

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

INTERIM FINANCIAL STATEMENTS

FOR THE THREE – MONTH AND NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2004

AND

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

EXPRESSED IN

THAI BAHT

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have reviewed the consolidated balance sheet of the Bangchak Petroleum Public Company Limited and its subsidiaries as of September 30, 2004, and the related consolidated statements of income for the three – month and the nine – month periods ended September 30, 2004 and statements of changes in shareholders' equity and cash flows for the nine - month period then ended. We have also reviewed the financial statements for the same periods of the Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our review. The comparative consolidated balance sheets and balance sheets of the Bangchak Petroleum Public Company Limited for the year ended December 31, 2003 and three-month and nine-month periods ended September 30, 2003 were audited and reviewed by the other auditor with an unqualified opinion reported on February 25, 2004 and unqualified review report on October 31, 2003.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the reviews 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's and its subsidiaries' personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

(KESREE NARONGDEJ)
Certified Public Account
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
November 3, 2004

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	NOTE	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th	As of 31 ST	As of 30 Th	As of 31 ST
		September	December	September	December
		2004	2003	2004	2003
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	700,713,303	3,522,502,394	468,019,100	3,348,494,142
Temporary Investment		-	206,781	-	-
Trade accounts receivable - net					
Related parties	3.1	-	-	374,503,223	356,618,614
Other parties	5	3,865,146,486	2,457,507,939	3,849,712,986	2,437,344,954
Inventories - net	6	11,720,767,116	5,565,162,560	11,540,632,656	5,396,180,190
Other current assets					
Material and Supplies - net	7	339,211,301	333,433,065	339,211,301	333,433,065
Others		1,715,646,494	160,413,484	1,706,966,784	142,941,228
Total Current Assets		18,341,484,700	12,039,226,223	18,279,046,050	12,015,012,193
NON-CURRENT ASSETS					
Investments for using the equity method	3.2	-	-	-	-
Other long-term investments	8	5,594,165	5,654,700	4,694,165	4,754,700
Tariff prepayment - net	9	35,728,290	45,489,600	35,728,290	45,489,600
Long-term loans to related parties	3.3	1,100,000	10,800,000	-	-
Property, plant and equipment - net	10	13,987,466,020	14,470,719,528	13,979,581,715	14,459,265,428
Intangible assets - net	11	1,461,383,674	973,113,888	1,461,383,674	973,113,888
Investment in service station - net	12	522,379,973	537,690,129	522,379,973	537,690,129
Other non-current assets					
Deferred income tax assets	13	99,486,523	95,501,800	99,486,523	95,501,800
Others	14	589,807,328	412,873,232	581,134,170	400,011,090
Total Non-Current Assets		16,702,945,973	16,551,842,877	16,684,388,510	16,515,826,635
TOTAL ASSETS		35,044,430,673	28,591,069,100	34,963,434,560	28,530,838,828

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	NOTE	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th September 2004 (Unaudited/ but reviewed)	As of 31 ST December 2003 (Audited)	As of 30 Th September 2004 (Unaudited/ but reviewed)	As of 31 ST December 2003 (Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15, 16.1	3,709,257,900	8,000,000,000	3,709,257,900	8,000,000,000
Trade accounts payable					
Related parties	3.4	5,681,001	10,411,812	9,424,668	14,362,678
Other parties		6,892,507,023	4,473,312,718	6,831,140,398	4,415,076,278
Current portion of long-term loans	16	2,202,500,000	3,532,500,000	2,202,500,000	3,532,500,000
Early redemption of immatured debenture	16	-	3,900,000,000	-	3,900,000,000
Other short-term loans		-	1,390,823,000	-	1,390,823,000
Other current liabilities:					
Accrued excise tax and oil stabilization fund		236,773,573	266,067,956	236,773,573	266,067,956
Accrued expenses		335,799,585	601,553,512	321,396,857	586,283,796
Others		241,709,144	362,051,445	239,554,311	359,516,564
Total Current Liabilities		<u>13,624,228,226</u>	<u>22,536,720,443</u>	<u>13,550,047,707</u>	<u>22,464,630,272</u>
NON-CURRENT LIABILITIES					
Long-term loans	16	11,735,550,000	2,540,000,000	11,735,550,000	2,540,000,000
Other non-current liabilities:					
Liabilities on long-term lease	11	551,631,820	-	551,631,820	-
Liabilities on service stations leasehold right		84,352,056	112,039,612	84,352,056	112,039,612
Reserve for pension fund		217,027,721	210,337,306	217,027,721	210,337,306
Deferred income tax liabilities	13	33,531,542	35,985,069	33,531,542	35,985,069
Others		87,259,899	98,682,188	75,371,066	87,064,509
Total Non-Current Liabilities:		<u>12,709,353,038</u>	<u>2,997,044,175</u>	<u>12,697,464,205</u>	<u>2,985,426,496</u>
Total Liabilities:		<u>26,333,581,264</u>	<u>25,533,764,618</u>	<u>26,247,511,912</u>	<u>25,450,056,768</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
		As of 30 Th	As of 31 ST	As of 30 Th	As of 31 ST
		September	December	September	December
NOTE		2004	2003	2004	2003
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
SHAREHOLDERS' EQUITY					
	Share Capital - Par Value Baht 1.00 per share	27			
	Authorized share capital				
	Common share 867,143,461 shares in 2004 and				
	Common share 522,040,940 shares in 2003	867,143,461	522,040,940	867,143,461	522,040,940
	Issued and paid - up share capital				
	Common share 591,531,566 shares in 2004 and				
	Common share 522,040,940 shares in 2003	591,531,566	522,040,940	591,531,566	522,040,940
	Capital Surplus				
	Premium on share capital	675,017,675	-	675,017,675	-
	Capital Surplus on Registered and				
	Paid-Up Share Reduction	17	189,617,759	-	189,617,759
	Surplus on fixed assets revaluation	4,780,366,000	4,947,867,230	4,780,366,000	4,947,867,230
	Retained earning (deficit)				
	Appropriated – legal reserve	-	-	-	-
	Unappropriated	2,473,775,190	(2,413,141,747)	2,479,389,648	(2,389,126,110)
	Total Equity of Parent Company's Shareholders	8,710,308,190	3,056,766,423	8,715,922,648	3,080,782,060
	Minority interests	541,219	538,059	-	-
	Total Shareholders' Equity	8,710,849,409	3,057,304,482	8,715,922,648	3,080,782,060
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,044,430,673	28,591,069,100	34,963,434,560	28,530,838,828

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Pichai Chunchavajira*

(Pichai Chunchavajira)

Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004 AND 2003

	NOTE	B A H T		
		CONSOLIDATED	THE COMPANY ONLY	
		2004	2004	2003
REVENUES				
Sales	19	58,158,987,798	57,471,742,338	44,093,239,480
Other incomes				
Interest income		14,360,456	14,048,001	26,130,506
Gain from foreign exchange	20	-	-	269,099,414
Gain from crude oil and product oil price hedging contract	25.3	-	-	47,337,031
Others		90,473,064	63,983,702	67,780,198
Total Revenues		<u>58,263,821,318</u>	<u>57,549,774,041</u>	<u>44,503,586,629</u>
EXPENSES				
Cost of sales		53,514,675,632	53,095,345,302	42,924,000,669
Selling and administrative expenses		1,223,726,388	951,558,998	945,428,289
Other expenses				
Depreciation		219,044,624	214,929,684	214,561,654
Directors' remuneration		1,886,000	1,856,000	1,090,134
Loss from crude oil and product oil price hedging contract	25.3	102,120,225	102,120,225	-
Loss from foreign exchange	20	102,363,638	102,363,638	-
Share of losses from investments for using the equity method		-	-	665,117
Total Expenses		<u>55,163,816,507</u>	<u>54,468,173,847</u>	<u>44,085,745,863</u>
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		3,100,004,811	3,081,600,194	417,840,766
Interest expenses	21	(608,649,075)	(608,648,797)	(792,331,366)
Income tax	13	6,438,251	6,438,251	3,274,298
PROFIT (LOSS) AFTER INCOME TAX		<u>2,497,793,987</u>	<u>2,479,389,648</u>	<u>(371,216,302)</u>
MINORITY INTERESTS		(3,160)	-	-
NET PROFIT (LOSS)		<u><u>2,497,790,827</u></u>	<u><u>2,479,389,648</u></u>	<u><u>(371,216,302)</u></u>
BASIC EARNING PER SHARE				
Earning per share (Baht)	22	3.69	3.66	(0.71)
Number of weighted average shares (shares)		677,104,691	677,104,691	522,040,940
DILUTED EARNING PER SHARE				
Earning per share (Baht)	22	2.73	2.71	(0.71)
Number of weighted average shares (shares)		918,499,783	918,499,783	522,040,940

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

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

(Signed) *Pichai Chunhavajira*
(Pichai Chunhavajira)
Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2004 AND 2003

	NOTE	B A H T		
		CONSOLIDATED	THE COMPANY ONLY	
		2004	2004	2003
REVENUES				
Sales	19	21,026,625,545	20,790,345,300	14,868,761,361
Other incomes				
Interest income		3,487,672	3,448,923	7,993,385
Gain from foreign exchange	20	-	-	190,530,765
Gain from crude oil and product oil price hedging contract	25.3	47,608	47,608	20,046,383
Others		31,557,046	21,967,459	16,125,911
Total Revenues		<u>21,061,717,871</u>	<u>20,815,809,290</u>	<u>15,103,457,805</u>
EXPENSES				
Cost of sales		19,143,094,595	18,990,081,730	14,358,725,941
Selling and administrative expenses		433,597,511	358,024,953	316,400,990
Other expenses				
Depreciation		72,076,734	71,339,357	70,431,863
Directors' remuneration		1,076,250	1,076,250	210,750
Loss from foreign exchange	20	28,818,102	28,818,102	-
Share of losses from investments for using the equity method		-	-	-
Total Expenses		<u>19,678,663,192</u>	<u>19,449,340,392</u>	<u>14,745,769,544</u>
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		1,383,054,679	1,366,468,898	357,688,261
Interest expenses	21	(183,393,412)	(183,394,074)	(241,999,291)
Income tax	13	2,808,672	2,808,672	4,017,840
PROFIT (LOSS) AFTER INCOME TAX		<u>1,202,469,939</u>	<u>1,185,883,496</u>	<u>119,706,810</u>
MINORITY INTERESTS		835	-	-
NET PROFIT (LOSS)		<u><u>1,202,470,774</u></u>	<u><u>1,185,883,496</u></u>	<u><u>119,706,810</u></u>
BASIC EARNING PER SHARE				
Earning per share (Baht)	22	2.01	1.98	0.23
Number of weighted average shares (shares)		599,698,198	599,698,198	522,040,940
DILUTED EARNING PER SHARE				
Earning per share (Baht)	22	1.43	1.41	0.23
Number of weighted average shares (shares)		853,448,768	853,448,768	522,040,940

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Pichai Chunhavajira*

(Pichai Chunhavajira)

Director

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004

	B A H T							Total	
	Issue and paid - up share capital	Share capital	Premium on		Retained earning (Deficit)		Minority interests		
			Registered and Paid-Up Share Reduction	Surplus on fixed assets revaluation	Appropriated legal reserve	Unappropriated			
NOTE									
Beginning balance as at January 1, 2004	522,040,940	-	-	4,947,867,230	-	(2,413,141,747)	538,059	3,057,304,482	
Issued and paid - up share capital	231,000,000	-	-	-	-	-	-	231,000,000	
Premium on share capital	-	2,690,302,170	-	-	-	-	-	2,690,302,170	
Increase in Ordinary share from Convertible debentures	28,108,385	-	-	-	-	-	-	28,108,385	
Premium on sharecapital from Convertible debentures	-	373,841,615	-	-	-	-	-	373,841,615	
Decrease premium on share capital for reduction of accumulated deficit:	-	(2,389,126,110)	-	-	-	2,389,126,110	-	-	
Capital Surplus on Registered and Paid-Up Share Reduction	17	(189,617,759)	-	189,617,759	-	-	-	-	
Transaction not recognised in the income statement - Depreciation on the fixed assets revaluation		-	-	(167,501,230)	-	-	-	(167,501,230)	
Net profit (loss)		-	-	-	-	2,497,790,827	3,160	2,497,793,987	
Ending balance as at September 30, 2004		591,531,566	675,017,675	189,617,759	4,780,366,000	-	2,473,775,190	541,219	8,710,849,409

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

THE COMPANY ONLY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004

NOTE	B A H T						Total
	Issue and paid - up share capital	Share capital	Premium on		Retained earning (Deficit)		
			Registered and Paid-Up Share Reduction	Surplus on fixed assets revaluation	Appropriated legal reserve	Unappropriated	
Beginning balance as at January 1, 2003	5,220,409,400	2,007,950,671	-	5,178,142,754	547,594,555	(8,367,991,961)	4,586,105,419
Decrease premium on share capital							
for reduction of accumulated deficits	-	(2,007,950,671)	-	-	-	2,007,950,671	-
Decrease Legal reserve							
for reduction of accumulated deficits	-	-	-	-	(547,594,555)	547,594,555	-
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluation	-	-	-	(420,083,924)	-	-	(420,083,924)
Net profit (loss)	-	-	-	-	-	(371,216,302)	(371,216,302)
Ending balance as at September 30, 2003	<u>5,220,409,400</u>	<u>-</u>	<u>-</u>	<u>4,758,058,830</u>	<u>-</u>	<u>(6,183,663,037)</u>	<u>3,794,805,193</u>
Beginning balance as at January 1, 2004	522,040,940	-	-	4,947,867,230	-	(2,389,126,110)	3,080,782,060
Issued and paid - up share capital	231,000,000	-	-	-	-	-	231,000,000
Premium on share capital	-	2,690,302,170	-	-	-	-	2,690,302,170
Increase in Ordinary share from Convertible debentures	28,108,385	-	-	-	-	-	28,108,385
Premium on sharecapital from Convertible debentures	-	373,841,615	-	-	-	-	373,841,615
Decrease premium on share capital							
for reduction of accumulated deficits	-	(2,389,126,110)	-	-	-	2,389,126,110	-
Capital Surplus on Registered and Paid-Up Share Reduction	17	(189,617,759)	-	189,617,759	-	-	-
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluation	-	-	-	(167,501,230)	-	-	(167,501,230)
Net profit (loss)	-	-	-	-	-	2,479,389,648	2,479,389,648
Ending balance as at September 30, 2004	<u>591,531,566</u>	<u>675,017,675</u>	<u>189,617,759</u>	<u>4,780,366,000</u>	<u>-</u>	<u>2,479,389,648</u>	<u>8,715,922,648</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CASH FLOWS****FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004 AND 2003**

	NOTE	B A H T		
		CONSOLIDATED	THE COMPANY ONLY	
		2004	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES :				
Net profit (loss)		2,497,790,827	2,479,389,648	(371,216,302)
Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities:				
Depreciation		433,553,870	429,438,930	661,352,999
Bad debt and doubtful debts		18,403,698	17,280,659	8,474,527
Amortization		120,407,874	120,407,874	116,360,263
Loss (gain) from foreign exchange	20	9,266,508	9,266,508	(141,857,395)
Deferred income tax	13	(6,438,251)	(6,438,251)	(3,274,298)
Loss (gain) from fixed assets disposal		(8,649,249)	(8,150,794)	(16,864,177)
Reserve for pension fund		6,690,415	6,690,415	11,918,229
Deferred revenue		(5,252,544)	(5,252,544)	(3,803,456)
Loss (gain) on investments for using the equity method		-	-	665,117
Minority interests		3,160	-	-
Operating gain before changes in operating assets and liabilities		3,065,776,308	3,042,632,445	261,755,507
Operating assets (increase), decrease				
Trade accounts receivable		(1,378,041,466)	(1,401,358,793)	(99,520,774)
Inventories		(6,155,604,556)	(6,144,452,466)	(5,112,548)
Other current assets		(1,562,452,920)	(1,570,119,192)	115,869,679
Operating liabilities increase, (decrease)				
Trade accounts payable		2,401,310,654	2,397,973,269	654,094,877
Other current liabilities		(451,258,055)	(450,011,020)	(96,174,755)
Other non - current liabilities		(6,169,745)	(6,440,899)	(1,988,058)
Net Cash Provided by (Used in) Operating Activities:		(4,086,439,780)	(4,131,776,656)	828,923,928

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CASH FLOWS****FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2004 AND 2003**

	B A H T		
	CONSOLIDATED	THE COMPANY ONLY	
	NOTE	2004	2003
CASH FLOWS FROM INVESTING ACTIVITIES :			
Decrease(increase) in temporary investments		206,781	-
Decrease(increase) in long-term investments		9,761,310	6,278,513
Decrease(increase) in long-term loans to related parties		9,000,000	-
Acquisition in property, plant and equipments		(130,596,911)	(168,889,143)
Proceeds from sales of property, plant and equipment		21,444,569	82,481,778
Decrease(increase) in intangible assets		(6,576,745)	(7,721,058)
Decrease(increase) in other non - current assets		(245,825,385)	(63,238,828)
Net Cash Provide by (Used in) Investing Activities		<u>(342,586,381)</u>	<u>(151,088,738)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase(decrease) in bank overdrafts and short-term loans from financial institutions		(4,290,742,100)	6,609,382,613
Increase(decrease) in other short - term loan		(1,390,823,000)	(520,000,000)
Proceeds from long - term loans		11,000,000,000	-
Payment of long - term loans		(6,632,500,000)	(6,380,000,000)
Proceeds from issued and paid-up shares capital		231,000,000	-
Proceeds from premium on shares capital		2,690,302,170	-
Net Cash Provided by (Used in) Financing Activities		<u>1,607,237,070</u>	<u>(290,617,387)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		(2,821,789,091)	387,217,803
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		3,522,502,394	1,374,422,526
CASH AND CASH EQUIVALENTS, END OF PERIOD		<u>700,713,303</u>	<u>1,761,640,329</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION			
Cash paid during the periods for			
Interest expenses		846,188,719	852,093,941
Income tax		6,484,304	-

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2004

1. GENERAL INFORMATION

1.1 General matter

The company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand and the main business is operating an oil refinery and marketing the finished products through its service stations under its company's brand. The company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. As at September 30, 2004 and 2003, the company employed 744 and 762 employees respectively and the employees related expenses were Baht 355.83 million and Baht 303.81 million respectively.

The Bangchak Green Net Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on July 13, 1993. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand with its main business being the running of the Bangchak service stations and the consumer goods retail shops under the Lemon Green and the Bi-Chak brand. It also provides other services to accommodate future expansion in the retail business. As at September 30, 2004 and 2003, the company employed 818 and 908 employees respectively and the employees related expenses were Baht 130.09 million and Baht 130.92 million respectively.

1.2 Basis for preparation and presentation of interim financial statements

The interim 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 interim financial statements provide additional information from the annual financial statements that were last reported. The interim financial statements should therefore be used in conjunction with the financial statements for the year ended December 31, 2003.

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, and The Retail Net Co., Ltd., a subsidiary company of The Bangchak Green Net Co., Ltd., in which it holds 99.30% share. For the purpose of the consolidation, all significant intercompany transactions and all intercompany account balances have been eliminated.

1.3 Related parties

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

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiaries :</u>			
- The Bangchak Green Net Co., Ltd.	Manage BCP service station and consumer goods retailer	Holding and joint directors	49.00%
- The Retail Net Co., Ltd.	Manage BCP service station	Indirect holding and joint directors	48.66%
- The Bangchak Green Line Co., Ltd.	Fuel transportation. Company is in self liquidation process	Indirect holding and joint directors	49.00%
<u>Related company :</u>			
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%

The Bangchak Green Net Co., Ltd. accepted the financial statements of The Retail Net Co., Ltd., which were prepared by management and which have not been reviewed by the auditor for the consolidation. Despite of this, the total assets and the profit and loss of The Retail Net Co., Ltd. are considered not to have any major impact on the results of the interim consolidated financial statements of The Bangchak Petroleum Public Company Limited.

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. in its consolidated financial statements as that company was in the process of self-liquidation.

1.4 Others.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the fiscal year ended December 31, 2003.

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 September 30, 2004 are as follow:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated		The Company Only	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	374.50	356.62
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Company</u>				
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable -				
Related parties net	-	-	374.50	356.62

3.2 Investments for using the equity method

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				Consolidated		
				September 30, 2004		
				Investments		
				Cost Method	Equity Method	Dividend
<u>Subsidiary</u>						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	-	-
<u>Million Baht Consolidated December 31, 2003</u>						
Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Investments		
				Cost Method	Equity Method	Dividend
<u>Subsidiary :</u>						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	-	-

3.3 Long - term loans to related parties

	Million Baht				Borrowing Cost Policy
	Consolidated				
	Balance as at December 31, 2003	Increase	Receive	Balance as at September 30, 2004	
Subsidiary					
The Bangchak Green Line Co., Ltd.	13.00	-	(9.00)	4.00	2% Pa.
<u>Less</u> : allowance for doubtful accounts	(2.20)	(0.70)	-	(2.90)	
Total Long – term loan to related Company	<u>10.80</u>	<u>(0.70)</u>	<u>(9.00)</u>	<u>1.10</u>	

3.4 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	3.74	3.95
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Associated Companies</u>				
- Fuel Pipeline Transportation Ltd.	5.68	10.41	5.68	10.41
Total Account Payable				
- related parties	<u>5.68</u>	<u>10.41</u>	<u>9.42</u>	<u>14.36</u>

3.5 Transaction with related parties

Transaction with related parties for the six-month period as at September 30, 2004 and 2003 are as follow:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Revenue from sales of oil	-	4,522.82	3,473.17
Revenue from franchise fee	-	44.41	39.04
Cost of pipeline transportation	62.58	62.58	68.19
Interest expenses	-	-	-

Transfer pricing with the related parties is not differed from unrelated parties.

4. CASH AND CASH EQUIVALENTS

As at September 30, 2004 and December 31, 2003 Cash and cash equivalents consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash and deposits at Banks	700.71	2,122.50	468.02	1,948.49
Fixed deposit (maturity dates not longer than 3 months)	-	1,400.00	-	1,400.00
Total	<u>700.71</u>	<u>3,522.50</u>	<u>468.02</u>	<u>3,348.49</u>

5. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES - NET

As at September 30, 2004 and December 31, 2003, trade account receivables consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Trade accounts receivable - other parties	3,993.61	2,580.07	3,964.31	2,545.34
<u>Less</u> Allowance for doubtful accounts	<u>(128.46)</u>	<u>(122.56)</u>	<u>(114.60)</u>	<u>(108.00)</u>
Trade accounts receivable - other parties – net	<u>3,865.15</u>	<u>2,457.51</u>	<u>3,849.71</u>	<u>2,437.34</u>

As at September 30, 2004 and December 31, 2003, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2004	2003
Over than 3 months to 6 months	3.23	1.33
Over than 6 months to 12 months	2.11	4.80
Over than 12 months	123.84	133.31
Total	<u>129.18</u>	<u>139.44</u>

6. INVENTORIES - NET

As at September 30, 2004 and December 31, 2003, Inventories consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Crude oil	9,049.02	3,584.44	9,049.02	3,584.44
Finished oil product	2,805.49	1,907.12	2,693.63	1,812.66
Consumer product	69.24	74.52	-	-
<u>Less</u> Allowance for devaluation	<u>(202.98)</u>	<u>(0.92)</u>	<u>(202.02)</u>	<u>(0.92)</u>
Inventories – net	<u>11,720.77</u>	<u>5,565.16</u>	<u>11,540.63</u>	<u>5,396.18</u>

Inventories as at September 30, 2004 and December 31, 2003 are included petroleum legal reserve of 404.64 million liters approximated value Baht 4,816.77 Million and 344.07 million liters approximated value Baht 2,759.51 Million respectively.

7. MATERIAL AND SUPPLIES - NET

As at September 30, 2004 and December 31, 2003, Material and supplies consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Material and supplies	366.93	363.62	366.93	363.62
<u>Less</u> Allowance for obsolescence	<u>(27.72)</u>	<u>(30.19)</u>	<u>(27.72)</u>	<u>(30.19)</u>
Material and supplies – net	<u>339.21</u>	<u>333.43</u>	<u>339.21</u>	<u>333.43</u>

8. OTHER LONG-TERM INVESTMENTS

As at September 30, 2004 and December 31, 2003, Other long-term investments consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
<u>Investment in capital paper</u>				
- Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less</u> Allowance for impairment	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>
Investment in capital paper – net	-	-	-	-
<u>Investment in commercial paper</u>				
- The Express way Authority of Thailand's bond	5.50	5.50	4.60	4.60
<u>Add</u> Premium on investments	<u>0.09</u>	<u>0.15</u>	<u>0.09</u>	<u>0.15</u>
Total Investment in commercial paper	<u>5.59</u>	<u>5.65</u>	<u>4.69</u>	<u>4.75</u>
Total other long-term investments	<u>5.59</u>	<u>5.65</u>	<u>4.69</u>	<u>4.75</u>

The Company invested in bond issued by The Expressway Authority of Thailand, B.E. 2542 no.1 of 7 years period. The bond with the face value of Baht 1,000 per unit, was registered on November 26, 1998, with maturity on November 26, 2005. The interest rate is 7.88% per annum, which will be paid twice annually in May and November. The company purchased a total of 4,600 units at Baht 5,043,922.03. The premium on the face value of the bond of Baht 443,922.03 was amortized using the straight-line accounting method, spread over the life of the bond. The amortization expense for the nine-month period ended September 30, 2004 and September 30, 2003 was equally recorded at Baht 60,534.81 .

9 TARIFF PREPAYMENT - NET

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

The financial statements as at September 30, 2004 shows an outstanding prepaid tariff balance of Baht 165.25 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 35.73 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, 2004 of Baht 23.76 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 47.56 million and the Company has set up an allowance for doubtful debt of the whole amount.

10. PROPERTY, PLANT AND EQUIPMENT - NET

	Million Baht				
	Consolidated				
	As at December 31, 2003	Increase	Decrease	Transfer	As at September 30, 2004
<u>COST</u> :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	510.61	-	-	1.08	511.69
Machinery, equipment and refinery plants	22,798.35	-	10.28	45.91	22,833.98
Marketing and office equipment	3,520.69	-	43.40	105.04	3,582.33
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	149.65	-	25.34	0.64	124.95
Construction work in progress	313.84	146.61	11.92	(152.67)	295.86
Total	28,960.62	146.61	90.94	-	29,016.29
<u>Less</u> Accumulated depreciation					
Buildings	282.73	12.89	-	-	295.62
Machinery, equipment and refinery plants	12,112.32	417.77	10.03	-	12,520.06
Marketing and office equipment	1,383.51	155.61	31.67	0.73	1,508.18
Platinum Catalyst	-	-	-	-	-
Vehicles	85.58	11.21	17.59	-	79.20
Total	13,864.14	597.48	59.29	0.73	14,403.06
<u>Less</u> Allowance for impairment					
Land	573.58				573.58
Machinery, equipment and refinery plants	0.56				0.56
Marketing and office equipment	51.62				51.62
Total	625.76				625.76
Property, plant and equipment - net	14,470.72				13,987.47
Depreciation for this period					433.55

	Million Baht				As at September 30, 2004
	The Company Only				
	As at December 31, 2003	Increase	Decrease	Transfer	
COST :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	510.61	-	-	1.08	511.69
Machinery, equipment and refinery plants	22,798.35	-	10.28	45.91	22,833.98
Marketing and office equipment	3,473.19	-	36.60	105.04	3,541.63
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	146.28	-	25.27	0.64	121.65
Construction work in progress	313.84	146.61	11.92	(152.67)	295.86
Total	28,909.75	146.61	84.07	-	28,972.29
Less Accumulated depreciation					
Buildings	282.73	12.89	-	-	295.62
Machinery, equipment and refinery plants	12,112.32	417.77	10.03	-	12,520.06
Marketing and office equipment	1,344.58	155.61	27.92	0.73	1,473.00
Platinum Catalyst	-	-	-	-	-
Vehicles	85.10	10.76	17.59	-	78.27
Total	13,824.73	597.03	55.54	0.73	14,366.95
Less Allowance for impairment					
Land	573.58				573.58
Machinery, equipment and refinery plants	0.56				0.56
Marketing and office equipment	51.62				51.62
Total	625.76				625.76
Property, plant and equipment - net	14,459.26				13,979.58
Depreciation for this period					429.44

11. **INTANGIBLE ASSETS - NET**

As at September 30, 2004 and December 31, 2003, Intangible assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Cost				
Leasehold right	2,132.36	1,577.15	2,132.36	1,577.15
License and development costs of computer software	75.25	72.20	75.25	72.20
Total	2,207.61	1,649.35	2,207.61	1,649.35
Accumulated amortization				
Leasehold right	(668.31)	(600.14)	(668.31)	(600.14)
License and development costs of computer software	(64.76)	(62.94)	(64.76)	(62.94)
Total	(733.07)	(663.08)	(733.07)	(663.08)
Total	1,474.54	986.27	1,474.54	986.27
Less : Allowance for impairment	(13.16)	(13.16)	(13.16)	(13.16)
Intangible assets – net	1,461.38	973.11	1,461.38	973.11

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 about Baht 45.97 million per annum, 2010 – 2012 at about Baht 61.29 million per annum and 2013 – 2015 at about Baht 76.62 million per annum. The amounts are recorded as liability, against the long-term leasehold right.

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. The agreement to this effect is in the process of being signed. The Company has extended the length of the net book value of the leasehold right as at December 31, 2003 of Baht 89.82 million up to March 31, 2033, so as to correspond with terms of the new lease agreement.

12. INVESTMENT IN SERVICE STATIONS

The investment in service stations is for business expansion and the approach taken by the company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As at September 30, 2004 and December 31, 2003, the balances outstanding in the investment in service station account are Baht 522.38 million and Baht 537.69 million respectively. The amortization expense of Baht 37.36 million on total investment balance was recorded in this accounting period,

13. 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	20 – 30

Deferred income tax as at September 30, 2004 and December 31, 2003 are as follows:

	Million Baht	
	Consolidated	The Company Only
Deferred income tax assets		
As at December 31, 2003	95.50	95.50
Income tax expenses	3.98	3.98
As at September 30, 2004	99.48	99.48
Deferred income tax liabilities		
As at December 31, 2003	35.99	35.99
Income tax expenses	(2.46)	(2.46)
As at September 30, 2004	33.53	33.53

Deferred income tax assets mainly comprised allowance for doubtful accounts and pension fund reserve, and deferred income tax liabilities mainly comprised accumulated depreciation of equipment.

14. OTHER NON-CURRENT ASSETS – OTHERS

As at September 30, 2004 and December 31, 2003, Other non-current assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
14.1 Fixed deposit for staff welfare	162.20	162.20	162.20	162.20
14.2 Deposit for crude and product oil price hedging contract	156.90	72.16	156.90	72.16
14.3 Deferred expenses for the issuance of debentures and long-term loans	105.97	-	105.97	-
14.4 Other	164.74	178.51	156.06	165.65
Total	589.81	412.87	581.13	400.01

14.1 Fixed deposit for staff welfare

As at September 30, 2004 and December 31, 2003, the Company had a fixed deposit fund in a bank of Baht 162.20 million with interest of 0%. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

14.2 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.

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

In January 2004, the Company issued Baht 4,000 million convertible debentures and in February 2004, the Company entered a loan contract with Krung Thai Bank Public Company Limited for Baht 12,500 million credit line. The Company paid fees for into the issuance of convertible debentures, expenses for the loans and other expenses in the amount of Baht 114.48 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 period ended September 30, 2004, the total amortized expenses on loans and issuance of the convertible debentures was Baht 8.51 million.

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

As at September 30, 2004 and December 31, 2003 bank overdrafts and short-term loans from financial institutions consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Promissory Notes	3,670.00	8,000	3,670.00	8,000
Trust Receipt	39.26	-	39.26	-
Total	3,709.26	8,000	3,709.26	8,000

As at September 30, 2004, the promissory notes with interest rate at 4.50 % per annum will be due in October 2004. These loans form part of the amount covered by collateral mentioned in Note 16.1.

As at December 31, 2003, the promissory notes with interest rate from 1.65 to 5.75% per annum will be due in January 2004 to March 2004.

16. LONG-TERM LOANS

As at September 30, 2004 and December 31, 2003 long-term loans consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Loans from bank	7,000.00	-	7,000.00	-
Debentures	3,045.00	7,657.50	3,045.00	7,657.50
Convertible debentures	3,598.05	-	3,598.05	-
Promissory notes	295.00	2,315.00	295.00	2,315.00
Total	13,938.05	9,972.50	13,938.05	9,972.50
Less : current portion of long-term loans	(2,202.50)	(3,532.50)	(2,202.50)	(3,532.50)
Less : portion of early redemption of Debentures	-	(3,900.00)	-	(3,900.00)
Long-term loans	11,735.55	2,540.00	11,735.55	2,540.00

16.1 Loans from bank

The Company has entered a loan contract with Krung Thai Bank Public Company Limited by pledging the Company's assets as collateral 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. As at September 30, 2004 the Company has obtained long-term loans of Baht 7,000 million and working capital short-term loans of Baht 3,670 million which presented under bank overdrafts and short-term loans from financial institutions.

16.2 Debentures

As at September 30, 2004, the unsecured, unsubordinated registered debentures with the holders' names amounting to 3,420,000 units, totaling Baht 3,045 million, with interest rate from 5.00 to 7.75% per annum, were as follows:

No	Maturity Date	Interest Due Date
7/2543	Feb. 02, 2005	Feb 02 and Aug 02 of each year
18/2543	Nov. 28, 2004	May 28 and Nov 28 of each year
19/2543	Nov. 30, 2004	May 30 and Nov 30 of each year
20/2544	Mar. 29, 2005	Mar 29 and Sep 29 of each year
24/2545	Dec. 02, 2005	Jun 02 and Dec 02 of each year
25/2545	Dec. 02, 2007	Jun 02 and Dec 02 of each year

16.3 Convertible debentures

On January 29, 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per one common stock. 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, 2547 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 June 30, 2004, the 27 depository receipt holders exercised the right by redeem 40,195 unit of depository receipts. . Following this conversion of depository receipts, the balance of deposit receipts remaining was 359,805 units.

16.4 Promissory note

Transferable and unsecured promissory note of baht 150 million will be matured in the year 2005 with interest rate of 5.50% per annum and Baht 145 million in the year 2007 with interest rate of 6.25% per annum.

17. 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.

18. WARRANTS

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.

- 18.1 45% of the total allotted warrants is exercisable on the first year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 21 or higher, over a continuous period of 5 days.
- 18.2 25% of the total allotted warrants is exercisable on the second year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 23 or higher, over a continuous period of 5 days.
- 18.3 30% of the total allotted warrants is exercisable on the third year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares(DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 25 or higher, over a continuous period of 5 days.

19. SALES

Sale revenue for nine month period ended September 30, 2004 and 2003 are as follows:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Sales revenue from fuel products	58,129.67	57,398.02	44,022.33
Income from investment charge	29.32	73.72	70.91
Total	<u>58,158.99</u>	<u>57,471.74</u>	<u>44,093.24</u>

20. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for nine month period ended September 30, 2004 and 2003 are as follows:

	Million Baht		
	Consolidated	The Company Only	
	2004	2004	2003
Realized gain (loss) from foreign exchange fluctuations	(93.10)	(93.10)	127.24
Unrealized gain(loss) from foreign exchange fluctuations	(9.26)	(9.26)	141.86
Total	(102.36)	(102.36)	269.10

21. INTEREST EXPENSE

The total interest for this period is Baht 609.56 million, of which Baht 0.91 million is recorded as cost of work in progress and Baht 608.65 million as expense.

22. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three month period ended September 30, 2004					
	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	1,202.47	599.70	2.01	1,185.88	599.70	1.98
Effect of dilutive potential ordinary shares	13.73	253.75		13.73	253.75	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	1,216.20	853.45	1.43	1,199.61	853.45	1.41

	For the six month period ended September 30, 2004					
	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	2,497.79	677.10	3.69	2,479.39	677.10	3.66
Effect of dilutive potential ordinary shares	13.73	241.40		13.73	241.40	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	2,511.52	918.50	2.73	2,493.12	918.50	2.71

23. PROVIDENT FUND

The Company established a contributory provident covering substantially all employees. Members are required to make monthly contribution to the fund at 5%-10% of the members' salaries and the Company is required to make monthly contribution at the same amount

24. CONTINGENT LIABILITES

24.1 Liabilities on guarantees

As at September 30, 2004, the Company’s total liabilities in the form of bank guarantees amounted to Baht 24.67 million. These guarantees are mainly to cover electricity usage and the tele-communication contract with the Telephone Organization of Thailand.

24.2 Allegation

On April 30, 2003 the civil court dismissed the case lodged against the Ministry of Finance (the first defendant) and the Company (the fifth 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. The case is being appealed with the appeal court.

25. DISCLOSURE FOR FINANCIAL INSTRUMENTS

25.1 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.

25.2 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’s outstanding debt is small compared with its annual income and net cash flow.

25.3 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 forward contracts with oil traders to minimize the risk from price fluctuation.

25.4 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, 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.

25.5 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.

26. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statement of income of the Company segmented by type of business for the nine month period ended September 30, 2004 are as follows:

Million Baht

	Refinery	Marketing	Elimination	Total
Sales	56,178.33	30,632.91	(29,339.50)	57,471.74
Cost of sales	52,845.93	29,588.91	(29,339.50)	53,095.34
Gross margin	3,332.40	1,044.00	-	4,376.40
Selling and administrative expenses	(162.05)	(691.82)	-	(853.87)
Other incomes (expenses)	(201.70)	45.69	-	(156.01)
Depreciation and Amortization	(7.93)	(306.55)	-	(314.48)
EBIT	<u>2,960.72</u>	<u>91.32</u>	<u>-</u>	<u>3,052.04</u>
Gain from foreign exchange fluctuations of others				15.51
Interest-net				(594.60)
Income Tax				6.44
Net Profit				<u>2,479.39</u>
 EBITDA	 3,203.96	 397.87	 -	 3,601.83

27. SUBSEQUENT EVENTS AFTER THE BALANCE SHEETS DATE

On October 7, 2004, the Company has registered with the Ministry of Commerce the increase in the paid up shares of Baht 69,027,969 from Baht 591,531,566 to Baht 660,559,535. This derived from 7 depository receipt holders who, on September 30, 2004, redeemed 98,710 depository receipts with face value of Baht 10,000 each to convertible debentures and the to 69,027,969 ordinary shares, with the convertible price of Baht 14.30 per unit. Following this conversion of depository receipts, the balance of deposit receipts remaining was 261,095 units.

28. RECLASSIFICATION OF ACCOUNTS

Some transactions in these financial statements for the year ended December 31, 2003, have been reclassified to conform with the financial statement presentation for the period ended September 30, 2004.

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