

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT

To the Shareholders of The Bangchak Petroleum Public Company Limited

I have audited the consolidated balance sheets of The Bangchak Petroleum Public Company Limited and its subsidiary as of December 31, 2005 and 2004, and the related consolidated statements of changes in shareholders' equity, income and cash flows for the years 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.

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, 2005 and 2004, the results of their operations, and cash flows for the years 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, 2006

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST			
		December	December	December	December
		2005	2004	2005	2004
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	1,753,014,138	2,212,561,232	1,560,773,205	1,894,499,857
Trade accounts receivable - net					
Related parties	3.1	-	-	396,445,954	434,942,310
Other parties	5	3,620,567,252	3,198,912,805	3,602,306,606	3,186,132,557
Inventories - net	6	10,939,192,885	10,118,144,306	10,671,207,593	9,946,500,675
Other current assets					
Material and Supplies - net	7	327,785,886	345,094,422	327,785,886	345,094,422
Oil Fund Subsidies Receivable		433,002,973	1,342,496,006	433,002,973	1,342,496,006
Others		524,159,047	405,626,494	506,585,345	391,003,541
Total Current Assets		17,597,722,181	17,622,835,265	17,498,107,562	17,540,669,368
NON-CURRENT ASSETS					
Investments for using the equity method	1.3,3.2	4,388,414	-	13,655,219	-
Other long-term investments	8	3,820,188	5,573,987	2,920,188	4,673,987
Tariff prepayment - net	9	24,071,580	33,169,500	24,071,580	33,169,500
Long-term loans to related parties	3.3	-	1,100,000	-	-
Property, plant and equipment - net	10	13,898,444,836	14,011,640,633	13,893,227,213	14,004,310,491
Intangible assets - net	11	1,402,770,290	1,448,937,928	1,402,770,290	1,448,937,928
Investment in service station - net	12	486,523,327	539,124,952	486,523,327	539,124,952
Other non-current assets					
Deferred income tax assets	13	102,856,153	94,415,342	102,856,153	94,415,342
Others	14	742,855,898	612,932,904	740,104,316	603,904,140
Total Non-Current Assets		16,665,730,686	16,746,895,246	16,666,128,286	16,728,536,340
TOTAL ASSETS		34,263,452,867	34,369,730,511	34,164,235,848	34,269,205,708

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST			
		December	December	December	December
		2005	2004	2005	2004
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	15,16.1	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Trade accounts payable					
Related parties	3.4	7,113,576	9,058,378	10,083,218	10,923,323
Other parties		5,533,805,113	7,638,078,411	5,468,003,138	7,571,866,050
Current portion of long-term loans	16	318,750,000	1,756,250,000	318,750,000	1,756,250,000
Other current liabilities					
Accrued excise tax and oil stabilization fund		297,262,676	252,808,838	297,262,676	252,808,838
Accrued corporate income tax		253,694,256	-	249,294,699	-
Accrued expenses		446,515,234	503,900,476	430,895,663	481,266,723
Others		441,849,702	329,187,762	438,281,559	327,518,742
Total Current Liabilities		<u>9,298,990,557</u>	<u>12,489,283,865</u>	<u>9,212,570,953</u>	<u>12,400,633,676</u>
NON-CURRENT LIABILITIES					
Long-term loans	16	11,160,960,000	11,164,700,000	11,160,960,000	11,164,700,000
Other non-current liabilities					
Liabilities on long-term lease	11	551,631,820	551,631,820	551,631,820	551,631,820
Liabilities on service stations leasehold right		29,551,575	72,183,706	29,551,575	72,183,706
Reserve for pension fund		257,577,704	214,722,262	257,577,704	214,722,262
Deferred income tax liabilities	13	29,442,329	32,713,699	29,442,329	32,713,699
Others		65,024,807	63,689,812	52,737,392	52,170,077
Total Non-Current Liabilities		<u>12,094,188,235</u>	<u>12,099,641,299</u>	<u>12,081,900,820</u>	<u>12,088,121,564</u>
Total Liabilities		<u>21,393,178,792</u>	<u>24,588,925,164</u>	<u>21,294,471,773</u>	<u>24,488,755,240</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 ST			
		December	December	December	December
		2005	2004	2005	2004
SHAREHOLDERS' EQUITY					
Share Capital - Par Value Baht 1.00 per share					
Authorized share capital	17				
Common share 1,531,643,461 shares in 2005 and		1,531,643,461	-	1,531,643,461	-
Common share 867,143,461 shares in 2004		-	867,143,461	-	867,143,461
Issued and paid - up share capital					
Common share 687,481,908 shares in 2005 and		687,481,908	-	687,481,908	-
Common share 660,559,535 shares in 2004		-	660,559,535	-	660,559,535
Capital Surplus					
Premium on share capital		1,951,157,333	1,593,089,706	1,951,157,333	1,593,089,706
Capital surplus on registered and paid-up share reduction	18	189,617,759	189,617,759	189,617,759	189,617,759
Surplus on fixed assets revaluation		4,502,376,960	4,724,586,227	4,502,376,960	4,724,586,227
Retained earning (deficit)					
Appropriated – legal reserve		153,164,346	86,714,346	153,164,346	86,714,346
Unappropriated		5,385,965,769	2,525,696,777	5,385,965,769	2,525,882,895
Total Equity of Parent Company's Shareholders		12,869,764,075	9,780,264,350	12,869,764,075	9,780,450,468
Minority interests		510,000	540,997	-	-
Total Shareholders' Equity		12,870,274,075	9,780,805,347	12,869,764,075	9,780,450,468
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34,263,452,867	34,369,730,511	34,164,235,848	34,269,205,708

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Anusorn Sangnimnuan*

(Anusorn Sangnimnuan)

President

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	BAHT							Total	
	Notes	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, 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	18	(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)		-	-	-	-	-	2,636,426,760	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>
Beginning balance as at January 1, 2005		660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,696,777	540,997	9,780,805,347
Share capital increase from redemption of convertible debentures		26,922,373	-	-	-	-	-	-	26,922,373
Premium on share capital from redemption of convertible debentures		-	358,067,627	-	-	-	-	-	358,067,627
Transaction not recognised in the income statement									
- Depreciation on the fixed assets revaluation		-	-	-	(222,209,267)	-	-	-	(222,209,267)
Adjusted from minority shareholder		-	-	-	-	-	-	(30,997)	(30,997)
Dividend payment for preferred stock		-	-	-	-	-	-	(81,600)	(81,600)
Legal reserve		-	-	-	-	66,450,000	(66,450,000)	-	-
Net profit (loss)		-	-	-	-	-	2,926,718,992	81,600	2,926,800,592
Ending balance as at December 31, 2005		<u>687,481,908</u>	<u>1,951,157,333</u>	<u>189,617,759</u>	<u>4,502,376,960</u>	<u>153,164,346</u>	<u>5,385,965,769</u>	<u>510,000</u>	<u>12,870,274,075</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THE COMPANY ONLY
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	BAHT						Total	
	Notes	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)		
						Appropriated legal reserve		Unappropriated
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
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	18	(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		<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>2,525,882,895</u>	<u>9,780,450,468</u>
Beginning balance as at January 1, 2005		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
Share capital increase from redemption of convertible debentures		26,922,373	-	-	-	-	-	26,922,373
Premium on share capital from redemption of convertible debentures		-	358,067,627	-	-	-	-	358,067,627
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation		-	-	-	(222,209,267)	-	-	(222,209,267)
Legal reserve		-	-	-	-	66,450,000	(66,450,000)	-
Net profit (loss)		-	-	-	-	-	2,926,532,874	2,926,532,874
Ending balance as at December 31, 2005		<u>687,481,908</u>	<u>1,951,157,333</u>	<u>189,617,759</u>	<u>4,502,376,960</u>	<u>153,164,346</u>	<u>5,385,965,769</u>	<u>12,869,764,075</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
	Notes	2005	2004	2005	2004
REVENUES					
Sales	20	85,869,953,568	79,847,703,236	85,035,235,365	78,901,927,519
Other incomes					
Interest income		20,436,454	18,774,194	19,657,690	18,218,477
Gain from foreign exchange	21	-	127,601,814	-	127,601,814
Gain from crude oil and product oil price hedging contract	25.3	537,069,545	1,729,027	537,069,545	1,729,027
Loss adjustment from impairment of assets		7,174,371	46,667,927	7,174,371	46,667,927
Others		93,228,555	146,818,988	50,315,123	110,412,498
Share of gains from investments for using the equity method		-	-	13,655,219	-
Total Revenues		86,527,862,493	80,189,295,186	85,663,107,313	79,206,557,262
EXPENSES					
Cost of sales		80,331,899,002	74,814,666,061	79,865,092,478	74,147,835,512
Selling and administrative expenses		2,010,467,105	1,654,208,189	1,621,682,133	1,367,006,864
Other expenses					
Depreciation		295,809,107	291,641,400	292,986,630	286,818,513
Directors' remuneration		5,080,500	3,413,750	5,040,500	3,363,750
Loss from foreign exchange	21	26,293,254	-	26,293,254	-
Loss from assets disposal		4,506,616	-	4,436,970	-
Loss from impairment of assets		3,505,033	4,514,255	3,505,033	4,514,255
Share of losses from investment for using the equity method		8,682	-	-	-
Total Expenses		82,677,569,299	76,768,443,655	81,819,036,998	75,809,538,894
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		3,850,293,194	3,420,851,531	3,844,070,315	3,397,018,368
Interest expenses	22	(639,495,872)	(786,606,745)	(639,495,872)	(786,606,039)
Income tax	13	(283,996,730)	2,184,912	(278,041,569)	2,184,912
PROFIT (LOSS) AFTER INCOME TAX		2,926,800,592	2,636,429,698	2,926,532,874	2,612,597,241
MINORITY INTERESTS		(81,600)	(2,938)	-	-
NET PROFIT (LOSS)		2,926,718,992	2,636,426,760	2,926,532,874	2,612,597,241
BASIC EARNING PER SHARE					
Earning per share (Baht)	23	4.36	3.92	4.36	3.89
Number of weighted average shares (shares)		671,886,687	671,814,193	671,886,687	671,814,193
DILUTED EARNING PER SHARE					
Earning per share (Baht)	23	3.51	2.97	3.51	2.94
Number of weighted average shares (shares)		843,143,449	899,557,754	843,143,449	899,557,754

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 SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
Notes		2005	2004	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES :					
	Net profit (loss)	2,926,718,992	2,636,426,760	2,926,532,874	2,612,597,241
	Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities				
	Depreciation	611,444,063	583,966,914	608,621,586	579,144,028
	Bad debt and doubtful debts	338,530	8,840,269	(565,916)	8,629,937
	Amortization	187,809,305	161,663,898	187,809,305	161,663,898
	Loss (gain) from foreign exchange	21 (9,417,823)	(56,631,218)	(9,417,823)	(56,631,218)
	Loss (Gain) from assets impairment	(3,669,338)	(42,153,672)	(3,669,338)	(42,153,672)
	Deferred income tax	13 (11,712,181)	(2,184,912)	(11,712,181)	(2,184,912)
	Loss (gain) from fixed assets disposal	4,506,616	(8,092,115)	4,436,970	(7,528,316)
	Reserve for pension fund	42,855,442	4,384,956	42,855,442	4,384,956
	Deferred revenue	959,084	(37,991,697)	959,084	(37,991,697)
	Loss (gain) from investments for using the equity method	38,706	-	(13,655,219)	-
	Minority interests	50,603	2,938	-	-
	Operating gain before changes in operating assets and liabilities	3,749,921,999	3,248,232,121	3,732,194,784	3,219,930,245
	Operating assets (increase), decrease				
	Trade accounts receivable	(381,531,197)	(716,166,533)	(329,379,045)	(802,801,666)
	Inventories	(821,048,579)	(4,552,981,745)	(724,706,918)	(4,550,320,485)
	Other current assets	825,852,218	(1,603,788,533)	821,532,015	(1,605,498,802)
	Operating liabilities increase, (decrease)				
	Trade accounts payable	(2,109,826,755)	3,227,894,489	(2,108,311,672)	3,217,132,647
	Other current liabilities	309,172,503	(191,535,188)	309,888,005	(198,033,365)
	Other non - current liabilities	373,060	2,999,320	(394,619)	3,097,264
	Net Cash Provided by (Used in) Operating Activities	1,572,913,249	(585,346,069)	1,700,822,550	(716,494,162)

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
CASH FLOWS FROM INVESTING ACTIVITIES :					
Decrease(increase) in temporary investments		-	206,781	-	-
Decrease(increase) in long-term investments		6,353,463	12,320,100	10,780,583	12,320,100
Decrease(increase) in long-term loans to related parties		1,100,000	9,000,000	-	-
Acquisition in property, plant and equipments		(734,046,380)	(346,852,644)	(733,266,778)	(346,717,515)
Proceeds from sales of property, plant and equipment		9,082,231	21,570,990	9,082,232	21,570,990
Decrease(increase) in intangible assets		(60,194,498)	(15,074,224)	(60,194,498)	(15,074,224)
Decrease(increase) in other non - current assets		(198,423,559)	(273,745,266)	(204,700,741)	(277,578,644)
Net Cash Provide by (Used in) Investing Activities		(976,128,743)	(592,574,263)	(978,299,202)	(605,479,293)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase(decrease) in bank overdrafts and short-term loans from financial institutions		-	(6,000,000,000)	-	(6,000,000,000)
Increase(decrease) in other short - term loan		-	(1,390,823,000)	-	(1,390,823,000)
Proceeds from long - term loans		700,000,000	11,800,000,000	700,000,000	11,800,000,000
Payment of long - term loans		(1,756,250,000)	(7,462,500,000)	(1,756,250,000)	(7,462,500,000)
Dividend payment for preferred stock		(81,600)	-	-	-
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		(1,056,331,600)	(132,020,830)	(1,056,250,000)	(132,020,830)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		(459,547,094)	(1,309,941,162)	(333,726,652)	(1,453,994,285)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		2,212,561,232	3,522,502,394	1,894,499,857	3,348,494,142
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	1,753,014,138	2,212,561,232	1,560,773,205	1,894,499,857
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION					
Cash paid during the periods for					
Interest expenses		752,138,411	1,112,164,736	752,138,411	1,112,164,030
Income tax		30,493,815	30,276,894	30,874,214	33,400,869

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

1. GENERAL INFORMATION

1.1 General matter

The company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand and the main business is operating an oil refinery and marketing the finished products through its service stations under its company's brand. The company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. As at December 31, 2005 and 2004, the company employed 757 and 756 employees respectively and the employees related expenses were Baht 583.61 million and Baht 509.59 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, 2005 and 2004, the company employed 1,860 and 836 employees respectively and the employees related expenses were Baht 195.40 million and Baht 174.45 million respectively.

1.2 Basis for preparation and presentation of financial statements

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

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

1.3 Related parties

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

Name	Type of business	Relationship	Share holding (%)
<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 (Company is in self liquidation process)	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. and The Retail Net Co., Ltd in its consolidated financial statements as The Bangchak Green Line Co., Ltd. was in the process of self-liquidation and its investment was written off. And now The Retail Net Co., Ltd is in the process of return on the investment.

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

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.

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, 2005 are as follow:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31,2005	December 31,2004	December 31,2005	December 31,2004
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	396.45	434.94
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Company</u>				
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable - Related parties net	-	-	396.45	434.94

3.2 Investments for using the equity method

Name	Type of Business	Authorized Share capital	Holding %	Million Baht		
				The Company Only		
				December 31, 2005		
				Investments		
				Cost Method	Equity Method	Dividend

(Million Baht)						
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	13.66	-

Million Baht						
The Company Only						
December 31, 2004						
Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Investments		
				Cost Method	Equity Method	Dividend

Subsidiary :						
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						
Consolidated						
	Balance as at December 31, 2004		Receive	Balance as at December 31, 2005		Borrowing Cost Policy
		Increase				
Subsidiary :						
The Bangchak Green Line Co., Ltd.	4.00	-	(0.84)	3.16		2% Pa.
<u>Less</u> : allowance for doubtful accounts	(2.90)	(0.26)	-	(3.16)		
Total Long – term loan to related parties	1.10	(0.26)	(0.84)	-		

3.4 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	December 31, 2005	December 31, 2004	December 31, 2005	December 31, 2004
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	2.97	1.86
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Associated Companies</u>				
- Fuel Pipeline Transportation Ltd.	7.11	9.06	7.11	9.06
Total Account Payable - related parties	7.11	9.06	10.08	10.92

3.5 Transaction with related parties

Transaction with related parties for the year ended December 31, 2005 and 2004 are as follow:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Revenue from sales of oil	-	-	9,555.26	6,178.74
Revenue from operating right	-	-	70.27	58.58
Revenue from sale promotion items	-	-	3.24	5.46
Cost of pipeline transportation	73.83	83.18	73.83	83.18

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

4. CASH AND CASH EQUIVALENTS

As at December 31, 2005 and 2004 Cash and cash equivalents consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash and deposits at Banks	1,753.01	2,212.56	1,560.77	1,894.50

Fixed deposit (maturity dates not longer than 3 months)

	-	-	-	-
Total	<u>1,753.01</u>	<u>2,212.56</u>	<u>1,560.77</u>	<u>1,894.50</u>

5. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES - NET

As at December 31, 2005 and 2004, Trade account receivables consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Trade accounts receivable - other parties	3,709.71	3,307.12	3,687.59	3,286.13
<u>Less</u> Allowance for doubtful accounts	<u>(89.14)</u>	<u>(108.21)</u>	<u>(85.28)</u>	<u>(100.00)</u>
Trade accounts receivable - other parties - net	<u>3,620.57</u>	<u>3,198.91</u>	<u>3,602.31</u>	<u>3,186.13</u>

As at December 31, 2005 and 2004, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2005	2004
Over than 3 months to 6 months	1.90	0.71
Over than 6 months to 12 months	2.83	3.09
Over than 12 months	83.53	104.78
Total	<u>88.26</u>	<u>108.58</u>

6. INVENTORIES - NET

As at December 31, 2005 and 2004, Inventories consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Crude oil	6,966.49	7,384.61	6,966.49	7,384.61
Finished oil product	3,949.02	2,944.32	3,745.64	2,849.74
Consumer product	66.97	79.78	-	-
<u>Less</u> Allowance for devaluation	<u>(43.29)</u>	<u>(290.57)</u>	<u>(40.92)</u>	<u>(287.85)</u>
Inventories – net	<u>10,939.19</u>	<u>10,118.14</u>	<u>10,671.21</u>	<u>9,946.50</u>

Inventories as at December 31, 2005 and 2004, are included petroleum legal reserve of 342.81 million liters approximated value Baht 5,237.14 Million and 399.24 million liters approximated value Baht 4,530.90 Million respectively.

7. MATERIAL AND SUPPLIES - NET

As at December 31, 2005 and 2004, Material and supplies consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Material and supplies	352.32	375.10	352.32	375.10
<u>Less</u> Allowance for obsolescence	<u>(24.53)</u>	<u>(30.01)</u>	<u>(24.53)</u>	<u>(30.01)</u>
Material and supplies - net	<u>327.79</u>	<u>345.09</u>	<u>327.79</u>	<u>345.09</u>

8. OTHER LONG-TERM INVESTMENTS

As at December 31, 2005 and 2004, Other long-term investments consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<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	0.9	5.50	-	4.60
<u>Add</u> Premium on investments	-	0.07	-	0.07
- The Government bond	3.00	-	3.00	-
<u>Less</u> Discount on investments	<u>(0.08)</u>	<u>-</u>	<u>(0.08)</u>	<u>-</u>
Total Investment in commercial paper	<u>3.82</u>	<u>5.57</u>	<u>2.92</u>	<u>4.67</u>
Total other long-term investments	<u>3.82</u>	<u>5.57</u>	<u>2.92</u>	<u>4.67</u>

On November 26, 2005, the Company redeemed The Expressway Authority of Thailand's bond, B.E. 2542 no.1 which 7 years duration. The totaling 4,600 units bond, which face value Baht 1,000 per unit and stated interest rate at 7.88% per annum payable twice per year in May and November, was registered on November 26, 1998. During this year, the Company amortized the premium to be expense in amount of Baht 73,987.08.

On October 25, 2005, the Company invested in The Government's bond, B.E. 2547 no.4 which 5 years duration, amounting to Baht 2,917,337.43. The totaling 3,000 units bond, which face value Baht 1,000 per unit and stated interest rate at 4.25% per annum payable twice per year in February and August, was registered on August 13, 2005. The discounted amount of Baht 82,662.57 on the stated value, will be amortized by straight-line method spread over the duration period. During this year, the Company amortized the discount to be income amounting to Baht 2,850.44

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 December 31, 2005 shows an outstanding prepaid tariff balance of Baht 153.60 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 24.08 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 wrote-off the interest receivable set-up from January 1, 2002 to December 31, 2002 of Baht 10.67 Million. As for the interest from January 1, 2003 to December 31, 2005 of Baht 25.23 million, the Company will consider the write-off on an annual basis 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, 2004	Increase	Decrease	Transfer	As at December 31, 2005

COST :-

Land	1,344.78	-	-	8.77	1,353.55
Buildings	511.69	-	-	0.17	511.86
Machinery, equipment and refinery plants	22,880.04	-	3.95	270.13	23,146.22
Marketing and office equipment	3,598.23	-	40.02	219.14	3,777.35
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	128.38	-	16.76	26.55	138.17
Construction work in progress	443.30	734.58	-	(524.76)	653.12
Total	29,229.12	734.58	60.73	-	29,902.97
Less Accumulated depreciation					
Buildings	299.93	17.24	-	-	317.17
Machinery, equipment and refinery plants	12,665.48	578.73	2.77	-	13,241.44
Marketing and office equipment	1,558.19	218.17	25.87	1.43	1,751.92
Platinum Catalyst	-	-	-	-	-
Vehicles	82.91	17.38	16.45	-	83.84
Total	14,606.51	831.52	45.09	1.43	15,394.37
Less Allowance for impairment					
Land	573.58	-	-	-	573.58
Machinery, equipment and refinery plants	0.56	-	-	-	0.56
Marketing and office equipment	36.83	-	0.81	-	36.02
Total	610.97	-	0.81	-	610.16
Property, plant and equipment - net	14,011.64				13,898.44
Depreciation for the period	583.97				611.44

Million Baht

The Company Only

	As at December 31, 2004	Increase	Decrease	Transfer	As at December 31, 2005
COST :-					
Land	1,344.78	-	-	8.77	1,353.55
Buildings	511.69	-	-	0.17	511.86
Machinery, equipment and refinery plants	22,880.04	-	3.95	270.13	23,146.22
Marketing and office equipment	3,559.48	-	38.07	219.14	3,740.55
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	125.08	-	16.76	26.55	134.87
Construction work in progress	443.30	734.58	-	(524.76)	653.12
Total	29,187.07	734.58	58.78	-	29,862.87
Less Accumulated depreciation					
Buildings	299.93	17.24	-	-	317.17
Machinery, equipment and refinery plants	12,665.48	578.73	2.77	-	13,241.44
Marketing and office equipment	1,524.57	218.17	25.39	1.43	1,718.78
Platinum Catalyst	-	-	-	-	-
Vehicles	81.81	16.73	16.45	-	82.09
Total	14,571.79	830.87	44.61	1.43	15,359.48
Less Allowance for impairment					
Land	573.58	-	-	-	573.58
Machinery, equipment and refinery plants	0.56	-	-	-	0.56
Marketing and office equipment	36.83	-	0.81	-	36.02
Total	610.97	-	-	-	610.16
Property, plant and equipment - net	14,004.31				13,893.23
Depreciation for the period	579.14				608.62

11. INTANGIBLE ASSETS - NET

As at December 31, 2005 and 2004, Intangible assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<u>Cost</u>				
Leasehold right	2,140.68	2,139.50	2,140.55	2,139.50

License and development costs of computer software	135.86	76.55	135.86	76.55
	<u>2,276.54</u>	<u>2,216.05</u>	<u>2,276.54</u>	<u>2,216.05</u>
<u>Accumulated amortization</u>				
Leasehold right	(790.77)	(691.15)	(790.77)	(691.15)
License and development costs of computer software	(71.51)	(65.37)	(71.51)	(65.37)
	<u>(862.28)</u>	<u>(756.52)</u>	<u>(862.28)</u>	<u>(756.52)</u>
Total	1,414.26	1,459.53	1,414.26	1,459.53
<u>Less</u> : Allowance for impairment	<u>(11.49)</u>	<u>(10.59)</u>	<u>(11.49)</u>	<u>(10.59)</u>
Intangible assets – net	<u>1,402.77</u>	<u>1,448.94</u>	<u>1,402.77</u>	<u>1,448.94</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 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 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, 2005 and 2004, the balances outstanding in the investment in service station account are Baht 486.52 million and Baht 539.12 million respectively. The amortization expense of Baht 54.54 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:

	<u>Tax rates</u>
- 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, 2005 and 2004 are as follows:

	Million Baht	
	<u>Consolidated</u>	<u>The Company Only</u>
Deferred income tax assets		
As at December 31, 2004	94.42	94.42
Income tax expenses	8.44	8.44
As at December 31, 2005	<u>102.86</u>	<u>102.86</u>
Deferred income tax liabilities		
As at December 31, 2004	32.71	32.71
Income tax expenses	(3.27)	(3.27)
As at December 31, 2005	<u>29.44</u>	<u>29.44</u>

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 December 31, 2005 and 2004, Other non-current assets consisted of:

	Million Baht			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
14.1 Fixed deposit for staff welfare	177.22	170.20	177.22	170.20
14.2 Deposit for crude and product oil				

price hedging contract	338.39	178.50	338.39	178.50
14.3 Deferred expenses for the issuance of debentures and long-term loans	90.62	102.69	90.62	102.69
14.4 Other	136.63	161.54	133.87	152.51
Total	<u>742.86</u>	<u>612.93</u>	<u>740.10</u>	<u>603.90</u>

14.1 Fixed deposit for staff welfare

As at December 31, 2005 and 2004, the Company had a fixed deposit fund in a bank of Baht 177.20 million and Baht 170.20 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 period ended December 31, 2005, the total amortized expenses on loans and issuance of the convertible debentures was Baht 12.06 million.

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

As at December 31, 2005 and 2004, bank overdrafts and short-term loans from financial institutions is Baht 2,000 million with interest rate at 4.925 % and 4.125 % per annum. These loans form part of the amount covered by collateral mentioned in Note 16.1

16. LONG-TERM LOANS

As at December 31, 2005 and 2004, Long-term loans consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Loans from bank	8,308.75	7,800.00	8,308.75	7,800.00
Debentures	800.00	2,215.00	800.00	2,215.00
Convertible debentures	2,225.96	2,610.95	2,225.96	2,610.95
Promissory notes	145.00	295.00	145.00	295.00
Total	11,479.71	12,920.95	11,479.71	12,920.95
Less : current portion of long-term loans	(318.75)	(1,756.25)	(318.75)	(1,756.25)
Less : portion of early redemption of Debentures	-	-	-	-
Long-term loans	<u>11,160.96</u>	<u>11,164.70</u>	<u>11,160.96</u>	<u>11,164.70</u>

16.1 Loans from bank

The Company has entered into 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, 2005 the Company has obtained long-term loans of Baht 8,308.75 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, 2005, The Company had 800,000 units of unsecured, unsubordinated registered debentures with the holders' names, B.E. 2545 no.25 amounting to Baht 800 million. The interest rate is 6.25% per annum, which will be paid twice annually in June 02 and December 02 of each year, with maturity on Dec 02, 2007.

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, 2004 and ends on September 30, 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures. The depository receipt holders exercised the right by redeem 177,404 units of depository receipts. As at December 31, 2005 the balance of deposit receipts remaining were 222,596 units.

16.4 Promissory note

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

17. AUTHORIZED SHARE CAPITAL

On October 11, 2005, The Company's resolutions of the Extraordinary General Meeting of Shareholders for resolved to approve all sub-agenda for the investment plan of Product Quality Improvement Project. The agenda was approved concerning the Company's shares as follows:

- 17.1 Approved for the increase of the Company's registered capital of 664,500,000 Baht from 867,143,461 Baht, by issuing new ordinary shares of 664,500,000 shares, with the par value of 1 Baht per share. As a result, the new registered capital shall be 1,531,643,461 Baht divided into 1,531,643,461 shares. The increase of registered capital will be used for the Product Quality Improvement Project and the Company's warrant issuance as be approved.
- 17.2. Associations (Registered Capital) in order to be consistent with the capital increase as be approved Article 4 Registered capitals: 1,531,643,641 Baht (One thousand five hundred thirty one million six hundred forty three thousand six hundred and forty one Baht) Value per share 1 Baht (One Baht)
- 17.3 Approved for the issuance and offering of the subordinated and unsecured convertible debentures to PTT Public Company Limited in the amount of not exceeding 1,890,000,000 Baht with the tenor of not more than 10 years of which such debentures can be converted to the Company's ordinary shares pursuant to the conditions specified by the Company. The proceeds of the issuance of the convertible debentures will be used for the Product Quality Improvement Project. The Details are as specified in the Invitation to the Extraordinary General Meeting.

Furthermore, the Meeting also approved that the Board of Directors and/or any person authorized by the Board shall have the authority to set and/or change the terms and conditions of the convertible debentures of the Company, i.e. offered debentures amount, offering period, offered price including any transaction relating to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant authorities.

- 17.4 Approved for the allotment of the newly issued shares as follows:
 - A. To allot not exceeding 283,000,000 ordinary shares, by offering to PTT Public Company Limited and not exceeding 161,000,000 ordinary shares to specific investors and/or institutional investors, either domestic or foreign.
 - B. To allot not exceeding 135,000,000 ordinary shares for the reservation of an exercise of the Company's convertible debentures.
 - C. To allot not exceeding 85,500,000 ordinary shares for the reservation of an exercise of the Company's warrants as be approved.

Furthermore, the Meeting also approved that the Board of Directors shall be authorized to fix the price offered to PTT and/or specific investors and/or institutional investors, either domestic or foreign, including the conversion price of the convertible debentures.

However, the offering prices and the conversion price shall be between 14 and 16 Baht per share. Moreover, The Board of Directors and/or any person authorized by the Board shall have the authority to set and/or change the terms and conditions of to the issuance and offering of the shares, i.e. offered debentures amount, offering period, offered price including any transaction relating to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant authorities.

- 17.5 Approved for the offering of newly issued shares in the amount of not exceeding 283,000,000 shares, and 189,000 convertible debentures which can be converted to the Company's ordinary shares of not exceeding 135,000,000 shares to PTT Public Company Limited without conducting the tender offer.

- 17.6 Approved for the connected transaction between the Company and PTT Public Company Limited regarding the issuance and offering the newly issued shares to PTT Public Company Limited which in the amount of not exceeding 283,000,000 shares, and 189,000 convertible debentures which can be converted to the Company's ordinary shares in the amount of not exceeding 135,000,000 shares.

18. 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.

19. 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.

- 19.1 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.
- 19.2 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.
- 19.3 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.

20. SALES

Sales revenue for the year ended December 31, 2005 and 2004 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Sales revenue from fuel products	85,828.07	79,807.67	84,923.09	78,803.32
Income from investment charge	41.88	40.03	112.15	98.61
Total	85,869.95	79,847.70	85,035.24	78,901.93

21 GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the year ended December 31, 2005 and 2004 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Realized gain (loss) from foreign exchange fluctuations	(35.71)	70.97	(35.71)	70.97
Unrealized gain(loss) from foreign exchange fluctuations	9.42	56.63	9.42	56.63
Total	(26.29)	127.60	(26.29)	127.60

22 INTEREST EXPENSE

The total interest for this period is Baht 649.96 million, of which Baht 10.46 million is recorded as cost of work in progress and Baht 639.50 million as expense.

23. RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the year ended December 31, 2005					
Consolidated			The Company Only		
Net	Weighted	Earning	Net	Weighted	Earning

	Profit (Loss)	Average Number of Ordinary Shares	(Loss) Per Share	Profit (Loss)	Average Number of Ordinary Shares	(Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	2,926.72	671.89	4.36	2,926.53	671.89	4.36
Effect of dilutive potential ordinary shares	34.55	171.25		34.55	171.25	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	2,961.27	843.14	3.51	2,961.08	843.14	3.51

	For the year ended December 31, 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)	2,636.43	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

24 **CONTIGENT LIABILITES AND COMMITMENTS**

24.1 Liabilities on guarantees

As at December 31, 2005, the Company's total liabilities in the form of bank guarantees amounted to Baht 254.94 million. These guarantees are mainly to cover refunding of VAT, land leasing agreement, electricity usage and the telecommunication contract with the Telephone Organization of Thailand.

24.2 Allegation

- 24.2.1 The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. The civil court dismissed on April 30, 2003 and now is being appealed with the appeal court
- 24.2.2 The Company was accused in accompany with the government, PTT and other private sectors, called upon to pay 210 million Baht in compensation for an infringement of the petty patentee's rights as the Patent Act in case of producing and selling Bio-diesel. Now is being appealed with the court of first instance. However, The Company's Legal Office believe that it will final win.

24.3 Commitments

As at December 31, 2005, The Company had commitments as follows:

- 24.3.1 The Company had entered into 8.28 million barrels oil price hedging contracts with foreign oil traders for price period during year 2006.
- 24.3.2 The Company has foreign currency buying forward contracts cover the period to March 2006 amounting to US\$ 3.72 million equivalent to Baht 152.37 million and selling forward contracts cover the period to December 2006 amounting to US\$ 20 million equivalent to Baht 823.98 million.

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 hedging 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 statements of income of the Company segmented by type of business for the year ended December 31, 2005 are as follows:

	Million Baht			
	Refinery	Marketing	Elimination	Total
Sales	83,815.40	54,284.29	(53,064.46)	85,035.23
Cost of sales	(79,513.81)	(53,415.74)	53,064.46	(79,865.09)
Gross margin	4,301.59	868.55	-	5,170.14
Selling and administrative expenses	(279.27)	(1,197.91)	-	(1,477.18)
Other incomes (expenses)	522.37	21.29	-	543.66
Depreciation and Amortization	(8.01)	(434.52)	-	(442.53)
EBIT	4,536.68	(742.59)	-	3,794.09
Gain (loss) from impairment				3.67
Gain (loss) from foreign exchange fluctuations of others				13.00
Share of gain (loss) from investments for using equity method				13.66
Interest-net				(619.84)
Income Tax				(278.04)
Net Profit				2,926.54
EBITDA	4,881.50	(308.07)	-	4,573.43

The statements 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

A.M. T. & Associates

Sales	77,026.91	42,274.38	(40,399.36)	781,901.93
Cost of sales	(73,820.31)	(40,726.89)	40,399.36	(74,147.84)
Gross margin	<u>3,206.60</u>	<u>1,547.49</u>	<u>-</u>	<u>4,754.09</u>
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	<u>3,125.05</u>	<u>223.31</u>	<u>-</u>	<u>3,348.39</u>
Gain (loss) from impairment				42.15
Gain (loss) from foreign exchange fluctuations of others				(11.74)
Interest-net				(768.39)
Income Tax				2.19
Net Profit				<u>2,612.60</u>
 EBITDA	 3,455.75	 633.36	 -	 4,089.11

27. DISCLOSURE THE APPROVED DATE OF THE FINANCIAL STATEMENT FOR ISSUE

The financial statement for the year ended December 31, 2005 had been approved for issue by authorized management on February 10, 2006

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