposal of the used cooking oil in the public sewage system.

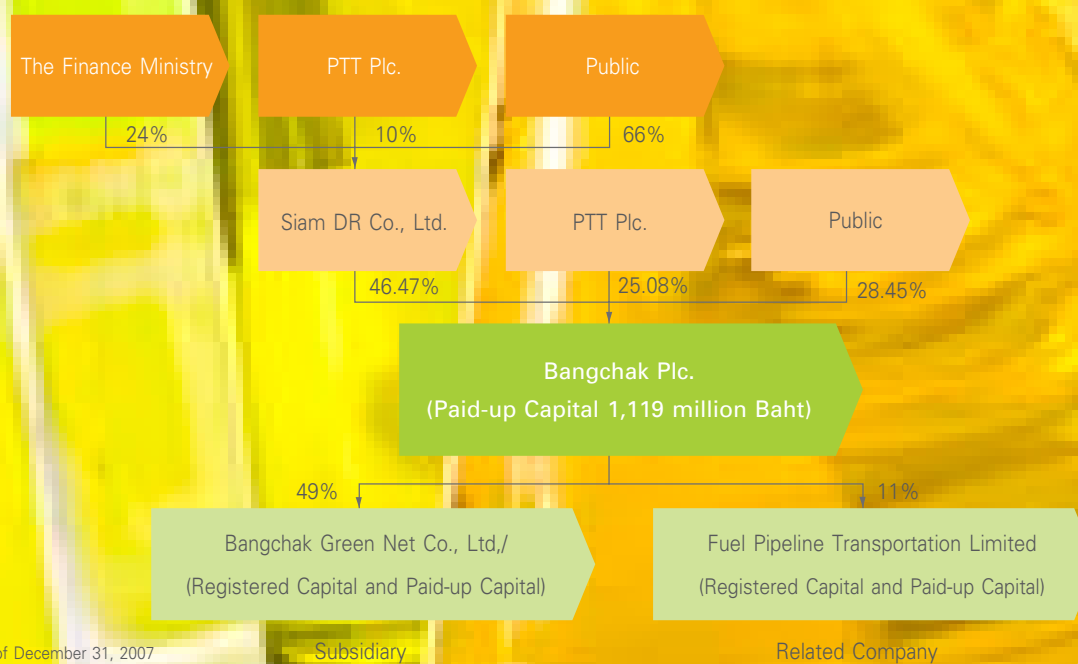
Bangchak has directly marketed the oil products to the consumers as well as distributed them to the large and medium oil traders via the oil pipes and by water and land transportation means. The traders then sell the products directly to the consumers via their distribution and sales channels. Bangchak has also exported the products to the overseas markets. For an example, it has exported the bunker oil to Japan and China.

Bangchak's products are distributed to the consumers through its network of 538 standard service stations and 529 community service stations (the station number as of the end of 2007) under the trademark logo . It has also directly distributed the products to the users in various sectors, from transportation, aviation, shipping, construction, to the industrial and the agricultural sectors. Apart from the oil business, Bangchak has operated "Lemongreen" and "Bai Chak" convenient stores, the engine-oil-changing service and car wash service center or GREEN SERIES including "Green Auto Serve", "Green Serve" and "Green Wash", the foods and beverage restaurant, as well as the "Inthanin" coffee houses, which are located in the service stations. More, eight of the Company's service stations currently sell the NGV, in line with the intention to offer various fuel choices to the consumers.

In addition to the fuel products, it has produced and sold the "Bangchak" brand 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 the overseas markets, such as Burma, China, Fiji, etc. Bangchak has one subsidiary, Bangchak Green Net Co., Ltd. and one related company, Fuel Pipeline Transportation Limited (FPT). The diagram below illustrates the relations between Bangchak and the two companies.



Shareholding Diagram



Bangchak Green Net Co., Ltd.

Bangchak held 49 % stakes of Bangchak Green Net, which had registered capital of one million Baht. The subsidiary was set up to manage the retail business, including the oil 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 center and the foods and beverage restaurant. Its mission is to serve the Company's continued expansion in the retail business.

Fuel Pipeline Transportation Limited

Bangchak owned 11.4 % shares of Fuel Pipeline Transportation Limited (FPT), which had registered capital of 1,592 million Baht. FPT is in charge of distributing the oil through the underground pipeline system. FPT's Multi-Product Pipeline system can transport various types of oil via a single underground pipeline at the same time. The oil transportation starts at the Bangchak refinery. Its pipeline runs in parallel with the railway and leads to the Chongnonsri depot and Don Muang depot before reaching The Company's depot in Amphur Bang Pa-in and FPT, where the pipeline ends. In 2005, the aviation fuel pipeline operator JP-One Asset Co extended the FPT's pipeline in the Makasan area to the Suvarnabhumi Airport as part of its plan to serve the airport.

Revenue Structure

In 2007, revenue of Bangchak stood at Bt 94,593 million. If including revenue of Bangchak Green Net Co., Ltd, consolidated revenue of was Bt108,837 million (the Company held 49 % stakes of Bangchak Green Net Co., Ltd).

After the adjustment of connected transactions worth Bt 13,381 million, the Company had the remaining total revenue of Bt95,456 million, of which 99.0% were from the oil sales, 0.5 % from the consumer product sales, and 0.5 % were the other incomes.

Of total revenues in 2007, 82.5 % was contributed by the domestic market and 17.5 % was from the foreign customers. Revenue of Bangchak and subsidiary from 2005-2007 can be shown in the following table.

Product/service	Company	2007		2006		2005 (adjusted)	
		Revenue (million Baht)	%	Revenue (million Baht)	%	Revenue (million Baht)	%
Oil	the Company and subsidiary	94,489	99.0	93,780	98.3	85,158	98.1
Consumer products	Subsidiary	490	0.5	490	0.5	712	0.8
Other ^{1/}	the Company and subsidiary	477	0.5	1,105	1.2	946	1.1
	Total	95,456	100.0	95,375	100.0	86,816	100.0

Note : 1/ The other incomes include the interest income, revenue from crude oil forward contract, gain from foreign exchange the adjustment of the losses from the asset depreciation (by the reverse of the losses of the asset depreciation), the revenue from the sales promotional campaigns, land rent, service station rent, equipment rent, and etc.

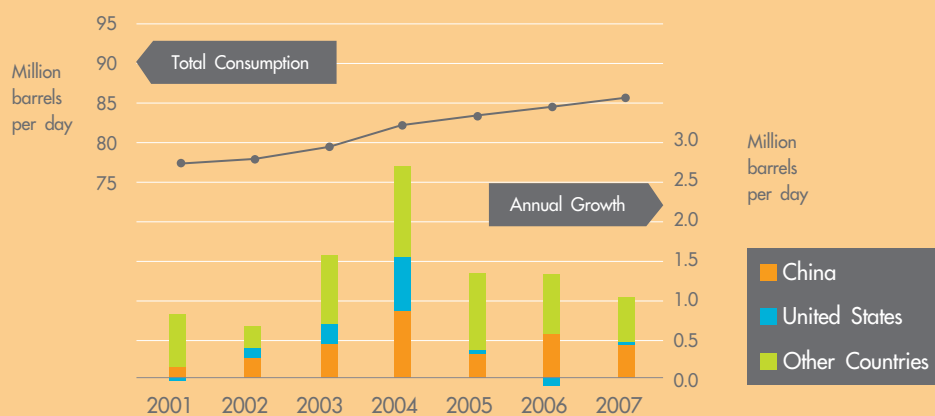
Business and Competition Overview in 2007

Refinery Business

The world economy expanded about 5.2% in 2007, slightly 5.4% down from the previous year, as emerging countries particularly China and India enjoyed brisk growth in export, investment and domestic consumption amid the slowdown in developed countries like the United States, the European Union and Japan in the second half of the year. The US economy in particular suffered from deteriorating quality of sub-prime mortgages, which caused liquidity crunch to the global financial market as financial institutions adopted more stringent lending measures to reduce risk from the sub-prime crisis. Consumers and manufacturers' confidence also eroded on the back of huge increases in fuel and food prices.

The economic growth raised global fuel demand by one million barrels a day from the level in the previous year, to 85.7 million barrels a day, against tight supply and refining capacity. Oil prices were volatile and climbed up continually on any reports and incidents that could cause worries in supply - like the continued decline in US oil inventories, geopolitical tension in oil producing countries (for example, the nuclear conflicts of Iran and the western countries, the conflicts between Iran and Turkey, or domestic violence in Nigeria), as well as the sharp decline in US\$ dollar and fund's speculation. Oil prices hit the record highs. Dubai crude oil peaked at about US\$90 a barrel in November 2007. Oil prices at the end of the year rose over US\$ 30 a barrel or over 50% from the beginning of the year, while the average price rose 10% from the previous year. This allowed refineries to gain profits from oil inventories in US dollar.

Global Oil Demand

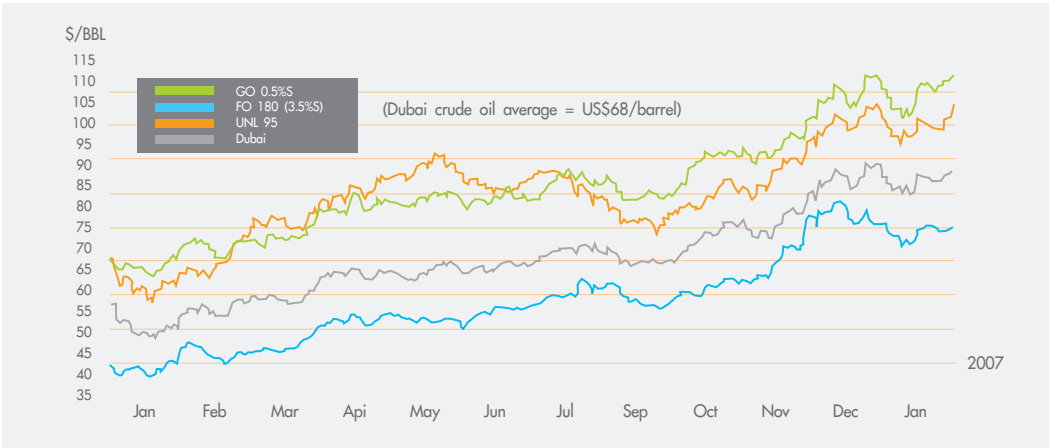


Source: Energy Information Administration (EIA)

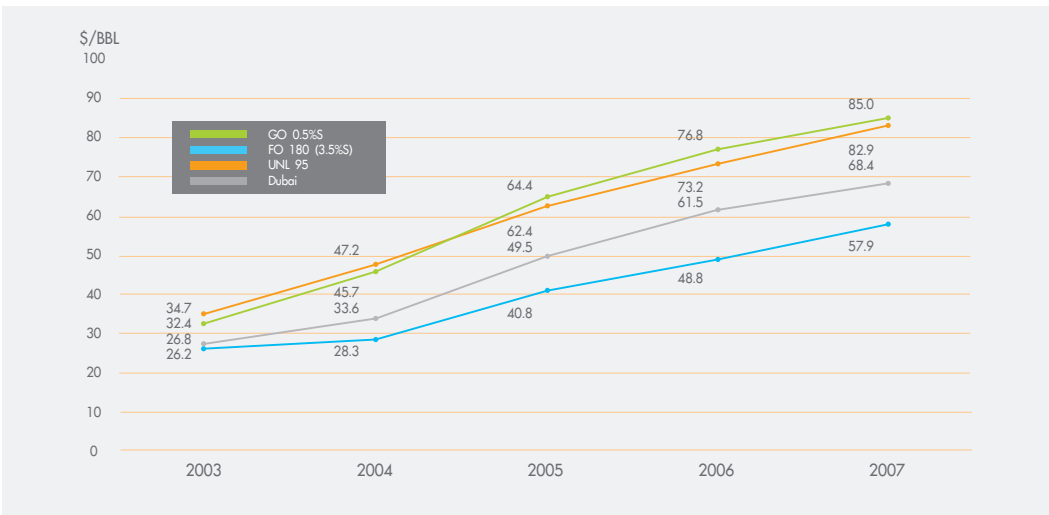




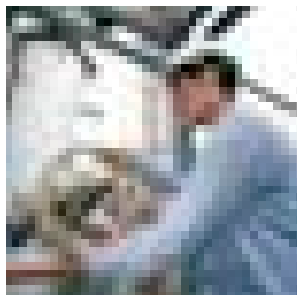
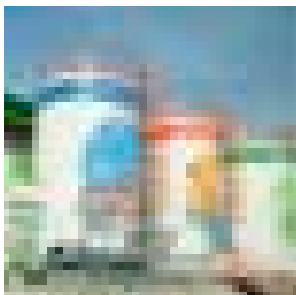
Oil price movement in 2007



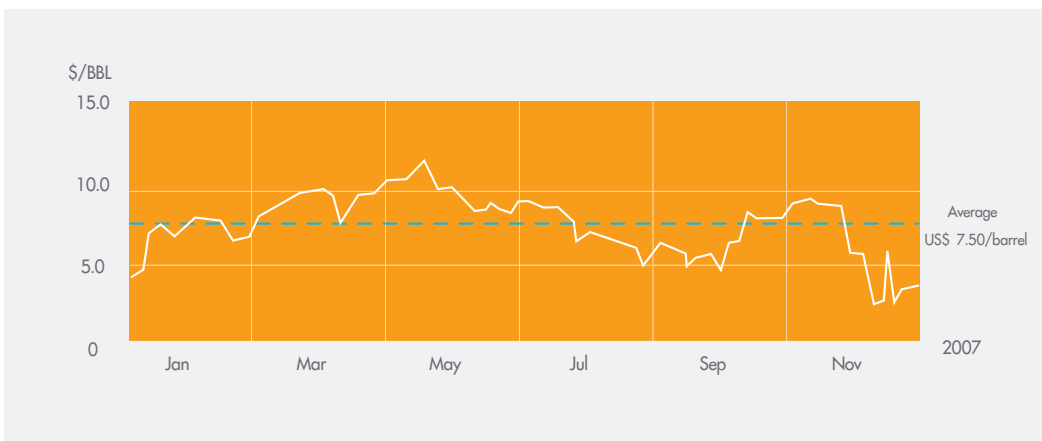
Comparative average crude oil and refined oil prices (2003-2007)



Asia Pacific complex refineries' average refining fee was at US\$7.5 a barrel in 2007(based on the refining of Dubai crude oil at Singapore refineries), up about US\$2 per barrel from the previous year due to the wider spread of oil products and crude oil prices. The spread of bunker oil in particularly rose sharply due to higher demand from power plants in Japan following the shutdown of nuclear power plants after earthquakes in the middle of the year. The combined refining output of Thailand's six refineries - Thai Oil, Esso, Rayong Refinery, Star Petroleum Refining, IRPC and Bangchak - was 913,000 barrels a day, or 90% of maximum capacity or 2 % down from the previous year.



Dubai Crackling Margin in Singapore (2007)



Source : PVM Oil Associates

The Thai baht, which affected the margin and oil inventories in baht term, appreciated against the US dollar. The weakening dollar against other currencies led to continued capital inflows into the short-term financial market and the capital market, despite the imposition of the 30% capital reserve requirement in December a year earlier. Thailand's huge export growth also led to the current account surplus and higher foreign reserves, which furthered strengthened the Thai baht. The baht appreciated 6.4% from Bt36 per dollar in the beginning of the year to Bt33.71 late in the year. Throughout the year, it appreciated 8.7% (from Bt37.9 per dollar on average in 2006 to Bt34.6 in 2007). This resulted in losses to refineries as refining margin and oil inventories were booked in baht.

Baht Movement (2007)



Source : Bank of Thailand



Marketing Business

The Thai economy expanded 4% in 2007, down from 5% in the previous year, due to the contraction in investment and domestic consumption following political instability, high oil prices and higher inflation which eroded consumers and investors' confidence. The growth mainly attributed to exports and clearer political outlook late in the year.

Despite the economic growth, fuel oil demand was stagnant. Domestic demand averaged at 3,562 million liters a month (736,500 barrels a day) due to the 28% decline in bunker oil demand from industrial plants and power plants switched to use natural gas following the completion of the third natural gas pipeline as well as the completion of the development in a natural gas field in the Gulf of Thailand early of the year. Demand for coal also rose due to the cheaper price than the price of bunker oil. Consumption of gasoline products (including gasohol) and diesel products (including biodiesel) rose 1.7% and 1.9%, respectively. Sale of alternative fuels like gasohol 95 and gasohol 91 rose 38% from 107 million liters a month on average in 2006 to 147 million liters a month in 2007. B5, the diesel of which pure biodiesel content is 5%) rose 14 times from 4 million liters a month on average in 2006 to 52million liters a month in 2007.

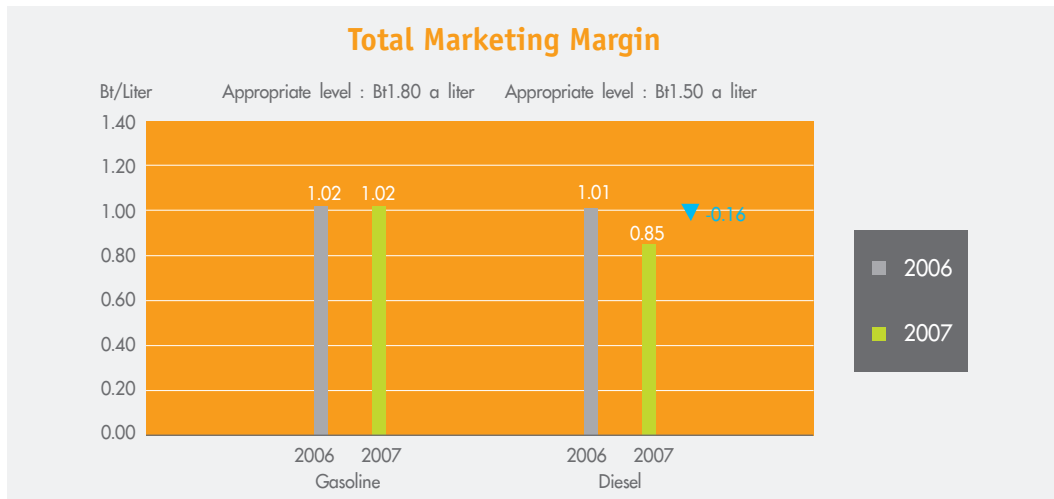
Production, Demand, Import and Export of oil products

Unit: million liters/month

Type of products	Demand	Production	Import	Export	% (+/-)
LPG	567	646	-	43	14.2
Gasoline 95	92	177	2	86	(24.9)
Gasoline 91	372	402	11	45	0.1
Gasohol	147	147	-	-	38.1
Aviation fuel	413	454	4	41	9.1
Diesel	1,559	1,780	16	224	1.9
Fuel oil	352	538	45	207	(27.8)
Asphalt	60	110	0.4	50	(12.6)
Total	3,562	4,253	78	696	(0.0)

Source: Department of Energy Business

On marketing margin, the average margin in the year remained low particularly late 2007 when global oil prices, the major part of sale cost, escalated while oil retailers could not raise retail and wholesale prices accordingly. On average, the marketing margin for gasoline in 2007 was Bt1.02 per liter for gasoline products, unchanged from 2006 (the appropriate margin should be at Bt1.80 per liter) while diesel marketing margin was Bt0.85, down Bt0.16 per liter in the previous year (the appropriate margin should be at Bt1.50 per liter). The government's supports to crops-based alternative energy was translated into the endorsement of Tax and Oil Fund Structure of gasohol and biodiesel which allows higher marketing margins of gasohol and biodiesel than conventional gasoline and diesel. It also helps cover additional cost from the adjustment and distribution as well as encourage retailers to sell more alternative energy.



Source : Energy Policy and Planning Office

Retail business (service station)

Nationwide, the sale volume of gasoline-related products (including gasohol) and diesel-related products (including biodiesel) stood at 1,368 million liters in 2007 a month, 1.3% down from 2006. The number of service stations rose from the 5.4% annualised increase of independent service stations, while the number of service stations of major oil companies i.e. PTT, Shell, Caltex and Bangchak however dropped 2.1%. Major oil retailers instead focused on service quality and image improvement, with the modernization and expansion of potential stations as well as the introduction of extra services at service stations such as convenience stores, fresh coffee shops, food shops and other services.

A major change in the industry last year was ConocoPhillips' decision to sell its retail business in Southeast Asia, to refocus on petroleum exploration and production. In Thailand, ConocoPhillips sold its retail oil business and convenience stores under JET and Jiffy brands to PTT Public Company Limited. PTT's market share thus rose to 40%.

Industrial Business

Due to continued hike in bunker oil prices in the past years, several industrial plants are adjusted to be fuelled by cheaper natural gas and coal. Several plants with biogas production potential also invested in biogas production, which resulted in a sharp drop in bunker oil demand. The demand (exclusive of demand from the Electricity Generating Authority of Thailand) declined to 274 million liters a month, or 12% from the previous year. As supply was above demand, price competition in the segment was high.

Lubricants market

Domestic lubricant monthly sale volume rose sharply from 39 million liters the previous year to 47 million liters, or a 20% increase. The market was highly competitive with a number of oil retailers as well as other retailers. Oil retailers classified by the Article 7 sold 26 million liters a month (3% up from the previous year). They largely contributed to the fierce competition, as they tried to compensate the lower-than-expected marketing margins of finished oil products. Throughout the years, they organized marketing activities. Meanwhile, lubricants makers also started to export more of their products, boosting the lubricants export by 21% from the previous year.



CLEAN ENERGY LEADER



Performance Review in 2007

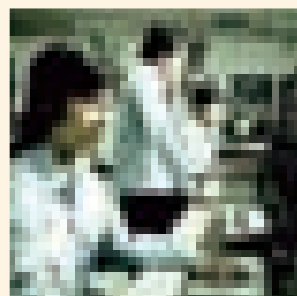
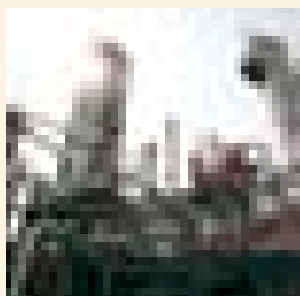
In 2007, the Company posted consolidated revenue of Bt95,456 million. The EBITDA totaled Bt 4,066 million. The net interest expenses were at Bt454 million, depreciation and amortization cost at Bt821 million, and corporate income tax of Bt903 million. This resulted in the net profit of Bt1,764 million (against the Bt196 million earning in 2006).

Refining business

The Company's refining operations involved 66,000 barrels of crude oil on daily average, up from 56,000 barrels per day in 2006, following the growth in low-sulfur bunker oil exports to China and Japan to replace the decreasing demand from the Electricity Generating Authority of Thailand sold through PTT in power generating. On average, 100 million liters of bunker oil were exported a month. The more active performance was also attributable to the sourcing of local crude supply, which carried lower price and transportation cost than imported crude oil but offered high refining margin which worth exporting. Throughout the year, locally-sourced crude oil accounted for 80% of total.

The oil price volatility, skyrocketing price, and stronger baht, the Company launched measures to reduce the impacts on refining margins and ensure that the margin meet the target. The average Gross Refining Margin in 2007 (excluding of loss/profit from inventories) was US\$3.13 per barrel through the following measures:

- Improve the refining process and control the production efficiency, to accommodate new types of crude oil which offers high refining margin like Duri and Darblend oil.
- Closely monitor refining margins and manage margin risks through hedging contracts as well as foreign exchange risks - driven by the stronger baht - through futures contracts.
- Maintain inventories at low level to reduce risks from price volatility.





Besides, the Company also emphasized on safety, health, environment and energy saving at the refinery and oil depots. Employees were campaigned to have a serious and continued concern in this issue. The Company also participated in activities with communities near the refinery and oil depots. There were also indicators to evaluate the annual performance, to maintain confidence and friendliness to the Company. This resulted in the absence of complaints from communities around the refinery and oil depots.

Marketing business

Bangchak's total oil sale at all channels averaged at 52,000 barrels a day or 250 million liters a month, 2% up from 2006. Service stations' sale volume rose from 170 to 179 million liters a month, or 5.1% from the previous year, due to the higher number of stations that offered alternative energy i.e. gasohol 95, gasohol 91 and Power-D B5 (Diesel Formula B5). The fuels enjoyed the state subsidies, allowing the lower prices than other fuel products, as well as the wide-spread promotion campaign. The fuels enjoyed high demand also due to the Company's programme to insure against engine damage caused by gasohol 95 and gasohol 91. This boosted confidence among consumers and the consumption. Higher sale volume was also attributable to the rebranding of 13 service stations on main roads last year, and the service standard improvement - through training of service station operators and staff - to satisfy and impress clients. Aside from contests to award the stations outstanding in various fields, there was the "Mystery Shopper" program where anonymous inspectors were dispatched to stations, to maintain service quality. Low-quality stations and those whose sale volume could not cover costs were also shut down. Meanwhile, Bangchak Gasohol Club Card also enjoyed rising popularity, with the number of members rising from 73,586 in 2006 to 113,500 in 2007. With continual activities with members, the sale volume of gasohol 95 and gasohol 91 rose significantly.

Due to the government's policy to raise marketing margin of alternative energy above those of conventional gasoline and diesel, the Company focused on expanding the number of stations that offered gasohol and Power-D B5 as summarized below.

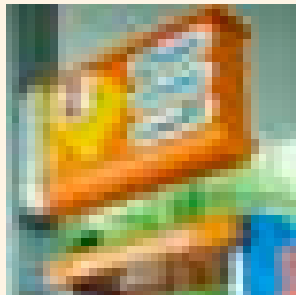
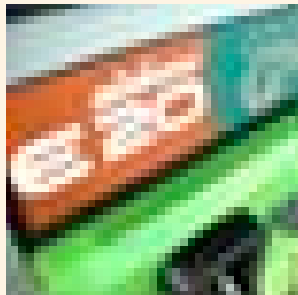


Gasohol

Aside from extending sale of gasohol 95, in 2007 the Company also expanded the service stations that sold gasohol 91 to 497 from 244 at the end of 2006. Combined sale volume in December 2007 thus rose to 23.6 million liters (from 8.5% million liters in December 2006), or the three-fold annualised increase. Bangchak also staged the next step in this market with the production and sale of gasohol E20 to support new cars that win the government's promotion. Since January 1, 2008, E20, priced Bt5-Bt6 per liter against octane-95 gasoline, has been available at 5 pilot stations - Navamin, Kaset, Ekamai-Ram Indra frontage road, Ekamai and Rama III. E20 has growth potential and could strengthen the Company's stance in the alternative fuel market.

Power-D B5

Thanks to the government's policy to promote biodiesel, the Company had expanded the number of stations that sold Power-D B5 from 505 to 710, pushing the sale volume in December 2007 to 52.4 million liters (against 7.4 million liters in December 2006). The Company also has produced and sold B2 diesel, which replaced conventional diesel, prior to the government mandate which wanted to increase the ratio of locally-produced alternative fuel consumption. This reflected the Company's ability in quickly satisfying consumers' need and the government's policy.





The Company also succeeded in non-oil businesses. There are 46 Inthanin coffee shops and 66 Green Auto Service, Green Serve and Green Wash car-care centers. The Company also expanded the number of NGV service stations from 3 to 8. Some convenience stores were shut down, however, as their sale value could not cover expenses.

The industrial market suffered from severe competition due to the sharp drop in bunker oil demand. The Company thus emphasized on maintaining the existing base, with focus on product quality and services. Aside from quality product, the Company also provided technical advice and energy saving advice to clients. Bangchak maintained good relationship with clients through “Bangchak Privileged Club”, one of the customer relations management programmes which has been warmly welcomed. The Company also planned to sell diesel directly to transport companies which tend to consume more Power-D B5, as this could be a new potential market. Moreover, the Company also raised sale volume of liquefied petroleum gas to industrial users and LPG service stations, as this offers higher profits than wholesale business. The sale volume rose to 1,500 tons a month on average (from 200 tons in 2006). The Company also witnessed a 22% increase in lubricant sale volume (from 11.4 million liters in 2006 to 13.9 million liters in 2007), due to higher exports and the production under the original equipment manufacturing (OEM) contracts.

Product Quality Improvement Project (PQI)

The Company has worked on the US\$378 million Product Quality Improvement Project since May 2006. Under the project in the refinery are the hydro cracking unit, the vacuum unit, hydrogen plant and other supporting units. These will allow the Company to produce a higher ratio of gasoline and diesel, to meet rising demand. The bunker oil production will drop due to the low price and a decline in demand. CTCI Overseas Corporation Ltd. and CTCI (Thailand) Co., Ltd. are responsible for the engineering and construction works. The work is awarded with the fixed price, fixed completion date and performance guarantee.

In the past year, most of the work on the project concerned the construction works - from the foundation works, production equipment installation to the pipeline system installation. As of end-December 2007, the Company completely installed the structure to accommodate the pipeline and the equipment of key refining units such as the vacuum unit and the columns and drums. Despite some delay in equipment delivery and unwanted underground items, the Company closely worked with the contractor in solving the problems, with expectation that the project would be completed in late 2008.



Meanwhile, the Company also set up a working committee to prepare for the project in many areas, from the supply of crude oil, product marketing to the public relations with communities and investors. This is to ensure that on completion of the project, the production could immediately start and generate income. The Company also engaged into a contract with PTT Plc., to purchase natural gas, power and steam to reduce the energy cost, strengthen the project's power security, and take a good care of the environment.

After the completion of the PQI project, Bangchak refinery will become a complex refinery which capitalizes on the latest hydro cracking technology. The technology allows the higher ratio of high-value oil from the refining, which is in line with the growing domestic demand. Moreover, it would also bring the Company's infrastructure cost to the same level as other refiners, which will increase the Company's competitiveness and The Company's revenue.

Organization Development

For positive business returns, aside from proper business structure, it requires the appropriate management structure and talented human resources to ensure competitiveness. The Company has continually enhanced the ability of staff at all levels through the introduction of modern administrative and information technology systems.

Work system and work process

For efficient, transparent and competitive operations, the Company has emphasized on the administration improvement through the exercise of the Enterprisewide Risk Management (ERM) at all levels. There are training and brainstorming sessions to identify, evaluate and prepare measures in handling risks which could affect the Company's business goals. Complimenting this is the public relations and activities to push for the exercise of 6 good governance practices - accountability, responsibility, transparency, equitable treatment, vision to create long term value and ethics - in daily work, to eventually create the corporate culture. Information technology is employed to facilitate the documentation, such as the E-workflow and E-procurement which offer higher efficiency and transparency.



Human resource

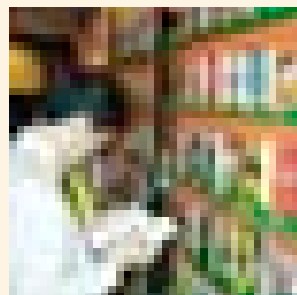
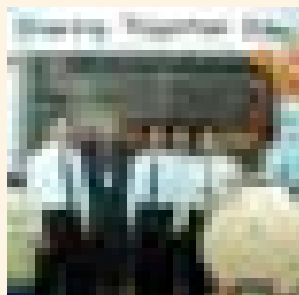
The Company has continually improved the human resource through the programs to boost their ability, skills and core behaviors to fit the Company's core competency which requires six elements.

1. Ability for Adaptation and Initiation - the open mind to changes and creative thinking
2. Leadership - persons with vision and bravery to think and do right things in the transparent way for the organization's sake.
3. Teamwork Spirit - the readiness to work with and help others as well as recognition of teammates' worthiness.
4. Organization Commitment - the dedication to push the organization towards goals in the professional and efficient manner.
5. Personal Mastery - the eagerness to learn and acquire new knowledge and the readiness to use the knowledge in boosting the capability of their own and the organization.
6. Social and "SHEE" Awareness - the awareness and actions on safety, health and environment in line with the international and organization standards, as well as awareness in public services to benefit the organization, communities and society.



Employees are also encouraged to improve their functional competency under the Individual Development Plan completed in line with each competency gap evaluation. On offer are the atmosphere of sharing knowledge, experience and self-study through E-learning, and various activities e.g. IT Day, CG Day and SHEE (safety, health, environment and energy), and the radio service which educates all in legal, IT human resource development, accounting/tax, corporate governance, and others. These will instill a value of life-long learning as well as build corporate culture that supports learning organization in the future.

The employee evaluation system has also been improved for greater clarity and performance-based pay. Focus is also placed on the communications between executives and staff on the Company's goals, direction, and progress. The work place is also improved for higher safety and hygiene. In 2007, according to a survey, 86% of employees were satisfied with their work.



Operation Outcomes on Quality, Safety, Health and Environment

The Company puts great emphasis on health, safety, environment and energy. To prevent impacts on safety, health and environment on employees, the Company's properties, contractors, the public and the Company's image, the Board of Directors has assigned the management to outline the following policies on health, safety, environment and energy as well as the safety management structure.

Policies on health, safety, environment and energy

The Bangchak Petroleum Public Company Limited is a Thai company with integrated oil business that covers the procurement of crude oil, refining, marketing, operated under the philosophy "Develop sustainable business, while safeguarding environment and society".

The Company considers that health, safety and environment management systems of all activities, products and services are of great importance and it is direct responsibility of the management, all employees and contractors in:

- Ensuring safety to themselves and others, communities and environment
- Complying with related laws on health, safety, environment and energy
- Preventing pollution, leaks and loss of oil
- Preventing accidents in all aspects
- Utilizing resources - energy, oil and chemicals - in accordance with goals
- Improving systems on a regular basis

The management must ensure the sufficiency of resources to achieve the set goals and targets, provide trainings to all employees so that they can perform their jobs with responsibility, encourage employees to express their opinions, and review its policies and the management systems.

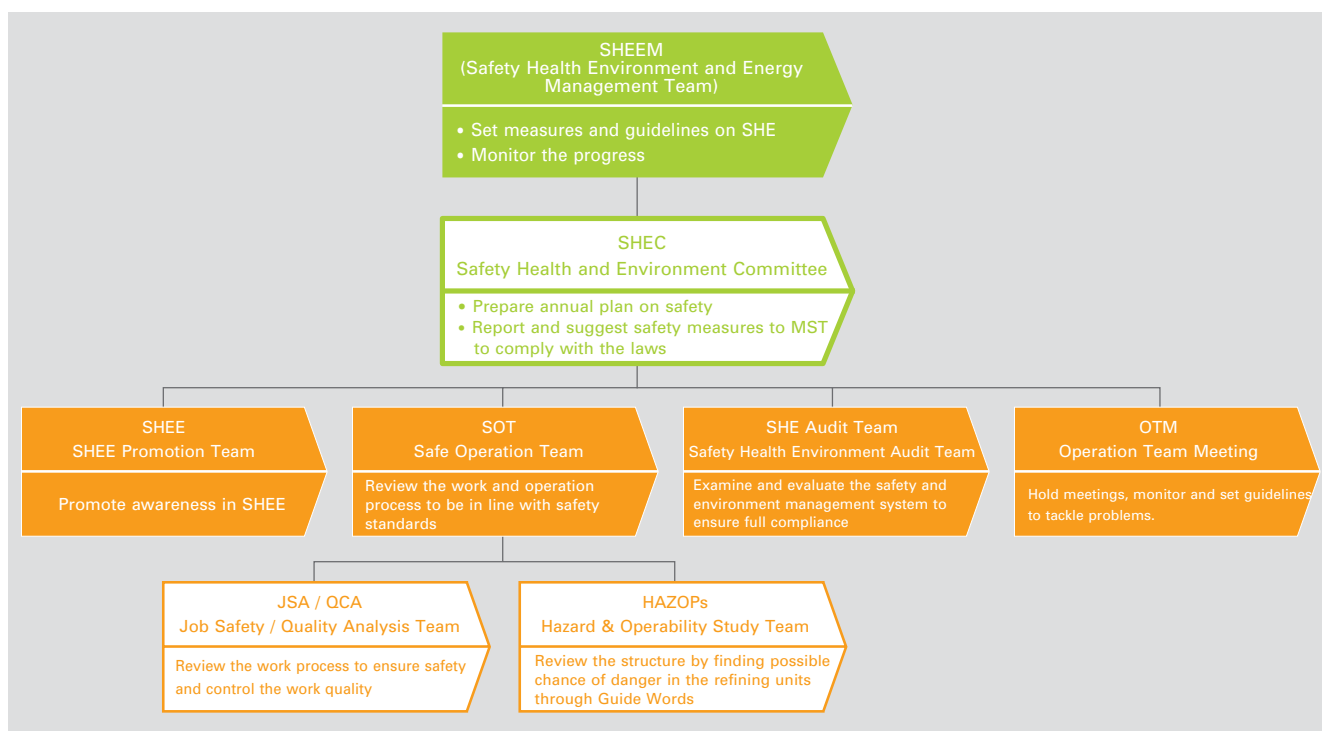
Safety management structure

The safety management structure entails the management and all units in the organization. The structure is divided into the policy committee and the operations committee. The executive committee on safety, health, environment and energy (SHEE) sets the policies and guidelines as well as reviews the systems on a regular basis. It is also empowered to set up sub-committees to promote and strengthen the efficiency and efficiency of safety, health, environment and energy measures, including the crisis management such as fire emergency plan.





Safety Management Structure



Environment and Safety

The Company has maintained its environment, health and safety under the ISO 14001 standard since 1993 and has invested in the work process to reduce resources consumption or increase efficiency of resources utilization such as the introduction of the reverse osmosis system to treat raw water, which resulted in the lower use of water and chemical (See details in the Sustainability Report), the recycle of waste water such as that from the demineralization plant and the de-sulfuization unit. On energy, the Company's power consumption per unit of oil dropped from 3.46% in 2006 to 3.20% in 2007, through the efficiency improvement of the refining units in line with product management plans, new catalyst of the Isomer unit, the cleaning of the heat exchanger, as well as the installation of equipment to increase the heat exchange and reduce blockage. This did not only reduce fuel consumption, but also the emission of carbon dioxide which contributed to the global warming.

On solid waste and highly dirty waste water, the Company used it as fuels and alternative raw materials in cement plant kilns which employ the co-processing system that requires recyclable power. Burning the waste will reduce environmental problems from hazardous wastes. Such waste rose from 571 tons last year to 1,562 tons in 2007 due to more waste water from the biodiesel production unit. On non-hazardous waste e.g. paper and metal scraps, Bangchak forwarded them to those who could reuse or recycle the products while the rest is treated by filling.

On health and safety, Bangchak has complied with the OHSAS/TIS 18001 standards. The same standards also covered the refinery as well as the oil depots in Bangchak and Bang Pa-In. Bangchak also hosted training to keep updated on the new laws such as the ones that focus on safety in air-tight areas. It also organized hosted activities to promote social, safety, health, environment and energy-saving programs to employees as follows:

- **Social & SHEE Channel**

Bangchak disseminates social, safety, health, environment and energy-saving knowledge to all employees through an internal radio channel.

- **Social & SHEE Movie**

In 2007, Bangchak promoted knowledge and awareness in global warming, which needs all supports. Movies that focus on raising the awareness such as “An Inconvenient Truth” was shown to employees three times.

- **Social & SHEE Talk**

For continuity in promoting the awareness in the effects of global warming, the Company hosted a special lectures on “Ease the global heat” by Dr.Thorn Thamrongnavasawat and on “How to live with global warming” by Dr.Jirapol Sindhunava.

- **Social & SHEE Day**

Bangchak organized an exhibition to summarize the activities on Social & SHEE in 2007 and hosted activities to promote safety and health such as a special lecture on “How to inspire your work life” by Dr.Boonchai Kosolthanakul and the physical check-up for Bangchak fireteam by experts from the Sports Authority of Thailand.

On continued safety and health promotion, the reported injuries of employees and contractors as well as the frequencies of accidents tend to decline further.

Beside, Bangchak also has a training center on environment and safety at the Oil Distribution Center in Bang Pa-In, Ayutthaya where there are training programs on safety and environment such as basic fire fighting, advanced fire fighting, fire extinguishing techniques, emergency handling, annual fire drills and environment management accounting (EMA) for employees and outsiders. In the past year, the Company organized 98 training programs on safety for 8,562 participants and 2 environment training programs.



RESEARCH AND TECHNOLOGY

A scientist in a white lab coat is working in a laboratory. The scientist is looking down at a piece of equipment on a table. The table is covered with various pieces of laboratory glassware, including beakers, flasks, and test tubes. Some of the glassware contains liquids of different colors, such as red, blue, and yellow. In the background, there are shelves with more laboratory equipment and a computer monitor. The overall scene is a busy laboratory environment.

Environment and Society Responsibility in Support of Sustainable Development

Bangchak realizes that the development of Thai society would be sustainable only when it starts from the tiniest and most important social unit - family. Once the family is strong, its members can be educated of ethics and knowledge to enhance their capability, particularly the children who are the future of the nation.

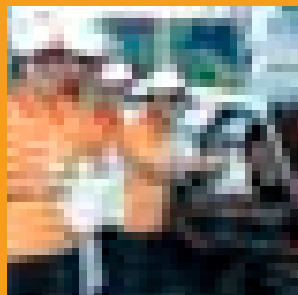
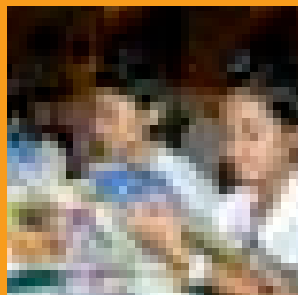
Aside from business operations, the Company assumes the responsibility to have all employees care for continued improvement in the quality of life of families and the youth, starting with those in nearby communities, through friendly and supportive activities to benefit the communities and increase safety. Major projects carried out in 2007 are as follow:

1. Education

1.1 Exhibition boards on “Biodiesel-Gasohol: Thais’ ways of sufficiency”

His Majesty the King has promoted the ideas of turning crops into energy like biodiesel or gasohol for over 20 years. Bangchak, as leader in alternative energy, joined hands with the Office of Basic Education Commission (OBEC) in organizing a contest on exhibition boards and board presenters “Bio-Gasy Brothers” under the “Biodiesel and gasohol: Thais’ way of sufficiency” theme, to promote His Majesty’s ideas particularly to the youth nationwide and to honor the King on his 80th birthday anniversary.

The activity led to the creation of exhibitions and extra-curriculum project for students in Grade 7-9 in over 400 schools in all parts of Thailand. Over 600 “Bio-Gasy Brothers” helped educate them on biodiesel and gasohol with different techniques. The project created knowledge exchange among over 600,000 students.





While students and teachers from 25 schools in five regions won the Prime Minister's awards and award money, they joined the Company's Youth Club to tour the Chitralada Palace Project where Thailand's alternative energy was originated, the Energy of Ministry, and production process at Bangchak's refinery. They also helped campaign for the public to sell used vegetable oil to Bangchak for biodiesel production and received suggestions and techniques in promoting their exhibition boards from actors and professional hosts.

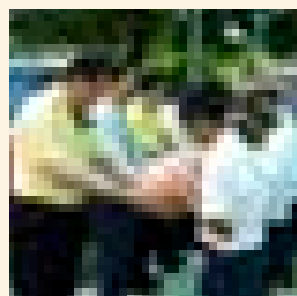
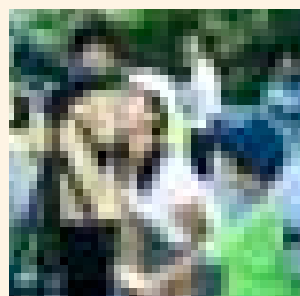
1.2 Open the World of Learning with Bangchak Project

- *Open the World of Learning Activity*

With intention to turn Bangchak refinery into a learning center in the modern education world, where learners are encouraged to learn from direct experience aside from textbooks, the Company joined hands with Bangkok Education Service Area Office 1 to introduce the "Open the World of Learning with Bangchak Project". Participants learnt on various subjects - science, technology, career, social, art, hygiene, Thai and foreign languages - through 2 integrated learning units. They are "Talui Loke Namman" (Explore the Oil World) and "Sangsan Sing Waedlom" (Rebuild Environment). In 2007, the Company welcomed 1,400 teachers and students from primary and secondary schools to the project.

- *Prepare learning tools/exhibitions/science play on alternative energy*

The Company realized the need to develop alternative fuel for sustainable self-reliance along with educating the public particularly the youth of alternative energy advantages. The Company thus staged annual exhibitions and a science play on alternative energy at schools around the refinery and other venues on major occasions like the National Science Week 2007 and schools' science camps.





1.3 My School Project

- ***Phee Son Nong (Bangchak Brothers to Brothers) Activity***

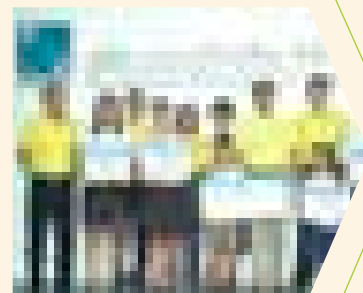
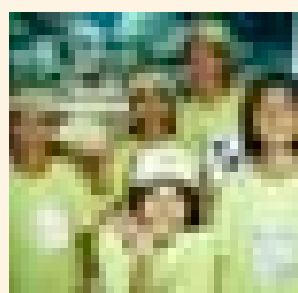
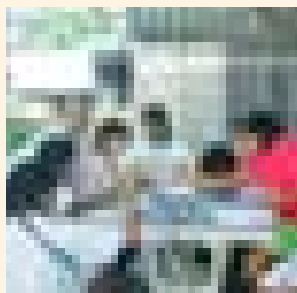
The Company's staff teamed up to organize "Rongrian Khong Noo" (my school) project, to teach children in the near-refinery communities 1-1.5 hours before end of office hours, 4 days a week. This is to help parents, tied up with work that they could not take care of children after school. The staff coached the children, over 20 at a time, on their homework and hosted activities to teach them on mathematics, English, Thai, social subject, arts and ethics in the refinery premises or in the communities.

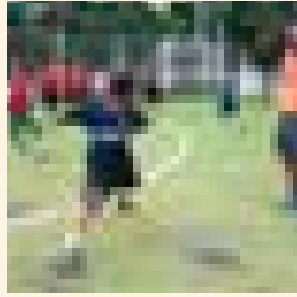
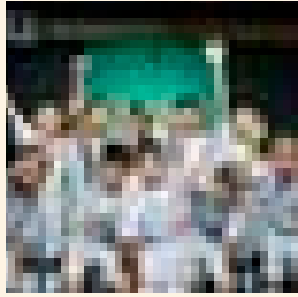
- ***Bangchak Summer Camp***

In summer, after exams, children enjoyed their free time and recharged themselves for the new semester. The Company organized the youth summer camp where over 70 children from communities near the refinery attended 5 - day program (without overnight stay) and enjoyed a variety of activities - recreation, sports, handicraft making, energy studies and tours - provided by the Company's volunteer staff. The children also met friends from other communities. Through the project, the children were taught new knowledge and learnt to improve their emotional development and socializing skills.

1.4 Bangchak scholarships

The Bangchak Public Company Limited has been committed to promoting youth education, particularly the young with good behaviors and kindness but financial problems. Scholarships are provided to students from 19 schools, enlisted for the Company's lunch scheme, and community children for the study in the kindergarten, primary school, secondary school, diploma and bachelor-degree levels. In 2007, the Company awarded 249 scholarships worth Bt726,000.





2. Sports activities

- ***Bangchak sports project***

During the October school break, over 100 male and female children, aged 7-18, living in near-refinery communities joined the futsal training session, hosted by former national football player Surasak Tangsurat and a team of experienced trainers. Aside from the right futsal techniques, the children learnt the team spirit and made friends with others who came from adjacent communities.

- ***Bangchak youth football club***

Thanks to the 6-year operations of the Bangchak youth sport project, the Company has found several talented children in the near communities. To allow the underprivileged children to demonstrate their talents, the Company formed the Bangchak Youth Football Club where talented and dedicated children aged 7-10 years from nearby communities were recruited for the training from former national football players as well as the scientific approach in nurturing their physiques. They also joined several football matches nationwide, as members of the Bangchak Youth Football Club. The Company sponsored the uniforms and equipment, as well scholarships to the children.

3. Safety

Bangchak's community care project

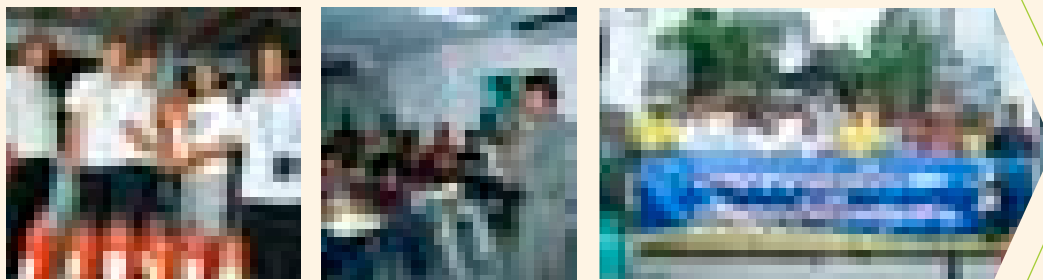
- ***Community safety training activities***

The Bangchak Petroleum Public Company Limited has encouraged communities to pay attention to safety and prevention.

Trainings were organized to educate nearby communities of tips in preventing fires, mostly originated in houses: for example, how to check and maintain the power system and electrical appliances, as well as instructions on the use of fire extinguishers and procedures to handle emergencies. The trainings were supervised by officers from Bangchak's environment and safety training center.

- ***Basic fire fighting***

To prepare the communities of proper procedures at times of emergency, aside from knowledge in fire extinguishers, the Company also hosted Basic fire fighting training for children around the refinery, where they were coached on theories and practiced. The community committees exercised the fire extinguish simulation at Bangchak's environment and safety training center, at the oil depot in Bang Pa-In.



- *Provision of fire extinguishers and chemical filling*

The Company encouraged nearby schools and communities to realize the need of preparation for safety at emergency and non-emergency situation. The Company helped check and change the parts of malfunctioning fire extinguishers, fill up the tanks, and provide new extinguishers to needy schools.

4. Environment

4.1 Purchase of used vegetable oil for biodiesel production

At present, part of over 100 million liters a year of used vegetable oil is used as a raw material in soap or feed mill production and the rest is released to public channels, causing environmental problems. Some are resold at cheap prices for reuse. Medical experiments show that consuming food made of repetitively-used vegetable oil for a long time could lead to the accumulation of polar chemical which affects liver and kidney cells and could cause cancer. Turning used vegetable oil to fuel is a means to reduce the problem. The Company has not only expanded the distribution of biodiesel, but also encouraged the public to consume more biodiesel as advised by His Majesty through the purchases of used vegetable oil for biodiesel production at Bangchak's refinery on Soi Sukhumvit 64 and over 20 Bangchak service stations in Bangkok and peripheral provinces, as well as in Sri Prachan district, Suphan Buri. Bangchak also launched the "Biodiesel for Thai society: Towards Sufficiency Economy to Honor His Majesty the King's 80th birthday" project in cooperation with Bangkok Metropolitan Administration, communities and business enterprises in 50 districts.



Besides, the Company's employees also joined the campaign to buy used vegetable oil at fresh markets and organizations in Bangkok to raise awareness in environmental problems from the dumping of used vegetable oil in public channels and the prevention of health problems by avoiding consuming used vegetable oil.

4.2 Hua Jai Bai Mai (heart of leaves) Project

- *Donation of seedlings to Phu Long*

The Bangchak Petroleum Public Company Limited collaborated with the Lam Patao river source reforestation project (Phu Long) in Chaiyaphum, in reviving the natural forest, expanding the green areas and preserving the river sources. The collaboration, running for five years from 2005 to 2009, is also dedicated to raise awareness in environment conservation and conservation participation among students near the refinery and those in rural provinces. The Company invited five nearby schools and a 1 provincial school to join the seedling planting project, which will produce 20,000 seedlings to Phu Long forest per annum (or 50 rai of forest land).

- *Pha Pa-river source reforestation*

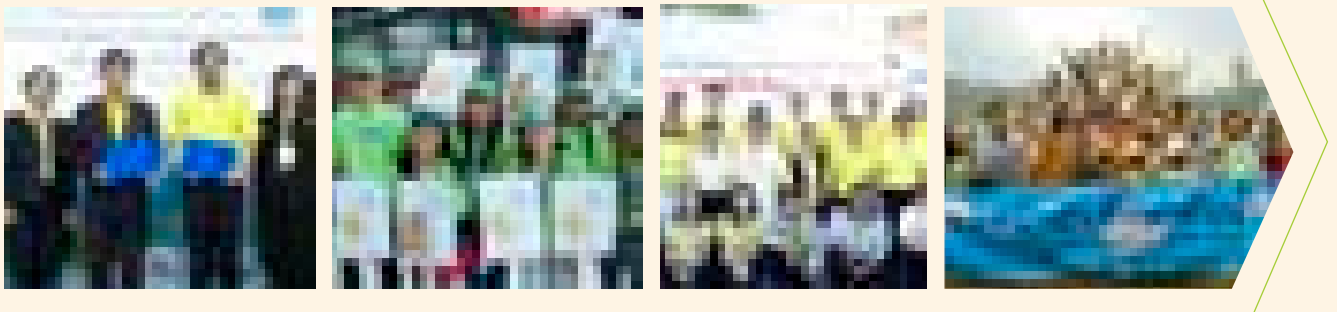
The Company and employees jointly organized a "Pha pa" (robe offering to monks) to raise funds for reservation forest reforestation. The volunteer employees also brought and plant the seedlings - prepared by students in the Phu Long seedling program - at Sukhato Temple in Chaiyaphum.

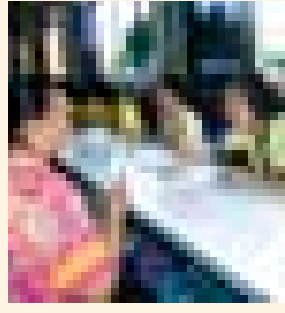
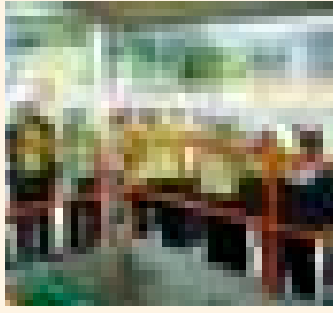
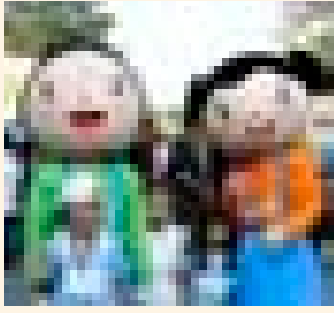
4.3 "Bangchak Rak Chao Phya" (Bangchak conserves Chao Phya)

On Their Majesties' remarks on the conservation of the Chao Phya River which is the main blood vein of Bangkok, the Company accordingly helped collect garbage at Bangchak's refinery pier to clean the river. To commemorate His Majesty the King's 80th birthday, the Company also joined with the Phra Khanong District Office and nearby communities to collect garbage in Bangchak canal and clean the surrounding areas for the better community environment.

4.4 Environment Management Accounting

The Company arranged trainings on "environment management accounting", a tool in raising financial and environment efficiency, to the general public during 24-25 May and 6-7 September 2007. The Company's employees also lectured on the topic at the seminar on "A step forward, report standard, and corporate CSR valuation" on November 7, 2007, to disseminate the knowledge to society.





5. Quality of living

5.1 Health program for community: Wan Kaew project

The Company acknowledged the need of healthcare, as good health leads to good quality of living. It had collaborated with the Electricity Generating Authority of Thailand to organize “Wan Kaew Project”, whereby free optical check-up were provided to people in nearby communities since 2005. In 2007, the project served over 600 persons with eyesight problems.

5.2 United Family Project

The Company realized the significance of “families” - the basic social unit, as a happy family can benefit society. the Company thus encouraged members of families in Bangchak’s neighborhood to spend their free time together, in learning and improving their skills in creative ways. The project also promoted understanding in the maintenance of physical and mental condition of family members as well as in environment and environment conservation. Through activities such as Bangchak yoga, healing massage, health food cooking, bird watching, therapeutic laugh, Chitralada Royal Project’s visit and the family camp (tackling global warming episode); family members exercised their knowledge and expressed opinions, skills and personal talents.

5.3 Relationship strengthening

As Bangchak refinery is located in a city area, the Company and all staff are close to community people. On major occasions of festivals such as employees’ birthday, New Year, Songkran’s Day and Mother’s Day, the Company’s employees brought gifts to the people at their home. Beside, the Company annually opened its door to community people for a luncheon with executives and the tour of the refinery’s production area and environment surroundings. This is to exchange knowledge and inform them of the Company’s business and joint activities with communities. The Company published the journal “Krop Krua Bai Mai” and “Rob Rua” newsletter and communities were invited to express their views through the journal which was released every 2 months.

5.4 Children’s Day

It is undeniable that children are the country’s future and all children are anxiously awaiting the Children’s Day where they are the most important persons. The Company annually hosts the celebration on the day. But as several organizations cancelled the event in 2007 due to unstable conditions, the Company opted to bring gifts to school students and community children.

6. Public services



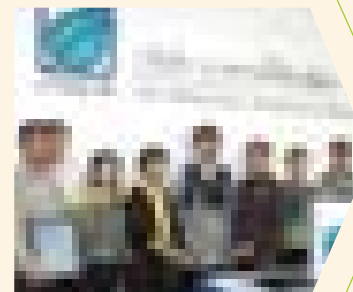
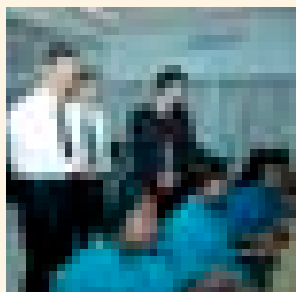


6.1 Religious and cultural volunteer

As part of society and communities, the Company and all employees realized the need of doing good deeds through various activities including blood donation and donation of money and items for the underprivileged. Part of the program was to organize Pha-Pa to raise funds for community temples in collaboration with communities, which needed money in restoring multipurpose buildings where community activities take place.

6.2 Community learning center

Through frequent visits to communities, the Company acknowledged the scarcity of the centers where communities could share their learning and do activities together. The Company built learning centers and nursery centers in communities and provided equipment. The Company also participated in building a fully-equipped computer center and donated some equipments to nearby schools.



Awards of the Year

The Company has emphasized on improving good corporate governance and administration to ensure transparent, efficient and internationally competitive operations as well as satisfy clients in terms of products and services and create positive returns to shareholders. The emphasis is not entirely on maximum profits, as the Company also cares for society and environment on the philosophy of “Develop sustainable business, while safeguarding environment and society”.

In 2007, the Company was recognized as the Company with transparent, efficient and responsible governance and administration, as well as its continued care for society and environment through the following awards:

- **Board of the Year for Exemplary Practices 2006-2007** for the second straight year, by the Thai Institute of Directors in cooperation with the Stock Exchange of Thailand, Board of Trade of Thailand, Federation of Thai Industries, Thai Bankers Association and the Listed Companies Association, in recognition of directors’ excellent compliance to good corporate governance practices in six main areas.
 1. Board of Directors’ corporate governance policy
 2. Board of Directors structure
 3. Board of Directors’ guidelines
 4. Board of Directors’ internal and external relationship
 5. Meeting preparation and handling
 6. Board of Directors’ leadership

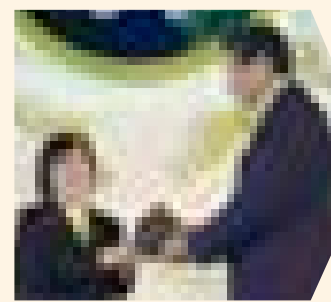
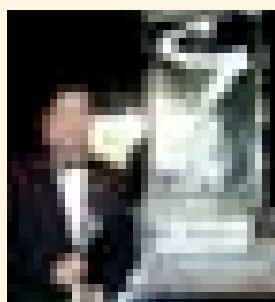


- **First runner-up in the contest on projects on sufficiency economy philosophy (large-sized enterprise category)**, honored as the Company that witnessed concrete success in applying the philosophy in business operations. The “80 Years of Happiness” contest was hosted by the Office of The Royal Development Projects Board (RDPB), to publicize His Majesty the King’s talent and kindness in easing his subjects’ hardships throughout his reign in the occasion of his 80th birthday on 5 December 2007.
- **Recognised as the Company of which shareholder meeting quality rating was 98.74**, with full score for the handling of the meeting, under the annual general meeting quality assessment project in 2007 by the Securities and Exchange Commission (SEC) in cooperation with the Listed Companies Association and the Thai Investors Association.





- **ISO 17025 Certificate for the product analysis and quality improvement laboratory**, with focus on diesel products, from the Thai Industrial Standards Institute (TISI), Ministry of Industry, in recognition of the Company's international standard screening process.
- **Commitment to Social and/or Environment Issues Award**, at "the 6th Thailand Corporate Excellence Awards 2007", organised by Thailand Management Association (TMA) in cooperation with the Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- **Commitment to Energy Saving Award** at "the 6th Thailand Corporate Excellence Awards 2007", organised by Thailand Management Association (TMA) in cooperation with the Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- **CNBC's Corporate Social responsibility Award 2008** announced in CNBC's Asia Business Leader Award (ABLA) presentation hosted by CNBC (Consumer New and Business Channel) and NBC Universal. The award was granted for Bangchak's leading



TRANSPARENCY AND ACCOUNTABILITY



Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of the Bangchak Petroleum Public Company Limited has arranged for the Financial Statement to be prepared so as to report the Company's financial status and operating results for the year 2007, under the Public Company Limited Act B.E. 2535

The Board of Directors is aware of its duties and responsibilities as Directors of a listed company towards the financial reports of the Company as well as its subsidiary for the year 2007. The Financial Statements have been prepared in conformity with the generally accepted accounting principles, using appropriate accounting policy, caution, reasons, and best projection. To the benefits of shareholders and investors, the Financial Statements adequately include important information in their notes.

Furthermore, the Board of Directors has put in place an efficient risk-management system and internal control system to reasonably ensure that all accounting records are accurate, complete and sufficient to safeguard the Company's assets, and to significantly prevent corruption or irregularities.

In this regard, the Audit Committee, which comprises independent Directors, has carried out its duties to oversee the quality of the Financial Statements and internal-control system. Relevant opinions of the Audit Committee are provided in the Report of the Audit Committee as contained in this Annual Report.

The Board of Directors has an opinion that the Company's overall internal control system is satisfactory and provides reasonable assurance that the Financial Statements of the Company and its subsidiaries as of December 31, 2007 are in line with the generally-accepted accounting principles, and are in full compliance with applicable laws and regulations.

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

(Signed) *Anusorn Sangnimnuan*
(Anusorn Sangnimnuan)
President

Audit Committee's Report

To Shareholders

The Bangchak Petroleum Public Company Limited's Board of Directors at the Meeting No.8/2005 resolved to establish the Audit Committee, having Mr.Anusorn Tamajai as Chairman, Mr. Wirat lam-Ua-Yut and Mr. Nipon Surapongrukchareon as members.

On May 31, 2006, the Board of Directors appointed Associate Professor Pranom Kowinwipat, an expert in accounting and auditing, as a member which thus making a total of four independent directors.

In 2007, the Audit Committee attended 12 meetings including four with high-ranking executives (whereby executives with vested interest were absent) to consider different issues. Significant issues are as follows:

1. Considered and reviewed the quarterly and annual financial results and related financial reports to ensure sufficient and in-time disclosure and compliance to general accounting procedures, accounting standards and major accounting changes in 2007.

Reviewed related-party transactions between shareholders and subsidiaries or related companies to ensure that they were normal business transactions, not involving with conflicts, for the highest benefits to the Company.

Arranged meetings with the Company's legal advisers, for updates on significant lawsuits which could be proceeded to court and result in significant impacts to the Company.

2. Ensured that the Company had the internal control system and the appropriate, transparent and efficient internal control. Ensured that the auditors' independence and raised awareness in efficiency improvement as well as in reducing loss of oil in the production process.

In 2007, the Audit Committee realized the importance of increasing the efficiency of the Company's security system. It visited Bang Pa-In Oil Distribution Center, Ayutthaya and provided advice on improvement in several areas - human resource, oil depot administration and logistics management. The Committee also supported the employee training on "good corporate governance: problems and challenges".

3. Ensured the Company's full compliance with all enforced accounting laws, the Stock Exchange of Thailand's rules and regulations, and related business laws, in line with the good corporate governance, with emphasis to raise the Company's performance to exceed the standard.



4. Selected, proposed the appointment and set the fee for A.M.T Associate, the auditor for 2007.
5. Reviewed the Company's risk management and checked all possible risks, as well as promote the cooperation between the Audit Committee and the Enterprisewide Risk Management Committee. In 2007, the Audit Committee and the Enterprisewide Risk Management Committee jointly considered the impacts to Bangchak if PTT Public Company Limited was delisted from the Stock Exchange of Thailand, and if trade receivables turned sour.
6. Monitored and emphasized safety standards and ensure that all employees realize the importance of safety, the good environment of the refinery, as well as community responsibility. Suggestions were provided to enhance the security system and social & SHEE promotion, while visiting the oil depot in Bang Pa-In, Ayutthaya.
7. Improved the Audit Committee's charter in line with good corporate governance, to ensure shareholders, trade partners and clients as well as other stakeholders that the Company's operations are in line with the legal and ethical requirements and that the Company upholds efficient internal control system. The Audit Committee's charter was also improved in line with the Audit Committee's scope of responsibility with emphasis on good corporate governance.
8. Introduced the computerised system for the Audit Management System, which covered the entire work system from the audit planning, operations, reporting to result monitoring. This resulted in standard and speed system, which allowed the Company to move towards the goals in a better manner.

The Audit Committee in 2007 conducted its job within the scope of responsibility. The Audit Committee is of the opinion that the Company's financial statements met significant requirements of the general accounting practices, that the Company disclosed sufficient information on related-party transactions or transactions which could induce conflicts of interest, that the Company's internal control and risk management was appropriate for its business, and that the Company fully complied with the Stock Exchange of Thailand's regulations and related business laws.

(Signed) *Anusorn Tamajai*
(Anusorn Tamajai)
Chairman of Audit Committee

Independent Certified Public Accountants' Report

To the Shareholders of The Bangchak Petroleum Public Company Limited.

I have audited the consolidated balance sheets of The Bangchak Petroleum Public Company Limited and its subsidiary as of December 31, 2007 and the related consolidated statements of changes in shareholders' equity, income and cash flows for the year then ended. I have also audited the financial statements for the same period of The Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The consolidated and the Company's financial statement of The Bangchak Petroleum Public Company Limited and its subsidiary for the year ended December 31, 2006 were audited by another auditor in my office, in accordance with the auditing standards, and express an un-qualified opinion as to the report dated February 12, 2007 and drawn attention that the Company and its subsidiary have changed the cost calculation method of finished petroleum products and crude oil from first-in, first-out to weighted average by restated approach effected from July 1, 2006, to conform with the accounting policies of The PTT Public Company Limited which enter into the Company's major shareholder. The change of the accounting policy has effected the inventories balances in the consolidated and the Separated financial statements as of December 31, 2006 by the increased amount of Baht 533.67 million and Baht 534.70 million respectively. The retained earnings in the consolidated and the Separated financial statements as of January 1, 2006 have equally increased by the amount of Baht 23.13 million. The retained earnings in the consolidated and the Separated financial statements as of December 31, 2006 have equally decreased by the amount of Baht 373.57 million.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bangchak Petroleum Public Company Limited and its subsidiary and of The Bangchak Petroleum Public Company Limited as of December 31, 2007, the results of their operations, and cash flows for the year then ended in conformity with generally accepted accounting principles.



Without qualify opinion to the above financial statement, I draw attention to note 2.20 to the financial statements that beginning the 1 quarter in year 2007, the Company had changed its accounting policy for its investment in subsidiary in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No. 44 "Consolidated and Separate Financial Statements" (revised 2007), the change had been applied retrospectively for the separate financial statements for the year ended December 31, 2006. In my audit, the adjustments made to the separate financial statements are appropriate and have been properly applied.

(Signed) *Natsarak Sarochanunjeen*
(Natsarak Sarochanunjeen)
Certified Public Account
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 15, 2008

Financial Statements

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

		Baht			
		Consolidated		The Company Only	
		As of	As of	As of	As of
		December 31,	December 31,	December 31,	December 31,
		2007	2006	2007	2006
			(Restated)		(Restated)
		Notes			
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	6,450,064,228	2,705,239,667	6,088,212,621	2,599,184,005
Short term investment	5	288,022,000	4,085,050,172	241,011,000	4,045,039,044
Trade accounts receivable - net					
Related parties	3.1	115,613,497	135,171,523	712,652,661	513,911,367
Other parties	6	5,286,555,533	2,628,449,871	5,268,273,637	2,614,298,298
Inventories - net	7	11,029,353,333	8,875,290,581	10,744,400,323	8,640,364,911
Other current assets					
Material and Supplies - net	8	336,332,480	330,044,336	336,332,480	330,044,336
Oil Fund Subsidies Receivable		196,690,719	127,657,672	196,690,719	127,657,672
Others		165,052,010	641,288,084	151,199,980	628,982,624
Total Current Assets		23,867,683,800	19,528,191,906	23,738,773,421	19,499,482,257
NON-CURRENT ASSETS					
Investments in subsidiary	1.3,3.2	-	99,300	490,000	490,000
Other long-term investments	9	12,343,357	3,837,291	11,443,357	2,937,291
Tariff prepayment - net	10	9,761,310	16,963,830	9,761,310	16,963,830
Property, plant and equipment - net	11	18,412,290,880	15,693,094,880	18,407,213,305	15,687,047,894
Intangible assets - net	12	1,267,309,355	1,337,371,120	1,265,857,291	1,335,411,435
Investment in service station - net	13	338,026,060	429,929,700	338,026,060	429,929,700
Other non-current assets					
Deferred income tax assets	14	131,028,038	228,099,928	131,028,038	228,099,928
Others	15	948,321,359	745,301,804	945,556,846	742,548,876
Total Non-Current Assets		21,119,080,359	18,454,697,853	21,109,376,207	18,443,428,954
TOTAL ASSETS		44,986,764,159	37,982,889,759	44,848,149,628	37,942,911,211

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



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

		Baht			
		Consolidated		The Company Only	
		As of	As of	As of	As of
		December 31,	December 31,	December 31,	December 31,
Notes		2007	2006	2007	2006
			(Restated)		(Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
	Bank overdrafts and short-term loans from				
	financial institutions	16	880,000,000	1,200,000,000	880,000,000
	Trade accounts payable				
	Related parties	3.3	8,175,198,958	3,463,897,140	8,177,213,933
	Other parties		836,418,041	730,350,157	782,749,196
	Current portion of long-term loans	17	722,500,000	1,285,000,000	722,500,000
	Other current liabilities				
	Accrued excise tax and oil stabilization fund		293,807,011	291,175,607	293,807,011
	Accrued corporate income tax		667,823,953	-	-
	Accrued expenses		472,108,469	345,608,801	441,027,433
	Liabilities on hedging contracts		929,062,981	486,162,737	929,062,981
	Others		465,437,815	401,676,191	456,250,925
	Total Current Liabilities		13,442,357,228	8,203,870,633	13,341,945,960
	NON-CURRENT LIABILITIES				
	Long-term loans	17	9,438,770,172	10,242,815,428	9,438,770,172
	Other non-current liabilities				
	Liabilities on long-term lease		460,703,710	505,662,502	460,703,710
	Liabilities on service stations leasehold right		7,923,844	12,578,498	7,923,844
	Reserve for pension fund		347,715,363	295,804,368	347,715,363
	Deferred income tax liabilities	14	22,899,589	26,170,959	22,899,589
	Others		41,725,139	51,592,994	29,123,404
	Total Non-Current Liabilities		10,319,737,817	11,134,624,749	10,307,136,082
	Total Liabilities		23,762,095,045	19,338,495,382	23,649,082,042

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

		Baht			
		Consolidated		The Company Only	
		As of	As of	As of	As of
		December 31,	December 31,	December 31,	December 31,
Notes		2007	2006	2007	2006
			(Restated)		(Restated)
SHAREHOLDERS' EQUITY					
Share Capital - Par Value Baht 1.00 per share					
Authorized share capital					
	Common share 1,531,643,461 shares	1,531,643,461	1,531,643,461	1,531,643,461	1,531,643,461
Issued and paid - up share capital					
	Common share 1,119,132,050 shares in 2007 and 18	1,119,132,050	-	1,119,132,050	-
	Common share 1,119,096,351 shares in 2006	-	1,119,096,351	-	1,119,096,351
Capital Surplus					
	Premium on share capital	7,505,333,450	7,504,729,149	7,505,333,450	7,504,729,149
	Capital surplus on registered and paid-up share reduction 19	189,617,759	189,617,759	189,617,759	189,617,759
	Surplus on fixed assets revaluation 11	5,289,307,563	4,283,181,275	5,289,307,563	4,283,181,275
Retained earning (deficit)					
	Appropriated – legal reserve	153,164,346	153,164,346	153,164,346	153,164,346
	Unappropriated	6,967,603,946	5,394,095,497	6,942,512,418	5,441,957,438
	Total Equity of Parent Company's Shareholders	21,224,159,114	18,643,884,377	21,199,067,586	18,691,746,318
	Minority interests	510,000	510,000	-	-
	Total Shareholders' Equity	21,224,669,114	18,644,394,377	21,199,067,586	18,691,746,318
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,986,764,159	37,982,889,759	44,848,149,628	37,942,911,211

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

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

(Signed) Anusorn Sangnimnuan
(Anusorn Sangnimnuan)
President



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Consolidated

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	Baht									
	Issued and paid - up share capital	Premium on share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		Minority interests	Total		
					Appropriated legal reserve	Unappropriated				
Beginning balance as at January 1, 2006	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	510,000	12,870,274,075		(Restated)
Accumulative effects amount: from changing in accounting policy: - Inventory	-	-	-	-	-	23,133,879	-	23,133,879	-	
Beginning balance after adjustment	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,409,099,648	510,000	12,893,407,954		
Issued and Paid-up share capital	428,117,940	-	-	-	-	-	-	428,117,940		
Premium on share capital	-	5,507,068,319	-	-	-	-	-	5,507,068,319		
Share capital increase from redemption of convertible debentures	3,496,503	-	-	-	-	-	-	3,496,503		
Premium on share capital from redemption of convertible debentures	-	46,503,497	-	-	-	-	-	46,503,497		
Transaction not recognised in the income statement	-	-	-	(219,195,685)	-	-	-	(219,195,685)		
Depreciation on the fixed assets revaluation	-	-	-	-	-	-	(22,491)	(22,491)		
Dividend payment for preferred stock	-	-	-	-	-	(206,244,572)	-	(206,244,572)		
Dividend paid	-	-	-	-	-	195,529,535	22,491	195,552,026		
Net profit (loss)	-	-	-	-	-	-	-	-		
Ending balance as at December 31, 2006	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,398,384,611	510,000	18,648,683,491		
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,398,384,611	510,000	18,648,683,491		
Adjustment from changing in accounting policy:- Investment in subsidiary 2	-	-	-	-	-	(4,289,114)	-	(4,289,114)		
Beginning balance after adjustment	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,394,095,497	510,000	18,644,394,377		
Issued and Paid-up share capital	35,699	-	-	-	-	-	-	35,699		
Premium on share capital	-	604,301	-	-	-	-	-	604,301		
Surplus on fixed assets revaluation	-	-	-	1,225,120,984	-	-	-	1,225,120,984		
Transaction not recognised in the income statement	-	-	-	(218,994,696)	-	-	-	(218,994,696)		
Depreciation on the fixed assets revaluation	-	-	-	-	-	(190,248,930)	-	(190,248,930)		
Dividend paid	-	-	-	-	-	1,763,757,379	-	1,763,757,379		
Net profit (loss)	-	-	-	-	-	-	-	-		
Ending balance as at December 31, 2007	1,119,132,050	7,505,333,450	189,617,759	5,289,307,563	153,164,346	6,967,603,946	510,000	21,224,669,114		



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

The Company Only

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

Note	Baht							Total (Restated)
	Issued and paid - up share capital	Premium on share capital	Capital surplus o registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		Total	
					Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2006	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	12,869,764,075	
Accumulative effects amount from changing in accounting policy:	-	-	-	-	-	23,133,879	23,133,879	
Inventory	-	-	-	-	-	(9,102,942)	(9,102,942)	
Investment in subsidiary	-	-	-	-	-	-	-	
Beginning balance after adjustment	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,399,996,706	12,883,795,012	
Issued and Paid-up share capital	428,117,940	-	-	-	-	-	428,117,940	
Premium on share capital	-	5,507,068,319	-	-	-	-	5,507,068,319	
Share capital increase from redemption of convertible debentures	3,496,503	-	-	-	-	-	3,496,503	
Premium on share capital from redemption of convertible debentures	-	46,503,497	-	-	-	-	46,503,497	
Transaction not recognised in the income statement	-	-	-	-	-	-	-	
Depreciation on the fixed assets revaluation	-	-	-	(219,195,685)	-	-	(219,195,685)	
Dividend paid	-	-	-	-	-	(206,244,572)	(206,244,572)	
Net profit (loss)	-	-	-	-	-	248,205,304	248,205,304	
Ending balance as at December 31, 2006	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,957,438	18,691,746,318	
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,467,438	18,691,256,318	
Adjustment from changing in accounting policy: Investment in subsidiary	-	-	-	-	-	490,000	490,000	
Beginning balance after adjustment	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,957,438	18,691,746,318	
Issued and Paid-up share capital	35,699	-	-	-	-	-	35,699	
Premium on share capital	-	604,301	-	-	-	-	604,301	
Surplus on fixed assets revaluation	-	-	-	1,225,120,984	-	-	1,225,120,984	
Transaction not recognised in the income statement	-	-	-	-	-	-	-	
Depreciation on the fixed assets revaluation	-	-	-	(218,994,696)	-	-	(218,994,696)	
Dividend paid	-	-	-	-	-	(190,248,930)	(190,248,930)	
Net profit (loss)	-	-	-	-	-	1,690,803,910	1,690,803,910	
Ending balance as at December 31, 2007	1,119,132,050	7,505,333,450	189,617,759	5,289,307,563	153,164,346	6,942,512,418	21,199,067,586	

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

Statements of Income

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	Notes	Baht			
		Consolidated		The Company Only	
		2007	2006	2007	2006
			(Restated)		(Restated)
Revenues					
Sales	21	94,979,389,602	94,269,873,360	94,133,738,943	93,538,667,989
Other incomes					
Interest income		201,442,497	176,556,635	193,080,660	171,750,103
Gain from foreign exchange	22	-	119,859,177	-	119,859,177
Gain from crude oil and product oil price hedging contract	25.3	-	681,505,796	-	681,505,796
Reversal of loss from Inventory write - down		57,285,234	2,432,080	54,510,520	59,005
Gain from assets disposal		-	420,951	-	-
Loss adjustment from impairment of assets		10,130,021	4,482,408	10,130,021	4,482,408
Others		207,797,176	122,023,289	201,427,424	83,531,886
Total Revenues		95,456,044,530	95,377,153,696	94,592,887,568	94,599,856,364
Expenses					
Cost of sales		88,887,102,519	92,148,004,412	88,524,161,416	91,721,815,757
Selling and administrative expenses		2,221,707,505	2,009,938,172	1,811,942,828	1,611,850,362
Other expenses					
Depreciation		304,103,478	301,376,653	301,410,171	298,507,222
Directors' remuneration		7,683,785	14,920,000	7,648,785	14,890,000
Loss from Inventory write - down		1,636,684	57,285,234	-	54,510,520
Loss from foreign exchange	22	46,996,035	-	46,996,035	-
Loss from crude oil and oil product price hedging contract		594,923,245	-	594,923,245	-
Loss from assets disposal		18,734,566	11,796,596	18,734,564	11,796,596
Loss from impairment of assets		50,657,981	459,194	50,657,981	459,194
Total Expenses		92,133,545,798	94,543,780,261	91,356,475,025	93,713,829,651
Profit (Loss) Before Interest Expense and Income Tax		3,322,498,732	833,373,435	3,236,412,543	886,026,713
Interest expenses	23	(655,282,570)	(744,938,400)	(655,282,570)	(744,938,400)
Income tax	14	(903,458,783)	107,116,991	(890,326,063)	107,116,991
PROFIT (LOSS) AFTER INCOME TAX		1,763,757,379	195,552,026	1,690,803,910	248,205,304
MINORITY INTERESTS		-	(22,491)	-	-
NET PROFIT (LOSS)		1,763,757,379	195,529,535	1,690,803,910	248,205,304
BASIC EARNINGS PER SHARE	24				
Earnings per share (Baht)		1.58	0.20	1.51	0.26
Number of weighted average shares (shares)		1,119,116,054	959,703,294	1,119,116,054	959,703,294
DILUTED EARNINGS PER SHARE	24				
Earnings per share (Baht)		1.38	0.20	1.32	0.26
Number of weighted average shares (shares)		1,313,109,491	1,139,270,220	1,313,109,491	1,139,270,220

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

(Signed) General Tawat Ked-Unkoon

(General Tawat Ked-Unkoon)

Chairman

(Signed) Anusorn Sangnimnuan

(Anusorn Sangnimnuan)

President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	Note	Baht			
		Consolidated		The Company Only	
		2007	2006	2007	2006
			(Restated)		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES :					
Net profit (loss)		1,763,757,379	195,529,535	1,690,803,910	248,205,304
Adjustments to reconcile net profit to net cash provided by					
(used in) Operating Activities					
Depreciation		642,126,488	649,803,560	639,433,181	646,934,130
Bad debt and doubtful debts		32,412,990	12,146,125	28,213,890	7,037,698
Amortization		196,569,206	210,916,623	196,061,584	210,800,969
Loss (gain) from foreign exchange	22	33,525,887	50,969,973	33,525,887	50,969,973
Loss (Gain) from assets impairment		40,527,960	(4,023,215)	40,527,960	(4,023,215)
Deferred income tax	14	93,800,520	(128,515,145)	93,800,520	(128,515,145)
Loss (gain) from fixed assets disposal		18,734,566	12,215,648	18,734,564	11,794,697
Reserve for pension fund		51,910,995	38,226,664	51,910,995	38,226,664
Deferred revenue		(1,687,913)	(1,237,159)	(1,687,913)	(1,237,159)
Minority interests		-	22,491	-	-
Operating gain before changes in operating assets and liabilities		2,871,678,078	1,036,055,100	2,791,324,578	1,080,193,916
Operating assets (increase), decrease					
Trade accounts receivable		(2,607,408,254)	900,169,983	(2,818,757,596)	911,148,654
Inventories		(2,154,062,752)	2,098,691,677	(2,104,035,411)	2,069,694,332
Other current assets		406,541,764	132,301,658	412,602,486	134,760,208
Operating liabilities increase, (decrease)					
Trade accounts payable		4,829,669,471	(1,346,497,619)	4,823,667,758	(1,332,452,149)
Other current liabilities		1,047,503,739	(421,272,266)	1,025,316,963	(424,255,615)
Other non - current liabilities		(8,197,045)	(12,211,755)	(8,825,774)	(11,897,347)
Net Cash Provided by (Used in) Operating Activities		4,385,725,001	2,387,236,778	4,121,293,004	2,427,191,999

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



THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	Note	Baht			
		Consolidated		The Company Only	
		2007	2006	2007	2006
			(Restated)		(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES :					
Decrease(increase) in temporary investments		3,797,028,172	(4,085,050,172)	3,804,028,044	(4,045,039,044)
Decrease(increase) in long-term investments		(1,286,444)	7,107,750	(1,286,444)	7,107,750
Proceeds from Liquidation of a subsidiary		99,300	-	-	-
Acquisition in property, plant and equipments		(2,307,870,100)	(2,295,867,741)	(2,306,146,202)	(2,291,747,996)
Proceeds from sales of property, plant and equipment		18,613,074	21,569,067	18,613,074	21,569,067
Decrease(increase) in intangible assets		(46,361,588)	(42,996,081)	(46,361,588)	(40,920,741)
Decrease(increase) in other non - current assets		(224,968,668)	(66,798,696)	(224,957,086)	(66,797,350)
Net Cash Provide by (Used in) Investing Activities		1,235,253,746	(6,462,035,873)	1,243,889,798	(6,415,828,314)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase(decrease) in bank overdrafts and short-term loans from financial institutions		(320,000,000)	(800,000,000)	(320,000,000)	(800,000,000)
Proceeds from long - term loans		-	623,100,000	-	623,100,000
Payment of long - term loans		(1,366,535,256)	(524,994,572)	(1,366,535,256)	(524,994,572)
Dividend paid		(190,248,930)	(206,244,572)	(190,248,930)	(206,244,572)
Dividend payment for preferred stock		-	(22,491)	-	-
Proceeds from issued and paid-up shares capital		35,000	428,117,940	35,000	428,117,940
Proceeds from premium on shares capital		595,000	5,507,068,319	595,000	5,507,068,319
Net Cash Provided by (Used in) Financing Activities		(1,876,154,186)	5,027,024,624	(1,876,154,186)	5,027,047,115
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		3,744,824,561	952,225,529	3,489,028,616	1,038,410,800
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		2,705,239,667	1,753,014,138	2,599,184,005	1,560,773,205
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	6,450,064,228	2,705,239,667	6,088,212,621	2,599,184,005
Additional disclosure for the statement of cash flows					
Cash paid during the years for					
Interest expenses		665,157,382	732,541,130	665,157,382	732,541,130
Income tax		(223,214,123)	618,019,203	(227,857,371)	616,037,049

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

Notes to Financial Statements

For The Year Ended December 31, 2007 and 2006

1. General Information

1.1 General matter

The Company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The Company operates in Thailand and the main business is operating an oil refinery and marketing the finished products through its service stations under its company's brand. The Company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. As at December 31, 2007 and 2006, the Company employed 864 and 827 employees respectively and the employees related expenses were Baht 663.82 million and Baht 576.28 million respectively.

The Bangchak Green Net Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on July 13, 1993. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The Company operates in Thailand with its main business being the running of the Bangchak service stations and the consumer goods retail shops under the Lemon Green and the Bi-Chak brand. It also provides other services to accommodate future expansion in the retail business. As at December 31, 2007 and 2006, the Company employed 1,837 and 1,652 employees respectively and the employee related expenses were Baht 209.71 million and Baht 189.04 million respectively.

1.2 Basis for preparation and presentation of financial statements

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

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

1.3 Related parties

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

Name	Type of business	Relationship	Share holding (%)
Subsidiary :			
● The Bangchak Green Net Co., Ltd.	Manage BCP service station And consumer goods retailer	Holding and joint directors	49.00%
● The Retail Net Co., Ltd.	Manage BCP service station (The liquidation of the Company was completed on October 3, 2007)	Indirect holding and joint directors	48.66%
● The Bangchak Green Line Co., Ltd.	Fuel transportation. (Company is in self liquidation process)	Indirect holding and joint directors	49.00%



Name	Type of business	Relationship	Share holding (%)
Related companies :			
● PTT Public Company Limited.*	Petroleum business	Holding and joint directors	-
● Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%
● Thai Oil Public Company Limited *	Oil refinery	Related company of PTT	-
● Aromatics(Thailand)Public Co., Ltd.*	Petrochemical	Related company of PTT	-
● PTT Aromatics and Refining Public Company Limited **	Petrochemical and Refining	Related company of PTT	-
● Thai Lube Base Public Co., Ltd.*	Lubrication base refinery	Related company of PTT	-
● IRPC Public Company Limited *	Petrochemical	Related company of PTT	-
● IRPC Oil Company Limited *	Refined Petroleum business	Related company of PTT	-
● NPC Safety and Environmental Service Co., Ltd.**	Safety and Environmental business	Related company of PTT	-

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. and The Retail Net Co., Ltd. in its consolidated financial statements as The Bangchak Green Line Co., Ltd. has been in the process of self-liquidation and the investment in The Bangchak Green Line Co., Ltd. was written-off whereas The Retail Net Co., Ltd. has registered the completion of its liquidation to the Ministry of Commerce on October 3, 2007 and repaid The Bangchak Green Net Co., Ltd. its investment in The Retail Net Co., Ltd.

* Relationship has been established since May 16, 2006.

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

1.4 Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550, No. 38/2550 and No. 62/2550 regarding Thai Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandate the use of the Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled. Thai Accounting Standards (revised version) which are not effective for the current period are as follow :

TAS No. 25	Cash Flows Statements (revised 2007)
TAS No. 29	Leases (revised 2007)
TAS No. 31	Inventories (revised 2007)
TAS No. 33	Borrowing Costs (revised 2007)
TAS No. 35	Presentation of Financial Statements (revised 2007)
TAS No. 39	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2007)
TAS No. 41	Interim Financial Reporting (revised 2007)
TAS No. 43	Business Combinations (revised 2007)
TAS No. 49	Construction Contracts (revised 2007)
TAS No. 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after January 1, 2008.

However, the management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

1.5 Others

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Sales Revenue

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

Income from operating right

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

Interest income

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

2.2 Cash and cash equivalents

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



2.3 Allowance for Doubtful Accounts

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

2.4 Inventories

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

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

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

2.5 Materials and Supplies

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

2.6 Investments in Subsidiaries

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

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

2.7 Other Long-Term Investments

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

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

2.8 Property, Plant and Equipment

Property, plant and equipment are presented by cost method net of the accumulated depreciation and the allowance for assets impairment.

The Company revalues assets every five years by an independent appraiser for machinery, equipment and refinery plants and platinum catalyst. The machinery, equipment and refinery plants comprised of boat piers, machinery and equipment in the refinery.

The mentioned assets are presented based on Depreciated Replacement Cost approach less the accumulated depreciation and recorded the incremental value of the assets in “Machinery, equipment and refinery plants and platinum catalyst - Revalued.” The excess of share capital from revaluation is presented under the Shareholders’ Equity as “Surplus on fixed assets revaluation”. Depreciation is calculated from the initial cost (Cost Model) and recorded in the statement of income. Depreciation of the revalued assets is deducted from “Surplus on fixed assets revaluation” under the Shareholders’ Equity which complies with the announcement no. 25/2549 of The Federation of Accounting Professions.

Should the assets revalued be lower than their initial cost, the reduced value is charged against the surplus on fixed assets revaluation until that amount is fully depleted before booking the remaining value as expense in the profit and loss for that same accounting period.

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

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

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

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

2.9 Borrowing Cost

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

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

2.10 Intangible Assets

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



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

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

2.11 Deferred Income Tax

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

The temporary differences arise from the allowance for doubtful accounts, pension fund reserve, and accumulated depreciation of equipment.

2.12 Impairment of assets

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

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

2.13 Foreign Currencies

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

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

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

2.14 Crude and Product Oil Price Hedging Contract

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

2.15 Deferred Revenue

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

2.16 Pension Fund Reserve

A reserve is established for pension fund to qualified employees who have worked with the Company for five years or over at the full amount of the entitled pension at the end of each accounting year.

2.17 Legal Reserve

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

2.18 Registered Provident Fund

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

2.19 Earnings per Share

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

2.20 Accounting policy changes

In the quarter ended March 31, 2007 the Company had changed its accounting policy for its investments in subsidiary companies in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No. 44 "Consolidated and Separate Financial Statements (revised 2007)". The change in accounting policy is recorded retrospectively to the separate financial statements for its investments in subsidiary companies with cost method for the year ended December 31, 2006, with effects to the Company's financial statements as follows :-

- The investments in subsidiaries as at December 31, 2006 increased by Baht 0.49 million.
- The retained earnings as of December 31, 2006 and 2005 increased and decreased by Baht 0.49 million and Baht 9.10 million respectively.
- The net income for the year ended December 31, 2006 increased by Baht 9.59 million.
- The earnings per share for the year ended December 31, 2006 increased by Baht 0.01 per share.

3. RELATED PARTY TRANSACTION

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



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

3.1 Trade accounts receivable - related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Subsidiaries				
• The Bangchak Green Net Co., Ltd.	-	-	597.04	378.74
Related Companies				
• PTT Public Company Limited.	115.29	76.52	115.29	76.52
• The Related Companies of PTT	-	58.33	-	58.33
• Fuel Pipeline Transportation Ltd.	0.32	0.32	0.32	0.32
Total Accounts receivable				
• Related parties net	115.61	135.17	712.65	513.91

3.2 Investments in subsidiary

Name	Relationship	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				December 31, 2007		
				Investments	Net Book Value	Dividend
				Cost Method		
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	27.84	-

Name	Relationship	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				December 31, 2006		
				Investments	Net Book Value	Dividend
				Cost Method		
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	(42.85)	-

3.3 Trade accounts payable - related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Subsidiary				
• The Bangchak Green Net Co., Ltd.	-	-	2.01	2.16
Related Companies				
• PTT Public Company Limited	6,319.29	2,120.39	6,319.29	2,120.39
• The Related Companies of PTT	1,846.71	1,336.51	1,846.71	1,336.51
• Fuel Pipeline Transportation Ltd.	9.20	7.00	9.20	7.00
Total Account Payable related parties	8,175.20	3,463.90	8,177.21	3,466.06

3.4 Transaction with related parties

Transactions with related parties for the year ended December 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Revenue from sales of oil	4,232.60	12,600.23	17,575.79	23,727.48
Revenue from operating right	-	-	73.83	74.25
Other Revenue	50.35	9.14	56.28	15.72
Cost of pipeline transportation	86.56	79.69	86.56	79.69
Crude and Product purchase	72,350.53	53,485.95	72,350.53	53,485.95
Terminal service and other	56.23	52.53	56.23	52.53

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

4. CASH AND CASH EQUIVALENTS

As at December 31, 2007 and 2006 cash and cash equivalents consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Cash and deposits at Banks *	6,450.06	2,705.24	6,088.21	2,599.18
Fixed deposit (maturity is not longer than 3 months) *	-	-	-	-
Total	6,450.06	2,705.24	6,088.21	2,599.18



* Included Banks deposits for PQI project as at December 31, 2007 and 2006 amounting to Baht 2,918.16 million and Baht 800.12 million respectively.

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

5. SHORT TERM INVESTMENT

As at December 31, 2007 and 2006, short term investments consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Fixed deposit	288.02	269.12	241.01	229.11
Fixed deposit for investment in PQI Project **	-	3,815.93	-	3,815.93
Total	288.02	4,085.05	241.01	4,045.04

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

6. TRADE ACCOUNTS RECEIVABLE - OTHER PARTIES

As at December 31, 2007 and 2006, trade accounts receivable consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Trade accounts receivable - other parties	5,378.62	2,717.81	5,357.31	2,700.11
Less : Allowance for doubtful accounts	(92.06)	(89.36)	(89.04)	(85.81)
Trade accounts receivable - other parties - net	5,286.56	2,628.45	5,268.27	2,614.30

As at December 31, 2007 and 2006, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2007	2006
Over 3 months to 6 months	36.86	1.99
Over 6 months to 12 months	0.41	6.50
Over 12 months	55.42	85.67
Total	92.69	94.16

7. INVENTORIES - NET

As at December 31, 2007 and 2006, inventories consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Crude oil	6,783.24	4,565.31	6,783.24	4,565.31
Finished oil product	4,196.74	4,311.17	3,129.56	4,129.56
Consumer product	51.01	56.09	-	-
<u>Less</u> : Allowance for devaluation	(1.64)	(57.28)	-	(54.51)
Inventories - net	11,029.35	8,875.29	10,744.40	8,640.36

Inventories as at December 31, 2007 and 2006, are included petroleum legal reserve of 331.09 million liters approximated value Baht 6,135.06 Million and 328.50 million liters approximated value Baht 4,843.45 Million respectively.

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

8. MATERIAL AND SUPPLIES - NET

As at December 31, 2007 and 2006, material and supplies consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Material and supplies	346.66	350.50	346.66	350.50
<u>Less</u> : Allowance for obsolescence	(10.33)	(20.46)	(10.33)	(20.46)
Material and supplies - net	336.33	330.04	336.33	330.04

9. OTHER LONG-TERM INVESTMENTS

As at December 31, 2007 and 2006, other long-term investments consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Investment in capital paper				
• Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less</u> : Allowance for impairment	(181.75)	(181.75)	(181.75)	(181.75)
• MFC Energy Fund	8.49	-	8.49	-
Investment in capital paper – net	8.49	-	8.49	-
Investment in commercial paper				
• The Express way Authority of Thailand's bond	0.90	0.90	-	-
• The Government bond	3.00	3.00	3.00	3.00
<u>Less</u> : Discount on investments	(0.05)	(0.06)	(0.05)	(0.06)
Investment in commercial paper – net	3.85	3.84	2.95	2.94
Total other long-term investments	12.34	3.84	11.44	2.94



On October 25, 2005, the Company invested in The Government's bond, B.E. 2547 no.4 with 5 years duration, amounting to Baht 2,917,337.43. The total 3,000 units bond, which face value Baht 1,000 per unit and stated interest rate at 4.25% per annum payable twice per year in February and August, was registered on August 13, 2005. The discounted amount of Baht 82,662.57 on the stated value will be amortized by straight-line method spreading over the duration of the bond. During the year ended December 31, 2007, the Company amortized the discount to be income amounting to Baht 17,102.64.

On August 3, 2007, the Company invested in MFC Energy Fund, a redeemable special open-end mutual fund established for institutional investors, for a total committed purchase amount of Baht 200 million at a unit price of Baht 10. Payment for the investment has been called at Baht 8.4 million with the balance to be paid by installments. Return on the investment will be allocated by the fund within 15 working days after the fund manager receives the return on investment except that the investment committee decides that the proceeds are to be reinvested.

10. TARIFF PREPAYMENT - NET

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some parts of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest shall be established as a receivable in a suspense account which will be written-off if FPT fulfill the agreement, without default, over a three-year consecutive period.

The financial statements as at December 31, 2007 show an outstanding prepaid tariff amounting Baht 139.28 million which the Company has provided an allowance for doubtful debt of Baht 129.52 million. The balance is Baht 9.76 million. The difference in the interest rates, which is pending in the suspense account, has been written-off as follows ;

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

The Company will consider the write-off of the interest pending in the suspense account during January 1, 2005 to December 31, 2007 amounting Baht 26.19 million annually. The allowance for doubtful debt for the interest has been fully provided.

11. PROPERTY, PLANT AND EQUIPMENT - NET

Million Baht

Consolidated

	Land	Building	Machinery, equipment refinery plants and terminal	Marketing and office equipment	Platinum Catalyst	Vehicles	Construction work in progress	Total
Cost / Revaluation								
At January 1, 2007	1,360.05	502.52	23,386.41	3,762.96	322.70	125.96	2,977.04	32,437.64
Additions	-	-	-	1.73	-	-	2,397.40	2,399.13
Borrowing Cost	-	-	-	-	-	-	25.38	25.38
Disposals	-	-	(7.23)	(112.73)	(49.60)	(0.30)	(2.42)	(172.28)
Reclassification	8.59	25.19	1,213.35	90.33	-	2.24	(214.44)	1,125.26
At December 31, 2007	1,368.64	527.71	24,592.53	3,742.29	273.10	127.90	5,182.96	35,815.13
Accumulated depreciation :								
At January 1, 2007	-	(328.21)	(13,801.84)	(1,921.70)	-	(83.85)	-	(16,135.60)
Additions	-	(16.68)	(597.98)	(229.29)	-	(16.95)	-	(860.90)
Disposals	-	-	156.35	71.81	0.30	-	-	228.46
Reclassification	-	-	(0.63)	0.36	-	-	-	(0.27)
At December 31, 2007	-	(344.89)	(14,244.10)	(2,078.82)	-	(100.50)	-	(16,768.31)
Allowance for impairment								
At January 1, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Reversal of loss on impairment of assets	0.53	-	-	(26.11)	-	-	-	(25.58)
At December 31, 2007	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
Property, plant and equipment - net								
At January 1, 2007	791.02	174.31	9,584.01	1,801.90	322.70	42.11	2,977.04	15,693.09
At December 31, 2007	800.14	182.82	10,347.87	1,598.00	273.10	27.40	5,182.96	18,412.29
Depreciation included in income statements for the :								
Year ended December 31, 2006								649.80
Year ended December 31, 2007								642.13
Property, plant and equipment are classified by cost and revaluation								
Cost								
At December 31, 2006	1,360.05	502.52	13,304.57	3,762.96	134.57	125.96	2,977.04	22,167.67
Add (Less) : Reclassification	8.59	25.19	85.61	(20.67)	-	1.95	2,205.92	2,306.59
Less : Accumulated depreciation	-	(344.89)	(8,192.53)	(2,078.82)	-	(100.51)	-	(10,716.75)
Less : Allowance for impairment	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
At December 31, 2007	800.14	182.82	5,197.09	1,598.00	134.57	27.40	5,182.96	13,122.98
Revaluation								
At December 31, 2006	-	-	10,081.84	-	188.13	-	-	10,269.97
Add(Less) : Changing in appraisal surplus	-	-	1,120.50	-	(49.60)	-	-	1,070.90
Less : Accumulated depreciation	-	-	(6,051.56)	-	-	-	-	(6,051.56)
At December 31, 2007	-	-	5,150.78	-	138.53	-	-	5,289.31
Property, plant and equipment - net								
At December 31, 2007	800.14	182.82	10,347.87	1,598.00	273.10	27.40	5,182.96	18,412.29



Million Baht

	The Company Only							Total
	Land	Buiding	Machinery, equipment refinery plants and terminal	Marketing and office equipment	Platinum Catalyst	Vehicles	Construction work in progress	
Cost / Revaluation								
At January 1, 2007	1,360.05	502.52	23,386.41	3,724.61	322.70	120.90	2,977.04	32,394.23
Additions	-	-	-	-	-	-	2,397.40	2,397.40
Borrowing Cost	-	-	-	-	-	-	25.38	25.38
Disposals	-	-	(7.23)	(112.72)	(49.60)	(0.29)	(2.42)	(172.26)
Reclassification	8.59	25.19	1,213.35	90.33	-	2.24	(214.44)	1,125.26
At December 31, 2007	1,368.64	527.71	24,592.53	3,702.22	273.10	122.85	5,182.96	35,770.01
Accumulated depreciation :								
At January 1, 2007	-	(328.21)	(13,801.84)	(1,886.88)	-	(81.30)	-	(16,098.23)
Additions	-	(16.68)	(597.98)	(227.58)	-	(15.97)	-	(858.21)
Disposals	-	-	156.35	71.79	-	0.30	-	228.44
Reclassification	-	-	(0.63)	0.36	-	-	-	(0.27)
At December 31, 2007	-	(344.89)	(14,244.10)	(2,042.31)	-	(96.97)	-	(16,728.27)
Allowance for impairment								
At January 1, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Reversal of loss on impairment of assets	0.53	-	-	(26.11)	-	-	-	(25.58)
At December 31, 2007	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
Property, plant and equipment - net								
At January 1, 2007	791.02	174.31	9,584.01	1,798.37	322.70	39.60	2,977.04	15,687.05
At December 31, 2007	800.14	182.82	10,347.87	1,594.44	273.10	25.88	5,182.96	18,407.21
Depreciation included in income statements for the :								
Year ended December 31, 2006								646.93
Year ended December 31, 2007								639.43
Property, plant and equipment are classified by cost and revaluation								
Cost								
At December 31, 2006	1,360.05	502.52	13,304.57	3,724.61	134.57	120.90	2,977.04	22,124.26
Add (Less) : Reclassification	8.59	25.19	85.61	(22.39)	-	1.95	2,205.92	2,304.87
Less : Accumulated depreciation	-	(344.89)	(8,192.53)	(2,042.31)	-	(96.97)	-	(10,676.70)
Less : Allowance for impairment	(568.50)	-	(0.56)	(65.47)	-	-	-	(634.53)
At December 31, 2007	800.14	182.82	5,197.09	1,594.44	134.57	25.88	5,182.96	13,117.90
Revaluation								
At December 31, 2006	-	-	10,081.84	-	188.13	-	-	10,269.97
Add(Less) : Changing in appraisal surplus	-	-	1,120.50	-	(49.60)	-	-	1,070.90
Less : Accumulated depreciation	-	-	(6,051.56)	-	-	-	-	(6,051.56)
At December 31, 2007	-	-	5,150.78	-	138.53	-	-	5,289.31
Property, plant and equipment - net								
At December 31, 2007	800.14	182.82	10,347.87	1,594.44	273.10	25.88	5,182.96	18,407.21

In December 2007, the Company has revalued the machinery, equipment and refinery plant and platinum catalyst by an independent appraiser accepted by the Securities and Exchange Commission and the Stock Exchange of Thailand and recorded the incremental value of the appraised assets amounting Baht 1,070.90 million. The surplus on fixed assets revaluation has increased to Baht 5,289.31 million.

If the depreciation of the revalued assets is recorded in the statements of income according the Revalue Model, the effects of the net income and earnings per share will be as follows :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Net profit and earnings per share :				
Net profit (million Baht)	1,763.76	195.53	1,690.80	248.20
Earnings per share (Baht)	1.58	0.20	1.51	0.26

The effects of the net income and earnings per share, if the depreciation of the revalued assets is recorded in the statements of income according to the Revalue Model ;

Net profit (million Baht)	1,610.46	31.13	1,537.50	83.81
Earnings per share (Baht)	1.44	0.03	1.37	0.09

The Company has mortgaged its land, buildings and machinery which the net book value as at December 31, 2007 and 2006 were Baht 15,948.02 million and Baht 12,988.47 million respectively as collateral with financial institutions for the credit facilities extended to the Company by the financial institutions as mentioned in Note 17.1

Construction in progress is the investment in PQI project which is partially financed by an issuance of new common shares to PTT. The Company has entered into a long term business cooperation agreement with PTT as referred in Notes 25.3.4.

12. INTANGIBLE ASSETS - NET

As at December 31, 2007 and 2006, intangible assets consisted of:



	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Cost				
Leasehold right	2,131.30	2,112.49	2,131.30	2,112.49
License and development costs of				
Computer software	197.16	184.21	195.20	182.13
	2,328.46	2,296.70	2,326.50	2,294.62
Accumulated amortization				
Leasehold right	(950.65)	(864.11)	(950.65)	(864.10)
License and development costs of				
Computer software	(97.86)	(84.41)	(97.35)	(84.30)
	(1,048.51)	(948.52)	(1,048.00)	(948.40)
Total	1,279.95	1,348.18	1,278.50	1,346.22
Less : Allowance for impairment	(12.64)	(10.81)	(12.64)	(10.81)
Intangible assets – net	1,267.31	1,337.37	1,265.86	1,335.41

On February 27, 2004, The Treasury Department permitted the Company to pay, by installments, the leasehold fee of Baht 551.63 million covering the extension of the lease agreement of state-owned land on which the Company's refinery and the head office are located. The initial lease agreement, which expires on April 1, 2015, will be extended by 18 years under the new lease agreement, which will expire on March 31, 2033. The installment payments of the mentioned fee will be on an annual basis, commencing from the year 2007 - 2009 at Baht 45.97 million per annum, year 2010 - 2012 at about Baht 61.29 million per annum and year 2013 - 2015 at about Baht 76.62 million per annum. The amounts of Baht 505.66 million and Baht 45.97 million are recorded as liability, against the long-term leasehold right and other current liability. The Company has extended the length of the net book value of the leasehold right to March 31, 2033, so as to correspond with terms of the new lease agreement.

In addition, The Treasury Department also permitted the Company to utilize the mentioned leasehold right to pledge as security against loan and to place the building structures, including machinery on the leased land as collateral for credit facilities from financial institutions, as referred to in Notes17.1.

13. INVESTMENT IN SERVICE STATIONS

The investment in service stations is for business expansion and the approach taken by the Company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As at December 31, 2007 and 2006, the balances outstanding in the investment in service stations account are Baht 338.03 million and Baht 429.93 million respectively. The Company amortized the investment in service stations to expense amounting Baht 53.81 million and allowance for impairment of the investment in service stations amounting Baht 22.34 million in this accounting period.

14. INCOME TAX AND DEFERRED INCOME TAX

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

	Tax rates
The Company	30
Net income for the portion not exceeding Baht 300 million for the accounting period of five years from 2002 to 2006	25
Subsidiaries	15-30

Deferred income tax as at December 31, 2007 and 2006 are as follows:

	Million Baht	
	Consolidated	The Company Only
Deferred income tax assets		
As at December 31, 2006	228.10	228.10
Income tax expenses	(97.07)	(97.07)
As at December 31, 2007	131.03	131.03
Deferred income tax liabilities		
As at December 31, 2006	26.17	26.17
Income tax expenses	(3.27)	(3.27)
As at December 31, 2007	22.90	22.90

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

In 2007, the Company has written off the deferred income tax assets amounting Baht 102 million from the utilization of tax privilege in 2006 for the investment in PQI project which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) "Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes." The Company is awaiting the result of the consideration of the Revenue Department of the examination of the Company's application for 2006 corporate income tax refund as disclosed in note 25.4.



15. OTHER NON-CURRENT ASSETS - OTHERS

As at December 31, 2007 and 2006, other non-current assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
15.1 Fixed deposit for staff welfare	210.42	186.38	210.42	186.38
15.2 Deposit for crude and product oil price hedging contract	410.89	184.22	410.89	184.22
15.3 Deferred expenses for the issuance of debentures and long-term loans	66.91	80.00	66.91	80.00
15.4 Others	260.10	294.70	257.34	291.95
Total	948.32	745.30	945.56	742.55

15.1 Fixed deposit for staff welfare

As at December 31, 2007 and 2006, the Company has fixed deposit accounts with a bank of Baht 210.42 million and Baht 186.38 million respectively with interest rates of 1.0-1.25 % per annum. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

15.2 Deposit for crude and product oil price hedging contract

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

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

In January 2004, the Company issued Baht 4,000 million convertible debentures and in February 2004, the Company entered a loan contract with Krung Thai Bank Public Company Limited for a Baht 12,500 million credit line. The Company paid fees for the issuance of convertible debentures, expenses for the loans and other expenses in the amount of Baht 114.63 million. On May, 2006, the Company issued Baht 585.60 million of convertible into common stock, subordinated registered debentures. The Company paid fees for into the issuance of convertible debentures, expense for the loans and other expense in the amount of Baht 2.63 million. This was recorded as deferred expenses for the issuance of debentures and long-term loans and amortized using the straight line accounting method based on the loan life and weighted with the debt balance.

For the year ended December 31, 2007, the amortization of expenses on the borrowing and the issuance of the convertible debentures was Baht 13.09 million.

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

As at December 31, 2007 and 2006, bank overdrafts and short-term loans from financial institutions consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Bank overdrafts	-	-	-	-
Short-term loans from financial institutions	880.00	1,200.00	880.00	1,200.00
Total	880.00	1,200.00	880.00	1,200.00

Short-term loans from financial institutions are part of the credit facilities covered by collateral as describe in Note 17.1. As at December 31, 2007, the Company has the short-term loan of Baht 880 million bared the interest rates at 5.875 % per annum. As at December 31, 2006, the Company has the short-term loan of Baht 1,200 million bared the interest rates at 5.10 % per annum.

17. LONG-TERM LOANS

As at December 31, 2007 and 2006, long-term loans consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
17.1 Loans from bank	7,399.72	7,821.26	7,399.72	7,821.26
17.2 Debentures	-	800.00	-	800.00
17.3 Convertible debentures	2,761.55	2,761.56	2,761.55	2,761.56
17.4 Promissory notes	-	145.00	-	145.00
Total	10,161.27	11,527.82	10,161.27	11,527.82
Less : Current portion of long-term loans	(722.50)	(1,285.00)	(722.50)	(1,285.00)
Long-term loans	9,438.77	10,242.82	9,438.77	10,242.82

17.1 Loans from bank

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

In April 2006, the Company has amended the loan agreement with Krung Thai Bank Public Company Limited which the bank extended an additional credit line of Baht 2,000 million short-term loans to the Company. With the new credit line, the short-term loan credit line and the total credit line with the bank have been increased to Baht 6,000 million and Baht 14,500 million respectively.



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

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

The loan agreement secured by the same Company's assets and contains certain covenants and restrictions as referred in Notes 17.1.1

17.2 Debentures

As at December 31, 2007, the Company has no outstanding balance of the debenture, issue no. 25/2545, because, on December 2, 2207, the Company had paid up the total 800,000 units of unsecured, unsubordinated, registered debentures with the holders' names with the interest rate of 6.25% per annum to be paid twice annually on June 2 and December 2 of each year.

17.3 Convertible debentures

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

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

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

As at December 31, 2007, the convertible debentures holders exercised the right by redeeming 182,405 units of the convertible debentures, the balance of convertible debentures was 276,155 units

17.4 Promissory note

As at December 31, 2007, the Company has no outstanding balance of the promissory note. The transferable and unsecured promissory note with interest rate of 6.25% per annum of baht 145 million has matured and has been paid during 2007.

18. ISSUED AND PAID - UP SHARE CAPITAL

On May 16, 2006, the Company issued 428,092,940 units of ordinary shares, Par Value of Baht 1.00 per share, Offered price of Baht 14 per share, and have already been paid up in full amount of Baht 5,993,301,160. As at December 31, 2007, the issued and paid-up share capital is amounting to Baht 1,119,132,050.

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

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

20. WARRANTS

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

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

20.1.1 145% of the total allotted warrants is exercisable on the first year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 21 or higher, over a consecutive period of 5 days.



20.1.2 25% of the total allotted warrants is exercisable on the second year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 23 or higher, over a consecutive period of 5 days.

20.1.3 30% of the total allotted warrants is exercisable on the third year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 25 or higher, over a consecutive period of 5 days.

20.2 On May 15, 2006, the Company issued 69,092,486 units of no offering price warrants for the purchase of Ordinary Shares to the Company's existing shareholders whose names are in the share register book as at the closing date of the share register book, which is on April 20, 2006. The allocation ratio of the existing shares to the new warrants is 10 existing shares for 1 unit of warrant, Term of Warrants 5 years, exercised price Baht 18.00 per share, exercised ratio 1 warrant : 1 ordinary share (the exercised price and exercised ratio may be changed in accordance with the conditions for adjustment of rights)The warrant holders are able to exercise the warrants on the last business day of March, June, September, and December throughout the term of the warrants. The first exercise date shall be September 30, 2006, and the last exercise date shall be at the end of term of warrants, which is on May 14, 2011.

As at December 31, 2007, the warrants (BCP-W1) holders exercised the right by redeeming 60,000 warrants; the balance of the

21. SALES

Sales revenue for the year ended December 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Sales revenue from fuel products	94,933.86	94,219.21	94,014.38	93,413.76
Income from investment charge	45.53	50.66	119.36	124.91
Total	94,979.39	94,269.87	94,133.74	93,538.67

22. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the year ended December 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Realized gain (loss) from foreign exchange	(13.47)	170.83	(13.47)	170.83
Unrealized gain(loss) from foreign exchange	(33.53)	(50.97)	(33.53)	(50.97)
Total	(47.00)	119.86	(47.00)	119.86

23. INTEREST EXPENSE

The total interest expense for 2007 was Baht 680.66 million, of which Baht 25.38 million was capitalized as cost of work in progress and Baht 655.28 million was expense.

24. EARNINGS PER SHARE

The calculation of basic earnings per share and diluted earnings per share in the consolidated and the Company's financial statements for the year ended December 31, 2007 and 2006 are as follows:

	Million Baht							
	Basic Earnings per Share				Diluted Earnings per Share			
	Consolidated		The Company Only		Consolidated		The Company Only	
	2007	2006	2007	2006	2007	2006	2007	2006
Net income attributable to ordinary shareholders	1,763.76	195.53	1,690.80	248.21	1,763.76	195.53	1,690.80	248.21
Adjustment of net income	-	-	-	-	47.78	49.92	47.78	49.92
Net income for the calculation of earnings per share	1,763.76	195.53	1,690.80	248.21	1,811.54	245.45	1,738.58	298.13
Weighted average number of ordinary shares for the calculation of earnings per share (million shares)	1,119.12	959.70	1,119.12	959.70	1,313.11	1,139.27	1,313.11	1,139.27
Earnings per share (Baht/ share)	1.58	0.20	1.51	0.26	1.38	0.20	1.32	0.26



25. CONTINGENT LIABILITIES AND COMMITMENTS

25.1 Liabilities on guarantees

As at December 31, 2007, the Company's total liabilities in the form of bank guarantees is amounted to Baht 415.21 million. These guarantees are mainly to cover application for corporate income tax refund, land lease agreement and the electricity usage.

25.2 Litigation

As at December 31, 2007, the Company has allegation as follows:

- 25.2.1 The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. The civil court dismissed on April 30, 2003 and now is being appealed with the appeal court.
- 25.2.2 The Company was accused in accompany with the government, PTT and other private sectors, called upon to pay 210 million Baht in compensation for an infringement of the petty patentee's rights as the Patent Act in case of producing and selling Bio-diesel. Now is being appealed with the court of first instance. The Company's Legal Office has its opinion that the Company will win the case.
- 25.2.3 An international crude oil carrier hired by the Company has claimed to the Company for a damage caused by a crude oil lighter hired by the Company for amount of Baht 17 million. Presently, the dispute is under the consideration of an arbitrator. The Company's Legal Office has its opinion that the Company will win the dispute.

25.3 Commitments

As at December 31, 2007, the Company has commitments as follows:

- 25.3.1 The Company has entered into 3.07 million barrels oil price hedging contracts with foreign oil traders for oil price of the period from January 2008 to December 2008.
- 25.3.2 The Company has foreign currency buying and selling forward contracts covering the period to April 2008 amounting US\$ 44.61 million which is equivalent to Baht 1,504.73 million and amounting US\$ 228.01 million which is equivalent to Baht 7,686.60 million respectively. The Company also has a foreign currency selling forward contract covering the period to December 2008 amounting US\$ 23 million which is equivalent to Baht 775.80 million. In addition, 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 US\$ 23 million in 2008, US\$ 69 million in 2009 and US\$ 52 million in 2010 respectively.
- 25.3.3 The Company applies the financial instrument to manage the risk for PQI Project as follows:
 - 25.3.3.1 Buying forward contracts cover the period to September 2008 amounting to US\$ 152.83 million which is equivalent to Baht 5,666.50 million.
 - 25.3.3.2 Buying Interest Rate Swap contracts amounting to Baht 8,242 million covering the PQI Project loan principles during its construction phase.
- 25.3.4 The Company has entered into subscription agreements with PTT as follows:
 - 25.3.4.1 Feedstock Supply Agreement, to enhance the Company's feedstock supply, which PTT will supply crude oil and other feedstocks for the refinery. The agreement has been effective since May 16, 2006 and shall be in effect for an initial period of twelve years after PQI's commercial operation date (COD).

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

25.3.4.3 The Company has signed a Head of Agreement of "Cogeneration Project" with PTT which PTT invests in a 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. The Company is going to sign an agreement to sell and purchase of electricity and steam with PTT in quarter 1 of 2008. It is anticipated that the completion of the construction of the power plant and the commencement of its commercial operation will be around mid of 2009.

25.4 The Company has utilized the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) "Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes" which the Company has paid its 2006 corporate income tax about Baht 40 million less than the case that the Company chose not to utilize the tax privilege. The Revenue Department is examining the Company's application for 2006 corporate income tax refund. The Company believes that the utilization of such tax privilege is fully in accordance with the announcement mentioned above.

26. DISCLOSURE FOR FINANCIAL INSTRUMENTS

26.1 Risk from foreign exchange rate

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

26.2 Risk from interest rate

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

26.3 Risk from product oil price in the global market

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



26.4 Risk from credit term

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

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

26.5 Fair value

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

27. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statements of income of the Company segmented by type of business for the year ended December 31, 2007 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	92,250.92	66,857.37	(64,974.54)	94,133.75
Cost of sales	(87,964.71)	(65,534.00)	64,974.54	(88,524.17)
Gross margin	4,286.21	1,323.37	0.00	5,609.58
Selling and administration expenses	(495.44)	(1,165.89)	0.00	(1,661.33)
Other incomes (expenses)	(381.07)	51.17	0.00	(329.90)
Depreciation and amortization	(24.23)	(435.44)	0.00	(459.67)
EBIT	3,385.47	(226.79)	0.00	3,158.68
Gain (loss) from impairment				(40.53)
Gain (loss) from foreign exchange – others				(74.82)
Interest expense – net				(462.20)
Income tax				(890.33)
Net profit				1,690.80
EBITDA	3,768.80	208.65	0.00	3,977.45

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

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	91,448.05	64,659.36	(62,568.74)	93,538.67
Cost of sales	(91,244.36)	(63,046.19)	62,568.74	(91,721.81)
Gross margin	203.69	1,613.17	0.00	1,816.86
Selling and administration expenses	(301.87)	(1,171.27)	0.00	(1,473.14)
Other incomes (expenses)	869.48	29.99	0.00	899.47
Depreciation and amortization	(7.43)	(444.68)	0.00	(452.11)
EBIT	763.87	27.21	0.00	791.08
Gain (loss) from impairment				4.02
Gain (loss) from foreign exchange - others				(80.82)
Interest expense – net				(573.19)
Income tax				107.12
Net profit				248.21
EBITDA	1,141.08	471.88	0.00	1,612.96

28. DIVIDEND

On April 27, 2007 a resolution of the Company's shareholders annual general meeting approved the distribution of dividend for the year ended December 31, 2006 at Baht 0.17 per share for 1,119,111,351 ordinary shares, amounting to Baht 190,248,930 and which was paid in May 2007.

29. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On January 31, 2008, the Company has entered into a foreign currency selling forward contract cover the period to December 2008 amounting to US\$ 5 million.

30. ACCOUNT RECLASSIFICATION

The Company has reclassified certain items in the financial statements for the year ended December 31, 2006 to comply with the financial statements for the year ended December 31, 2007 by presenting the "Foreign currency forward contracts," previously presented in "Other current assets" in "Other current liabilities" and reclassified the "Other account receivable" previously presented in "Other trade-account receivable" to "Other current assets". Such reclassifications do not affect the net profit or the shareholders equity as previously reported.

31. THE APPROVAL FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the designated management on February 15, 2008.





Opinions on the Related-Party Transactions

The Board of Directors' opinions on the Company's related-party transactions as of December 31, 2007 can be summarized as follow;

Company	Relationship	Related-party Transaction	Value (million baht)	
			2007	2006
PTT Plc.	Major shareholder	• Oil products sold to PTT	3,627	9,016
		• Other revenue	42	-
		• Outstanding trade debts	115	77
		• Oil products purchased from PTT	50,281	35,042
		• Outstanding trade receivables	6,319	2,120
		• Sri Racha oil depot fee paid to PTT	56	53
Ministry of Finance	Shareholder	• Guarantor of CD-DR principal		
		• As of December 31, 2007, outstanding units were numbered 217,595, carrying the face value of Bt10,000 apiece	2,176	
		• As of December 31, 2006, outstanding units were numbered 217,596, carrying the face value of Bt10,000 apiece		2,176
		• Guarantor of the principal of BCP-DR1, totaling 520 million units with face value of Bt13 apiece	6,761	6,761
Bangchak Green Net Co., Ltd. (BGN)	Subsidiary	• Oil sold to BGN	13,343	11,127
		• Value of promotional products sold to BGN	6	7
		• Royalty fee	74	74
		• Outstanding trade debts	597	379
		• Outstanding trade receivables	2	2
Fuel Pipeline Transportation Co., Ltd.	Related Company	• Oil transportation fee	87	80
		• Outstanding unpaid transportation fee	9	7
		• Land rents, infrastructure fees, depot fee	8.33	9.14
		• Outstanding trade debts	0.32	0.32
Thai Oil Plc. (TOP)	Related Company through PTT	• Oil products sold to TOP	605	3,584
		• Outstanding trade debts	-	58
		• Oil purchased from TOP	8,599	11,828
		• Outstanding trade receivables	535	947



Company	Relationship	Related-party Transaction	Value (million baht)	
			2007	2006
PTT Aromatics and Refining Plc. (PTTAR)*	Related Company through PTT	<ul style="list-style-type: none"> Oil purchased from PTTAR Outstanding trade receivable 	2,336 213	2,255 67
Thai Lube Base Plc.	Related Company through PTT	<ul style="list-style-type: none"> Oil purchased from Thailube Outstanding trade receivable 	362 19	365 1
IRPC Plc.	Related Company through PTT	<ul style="list-style-type: none"> Oil purchased from IRPC Outstanding trade receivable 	10,772 1,080	3,481 321
IRPC Oil Co., Ltd.	Related Company through PTT	<ul style="list-style-type: none"> Oil purchased from IRPC Oil Outstanding trade receivables 	0.20 -	- -
NPC Safety & Environmental Service Co., Ltd.	Related Company through PTT	<ul style="list-style-type: none"> Training fee Outstanding trade receivables 	0.05 0.05	- -

* The entity arising from the merger of Aromatics (Thailand) Plc. and Rayong Refinery Plc. on December 27, 2007

1. Related Transactions with PTT Plc.

Concerning the supply of crude oil, PTT is the supplier of crude oil under the feedstock supply agreement, drawn to enhance the Company's feedstock supply efficiency. On refined oil purchase, PTT Plc. notifies the Company of the demand six months in advance. Yet, there is a monthly meeting to confirm the refined oil demand. Market price is applied.

2. Related Transactions with the Ministry of Finance

The ministry guarantees the convertible debentures (CD-DR) and the equity derivatives (BCP-DR1), issued by Siam DR Co., Ltd. as part of The Company's financial restructuring. The issues allowed the Company to raise funds under better conditions.

3. Related Transactions with Bangchak Green Net Co., Ltd.

Bangchak Green Net Co., Ltd. was established to operate Bangchak service stations and the distribution of products through Lemon Green and Bai Chak shops. The related-party transactions are in line with normal business conditions and based on market prices as well as details in the operating contract.

4. Related Transactions with Fuel Pipeline Transportation Co., Ltd.

The Company engaged into an oil transportation agreement with Fuel Pipeline Transportation Co., Ltd., for the shipment of oil from Bangchak depot to the Bang Pa-in Oil Distribution Center for the distribution to the Company's clients in the Central, North and Northeast regions. It is deemed a normal business practice, executed on market price.

5. Related Transactions with Thai Oil Plc.

Business between the Company and Thai Oil, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price.

6. Related Transactions with PTT Aromatics and Refining Plc.

Business between the Company and PTT Aromatics and Refining, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price.

7. Related Transactions with Thai Lubabase Plc.

Business between the Company and Thai Lubabase, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price.

8. Related Transactions with IRPC Plc.

Business between the Company and IRPC, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price.

9. Related Transactions with IRPC Oil Co., Ltd .

Business between the Company and IRPC Oil, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price

10. Related Transactions with NPC Safety and Environmental Service Co., Ltd.

Business between the Company and PTT Aromatics and Refining, which is related through PTT Plc.'s shareholding, is a normal business practice and based on market price

The related-party transactions are normal business practice. There is no extraordinary item or the item which indicates the siphoning between the Company, subsidiaries, related companies and shareholders. The transactions are approved by the Company's President, authorized under the Company's rules and regulations, except the guarantee for the convertible debentures and equity derivatives by the Ministry of Finance which allowed the Company to tap funds at better conditions compared to the unguaranteed fund raising.

The disclosure of the related-party transactions comply with the Securities and Exchange Commission and the Stock Exchange of Thailand's regulations, as well as the Federation of Accounting Profession's accounting standards on disclosure of information on related individuals or enterprises.

Policy on future Related-Party Transactions in the future

It remains necessary for the Company to purchase oil or use the oil transportation services from the related companies in the future, as these are normal business activities of operators in the same industry of which fees are based on market price and/or details in trade agreements. However, before entering into the contracts, the Company places the Company's maximum benefits as the priority. The Audit Committee and Internal Control Office also supervise and screen the Company's operations, to ensure compliance with the Securities and Exchange Act and the regulations/announcements/directives of the Stock Exchange of Thailand. On any transaction involving an executive, the executive will abstain from voting at the meeting.





Management's Discussion and Analysis

For the year ended December 31, 2007

Business Overview for 2007

Oil Price Situation

For the year 2007, the world oil market was in upward trend, oil prices were continuously increased since beginning of the year. This situation was resulted from concerned over possible supply shortage due to geopolitical problem especially in Nigeria and Mexico, the lower than expected U.S. oil reserves and the unchanged of the OPEC's oil production level. In addition, the economic problems in the U.S. caused the U.S. dollar to depreciate continuously. These factors has pressured oil price to be in an upward trend (average Dubai crude price for year 2007 was 68.41 USD/BBL, 11.3% increased from the year 2006 which was 61.48 USD/BBL). For domestic market, oil price had followed same pattern as the world market. However, the retail domestic oil price was moved at slower pace than the world price and resulted to diminution in domestic marketing margins.

Dubai Crude oil price had reached a new record high at 90.13 USD/BBL on November 26, 2007, it was droved by expectation that supply will remain tight throughout the year 2008. Moreover, the U.S. Federal Reserve's decision to further cut interest rates caused more mobilization of hedge funds investment into commodities market and it will be additional factor for oil price to increase further. However, at this high level of oil price, Funds might rebalance their portfolio by assign lower weight of oil and add higher weight of other commodities. Furthermore, the concern over economic recession in the U.S. may impact global oil demand growth so as to weaken the oil prices.

Refinery Production

For the year 2007, the Company's crude run production was 66.3 KBD, comparing to 56.3 KBD of the year 2006. This is due to the successful execution of Fuel Oil Very Low Sulfur (FOVS) export contracts with various Chinese refineries which will convert the FOVS to Gasoline and Gas Oil. The average volume of FOVS under these contracts is around 100-120 million liters per month. Currently, the Company has reached agreements to extend the term of those contracts until the end of 2008.

Marketing Situation

For domestic market in the year 2007, the retail marketing margins were squeezed by increasing in cost of refined products (increased in Ex Refinery prices) according to world oil market. However, the Company has turned this expensive oil price situation to become opportunities to expand sales volume in retail gas station business trough biofuels i.e. gasohol 91 RON and B5 bio-diesel. Currently, bio-fuels has become widely acceptable by consumers due to government's various support and promotion, assurance by car's manufacturers and guaranteed by oil companies.



1.Explanation and Analysis of the Operating Results for the year 2007 compared with 2006

	2007		2006	
	Consolidated	Company	Consolidated	Company
• Total Revenues, Million Baht	95,456	94,593	95,377	94,600
• Net Profit (Loss), Million Baht	1,764	1,691	196	248
• Gross Profit margin, %	6.41	5.96	2.25	1.94
• Net Profit Margin, %	1.85	1.80	0.21	0.27
• Earning Per Share, Baht/Share	1.58	1.51	0.20	0.26

1.1 Net Profit/(Loss) Analysis

- 1) For year 2007, the consolidated financial statements recorded net profit of Baht 1,764 million, which being the Company's net profit of Baht 1,691 million and the subsidiary's (Bangchak Green Net Company Limited- BGN) net profit of Baht 71 million and adjustment of connected transactions of Baht +2 million.
- 2) The Company's EBITDA was Baht 3,977 million, increased from Baht 1,613 million of last year by Baht 2,364 million. Performance breakdown by business unit are as follow;

Table: Details of breakdown EBITDA

(Million Baht)	2007 (A) (Audited)	2006 (B) (Revised)	Changing +/- (A) - (B)
• EBITDA	3,977	1,613	+2,364
• Refinery	3,768	1,141	+2,627
• Marketing	209	472	-263
• (Less) Inventory Gain	(1,857)		-1,857
Plus Inventory Loss		710	-710
• Adjusted EBITDA	2,120	2,323	-203
• Refinery	1,911	1,851	+60
• Marketing	209	472	-263

- EBITDA of the Refinery Business was Baht 3,768 million, increased from Baht 1,141 million of last year. Total Gross Refining Margin (GRM) for this year was 5.10 USD/BBL higher than last year which was at 2.29 USD/BBL. The Company's crude run was at 66.3 KBD higher than last year which was only at 56.3 KBD. In case of excluding inventory effects, GRM would be 3.19 USD/BBL higher than last year which was at 3.05 USD/BBL.

USD/BBL

GRM from	2007	2006	Changing +/-
Base GRM	3.13	2.01	+1.12
Improvement Program	0.02	0.31	-0.29
GRM Hedging	0.04	0.73	-0.69
Inventory Gain (Loss)	1.85	(0.70)	+2.55
Write Down	0.06	(0.06)	+0.12
Total	5.10	2.29	+2.81

- Base GRM for this year was increased from last year by 1.12 USD/BBL since almost all of products/Dubai crack spread was improved from last year. The Fuel oil/Dubai crack spread was significantly increased by 2.29 USD/BBL compare with 2006 due to the increasing in fuel oil's demand as a result of the incident of nuclear power plant in Japan. Products crack spread were shown below.

USD/BBL

Products crack spread	2007	2006	Changing +/-
UNL95/DB	14.55	11.74	+2.81
IK/DB	16.17	16.51	-0.34
GO/DB	16.72	15.22	+1.50
FO/DB	-10.40	-12.69	+2.29
TP/DB	8.44	6.95	+1.49

- This year, the Company had no fuel oil co-cracking with TOP but concentrated on exportation of fuel oil (low sulfur grade) to Chinese refineries. This export program help the Company to achieve average crude run production of 66.3 KBD, compared with last year which was only at 56.3 KBD.



- GRM from oil hedging decreased by 0.69 USD/BBL from last year which was gain at 0.73 USD/BBL, since the actual GRM crack spread was in line with the hedged spread that the Company had executed. The hedged position for year 2007 was at 37% of average production level while last year it was at 41%.
- Inventory gain for this year was equivalent to 1.85 USD/BBL while last year the Company suffered inventory loss of 0.70 USD/BBL since oil price has continuously increased until the end of the year.
- EBITDA of the Marketing Business was Baht 209 million, decreased from Baht 472 million of last year, since this year the world oil prices were sharply increased as it made ex-refinery price to increase accordingly while the retail oil prices failed to adjust at the same pace while the situation was in opposite way last year. Marketing Margin (exclude lubricant margin), then was averagely at 26.1 satang per liter lower than last year which was at 38.5 satang per liter. The sale volume for Marketing Business was at 51.9 KBD increased from 51.2 KBD which major contribution came from sales through gas station. Gas station sales has increased from 34.8 KBD to 36.1 KBD in 2007 as a result of a successful promotion of bio-fuel i.e. Gasohol 95, 91 and Biodiesel B5.

1.2 Income Analysis

Total revenues of the Company and its subsidiary for the year 2007 were Baht 95,456 million, composed of the Company's revenues of Baht 94,593 million and its subsidiary's (BGN) of Baht 14,246 million, adjusted by connected transaction of Baht 13,383 million. Major changes of the Company from last year were as follows:

- Revenues from sales were Baht 94,134 million, higher than last year by Baht 595 million or 0.6% since sale volumes increased by 1.0% and the selling price in term of US dollar was increased by 9.9%; however, this improvement has been adjusted downward by Thai Baht appreciation. The Thai Baht was appreciated by 8.8% as compared to last year (reference average T/T selling rate of 2007 at 34.69 Baht/USD compared with 2006 at 38.03 Baht/USD). This Baht appreciation had reduced the cost of sales as well.
- Other incomes-others were increased by Baht 118 million. Different was mainly came from 1)premium on foreign exchange hedging contracts of Baht 44 million 2)transportation revenue increased by Baht 26 million 3)margin from NGV sale increased by Baht 24 million and 4)settlement claim of 1987 corporate income tax with the Revenue Department amounted Baht 20 million.

1.3 Expense Analysis

Total expenses of the Company and its subsidiary for the year 2007 were Baht 93,692 million, which composed of the Company's expenses of Baht 92,902 million and its subsidiary's (BGN) of Baht 14,176 million, adjusted by connected transaction of Baht 13,386 million, major changes of the Company from last year were as follows:

- In this 2007, the Company have no allowance for write down of inventory value since world oil price was increased as it has made the current market prices to be higher than cost of inventories while the end last year, the Company set Baht 55 million for write down of inventory due to average cost of inventories was higher than the net realizable value at that time.
- Loss from foreign exchange was Baht 47 million (last year was gain of Baht 120 million), this lost came from the Company has realized FX forward sale at the rate lower than the then current market rate.
- Interest expense was Baht 655 million, decreased from last year by Baht 90 million or 12%, since the interest rate was decreased by 0.1% p.a. and average loan principle was decreased by Baht 1,425 million.
- For the year 2007, the Company has booked another tax adjustment item of Baht 102 million. This adjustment has resulted from a decision to suspend the tax benefit the Company may have from capital investment in PQI in accordance with the Notification of the Director-General of the Revenue Department No. 156 which the Company had applied such benefit in 2006 financial statement. The Company may resume this benefit subject to the result of the Revenue Department's verdict. However the Company believed that the tax benefit should be rewarded as the capital investment record has been prepared under good faith consideration.

1.4 Profitability Analysis

Gross profit margin has been affected by world oil price fluctuation which had direct impact to both refining and marketing margin. Gross profit margin for year 2007 was 6.41% increased from 2006 at 2.25%. This higher gross profit margin came from better refining margin of refinery business as mentioned in item 1.1 section 2. The net profit margin for year 2007 and 2006 were 1.85% and 0.21% respectively.



2. Explanation and Analysis of the Financial Position as of December 31, 2007 compared with December 31, 2006

2.1 Assets

1. At the end of 2007, total assets of the Company and its subsidiary were Baht 44,987 million, which comprised of Baht 44,848 million of the Company's total assets and Baht 740 million of BGN's total assets, adjusted by connected transactions of Baht 601 million most of which were Baht 599 account receivables.
2. At the end of the year 2007, the Company's total assets increased by Baht 6,905 million, comparing to the end of 2006. The major changes of assets were as follows:
 - Trade account receivable was increased by Baht 2,853 million or 91% because of the significantly increased in export sales of FOVS which the normal credit term of 30 days and oil price was increasing as well.
 - Oil inventories were increased by Baht 2,104 million or 24%, due to increased in oil price (average December 2007 Dubai price was 85.98 USD/BBL while last year was at 58.70 USD/BBL). While there were no significantly changed in inventories volume.
 - Other current assets-others was decreased by Baht 478 million mainly from Baht 369 million 2006 tax refund from the Revenue Department.
 - At the end of 2007, Property, plant and equipment was increased by Baht 2,720 million which consists of 1) capital investment during the year of Baht 2,373 million (Baht 2,063 million investments in PQI and Baht 316 million investments in annual capital expenditures), 2) an revaluation of asset which has made PPE increased by Baht 1,225 million in accordance with accounting policy 3) annual depreciation of Baht 858 million and 4) reserve for impairment of fix asset increasing by Baht 26 million.

2.2 Liabilities

1. At the end of 2007, total liabilities of the Company and its subsidiary were Baht 23,762 million, which comprised of Baht 23,649 million of the Company's total liabilities and Baht 712 million of BGN's total liabilities, adjusted by connected transactions of Baht 599 million.
2. At the end of 2007, the Company's total liabilities increased by Baht 4,398 million comparing to the end of 2006. The major changes of liabilities were as follow:
 - At 31 December, 2007, Trade accounts payable were Baht 8,960 million, increased by Baht 4,814 million or 116% since at the end of 2006 the Company had made advance payments for 2 shipments of crude oil purchased at the amount of Baht 1,725 million (0.73 million barrel) while this year, one account payable for crude amounting Baht 1,306 million is due on the first working day of 2008. In addition, increased in oil price has also made account payable to increase as well (average price on December 2007 was Baht 21.7 per liter against December 2006 was Baht 16.5 per liter).

2.3 Shareholders' Equity

1. At the end of 2007, the consolidated total shareholders' equity were Baht 21,225 million, which comprised of Baht 21,199 million from the total shareholders' equity of the Company and Baht 28 million from BGN's, adjusted by Baht -2 million connected transactions.
2. At the end of 2007, the Company's total shareholders' equity were increased by Baht 2,507 million comparing to 2006, since the Company generated net profit of Baht 1,691 million for year 2007. However, the Company had amortized Baht 219 million of surpluses on fixed assets revaluation and had paid for dividend of Baht 190 million. As of December 2007, the Company conducted revaluation of asset which has made PPE increased by Baht 1,225 million in accordance with accounting policy. Resulting to the Company's total shareholders' equity to become Baht 21,199 million.
3. As of December 31, 2007 the Company has financial instruments (CDDR, subordinated convertible debenture, warrant and ESOP) which holders can exercise their conversion right (subject to the terms and conditions of each instrument), if fully converted or exercised shall be equal to 287 million common shares or approximately 20.4% of total shares in fully dilution.

3. Explanation and Analysis of the Statement of Cash Flows for the year 2007

- 3.1 For the year 2007, the Company and its subsidiary had beginning cash and cash equivalent of Baht 2,705 million. During the period, the Company received cash from various activities of Baht 3,745 million, of which Baht 4,386 million were received from operating activities, Baht 1,235 million were received from investing activities and Baht 1,876 million were used in financing activities. Cash and cash equivalent at the end of 2007 were Baht 6,450 million, which consisted of Baht 6,088 million of the Company and Baht 362 million of BGN.
- 3.2 Cash flow of the Company had resulted from net profit of Baht 1,691 million; added back non-cash items of Baht 1,100 million, the Company then had cash profit from operation of Baht 2,791 million. The 2007 cash flow activities are as follows:
 1. Net cash received from working capital was Baht 1,330 million;
 - The Company used cash in operating assets of Baht 4,510 million which consisted of increased in Trade accounts receivable of Baht 2,819 million, increased in inventories value of Baht 2,104 million but other current assets were decreased by Baht 413 million.
 - Cash from operating liabilities were increased by Baht 5,840 million consisted of increased in trade accounts payable of Baht 4,824 and increased in other operating liabilities of Baht 1,016 million.
 2. Net cash received from investing activities was Baht 1,244 million;
 - Short term investment was reclassified to cash by Baht 3,804 million since its remaining investment period was less than 3 months.
 - Investment in fixed assets of Baht 2,306 million, of which Baht 1,673 million was PQI's.
 - Cash used in other investments were Baht 254 million.
 3. Net cash used in financing activities was Baht 1,876 million;
 - Baht 320 million short-term loan were repaid to Krungthai Bank.
 - The Company paid Baht 945 million for redemption at maturity of debentures and promissory notes (issued before restructuring) and paid Baht 421 million for long-term loan to Krung Thai Bank.
 - In May 2007, the Company had paid dividend to common share holders of Baht 190 million (total share of common stock 1,119 million



at 0.17 Baht per share).

The Company cash and cash equivalents had increased by Baht 3,489 million. When combined with beginning cash of Baht 2,599 million, at the end of 2007, cash and cash equivalents was Baht 6,088 million which consisted of Baht 2,918 million appropriated for PQI project and Baht 3,170 million for operation. However, the Company have to prepare Baht 1,306 million for payment of trade account receivable which will be due on the first working day of 2008.. Having excluded this item, the Company cash for operation was Baht 1,864 million.

4. Changing in accounting policy

Since January 1, 2007, the Company changed its accounting policy regarding investment in a subsidiary so that separate financial statement, which formerly reported investment using the equity method, now reports using the cost method. This is to comply with TAS 44. Thus, the Company restated its financial statement by using the historical cost as the cost of the investment in a subsidiary of the separate financial statement. This adjustment caused the net income on the separate financial statement to be permanently different from that reported in the consolidated financial statement. The Company had made adjustment to retain earning at December 31, 2006 to be increased by Baht 0.49 million which equivalent to equity injections that the Company invested in BGN in order to reflect investing value by using the historical cost method. The cumulative effect of the accounting policy has been presented under the heading of “Cumulative effect of the change in

Million Baht

Statement of income (The Company Only)	2007			2006		
	Cost Mtd.	Equity Mtd.	Change +/-	Cost Mtd.	Equity Mtd.	Change +/-
• Gain (loss) from investment in subsidiary	-	27	(27)	-	(10)	+10

Balance Sheet (The Company Only)	December 31, 2007			December 31, 2006		
	Cost Mtd.	Equity Mtd.	Change +/-	Cost Mtd.	Equity Mtd.	Change +/-
• • Investment in subsidiary	0.49	28	(27)	0.49	-	+0.49

accounting policy for investments in subsidiary” in the separate financial statements in the statement of changes in shareholders’ equity. Please be noted that, the change of accounting policy affects only the separate financial statement. It does not have any effect on the consolidated financial statements or business fundamentals.

5. Financial ratios analysis and the explanation for the year 2007 compared with 2006

	Unit	2007 (Audited)	2006 (Revised)
Liquidity Ratios			
Current Ratio	Time	1.8	2.4
Quick Ratio	Time	1.0	1.3
Receivable Turnover	Time	23.3	29.5
Average Collection Period	Day	15.7	12.4
Inventory Turnover	Time	8.9	9.3
Inventory Turnover Period	Day	40.9	39.3
Account Payable Turnover	Time	13.5	18.9
Average Payment Period	Day	27.1	19.3
Cash Cycle	Day	29.4	32.4
Profitability Ratios			
Net Profit Margin	%	1.9	0.2
Return on Equity	%	8.8	1.2
Efficiency Ratios			
Return on Total Assets	%	4.3	0.5
Assets Turnover	Time	2.3	2.6
Financial Policy Ratio			
Debt to Equity ^{1/}	Time	0.5	0.7

Remark : Calculation from consolidated financial statements

1/ Calculation from Interest Bearing Debt



For the year 2007 the Company has made net profit of Baht 1,764 million, higher than last year which was at Baht 195 million, as it makes improvement of profitability ratio and efficiency ratio. Debt to equity ratio was improved as well since equity value was increasing. However, the current ratio and quick ratio were a bit deteriorated due to cash used for progress payment under PQI contracts.

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

Major factors affected the performance were the marketing margin and gross refining margin. For the marketing margin, since the oil prices were rapidly increased especially after the floating of gasoline and diesel price, the retail price could increase at a slower rate than the cost increased which depressed the marketing margin to be at a low level and this incident would slow down the demand for oil consumption; in other hand, if the oil prices were decreased, the marketing margin and oil consumption would increase as well. For the refining margin, as a simple refinery having a high proportion of fuel oil production and the fact that fuel oil price is always lower than crude price, The Company's gross refining margin was capped to a certain level depending on the fuel oil price for each period. Thus the Company has had necessity to attain the long-term resolution for reducing fuel oil production to enhance gross refining margin to be at the same level of the industry's. Therefore, the Company has adopted the Product Quality Improvement project (PQI) by installing the hydro-cracking unit and other associated units, which will reduce production of fuel oil to the near level of other local and foreign refineries and hence become a complex refinery. The Company expects that the project will increase EBITDA from average Baht 2,000-4,000 million to approximately Baht 6,000 - 8,000 million after the project reach its completion subject to oil price at the period. Currently PQI project has started its construction, which total project cost (included contingency reserve) totaling Baht 15,369 million or equivalent to USD 378 million. The Company has appointed CTCI Overseas Corporation Limited and CTCI (Thailand) Co., Ltd. to be contractors of the PQI under fixed price, date certain and performance guaranteed arrangement. The Company has achieved its financial closure for sources of funds for the project since May 16, 2006.

The project is now under construction and overall progress as of December 2007 was 68.2% as compare to the revised plan of 65.5. The Company has discussed with the main contractor (CTCI) for preparation of risk management plans. However, as major equipments/ machineries which required special attention due to specific design as well as materials and require longer time for fabrication collectively called Long Lead Items (LLIs) are very important for the overall construction schedule, the Company had already identified 9 items to be under LLIs category and had preordered the LLIs since late 2005. Currently, all 9 LLIs has been completed and already been successfully installed. As the LLIs have been completed, the Company confident that the potential delay of other equipments/ constructions is manageable and the construction completion is achievable within 2008.



The oil prices will still be major parameters effecting operating result of the Company. Furthermore, another factor which may have effect on the Company's performance is the foreign exchange fluctuation (mostly Baht and USD). The Company purchases oil on US dollar term and sell its product on US dollar related basis and records transactions as trade payable and trade receivable respectively. Since the Company has assets greater than liabilities, the appreciation of Thai Baht will cause the decrease in net assets and vise versa. However, the Company has had the policy to leveling differences of US dollar assets and liabilities whenever it becomes appropriate. In the mean time, the Company has partly mitigated this risk by utilizing some financial instruments. The Company has appointed a specific department and from a special committee called Price Risk Management Committee (PRMC) which consists of top management executives to keep a



3E-111

3E-110 C



Opinion on Internal Control

The Bangchak Petroleum Public Company Limited's Board of Directors believed that the Company's internal control is sufficient and appropriate as summarised below.

1. Environment of the control

The internal audit system proceeded as planned under preferable environment and the corporate structure. The Company has the business goals, approved by the board, and they can be assessed in a concrete way, so that all employees can implement their jobs accordingly. Employees' incentives and returns must be appropriate. The appropriate corporate structure has facilitated the management to proceed with plans efficiently, allowed the alternative energy department to proceed with promotion, and supported the honesty in business doing and ethics. In 2007, the Company revised the good corporate governance manual, which provides the guidelines for directors, executives and employees, to reflect the current situation and greater clarity. The Company also hosted activities to promote knowledge and understanding in the policy to all employees.

2. Risk Management

The Company set up the Enterprisewide Risk Management Committee to set the risk management strategies and goals to ensure continuity in risk management, promote cooperation in all levels in this regards and to ensure the appropriate and efficient system. In 2007, the Company revised the risk management manual for greater clarity, to provide guidelines to all in the Company.

3. Controlling Activities

The Company has controlling activities, having the Key Performance Indicators (KPI) as the tool. There is a cross-examination and the written specification of job descriptions and scope of power as well as the spending limit each can approve. Document is prepared to show the scope of responsibility and the individuals held responsible. The Company has measures against theft or inappropriate use, the monitoring system on long-term obligations, the measures against the exploitation of the Company for own benefits, the system to monitor subsidiaries, and the measures to ensure compliance to the laws and related regulations. The computerized system is in place for standard and speedy process towards business goals and the Company has promoted better internal control through E-auction, E-procurement, E-Human Resource, E-payment & Assets, and the audit management system. There is a strict control on transactions with major shareholders, directors, and etc. to prevent any transferred benefit. The transactions must be approved by those who have no interest and transactions are disclosed under the requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company also disclosed information on personnel and business under the accounting requirements.





4. Information and Communication

The Company has continually improved the information technology and data system, with sufficient data for decision making. The Board of Directors received sufficient information ahead of the meeting and there is a minute of each meeting which summarizes directors' opinions. Documents are classified while accounting records are in line with the general practices and appropriate for the Company's business.

5. Evaluation

The Company has the evaluation system, having the Board of Directors assessed the performance against the targets on a regular basis. There is the Internal Control Office which carries out its work as scheduled and reports to the Audit Committee.

Enterprisewide Risk Management Committee's Report

To Shareholders

At the Meeting No.6/2006, The Bangchak Petroleum Public Company Limited's Board of Directors resolved to appoint the Risk Management Committee.

Chaired by Mr. Nipon Surapongrukchareon, the Committee consisted of Mr. Nares Sattayarak, Deputy Chairman, Mr. Taweesak Vorapivuth, legal expert, and Associated Professor Pradit Wannarat as well as other high-level executives.

In 2007, the Risk Management Committee held seven meetings to perform its duty and responsibility as assigned by the Company's Board of Directors. The Committee laid down the strategic policies, managed risks for the entire organization, developed effective enterprisewide risk management system, and monitored the Company's operation to ensure that the Company had adequate risk management system. In addition, the Committee supported the efforts to create the risk management system at every level of the organization. The highlights were as follows:

1. Stipulated objectives and strategies for Risk Management in 2007

The Committee set the objectives and strategies to manage risks for the entire organization as the guidelines for the management to ensure that the Company had effective and consistent risk management, which would be observed by every unit of the Company. In 2007, the Company applied the strategic plan for the risk management development by expanding the risk management plans to every unit of the organization and created an environment where every staff should realize the importance of risk management through the in-house public relations. Risk management became a factor in the annual staff performance evaluation. The strategy was in line with the objective to encourage every member of the organization to participate in the risk management along with his or her daily work routines.

2. Considered the risk factors, management plan as well as monitored the enterprisewide risk management

The Committee closely looked after the risk that might obstruct the Company's goal by monitoring the risks that might affect the major objective of the organization in 2007. This would ensure that the Company had followed the required risk management. The Committee also evaluated the success of the implementation to see if the measures were effective in reducing the risks as stipulated. The Committee provided suggestion to the management in managing crucial risks such as the measures for the risks that might arise from the investment agreement, the measures to reduce the risks from the non-performing loans in the marketing business and the succession plans of high-level executives.

3. Development of the information technology system for risk management monitoring system to support the effective risk management process.

The Company introduced the data management program in 2006 and monitored the risk management to curb risks that might occur at all levels to increase the efficiency in reporting and monitoring the implementation according to the risk management plan. The Company also developed an appropriate program for the internal use. In 2007, the Company managed to increase the number of program users and organized the refreshment training courses for risk managers and risk coordinators of each work unit to ensure an effective execution of the risk management program.



4. Supported the efforts to include the risk management in the corporate culture to make every employee realize the importance of the risk management and apply it in daily work activities as well as to support the efforts to turn the company into a learning organization.

Since 2005, the Committee has organized several workshops to mobilize ideas and opinions from the executives and relevant employees on the risk management plan to ensure the Company's goal would be achieved. The workshop aimed at encouraging the management and employees to participate in the risk management process. Thus, the training courses were conducted consistently. Later on, the risk management work plan was expanded to every work unit. In 2007, the process to expand the risk management to every level of the organization was complete. The program developed the skill in risk evaluation and enabled the staff to produce the risk management plan. The workshop also created an atmosphere where an exchange of ideas was promoted, in line with the Company's objective to become a learning organization. Moreover, the Company also linked the risk management with the annual evaluation of the staff performance to make the employees accountable for the risk management in the areas under their responsibilities.

5. Crisis management plan

- 5.1 The Committee set the crisis management plan as a guideline to control the crisis. The Committee assigned the S&SHEE Promotion Team (Safety, Health, Environment and Energy Promotion Team) to review and upgrade the plan by considering various factors such as changing circumstances and environment, responsible persons and their roles, the implementation procedures as well as the information update. The Company expanded the risk management to cover wider scope of circumstances as well as added the management plan to respond with the possible large-scale oil spill in Chao Praya River and at the Oil Depot in Sri Racha.
- 5.2 The Committee ensured that the emergency drill with the cooperation with the Crisis Management Committee, the Energy Ministry, was conducted.
- 5.3 The Company was invited to be an advisor for the workshop organized by the Department of Energy Business, the Energy Ministry, to prepare the preventive measures and solve the fuel shortage to prepare for the possible oil crisis.

6. Considered work plan and the community relations works to ensure that the Company has consistently taken care of the environment and the safety of the surrounding communities.

The Committee monitored the implementation of community relations works to ensure that they were executed according to the plan. The Committee also provided additional opinions on various activities to promote the safety and the well-being in the communities. The Committee also focused on the monitoring measures to prevent any possible effect on the communities.

The Company has constantly developed the enterprisewide risk management. To date, the Company has achieved the risk management at every level and included the risk management in the Company's strategic guidelines, work plan and investment. It can reduce the impact from uncertain events. Therefore, this has boosted the Company's confidence that its goal will be achieved.

(Signed) *Nipon Surapongrukchareon*

(Nipon Surapongrukchareon)

Chairman of the Risk Management Committee

Risk Management

Since 2004, the Company has implemented the enterprisewide risk management policies to handle the uncertainties which could affect the business goals, to assure of goal achievement and enhance the operational success under the good corporate governance practices amid fierce competition and volatile business conditions. The Board of Directors established the Enterprisewide Risk Management Committee (ERMC), having experts in the area as directors to work with the Company's directors and high-ranking executives. The committee is tasked to set the administrative direction, develop the efficient enterprisewide risk management system through cooperation from all levels of the organization, keep the overall risk management in the acceptable level, and formulate the appropriate risk management structure. There is the risk management unit as the central body in coordinating with other units in assessing and accumulating all types of risks. There is a risk coordinator at each business to push forward the risk management system for the following reasons:

1. Identify risks which could affect the organization's core targets.
2. Evaluate the impacts and chance of damage possibly arising from each type of risk, to prioritize risks.
3. Prepare the appropriate risk management system in accordance with risk priorities, with efficient use of limited resources.
4. Having the information technology-supported risk management monitoring system and submitting periodical reports to the Board of Directors.

In the past year, the Company continued with the workshop to brainstorm ideas from all departments, to map the plan to handle risks to the Company's core targets in the organizational and department levels. The Company also initiated the risk management plan for the lower levels as well as hosted activities to create the atmosphere and raise awareness of all employees in the virtues of risk management. Beside, the Company linked risk management with employee performance evaluation, the strategy which went in line with the goal to have employees exercise risk management principles and tools in their daily work, to create the corporate culture.

The Enterprisewide Risk Management Committee convened every 2 months to improve the risk management monitoring. With realization in the significance of business continuity, it monitored the crisis management plan, by modernizing the plan and requiring periodic exercise to prepare for any negative impacts, mitigate the impacts to business, and get the Company back to normal stage as soon as possible.

In business doing, the Company inevitably faced changes. The Company is thus required to prepare for the risks which could affect the Company in different areas, chiefly business risks, financial risks, operational risks, and risks from the Product Quality Improve Project. The Company is handling the risks as follows:





1. Business risks

1.1 Risk from refining technology which could affect competitiveness

With the sharp drop of demand in bunker oil among domestic power plants and industrial plants which switched to natural gas and coal, the Company suffered a larger impact on its refining capacity than other refiners as the Company's refinery is the Hydro Skimming Refinery which produces a high ratio of bunker oil while competitors are Complex Refinery. Demand for bunker oil could further drop and this would further hurt the Company's refining capacity.

As bunker oil is of low price compared to other types of refined oil, the value of the Company's refined oil is thus lower than the value posted by complex refineries. This resulted in the lower refining fee (gross margin before production expenses) for the Company, and the spread varies, depending on the price spreads of bunker oil and other types of fuel at the time.

To reduce the impact on competitiveness to increase revenue, the Company had focused on refining crude oil with low bunker oil ratio, such as crude oil from the Middle East, and condensate. It also partnered with other domestic refineries to refine bunker oil at cracker units and shared the profits. While the Company benefited from the higher capacity utilization of the cracker unit, partner refineries also gained from the extra capacity utilization.

To cope with the risk, the Company embarked on the Product Quality Improvement Project (PQI) to raise the portion of gasoline and diesel from the refining process, through the installation of the hydrocracking unit and other supporting units. The project will lower the portion of bunker oil from over 30% to 10% of refining capacity, which is close to other domestic refineries' figures, and generate the appropriate return on investment.

1.2 Risks from absence of government supports following financial restructuring which ended the Company's state enterprise status

In the past (prior to 14 August 2003), the Company had been a state enterprise, having the Ministry of Finance holding 48% and PTT Public Company Limited holding 24% of the Company's total 522.04 million shares. Prior to financial restructuring, the Ministry had extended financial assistance through the loan guarantee and direct lending worth Bt8,100 million as well as the letter of comfort issued to commercial banks which loaned Bt4,000 million to the Company. Totally, the obligations accounted for 62% of total borrowing of about Bt19,500 million.

After the financial restructuring, through the issuance of depository receipts on common shares, the government holding dropped below 50% and automatically ended the state enterprise status. The Company may not earn any direct government support.

However, the Ministry of Finance maintains the guarantee on the outstanding Bt7,000 million principal of depository receipts which have not yet converted to common shares for another 6 years (ending in 2014). Therefore, though no longer a state enterprise, the Company is confident that the government will further support the business for positive returns and satisfactory capital gains, so that the government guarantee would not turn sour and create future burden to the government. If The Company's performance misses the target and results in the sale of all depository receipts to the Ministry of Finance under the provided condition, the Ministry will resume the major shareholder status and the Company will become a state enterprise again.

1.3 Risk on refinery location, environment and safety

At present, the Company's refinery is the only one located in Bangkok area. Without proper control, it could hurt the environment and safety of nearby communities which could affect the Company's business as well as lead to the review of the appropriateness of the refinery location. However, the Company is confident that there is no reason for such review as;

- The Company has maintained proper environment and safety management. The Company has operated the business with great care in safety and environment. There are risk management measures for the refinery, for instance, by strictly following safety laws, assessing risks in all work process, maintaining production equipment in specified period and organizing drills for related persons so that they are proficient in handling emergency. The Company has earned standard certificates as, for example, TIS 18001 - OHS00007/007 as Thailand's first refinery with health and safety standard. In 2004, the Company was awarded OHSAS 18001 and the ISO 14001 certificate has been maintained since 1997 in recognition of the entire process of petroleum refining, supervision and environment quality monitoring.
- The government has a clear policy to have the oil depots of Bangchak and PTT Public Company Limited in Bangchak and Phra Khanong serve as the central oil distribution centers in Bangkok and peripheral provinces. At present, Bangchak and PTT have worked together to turn the depots as the central distribution centers in line with the government policy.
- The Treasury Department has extended the lease of land where the refinery is located by another 18 years, to totally 30. The lease will end in 2033.

2. Financial risks

2.1 Risk from global oil prices

Crude oil represents over 90% of the Company's cost. Crude oil and refined oil prices vary on global levels. The Company usually purchases crude oil 1-2 months in advance (the normal practice of refineries). Specified in the contracts are the type of crude oil, delivery date and other conditions used in calculating the price of each purchase. Mostly, the conditions based on the benchmark crude oil price of the month of delivery. After delivery, the crude oil is transported to the refinery and the refined oil is stored for future distribution. Refined oil prices are based on the average prices of refined oil in Singapore at the time of delivery. This creates time discrepancy of 2-3 months, from the order of crude to the distribution of refined oil to consumers. This could incur risk in managing the raw material cost for the highest gross refining margin.



To mitigate the risk, the Company established the risk management committee on price and finance, to formulate the policies and targets in managing risks from price volatility. The committee closely monitors global oil markets, to ensure minimum impact on business from volatility. The committee is utilizing risk management tools available in markets like the advance setting of spread of refined oil and benchmark crude oil prices and the purchase of futures on crude oil and refined oil inventories.

Since 2002, the Company has joined with business partners in shipping crude oil from the Middle East, which not only lowers the transportation cost but also reduces the volume of each order and oil inventory - a way to reduce risks on oil prices. Moreover, the Company has struck a long-term contract for the supply of more crude oil from local fields such as Pattani and Jasmine crude. This brings down the cost of crude oil and logistics, with crude oil at similar grade with imported one. It also helps reduce risk from price volatility, due to the shorter transportation period.

2.2 Risk from foreign exchange volatility

As a local refinery, the Company's raw material cost and revenue is based on US dollar. A major part of the cost is crude oil which is mostly imported and paid in US dollar. The ex-refinery price is based on the refined oil prices in Singapore which are quoted in US dollar. The foreign exchange rate on the sale date is applied when converting the revenue into Thai baht. Thus, foreign exchange volatility could affect both the Company's revenue and cost.

As the cost and revenue is based on US dollar, the Company's assets and liabilities are also nominated in US dollar. The assets are primarily crude oil and refined oil inventory. To minimize risk from volatile foreign exchange rates, the Company bought forward contracts and/or financial derivative instruments. Moreover, the Company also has the risk management committee on price and finance to consider and set the policy in managing the foreign exchange risk.

3. Operational risks

3.1 Risk on transport-related accidents

The Company's business deals largely with transportation and this could generate the following risks;

- **Risk from accidents from the shipment of crude oil from the sources to the refinery**

The Company seeks crude oil from local and overseas sources and it is shipped by large vessels. Accidents during the shipment could affect the Company's assets and production as well as environment, despite the asset and third-party insurance. The Company has always realized the risk and has continually improved the oil shipment standards. The vessels are equipped with standard equipment and fire extinguishers. When the vessels dock, booms (the floating device used to contain oil on a body of water) are always used. Beside, the Company has struck an agreement with other local oil Companies on cooperation in handling emergency and in temporarily supplying crude oil in the event that the Company misses a shipment of crude oil.

- **Risk from accidents during the transportation of refined oil to customers**

Mostly, refined oil, sold to either industrial clients or service stations through wholesale and retail contracts, is delivered through vehicles. At present, the Company has 14 contractors to transport the oil under long-term contracts. In awarding the contracts, the Company considered the contractors' standards in terms of service readiness, quality and experience. Contractors are also required to follow the regulations prescribed by the Company to ensure efficient and safe transportation. Moreover, the Company also arranged emergency drills with all contractors, to handle on-shipment accidents.

Accidents to any shipment could affect the Company's assets and cause damage to the public, community and public assets. The Company is entitled to press claim damage from contractors under the contracts. The Company also employs the global positioning system (GPS) to monitor and track the shipment. The Company could transport oil from the refinery to the oil depot in Bang Pa-In through a pipeline, not vehicles, which is a way in reducing accidents.

3.2 Risk from accidents to the pipeline of Fuel Pipeline Transportation Co., Ltd.

About 30% of the Company's oil output is transported through the 69-km pipeline of Fuel Pipeline Transportation Co., Ltd. (FPT), which starts from the Company's refinery and runs along the railway to the oil depot at Don Mueang Airport. It continues from there to the oil depot in Bang Pa-In, Ayutthaya. Though the pipeline is designed to be flexible and absorb vibration, infrastructure construction can cause damage and leaks and that could temporarily obstruct oil shipment. This could affect the Company's sale of oil to clients in the Central, North and Northeast.

FPT has always maintained the pipeline and installed the system to monitor the pipeline condition. Officers are immediately dispatched to fix any problem found. Moreover, the Company's oil reserves at the Bang Pa-In oil depot are equivalent to 10 days of sale. On insufficient stock and the problem with transporting oil to Bang Pa-In through the pipeline, the Company can supply oil from other oil depots. The Company can also seek help from other oil companies in emergency.

In the past year, the Company also arranged a joint emergency drill where staff from Bangchak's oil depots and those of FPT participated, to prepare them for emergencies. This also served as the cooperation between Bangchak and FPT in preparing necessary equipment.

4. Risk from the Product Quality Improvement (PQI) Project

The construction of the Company's Product Quality Improvement Project is now underway. On completion late 2008, The Company's Hydro Skimming refinery will become a complex refinery, which can produce the higher volume of high-value oil products such as diesel and gasoline, in line with growing domestic demand. This will reduce the volume of bunker oil output, in line with the continued drop in demand, and improve the Company's performance in the long term.

Despite the proper feasibility study, there are major risks which could affect the project's completion.



4.1 Risk from delay or failure

4.1.1 Contractor misses schedule or quits

In the cases that the contractor needs to adjust or change the construction plan from the one prescribed in the contract or quit, this could cause a delay to the project. As a preventive measure, the Company awarded the work to the contractor with proven expertise, international recognition, and experience in a similar project to ensure standard construction works. Moreover, the Company has a project management consultant which will jointly supervise the construction works to ensure completion on schedule and production effectiveness as specified in the contract. Under the contract, the Company is entitled to file complaints on liquidated damages basis, if the project is not completed on schedule or performs under the guaranteed performance. The Company also requires other guarantees like the performance bond and retention money, to ensure the contractor's compliance to the contract.

4.1.2 Accidents during construction

Accidents during the construction or during the shipment of equipment for the project construction could delay the project or result in failure. The Company mitigates the risk buying insurance for both types of accidents.

4.1.3 The project's investment exceeds the provided budget

The project is financed by a project financing package. If the investment exceeds the provided budget, it could affect the project's success. The investment can be higher primarily due to the change in the construction plan, interest volatility, and foreign exchange fluctuation.

The Company undertakes the project under a lump sum turnkey basis, whereby the construction cost and the construction schedule is fixed with the performance guarantee. Moreover, the Company also resorts to financial risk management tools to reduce the effects of foreign exchange fluctuation with the forward contracts to cover foreign currency expenses and the interest rate swaps to cover interest expenses during the construction period. To ensure the success of the project., the Company also sets aside a special budget, in the amount appropriate for the investment in a similar project.



4.1.4 Acceptance of communities during the construction and operation

As the refinery is located in Bangkok and could harm environment and safety of communities during the construction and operation, there could be a risk from community acceptance. However, the Company has periodically updated the communities on the project details and necessity in the operation. There is also a direct communication channel between the communities and the Company. The Company also carefully prepares the preventive environment measures, with the approval on the Environment Impact Assessment (EIA) from the Office of Natural Resources and Environmental Policy and Planning (ONEP). This warrants that the Company has the measures to handle the possible impacts to environment during the construction and operation. Moreover, the Company also buys the third-party liability insurance to cover damages to communities and others.

4.2 Risks from low demand for the project's extra output

The Product Quality Improvement Project will increase the output of the Company's high-value refined oil products like diesel and gasoline by about 135 million liters a month per 100,000 barrels of crude. (Subject to changes as the product portion could be adjusted in line with demand). Thus, the Company would not receive maximum returns from the project if unable to find the market for the extra output.

However, the Company expects that there is market for the additional output. At present, domestic oil demand tends to rise continually. Moreover, so far, none of local oil companies have announced the plans to build a new refinery with significant refining capacity. The Company also has struck a long-term contract to sell some refined oil to PTT, to reduce risks from low demand for the additional output. This is the clear and certain measure planned since the beginning of the project.



4.3 Risk from future conflict of interest between minor shareholders and PTT - the major shareholder

In investing in the project, the Company raised funds through the offering of new shares and borrowing from local commercial banks. On the public offering, the Company issued common shares and convertible debentures to PTT, which will raise PTT's stake in the Company to about 30% and turn it into the biggest shareholder. At some circumstances, the interests of PTT or PTT-related Companies could clash with those of minor shareholders. PTT could abstain from voting or veto at the Company's shareholder meeting which could affect major resolutions. Here are the Company's guidelines in tackling the possible conflict of interests between the Company and PTT;

- The Company and PTT possess transparent management policy and have the Audit Committees to take care of minor shareholders' interests. The management structure also shows the appropriate check and balance under good corporate governance practices.
- Oil service stations are in the free market, where sale price is determined by market mechanism. Joint investment with trade partners and dealers under clearly-specified contracts also prohibits intervention.
- The Company is confident that the government as the major shareholder of the Company and PTT and the national energy policy maker, would come up with the policy that benefits the entire public, without causing damages to the shareholders of the Company and PTT which are Thais' oil companies.

Moreover, the Company has also completed the crisis management plan, taking into account the circumstances in the next 2-3 years. It will be used as the guideline to control crises and turn the Company back to normal stage as soon as possible. It contains the plan to mitigate the impacts on assets, individuals and environment; the plan to solve business problems to prevent the operation stoppage; and the plan to deal with media to reduce to prevent impacts on the Company's image. The crisis management plan is prepared to reduce the impacts of different events like;

- Multiple complaints to media on product quality
There are guidelines to tackle complaints, reduce the impacts from the complaints to media on product quality, and correct the information through media to control and rectify impacts on the image and trust. The guidelines cover complaints on product quality sent to all kind of media - radio, newspapers, magazines, television and web sites - which could affect the image and business and lead to direct damage to the Company.
- Terrorism threats on refinery or oil depots
There are guidelines to control the terrorism attacks, to prevent staff and others working at the refinery and connected areas from danger and minimize damage to assets. These are also used in the drills of related persons so that they are capable of handling their jobs. The guidelines cover the entire Bangchak refinery area, the operating areas of Bangchak's oil depots nationwide, and/or nearby areas which could send chain effects to the Company.
- Big fire at headoffice
There are guidelines to extinguish fire at office buildings to ensure a speed, accurate and safe procedure, which will prevent and mitigate the effects and danger to individuals, assets, environment and the Company's business.
- Massive sick leaves on widespread plagues
There are guidelines to handle the situation if employees can not show up to work due to widespread plagues or when they take sick leaves due to the plagues.

The Company has monitored and updated the crisis management plan, taking into account various factors like the changing circumstances and environment, persons in charge and their role and duty and the procedures. Data is updated and the Company pledges to arrange emergency drills from time to time.

Corporate Governance Committee's Report

To Shareholders

The Bangchak Petroleum Public Company Limited's Board of Directors meeting No.13/2005 resolved to appoint the Corporate Governance Committee, having Mr. Wirat Iam-Ua-Yut as Chairman and Mr. Sayan Satangmongkol, Mr. Nares Sattayarak as well as Mr. Anusorn Sangnimnuan as members.

In 2007, the Corporate Governance Committee hosted four meetings with high-ranking executives to review the good corporate governance policy and planning and monitor the progress to ensure best practices and encourage the daily deployment of such practices in the operation level, to engage employees in creating organizational culture and playing a role in distributing the practices to the public. Key elements of the meetings are as follow:

1. Revised good corporate governance policy (3rd revision), under which some practices and guidelines for directors, executives and employees were amended to be in line with Stock Exchange of Thailand's revised best practices and international standards.
2. Amendment on shareholders' rights
 - Allowed shareholders to propose meeting agenda and send their questions that need the Company's clarification ahead of the 2007 annual shareholder meeting. The procedures were posted on the Company's web site and through the Stock Exchange of Thailand's channels.
 - Facilitated shareholders in attending the meeting and voting through the use of the barcode system in registering and voting. The audit company's inspector was also commissioned to oversee the shareholder meeting, to ensure transparency and compliance to the law and the Company's regulations.
3. Information disclosure
 - Prepared performance reports of sub-committees, the Risk Management Committee, the Corporate Governance Committee and the Selection and Remuneration Committee for the Company's annual report.
 - Participated in the Stock Exchange of Thailand and the Thailand Investors Association's Company Visit program, where shareholders and investors are allowed to visit the Company and attend briefings on the Company's business from executives, to raise the awareness of their ownership and promote positive relationship between the Company's executives and investors.
 - Disseminated the Company's information on business operations and development to investors and stock analysts through the Stock Exchange of Thailand-hosted Opportunity Day and The Company's quarterly Analysts Meeting. Relevant information was posted on the Company's web site in the video format for those who could not attend the events. Investors in general can also send questions to the investor relations unit, a channel that allows direct communications with the executives who are answering the questions on a quarterly basis.
4. Directors' role and duty improvement
 - Promoted trainings to enhance the directors' ability
 - Hosted an orientation session to educate new directors on the Company's business operations
 - Ensured the availability of policies and guidelines and protection mechanism for whistle blowers to stakeholders.



5. Promotion of good corporate governance culture

- Included good corporate governance principles in the new staff* orientation
- Raised awareness in good corporate governance and best practices among employees through the Company's communications channels like the internal radio program "What to know about CG" and exhibition boards where good corporate governance awards and best practices were displayed.
- Hosted "CG Day 2007" that included an exhibition on good corporate governance and a special lecture on "Organization management and His Majesty-guided sustainability" to express gratitude to His Majesty the King on his 80th birthday and to create understanding in good corporate governance based on the King's virtuous reign.

6. Good corporate governance promotion to the public

Directors and executives gave speeches on the Company's good corporate governance policy and experiences to the Company and interested organizations at several events such as:

- Seminar on "Views on good corporate governance practices" and "Case Study: The Bangchak Petroleum Plc." hosted by the Stock Exchange of Thailand (SET).
- Seminar on "Board Performance Evaluation" by the Thai Institute of Directors (IOD).
- Talk on "Audit Committee: Experiences, Problems and Best Practices" by the Thai Institute of Directors (IOD).
- Talk on "To protect their rights, shareholders must know...corporate governance" at Shareholders' Day which was sponsored by the Stock Exchange of Thailand (SET).

Throughout 2007, the Company also welcomed various state agencies and private organizations at site and provided briefings and exchange experiences on the Bangchak Petroleum's good corporate governance.

Thanks to the Company's consistent emphasis on good corporate governance, the Company is recognized as an efficient and transparent organization, which has created trust and confidence among shareholders, clients, stakeholders and all related parties. The Company is committed to further improving good corporate governance for sustainable growth and social benefits.

(Signed) *Wirat lam-Ua-Yut*

(Wirat lam-Ua-Yut)

Chairman of the Corporate Governance Committee

Good Corporate Governance

The Company has a vision to become a leading Thai company operating petroleum and related businesses with sustainable business returns while safeguarding the environment and society through the modernized management, good corporate governance and highly-qualified staff.

The Company's Board of Directors and management have the ultimate responsibility to increase the value for the shareholders while balancing the interests of every stakeholder, in an ethically, transparently, accountably and socially-and-environmentally responsible manner according to the good corporate governance principles to ensure the Company's long-term success.

The Company considers good corporate governance as an essential element in the corporate culture that exists since the Company's inception: **"The Company shall develop sustainable business, while safeguarding the environment and the society."** The Company has focused on creating knowledge and understanding for its staff and encouraged them to apply good corporate governance principles in their daily work activities. Consequently, it has become a corporate culture which is in line with the staff culture that **"Be respectable, knowledgeable and helpful to others."** To this end, the Board of Directors and management have acted as exemplary models for the Company's staff while a series of activities to promote good corporate governance has been conducted on an ongoing basis. In addition, the Company has stipulated the desirable guidelines for directors, management and staff in the good corporate governance policy. For the employees in particular, the Company organized the workshops so that the staff could participate in drafting the desirable guidelines in the exercise of their duties.

In 2007, the Company improved the good corporate governance policy and added the guidelines according to the Revised Good Corporate Governance for the Listed Company in 2006 to ensure the good corporate governance standard has been continuously observed. Good corporate governance principle is the heart of the business operation. Therefore, the Company this year received the awards and social recognition such as the Board of the Year for Exemplary Practices award for the second consecutive year from the Thai Institute of Directors Association (IOD). The Company's board has earned recognition for being an efficient board with diversity of knowledge and experiences which contributes to the Company's vision. The Company's Board of Directors placed the importance on the meeting attendance and conducted the meeting in an efficient manner. The members of the board could express their views on issues in a straightforward manner, resulting in the constructive atmosphere in the meeting room. Moreover, there were cross-evaluations of directors, as a group and individually. The results of the evaluations were disclosed clearly and officially. Therefore, they performed their duties in accordance with the best practices of good corporate governance principles.

The Company has continued to strengthen its commitment in good corporate governance principles for the well-being of the shareholders and stakeholders with an aim to develop the supervision standard to internationally-accepted levels pursuant to the intent of the Corporate Governance Committee, the Stock Exchange of Thailand and Securities and Exchange Commission, which aims at upgrading the credibility of Thai capital market to the internationally-accepted level and be internationally competitive. This shall bring about the benefits to the entire nation.

1. Good corporate governance policy

The Company provided for the making of the "good corporate governance policy" as the shared guidelines for directors, management and staff in the exercise of their duties to ensure the business objective would be realized. The Company's Board of Directors provided for the



making of the good corporate governance policy in writing since 2003 by stipulating the role of the directors that they should have the duty to review and improve the good corporate governance policy to be clear, complete and suitable with the ongoing circumstances on a regular basis.

In 2007, the Company made the third revision by amending the clauses regarding the roles and duties of the Board of Directors and desirable guidelines of directors, management and staff to elevate the Company's good corporate governance standard. Moreover, the Company communicated such policy through various in-house mediums as well as the manuals, distributions through the internet and intranet by aiming to communicate with the Company's staff through the shareholders and other stakeholders to inform them of over the Board of Directors' determination to adhere to the six good corporate governance principles as follows:

1. Accountability
2. Responsibility
3. Transparency
4. Equitable treatment
5. Vision to create long term value
6. Ethics

Apart from communicating such policies, the Company in the past year focused on various activities to create knowledge and understanding for the staff, instill conscious and support the efforts to integrate good corporate governance in the corporate culture. "What is CG?" radio program was produced. The exhibition board featuring the good corporate governance prize was organized. On the auspicious occasion of His Majesty the King's 80th birthday in 2007, the Company organized "CG Day for 2007" under the theme "Follow His Majesty's footsteps" to show our gratitude towards His Majesty's service and dedication to the country and to create knowledge and understanding about the good corporate governance by looking up to His Majesty as the role model in holding the noble virtues. The event featured the exhibition board showing desirable practices to encourage an exchange of information among each division. There was a special lecture on "The Organization Administration and how to follow His Majesty's footsteps" by ML Panadda Diskul, an adviser on security affairs and the spokesman of the Interior Ministry. Besides, the Company included good corporate governance curriculum in the training courses for the new staff.

2. Shareholders' rights and equality

The Company realizes that every shareholder has the ownership right to control the Company by appointing the Board of Directors to act on his/her behalf and has the right to decide on major changes of the Company. The Company therefore has encouraged the shareholders to exercise his/her basic rights and has not acted in any way to disclaim the shareholders' rights.

In 2007, the Company organized the shareholders' meeting on Friday 27 April 2007 at the headquarter of the Company which is located in an accessible location. The Company informed the shareholders of the agenda of that meeting 9 weeks in advance to enable the shareholders to arrange their schedule to attend the meeting. The Company also made available the letters of invitation as well as the agenda items of the meeting on the Company's website to enable the

shareholders to study all the information for their decisions for more than 40 days prior to the meeting date. Such document and materials were delivered to the shareholders for 15 days in advance. The document materials included the directors' opinions for each agenda item, an annual report, proxy authorization letter, including the details of document required for authorization to facilitate the shareholders in vote casting. Besides, the contact telephone number was available for additional inquiry. The Company also enabled the shareholders to submit the questions regarding the agenda items for the 2007 shareholders' meeting to the Company prior to the meeting by notifying the procedures on the Company's website and inform the shareholders of information through the channel provided by the Stock Exchange of Thailand.

On the shareholders' meeting date, the Company facilitated the shareholders' attendance as follows:

- Arranged for sufficient car parking space and shuttle buses for shareholders who traveled by public transportation at On-Nut BTS Station and at Sukhumvit 64.
- Facilitated the shareholders' voting by using barcode system in the registration and vote counting. Stamps were available for shareholders who needed them for proxy authorization letters. The Company also arranged for the shirt sticker for shareholders who had been registered so that they did not have to go through the document checking process before entering the meeting room again.
- Organized the refinery visit on the shareholders' meeting for interested shareholders as well as arranged for the exhibition boards to show the Company's process in various fields as the supplementary channels to inform the shareholders of the Company's information to make them better understand the Company's business.

For the shareholders who could not attend the meeting, the Company produced the video of the shareholders' meeting and released it on The Company's website to inform them of the meeting in addition from the minutes of the meeting available to the shareholders through the Stock Exchange of Thailand's mediums and on the Company's website.

The Board of Directors has set forth the policy regarding the shareholders' rights in the Good Corporate Governance Policy Manual as follows:

Shareholders' rights

1. The Board of Directors has the duty to oversee and protect the shareholders' basic rights including:
 - The right to receive share certificates and the right of transferal and the right to receive sufficient and timely information in an appropriate form to allow for the formation of decisions which will have a bearing on the Company and shareholders.
 - The right to participate and vote in shareholders' meeting in order to allow them to make the decision regarding the major changes of the Company and of the right of shareholders that the board is required to seek opinions from the shareholders' meeting.
 - The right to elect and remove the directors and approve for the appointment of independent auditors.
 - The right in division of profits.
2. The shareholders will receive the letters of invitation and information regarding the location, time, agenda and all relevant information for the agenda items to be considered. The Company shall arrange for the appropriate location and time by sending the information thereof to the shareholders and registrars for no less than 14 days before the meeting and publicize such invitation on the newspaper for three consecutive days and at least three days before the meeting date. The information thereof is also available on the Company's website before the information is sent.
3. Regarding the directors' election, the shareholders can elect an individual to be a director. One share is equivalent to one vote.
4. Under the applicable law and the Company's articles of association, the shareholders can ask the Board of Directors to include the agenda items and pose questions, ask the directors to give explanation and express their opinions in an appropriate manner.



5. Chairman of the board, directors and relevant executives have the responsibilities to attend the shareholders' meeting to answer the questions from the shareholders.
6. After the shareholders' meeting, the shareholders shall be able to get an access to the information about the meeting's consideration and voting.

All shareholders of The Bangchak Petroleum, both management and non-management, including the foreign shareholders are equally and fairly treated.

This year, the Company invited the shareholders to propose the agenda items for the shareholders' meeting in 2008 and the names of the qualified candidates for the positions of the Board of Directors. The Company established the criteria and procedures and publicized them on the Company's website and notified the shareholders through the Stock Exchange of Thailand's mediums 3-4 months before the shareholders' meeting. And the Board of Directors has a policy not to include the unnecessary agenda which are not informed in advance in the meeting's agenda items, especially the important agenda that the shareholders need time to study before forming their decisions. The Company also encouraged the shareholders to use the authorization letter with uniform details (Form Khor). Independent directors with no interest can be nominated as the shareholders' proxy to ensure transparency and accountability. In case where the dispute later arises, the Company's Board of Directors shall require the vote-casting paper for every agenda. Moreover, for the director's election agenda, the shareholders can vote for each individual candidate on an equal footing, with one share is equivalent to one vote.

The Board of Directors stipulated the shareholder equality in the Good Corporate Governance Policy as follows:

Shareholder equality

1. Shareholders have voting rights in accordance with the number of shares that they hold, and have equality with regards company information.
2. Shareholders shall receive from the Company necessary information that is sufficient, fair and timely, and the Company shall not display bias towards any one group of shareholders by providing them with as yet undisclosed information.
3. In the shareholders' meetings, the shareholders shall be treated with fairness.
4. Shareholders may propose additional agenda items to the meeting or nominate the persons for the director positions before the shareholders' meeting as required by the Company.

The Company has arranged for various types of communication channels to ensure that all shareholders equally receive information via website, press release, analysis meeting and company visit to enable the shareholders, investors and analysts to visit the Company and meet with the executives. The information was also available during the Opportunity Day which was quarterly held by the Stock Exchange of Thailand. Investors can also contact the Company via the telephone number and e-mail address of the Investor Relations officers in addition to the normal information disclosure via the Stock Exchange of Thailand's system to enable the investors to get the access to information.

3. The Company's role with the stakeholders

There are several stakeholders involved in the operation such as customers, employees, trading partners, shareholders or investors, creditors as well as the communities that the Company is located at.

The Company places high priority on every stakeholders group. The Company's board has stipulated the process to promote the cooperation between the Company and these interest groups, including employees, customers, trading partners, competitors, shareholders and especially the communities surrounding the refinery's area, to create prosperity, financial stability and sustainable operation. Operating a large-scale industry, the Company therefore takes into consideration the environmental and safety aspects all along. To achieve this, the Company produced the Sustainability Report to inform the shareholders, relevant parties and interested persons of three aspects of the Company's operation, namely, environment, society and business. This reflects the Company's determination to constantly develop and operate the business ethically with an environmental friendly attitude and safety precaution. The Company also participates in the economic development by improving the public's quality of life as well as taking part in the community and social development in accordance with Corporate Social Responsibility: CSR Principle that the Company now observes as part of the good corporate governance policy.

The Company has established the guidelines to oversee the stakeholders in the "Good Corporate Governance Policy" by considering the rights of the stakeholders, not only following the applicable laws but also not acting in any manner to disclaim the right of these groups.

Employees

The Company realizes that the employees are the main driving force of the Company's progress. Therefore, the Company has supported all employees' efforts to improve their knowledge and capability. Besides, the Company has equally treated all employees by providing them with appropriate and fair returns and welfare benefits. The Company provides for the medical welfare, transportation service, birthday activities, Children's Day activity for the staff's children and various recreation clubs after daily work routine. (Additional details are available on the 2007 Sustainability Report.) Moreover, the Company also sets up the Employee Stock Option Program (ESOP) as a reward for employees to encourage them to exercise their duties effectively. This will bring about the best interests to the corporate and ensure success of Company's business.

Customers and the public

The Company has determined to develop the quality of its products and services to ensure the customers' confidence and satisfaction. The Company has a policy to deliver the good products according to or higher than the expectation of the customers under the fair conditions. The Company will give correct, sufficient and updated information regarding to the products and services, without exaggeration to mislead the customers about the quality, quantity or any conditions of the products or services. In addition, the staff shall keep the customers' secret confidential and shall not use such information for personal or other benefits in bad faith.

Trading partners.

The Company has outlined the ethical requirements for procurement as well as transaction of petroleum and petroleum products as part of the Company's code of conduct to ensure that the Company will do business with its trading partners efficiently and fairly in according with the good corporate supervision. Besides, the Company also provided for the "the business contact manual" and "Guidelines for Bangchak Gas Stations' Agents" for trading partners in dealing with the Company to ensure that the operators/The Company's agents will operate the quality business in line with the good corporate governance guidelines and appropriate business ethics. The Company has a policy to equally and fairly treat the trading partners, based on the principles of mutual and fair benefits and honoring the obligations or requirements. The Company shall notify the trading partners in advance if it is unable to follow any of the conditions so that both sides can mutually seek alternative solutions.

Creditors

The Company will treat the creditors fairly, with responsibility and transparency by strictly following the requirements stipulated by the contract and the financial obligations. The Company will not act with bad faith, conceal the information or any facts to cause the damage to the creditors. The Company shall notify the creditors if it is unable to follow any of the obligations so that both sides can mutually seek alternative solutions.



Competitors

The Company concentrates on doing business with ethics, transparency and fair competition under the decent competition rules. The Company shall not seek the confidential information of the trading partners in a manner which is dishonest or inappropriate such as bribing the competitor's employees. The Company will not destroy the reputations of its trade competitors by making scandalous claims.

Shareholders

The Company is committed to carrying out the business operation by observing the corporate governance principles, being credible and maintaining the financial security to boost the competitiveness in the long term to increase the value to the shareholders.

Communities surrounding the refinery and society.

The Company considers that occupational health, safety and environment are part of the business. Therefore, the Company establishes the occupational health, safety, environment and energy efficiency policies as the guidelines for the board, management and every staff under the corporate culture: "Develop sustainable business, while safeguarding environment and society" as follows:

- Operate with safety without leaving negative impacts to oneself, related persons, communities and environment.
- Observe the relevant laws regarding occupational health, safety, environment and employees.
- Prevent the causes of the pollution, oil leakage and loss.
- Prevent the causes of every possible accident.
- Efficiently utilize the resources such as energy, water and chemicals.
- Constantly improve occupational health, safety and environment management.

In addition, the Company also produced "Green Family" and "Around Bangchak" bi-monthly newsletters to distribute to the communities in the refinery area to inform the residents of the Company's information. The recipients will also receive useful information such as the energy saving methods, daily safety precautions, and health tips as well as the environment protection activities, among others. The journal is another channel that the Company communicates and takes care of the communities in the refinery's neighborhood.

Moreover, the Board of Directors also develops the mechanism to promote the stakeholders' participation in promoting the Company's business operation by disclosing the information in a transparent manner, listening to their views through the meeting with the executives, submitting of information through the Investor Relations Department and website to ensure the sustainability of the business. **And this year, the Board of Directors established the channels to receive the report of wrongdoing or complaints regarding unlawful or unethical acts, falsified financial report or defective internal control system as well as the mechanism to protect the whistle blowers. The Company also established the operational procedure after the tips-off was informed to improve the effectiveness of the stakeholders' participation in overseeing the Company's interests.**

How to make the tip-offs or the complaints.

Electronic mails

ico@bangchak.co.th

Postal mails

Internal Control Office

The Bangchak Petroleum PCL.

Head Office: 210 Moo 1 Soi Sukhumvit 64, Sukhumvit Rd., Bangchak, Phra Khanong, Bangkok 10260 Thailand. Tel. 0-2335-4566 Fax 0-2331-6530

4. Shareholders' meeting

In the shareholders' meeting 2007, the Company sent the invitation letter and annual reports to every shareholders whose name appeared on the share registrar book as of the closing date of the Company's share registrar book. Eleven directors who attended the meeting were General Tawat Ked-unkoon, Chairman, Mr. Chai-Anan Samudavanija, Vice Chairman and Chairman of the Nomination and Remuneration Committee, Mr. Anusorn Tamajai, Director and Chairman of Audit Committee, Mr. Nipon Surapongrukchareon, Director, Audit Committee's member and Chairman of the Enterprisewide Risk Management Committee, Mr. Wirat Iam-Ua-Yut, Director, Audit Committee' member and Chairman of Corporate Governance Committee, Miss Pranom Kowinwipat, Director and Audit Committee' member, Mr. Sayan Satangmongkol, Director, Mr. Apisit Rujikeartkamjorn, Director, Miss Chularat Sutheethorn, Director, Mr. Nares Sattayarak and Mr. Anusorn Sangnimnuan, President and Secretary of The Company's Board of Directors including every Senior Executive Vice President.

The Chairman of the Board presided over the meeting. **During this general shareholders' meeting, the Company invited AMT Associate Office, The Company's auditor represented by Mr. Sakchai Wattanadejakul, to carry out the document checking process for the meeting and procedure to cast the vote as well as the result of the voting and the resolutions to ensure the shareholders' meeting was conducted in a transparent and lawful manner in accordance with The Company's articles of association.** During the meeting, the shareholders were given an equal opportunity to express their opinions and raise any question. The topics of discussion and opinions expressed during the meeting were recorded in the minutes of the meeting. Moreover, the Company made the video-record of the meeting for future reference.

To improve the next shareholders' meeting, the Company provided for the evaluation form of the general shareholders' meeting for 2007 to evaluate the meeting and survey the shareholders in attendance. The survey of such shareholders' meeting showed that the participants gave a "good" grade for the organization of the meeting.

5. Leadership and vision

The Company's Board of Directors took part in establishing the vision, mission, strategy, business goal and budget on a regular basis every year to increase the best value to the operation and prosperity to the shareholders. Moreover, The Company's Board of Directors has the duty to approve the important strategy and policies particularly for the Key Performance Indicator:KPI. As for financial affairs and work plans, the factors for measuring the Key Performance Indicator: KPI were set since early of the year. The result was monitored on a regular basis. From 2004, the Company participated in the state enterprise evaluation project with the State Enterprise Policy Office, Ministry of Finance.

The Company's Board of Directors arranged for the internal control system, internal inspection, effective risk management standard and the monitors thereof on a regular basis during the Board of Directors' meeting.

The Company's Board of Directors also followed up the performance of the management by requiring the management to report the progress of The Company's operation and performance every month at the Board of Directors' meeting. In addition, the Board of Directors realizes the importance of the compliance of applicable laws and regulations and, therefore, requires the management to report the important movements of the Company to ensure the operation, duly and effectively, proceed.

6. Conflicts of interest

To avoid the conflicts of interest, the Board of Directors oversees the cases where the conflicts of interest may arise by stipulating the policy and approval procedure for relevant items in writing in The Company's good corporate governance policy, the desirable practices of the board, management and employees. The employees shall not act in a manner that will conflict The Company's business such as having activities or any act that may cause the Company to lose the benefits or receive less benefits than it should, or divide The Company's profits. The employees shall not hold shares in The Company's competitors if such interests shall affect the employees' performance or the exercise of their judgment to perform their duties. If the employees inherited or received such shares before working with the Company, before the Company entering into that business, or by a will, the employees should notify to supervisors of such share acquisition.



7. Insider information

The Company has a policy regarding to the desirable guidelines for directors, executives and employees, to prohibit the use of important insider information of the Company which has not been disclosed to the public for their own benefits or the others, including the transactions of the Company's securities as follows:

1. Notify the directors, executives, spouses and children who have not reached the majority age as well as the relevant persons pursuant to Article 258 of the Securities and Exchange Act BE 2535. Produce and distribute the report of stock holding as well as the updated report whenever the shares have been bought, sold or transferred or the receipt of transfer within 3 days from the date of transaction to the Securities and Exchange Commission pursuant to Article 59 and punitive measures under Article 275 of the Securities and Exchange Act BE 2535 and the Stock Exchange of Thailand's requirements.
2. Send the circulating letters to directors and management to inform them that they have been informed of the important insider information including the Company's financial statement which affects the value of the Company's share price. Therefore, they shall avoid or stop transacting securities at least one month before the financial statement is announced and three days after the announcement thereof. And they shall not disclose that important information to others before the financial statement or that insider information is disclosed to the public.

In addition, during the Board of Directors' meeting, the stock holdings, the changes of securities holdings of the directors and executives shall be reported on a regular basis and they shall promptly inform the Company if one of the following cases happens:

- There is a conflict of interest, either direct or indirect, in any contract that the Company has entered into in between the fiscal year.
- Hold shares or debentures of the Company or the Company's subsidiaries.

The Company has established the punitive measures in the Company's regulations for the violators who use the Company's insider information for personal gains. The punitive measures range from warning to dismissal from work.

8. Business ethics

The Company's Board of Directors establishes the policy and operational guidelines in line with the good corporate governance principle by placing high importance on control, internal inspection and risk management system. The board also oversees the management to ensure the latter exercise their duties in a manner consistent with the good corporate governance guidelines for the long term benefit of the shareholders and stakeholders under the legal framework. The Company's business ethics are as follows:

1. Transparency and Information Disclosure
 - Management, accounting recording and financial reporting are regularly undertaken in compliance with the laws and principles as well as the international standard. Accurate, clear and timely information is disclosed so as to ensure confidence of investors, shareholders and related creditors.
2. Equitable Treatment for all parties concerned
 - All parties concerned, including shareholders, customers, trading partners, creditors, employees and the society are ensured of fair and equitable treatment. Shareholders, regardless of whether they are minor or major shareholders, will be equally treated.
3. Risk management
 - Risk management is performed in terms of effectiveness, efficiency, accuracy of financial reports and compliance to laws, principles, regulations and orders, which are in accordance with the framework of internal control. In analyzing business risk, risk priorities are identified so as to scrutinize control measures with the purpose to reduce risk to the minimum level.
4. Attainment of High Standard of Best Practices
 - The Company aims to provide better results to all parties by encouraging all departments to attain high standard of best practice.

5. Adherence to Responsibility towards the Society
 - The Company runs its businesses by taking into account duties and responsibilities to comply with benefits of the general public, environment and participating in the efforts to improve living conditions of the Thai society.
6. Enhancement of Virtue and Ethics in All Levels of Organization
 - Virtue and ethics are the core factor of corporate governance of the Company that is to be practiced by all levels of the members of organization including Directors, Executives and staff. Without virtue and ethics, the Company realizes that business sustainability cannot be attained.

In addition, the Company also established the code of conducts for directors, executives and employee in writing to enable the relate persons to use as the guidelines to exercise their duties according to the Company’s mission with honesty, good faith and righteous, including the treatment to company and all interest groups.

9. The balance of the non-management directors

The Company’s Board of Directors consists of 14 members as follows:

Management director	1	
Independent director	6	
Outside directors	7	(6 of them from the major shareholders)

The list of the Board of Directors’ names is appeared in “the Board of Directors” title.

10. The President’s and high-level management’s service in other companies’ Board of Directors

The Company has set forth the policy and guidelines for the President’s and high-level management’s service in other companies’ Boards of Directors as follows:

1. The President and high-level management of the Company may be assigned to sit at the directors’ offices of the Company’s joint ventures or subsidiaries.
2. The President shall seek an approval from the Company’s Board of Directors before sitting in the board of other companies which are not the Company’s associates or subsidiaries whereas he/she shall not service more than 3 companies at a time.
3. High-level management shall seek an approval from the President before sitting in the board of other companies which are not The Company’s associates or subsidiaries whereas they shall not service more than 3 companies at a time. They shall also notify such service to the Board of Directors.

11. The board’s term limit policy

In 2007, the Board of Directors resolved to upgrade the good corporate governance standard in accordance with the Good Corporate Governance Standard of the listed companies in 2006 by adding the policy on the board’s term limit as follows:

Policy to set the term limit that the director can stay in office

“A director shall not stay in his office for more than 3 terms consecutively (from 2008 onwards). Except for the case where it is appropriate to allow any director to stay in office beyond such term limit, the Board of Directors shall consider the director’s independence and efficiency into consideration and inform the reasons thereof as well as the result of the director performance to the shareholders.”

This is to ensure that the Company will be able to keep the directors with required characteristics for the best interest of the Company.

The Stock Exchange of Thailand Policy to limit the number of companies that a director will service in their boards.



“A director should not sit in the boards of more than five listed companies on the Stock Exchange of Thailand, unless the Boards of Directors have considered the efficiency of such directors and inform the reason as well as the result of the director’s performance to the shareholders.”

At present, there is one director serving in the boards of more than five listed companies on the Stock Exchange of Thailand. Nonetheless, such service does not affect his performance in any way because the director has devoted his time to perform his duty for the best interest of the Company by consistently attending the meeting and presenting useful opinions to the Company. To clearly evaluate the efficiency of the director in performing his duty, the Company considered the number of attendance as part of the director performance evaluation.

12. Position consolidation or separation

According to the definition stipulated by the Stock Exchange of Thailand, the Chairman is an independent director and shall not be the same person as the President, nor having any relationship with the management. This is to ensure the supervision and management have been clearly separated. The Chairman has shown his leadership and controlled the meeting of the board to ensure the meeting was conducted in an effective and efficient manner by encouraging every director to participate in the meeting. The Chairman assists, advises, oversees and supports the business of the management through the President. Moreover, the Chairman shall not sit in any sub-committee. Every director is free to express his/her opinion regarding the Company’s operation to ensure that the management shall carry out the business in an effective, appropriate and transparent manner.

13. The director and management compensation

The Board of Directors set up the Nomination and Compensation Committee to set the director and management’s compensation policy in writing as follows:

Director Compensation Policy

In setting the director compensation, the Company shall consider the appropriateness to the director’s duty, delegated responsibilities and competitive level with comparable listed companies on the Stock Exchange of Thailand. The directors’ compensation should be sufficient to serve as incentives to attract qualified directors to the board and encourage them to exercise their duties to achieve the Company’s objective and for the best interests of Company through the transparent process to gain the shareholders’ confidence.”

The directors’ compensation is in accordance with the resolutions made by the general shareholders’ meeting. The details of the compensation are disclosed in the topic “Director and Management Compensation” in the management chapter.

14. Account audit fee

14.1 Audit fee

The Company and subsidiaries paid the audit fee as follows:

- The Company’s auditor (Mrs. Natsarak Sarochanunjeen and/or Mrs. Kesree Narongdej) in the past year for Bt 0
- The auditing company supervising the auditor (AMT Associate), persons or business relating to the auditor, and auditing companies in the past year for a total of Bt1,650,000 (Bt1,100,000 for the Bangchak Petroleum Public Company Limited and Bt 550,000 for Banchak Green Net Co., Ltd.).

14.2 Other service fees

The Company and subsidiaries paid for the other service fee as the collateral-account inspection fee and cash monitoring service fee for the monthly and quarterly service, according to the borrowing requirement of the lending bank as follows:

- The Company’s auditor (Mrs. Natsarak Sarochanunjeen and/or Mrs. Kesree Narongdej) in the past year for Bt 0

- The auditing company supervising the auditor (AMT Associate Office), individual persons or business relating to the auditor, and auditing companies in the past year for a total of Bt 2,200,000.

15. The Board of Directors' meeting

The Company's Board of Directors has outlined the meeting schedule in advance for the whole year. Normally, the meeting is held regularly every month. There may be more meetings as deemed necessary.

During the Company of director's meeting, the Chairman and the President shall jointly set the agenda of the meeting to follow up the operation on a regular basis. The secretary of the Board of Directors sends the letters of invitation including the agenda items and meeting materials at least seven days before the meeting to provide the directors for sufficient time to study the information before the meeting. The minutes of the meeting are recorded in writing and certified by the Company's board. They are available for the board's or related persons' inspection. (The details of the directors' attendance is available at "The Meeting of the Board of Directors" in the Management Structure chapter.)

16. Sub-committee

The Board of Directors set up the sub-committee with the qualified members to help studying the issues in details and screening the works of the Board of Directors to ensure thorough consideration and in-depth analysis on the issues. Nonetheless, the Board of Directors remains accountable to the outsiders. (The composition, duties and name list of the sub-committee is stipulated in the "Sub-committee" under the Management Structure chapter.)

17. The control system and internal inspection process

The Company has placed high priority on the internal control to ensure the effectiveness in the exercise of duties at the management and operational levels. Therefore, the Company has established the appropriate corporate structure with the clear supervisions and relationships among the agencies and the power delegated according to the positions, The Company's regulations regarding budget, finance and accounting, personnel management, procurement and distribution of petroleum and petroleum products, the procurement of supplies as the guidelines for the employees. In addition, the risk management and the early warning system have been established to prevent possible threats in the operation.

The Company's Board of Directors has established the Internal Control Office to ensure that the Company's key operational and financial activities carried out effectively in accordance with the guidelines, including Company's compliance controls. To ensure the Internal Control Office shall be independent, efficient and able to perform its inspection and counter-balance the interests of all parties concerned, the Board of Directors requires the Internal Control Office to directly report to the Audit Committee.

18. Risk management

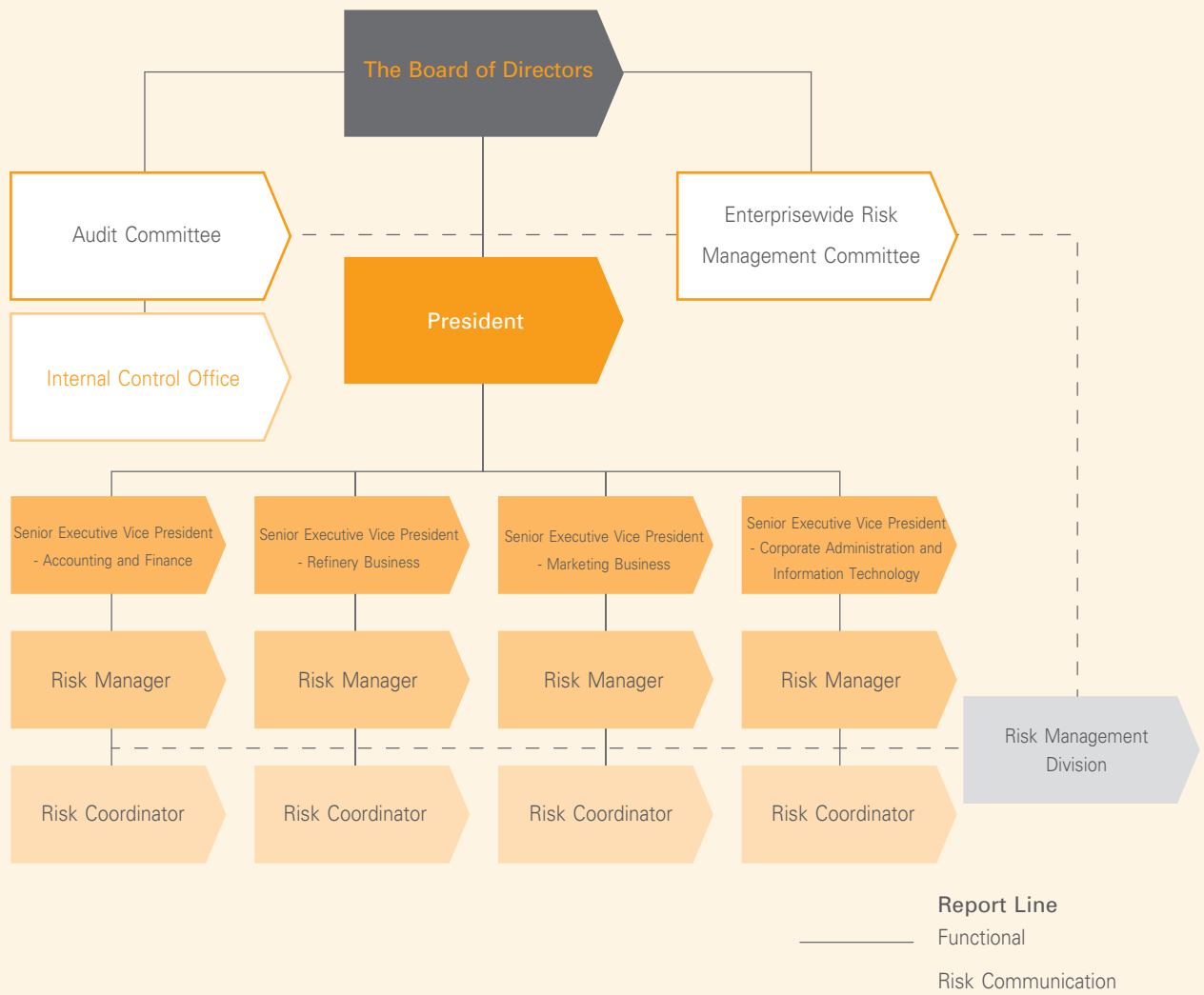
One of the highlights of the Company's operation is the risk management. The Company established the Enterprisewide Risk Management Committee to identify and assess risks, set up the preventive and risk management measures, ensure the operations executed in a manner consistent with the applicable laws and relevant regulations. The Company also produced Risk Management Report. The Company set up the enterprisewide risk management and the corporate-wide risk management. Structure as follows:



1. Executives and employees involvement in corporate risk management is mandatory. Personnel of all levels shall take part in the development and management of risk. Thorough understanding of risk management processes and implementation are prerequisites and provided.
2. The efficiency of corporate risk management process is ensured by Good Corporate Governance principles. The aim is to increase the percentage of success and decrease the uncertainty in operational result.
3. The implementation of risk management process is applied throughout the corporate by way of efficient use of resources to identify, evaluate and manage risk in suitable ways.
4. Corporate risk management is encouraged, enhanced, and worked into corporate culture by increasing risk management awareness level.

Enterprisewide Risk Management Structure

The enterprisewide risk management structure consists of directors, management and all agencies in the organization. The Enterprisewide Risk Management Committee, established by the Board of Directors, oversees to ensure the effectiveness of risk management system in the organization through understanding of risks that may adversely affect the organization and to ensure that appropriate measures will be carried out in response to such risks. The central agency, the Risk Management Division facilitates and supports the management and agencies to ensure the effectiveness in the risk management as follows:



The Company produced the “Risk Management manual” to publicize the information regarding the risk management to inform the management and staff for the exercise of their duties.

19. Director report

The Board of Directors is accountable for the financial statements of the Company and subsidiaries as financial information in the annual report. The financial balance sheet is executed, with cautious judgments and thorough estimations, according to the internationally-certified accounting standard based on the suitable and consistent accounting policy. The important information shall also be sufficiently disclosed in the remarks attached to the financial statements.

The Company's Board of Directors oversees the internal control system to ensure that it is carried out effectively with the correct, complete and sufficient record of the accounting information to maintain the Company's assets to prevent any wrongdoing or any major mistake in the operations.

The Company's Board of Directors viewed that the Company's internal control system was executed at the satisfactory level and could reasonably ensure the credibility of the financial statements of the Company and its subsidiaries as of December 31, 2007.

20. Investor relations

The Board of Directors realizes that the Company's information both financial statement and non-financial information is all important to the decisions of the shareholders and stakeholders. The management placed an importance to the disclosure of complete, correct, credible and timely information on a regular basis pursuant to the requirement set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company therefore set up the Investor Relations Department as the centre to oversee the quality of the financial report procedure as well as important information that may affect the value of the Company's shares as follows:

Directly : The Company presented the Company's performance to the stock analysts, investors and employees on an ongoing basis through Analyst Meeting, Roadshow, Conference Call, participations in various conferences hosted by various agencies, discussion with the minor shareholders and the Stock Exchange of Thailand on the Opportunity Day. Besides, the interested investors can seek an appointment for company visit to meet with the management to pose questions about the progress of the Company's operation apart from the Company Visit program organized by the Stock Exchange of Thailand. For those who were unable to attend the meeting, the Company provided the information of the meeting through the Company's website and video.

Indirectly : The Company's information about the performance, financial statement as well as the information reported to the Stock Exchange of Thailand is available on the website www.bangchak.co.th.

: Investors and related persons can seek additional information from the Company by calling telephone no. 0-2335-4581-83, 85 or the website www.bangchak.co.th or e-mail address ir@bangchak.co.th.

The Company also published press releases, business updates, the latest developments of the operation and other projects as well as provided the answering service and facilitated the press and public throughout the year 2007 on a regular basis through e-mail, press releases, photo news releases, press conferences as well as press meetings with the management.





หลักสำคัญ

Accountability
Responsibility
Transparency
Equitable Treatment
Vision to Create
Long Term Value
Ethics

COMPLEX REFIN

FORWARD TO

2008

Development Direction of the Company

Upon the completion of the Product Quality Improvement Project (PQI) in 2008, the installment of the Hydro-cracking Unit, Vacuum Unit, Hydrogen Plant and other supporting units will turn Bangchak's refinery to a complex refinery which can produce more high-value gasoline and diesel and increase the refinery's capacity to around 100,000 barrels a day for the economy of scale. In addition, Bangchak plans to improve the production efficiency, energy consumption and environment management to meet the international standards. Bangchak will also conduct a feasibility study on the increase in fuel oil product value and quality to meet new quality standards, to boost the competitiveness against competitors at all times. On positive financial performance and stronger financial results, Bangchak in the next step plans to expand into the alternative fuel arena, foresee the opportunity deriving from high oil price, deplete reserves of fossilized energy reserves (oil, coal and natural gas), and rise awareness on the effects of global warming from fossilized energy consumption worldwide. It will also look into the opportunity to invest in new businesses, which are related or not related to the current business, to add value and diversify risks in the future revenue, with a focus on sustainable development as well as commitment to society and environment.

To support the business plans, Bangchak has emphasized on improving the organization in terms of personnel, so that they are able and knowledgeable to effectively respond to the business change. They will also be instilled of ethics and sense of responsibility to others. The Company will also improve the operating systems and procedures for efficiency, transparency and competitiveness in the international scale.

Refining business

- In 2008, the Company is committed to completing the Product Quality Improvement Project as planned, under the prescribed budget. Meanwhile, it will improve the production software in the areas of complex yield simulation and plant optimization to support the new production units which are created under the project and will be operational late 2008. Upon the start of the project, Bangchak plans to increase the refinery efficiency by participating the benchmarking program, whereby the results will be used to improve the efficiency to match that of international complex refineries.
- Bangchak is committed to continually focusing on environmental management, with the plan to apply clean technology in the management of quality of air and waste water in the production process.
- To comply with the oil specification requirement by Department of Energy Business to meet the Euro IV standards which will take effect on January 1, 2012, Bangchak has studied on improving the production units to ensure that the output meets the prescribed requirement, to help reduce Thailand's pollution from oil combustion.



Marketing business

- Bangchak continues to push forward the plan to become the leader in alternative energy, after the success in marketing gasohol 95, gasohol 91, and Power-D B5 sale nationwide as well as the start of gasohol E20 sale on January 1, 2008. In the next stage, the Company will conduct the feasibility study of the production and sale of gasohol E85, Biodiesel B10 and E-Diesohol (diesel which contains ethanol and biodiesel contents) under the government's alternative energy promotion policy for energy security and lower energy imports.
- Bangchak aims to increase the rate of returns of its own service stations, through the improvement of the stations' image, services and oil quality. Moreover, plans to increase and develop community service stations to serve the increasing demand, as well as open new service stations in potential areas in response to the higher diesel and gasoline output from the Product Quality Improvement Project are underway.
- A plan for complimentary high-value businesses, by improving the convenience stores' images, products and services plan is now undertaken. Experienced partners will be sourced to provide other services such as lubricant change, restaurants and beverage shops. Bangchak will also sell more NGV at service stations to increase the returns of the existing service station network.

Organization development

- New alternative energy particularly biofuel, biodiesel and ethanol are being developed. The Company's commercial biodiesel production project with a processing capacity of 300,000 liters per day is now under the development stage at the oil depot in Bang Pa-In, Ayutthaya. The biodiesel from the project will be blended with high-speed diesel for B2 and B5 products.
- Bangchak is developing new businesses related and not related to the existing business. It works together with a consultant to study a new business investment master plan, to set the framework and direction of new investment plans.
- Bangchak plans to be a learning organization. Following employees' competency evaluation and the individual development plan which will help equip employees with required knowledge and capability, Bangchak will focus on knowledge management. The IT system will be introduced to create E-Library and E-learning, for example, to encourage employees to study by themselves as well as share their knowledge with one another.
- Bangchak continues to improve the work system and process for efficiency, transparency and competitiveness in the international scale, to become an excellent organization, through the exercise of management guidelines under the Total Quality Award.
- A good corporate governance and compliance to the Stock Exchange of Thailand, by summarizing the best practices and code of business ethics for executives and employees is set forth so that they exercise the practices in daily operations. The risk management will also be extended to be a tool in leading the Company towards the business goals. Risk management will become part of the daily operation and the corporate culture.

Capital Structure

Common shares

As of December 31, 2007, The Company's registered capital stood at Bt1,531,643,461 with Bt1,119,132,050 paid-up. The number of paid-up common shares was 1,119,132,050 with par value of Bt one each. The paid-up capital increased from Bt1,119,096,351 on December 31, 2006, because:

- On January 3, 2007, holders of The Bangchak Petroleum Public Company Limited's warrants No.1/2006 exercised their rights for 15,000 new common shares at par value of Bt1 apiece, totaling Bt15,000.
- On October 1, 2007, holders of The Bangchak Petroleum Public Company Limited's warrants No.1/2006 exercised their rights for 20,000 new common shares at par value of Bt1 apiece, totaling Bt20,000. Holders of convertibles also converted the securities into 699 common shares, worth Bt699 at the par value of Bt one apiece.

Warrants

- As of August 25, 2004, the Company issued warrants to directors, executives and employees of the Company and Bangchak Green Net Co., Ltd. (ESOP), totalling 24,000,000 units with 5-year maturity. A warrant can be exercised for 1 common share at the price of Bt 5.

However, since the issuance date, the holders have been barred from exercising the rights under the prescribed conditions. As of December 31, 2007, the Company's warrants remained at 24,000,000 units.

- As of May 15, 2006, the Company issued 69,092,486 units of 5-year warrants (BCP-W1), distributed to existing shareholders at the ratio of 10 old shares for one warrant. A warrant can be exercised for one common share at the price of Bt18.

Since the issuance date until December 31, 2007, the warrant holders exercised 60,000 units of warrants for 60,000 common shares. As of December 31, 2007, outstanding BCP-W1 stood at 69,032,486 units.

Convertible debentures

As of December 31, 2007, the Company's outstanding convertible debentures, in the form of depository receipts (DR), issued by Siam DR Co., Ltd. totaled 217,595 units due to the conversion of one convertible debenture on October 1, 2007 into 699 common shares (at the conversion price of Bt14.30 apiece/any odd shares were discarded). At face value of Bt10,000 a unit, the outstanding DRs totaled Bt2,175,950,000 in value.

Besides, the Company issued 58,560 units of non-transferable subordinated convertible debentures to PTT Plc., at face value of Bt10,000 apiece totaling Bt585,600,000. The convertible debentures can be converted to common shares at Bt14 per common share, carrying the coupon rate of 3% per annum. The securities were issued as part of fund raising for the Product Improvement Project.



Borrowing

As of December 31, 2007, The Company's outstanding domestic loans totaled Bt8,280 million, comprising short-term and long-term loans of Bt8,280. The borrowing excluded the convertible debentures worth Bt2,762 million.

Details of borrowings appear in the notes on financial statements for the period ending December 31, 2007.

Shareholders

- Common shareholders (BCP)

Top 10 shareholders (As of April 9, 2007)	No. of shares (unit)	shareholding (%)
1. Siam DR Co., Ltd.	520,056,055	46.47
2. PTT Plc.	280,680,000	25.08
3. Thai NVDR Co., Ltd.	96,094,100	8.59
4. Morgan Stanley & Co International Ltd.	51,372,700	4.59
5. BankThai Plc.	30,580,600	2.73
6. Social Security Office	29,303,513	2.62
7. Mrs. Buppha Ngamapichon	10,000,000	0.89
8. Mr. Jin Woramahaphoot	4,011,000	0.36
9. Government of Singapore Investment Corporation	3,945,000	0.35
10. Mr. Somphong Chonkadeedamrongkul	3,654,800	0.33
Top 10 shareholders' holding	1,029,697,768	92.01
Total issued shares	1,119,111,351	100.00

Holders of BCP-DR1, issued by Siam DR Co., Ltd.

Top 10 shareholders (As of April 9, 2007)	No. of shares (unit)	shareholding (%)
1. Ministry of Finance	124,947,970	24.03
2. Morgan Stanley & Co International Ltd.	103,709,000	19.94
3. PTT Plc.	52,240,000	10.05
4. The Bank of New York (Nominees) Ltd.	24,583,700	4.73
5. Goldman Sachs International	15,050,836	2.89
6. Vayupak Fund 1 by Krung Thai Asset Management Plc.	10,415,700	2.00
7. Vayupak Fund 1 by MFC Asset Management Plc.	10,415,700	2.00
8. SOMERS (U.K.) Ltd	8,082,700	1.55
9. Miss Supatra Tohchu-de	4,140,600	0.80
10. Bangkok Life Assurance Ltd.	3,093,400	0.59
Top 10 shareholders' holding	356,679,606	68.58
Total issued shares	520,056,055	100.00

Common shareholders through Thai NVDR Co., Ltd.

Major shareholders (As of April 9, 2007)	No. of shares (Unit)	Shareholding (%)
1. Goldman Sachs & Co.	80,000,000	83.25
2. Morgan Stanley & Co. International Ltd.	13,400,000	13.94
Major shareholders' combined holding	93,400,000	97.19
Total shareholding	96,094,100	100.00

Note: Data from <http://www.set.or.th/set/nvdr/nvdrholder.do>

Dividend policy

Bangchak has the policy to pay 50% of consolidated net profits as dividend, depending on the economic condition and the Company's future business plans. The payment must not go against the Public Company Act on dividend payment.

Subsidiary's dividend policy (Bangchak Green Net Co., Ltd.)

Any preferred share is entitled to annual dividend, equivalent to the daily average of a one-year fixed deposit rate of Krung Thai Bank Plc. in the fiscal year in which the dividend is to be paid plus 3% of the rate. The dividend is paid to all paid-up shares as of the payment announcement date, payable on the day set at the general shareholders' meeting. In the year that the Company's profits are lower than the full amount of dividends for the preferred shares, all the profits will be diverted to preferred share holders and no dividend will be paid to common shareholders. Unpaid dividend to the preferred shares will be accumulated with the dividend in the following year.

For common shareholders, in the year when there are any profits left after dividend payment to preferred shares, the general shareholders' meeting will approve the payment of dividend to common shareholders on a case by case basis.



Nomination and Remuneration Committee's Report

To Shareholders

The Bangchak Petroleum Public Company Limited's Board of Directors meeting No.6/2006 resolved to appoint the current Nomination and Remuneration Committee, having Mr.Chai-Anan Samudavanija as Chairman and Mr.Pichai Chunhavajira and Mr. Nipon Surapongrukchareon as members.

In 2007, the Nomination and Remuneration Committee hosted three meetings to select qualified Company directors, to determine the Company's director remuneration, and to evaluate the President and Senior Executive Vice Presidents' performance as well as set their remunerations accordingly. The committee also reviewed the succession plans for the President and SEVP levels. The Nomination and Remuneration Committee also reviewed and improved the selection and remuneration procedures under the Stock Exchange of Thailand and the Thai Institute of Directors' best practices guidelines, for submission to the Board of Directors.

In nominating the Company's directors, Bangchak emphasized on persons with knowledge, ability, experience, track records, leadership, vision, moral and ethics. They must also have positive views towards the organization and can devote sufficient time to the Company. Besides, they must possess the right quality to fit the board structure to achieve the Company's business strategies. The selection process is transparent to raise confidence among shareholders. At present, Bangchak's Board of Directors consists of 14 directors - 6 independent directors, 7 non-executive directors, and the President who acts as the secretary to Board of Directors. Their biographies appear in the Board of Directors.

In setting remuneration of the directors and the high-ranking executives, the Company takes into account their responsibility and equivalent rates offered by listed companies in relevant industries and business sizes. The remuneration, set in the transparent manner to raise confidence among shareholders, is high enough to aspire directors and executives to accomplish the Company's mission and go towards the Company's determined direction.

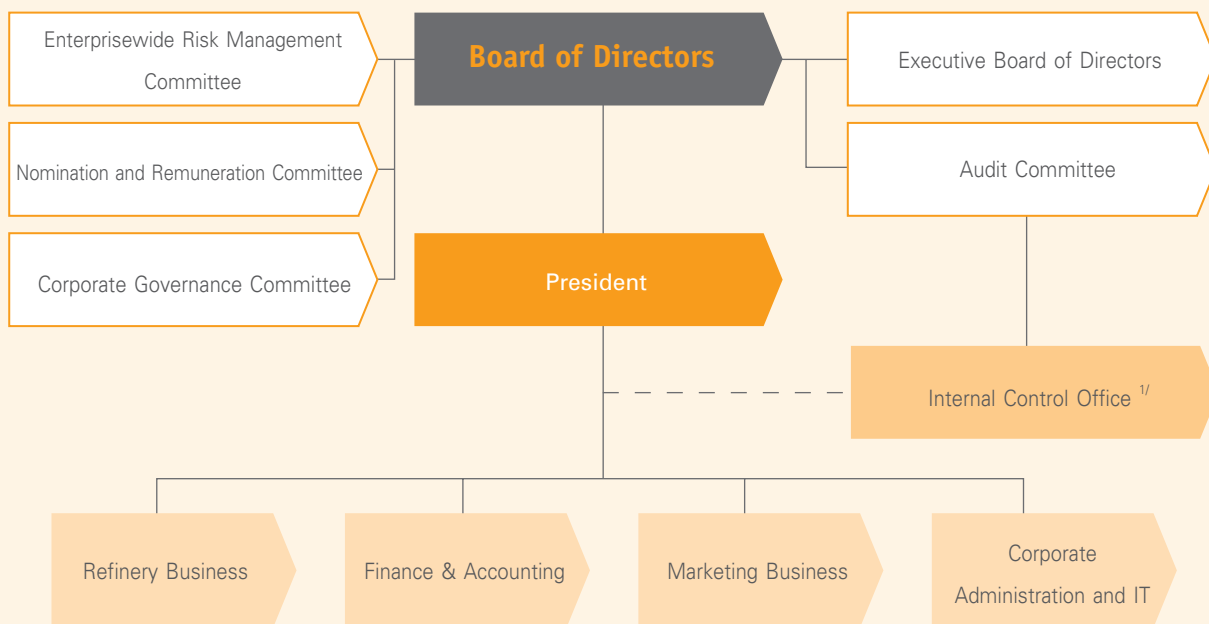
(Signed) *Chai-Anan Samudavanija*

(Chai-Anan Samudavanija)

Chairman of the Nomination and Remuneration Committee

Management Structure

1. Organization Structure



Note : 1/ The Audit Committee evaluates the Internal Control Office's yearly operation, to ensure that the Company has good governance and the internal Control Office can operate independently

2. Board of Directors

The Company's regulations specifies that the Board of Directors must not be fewer than five members and no more than 14, and not less than half of all the Board of Directors must reside in Kingdom. For business operating, the directors must comply with laws, the Company's objectives and regulations, as well as shareholders' resolutions with honesty and concern in The Company's interests. The board must delegate the authority to executives i.e. the President and Vice President who are authorized to allocate and spend the annual budgets, approve payments on the Company's behalf under contracts or obligations as authorized, and manage the human resources as well as petroleum products supply and distribution, etc.



The Board of Directors now consists of 14 directors

	Name		Title
1.	General Tawat	Ked-Unkoon	Chairman (Independent Director)
2.	Mr. Chai-Anan	Samudavanija	Vice Chairman (Independent Director)
3.	Mr. Anusorn	Tamajai	Independent Director
4.	Mr. Wirat	Iam-Ua-Yut	Independent Director
5.	Mr. Nipon	Surapongrukchareon	Independent Director
6.	Miss Pranom	Kowinwipat	Independent Director
7.	Mr. Nares	Sattayarak	Director
8.	Mr. Pichai	Chunhavajira	Director
9.	Mr. Apisit	Rujikeatkamjorn	Director
10.	Mr. Sayan	Satangmongkol	Director
11.	Mr. Sathit	Limpongpan	Director
12.	Mr. Chaivat	Churitti	Director
13.	Mr. Tevin	Vongvanich	Director
14.	Mr. Anusorn	Sangnimnuan	President and Secretary to Board of Directors

Note : All are authorized directors. Each can co-sign any paper with the Chairman or the President, before stamping the Company's corporate logo.

Independent Directors

The current Board of Directors consists of six independent directors, or more than one third of the total number of directors. The Company holds it as the policy that its Chairman must be an independent director and not the same person who holds the titles as the President. Moreover, the Chairman must not hold any position in the smaller committees for clear job description and operations.

The board resolved on the definition and qualification of independent directors, which are stricter than the requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand, under the good corporate governance practices.

1. They must not hold more than 0.5% of all voting shares in the Company, subsidiaries, joint ventures, affiliates or others which could cause conflict of interest.
2. For at least two years, they must have no part in administration and hold no permanent job in companies which provide professional services to the Company, e.g.the auditor or the law firm, They must not have the controlling power over the Company, subsidiaries, joint ventures, affiliates or be any persons who could induce the cited conflict of interest. They must be able to attend the board meetings and express their views in independent manner.

3. They must have no business relations or conflicts of interest, direct or indirect, in financial or administrative areas. They must not be clients, trade partners, raw material suppliers, creditors/trade debtors, creditors/borrowers of the Company, subsidiaries, joint ventures, affiliates or be any persons who could induce the cited conflict of interest which could lead to lack of independence.
4. They must not be relatives to executives or major shareholders the Company, subsidiaries, joint ventures, affiliates or any persons of possible conflicts. They must not be appointed to guard the interests of directors and/or major shareholders.

Directors nominated by major shareholders are:

- | | | | |
|----|-------------|-----------------|--------------------------|
| 1. | Mr. Sathit | Limpongpan | From Ministry of Finance |
| 2. | Mr. Nares | Satayarak | From Ministry of Finance |
| 3. | Mr. Pichai | Chunhavajira | From PTT Plc. |
| 4. | Mr. Apisit | Rujikeatkamjorn | From PTT Plc. |
| 5. | Mr. Chaivat | Churitti | From PTT Plc. |
| 6. | Mr. Tevin | Vongvanich | From PTT Plc. |

Appointment of Directors and End of Directorship

1. Shareholders at a meeting appointed directors by means of majority votes. A shareholder holds a vote and can vote for directors on individual basis. The persons with the highest votes are appointed as the directors, in the quota at the time. If more than one person hold similar votes but only one can be appointed, Chairman of the meeting could cast the vote to determine who would win the director post.
2. At annual general meeting, one third of directors would end their term. If the number of the subjected directors could not be divided exactly into three parts, the number of directors to end the directorship must be close to the 1/3 ratio as much as possible. Directors to leave the Company in the first and second year of establishment need to pick a draw, if no other means are specified. In the later years, those who hold the positions for the longest period will need to leave the positions and they can be re-appointed.
3. Aside from leaving the posts on specified term, directors see their positions terminated under these circumstances:
 - Death
 - Resignation (effective from the day the Company receives the resignation letter)
 - Unqualified or banned under the Public Company Act BE2535's Article 68
 - Voted out at general shareholder meeting, in accordance with the Public Company Act BE2535's Article 76
 - Terminated on court order
4. To fill the post vacant on other causes, not the specified term, the board must appoint a qualified person who will attend the next board meeting, except in the case that the ousted director's remaining term is less than two months. The qualified person must win at least three fourths of the votes from the remaining directors. The replacement can hold the post until the end of the ousted director's remaining term.

Board of Directors' role and responsibility

1. New directors must attend orientation on the Company's business
2. Directors must comply with the laws, the Company's objectives and regulations, as well as shareholders' resolutions, with honesty and concerns on the Company's interests as well as accountability to all shareholders.
3. Set the Company's policy and direction as well as monitor and supervise the management in carrying out the work effectively and efficiently in accordance with the Company's policy and regulations, under the good corporate governance practices to maximize the economic value and shareholders' wealth.



4. Always monitor the Company's operations and realize the importance of compliance with the laws and conditions in contracts involving the Company. The management must be ordered to submit the updates on the operations and other important matters at the monthly meeting of Board of Directors, to ensure effective operations.
5. Inform shareholders of the organization's status on a regular basis and in full, as well as the Company's outlook, positive and negative, with sufficient reasoning.
6. Ensure the effective and reliable of the Company's accounting, financial information disclosure, internal control and internal audit.
7. Regularly review the good corporate governance practices.
8. Play a key role in risk management operations, by setting the appropriate and sufficient direction and measures and having them regularly monitored.
9. Ensure the management's accountability to all stakeholders, in ethical and fair manner.
10. Independent directors and other outside directors must be ready to express independent views in strategy formulating, management, resources exploitation, director appointment and operating standards, as well as ready to counter any issue that could affect the fairness to all shareholders.
11. If necessary, the board can seek professional opinions on business operations from outsiders, to be sponsored by the Company's budget.
12. Appoint the Company's secretary to help carry out the board's and the Company's activities such as the board's meeting and shareholders' meeting, advise the board and the Company in complying with the laws and regulations, and ensure the accurate, complete and transparent information disclosure by the directors and the Company.
13. Formulate the Code of Corporate Conduct, and the code of ethics for the board, the management and employees.
14. Do not trade at least a month before the release of financial statements and at least 3 days after the disclosure.
15. Report their securities holding and that of their husbands, wives, and children at the monthly board meeting and must inform the Company immediately under the following circumstances:
 - Having interests in any contract, directly or indirectly, struck by the Company in the middle of a fiscal year.
 - Holding shares or debentures of the Company or subsidiaries.
16. Attend at least one of the Thai Institute of Directors (IOD)'s training courses, either the Director Accreditation Program (DAP) or the Director Certification Program (DCP) to increase their skills.
17. Non-executive directors are obliged to evaluate the President on the annual basis.
18. Non-executive directors convene in meetings as necessary to discuss management problems in focus without the participation from the management, and inform the President of the meeting resolution.

Board of Directors' meeting

In 2007, the board set the meeting schedules in advance. The Chairman and the President jointly considered the agenda for the meeting, which was scheduled once a month, on the last Friday of each month. Extra meetings could be organized as necessary. The agenda and the meeting invitation was sent out to all directors by the board's secretariat 7 days ahead of the meeting, attached with related document with complete information. Directors had time to study the information and asked for more information from the secretariat's director. Directors can propose their agenda through the secretariat.

At all meetings, the Chairman allocated sufficient time for discussion and encouraged directors to openly and freely express their views. There was complete written meeting minutes and the minutes, certified by the Board of Directors, were stored for later inspection by directors and involved persons. The minutes must be stored properly and easy to find, but they could not be amended without the board's consent. Each board meeting took about 3 hours.

In 2007, the board called for 12 meetings and the board also hosted a seminar on corporate strategies with the management, to set the strategies and business plans for 2008. The summary of each director's meeting attendance is as follows:

	Name		Attendance/Total Meetings			Remarks
			Regular meeting	Seminar	Total	
1.	General Tawat	Ked-Unkoon	12/12	1/1	13/13	-
2.	Mr. Chai-Anan	Samudavanija	11/12	1/1	12/13	-
3.	Mr. Anusorn	Tamajai	12/12	1/1	13/13	-
4.	Mr. Wirat	Iam-Ua-Yut	12/12	1/1	13/13	-
5.	Mr. Nipon	Surapongrukchareon	12/12	1/1	13/13	-
6.	Mr. Pichai	Chunhavajira	9/12	0/1	9/13	-
7.	Mr. Apisit	Rujikeatkamjorn	9/12	1/1	10/13	-
8.	Mr. Sayan	Satangmongkol	11/12	0/1	11/13	-
9.	Mr. Nares	Sattayarak	10/12	0/1	10/13	-
10.	Miss Pranom	Kowinwipat	12/12	1/1	13/13	-
11.	Mr. Chaivat	Churitti	5/8	1/1	6/9	Appointed on 27 Apr 07
12.	Mr. Tevin	Vongvanich	6/8	1/1	7/9	Appointed 27 Apr 07
13.	Mr. Sathit	Limpongpan	6/6	1/1	7/7	Appointed 29 Jun 07
14.	Mr. Anusorn	Sangnimnuan	12/12	1/1	13/13	
15.	Mrs. Chularat	Sutheethorn	4/4	-	-	Resigned mid-term on 1 May 07

The board also evaluated the supports from the Company's secretariat, whereby their resolutions and comments were used to formulate measures and improve the board's meetings for maximum effectiveness and benefits.

Board of Directors' Self-Assessment

In accordance with good corporate governance practices, the Board of Directors stipulated the commissions to perform the self-assessment at least once a year. In 2007, the board maintained the practices employed in 2006 in evaluating itself in three ways - self-individual evaluation, cross-individual evaluation, and group evaluation - based on the assessment guidelines of the Stock Exchange of Thailand and the Thai Institute of Directors. The self-evaluation was used as the framework to amend and improve the board's actions. The cross evaluation required a director to evaluate another, and the appraiser's name and opinion is not disclosed to the appraised. Here is the summary of the self-evaluation.



- Self-individual evaluation showed average 77 points in the full 80-point score while the average score of the cross individual evaluation was 78 from 80. Both evaluation methods were based on 3 similar topics - the setting of the Company's strategies and direction, the monitoring and evaluation of the management, and responsibility as a director. Details are as follows:
 1. The setting of the Company's strategies and direction

Most directors opined that the board devoted sufficient time and played a role in formulating the appropriate strategies, mission and goals for the Company, through the opinion discussion and discussion with the management on business obstacles. Moreover, most directors agreed that the board regularly came up with innovative ideas to solve the problems and/or push the organization towards modernization.
 2. The monitoring and evaluation of the management

Most directors believed all directors played a role in having the management present its plans in case the financial results/business plans did not meet the targets. The directors also helped coordinate the board and the management, and provided advice and suggestions on business operations.
 3. Director's responsibility

Most directors believed that all directors pushed for the ethical business operations, in line with good corporate governance, through the written good corporate governance practices and appropriate communications with the management and employees so that they are entirely informed and act accordingly. The directors also ensured the existence of efficient internal audit and risk management, and helped ensure the accuracy of financial statements and compliance to accounting standards.
- Group's assessment showed the average score of 118 from 120, based on 7 topics - the Board of Directors' structure, directors' readiness, strategy and business plan formulating, risk management/internal audit, monitoring to prevent conflict of interest, the board's meetings, and nomination/remuneration setting. Here is the summary.
 1. *Board of Directors' structure*

The Board of Directors opined that the structure is satisfactory, with the combination of directors with knowledge and experience in various fields as well as personal expertise to benefit the Company. The number of independent director is sufficient (6 from total 14) to ensure independence from the management in making decision on important issues. There are also committees to study and screen the Board of Director's operations and each director is assigned to the committees accordingly to their ability and experience. The board also required the orientation for new directors so that they sufficiently understand the overall business of the Company as well as problems and obstacles.
 2. *Directors' readiness*

The board believed that most directors allocated sufficient and appropriate time for their duty and understood the Company's business, problems and obstacles. They could express opinions and work together openly. The board also clearly specified the role and responsibility of the board, committees and the management.

3. *Strategy and business plan formulating*

The board opined that all directors played a key role in formulating, considering and approving the vision, mission, strategy, goal and business plan as well as the budget for the management and designating appropriate power to the management. The management is required to regularly inform the board of the operating results against the business goals.

4. *Risk management/internal audit*

The board believed that all directors regularly monitored the risk management and ensured the existence of efficient and appropriate internal audit. The internal audit was exercised regularly and continuously, and the results were presented to the board on a regular basis.

5. *Preventing conflict of interest*

The board believed that most directors put great emphasis on preventing conflict of interest, by having the Company treat all stakeholders equally and transparently. Through thorough joint consideration, the board set the efficient policy in terms of related-party transactions and transactions with conflict of interest, taking into account the regulations of the Stock Exchange of Thailand and the Company's and shareholders' maximum benefits.

6. *Board of Directors' meetings*

The board believed that most directors attended meetings on a regular basis and expressed their opinion in creative ways with thorough and reasonable consideration and independence from the management and major shareholders in the business goals, risk factors, and rules and regulations. The board also ensured that the meeting minutes were accurate, complete and ready for examination.

7. *Nomination/remuneration setting*

The board believed that the process in nominating directors and executives, from Senior Executive Vice President level to higher posts, is clear and transparent with consideration in the right qualification to create value to the Company. On remuneration, the board proposed shareholders the rates set under the transparent process and in line with the Company's financial performance and comparative rates in the similar industry. Moreover, on remuneration of high-ranking executives, the board believed that the formula and criteria were appropriate as the rates were based on the business goals, financial performance as well as achievements, which are sufficiently attractive.



Orientation for new directors

The Company provided the orientation session for new directors who were informed of the Company's overall business picture in the following areas.

- Business limitations (legal limitations, Cabinet's resolutions, rules and regulations)
- The Company's operations and activities
- The Company's major projects
- Organizational development
- Good corporate governance policy and direction
- Activities for community and environment

Besides, the Company also organised a corporate tour for the new directors, who were taken to observe the refinery, the oil depot and service stations at different points as well as provided the Securities and Exchange Commission's "Manual for listed companies' directors" and information on the Company's directors and executives so that the new directors were groomed on the Company's business and had the ideas on how to supervise the business. The additional information covered:

- The Company's vision and goals
- Brief biographies of other directors and executives
- Directors' credentials and remuneration
- Directors' role, power and responsibility
- The management structure
- Good corporate governance policy
- Risk management manual
- Information on the Company's establishment
- Memorandum of Association, guarantee letters, and rule and regulations

Directors' training

The Company encouraged directors to seek extra training to enhance their knowledge and understanding in good corporate governance and the rules and regulations, directors' role and responsibility in corporate management for higher efficiency and ethics. In 2007, a director - Mr. Chaivat Churitti - attended the Thai Institute of Directors' Directors Certification Program (CDP) and a director - Mr. Nipon Surapongrukchareon - attended the Role of the Compensation Committee (RCC). As a result, to date, 13 from 14 directors attended the training programs on directors' roles (DCP and DAP).

The Company also applied for the membership at the Thai Institute of Directors for all directors, so that they receive update information to increase their knowledge. Whenever the Company is notified of a training program or document from any director-related training, all will be forwarded to all directors for consideration.

Here is the summary of the directors' training programs.

NO.	Name		Directors Certification Program	Directors Accreditation Program	Finance for Non-Finance Directors
1.	General Tawat	Ked-Unkoon	-	2004	2005
2.	Mr. Chai-Anan	Samudavanija	-	-	-
3.	Mr. Anusorn	Tamajai	2003	2004	
4.	Mr. Wirat	Iam-Ua-Yut	-	2006	2006
5.	Mr. Nipon	Surapongrukchareon	2003	-	-
6.	Mr. Nares	Sattayarak	2006	2006	-
7.	Mr. Pichai	Chunhavajira	-	2005	-
8.	Mr. Apisit	Rujikeatkamjorn	-	2004	2005
9.	Mr. Sayan	Satangmongkol	2004	2004	2004
10.	Miss Pranom	Kowinwipat	2001	-	-
11.	Mr. Sathit	Limpongpan	2003	-	-
12.	Mr. Chaivat	Churitti	-	2007	-
13.	Mr. Tevin	Vongvanich	2002	-	-
14.	Mr. Anusorn	Sangnimnuan	2005	2005	2005
15.	Mrs. Chularat	Sutheethorn ^{1/}	2006	2005	2006

Note : 1/ Resigned in mid-year on May 1, 2007

3. Committees

The board set up four committees to help improve the good corporate governance.

1. Audit Committee - AUDIT

The current Audit Committee has four members, all being independent directors and three possessing knowledge and understanding in finance and accounting or auditing. They received the written assignment, to host at least a meeting in each quarter. Directors in the committee are as follows:

	Name	Title	
1.	Mr. Anusorn Tamajai	Chairman	Independent Director, with expertise in finance/accounting
2.	Miss Pranom Kowinwipat	Director	Independent Director, with expertise in finance/accounting
3.	Mr. Wirat Iam-Ua-Yut	Director	Independent Director
4.	Mr. Nipon Surapongrukchareon	Director	Independent Director, with expertise in finance/accounting

* If necessary, the Audit Committee can seek outside opinion, having the Company to bear the expenses.



Audit Committee's role and responsibility

1. Ensure that the Company's financial disclosure is accurately and sufficiently in line with the legal requirements.
2. Ensure the appropriate and effective internal control and internal audit, and review the effectiveness and sufficiency of the risk management process.
3. Monitor the Company's compliance to the Securities and Exchange Act, the Stock Exchange of Thailand's regulations and related business laws.
4. Consider the accuracy and fullness of disclosure of information in case of related-party transactions or transactions with conflict of interest.
5. Review and jointly discuss with the management on major flaws and the management's responses
6. Have authority to examine or interrogate persons under the scope of the Audit Committee's power and to hire outside experts for investigation under the Company's rules and regulations
7. Complete the Audit Committee's report and disclose the report, with the chairman's signature, in the Company's annual report.
8. Review, screen, nominate and propose the fee for the Company's auditor.
9. Review the scope of auditing and auditing plan of the auditor and the Internal Control Office's for consistency and coordination, as well as reduce redundancy in financial audits.
10. Approve the Internal Control Office's charter, operating plan, budget and the workforce.
11. Review, appoint, remove, and evaluate the annual performance of the Internal Control Office's chief.
12. Review the efficiency and effectiveness of the information technology related to the internal audit and risk management.
13. Meet with the auditor at least once a year, without the participation of others.
14. Act on other assignments from the Board of Directors, with the Audit Committee's consent.

Remuneration

Each member earns monthly allowance of Bt10,000 and the meeting allowance of Bt5,000 (only for participating directors). Chairman earns the extra 25%.

2. Nomination and Remuneration Committee (NRC)

In accordance with the good corporate governance and the desirable guidelines for the Board of Directors of the listed companies on the Stock Exchange of Thailand, the Company's Board of Directors have appointed the Nomination and Remuneration Committee (NRC) to search for the qualified candidates for the positions of the directors, President and Vice Presidents and set the remunerations thereof pursuant to the written policies as follows:

Director Nomination Policy

In nominating the directors, the Company will consider the candidates with capability, experience, good work record, leadership, vision, morality and ethics as well as the positive attitude to the organization. The successful candidates should be able to devote sufficient time for the best interests of the Company's operation. Moreover, NRC will consider suitable characteristics with the Board's composition and structure in accordance with the Company's business strategy. The selection process will be done in transparent manner to ensure the shareholders' confidence.

Compensation Policy

In setting the compensation, the Company will consider the directors' duties, responsibilities and the remuneration rate of comparable listed companies on the Stock Exchange of Thailand. The directors' compensation should be enough to be incentives for the directors to perform their duties to ensure the Company's success and achievement of the desirable business direction. The remuneration should be considered with transparency to ensure the shareholders' confidence.

Besides, the Board of Directors designs the following official and transparent director nomination process.

1. Minor shareholders are invited to nominate the directors to the Company.
2. The Remuneration and Nomination Committee reviews if the Board of Directors structure is in line with the Company's strategies.
3. The Board specifies the competency and experience of new directors, based on the director qualification and skill matrix tool, to ensure conformity with the Company's vision and strategies.
4. The Remuneration and Nomination Committee nominates qualified persons for the director posts, to replace directors who retired by rotation or to appoint extra directors. The Committee submits the names to the Committee's secretary.
5. The Remuneration and Nomination Committee nominates the qualified persons for the Board of Directors' approval.
6. The Board of Directors approves the nominations and forwards the list to shareholders at the annual general meeting for approval.

At present, the NRC consists of four members, in which at least one director having a knowledge and expertise in personnel management. The NRC members are as follows:

	Name	Title	
1.	Mr. Chai-Anan Samudavanija	Chairman	Non-executive Director and Independent Director
2.	Mr. Pichai Chunhavajira	Director	Non-executive Director
3.	Mr. Sayan Satangmongkol	Director	Non-executive Director
4.	Mr. Nipon Surapongrukchareon	Director and Secretary	Non-executive Director and Independent Director

Framework, duties and responsibilities

1. Determine the characteristics of, and the means to search for, the candidates to become the President and Vice Presidents.
2. Proceed with the selection process and nominate the qualified candidates for the positions of directors, President and Vice Presidents to the Company's Board of Directors.
3. Determine the criteria or the methods to determine the remunerations for directors, the President and Vice Presidents.
4. Consider to propose the director compensations to be endorsed by the Board of Directors and present the suggested remuneration rates to the shareholders' meeting for approval.
5. Consider to propose the compensations for the President and Vice Presidents to the meeting of the Board of Directors for approval.
6. Perform any other duties as delegated by the Board of Directors.

Compensation

The meeting allowance is set at Bt10,000 (for the attending directors only) and the Chairman of NRC shall receive additional 25 % on top of that rate.



3. Management Committee (MANCOM).

To ensure the best efficiency in the Company's management in line with the direction, policy and objectives stipulated by the Board of Directors as well as to ensure the prosperity and sustainability of the business, the Board of Directors has appointed Management Committee with the scope of responsibilities authorized by the board in writing. The current MANCOM consists of 6 members who have knowledge and capability in management as follows:

	Name	Title
1.	Board's representative (Mr. Pichai Chunhavajira)	Chairman
2.	President	Director
3.	Vice Presidents from four areas	Director
4.	Corporate Planning and Investors Relations Office	Secretary

Framework, power and duties

1. Manage and supervise the Company's operation to ensure it is executed in accordance with the Company's objectives and enhance the Company's business strength pursuant to the policies stipulated by the Board of Directors. MANCOM will also screen agenda items to be presented for the board's consideration and act as authorized by the board and report the results thereof to the board.
2. Plan and screen the short-term and long-term plans to ensure the success of the Company's objectives and goals.
3. Plan and screen the financial management to reduce the financial burden and ensure solid financial structure.
4. Plan and screen the aggressive public relations campaign to create the sustainable positive corporate image.
5. Perform the duties as authorized by the board.
6. Strictly perform the duties pursuant to the relevant laws, the Company's objectives, requirements and the regulations.

Remuneration

None

4. Enterprisewide Risk Management Committee - ERMC

Enterprisewide Risk Management Committee is assigned to appropriately oversee the Company's risk management within the scope delegated by the board in writing in accordance with the ERMC terms and conditions. ERMC consists of 9 members with at least one member having knowledge and experience in risk management as follows:

	Name	Title
1.	Board's representative (Mr. Nipon Surapongrukchareon)	Chairman
2.	Board's representative (Mr. Nares Sattayarak)	Vice Chairman
3.	President	Director
4.	Two risk management specialists or experts (Mr. Taweesak Vorapivuthi and Mr. Pradit Wannarat)	Director
5.	Vice Presidents from four areas with Vice President, Corporate Administration and Information Technology as the Secretary	Director

Framework, power and duties

1. Set the strategic policy and risk management of the entire organization.
2. Develop the risk management for the entire organization to ensure the continuity of efficiency.
3. Support and push for the cooperation to ensure that the risk management is executed at every level of the Company.
4. Ensure the Company's appropriate and effective risk management.
5. ERM Chairman shall report the result of the meeting to the next board's meeting.
6. Act as authorized by the Company's board.

Compensation

The board's representatives and the risk management experts shall receive the meeting allowance of Bt10,000 for each round of meeting.

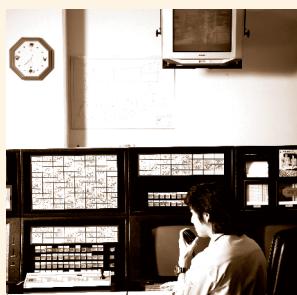
5. Corporate Governance Committee - CGC

Corporate Governance Committee has a duty to ensure that good corporate governance will be observed at every part of the organization pursuant to the Good Corporate Governance guidelines that the board has stipulated in writing. CGC is also tasked to consider to consistently improve the Company's good corporate governance principles in line with the international standard. The current CGC consists of 4 members, with at least one director having knowledge and understanding of the international practices for good corporate governance. CGC members are as follows:

	Name	Title	
1. Mr. Wirat	Iam-Ua-Yut	President	Non-executive Director and Independent Director
2. Mr. Sayan	Satangmongkol	Director	Non-executive Director
3. Mr. Nares	Sattayarak	Director	Non-executive Director
4. Mr. Anusorn	Sangnimnuan	Director and Secretary	Executive Director

Framework, power and duties

1. Propose the desirable good corporate governance guidelines to the Company's board.
2. Supervise the performance of the board and management in accordance with the good corporate governance principles.
3. Review the good corporate governance guidelines by comparing to the international standards and propose the board to update the guidelines on an ongoing basis.
4. Present the good governance policy to the Company's Corporate Governance Committee.
5. Be authorized to invite outside persons with qualified knowledge and expertise to be advisors and sit in the meetings at the Company's expense.
6. Carry out other duties as delegated by the Company's Board of Directors.



Compensation

The meeting allowance of the committee's members is Bt10,000 for each round of meetings. Chairman of the committee receives additional 25 % on top of such allowance rate.

The meeting of sub-committee

In 2007, the sub-committees held the meetings as follows:

2007 ^{1/}	Sub-Committees				
	AUDIT	NRC	MANCOM	ERMC	CGC
1. Mr. Chai-Anan Samudavanija	-	3/3	-	-	-
2. Mr. Anusorn Tamajai	12/12	-	-	-	-
3. Mr. Wirat lam-Ua-Yut	12/12	-	-	-	4/4
4. Mr. Nipon Supongrukchareon	10/12	2/3	-	7/7	-
5. Mr. Pichai Chunhavajira	-	2/3	1/1	-	-
6. Mr. Sayan Satangmongkol	-	3/3	-	-	4/4
7. Mr. Nares Sattayarak	-	-	-	5/7	2/4
8. Miss Pranom Kowinwipat	12/12	-	-	-	-
9. Mr. Anusorn Sangnimnuan	-	-	1/1	-	4/4

Note : 1/ Five directors namely, General Tawat Ked-Unkoon, Mr. Apisit Rujieatkamjorn, Mr. Sathit Limpongpan, Mr. Chaivat Churitti and Mr. Tevin Vongvanich are not members of the sub-committees.

4. The Company's Office of Secretary

The Company assigned Mr. Chokchai Assavarangsarit, director of The Office of Secretary to Board of Directors, to be the Company's secretary to advise the board on the legal affairs and relevant regulations and facilitate the board's activities as well as coordinate to ensure the board's resolutions have been executed in line with the Company's good corporate governance principles.

The Office of Secretary has the duties and main responsibility as follows:

- Provide basic advices to the board about the legal affairs, the Company's regulations and requirements and ensure that they are properly and constantly observed as well as to report substantive changes thereof to the board.
- Arrange for the shareholders' meeting and the meetings of the board pursuant to the relevant laws, the Company's articles of association and desirable guidelines.
- Provide for the minutes of the shareholders' meetings and the meetings of the board as well as to ensure that the resolutions thereof have been implemented.
- Ensure that the information and the relevant reports have been disclosed to the relevant agencies pursuant to the official requirement and regulations.
- Contact and communicate with the shareholders to keep them informed of their rights and the Company's news and information.
- Carry out the board's activities.

5. Management

The Company's management consists of 6 members (as of December 31, 2007) as follows:

	Name	Title
1.	Mr. Anusorn Sangnimnuan	President
2.	Mr. Vichien Usanachote	Senior Executive Vice President Refinery Business
3.	Mr. Patiparn Sukornthaman	Senior Executive Vice President Accounting & Finance
4.	Mr. Wattana Opanon-amata	Senior Executive Vice President Corporate Administration and Information Technology
5.	Mr. Yodphot Wongrukmit	Executive Vice President/Retail Marketing
6.	Mr. Kiatchai Maitriwong	Senior Vice President/Planning and Logistics

Board's requirement on framework, duties and responsibilities of the management

The committee has stipulated the roles, duties and responsibilities of the management as follows:

1. Carry out the activities and/or manage the Company's daily assignments in line with the Company's policies, work plans, objectives, terms and requirements set forth by the committee.
2. Carry out the management in accordance with the board's resolutions within the approved budget with honesty and cautions to protect the best interests of the Company and shareholders.
3. Report the performance, the development of the execution of the resolutions and the important company's performance to the board's meeting on a regular basis, at least once a month.
4. Administer the Company's activities pursuant to the good corporate governance guidelines stipulated by the board.
5. Shall not engage or participate in any business with similar nature which may be in competition with the Company, regardless of whether such act is done for personal or others' benefits, except for the case where the committee's member has informed of such business to the supervisor or the internal control office and has received the approval to do so.
6. President shall receive the approval from the Company's Board of Directors before sitting in the director's seat of other companies and the high-level management shall require the approval from the President to serve in the board of other companies.
7. High-level management, including the Senior Executive Vice President, Vice President of accounting & taxation and Vice President of finance and credit shall not transact securities at least one month before the financial statement is announced and three days after the announcement thereof. And they shall regularly report their stock holdings and of their spouses and children to the board's meeting every month. They shall promptly inform the Company if one of the following cases happens:
 - There's a conflict of interest, regardless of direct or indirectly, in any contract that the Company has entered into in between the fiscal year.
 - Hold shares or debentures of the Company or the Company's subsidiaries.
8. Attend the training courses which are beneficial to the Company's management and daily administration at the Company's expense to enhance the knowledge and skill of their performance. Moreover, for the management at the level of the Senior Executive Vice President, the committee has encouraged them to attend Director Certification Program (DCP) of the IOD to enhance their knowledge and understanding on the board's roles and duties to bring about the efficiency in the Company's administration.

Succession Plan and Management Development Committee

The Committee shall set forth the policy for selecting the President and Executive Vice Presidents that the inside or outside candidates shall be considered for the positions if they have favorable qualifications to ensure that the selection process suitable with the Company's situations in the given circumstance. The selection will prepare the personnel in the organization to perform the duties on behalf of the President or high-level management in case where the latter are not able to perform their duties or when they retired by



rotation. The succession plan is drawn up also to reduce risks or impacts from management discontinuity. The qualified candidates will be selected by NRC which will stipulate the succession plan of the President and Vice President as follows:

1. Stipulate the management positions that require succession plan which include President and Senior Executive Vice Presidents for all business lines.
2. NRC shall consider and set the required knowledge, capacity and competence as well as the levels required by each position.
3. NRC shall stipulate the remuneration and select the qualified management for succession plans of each position.
4. Authorize the President to evaluate the work performance and knowledge and capacity of the qualified candidates based on the required competency equivalency to provide for the personnel development plan to reduce the competency gap.
5. Authorize the Human Resource Management and Management Committee to administrate the training and the knowledge improvement programme for the qualified executives.
6. The President shall provide for the responsibility rotation for the qualified executives as well as to arrange for the management at the level of the Senior Vice President and the Vice Presidents to attend the board's meeting to ensure the understanding, experience and readiness in the entire organizational administration.
7. The President shall consistently report the result of the executive development plan execution to the NRC.
8. NRC shall review and summarize the succession plan every year and report to the Company's Board.

Whereas the employees from the Senior Vice President onward can apply for the jobs of the President and Senior Executive Vice President if they possess required qualifications.

Management Appointment

According to the Company's terms and regulations, the Board of Directors shall consider appointing the management at the level of Vice President for each area and higher. The board has delegated NRC to select the management at the level of the Senior Executive Vice Presidents and present for the board's consideration.

President's Performance evaluation.

Non-executive Directors shall evaluate the performance of the President on a regular basis, once every year. Each year, the board shall evaluate the performance of the President in the past year by comparing Key Performance Index (KPI) with the hiring contract and the work plan presented to the Company's Board. The President shall present the result of performance in various fields such as the business management guidelines for refinery business, marketing and organization development as well as inform the current result of management both in terms of success and obstacles as well as the capacity in expanding the opportunity, business competition and the response to the government policies, among others.

6. Directors' compensation

NRC shall fairly consider the appropriate remunerations for the director in line with their responsibility, the Company's financial status by comparing the sum with the comparable listed companies on the Stock Exchange of Thailand with the same industry and similar size of the business, including the average rate of listed companies from the survey of the directors of listed companies of the Thai Institute of Directors Association. The remuneration shall be paid in form of the meeting allowances and bonus. Directors authorized to be members of sub-committees shall receive the additional remuneration in commensuration with an increase of their responsibilities. Whereas, the Company has sought the approval from the shareholders' meeting over the directors' remuneration as follows:

1. Monthly remuneration and meeting allowance.

The shareholders' meeting for 2007, dated 27 April 2007, approved to remunerate the directors for 2007 as follows:

The Board of Directors

- Monthly remuneration 10,000 baht/person
- Meeting allowance 20,000 baht/person (for attending directors only)

Sub-committees

1. Audit Committee
 - Monthly remuneration 10,000 baht/person
 - Meeting allowance 5,000 baht/person (for attending directors only)
2. NRC
 - Monthly remuneration None
 - Meeting allowance 10,000 baht/person (for attending directors only)
3. The Board of Directors will determine the compensations for the sub-committees that the board will set up in the future by considering the appropriateness and the responsibility of the sub-committees.

President and Chairman of Sub-Committee will receive monthly remuneration and the meeting allowance higher than the directors by 25 %, Vice Chairman of the board will receive the monthly and meeting allowance higher than the directors by 12.5 %.

2. The Board of Directors' Bonus

At the rate of 1.5 % of the net profit but no more than 9,000,000 baht/year whereas the Chairman and Vice Chairman of the board shall receive bonus at the rate higher than the board's members by 25 % and 12.5 % respectively.



In 2007, the remuneration for each director is as follows:

	2007	Remuneration (in Baht)						Net Total
		BOARD	AUDIT	NRC	ERMC	CGC	Bonus ^{1/}	
1. General Tawat Ked-Unkoon		475,000	0	0	0	0	142,131	617,131
2. Mr. Chai-Anan Samudavanija		427,500	0	37,500	0	0	127,918	592,918
3. Mr. Anusorn Tamajai		400,000	225,000	0	0	0	113,705	738,705
4. Mr. Wirat lam-Ua-Yut		400,000	180,000	0	0	50,000	113,705	743,705
5. Mr. Nipon Surapongrukchareon		400,000	170,000	20,000	70,000	0	113,705	773,705
6. Mr. Apisit Rujikeatkamjorn		340,000	0	0	0	0	113,705	453,705
7. Mr. Sayan Satangmongkol		360,000	0	30,000	0	40,000	113,705	543,705
8. Mr. Pichai Chunhavajira		300,000	0	20,000	0	0	113,705	433,705
9. Mr. Nares Sattayarak		340,000	0	0	50,000	20,000	80,390	490,390
10. Miss Pranom Kowinwipat		400,000	180,000	0	0	0	80,390	660,390
11. Mr. Chaivat Churitti		200,000	0	0	0	0	0	200,000
12. Mr. Tevin Vongvanich		240,000	0	0	0	0	0	240,000
13. Mr. Sathit Limpongpan		200,000	0	0	0	0	0	200,000
14. Mr. Anusorn Sangnimnuan		400,000	0	0	0	40,000	113,705	553,705

Directors whose tenures end and those who resign before serving the full terms.

	2007	Remuneration (in Baht)						Net Total
		BOARD	AUDIT	NRC	ERMC	CGC	Bonus ^{1/}	
15. Miss Chutharat Sutteethorn		120,000	0	0	0	0	113,705	233,705
16. Mr. Songphop Polchan		0	0	0	0	0	33,316	33,316
Total		5,002,500	755,000	107,500	120,000	150,000	1,373,785	7,508,785

Note : 1/ Remunerations paid in 2007 are calculated from the performance in 2006.

Director remuneration summary for 2006 and 2007

Remuneration	2006		2007	
	Total	Baht	Total	Baht
Meeting allowances	13	5,750,000	15	6,135,000
Total bonus	11	9,000,000	13	1,373,785
Total		14,750,000		7,508,785

7. Management Compensation

The Company has evaluated the performance of the management every year by applying the model of Key Performance Index: KPI. The Company will compare KPI that stipulated as the objective in the hiring contract and/or the operation plan presented to the President and/or the Company's Board of Directors which will base the remuneration rate with the terms and conditions determined by the Company's Board of Directors. Performance of the President shall be evaluated every year by the Company's Non-executive Directors according to the above-mentioned details. NRC shall determine the compensation that reflects the performance result and the compensation standard of the other companies in the same industry and shall propose the appropriate remuneration rates to the Board of Directors' consideration and approval later.

President and the high-level management of the Company consist of 6 members who received the remunerations in the fiscal 2007 for a total of Bt 31,947,392 according to the details as follows:

The total remunerations of the high-level executives

Remuneration	2006		2007	
	Total	Baht	Total	Baht
Salary including bonus and disciplinary bonus	6	30,848,994	6	31,947,392

Provident Fund for the Company's high-level executives

Remuneration	2006		2007	
	Total	Baht	Total	Baht
Provident Funds	6	2,498,026	6	2,566,625

Details of the management and persons with control power as of December 31, 2007

No.	Name	Position in the Company	Position in Subsidiary	Position in Associated
			Bangchak Green Net Co., Ltd.	Company Fuel Pipeline Transportation Co., Ltd.
1.	Mr. Anusorn Sangnimnuan	President	-	-
2.	Mr. Vichien Usanachote	Senior Executive Vice President Refinery Business	-	Director
3.	Mr. Patiparn Sukorndhaman	Senior Executive Vice President Accounting & Finance	Director	Director
4.	Mr. Wattana Opanon-amata	Senior Executive Vice President Corporate Administration and Information Technology	-	Director
5.	Mr. Yodphot Wongrakmit	Executive Vice President Retail Marketing	Director	-
6.	Mr. Kiatchai Maitriwong	Senior Vice President, Planning and Logistics	-	-

The management remunerations for the service in the subsidiaries and associated companies

None





8. Personnel

As of December 31, 2007, the Company has a total of 865 staff consisting of

- | | |
|---|-------------------|
| • Supporting staff (accounting and finance, administration and information technology, Internal Control office and Refining Projects) | Total 278 persons |
| • Staff - Refinery Business | Total 263 persons |
| • Staff - Marketing Business | Total 324 persons |

Staff remuneration

The employees shall be remunerated in form of salary, work-shifts fee, night-shifts fee, overtime fee, provincial assignment payment, refinery on-standby payment and performance disciplinary money. The employees are entitled to apply for the Provident Funds of The Bangchak Petroleum Public Company Limited whereas they can choose to contribute 5% or 10% of their salaries and the Company will make the same contribution to the fund. In 2007, the Company compensated the employees for a total of Bt656 million in forms of salary, work-shifts payment, night-shifts payment, overtime payment, provincial assignment payment, refinery on-standby payment, performance disciplinary payment, additional rewards and welfare payment.

Significant change in the number of staff during the past 3 years

None

9. Human Resource Development Policy

The Company has intended to develop the Human Resource to excel in their performance by acquiring high level of knowledge and capability, performing their duties with corporate governance principle and having potential to create fair and sustainable business returns by ensuring the staff will be trained on a regular basis from both inside and outside organizations along with to support the staff's efforts to strive for additional knowledge on their own and achieve the life long learning process to realize The Bangchak's corporate culture to become the learning organization.

After the Company, in the past year, studied and set the Core Competency: favorable knowledge, skill and behavior of the management and its staff, to prepare for the work operation in the future as well as to assess the Competency Gap: the level of knowledge and capacity of every employee compared to the standard required, the Company in 2007 focused on human resource development according to the Individual Development Plan through inside and outside training programs to ensure every employee possesses the qualifications as required by the Company's core competency. The key six characteristics are as follows:

1. "Ability for Adaptation and Initiation" is the ability to understand the organization and the environment by opening their minds to changes, learning new things, thinking outside the box and initiating new projects to create the opportunity and bring about an ultimate success to the organization.
2. "Leadership" is the leadership quality with the vision, courage to think and do the right things that are beneficial to the organization with transparency, fairness as well as welcome an exchange of opinions, be accountable for the results as well as provide advises and help inspire the cooperation and the best practices at all levels.
3. "Teamwork Spirit" is to work as a team with service-oriented attitude with the willingness to work with others and enthusiasm to assist others and respect the team members. Teamwork spirit enhances the good relationship with all parties both inside and outside to create the harmony at work and service activities to ensure the shared objectives shall be achieved.
4. "Organization Commitment" is the determination and devotion to realize the objective of the organization by appropriate means, professionally and effectively, as well as develop the work process to upgrade the result to be generally accepted as well as to ensure the business success and growth will be achieved in a sustainable manner.
5. "Personal Mastery" is an eager, enthusiasm and determination to strive for new knowledge and be ready to apply such knowledge to develop the potential of oneself and of the organization.
6. Social and "SHE" awareness is the awareness and obligations to observe the safety standard, occupational health and environment in line with the international standard in the work operation of the organization, including the public conscious and participation in the useful activities for the organization, communities and society.

As for the in-house training programs, the management and employees have attended the program for 4,068 days (MANDAY). The Company has developed 32 training courses to develop the human resource to enhance the skill and knowledge of management and employees in 2007. The training courses focus on enhancing planning skill, solving work performance, risk management, environment protection and energy efficiency as well as the relevant laws, useful tips and techniques in the performance each agency.









Board of Directors



- | | |
|------------------|-----------------|
| 1. General Tawat | Ked-Unkoon |
| 2. Mr. Chai-Anan | Samudavanija |
| 3. Miss Pranom | Kowinwipat |
| 4. Mr. Sayan | Satangmongkol |
| 5. Mr. Apisit | Rujikeatkamjorn |
| 6. Mr. Nares | Sattayarak |
| 7. Mr. Tevin | Vongvanich |





Board of Directors



- | | |
|-----------------|--------------------|
| 8. Dr. Anusorn | Tamajai |
| 9. Mr. Wirat | Iam-Ua-Yut |
| 10. Dr. Nipon | Surapongrukchareon |
| 11. Mr. Pichai | Chunhavajira |
| 12. Mr. Chaivat | Churitti |
| 13. Dr. Sathit | Limpongpan |
| 14. Dr. Anusorn | Sangnimnuan |

Board of Directors

General Tawat Ked-Unkoon

Chairman (Independent Director)

Age: 68

Education

- Chulachomkiao Royal Military Academy (Bachelor of Science)
- Army Command & General Staff College
- National Defence College

Training on director's role and skills

- The Role of the Chairman Program (RCP) from IOD
- Director Accredited Program (DAP) from IOD
- Finance for Non-Finance Director (FND) from IOD

Experience

- 1998 : Chairman of the Advisory Board, Supreme Command Headquarters, Ministry of Defence
- 2000 : Permanent Secretary for Defence

Present Position

• Other listed companies

- None -

• Non-listed businesses

Retired military officer

Mr. Chai-Anan Samudavanija

Vice Chairman (Independent Director)

Chairman of the Nomination and Remuneration Committee

Age: 64

Education

- Ph.D., The University of Wisconsin (Madison)
- Master Degree, The University of Wisconsin (Madison)
- Bachelor Degree, The Victoria University of Wellington, New Zealand
- Certificate in Social Planning, United Nations Asian Institute
- Honorary Doctorate (Development Administration), National Institute of Development Administration
- Honorary Doctorate, Edgewood College
- Honorary Doctorate and Outstanding Alumnus, the University of Wisconsin (Madison)
- Honorary degree, National Defence College

Experience

- 1996-June 2007 : Director, Vajiravudh College
- 1998-2000 : Judge, the Constitutional Court
- 2003 : Member, the Academy of Moral and Political Sciences Vice President, the Royal Institute
: Vice President, the Royal Institute
: Chairman, the Electricity Generating Authority of Thailand
: Chairman, Electricity Generating Plc.
: Chairman, Krung Thai Bank Plc.'s Audit Committee
: Director, Public Sector Development Committee
: Executive Director, National Research Council of Thailand
: Director, State Enterprise Policy Committee

Present Position

• Other listed companies

- None -

• Non-listed businesses

- Member, National Legislative Assembly
- Chairman, House Committee on education and sports
- Chairman, the Education Policy Institute
- President, the Royal Institute
- Chairman, the Basic Education Commission
- Director, College of Management Mahidol University

Dr. Anusorn Tamajai

Independent Director

Chairman of the Audit Committee

Age: 42

Education

- Ph.D. (Economics), Fordham University New York, U.S.A.
- Master (Business Administration), Southeastern University
- Master (Economics), Fordham University, New York, U.S.A.
- Bachelor Degree (Political Science) with honors, Chulalongkorn University

Training on director's role and skills

- Director Certification Program (DCP) from IOD
- Strategy and Policy Development from IOD

Experience

- 2000 : Vice President, Country Regulatory, Research and Public Affairs, Citibank, Thailand
- 2002-2005 : Senior Vice President, Fund Management and Research Planning Office, BankThai Plc.
- 2005-2006 : Managing Director, BT Asset Management Co., Ltd.

Present Position

- **Other listed companies**
 - None -
- **Non-listed businesses**
 - Dean, Rangsit University's Faculty of Economics
 - Executive director, Telecommunications Development for Public Benefit Fund (NTC)
 - Director, Center for the Promotion of National Strength on Moral Ethics and Values - PM's Office
 - Director, Pridi Banomyong Institute
 - Chairman, Free Press for Reform Co., Ltd.

Dr. Nipon Surapongrukchareon

Independent Director

Chairman of the Enterprisewide Risk Management Committee

Age: 47

Education

- Honorary Doctorate (Industrial Management), King Mongkut's Institute of Technology North Bangkok
- MBA, National Institute of Development Administration (NIDA)
- Bachelor Degree (Political Sciences), Ramkhamhaeng University

Training on director's role and skills

- Director Certification Program (DCP) from IOD
- DCP Refresher Course from IOD
- Role of the Compensation Committee (RCC) from IOD
- Strategy and Policy Development from IOD
- Thai Directors' Compensation Survey from IOD
- Accounting Amendments that Directors Should Know from IOD

Experience

Vice CEO, Thai Tabuchi Electric Co., Ltd.

Present Position

Vice Chairman, the Federation of Thai Industries

Other listed companies

- None -

Non-listed businesses

- Director, the Moral Center, Office of Knowledge Management and Development (Public Organization)
- Director, the Education Council, Ministry of Education
- Director, Vocational Education Commission, Ministry of Education
- Director, Institute for the Promotion of Teaching Science and Technology
- Specialist council member, King Mongkut's Institute of Technology North Bangkok
- Specialist council member, King Mongkut's Institute of Technology Ladkrabang
- Specialist council member, Mae Jo University
- Director, Universities' business incubation project, Higher Education Commission
- Specialist council member, Siam University
- Advisory Director, Market for Alternative Investment, Stock Exchange of Thailand
- Chief Executive Officer, Sun Global Network Co., Ltd.
- Chairman, I-IMC Corporation Co., Ltd.
- Director, City Planning Committee, Department of Town and Country Planning
- Director, trade unit of Office of the Welfare Promotion Commission for Teachers and Education Personnel, Ministry of Education
- Specialist council member, Northeast, Khon Kaen
- Audit director, North Eastern University
- Specialist council member, Nakhon Phanom University

Board of Directors

Mr. Wirat Iam-Ua-Yut

Independent Director

Chairman of the Corporate Governance Committee

Age: 64

Education

- Honorary Master Degree in Science (Cooperatives Economics), Mae Jo University

Training on director's role and skills

- Director Accredited Program (DAP) from IOD
- Finance for Non-Finance Director (FND) from IOD

Experience

- 1997-2001 : Chairman, Ka-Mung Tambon Administrative Authority, Nakhon Sawan
- 1992-2005 : Chairman, Cooperatives League of Thailand, the Board of National Cooperatives Development

Present Position

• Other listed companies

- None -

• Non-listed businesses

- Chairman, Chumsaeng Agricultural Cooperatives Co., Ltd.
- Member, National Economic and Social Advisory Council
- Chairman, Nakhon Sawan Cooperatives Club
- Member, the Agricultural Board, Nakhon Sawan
- Member, Cooperatives League of Thailand
- Member, National Rice Policy Board

Mr. Pichai Chunhavajira

Director

Age: 59

Education

- Honorary Doctoral Degree (Accounting), Thammasat University
- MBA (Finance), Indiana University of Pennsylvania, U.S.A
- Bachelor Degree (Accounting), Thammasat University
- Capital Market Academy, Class 5
- National Defence College of Thailand's Public/Private Joint Program Class 4313
- Certified Auditor No. 2918

Training on director's role and skills

- Director Accredited Program (DAP) from IOD

Experience

- 1999-2007 : Director, Aromatics (Thailand) Plc.
- 2000-2001 : President, PTT Oil
 - : Acting Deputy Governor for finance & accounting, Petroleum Authority of Thailand
 - : Acting President, PTT International Co., Ltd.
- 2001 : Deputy Governor for finance & accounting, Petroleum Authority of Thailand
- 2001-2003 : Director, Eastern Water Resources Development and Management Co., Ltd.
- Sep 2003-Dec 2004 : Acting President, The Bangchak Petroleum Plc.
- 2004-2006 : Director, Metropolitan Electricity Authority
 - : Director, Electricity Generating Authority of Thailand
- 2001-Dec 2007 : Senior Executive Vice President, finance & accounting, PTT Plc.
- Jan 2008-Present : Chief Financial Officer, PTT Plc. (change of title)

Present Position

• Other listed companies

- Chief Financial Office, PTT Plc.
- Director, PTT Aromatics & Refining Plc.
- Director, Thai Oil Plc.
- Director, PTT Chemical Plc.
- Director & Executive Director, Thai Airways International Plc.
- Director, Member of Audit Committee, Siam Commercial Bank Plc.
- Director, Dhipaya Insurance Plc.
- Director, PTT Exploration and Production Plc.

• Non-listed businesses

- Chairman, PTT Green Energy Co., Ltd.
- Member of Audit Committee, Mahidol University
- Chairman, Board of Accounting Profession for accounting management, Federation of Accounting Profession
- Director, Thai Lube Base Plc.
- Chairman, Investment Sub-Committee, Social Security Fund
- Director, Thai Petroleum Pipeline Co., Ltd.
- Director, Thai Oil Power Co., Ltd.

Mr. Sayan Satangmongkol

Director

Age: 60

Education

- MBA (Commerce), Thammasat University
- Bachelor Degree of Science (Agricultural Economics), Kasersart University

Training on director's role and skills

- Director Certification Program (DCP) from IOD
- Director Accredited Program (DAP) from IOD
- Finance for Non-Finance Director (FND) from IOD
- Developing CG Policy Statement from IOD

Experience

- 1998 : Manager, Loan Department, Krung Thai Bank Plc.
- 2000 : Manager, Business Relations Department, Krung Thai Bank Plc.
- 2001 : Manager, Supervision Department, Krung Thai Bank Plc.
- 2002 : Executive Vice President for internal audit, Krung Thai Bank Plc.
: Senior Executive Vice President, internal audit, Krung Thai Bank Plc.
- 2005 : Senior Executive Vice President, risk management, Krung Thai Bank Plc.

Present Position

- **Other listed companies**
 - Senior Executive Vice President, asset management, Krung Thai Bank Plc.
- **Non-listed businesses**
 - Director, Thanathep Printing Co., Ltd.
 - Director, Krungthai Legal Service Co., Ltd.

Mr. Nares Sattayarak

Director

Age: 60

Education

- Bachelor Degree in Science (Geology), Chiang Mai University

Training on director's role and skills

- Director Certification Program (DCP) from IOD
- Director Accredited Program (DAP) from IOD

Experience

- 2002-2003 : Petroleum Engineer 9, Department of Mineral Fuels
- 2003-2004 : Director, Mineral Fuels Technical Bureau, Department of Mineral Fuels
- 2004-Jan 2006 : Deputy Director-General, Department of Mineral Fuels

Present Position

- **Other listed companies**
 - None -
- **Non-listed businesses**
 - Inspector General, Energy Ministry
 - Member, the Sub-Committee on petroleum contract and concession subsidy management

Mr. Apisit Rujikeatkamjorn

Director

Age: 62

Education

- Master of Engineering, Lamar University of Texas, U.S.A.
- Bachelor of Engineering, Khon Kaen University

Training on director's role and skills

- Director Accredited Program (DAP) from IOD
- Finance for Non-Finance Director (FND) from IOD
- Understanding the Fundamental of Financial Statement (UFS) from IOD
- Raising the Awareness of Corporate Fraud in Thailand from IOD

Experience

- 1997-1999 : Senior Executive Vice President, Star Petroleum Refining Co., Ltd.
- 2000 : Chief Executive Officer, Trans Thailand Malaysia (Thailand) Co., Ltd.
- 2001-Retirement : Senior Executive Vice President, oil business, PTT Plc.

Present Position

- **Other listed companies**
 - None -
- **Non-listed businesses**
 - Director, Thai Lube Base Plc.
 - Chairman, the Operation Promotion Committee, Khon Kaen University
 - Member, Khon Kaen University Council
 - Director, Fortune Parts Industry Plc.

Board of Directors

Miss Pranom Kowinwipat

Independent Director

Age: 65

Education

- Master of Accounting, Georgia State University, U.S.A.
- Bachelor of Accounting, Thammasat University

Training on director's role and skills

- Director Certification Program (DCP) from IOD
- The Role of the Chairman Program (RCP) from IOD

Experience

- Director and Chairman 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 Degree scholarships in accounting
- Deputy Dean, Faculty of Commerce and Accountancy, Thammasat University
- Head of Accounting/Director, Faculty of Commerce and Accountancy, Thammasat University

Present Position

- **Other listed companies**
 - Director and Chairman of Audit Committee, Thai Coating Industrial Plc.
 - Director and Member of Audit Committee, Bangkok Union Insurance Plc.
 - Member, Risk Management Committee, TOT Plc.
- **Non-listed businesses**
 - Director, the Office of National Education Standard and Quality Assessment (Private Organization) ONESQA
 - Advisor to the Rector, Thammasat University
 - Director, Lecturer Recruitment Screening Committee, Faculty of Commerce and Accountancy, Thammasat University
 - Director, the committee to interview applicants for Thammasat University's Faculty of Commerce and Accountancy's scholarships for master and doctoral degrees, as well as overseas Ph.D.
 - Lecturer, Faculty of Accounting and Management, Mahasarakham University

Mr. Chaivat Churitti

Director

Age: 60

Education

- B.Sc. Economics, Nathaniel Hawthorne College, U.S.A.

Training on director's role and skills

- Director Accredited Program (DAP) from IOD

Experience

- 2001-2002 : Vice President, Commercial Marketing, PTT Plc.
- 2002-2003 : Vice President, Retailing Business, PTT Plc.
- 2003-2005 : Vice President, Planning, PTT Plc.
- Oct 2005-Present : Senior Executive Vice President, Oil Business, PTT Plc.

Present Position

- **Other listed companies**
 - Senior Executive Vice President, Oil Business, PTT Plc.
 - Director, IRPC Plc.
- **Non-listed businesses**
 - Director, Thai Lube Blending Co., Ltd.
 - Director, Fuel Pipeline Transportation Co.,
 - Director, Retail Business Alliance Co., Ltd.
 - Director, Energy Complex Co., Ltd.
 - Director, PetroAsia (Thailand) Co., Ltd.
 - Chairman, PTT Retail Management Co., Ltd.
 - Chairman, PTT Retail Business Co.,Ltd.

Mr. Tevin Vongvanich

Director

Ages: 49

Education

- Master of Chemical Engineering, Rice University, U.S.A.
- Master of Petroleum Engineering, University of Houston, U.S.A.
- Bachelor of Engineering (Chemical Engineering), Chulalongkorn University
- Senior Executive Program (S.E.P Class 7), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Program for Global Leadership (PGL), Harvard Business School
- Senior Executive's Course in Democratic Politics (PPR Class 10), King Prajadhipok's Institute

Training on director's role and skills

- Director Certification Program (DCP) from IOD

Experience

- Nov 1999 - Jul 2002 : Senior Vice President, Business Development, PTT Exploration and Production Plc.
- Jul 2002- Dec 2003 : Senior Vice President, Operations, PTT Exploration and Production Plc.
- Dec 2003- May 2004 : Senior Executive Vice President, Regional Investment, PTT Exploration and Production Plc.
- Jun 2004-Present : Doubling as Executive Vice President, Business Development, PTT Plc.

Present Position

- **Other listed companies**
 - Executive Vice President, Business Development, PTT Plc.
- **Non-listed businesses**
 - None -

Dr. Sathit Limpongpan

Director

Ages: 57

Education

- Ph.D. (Development Administration), National Institute of Development Administration (NIDA)
- Master of Economics, Sukhothai Thammathirat Open University
- Master of Laws, Tulane University, U.S.A.
- Barrister-at-Laws
- Bachelor of Laws, Thammasat University
- Leaders in Development, Managing Political & Economic Reform, Harvard University
- Advanced Management Program, Oxford University

Training on director's role and skills

- Director Certification Program (DCP) from IOD

Experience

- 2000 : Director-General, Fiscal Policy Office
- 2002 : Director-General, Excise Department
- 2004 : Director-General, Customs Department

Present Position

- Deputy Permanent Secretary for Ministry of Finance, and Chief of Property Group
- **Other listed companies**
 - Director, Siam City Bank Plc.
 - Director, Kuang Pei San Food Products Plc.
- **Non-listed businesses**
 - Director, CAT Telecom Plc.

Dr. Anusorn Sangnimnuan

President

Secretary to Board of Directors

Age: 54

Education

- Ph.D. in Chemical Engineering, Monash University, Melbourne, Australia
- Master of Environment Engineering, Asian Institute of Technology
- Bachelor Degree in Chemical Engineering, Chulalongkorn University
- Advanced Diploma in Public Administration and Public Law, King Prajadhipok's Institute

Training on director's role and skills

- Director Certification Program (DCP) จาก IOD
- Director Accredited Program (DAP) จาก IOD
- Finance for Non-Finance Director (FND) จาก IOD

Experience

- **The Bangchak Petroleum Public Company Limited**
 - 2000-2001 : Senior Executive Vice President, Planning and Supply/Industrial-Lubricant marketing
 - 2001-2004 : Senior Advisor and Acting Senior Executive Vice President, Refinery Business
 - 2005-Present : President and Secretary to Board of Directors
- **Others**
 - 1997-2003 : Expert Director on industrial projects' environmental analysis
 - 2001-2005 : Director, National Ethanol Committee : Member, House sub-committee on ethanol-biodiesel
 - 2002-2004 : Vice Chairman, Petroleum Refining Industry Club, Federation of Thai Industries

Present Position

- **Other listed companies**
 - None -
- **Non-listed businesses**
 - Member, National Legislative Assembly
 - Member and secretary, House Committee on energy
 - Executive Director, Petroleum and Petrochemical College, Chulalongkorn University
 - Executive Director, Petroleum and Technology Center, Chulalongkorn University
 - Executive Director, National Research Center of Environmental Management and Management of Hazardous Waste, Chulalongkorn University





Executive Management



- | | |
|---------------------|------------------|
| 1. Dr. Anusorn | Sangnimnuan |
| 2. Mr. Vichien | Usanachote |
| 3. Mr. Patiparn | Sukornthaman |
| 4. Mr. Wattana | Opanon-amata |
| 5. Mr. Yodphot | Wongrukmit |
| 6. Mr. Pichit | Wongrujiravanich |
| 7. Mr. Chokchai | Assavarangarit |
| 8. Mr. Watcharapong | Saisuk |





Executive Management



- | | |
|---------------------|-------------------|
| 9. Mr. Kiatchai | Maitriwong |
| 10. Mr. Pongchai | Chaichirawiwat |
| 11. Mr. Chalermchai | Udomrenu |
| 12. Mr. Pichet | Aimwatana |
| 13. Miss Rawadee | Pornphatkul |
| 14. Mr. Somchai | Techavanich |
| 15. Mr. Thanachit | Makaranond |
| 16. Dr. Kittit | Niwatwong |
| 17. Mr. Prawit | Sunthornsithipong |

Executive Management

Mr. Anusorn Sangnimnuan

President

Secretary to Board of Directors

Age: 54

Education

- Ph.D. in Chemical Engineering, Monash University, Melbourne, Australia
- Master of Environment Engineering, Asian Institute of Technology
- Bachelor Degree in Chemical Engineering, Chulalongkorn University
- Advanced Diploma in Public Administration and Public Law, King Prajadhipok's Institute

Training

- Director Certification Program (DCP) from IOD
- Director Accredited Program (DAP) from IOD
- Finance for Non-Finance Director (FND) from IOD

Experience

- **The Bangchak Petroleum Public Company Limited**
 - 2000-2001 : Senior Executive Vice President, Planning and Logistics/Industrial and Lubes marketing
 - 2001-2004 : Senior Advisor and Acting Senior Executive Vice President, Refinery Business
 - 2005-Present : President and Secretary to Board of Directors
- **Others**
 - 1997-2003 : Expert Director on industrial projects' environmental analysis
 - 2001-2005 : Director, National Ethanol Committee
: Member, House sub-committee on ethanol-biodiesel
 - 2002-2004 : Vice Chairman, Petroleum Refining Industry Club, Federation of Thai Industries

Present Position

- **Other listed companies**
- None -
- **Non-listed businesses**
 - Member, National Legislative Assembly
 - Member and secretary, House Committee on energy
 - Executive Director, Petroleum and Petrochemical College, Chulalongkorn University
 - Executive Director, Petroleum and Technology Center, Chulalongkorn University
 - Executive Director, National Research Center of Environmental Management and Management of Hazardous Waste, Chulalongkorn University

Mr. Vichien Usanachote

Senior Executive Vice President

Refinery Business

Age: 53

Education

- Master of Engineering, Ohio State University, U.S.A.
- Bachelor of Engineering, Chulalongkorn University

Training

- Director Certification Program (DCP) from IOD

Experience

- **The Bangchak Petroleum Public Company Limited**
 - 1993 : Senior Executive Vice President, Marketing/Manufacturing
 - 2000 : Senior Executive Vice President, Marketing Business
 - 2001 : Senior Advisor
 - 2002 : Senior Executive Vice President, Planning and Logistics
 - 2003-2004 : Senior Advisor and Acting Senior Executive Vice President
 - 2005-Present : Senior Executive Vice President, Refinery Business

Present Position

- **Other listed companies**
- None -
- **Non-listed businesses**
 - Director, Fuel Pipeline Transportation Co., Ltd.

Mr. Patiparn Sukorndhaman

Senior Executive Vice President

Accounting and Finance

Age: 46

Education

- MBA (Finance), The American University, U.S.A.
- Bachelor Degree in Political Sciences, Chulalongkorn University

Training

- Director Certification Program (DCP) from IOD

Experience

- **The Bangchak Petroleum Public Company Limited**

- Oct 2003-Present : Senior Executive Vice President

- **Others**

- 1998 : Deputy Director - Finance and Accounting, National Petrochemical Plc.
- 2000-2001 : Group CFO, COCO Group Companies
- 2001-2003 : Chief Financial Officer, Banpu Power Co., Ltd.

Present Position

- **Other listed companies**

- None -

- **Non-listed businesses**

- Director, Bangchak Green Net Co., Ltd.
- Director, Fuel Pipeline Transportation Co., Ltd.

Mr. Wattana Opanon-amata

Senior Executive Vice President

Corporate Administration and Information Technology

Age: 52

Education

- Master Degree in Chemical Engineering, Chulalongkorn University
- Bachelor Degree in Chemical Engineering, Chulalongkorn University
- Mini MBA, Chulalongkorn University
- Diploma of Director Certification Program from IOD
- Advanced Diploma in Public Administration and Public Law, King Prajadhipok's Institute

Training

- Diploma in Enterprisewide Risk Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program (DCP), Audit Committee Program (ACP) and Finance for Non-Finance Director (FND) from Thai Institute of Directors (IOD)
- Certificate on Management of Thinking and Cultural Conflicts Class 2, National Defence College Think Tank for Society

Experience

- **The 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 Advisor and Acting Senior Executive Vice President
- 2006-Present : Senior Executive Vice President

Present Position

- **Other listed companies**

- None -

- **Non-listed businesses**

- Director, Fuel Pipeline Transportation Co., Ltd.

Mr. Yodphot Wongrukmit

Executive Vice President

Retail Marketing

Age: 48

Education

- Master Degree in Business Administration (MBA), MTSU, U.S.A.
- Bachelor of Economics (2nd Honor), Faculty of Economics, University of Thai Chamber of Commerce

Training

- Logistics Economic
- Economic for Decision Making
- JCCP "Advance Marketing" (Japan)
- Marketing Outlook
- Sales Management
- Effective Negotiation Skills
- PR Strategies of SET-listed companies
- Strategic Leadership
- The Leadership Grid

Experience

- **The Bangchak Petroleum Public Company Limited**

- 1994 : Manager, North and Central District Division
- 1998 : Senior Manager, Central District Division
- 2001 : Vice President, Retail Marketing
- 2004 : Senior Vice President, Retail Marketing
- 2007-Present : Executive Vice President, Retail Marketing

Present Position

- **Other listed companies**

- None -

- **Non-listed businesses**

- Director, Bangchak Green Net Co., Ltd.

Executive Management

Mr. Kiatchai Maitriwong

Senior Vice President

Planning and Logistics

Age: 48

Education

- Master Degree (MBA), Thammasat University
- Bachelor Degree in Chemical Engineering, Chulalongkorn University

Training

- LPG Recovery Technology by JCCP (Japan)
- Essential Petroleum Refining for Process Engineer by JCCP (Japan)
- Engineering Design by UOP (U.S.A.)
- Distribution Control System by Honeywell (U.S.A.)
- Oil Price Risk Management by Morgan Stanley (U.S.A.)
- The Managerial Grid by AIM
- Fire & Business Interruption by CII
- Advanced Energy Executive Class 5 by Ministry of Finance

Experience

- **The Bangchak Petroleum Public Company Limited**
 - 1997 : Senior Manager, Supply Logistics Division
 - 2001 : Senior Manager, Planning and Marketing Administration Division
 - 2002 : Assistant Director, Corporate Planning Office
 - 2004 : Director for planning, Planning and Logistics
 - 2006 : Acting Senior Vice President, Planning and Logistics
 - 2007-Present : Senior Vice President, Planning and Logistics
- **Others**
 - Vice Chairman and Director, Federation of Thai Industries' Petroleum Refining Industry Club
 - Special Expert on oil refining and logistics, Petroleum Institute of Thailand
 - Advisor to Ministry of Energy on curriculum development, Special Expert for advanced/intermediate/primary executives
 - Advisor on Energy to PM's Office Minister

Present Position

- **Other listed companies**
 - None -
- **Non-listed businesses**
 - None -

Mr. Pongchai Chaichirawiwat

Acting Senior Vice President

Marketing Business

Age: 47

Education

- MBA, Thammasat University
- Master of Engineering, Asian Institute of Technology
- Bachelor of Engineering, Chulalongkorn University

Experience

- 1998 : Manager, Marketing Engineering Division
- 2001 : Senior Manager, Marketing Engineering Division
- 2004 : Vice President, Retail Marketing Development
- 2006 : Vice President, Business
- 2007-Present : Acting Senior Vice President

Mr. Somchai Techavanich

Vice President, Retail Business

Development Marketing Business

Age: 45

Education

- MBA, Thammasat University
- Bachelor of Engineering, Kasetsart University

Experience

- 1996 : Business Manager, Metropolitan District Division
- 2000 : Senior Manager, Metropolitan District Division
- 2002 : Assistant Vice President, Metropolitan District Division
- 2003 : Vice President, coordinating with Associated Companies
- 2006-Present : Vice President, Retail Marketing Development

Dr. Kitti Niwatwong

Vice President, Technique

Refinery Business

Age: 54

Education

- Doctoral Degree in engineering, Northwestern University
- Master of Engineering, Mississippi State University
- Bachelor of Engineering, Chulalongkorn University

Experience

- 1999 : Manager, Refining Technology and Environment Division
- 2000 : Senior Manager, Engineering
- 2005-Present : Vice President, Refining Technology

Mr. Thanachit Makaranond

Vice President, Operations

Refinery Business

Age: 48

Education

- Master of Engineering (Chemical Engineering), University of Southwestern Louisiana
- Bachelor of Science (Chemical Technique), Chulalongkorn University

Experience

- 1997 : Senior Manager, Operations
- 2000 : Senior Manager, Technique and Environment
- 2001 : Senior Manager, Process Division
- 2004-Present : Vice President, Operations

Miss Rawadee Pornphatkul

Vice President, Accounting and Tax

Accounting and Finance

Age: 47

Education

- MBA, Thammasat University
- Bachelor of Accounting, Ramkhamhaeng University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Bachelor of Science, Chulalongkorn University

Experience

- 2000 : Manager, Revenue Accounting Division
- 2002 : Manager, Accounting Division
- 2004 : Senior Manager, Accounting Division, and Acting Vice President for Accounting and Taxation
- 2007-Present : Vice President, Accounting and Taxation

Executive Management

Mr. Chalermchai Udomrenu

Vice President, Network Restructuring

Age: 46

Education

- MBA, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

Experience

- 1997 : Manager, Maintenance and Service Division
- 2000 : Senior Manager, Maintenance and Service Division
- 2001 : Senior Manager, Technical Service Division
- 2003 : Senior Manager, Refining Project
- 2005-Present : Vice President, Network Restructuring

Mr. Pichet Aimwatana

Vice President, Corporate Business Development Office, Administration and Information Technology

Age: 40

Education

- Bachelor of Engineering, Chulalongkorn University

Experience

- 2000 : Manager, Logistics and Wholesale Business
- 2004 : Senior Manager, Logistics and Wholesale Business
- 2006 : Senior Manager, Corporate Strategy Business and Risk Management Office
- 2007-Present : Vice President, Corporate Business Development Office

Mr. Watcharapong Saisuk

Vice President, Corporate Planning and IR Office Accounting and Finance

Age: 42

Education

- Bachelor of Engineering, 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

Mr. Chokchai Assavarangsarit

Vice President, Office of Secretary to Board of Directors, Administration and Information Technology

Age: 39

Education

- MBA, Kasetsart University
- Bachelor of Engineering, Chulalongkorn University

Experience

- 2000 : Manager, Supply and Logistics Division
- 2002 : Manager, Business Planning and Analysis Division
- 2003 : Manager, Planning of Marketing Business Division
- 2004 : Senior Manager, Corporate Strategy Business and Risk Management Office
- 2005 : Senior Manager, Office of Secretary to Board of Directors
- 2007-Present : Vice President, Office of Secretary to Board of Directors

Mr. Pichit Wongrujiravanich

Vice President
Internal Control Office

Age: 47

Education

- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University

Experience

- 1992-2005 : Assistant Executive Director, Yontrakit Group
- Oct 2005-Present : Vice President, Internal Control Office

Mr. Prawit Sunthornsithipong

Acting Vice President
Marketing Business

Age: 47

Education

- MBA, Chulalongkorn University
- Bachelor Degree, Faculty of Dentistry, Mahidol University

Experience

- 2001 : Manager, Membership and Business Cards
- 2002 : Manager, Business Development Division
- 2003 : Manager, Metropolitan District Division
- 2004 : Senior Manager, Metropolitan District Division
- 2006-Present : Acting Vice President

A Report on Changing in Bangchak's Stocks Holdings of Board and Executives Report

The Company's Board of Directors, Executives, their spouses and minor children are required to report their shareholding in the Company to Securities and Exchange Commission (SEC) within 30 working days from the date of they were appointed as the Directors or Executives of the Company. In case of shareholding change, they shall be required to report to SEC within 3 working days from the date of purchase, sale, transfer or acceptance of transferred securities.

The shareholding changes of the Company's Directors and Executives must also be reported to the Board meetings on a monthly basis. As of December 31, 2007, shareholding in the Company by the Company's Directors and Executives were as follows:

Name		Types of Securities ^{1/}	Shares held as of Dec 31, 2006	Shares held as of Dec 31, 2007	Increase (Decrease)
Board of Directors					
1. General Tawat	Ked-Unkoon	BCP-DR1	100,000	250,000	150,000
		Warrant (ESOP)	230,000	230,000	-
		Warrant (BCP-W1)	10,000	0	(10,000)
2. Mr. Chai-Anan	Samudavanija	Warrant (ESOP)	190,000	190,000	-
3. Mr. Anusorn	Tamajai	Warrant (ESOP)	190,000	190,000	-
4. Mr. Wirat	Iam-Ua-Yut	BCP-DR1	100,650	100,650	-
		Warrant (ESOP)	170,000	170,000	-
		Warrant (BCP-W1)	65	65	-
5. Mr. Nipon	Surapongrukchareon	BCP-DR1	90,000	110,000	20,000
		Warrant (ESOP)	170,000	170,000	-
		Warrant (BCP-W1)	9,000	9,000	-
6. Mr. Pichai	Chunhavajira	BCP-DR1	500,000	500,000	-
		Warrant (ESOP)	170,000	170,000	-
		Warrant (BCP-W1)	50,000	50,000	-
7. Mr. Sayan	Satangmongkol	Warrant (ESOP)	170,000	170,000	-
8. Mr. Apisit	Rujikeatkamjorn	BCP-DR1	2,600	2,600	-
		Warrant (ESOP)	170,000	170,000	-
		Warrant (BCP-W1)	260	260	-
9. Mr. Nares	Sattayarak	-	-	-	-
10. Ms. Pranom	Kowinwipat	BCP-DR1	5,000	5,000	-
11. Mr. Chaivat	Churitti ^{2/}	BCP	-	1,500	1,500
12. Mr. Tevin	Vongvanich ^{2/}	-	-	-	-
13. Mr. Sathit	Limpongpan ^{3/}	-	-	-	-
14. Mr. Anusorn	Sangnimnuan	BCP-DR1	125,460	135,460	10,000
		Warrant (ESOP)	213,800	213,800	-
		Warrant (BCP-W1)	10,546	10,546	-





Name		Types of Securities ^{1/}	Shares held as of Dec 31, 2006	Shares held as of Dec 31, 2007	Increase (Decrease)
Executive Management					
1.	Mr. Vichien Usanachote	Warrant (ESOP)	47,900	47,900	-
2.	Mr. Patiparn Sukorndhaman	Warrant (ESOP)	44,500	44,500	-
		BCP-DR1	24,000	24,000	-
3.	Mr. Wattana Opanon-amata	BCP-DR1	2,860	2,860	-
		Warrant (ESOP)	79,300	79,300	-
		Warrant (BCP-W1)	286	286	-
4.	Miss Revadee Pornpatkul	BCP	100	100	-
		BCP-DR1	6,000	6,000	-
		Warrant (ESOP)	42,100	42,100	-
		Warrant (BCP-W1)	610	610	-

Notes :

1/ Types of Securities

- BCP - Ordinary shares in The Bangchak Petroleum Plc.
- BCP-DR1 - warrants for The Bangchak Petroleum Plc.'s ordinary shares
- Warrant (ESOP) - warrants for new ordinary shares issued by The Bangchak Petroleum Plc.
- Warrant (BCP-W1) warrants for new ordinary shares issued by The Bangchak Petroleum Plc. 1/2006 issuance.

2/ Appointment as The Company's Director based on the resolution passed by the 2007 Annual General Meeting of shareholders on April 27, 2007

3/ Appointment as The Company's Director based on the resolution of the Board of Directors meeting No.6/2007, held on 29 June 2007.

Reference

Securities Registrar

Thailand Securities Depository Ltd.

Common shares (BCP)
Depository receipts on common shares (BCP-DR 1)
Convertible debentures (BCP@A)
Depository receipts on convertible debentures (BCP141A)
Warrants for new shares (BCP-W1)

2/7 Moo 4 (North Park) Vibhavadi-Rangsit Road,
Thungsonghong, Laksi, Bangkok 10210
Tel: 0-2596-9302-10
Fax: 0-2832-4994-6

Debenture Registrar for “The Bangchak Petroleum Plc.’s 25/2002 debentures, due 2007”

TMB Bank Plc.

3000 Phaholyothin Road, Lad Yao, Chatuchak,
Bangkok 10900
Tel: 0-2299-1111
Fax: 0-2273-7121

Auditor

A.M.T. Associate Office

491/27 Silom Plaza, Silom Road, Bang Rak, Bangkok 10500
Tel: 0-2234-1676, 0-2234-1678, 0-2237-2132
Fax: 0-2237-2133

Others

Contact:

Investor supports
Report losses of share certificates
Shareholders’ information change

Issuer Service Unit
Thailand Securities Depository Ltd.
2/7 Moo 4 (North Park) Vibhavadi-Rangsit Road,
Thungsonghong, Laksi, Bangkok 10210
Tel. 0-2596-9302-10
Fax 0-2832-4994-6



Company's General Information

Company Established

April, 1985

Shareholders (%) as of 31 December, 2007

Holders of Ordinary shares (BCP)

• Siam DR Co., Ltd. (BCP-DR1)	47
• PTT Plc.	25
• Minor Shareholders	28

Holders of Warrants (BCP-DR1)

• Ministry of Finance	24
• PTT Plc.	10
• Minor Shareholders	66

Registered Capital as of December 31, 2007

- 1,531 Million Baht (Paid-Up Capital as of December 31, 2007 1,119 Million Baht)

Business

Operating businesses in retail and wholesale sales of refined petroleum products and operates refinery with capacity of 120,000 barrels per day together with providing sales of consumer products.

Customer

- General Public via the nation-wide Bangchak Service Stations
- Industrial sector ex. Factories, Industrial Plants
- Transport and Service sectors ex. Airlines, Ocean liners, Hotels, Trucks and Constructions
- Agricultural sector via the Bangchak Cooperative Own Service Stations

Office & Distribution Center

- **Head Office and Bangchak Oil Distribution Center:** 210 Moo 1 Soi Sukhumvit 64, Sukhumvit Rd., Bangchak, Phrakong, Bangkok 10260 Thailand.
Tel: 0-2335-4999, 0-2331-0047 Fax: 0-2335-4009
- **Central District Office and Bang Pa-in Oil Distribution Center:** 99 Moo 9, Bangkok, Bang Pa-in, Ayutthaya 13160
Tel: 0-3535-0260, 0-3527-6999 Fax (Central District Office): 0-3535-0290 Fax (Bang Pa-in Oil Distribution Center): 0-3527-6920
- **North District Office (Chiang Mai):** 483/9 Chareonmuang Road, Watkate, Muang District, Chiang Mai 50000
Tel: 0-5330-4611 Fax: 0-5330-4822
- **North-East District Office (Khon Kaen):** 499 Moo 3, Friendship Highway, Muang Kao, Muang District, Khon Kaen 40000
Tel: 0-4326-1789-92, 0-4326-1751-3 Fax: 0-4326-1750
- **South District Office:** CP Tower, Room 402, 4th Floor, 91/1 Moo 1, Karnjanavidhi Road, Bangkok, Muang District, Surat thani 84000
Tel: 0-7722-4790-2 Fax: 0-7722-4793
- **Surat Thani Oil Distribution Center** 104/1 Moo 2, Surat Thani-Paknam Road, Bangkoong, Muang District, Surat Thani 84000
Tel: 0-7727-5056-7 Fax: 0-7728-2943
- **Sriracha Oil Distribution Center:** 191/26 Moo 8, Thoongsookala, Sriracha, Chonburi 20230
Tel: 0-3835-2254 Fax: 0-3835-2253
- **Rayong Oil Distribution Center:** 1 I - 3B Road, Mabtapood, Muang Rayong, Rayong 21150
Tel: 0-3868-4834 Fax: 0-3868-4833
- **Samutsakorn Oil Distribution Center:** 100/149 Moo 1, Thacheen, Muang District, Samutsakorn 74000
Tel: 0-3482-0974 Fax: 0-3482-0974
- **Suksawasdee Lubricant Distribution Center** 196 Moo 1, Suksawasdee Road, Pak Klong Bang Pla Kod, Prasamut Chedi, Samutprakarn
Tel: 0-2815-6997-8 Fax: 0-2815-6996

Awards and Certificates



CNBC's Corporate Social Responsibility Award 2008



Board of the Year for Exemplary Practices 2006/2007



First runner-up in the 2007 contest on projects on sufficiency economy philosophy (large-sized enterprise category)

- CNBC's Corporate Social Responsibility Award 2008 announced in CNBC's 2008 Asia Business Leader Award (ABLA) presentation hosted by CNBC (Consumer News and Business Channel) and NBC Universal. The award was granted to Mr. Anusorn Sangnimnuan, President, for Bangchak's leading role of CSR.
- Board of the Year for Exemplary Practices Award for 2006/2007 from the Thai Institute of Directors (IOD)
- First runner-up in the 2007 contest on projects on sufficiency economy philosophy (large-sized enterprise category), hosted by the Office of The Royal Development Projects Board (RDPB).
- ISO 17025 Certificate for laboratory operations on diesel product testing from Thailand Industrial Standard Institute (TISI), Ministry of Industry
- Commitment to Social and/or Environment Issues Certificate, jointly awarded by Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University at the 6th "Thailand Corporate Excellence Awards" in 2007.
- Commitment to Energy Saving Certificate, jointly awarded by Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University at the 6th "Thailand Corporate Excellence Awards" in 2007.
- One of nine companies with highest combined scores in good governance from the 2006 survey jointly hosted by Thai Institute of Directors (IOD), the Securities and Exchange Commission and the Stock Exchange of Thailand
- Certificate on Distinction in Maintaining Excellent Corporate Governance Report from Money & Banking Magazine and the Stock Exchange of Thailand, presented in the SET Awards 2006
- Best Corporate Social Responsibilities (CSR) Award from Money & Banking Magazine and the Stock Exchange of Thailand, presented at SET Awards 2006
- Certificate on Commitment to Social and/or Environment Issues by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at "The 5th Thailand Corporate Excellence Awards" in 2006
- Certificate on Commitment to Energy Saving from Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at "The 5th Thailand Corporate Excellence Awards" in 2006
- Best Toilet on Major Roads Award 2006, at "World Toilet Expo and Forum 2006", for Phaholyothin and Rama II Roads under the Thai public toilet improvement program, the Public Health Ministry's Health Department
- Excellent Board of Directors Awards 2004-2005 from the Thai Institute of Directors (IOD)
- OHSAS 18001 certificate for occupational health and safety at the Bang Pa-In Oil Distribution Center in Bang Pa-In, Ayutthaya, granted in 2005
- Best Corporate Governance Report from Money & Banking Magazine and the Stock Exchange of Thailand at SET Awards 2005

- Selected as one of companies in the Top Quartile Company Group for 2005, the third straight year, under the Corporate Governance of Thai Listed Companies 2005 program by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand and the Securities and Exchange Commission
- Most Creative Issue Award from the Thai Bond Dealing Center at Best Bond Awards 2004
- Prueksanakara Prize for excellent greenery among large buildings, Front of the House Category during 2002-2004 from Bangkok Metropolitan Administration's Phra Khanong District Office
- TIS 18001-1999 and OHSAS 18001-1999 certificates for occupational health and safety management system in all operating processes in 2004
- OHSAS 18001 Certificate for 2003
- ISO 9001:2000 for lubricant oil business' product development, procurement and distribution; as well as for car care services in 2002
- EIA Award for standard environment management from the Office of Natural Resources and Environmental Policy and Planning (ONEP) in 2001
- TSI 18001 certificate for occupational and safety in 2000, being the first Thai refinery awarded the certificate by the International Organization for Standardization
- EIA Award for standard environment management from the Office of Natural Resources and Environmental Policy and Planning (ONEP) in 1998
- Award for the outstanding committee on occupational health, safety and working environment in 1998
- ISO 14001 - Petroleum Refining Certificate for environment management at all production systems in 1997 and renewed certificate awarded in 2003
- Honored as an enterprise that followed environmental standards and closely monitored environment quality in 1995
- Outstanding Workplace on safety in 1995
- Outstanding Enterprise on safety management in 1994
- Outstanding Enterprise on Environmental Conservation in 1991
- Outstanding Energy Saving Enterprise in 1990





Vision

To be the leading Thai-owned company in energy and energy-related businesses, which creates business returns that are fair and sustainable, with full commitment to environment and society by modernize management, Good Corporate Governance principles and highly capable employees.



The Bangchak Petroleum Public Company Limited

210 Moo 1 Soi Sukhumvit 64 Sukhumvit Rd., Bangchak, Phrakonong, Bangkok 10260 Thailand.

Tel. : 66 (0) 2335 4999 Fax : 66 (0) 2335 4009

www.bangchak.co.th