



TRANSLATION REPORT OF THE AUDITOR

To the shareholders of The Bangchak Petroleum Public Company Limited

The Office of the Auditor General has reviewed the balance sheets as at September 30, 2002, the statements of income for the three months and nine months ended September 30, 2002 and 2001, the statements of changes in shareholders' equity and the statements of cash flows for the nine months ended September 30, 2002 and 2001 of The Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their fair presentation and completeness of the information. The responsibility of the Office of the Auditor General is to report on these financial statements based on the results of its review.

The Office of the Auditor General conducted the review in accordance with the auditing standards applicable to review engagements. Those standards require that the Office of the Auditor General plans and performs the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical comparison of financial data. This, therefore, provides less assurance than an audit in accordance with the generally accepted auditing standards. Due to this, the Office of the Auditor General is unable to express an opinion on the financial statements referred to above.

Based on our review, nothing has come to attention that causes the Office of the Auditor General to believe that the financial statements are not presented fairly, in all material respects, in conformity with the generally accepted accounting principles.

The Office of the Auditor General audited the financial statements as at December 31, 2001 of The Bangchak Petroleum Public Company Limited in accordance with the generally accepted auditing standards and expressed an unqualification opinion as per the independent auditor report dated February 14, 2002. The balance sheets as at December 31, 2001 as presented herein for comparison, formed partly the financial statements which the Office of the Auditor General previously audited and reported. The Office of the Auditor General has not performed any other audits since the date of that report.

(Sign) *Jaruvan Maintaka*
(Jaruvan Maintaka)
Auditors General

(Sign) *Suchita Sommanus*
(Suchita Sommanus)
Director of Audit Office

Office of the Auditor General

November 6, 2002

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS OF SEPTEMBER 30, 2002 AND DECEMBER 31, 2001

UNIT : BAHT

	<u>NOTE</u>	<u>SEPTEMBER 30, 2002</u>	<u>DECEMBER 31, 2001</u>
		(REVIEWED)	(AUDITED)
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	4.1	472,504,048	2,749,700,315
Current investments		141,200,446	130,847,788
Trade accounts receivable, net	4.2	2,631,767,310	1,672,320,655
Inventories		6,346,925,484	4,011,323,681
Other current assets			
Materials and supplies, net	4.3	368,993,999	409,923,479
Others		257,472,941	431,543,813
Total Current Assets		10,218,864,228	9,405,659,731
Non-Current Assets			
Investments for using the equity method	4.4	15,094,794	25,037,376
Other long-term investments	4.5	4,855,592	4,916,126
Tariff prepayment	4.6	185,770,217	188,708,087
Property, plant and equipment, net	4.7	13,954,677,726	14,720,899,830
Intangible assets	4.8	1,076,992,783	1,117,098,698
Other non-current assets			
Investment - service station		684,781,266	674,047,780
Deferred income tax		57,411,066	49,808,176
Others		271,569,364	206,785,108
Total Non-Current Assets		16,251,152,808	16,987,301,181
TOTAL ASSETS		26,470,017,036	26,392,960,912

The accompanying are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS OF SEPTEMBER 30, 2002 AND DECEMBER 31, 2001

	<u>NOTE</u>	<u>SEPTEMBER 30, 2002</u>	<u>DECEMBER 31, 2001</u>
		(REVIEWED)	(AUDITED)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities			
Bank overdrafts and short-term loans from financial institutions		106,621,238	231,516,587
Trade accounts payable		2,773,747,122	1,128,970,583
Current portion of long-term loans	4.10	8,255,000,000	3,764,663,976
Short-term loans	4.9	2,511,905,000	938,000,000
Other current liabilities			
Accrued excise tax and oil stabilization fund		150,521,844	278,122,903
Accrued expenses		448,764,665	557,358,437
Others		338,026,189	382,545,620
Total Current Liabilities		14,584,586,058	7,281,178,106
Non-Current Liabilities			
Long-term loans	4.10	8,842,500,000	16,266,671,616
Other non-current liabilities			
Long term liabilities for service station lease rights		164,107,743	182,960,763
Pension fund reserve		181,993,958	168,194,586
Others		69,033,588	62,818,942
Total Non-Current Liabilities		9,257,635,289	16,680,645,907
Total Liabilities		23,842,221,347	23,961,824,013
Shareholders' Equity			
Share capital			
Authorized share capital Common stock 772,040,940 shares par value at Baht 10 per share		7,720,409,400	7,720,409,400
Issued and paid-up share capital Common stock 522,040,940 shares par value at Baht 10 per share		5,220,409,400	5,220,409,400
Additional Paid-in capital			
Premium on share capital		2,007,950,671	2,007,950,671
Surplus on fixed assets revaluation		3,292,675,617	3,556,765,260
Retained earnings (Accumulated Deficit)			
Appropriated			
Legal reserve		547,594,555	547,594,555
Unappropriated		(8,440,834,554)	(8,901,582,987)
Total Shareholders' Equity		2,627,795,689	2,431,136,899
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,470,017,036	26,392,960,912

The accompanying are an integral part of these statements.

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

(Signed) *Narong Boonyasaquan*
(Narong Boonyasaquan)
President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>NOTE</u>	UNIT : BAHT			
		<u>FOR THE THREE MONTHS</u>		<u>FOR THE NINE MONTHS</u>	
		<u>2002</u>	<u>2001</u> <u>(Revised)</u>	<u>2002</u>	<u>2001</u> <u>(Revised)</u>
Revenues					
Sales		13,979,823,773	12,402,170,018	38,236,429,311	37,815,215,856
Other incomes					
Interest income		10,811,239	3,549,997	29,859,767	13,868,825
Gain from foreign exchange fluctuations	4.11	-	70,633,882	-	-
Gain from crude oil and product oil price hedging contract		-	99,096	-	-
Others		10,699,819	18,646,151	48,402,330	47,344,582
Share of profits from investments for using the equity method		1,017,670	2,159,076	-	-
Total Revenues		14,002,352,501	12,497,258,220	38,314,691,408	37,876,429,263
Expenses					
Cost of sales		13,212,762,582	12,657,727,567	35,744,551,356	37,560,955,161
Selling and administrative expenses		277,107,578	283,660,469	817,362,785	832,138,024
Other Expenses					
Depreciation		71,209,198	71,295,443	212,361,734	214,590,829
Loss from foreign exchange fluctuations	4.11	166,838,937	-	38,051,846	77,746,885
Loss from crude oil and product oil price hedging contract		81,989,648	-	33,886,038	2,176,035
Share of losses from investments for using the equity method		-	-	6,385,952	1,576,679
Total Expenses		13,809,907,943	13,012,683,479	36,852,599,711	38,689,183,613
Profit (Loss) before Interest and Income Tax Expenses		192,444,558	(515,425,259)	1,462,091,697	(812,754,350)
Interest expenses	4.12	382,625,669	332,417,296	1,008,946,154	965,468,030
Income tax		(3,638,450)	(2,822,926)	(7,602,890)	(13,813,990)
Net Profit (Loss)		(186,542,661)	(845,019,629)	460,748,433	(1,764,408,390)
Earnings Per Share		(0.36)	(1.62)	0.88	(3.38)

The accompanying are an integral part of these statements.

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

(Signed) *Narong Boonyasquan*
(Narong Boonyasquan)
President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	Share capital Issued and paid-up	Premium on share capital	Surplus on fixed assets revaluation	Legal reserve	Retained earning (Accumulated deficit)	Total
	UNIT : BAHT					
Balance at December 31, 2000	5,220,409,400	2,007,950,671	3,910,712,155	547,594,555	(5,843,061,323)	5,843,605,458
Accumulated adjustment	-	-	-	-	(71,336,050)	(71,336,050)
Ending balance after adjustment	5,220,409,400	2,007,950,671	3,910,712,155	547,594,555	(5,914,397,373)	5,772,269,408
Items not recognised in the income statement	-	-	(265,805,949)	-	-	(265,805,949)
Net profit (loss) for the period	-	-	-	-	(1,764,408,390)	(1,764,408,390)
Balance at September 30, 2001	5,220,409,400	2,007,950,671	3,644,906,206	547,594,555	(7,678,805,763)	3,742,055,069
Balance at December 31, 2001	5,220,409,400	2,007,950,671	3,556,765,260	547,594,555	(8,901,582,987)	2,431,136,899
Items not recognised in the income statement	-	-	(264,089,643)	-	-	(264,089,643)
Net profit (loss) for the period	-	-	-	-	460,748,433	460,748,433
Balance at September 30, 2002	5,220,409,400	2,007,950,671	3,292,675,617	547,594,555	(8,440,834,554)	2,627,795,689

The accompanying are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>NOTE</u>	<u>2002</u>	<u>2001</u> <u>(Revised)</u>
Cash Flows from Operating Activities :			
Net Profit (Loss)		460,748,433	(1,764,408,390)
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities :			
Depreciation		659,889,586	661,443,449
Bad debts and doubtful debts		3,463,705	7,076,163
Amortization		123,413,290	141,016,272
Unrealized loss from foreign exchange fluctuations		84,114,577	49,222,593
Income tax		(7,602,890)	(13,813,990)
Loss from fixed assets disposal		9,501,031	14,393,137
Pension fund		13,799,372	38,018,931
Deferred revenue		(4,514,776)	(7,649,846)
Share of losses from investments for using the equity method		6,385,952	1,576,679
Operating gain (loss) before changes in operating assets and liabilities		1,349,198,280	(873,125,002)
Operating assets (increase), decrease			
Trade accounts receivable		(928,372,490)	(90,950,986)
Inventories		(2,335,601,803)	604,113,538
Other current assets		176,189,902	216,278,066
Operating liabilities increase, (decrease)			
Trade accounts payable		1,610,931,112	(729,291,821)
Other current liabilities		(310,712,005)	(69,694,670)
Other non-current liabilities		6,214,646	4,087,894
Net Cash Provided by (Used in) Operating Activities		(432,152,358)	(938,582,981)
Cash Flows from Investing Activities :			
Current investments (increase)		(10,352,657)	(5,070,181)
Long term investments decrease		3,556,630	30,000,000
Tariff prepayment decrease		2,937,870	-
Purchase of property, plant and equipment		(167,258,157)	(173,845,848)
Intangible assets decrease, (increase)		(27,316,967)	4,286,607
Other non-current assets (increase)		(110,639,187)	(99,505,587)
Net Cash Provided by (Used in) Investing Activities		(309,072,468)	(244,135,009)

The accompanying are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	<u>NOTE</u>	<u>2002</u>	<u>2001</u> <u>(Revised)</u>
Cash Flows from Financing Activities :			
Bank overdrafts and short-term loans from financial institutions increase, (decrease)		(124,895,349)	1,980,674,084
Short terms loan increase, (decrease)		1,522,759,500	(540,800,000)
Long term loans increase, (decrease)		(2,933,835,592)	941,943,232
Net Cash Provided by (Used in) Financing Activities		(1,535,971,441)	2,381,817,316
Increase (Decrease) in Cash and Cash Equivalents		(2,277,196,267)	1,199,099,326
Cash and Cash Equivalents at Beginning of Period		2,749,700,315	442,632,315
Cash and Cash Equivalents at Ending of Period	4.1	472,504,048	1,641,731,641
 Supplemental Cash Flow Information :			
Cash paid during this period for :			
Interest expenses		1,098,874,860	1,059,997,345
Income tax		4,387,616	65,729,491

The accompanying are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2002 (REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2001 (AUDITED)

1. The Preparation and Presentation of Financial Statements

The financial statements are presented in accordance with the Accounting Standard No.41, the interim financial statements, by indicating the items in the balance sheet, the statements of income, the statements of changes in shareholder's equity and the statements of cash flow, which are the same as the annual financial statements. As for the note of financial statements, only the significant ones are indicated

The interim financial statements are prepared as additional information to financial statements for the year ended December 31, 2001. Therefore, they should be read in conjunction with the annual financial statements.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with the generally accepted accounting principles. In preparation of the interim financial statements, the Company applies the accounting policies and the calculation methods, which are similar to the annual financial statements ended December 31, 2001.

3. Change in the Accounting Policy

In the accounting period 2001, the Company revised its accounting policy to more appropriately reflect its pension fund reserve. Previously, a 5% reserve was made on the pension amount, payable at year-end, to all employees whose year service is at least a five years and over. In addition, a 100% reserve was also made on pension amount, payable to all employees who were due to retire in the next five years. Under the new policy, a reserve of 100% is made at each year-end on pension, payable to all employees whose year service is at least five years and over. The Company, for comparative purpose, adjusted its financial statements as of September 30, 2001. The adjustment resulted in an increase in the net loss for the nine months ended September 30, 2001 by Baht 8.64 million and an increase in the accumulated deficit for the nine months ended September 30, 2001 by Baht 71.34 million.

4. Additional Information

4.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, bank saving deposits and current deposits as of September 30, 2002 and December 31, 2001 of Baht 472.50 million and Baht 2,749.70 million, respectively.

4.2 Trade accounts receivable – net

	Unit : Million Baht	
	<u>September 30, 2002</u>	<u>December 31, 2001</u>
Notes receivable	29.76	44.32
Trade accounts receivable	2,744.96	1,767.59
<u>Less</u> Allowance for doubtful accounts	<u>142.96</u>	<u>139.59</u>
Trade accounts receivable – net	<u>2,631.76</u>	<u>1,672.32</u>

As of September 30, 2002, the Company has trade accounts receivable with problems in collection. The following is an age analysis of the outstanding amount of such debts.

	Unit : Million Baht
over 3 - 6 months	1.99
over 6 - 12 months	3.58
over 12 months	<u>183.16</u>
Total	<u>188.73</u>

The Company has set up an allowance for doubtful accounts of Baht 142.96 Million.

4.3 Materials and supplies - net

	Unit : Million Baht	
	<u>September 30, 2002</u>	<u>December 31, 2001</u>
Materials and supplies – cost	380.64	431.97
<u>Less</u> Allowance for deterioration of materials and supplies	<u>11.65</u>	<u>22.05</u>
Materials and supplies – net	<u>368.99</u>	<u>409.92</u>

4.4 Investments for using the equity method

Unit : Million Baht									
Company	Type of Business	Relationship	Paid –up Share capital	Share Holding Ratio (%)	Investment				Dividend
					Cost Method		Equity Method		
					Sep 30,02	Dec 31,01	Sep 30,02	Dec 31,01	
The Bangchak Green Net Co.,Ltd.	Retail Business and Service	Shareholding	1.00	49.00	0.49	0.49	15.09	21.75	-
The Bangchak Green Line Co.,Ltd.	Transportation and Service	Shareholding	0.10	49.00	-	0.05	-	3.29	-
Total					0.49	0.54	15.09	25.04	-

As of September 30, 2002, the Company realized a loss in investment in The Bangchak Green Net Co., Ltd. of Baht 6.66 million and a gain of Baht 0.27 million in the investment in The Bangchak Green Line Co., Ltd. In this period, the Company sold its common stock totalling 490 shares in The Bangchak Green Line Co., Ltd. to The Bangchak Green Net Co., Ltd.

4.5 Long term investments

	<u>September 30, 2002</u>	<u>December 31, 2001</u>
Unit : Million Baht		
4.5.1 General investment in equity securities		
Fuel Pipeline Transportation Ltd.	181.75	181.75
<u>Less</u> Loss from impairment of long term investment	<u>181.75</u>	<u>181.75</u>
	-	-
4.5.2 Investment in debt securities held-to-maturity	<u>4.86</u>	<u>4.92</u>
Total	<u>4.86</u>	<u>4.92</u>

4.6 Tariff prepayment

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some part of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statement for the nine months ended September 30, 2002, shows an outstanding prepaid tariff balance of Baht 185.77 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, it will write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. And in 2005, it will write-off the interest receivable set-up from January 1, 2002 to March 28, 2002 of Baht 2.42 Million. As for the interest from March 29, 2002 to September 30, 2002 of Baht 5.67 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 29.47 million, which is reflected in the Balance Sheet under "Other Non-Current Assets".

4.7 Property, plant and equipment - net

Unit : Million Baht

Type	Dec 31,01	Increase	Decrease	Sep 30,02	Accumulated Depreciation	Net Book Value
Land	1,344.78	-	-	1,344.78	-	1,344.78
Buildings	488.66	0.77	0.04	489.39	257.74	231.65
Machinery, equipment and refinery plants	20,839.18	49.06	24.17	20,864.07	11,343.60	9,520.47
Marketing and office equipments	3,361.07	46.46	17.56	3,389.97	1,134.03	2,255.94
Platinum Catalyst	213.75	-	-	213.75	-	213.75
Vehicles	364.01	9.64	23.48	350.17	235.59	114.58
Construction work in progress	207.17	171.59	105.25	273.51	-	273.51
Total	26,818.62	277.52	170.50	26,925.64	12,970.96	13,954.68

The total depreciation for this period is Baht 659.89 million, of which Baht 447.53 million is booked as cost of product, and Baht 212.36 million as administrative expenses.

4.8 Intangible assets

Unit : Million Baht

Type	First cost		Accumulated Amortization		Net Book Value	
	Sep 30,02	Dec 31,01	Sep 30,02	Dec31,01	Sep 30,02	Dec31,01
Leasehold	1,567.99	1,542.36	503.09	445.82	1,064.90	1,096.54
License and development costs of computer software	69.07	70.78	56.98	50.22	12.09	20.56
Total	1,637.06	1,613.14	560.07	496.04	1,076.99	1,117.10

4.9 Short - term loans

Short - term loans are Baht 2,511.91 million, of this, Baht 1,521.91 million represents loan from the Ministry of Finance under the Euro Commercial Paper Programme (ECP), with repayment due on January 31, 2003 and interest rate of 1.78 % per annum, as referred to in Note 4.10.

4.10 Long - term loans

	<u>September 30, 2002</u>	<u>December 31, 2001</u>
		Unit : Million Baht
Foreign loans		
International Bank for Reconstruction and Development	-	1,636.33
Domestic loans		
Government Saving Bank	500.00	750.00
Debentures	14,362.50	15,645.00
Promissory Note	<u>2,235.00</u>	<u>2,000.00</u>
Total long-term loans	17,097.50	20,031.33
<u>Less</u> Current portion of long-term loans	<u>8,255.00</u>	<u>3,764.66</u>
Balance	<u>8,842.50</u>	<u>16,266.67</u>

Foreign loans

In this period, the Company made on early repayment of its foreign loans from the International Bank for Reconstruction and Development (IBRD), as approved by the Ministry of Finance so as to reduce the interest rate and the risk from foreign exchange fluctuation and that it will seek a long - term Baht loan as replacement. In this, the Ministry of Finance has provided a bridge financing of short - term loan under the Euro Commercial Paper Programme (ECP) in the amount of USD 35 million. This resulted in a lower interest rate of 5.65 % per annum and a payment of premium of Baht 88.30 million to the lender for the early repayment of loan.

Domestic Loans

- Loans from the Government Saving Bank, with repayment period of 5 years and the settlement of both the principal and interest will be semi-annually with interest rates of 6.75 % per annum.

- Debentures as of September 30, 2002, the Company has the debentures as follow;

Unsecured, unsubordinated registered debentures with the holders' names totalling 7,762,500 units with face value of Baht 1,000 per unit, for a total of Baht 7,762.50 million. The interest rates vary from 4.625 to 8.75 % per annum.

	<u>Maturity Date</u>	<u>Interest Due</u>
No. 6/2543	Feb. 2, 2003	Feb 2 and Aug 2 of each year
No. 7/2543	Feb. 2, 2005	Feb 2 and Aug 2 of each year
No. 8/2543	Mar. 31, 2004	Mar 31 and Sep 30 of each year
No. 9/2543	Mar. 31, 2004	Mar 31 and Sep 30 of each year
No. 10/2543	Mar. 31, 2006	Mar 31 and Sep 30 of each year
No. 13/2543	May. 3, 2006	May 3 and Nov 3 of each year

	<u>Maturity Date</u>	<u>Interest Due</u>
No. 16/2543	Nov. 30, 2002	May 30 and Nov 30 of each year
No. 17/2543	Nov. 2, 2002	May 2 and Nov 2 of each year
No. 18/2543	Nov. 28, 2004	May 28 and Nov 28 of each year
No. 19/2543	Nov. 30, 2004	May 30 and Nov 30 of each year
No. 20/2544	Mar. 29, 2005	Mar 29 and Sep 29 of each year

Guaranteed registered debentures with the holders' names and trustee totalling 6,600,000 units, with the face value of Baht 1,000 per unit, and amounting to Baht 6,600 million. The debentures are guaranteed by the Ministry of Finance, with interest rates varying from 4.525 to 4.80 % per annum.

	<u>Maturity Date</u>	<u>Interest Due</u>
No. 15/2543	Jun. 14, 2003	Jun 14 and Dec 14 of each year
No. 22/2544	Nov. 29, 2006	May 29 and Nov 29 of each year

- Promissory note, the Company issued promissory notes in amount of Baht 2,235 million, with interest rates varying from 5.50 - 6.25 % per annum. The repayment of which are Baht 2,000 million in year 2004 , Baht 100 million in year 2005 and Baht 135 million in year 2007.

4.11 Gain (Loss) from foreign exchange fluctuations

	<u>Unit : Million Baht</u>	
	<u>September 30, 2002</u>	<u>September 30, 2001</u>
Realized gain (loss) from foreign exchange fluctuations	46.06	(28.53)
Unrealized gain (loss) from foreign exchange fluctuations	<u>(84.11)</u>	<u>(49.22)</u>
Total	<u>(38.05)</u>	<u>(77.75)</u>

4.12 Interest expense

Total interests for the nine months ended September 30, 2002 is Baht 1,012.26 million, of which Baht 3.31 million is recorded as cost of work in progress and Baht 1,008.95 million as expenses, which includes the Baht 88.30 million premium paid to the International Bank for Reconstruction and Development (IBRD) for the early repayment of loan.

4.13 Transactions with related companies

The Company has significant business transactions with related companies for the nine months ended September 30, 2002 and 2001 and as of December 31, 2001 (related in terms of shareholding and as member of the board) as follows;

	<u>Unit : Million Baht</u>	
	<u>September 30, 2002</u>	<u>December 31, 2001</u>
Account receivable with related companies	162.08	137.35
Account payable with related companies	8.96	12.36

	<u>For nine months</u>	
	<u>September 30, 2002</u>	<u>September 30, 2001</u>
Income from sales of oil	1,267.57	1,067.08
Transportation management fee	-	58.41
Pipeline throughput fee	67.22	66.08
Interest expense	1.62	8.15
Franchise fee – Lemon Green (Minimart)	3.97	4.55

The conditions of the above transactions are similar to those in normal trading transaction.

4.14 Risk Management

So as to reduce the risk of changes in the oil price, as of September 30, 2002, the Company has an agreement guaranteeing the future buying and selling price of 1.34 million barrels of oil product, with a net payable value of Baht 25.14 million.

4.15 Contingent Liabilities

The Company's contingent liabilities consisted of:

4.15.1 Obligations

Bank guarantees issued by the banks on behalf of the Company as of September 30, 2002 were of Baht 240.74 million, which mainly consisted of guarantees for the refund of the income tax, the payment of import tax on crude oil to the Customs Department, the payment of electricity and telephone charges.

4.15.2 Allegation

The Ministry of Finance (the first defendant) was alleged in a land right transgression case (The claim for damages, which was filed with the civil court, amounts to Baht 1,055 million). The land in question, which is located at the pier of the Refinery, was leased from the Ministry of Finance. The Company, as the lessee of land owned by the Ministry of Finance, was alleged as the fifth defendant along with the Ministry of Finance. According to the Company's Legal Office opinion, regardless as to the outcome of the case, the Company would not be liable for any losses associated with the above mentioned claim as it is protected under a lease agreement. The case is being appealed with the civil court.

4.16 Presentation of financial statements

The Company has rearranged its financial statements for the year ended December 31, 2001 in compliance with the announcement of the Department of Commercial Registration, dated September 14, 2001, under the third paragraph of section 11 of Accounting Act B.E. 2543. The change does not affect the reported net income or shareholders' equity, except those discussed in Note 3.
