

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
AND
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT**

EXPRESSED IN

THAI BAHT

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

To the Shareholders and Board of Directors 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, 2004, 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 periods of the Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The comparative financial statements of the Bangchak Petroleum Public Company Limited for the year ended December 31, 2003 were audited by the other auditor with an unqualified opinion reported on February 25, 2004 which drawn attention to notes to financial statement 2.8 regarding to change in accounting estimation.

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, 2004, the results of their operations, and cash flows for the year then ended in conformity with generally accepted accounting principles.

(KESREE NARONGDEJ)
Certified Public Accountant
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 10, 2005

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	NOTE	B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST	As of 31 ST	As of 31 ST	As of 31 ST
		December	December	December	December
		2004	2003	2004	2003
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	2,212,561,232	3,522,502,394	1,894,499,857	3,348,494,142
Temporary Investment		-	206,781	-	-
Trade accounts receivable - net					
Related parties	3.1	-	-	434,942,310	356,618,614
Other parties	5	3,198,912,805	2,457,507,939	3,186,132,557	2,437,344,954
Inventories - net	6	10,118,144,306	5,565,162,560	9,946,500,675	5,396,180,190
Other current assets					
Material and Supplies - net	7	345,094,422	333,433,065	345,094,422	333,433,065
Oil Fund Subsidies Receivable		1,342,496,006	42,804,094	1,342,496,006	42,804,094
Others		405,626,494	117,609,390	391,003,541	100,137,134
Total Current Assets		17,622,835,265	12,039,226,223	17,540,669,368	12,015,012,193
NON-CURRENT ASSETS					
Investments for using the equity method	3.2	-	-	-	-
Other long-term investments	8	5,573,987	5,654,700	4,673,987	4,754,700
Tariff prepayment - net	9	33,169,500	45,489,600	33,169,500	45,489,600
Long-term loans to related parties	3.3	1,100,000	10,800,000	-	-
Property, plant and equipment - net	10	14,011,640,633	14,470,719,528	14,004,310,491	14,459,265,428
Intangible assets - net	11	1,448,937,928	973,113,888	1,448,937,928	973,113,888
Investment in service station	12	539,124,952	537,690,129	539,124,952	537,690,129
Other non-current assets					
Deferred income tax assets	13	94,415,342	95,501,800	94,415,342	95,501,800
Others	14	612,932,904	412,873,232	603,904,140	400,011,090
Total Non-Current Assets		16,746,895,246	16,551,842,877	16,728,536,340	16,515,826,635
TOTAL ASSETS		34,369,730,511	28,591,069,100	34,269,205,708	28,530,838,828

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

NOTE	CONSOLIDATED		THE COMPANY ONLY		
	As of 31 ST	As of 31 ST	As of 31 ST	As of 31 ST	
	December	December	December	December	
	2004	2003	2004	2003	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	15,16.1	2,000,000,000	8,000,000,000	2,000,000,000	8,000,000,000
Trade accounts payable					
Related parties	3.4	9,058,378	10,411,812	10,923,323	14,362,678
Other parties		7,638,078,411	4,473,312,718	7,571,866,050	4,415,076,278
Current portion of long-term loans	16	1,756,250,000	3,532,500,000	1,756,250,000	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		252,808,838	266,067,956	252,808,838	266,067,956
Accrued expenses		503,900,476	601,553,512	481,266,723	586,283,796
Others		329,187,762	362,051,445	327,518,742	359,516,564
Total Current Liabilities		12,489,283,865	22,536,720,443	12,400,633,676	22,464,630,272
NON-CURRENT LIABILITIES					
Long-term loans	16	11,164,700,000	2,540,000,000	11,164,700,000	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		72,183,706	112,039,612	72,183,706	112,039,612
Reserve for pension fund		214,722,262	210,337,306	214,722,262	210,337,306
Deferred income tax liabilities	13	32,713,699	35,985,069	32,713,699	35,985,069
Others		63,689,812	98,682,188	52,170,077	87,064,509
Total Non-Current Liabilities		12,099,641,299	2,997,044,175	12,088,121,564	2,985,426,496
Total Liabilities		24,588,925,164	25,533,764,618	24,488,755,240	25,450,056,768

The accompanying notes 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 31 ST	As of 31 ST	As of 31 ST	As of 31 ST
	December	December	December	December
<u>NOTE</u>	2004	2003	2004	2003
SHAREHOLDERS' EQUITY				
Share Capital - Par Value Baht 1.00 per share				
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 660,559,535 shares in 2004 and				
Common share 522,040,940 shares in 2003				
	660,559,535	522,040,940	660,559,535	522,040,940
Capital Surplus				
Premium on share capital				
	1,593,089,706	-	1,593,089,706	-
Capital surplus on registered and paid-up share reduction	17	189,617,759	189,617,759	-
Surplus on fixed assets revaluation				
	4,724,586,227	4,947,867,230	4,724,586,227	4,947,867,230
Retained earning (deficit)				
Appropriated - legal reserve				
	86,714,346	-	86,714,346	-
Unappropriated				
	2,525,696,777	(2,413,141,747)	2,525,882,895	(2,389,126,110)
Total Equity of Parent Company's Shareholders				
	9,780,264,350	3,056,766,423	9,780,450,468	3,080,782,060
Minority interests				
	540,997	538,059	-	-
Total Shareholders' Equity				
	9,780,805,347	3,057,304,482	9,780,450,468	3,080,782,060
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
	34,369,730,511	28,591,069,100	34,269,205,708	28,530,838,828

The accompanying notes 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 SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	NOTE	B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
		2004	2003	2004	2003
REVENUES					
Sales	19	79,847,703,236	61,594,710,788	78,901,927,519	60,814,789,412
Other incomes					
Interest income		18,774,194	36,132,565	18,218,477	35,621,885
Gain from foreign exchange	20	127,601,814	292,808,479	127,601,814	292,808,479
Gain from crude oil and product oil price					
hedging contract	24.3	1,729,027	22,316,964	1,729,027	22,316,964
Adjustment of loss from impairment of assets		46,667,927	-	46,667,927	-
Others		146,818,988	121,453,249	110,412,498	94,380,482
Share of gains from investments for using the equity method		-	1,673,144	-	1,721,044
Total Revenues		80,189,295,186	62,069,095,189	79,206,557,262	61,261,638,266
EXPENSES					
Cost of sales		74,814,666,061	59,170,517,451	74,147,835,512	58,709,336,259
Selling and administrative expenses		1,654,208,189	1,909,981,117	1,367,006,864	1,541,593,482
Other expenses					
Depreciation		291,641,400	292,221,600	286,818,513	287,992,716
Directors' remuneration		3,413,750	1,430,134	3,363,750	1,375,134
Loss from impairment of assets		4,514,255	753,787,505	4,514,255	753,787,505
Share of losses from investments for using the equity method		-	-	-	2,386,161
Total Expenses		76,768,443,655	62,127,937,807	75,809,538,894	61,296,471,257
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		3,420,851,531	(58,842,618)	3,397,018,368	(34,832,991)
Interest expenses	21	(786,606,745)	(1,027,652,401)	(786,606,039)	(1,027,648,569)
Redemption premium on debenture		-	(212,342,675)	-	(212,342,675)
Income tax	13	2,184,912	(223,600)	2,184,912	(223,600)
PROFIT (LOSS) AFTER INCOME TAX		2,636,429,698	(1,299,061,294)	2,612,597,241	(1,275,047,835)
MINORITY INTERESTS		(2,938)	(2,178)	-	-
NET PROFIT (LOSS)		2,636,426,760	(1,299,063,472)	2,612,597,241	(1,275,047,835)
BASIC EARNING PER SHARE					
Earning per share (Baht)	22	3.92	(2.49)	3.89	(2.44)
Number of weighted average shares (shares)		671,814,193	522,040,940	671,814,193	522,040,940
DILUTED EARNING PER SHARE					
Earning per share (Baht)	22	2.97	(2.49)	2.94	(2.44)
Number of weighted average shares (shares)		899,557,754	522,040,940	899,557,754	522,040,940

The accompanying notes 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 SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED
FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	BAHT							Total	
	NOTE	Issue and paid - up share capital	Premium on Share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)			Minority interests
						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
Minority interest		-	-	-	-	-	-	535,881	535,881
Transactions not recognised in the income statement									
- Depreciation on the fixed assets revaluator		-	-	-	(230,275,524)	-	-	-	(230,275,524)
Decrease issued and paid - up share capital for reduction of accumulated deficits		(4,698,368,460)	-	-	-	-	4,698,368,460	-	-
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	-	-
Net profit (loss)		-	-	-	-	-	(1,299,063,472)	2,178	(1,299,061,294)
Ending balance as at December 31, 2003		<u>522,040,940</u>	<u>-</u>	<u>-</u>	<u>4,947,867,230</u>	<u>-</u>	<u>(2,413,141,747)</u>	<u>538,059</u>	<u>3,057,304,482</u>
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
Share capital increase from redemption of convertible debentures		97,136,354	-	-	-	-	-	-	97,136,354
Premium on share capital from redemption of convertible debentures		-	1,291,913,646	-	-	-	-	-	1,291,913,646
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 revaluator		-	-	-	(223,281,003)	-	-	-	(223,281,003)
Legal reserve		-	-	-	-	86,714,346	(86,714,346)	-	-
Net profit (loss)		-	-	-	-	-	2,636,426,760	2,938	2,636,429,698
Ending balance as at December 31, 2004		<u>660,559,535</u>	<u>1,593,089,706</u>	<u>189,617,759</u>	<u>4,724,586,227</u>	<u>86,714,346</u>	<u>2,525,696,777</u>	<u>540,997</u>	<u>9,780,805,347</u>

The accompanying notes are an integral part of these statements

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THE COMPANY ONLY
FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	BAHT						Total	
	NOTE	Issue and paid - up share capita	Premium on Share capital	Capital surplus or registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		
						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
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation		-	-	-	(230,275,524)	-	-	(230,275,524)
Decrease issued and paid-up share capital for reduction of accumulated deficit		(4,698,368,460)	-	-	-	-	4,698,368,460	-
Decrease premium on share capital for reduction of accumulated deficit		-	(2,007,950,671)	-	-	-	2,007,950,671	-
Decrease legal reserve for reduction of accumulated deficit		-	-	-	-	(547,594,555)	547,594,555	-
Net profit (loss)		-	-	-	-	-	(1,275,047,835)	(1,275,047,835)
Ending balance as at December 31, 2003		522,040,940	-	-	4,947,867,230	-	(2,389,126,110)	3,080,782,060
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 capita		231,000,000	-	-	-	-	-	231,000,000
Premium on share capital		-	2,690,302,170	-	-	-	-	2,690,302,170
Share capital increase from redemption of convertible debenture		97,136,354	-	-	-	-	-	97,136,354
Premium on share capital from redemption of convertible debenture		-	1,291,913,646	-	-	-	-	1,291,913,646
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		-	-	-	(223,281,003)	-	-	(223,281,003)
Legal reserve		-	-	-	-	86,714,346	(86,714,346)	-
Net profit (loss)		-	-	-	-	-	2,612,597,241	2,612,597,241
Ending balance as at December 31, 2004		660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,882,895	9,780,450,468

The accompanying notes are an integral part of these statements

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
NOTE		2004	2003	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES :					
	Net profit (loss)	2,636,426,760	(1,299,063,472)	2,612,597,241	(1,275,047,835)
	Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities:				
	Depreciation	583,966,914	588,828,819	579,144,028	584,599,935
	Bad debt and doubtful debts	8,840,269	183,392,906	8,629,937	183,438,517
	Amortization	161,663,898	155,732,689	161,663,898	155,732,689
	Loss (gain) from foreign exchange	20 (56,631,218)	(124,561,019)	(56,631,218)	(124,561,019)
	Redemption premium on debenture	-	212,342,675	-	212,342,675
	Loss (gain) from assets impairment	(42,153,672)	753,787,505	(42,153,672)	753,787,505
	Deferred income tax	13 (2,184,912)	223,600	(2,184,912)	223,600
	Loss (gain) from fixed assets disposa	(8,092,115)	(22,115,554)	(7,528,316)	(22,115,554)
	Reserve for pension fund	4,384,956	22,418,845	4,384,956	22,418,845
	Deferred revenue	(37,991,697)	(4,125,717)	(37,991,697)	(4,125,717)
	Loss (gain) on investments for using the equity method	-	665,117	-	665,117
	Minority interests	2,938	538,059	-	-
	Operating gain before changes in operating assets and liabilities	3,248,232,121	468,064,453	3,219,930,245	487,358,758
	Operating assets (increase), decrease				
	Trade accounts receivable	(716,166,533)	332,113,166	(802,801,666)	(4,388,074)
	Inventories	(4,552,981,745)	523,835,988	(4,550,320,485)	692,818,358
	Other current assets	(1,603,788,533)	74,616,062	(1,605,498,802)	92,088,318
	Operating liabilities increase, (decrease)				
	Trade accounts payable	3,227,894,489	1,346,997,426	3,217,132,647	1,288,760,986
	Other current liabilities	(191,535,188)	20,641,918	(198,033,365)	6,788,187
	Other non - current liabilities	2,999,320	22,050,145	3,097,264	10,432,466
	Net Cash Provided by (Used in) Operating Activities	(585,346,069)	2,788,319,158	(716,494,162)	2,573,858,999

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
NOTE		2004	2003	2004	2003
CASH FLOWS FROM INVESTING ACTIVITIES :					
	Decrease(increase) in temporary investments	206,781	(206,781)	-	-
	Decrease(increase) in long-term investments	12,320,100	7,344,990	12,320,100	8,244,990
	Decrease(increase) in long-term loans to related parties	9,000,000	(10,000,000)	-	-
	Acquisition in property, plant and equipments	(346,852,644)	(356,443,595)	(346,717,515)	(340,760,611)
	Proceeds from sales of property, plant and equipment	21,570,990	110,969,267	21,570,990	110,969,267
	Decrease(increase) in intangible assets	(15,074,224)	(11,420,444)	(15,074,224)	(11,420,444)
	Decrease(increase) in other non - current assets	(273,745,266)	(35,482,727)	(277,578,644)	(21,820,585)
	Net Cash Provide by (Used in) Investing Activities	(592,574,263)	(295,239,290)	(605,479,293)	(254,787,383)
CASH FLOWS FROM FINANCING ACTIVITIES					
	Increase(decrease) in bank overdrafts and short-term loans from financial institutions	(6,000,000,000)	7,000,000,000	(6,000,000,000)	7,000,000,000
	Increase(decrease) in other short - term loan	(1,390,823,000)	(965,000,000)	(1,390,823,000)	(965,000,000)
	Proceeds from long - term loans	11,800,000,000	-	11,800,000,000	-
	Payment of long - term loans	(7,462,500,000)	(6,380,000,000)	(7,462,500,000)	(6,380,000,000)
	Proceeds from issued and paid-up shares capital	231,000,000	-	231,000,000	-
	Proceeds from premium on shares capital	2,690,302,170	-	2,690,302,170	-
	Net Cash Provided by (Used in) Financing Activities	(132,020,830)	(345,000,000)	(132,020,830)	(345,000,000)
	INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET	(1,309,941,162)	2,148,079,868	(1,453,994,285)	1,974,071,616
	CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,522,502,394	1,374,422,526	3,348,494,142	1,374,422,526
	CASH AND CASH EQUIVALENTS, END OF PERIOD	2,212,561,232	3,522,502,394	1,894,499,857	3,348,494,142
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION					
	Cash paid during the periods for				
	Interest expenses	1,112,164,736	1,118,925,069	1,112,164,030	1,118,925,069
	Income tax	30,276,894	-	33,400,869	-

The accompanying notes are an integral part of these statements.

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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, and 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, 2004 and 2003, the company employed 756 and 765 employees respectively and the employees related expenses were Baht 509.59 million and Baht 421.22 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, 2004 and 2003, the company employed 836 and 951 employees respectively and the employees related expenses were Baht 174.45 million and Baht 110.62 million respectively.

1.2 Basis for preparation and presentation of interim 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, 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 inter company transactions and all inter company 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. 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 subsidiary and related companies 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 first-in first-out basis or net realizable value.

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

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

2.5 Materials and Supplies

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

2.6 Investments in Subsidiaries

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

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

2.7 Other Long-Term Investments

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

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

2.8 Property, Plant and Equipment

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

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

refinery. Hence the mentioned assets are presented based on their revalued cost, less the accumulated depreciation. The incremental value from the revaluation is shown under Shareholders' Equity as "Surplus on fixed assets revaluation". Should the assets revalued be lower than their initial cost, the reduced value is charged against the surplus on fixed assets revaluation until that amount is fully depleted before booking the rest as expense in the profit and loss for that same accounting period.

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

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

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

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

In the accounting period 2003, the company had changed the estimated useful-life of refinery plants and machineries from previously 15-20 years to 30 years as deemed more realistic. This change extends the remaining useful-life of assets hence resulting in the decrease in the depreciation cost by Bath 303.09 million.

2.9 Borrowing Cost

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

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

2.10 Intangible Assets

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

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

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

2.11 Deferred Income Tax

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

The temporary differences arise from the allowance for doubtful accounts, the pension fund reserve and gain from foreign exchange fluctuations on loan for construction project.

2.12 Impairment of assets

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

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

2.13 Foreign Currencies

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

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

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

2.14 Crude and Product Oil Price Hedging Contract

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

2.15 Deferred Revenue

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

2.16 Pension Fund Reserve

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

2.17 Legal Reserve

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

2.18 Registered Provident Fund

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

2.19 Earnings per Share

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

3. RELATED PARTY TRANSACTION

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

Balance of assets, liabilities, account and trading transactions with subsidiary and related companies as at December 31, 2004 are as follow:

3.1 Trade accounts receivable - related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31,2004	December 31,2003	December 31,2004	December 31,2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	434.94	356.62
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Company</u>				
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total trade accounts receivable - related parties net	-	-	434.94	356.62

3.2 Investments for using the equity method

				Million Baht		
				Consolidated		
				December, 2004		
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	-	-

				Million Baht		
				Consolidated		
				December 31, 2003		
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 December 31, 2004	
Subsidiary					
The Bangchak Green Line Co., Ltd.	13.00	-	(9.00)	4.00	2% p.a.
<u>Less</u> : allowance for doubtful accounts	(2.20)	(0.70)	-	(2.90)	
Total Long – term loan to related parties	<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	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	1.86	3.95
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Associated Companies</u>				
- Fuel Pipeline Transportation Ltd.	<u>9.06</u>	<u>10.41</u>	<u>9.06</u>	<u>10.41</u>
Total trade account payable - related parties net	<u>9.06</u>	<u>10.41</u>	<u>10.92</u>	<u>14.36</u>

3.5 Transaction with related parties

Transaction with related parties for the year ended December 31, 2004 and 2003 are as follow:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Revenue from sales of oil	-	-	6,178.74	4,779.22
Revenue from franchise fee	-	-	58.58	52.79
Cost of pipeline transportation	83.18	97.91	83.18	97.92

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

4. CASH AND CASH EQUIVALENTS

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

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Cash and deposits at Banks	<u>2,212.56</u>	<u>2,122.50</u>	<u>1,894.50</u>	<u>1,948.49</u>
Fixed deposit (maturity dates not longer than 3 months)	<u>-</u>	<u>1,400.00</u>	<u>-</u>	<u>1,400.00</u>
Cash and cash equivalents	<u>2,212.56</u>	<u>3,522.50</u>	<u>1,894.50</u>	<u>3,348.49</u>

5. TRADE ACCOUNT RECEIVABLES - OTHER PARTIES - NET

As at December 31, 2004 and 2003, Trade account receivables – other parties consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Trade accounts receivable - other parties	3,307.12	2,580.07	3,286.13	2,545.34
<u>Less</u> Allowance for doubtful accounts	(108.21)	(122.56)	(100.00)	(108.00)
Trade accounts receivable - other parties - net	<u>3,198.91</u>	<u>2,457.51</u>	<u>3,186.13</u>	<u>2,437.34</u>

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

	Million Baht	
	2004	2003
Over than 3 months to 6 months	0.71	1.33
Over than 6 months to 12 months	3.09	4.80
Over than 12 months	104.78	133.31
Total	<u>108.58</u>	<u>139.44</u>

6. INVENTORIES - NET

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

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Crude oil	7,384.61	3,584.44	7,384.61	3,584.44
Finished oil product	2,944.32	1,907.12	2,849.74	1,812.66
Consumer product	79.78	74.52	-	-
<u>Less</u> Allowance for devaluation	(290.57)	(0.92)	(287.85)	(0.92)
Inventories – net	<u>10,118.14</u>	<u>5,565.16</u>	<u>9,946.50</u>	<u>5,396.18</u>

Inventories as at December 31, 2004 and 2003 are included petroleum legal reserve of 399.24 million liters approximated value Baht 4,530.90 Million and 344.07 million liters approximated value Baht 2,759.51 Million respectively.

7. MATERIAL AND SUPPLIES - NET

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

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Material and supplies	375.10	363.62	375.10	363.62
<u>Less</u> Allowance for obsolescence	(30.01)	(30.19)	(30.01)	(30.19)
Material and supplies – net	345.09	333.43	345.09	333.43

8. OTHER LONG-TERM INVESTMENTS

As at December 31, 2004 and 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	(181.75)	(181.75)	(181.75)	(181.75)
Investment in capital paper – net	-	-	-	-
<u>Investment in commercial paper</u>				
- The Express way Authority of Thailand's bond	5.50	5.50	4.60	4.60
<u>Add</u> Premium on investments	0.07	0.15	0.07	0.15
Total Investment in commercial paper	5.57	5.65	4.67	4.75
Total other long-term investments	5.57	5.65	4.67	4.75

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 year ended December 31, 2004 and 2003 was equally recorded at Baht 80,713.08

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

A.M. T. & Associates

based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statements as at December 31, 2004 shows an outstanding prepaid tariff balance of Baht 162.69 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 33.17 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, the Company write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. 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 December 31, 2004 of Baht 25.71 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 28.13 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 December 31, 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	91.97	22,880.04
Marketing and office equipment	3,520.69	-	46.75	124.29	3,598.23
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	149.65	-	25.34	4.07	128.38
Construction work in progress	313.84	350.87	-	(221.41)	443.30
Total	28,960.62	350.87	82.37	-	29,229.12
<u>Less</u> Accumulated depreciation					
Buildings	282.73	17.20	-	-	299.93
Machinery, equipment and refinery plants	12,112.32	563.19	10.03	-	12,665.48
Marketing and office equipment	1,383.51	207.83	33.88	0.73	1,558.19
Platinum Catalyst	-	-	-	-	-
Vehicles	85.58	15.26	17.93	-	82.91
Total	13,864.14	803.48	61.84	0.73	14,606.51
<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	1.61	16.40	-	36.83
Total	625.76	1.61	16.40	-	610.97
Property, plant and equipment - net	14,470.72				14,011.64
Depreciation for the year	588.83				583.96

Million Baht					
The Company Only					
	As at December 31, 2003	Increase	Decrease	Transfer	As at December 31, 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	91.97	22,880.04
Marketing and office equipment	3,473.19	-	38.00	124.29	3,559.48
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	146.28	-	25.27	4.07	125.08
Construction work in progress	313.84	350.87	-	(221.41)	443.30
Total	<u>28,909.75</u>	<u>350.87</u>	<u>73.55</u>	<u>-</u>	<u>29,187.07</u>
<u>Less</u> Accumulated depreciation					
Buildings	282.73	17.20	-	-	299.93
Machinery, equipment and refinery plants	12,112.32	563.19	10.03	-	12,665.48
Marketing and office equipment	1,344.58	207.83	28.57	0.73	1,524.57
Platinum Catalyst	-	-	-	-	-
Vehicles	85.10	14.64	17.93	-	81.81
Total	<u>13,824.73</u>	<u>802.86</u>	<u>56.53</u>	<u>0.73</u>	<u>14,571.79</u>
<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	1.61	16.40	-	36.83
Total	<u>625.76</u>	<u>1.61</u>	<u>16.40</u>	<u>-</u>	<u>610.97</u>
Property, plant and equipment - net	<u>14,459.26</u>				<u>14,004.31</u>
Depreciation for the year	<u>584.60</u>				<u>579.14</u>

11. INTANGIBLE ASSETS - NET

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

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
<u>Cost</u>				
Leasehold right	2,139.50	1,577.15	2,139.50	1,577.15
License and development costs of computer software	76.55	72.20	76.55	72.20
	<u>2,216.05</u>	<u>1,649.35</u>	<u>2,216.05</u>	<u>1,649.35</u>
<u>Accumulated amortization</u>				
Leasehold right	(691.15)	(600.14)	(691.15)	(600.14)
License and development costs of computer software	(65.37)	(62.94)	(65.37)	(62.94)
	<u>(756.52)</u>	<u>(663.08)</u>	<u>(756.52)</u>	<u>(663.08)</u>
Total	1,459.53	986.27	1,459.53	986.27
<u>Less</u> : Allowance for impairment	(10.59)	(13.16)	(10.59)	(13.16)
Intangible assets – net	<u>1,448.94</u>	<u>973.11</u>	<u>1,448.94</u>	<u>973.11</u>

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 liabilities on long-term lease.

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 December 31, 2004 and 2003, the balances outstanding in the investment in service station account are Baht 539.12 million and Baht 537.69 million respectively. The amortization expense of Baht 50.87 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	15 – 30

Deferred income tax as at December 31, 2004 and 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	(1.08)	(1.08)
As at December 31, 2004	94.42	94.42
Deferred income tax liabilities		
As at December 31, 2003	35.99	35.99
Income tax expenses	(3.28)	(3.28)
As at December 31, 2004	32.71	32.71

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

14. OTHER NON-CURRENT ASSETS – OTHERS

As at December 31, 2004 and 2003, other non-current assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
14.1 Fixed deposit for staff welfare	170.20	162.20	170.20	162.20
14.2 Deposit for crude and product oil price hedging contract	178.50	72.16	178.50	72.16
14.3 Deferred expenses for the issuance of debentures and long-term loans	102.69	-	102.69	-
14.4 Other	161.54	178.51	152.51	165.65
Total	612.93	412.87	603.90	400.01

14.1 Fixed deposit for staff welfare

As at December 31, 2004 and 2003, the Company had a fixed deposit fund in a bank of Baht 170.20 million and Baht 162.20 million respectively 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 114.63 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, 2004, the total amortized expenses on loans and issuance of the convertible debentures was Baht 11.94 million.

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

As at December 31, 2004, bank overdrafts and short-term loans from financial institutions is Baht 2,000 million with interest rate at 4.125 % per annum. These loans form part of the amount covered by collateral mentioned in Note 16.1

As at December 31, 2003, bank overdrafts and short-term loans from financial institutions is Baht 8,000 million with interest rate from 1.65 to 5.75 % per annum.

16. LONG-TERM LOANS

As at December 31, 2004 and 2003, Long-term loans consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Loans from bank	7,800.00	-	7,800.00	-
Debentures	2,215.00	7,657.50	2,215.00	7,657.50
Convertible debentures	2,610.95	-	2,610.95	-
Promissory notes	295.00	2,315.00	295.00	2,315.00
Total	12,920.95	9,972.50	12,920.95	9,972.50
Less : current portion of long-term loans	(1,756.25)	(3,532.50)	(1,756.25)	(3,532.50)
Less : portion of early redemption of				
Debentures	-	(3,900.00)	-	(3,900.00)
Long-term loans	11,164.70	2,540.00	11,164.70	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 December 31, 2004 the Company has obtained long-term loans of Baht 7,800 million and working capital short-term loans of Baht 2,000 million which presented under bank overdrafts and short-term loans from financial institutions.

16.2 Debentures

As at December 31, 2004, the unsecured, unsubordinated registered debentures with the holders' names amounting to 1,790,000 units, totaling Baht 2,215 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
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, 2557. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures. For the year 2004 the depository receipt holders exercised the right by redeem 138,905 units of depository receipts. Following this conversion of depository receipts, As at December 31, 2004 the balance of deposit receipts remaining were 261,095 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 the year ended December 31, 2004 and 2003 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Sales revenue from fuel products	79,807.67	61,539.97	78,803.32	60,719.96
Income from investment charge	40.03	54.74	98.61	94.83
Total	<u>79,847.70</u>	<u>61,594.71</u>	<u>78,901.93</u>	<u>60,814.79</u>

20. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the year ended December 31, 2004 and 2003 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Realized gain (loss) from foreign exchange fluctuations	70.97	168.25	70.97	168.25
Unrealized gain(loss) from foreign exchange fluctuations	56.63	124.56	56.63	124.56
Total	<u>127.60</u>	<u>292.81</u>	<u>127.60</u>	<u>292.81</u>

21. INTEREST EXPENSE

The total interest for the year is Baht 788.45 million, of which Baht 1.84 million is recorded as cost of work in progress and Baht 786.61 million as expense.

22. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the year ended December 31, 2004					
	Consolidated			The Company Only		
	Net	Weighted	Earning	Net	Weighted	Earning
	Profit	Average	(Loss)	Profit	Average	(Loss)
(Loss)	Number of	Per Share	(Loss)	Number of	Per Share	
	Ordinary Shares			Ordinary Shares		
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	2,636.43	671.81	3.92	2,612.60	671.81	3.89
Effect of dilutive potential ordinary shares	33.48	227.75		33.48	227.75	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	2,669.91	899.56	2.97	2,646.08	899.56	2.94

	For the year ended December 31, 2003					
	Consolidated			The Company Only		
	Net	Weighted	Earning	Net	Weighted	Earning
	Profit	Average	(Loss)	Profit	Average	(Loss)
(Loss)	Number of	Per Share	(Loss)	Number of	Per Share	
	Ordinary Shares			Ordinary Shares		
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	(1,299.06)	522.04	(2.49)	(1,275.05)	522.04	(2.44)
Effect of diluted potential ordinary shares	-	-		-	-	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	(1,299.06)	522.04	(2.49)	(1,275.05)	522.04	(2.44)

23. CONTINGENT LIABILITIES AND COMMITMENTS

23.1 Liabilities on guarantees

As at December 31, 2004, the Company's total liabilities in the form of bank guarantees amounted to Baht 24.60 million. These guarantees are mainly to cover electricity usage and the tele-communication contract with the Telephone Organization of Thailand.

23.2 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.

23.3 Commitments

In December 2004, the Company had entered into 0.35 million barrels oil price hedging contracts with foreign oil traders, which will be settle in January 2005.

24. DISCLOSURE FOR FINANCIAL INSTRUMENTS

24.1 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.

24.2 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.

24.3 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.

For the year 2004 the company realized Baht 1.73 million from the difference in the world's oil market price being lower than the hedging contact price. As of December 31, 2004, the Company has an agreement guaranteeing the future buying and selling price of 4.64 million barrels of oil with a net receivable value of Baht 132.97 million.

24.4 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.

24.5 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.

25. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statement of income of the Company segmented by type of business for the year ended December 31, 2004 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	77,026.91	42,274.38	(40,399.36)	78,901.93
Cost of sales	(73,820.31)	(40,726.89)	40,399.36	(74,147.84)
Gross margin	3,206.60	1,547.49	-	4,754.09
Selling and administrative expenses	(244.04)	(992.46)	-	(1,236.50)
Other incomes (expenses)	173.15	78.33	-	251.48
Depreciation and Amortization	(10.63)	(410.05)	-	(420.68)
EBIT	3,125.08	223.31	-	3,348.39
Gain (loss) from assets impairment				42.15
Gain (loss) from foreign exchange fluctuations of others				(11.74)
Interest-net				(768.39)
Income Tax				2.19
Net Profit (Loss)				2,612.60
EBITDA	3,455.75	633.36	-	4,089.11

The statement of income of the Company segmented by type of business for the year ended December 31, 2003 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	58,994.21	35,119.89	(33,299.31)	60,814.79
Cost of sales	(58,417.17)	(33,591.48)	33,299.31	(58,709.34)
Gross margin	577.04	1,528.41	-	2,105.45
Selling and administrative expenses	(444.62)	(957.28)	-	(1,401.90)
Other incomes (expenses)	237.89	68.68	-	306.57
Depreciation and Amortization	(11.42)	(417.63)	-	(429.05)
EBIT	358.89	222.18	-	581.07
Gain (loss) from assets impairment				(753.79)
Gain (loss) from foreign exchange fluctuations of others				102.93
Share of gains (loss) from investments for using the equity method				(0.67)
Interest-net				(992.03)
Redemption premium on debenture				(212.34)
Income Tax				(0.22)
Net Profit (Loss)				(1,275.05)
EBITDA	681.56	639.81	-	1,321.37

26. 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 year ended December 31, 2004.

@@@@@@@