

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED**  
**AND ITS SUBSIDIARIES**  
INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD OF THREE – MONTH ENDED MARCH 31, 2007  
AND  
REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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## REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

I have reviewed the consolidated balance sheet of The Bangchak Petroleum Public Company Limited and its subsidiary as of March 31, 2007, and the related consolidated statements of changes in shareholders' equity, income and cash flows for the three – month period ended March 31, 2007. I have also reviewed the separate financial statements for the same period of The Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my review. The interim consolidated financial statements of The Bangchak Petroleum Public Company Limited and its subsidiary and the interim separate financial statements of The Bangchak Petroleum Public Company Limited for the three-month period ended March 31, 2006, presented here in for comparison, were reviewed by another auditor in my office, in accordance with the standards on auditing applicable to review engagements, and she drew a conclusion from the review under her report dated May 9, 2006 that nothing had come to her attention that caused her to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

I conducted my review in accordance with the standards on auditing applicable to review engagements. These standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an opinion.

Based on my review, nothing has come to my attention that caused me to believe that the accompanying financial statements are not presented fairly, in all material respects, in conformity with generally accepted accounting principles, however, the information in the 5<sup>th</sup> paragraph shall be noted.

The consolidated and separate balance sheets as of December 31, 2006, presented herein for comparison, have been derived from such financial statements, which audited by another auditor in my office and reported in accordance with generally accepted auditing standards and expressed an unqualified opinion in her report dated February 12, 2007, and she drew attention that on July 1, 2006 the Company and its subsidiary have changed the cost calculation method of finished petroleum products and crude oil from first-in, first-out to weighted average by retrospectively adjust, to conform with the accounting policies of The PTT Public Company Limited which enter into the Company's major shareholder. The change of the accounting policy has affected the inventories balances in the consolidated and separate financial statements as of December 31, 2006 by the increased amount of Baht 533.67 and Baht 534.70 million respectively. The retained earnings in the consolidated and separate financial statements as of January 1, 2006 have equally increased by the amount of Baht 23.13 million. Net profit in the consolidated and separate financial statements for the year ended December 31, 2006 have equally increased by the amount of Baht 373.57 million. I have not performed any other audit procedures subsequent to such report date except for the adjustment mentioned in the 5<sup>th</sup> paragraph.

As mentioned in Note 2.2 to the financial statements that in the quarter ended March 31, 2007, the Company had changed its accounting policy for its investment in subsidiary in the separate financial statements from the equity method to the cost method in accordance with the Accounting Standard No. 44 "Consolidated and Separate Financial Statements" (revised 2007), the change had been applied retrospectively for the separate financial statements for the quarter ended March 31, 2006 and the separate balance sheet as of December 31, 2006. In my review and audit respectively, the adjustments made to the separate financial statements are appropriate and have been properly applied.

(NATSARAK SAROCHANUNJEEN)

Certified Public Account

Registration No. 4563

A.M.T. & ASSOCIATES

Bangkok, Thailand

May 11, 2007

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED**

**AND ITS SUBSIDIARIES**

INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2007 AND 2006

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

**BALANCE SHEETS**

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>
		March	December	March	December
		2007	2006	2007	2006
		(Unaudited/ but Reviewed)	(Audited) (Restated)	(Unaudited/ but Reviewed)	(Audited) (Restated)
<u>ASSETS</u>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	2,857,045,965	2,705,239,667	2,716,351,725	2,599,184,005
Short term investment	5	3,869,117,261	4,085,050,172	3,829,106,011	4,045,039,044
Trade accounts receivable - net					
Related parties	3.1	302,646,274	134,844,697	712,391,403	518,227,452
Other parties	6	2,911,522,096	2,628,776,697	2,890,318,300	2,609,982,213
Inventories - net	7	9,180,405,800	8,875,290,581	8,942,166,336	8,640,364,911
Other current assets					
Material and Supplies - net	8	328,880,040	330,044,336	328,880,040	330,044,336
Oil Fund Subsidies Receivable		130,037,342	127,657,672	130,037,342	127,657,672
Others		811,932,093	641,288,084	802,973,372	628,982,624
Total Current Assets		<u>20,391,586,871</u>	<u>19,528,191,906</u>	<u>20,352,224,529</u>	<u>19,499,482,257</u>
<b>NON-CURRENT ASSETS</b>					
Investments for using the equity method	1.3,3.2	4,388,414	4,388,414	490,000	490,000
Other long-term investments	9	3,841,566	3,837,291	2,941,566	2,937,291
Tariff prepayment - net	10	15,423,818	16,963,830	15,423,818	16,963,830
Property, plant and equipment - net	11	15,797,291,911	15,693,094,880	15,791,745,136	15,687,047,894
Intangible assets - net	12	1,315,475,540	1,337,371,120	1,313,729,500	1,335,411,435
Investment in service station - net	13	409,788,824	429,929,700	409,788,824	429,929,700
Other non-current assets					
Deferred income tax assets	14	241,211,408	228,099,928	241,211,408	228,099,928
Others	15	780,365,332	745,301,804	777,085,177	742,548,876
Total Non-Current Assets		<u>18,567,786,813</u>	<u>18,458,986,967</u>	<u>18,552,415,429</u>	<u>18,443,428,954</u>
<b>TOTAL ASSETS</b>		<u><u>38,959,373,684</u></u>	<u><u>37,987,178,873</u></u>	<u><u>38,904,639,958</u></u>	<u><u>37,942,911,211</u></u>

The accompanying notes to interim 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 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>
		March	December	March	December
		2007	2006	2007	2006
		(Unaudited/ but Reviewed)	(Audited) (Restated)	(Unaudited/ but Reviewed)	(Audited) (Restated)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	16,17.1	-	1,200,000,000	-	1,200,000,000
Trade accounts payable					
Related parties	3.3	5,036,787,126	3,142,620,832	5,039,156,910	3,144,782,134
Other parties		1,630,529,257	1,051,626,465	1,581,599,781	1,000,678,301
Current portion of long-term loans	17	1,285,000,000	1,285,000,000	1,285,000,000	1,285,000,000
Other current liabilities					
Accrued excise tax and oil stabilization fund		279,453,535	291,175,607	279,453,535	291,175,607
Accrued expenses		258,865,210	345,608,801	235,460,344	322,322,008
Others	12	910,676,422	887,838,928	906,409,501	884,555,099
Total Current Liabilities		9,401,311,550	8,203,870,633	9,327,080,071	8,128,513,149
NON-CURRENT LIABILITIES					
Long-term loans	17	10,157,815,428	10,242,815,428	10,157,815,428	10,242,815,428
Other non-current liabilities					
Liabilities on long-term lease	12	460,703,710	505,662,502	460,703,710	505,662,502
Liabilities on service stations leasehold right		11,111,550	12,578,498	11,111,550	12,578,498
Reserve for pension fund		301,539,297	295,804,368	301,539,297	295,804,368
Deferred income tax liabilities	14	25,353,117	26,170,959	25,353,117	26,170,959
Others		49,407,455	51,592,994	37,856,849	39,619,989
Total Non-Current Liabilities		11,005,930,557	11,134,624,749	10,994,379,951	11,122,651,744
Total Liabilities		20,407,242,107	19,338,495,382	20,321,460,022	19,251,164,893

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

## THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## BALANCE SHEETS

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
		As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>	As of 31 <sup>ST</sup>
		March	December	March	December
Notes		2007	2006	2007	2006
		(Unaudited/ but Reviwed)	(Audited) (Restated)	(Unaudited/ but Reviwed)	(Audited) (Restated)
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital - Par Value Baht 1.00 per share					
Authorized share capital					
	Common share 1,531,643,461 shares	1,531,643,461	1,531,643,461	1,531,643,461	1,531,643,461
Issued and paid - up share capital					
	Common share 1,119,111,351 shares in 2007 and	1,119,111,351	-	1,119,111,351	-
	Common share 1,119,096,351 shares in 2006	-	1,119,096,351	-	1,119,096,351
Capital Surplus					
	Premium on share capital	7,504,984,149	7,504,729,149	7,504,984,149	7,504,729,149
	Capital surplus on registered and paid-up share reduction	189,617,759	189,617,759	189,617,759	189,617,759
	Surplus on fixed assets revaluation	4,228,262,397	4,283,181,275	4,228,262,397	4,283,181,275
Retained earning (deficit)					
	Appropriated – legal reserve	153,164,346	153,164,346	153,164,346	153,164,346
	Unappropriated	5,356,481,575	5,398,384,611	5,388,039,934	5,441,957,438
	Total Equity of Parent Company's Shareholders	18,551,621,577	18,648,173,491	18,583,179,936	18,691,746,318
	Minority interests	510,000	510,000	-	-
	Total Shareholders' Equity	18,552,131,577	18,648,683,491	18,583,179,936	18,691,746,318
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>38,959,373,684</b>	<b>37,987,178,873</b>	<b>38,904,639,958</b>	<b>37,942,911,211</b>

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Anusorn Sangnimnuan*

(Anusorn Sangnimnuan)

President

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF INCOME**  
**FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2007 AND 2006**

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
	Notes	2007	2006	2007	2006
			(Restated)		(Restated)
<b>REVENUES</b>					
Sales	21	19,985,280,735	26,048,131,651	19,789,513,619	25,859,565,791
Other incomes					
Interest income		65,432,169	9,308,414	63,752,529	9,199,314
Gain from foreign exchange	22	-	76,508,760	-	76,508,760
Gain from crude oil and product oil price hedging contract	25.3	71,424,864	540,860,069	71,424,864	540,860,069
Reversal of loss from Inventory write - down		56,799,460	2,432,080	54,510,520	59,005
Gain from assets disposal		1,086,209	7,811,014	1,086,209	7,811,014
Loss adjustment from impairment of assets		40,532	93,718	40,532	93,718
Others		26,785,357	22,723,277	26,278,633	15,656,559
Total Revenues		<u>20,206,849,326</u>	<u>26,707,868,983</u>	<u>20,006,606,906</u>	<u>26,509,754,230</u>
<b>EXPENSES</b>					
Cost of sales		19,549,960,492	25,288,258,180	19,459,137,172	25,179,470,283
Selling and administrative expenses		444,670,754	478,261,335	349,458,446	371,611,977
Other expenses					
Depreciation		75,759,092	74,433,801	75,077,936	73,767,991
Directors' remuneration		2,776,285	9,821,250	2,776,285	9,806,250
Loss from Inventory write - down		1,511,168	3,021,936	-	71,517
Loss from foreign exchange	22	23,455,610	-	23,455,610	-
Total Expenses		<u>20,098,133,401</u>	<u>25,853,796,502</u>	<u>19,909,905,449</u>	<u>25,634,728,018</u>
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		108,715,925	854,072,481	96,701,457	875,026,212
Interest expenses	23	(176,203,778)	(158,434,448)	(176,203,778)	(158,434,448)
Income tax	14	25,584,817	(181,271,662)	25,584,817	(182,249,728)
PROFIT (LOSS) AFTER INCOME TAX		(41,903,036)	514,366,371	(53,917,504)	534,342,036
MINORITY INTERESTS		-	-	-	-
NET PROFIT (LOSS)		<u>(41,903,036)</u>	<u>514,366,371</u>	<u>(53,917,504)</u>	<u>534,342,036</u>
<b>BASIC EARNING PER SHARE</b>					
Earning per share (Baht)	24	(0.04)	0.75	(0.05)	0.78
Number of weighted average shares (shares)		1,119,110,184	687,481,908	1,119,110,184	687,481,908
<b>DILUTED EARNING PER SHARE</b>					
Earning per share (Baht)	24	(0.04)	0.63	(0.05)	0.65
Number of weighted average shares (shares)		1,312,226,268	843,143,446	1,312,226,268	843,143,446

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

(Signed) General Tawat Ked-Unkooor  
 (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 THREE- MONTH PERIOD ENDED MARCH 31, 2007 AND 2006**

	BAHT							Total
	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 (Restated)		
Note							(Restated)	
Beginning balance as at January 1, 2006	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	510,000	12,870,274,075
Accumulative effect amount from changing in accounting policy								
- Inventory	-	-	-	-	-	23,133,879	-	23,133,879
Beginning balance after adjustment	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,409,099,648	510,000	12,893,407,954
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation	-	-	-	(54,952,153)	-	-	-	(54,952,153)
Net profit (loss)	-	-	-	-	-	514,366,371	-	514,366,371
Ending balance as at March 31, 2006	<u>687,481,908</u>	<u>1,951,157,333</u>	<u>189,617,759</u>	<u>4,447,424,807</u>	<u>153,164,346</u>	<u>5,923,466,019</u>	<u>510,000</u>	<u>13,352,822,172</u>
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,398,384,611	510,000	18,648,683,491
Issued and Paid-up share capital	18 15,000	-	-	-	-	-	-	15,000
Premium on share capital	-	255,000	-	-	-	-	-	255,000
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation	-	-	-	(54,918,878)	-	-	-	(54,918,878)
Net profit (loss)	-	-	-	-	-	(41,903,036)	-	(41,903,036)
Ending balance as at March 31, 2007	<u>1,119,111,351</u>	<u>7,504,984,149</u>	<u>189,617,759</u>	<u>4,228,262,397</u>	<u>153,164,346</u>	<u>5,356,481,575</u>	<u>510,000</u>	<u>18,552,131,577</u>

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

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****THE COMPANY ONLY****FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2007 AND 2006**

	BAHT						Total
	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)		
Note					Appropriated legal reserve	Unappropriated (Restated)	(Restated)
Beginning balance as at January 1, 2006	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,385,965,769	12,869,764,075
Accumulative effecte amount from changing in accounting policy:							
- Inventory	-	-	-	-	-	23,133,879	23,133,879
- Investment in subsidiary	-	-	-	-	-	(9,102,942)	(9,102,942)
Beginning balance after adjustment	687,481,908	1,951,157,333	189,617,759	4,502,376,960	153,164,346	5,399,996,706	12,883,795,012
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluation	-	-	-	(54,952,153)	-	-	(54,952,153)
Net profit (loss)	-	-	-	-	-	534,342,036	534,342,036
Ending balance as at March 31, 2006	687,481,908	1,951,157,333	189,617,759	4,447,424,807	153,164,346	5,934,338,742	13,363,184,895
Beginning balance as at January 1, 2007	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,467,438	18,691,256,318
- Investment in subsidiary	-	-	-	-	-	490,000	490,000
Beginning balance after adjustment	1,119,096,351	7,504,729,149	189,617,759	4,283,181,275	153,164,346	5,441,957,438	18,691,746,318
Issued and Paid-up share capital	18	15,000	-	-	-	-	15,000
Premium on share capital	-	255,000	-	-	-	-	255,000
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluation	-	-	-	(54,918,878)	-	-	(54,918,878)
Net profit (loss)	-	-	-	-	-	(53,917,504)	(53,917,504)
Ending balance as at March 31,2007	1,119,111,351	7,504,984,149	189,617,759	4,228,262,397	153,164,346	5,388,039,934	18,583,179,936

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

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****STATEMENTS OF CASH FLOWS****FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2007 AND 2006**

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
Note		2007	2006	2007	2006
			(Restated)		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>					
	Net profit (loss)	(41,903,036)	514,366,371	(53,917,504)	534,342,036
	Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities				
	Depreciation	159,969,081	169,089,447	159,287,924	168,423,637
	Bad debt and doubtful debts	(831,314)	2,809,700	(400,974)	2,438,178
	Amortization	49,682,480	44,641,274	49,468,834	44,641,274
	Loss (gain) from foreign exchange	22	20,043,672	(17,971,153)	20,043,672
	Loss (Gain) from assets impairment	(40,532)	(93,718)	(40,532)	(93,718)
	Deferred income tax	14	(13,929,322)	(1,433,392)	(13,929,322)
	Loss (gain) from fixed assets disposal	(1,086,209)	(7,811,014)	(1,086,209)	(7,811,014)
	Reserve for pension fund	5,734,929	2,176,568	5,734,929	2,176,568
	Deferred revenue	(304,875)	(305,153)	(304,875)	(305,153)
	Operating gain before changes in operating assets and liabilities:	177,334,874	705,468,930	164,855,943	724,407,263
	Operating assets (increase), decrease				
	Trade accounts receivable	(410,524,578)	464,131,123	(434,477,641)	442,065,738
	Inventories	(305,115,218)	1,376,548,951	(301,801,424)	1,381,691,167
	Other current assets	(171,361,926)	513,998,600	(175,139,005)	511,630,011
	Operating liabilities increase, (decrease)				
	Trade accounts payable	2,468,997,332	(808,486,265)	2,471,224,502	(806,433,581)
	Other current liabilities:	(368,352,111)	(182,007,255)	(369,453,276)	(181,525,431)
	Other non - current liabilities:	(1,884,940)	(4,629,558)	(1,462,540)	(4,377,962)
	Net Cash Provided by (Used in) Operating Activities:	1,389,093,433	2,065,024,526	1,353,746,559	2,067,457,205

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

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

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2007 AND 2006**

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
Note		2007	2006	2007	2006
			(Restated)		(Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>					
	Decrease(increase) in temporary investments	215,932,911	-	215,933,033	-
	Decrease(increase) in long-term investments	1,540,013	2,061,248	1,540,013	2,061,248
	Acquisition in property, plant and equipment	(121,347,909)	(49,529,469)	(121,166,964)	(47,164,349)
	Proceeds from sales of property, plant and equipment	3,410,849	7,675,788	3,410,849	7,675,788
	Decrease(increase) in intangible assets	(6,151,954)	(4,771,783)	(6,151,954)	(4,771,783)
	Decrease(increase) in other non - current assets	(45,941,045)	74,022,853	(45,413,816)	74,387,581
	Net Cash Provide by (Used in) Investing Activities	<u>47,442,865</u>	<u>29,458,637</u>	<u>48,151,161</u>	<u>32,188,485</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Increase(decrease) in bank overdrafts and short-term loans from financial institution:	(1,200,000,000)	(500,000,000)	(1,200,000,000)	(500,000,000)
	Payment of long - term loans	(85,000,000)	(63,750,000)	(85,000,000)	(63,750,000)
	Proceeds from issued and paid-up shares capital	15,000	-	15,000	-
	Proceeds from premium on shares capital	255,000	-	255,000	-
	Net Cash Provided by (Used in) Financing Activities	<u>(1,284,730,000)</u>	<u>(563,750,000)</u>	<u>(1,284,730,000)</u>	<u>(563,750,000)</u>
	INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET	151,806,298	1,530,733,163	117,167,720	1,535,895,690
	CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,705,239,667</u>	<u>1,753,014,138</u>	<u>2,599,184,005</u>	<u>1,560,773,205</u>
	CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>4</u> <u>2,857,045,965</u>	<u>3,283,747,301</u>	<u>2,716,351,725</u>	<u>3,096,668,895</u>
<b>Cash paid during the periods for</b>					
	Interest expenses	189,294,763	164,533,755	189,294,763	164,533,755
	Income tax	3,383,729	2,683,085	2,854,345	2,311,191

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

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2007**

**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 March 31, 2007 and 2006, the company employed 826 and 759 employees respectively and the employees related expenses were Baht 135.37 million and Baht 124.66 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 March 31, 2007 and 2006, the company employed 1,883 and 1,984 employees respectively and the employees related expenses were Baht 48.12 million and Baht 49.84 million respectively.

**1.2 Basis for preparation and presentation of financial statements**

The interim financial statements of the company are prepared in accordance with the generally accepted accounting standards and presented in brief in accordance with the Department of Business Development announcement on September 14, 2001. The interim financial statements provide additional information from the annual financial statements that were last reported. The interim financial statements should therefore be used in conjunction with the financial statements for the year ended December 31, 2006

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 companies</u> :			
- PTT Public Company Limited.*	Petroleum business	Holded and joint directors	-
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%
- Thai Oil Public Company Limited. *	Oil refinery	Related company of PTT	-
- Aromatics(Thailand)Public Co.,Ltd. *	Petrochemical	Related company of PTT	-
- Thai Lube Base Public Co.,Ltd. *	Lubrication base refinery	Related company of PTT	-

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. and The Retail Net Co., Ltd. in its consolidated financial statements as The Bangchak Green Line Co., Ltd. has been in the process of self-liquidation and the investment in The Bangchak Green Line Co., Ltd. was written-off whereas The Retail Net Co., Ltd. is in the process of redemption of the capital and share of profit to The Bangchak Green Net Co., Ltd.

\* Relationship has started since May 16, 2006.

**1.4 Others**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Summary of significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the fiscal year ended December 31, 2006 and with the following accounting policy changes.

**Investment in subsidiaries**

Investment in subsidiaries account in the Company's report is presented at cost.

The Company estimates the allowance for impairment of investments in subsidiaries from their book values together with other factors.

**2.2 Accounting policy changes**

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

- The investments in subsidiaries as at December 31, 2006 increased by Baht 0.49 million.
- The retained earnings as of December 31, 2006 and 2005 increased and decreased by Baht 0.49 million and Baht 9.10 million respectively.
- The net income for the period of three-month ended March 31, 2006 increased by Baht 11.16 million.
- The earnings per share for the period of three-month ended March 31, 2006 increased by Baht 0.02 per share.

**3. RELATED PARTY TRANSACTION**

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

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

**3.1 Trade accounts receivable – related parties**

	Million Baht			
	Consolidated		The Company Only	
	March 31,2007	December 31,2006	March 31,2007	December 31,2006
<b>Subsidiaries</b>				
- The Bangchak Green Net Co., Ltd.	-	-	409.74	383.38
<b>Related Companies</b>				
- PTT Public Company Limited.	153.13	76.52	153.13	76.52
- The Related Companies of PTT	149.52	58.33	149.52	58.33
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable -				
Related parties net	<u>302.65</u>	<u>134.85</u>	<u>712.39</u>	<u>518.23</u>

**3.2 Investments in subsidiary**

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				March 31, 2007		
				Investments		
				Cost Method	Net Book Value	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	<u>0.49</u>	<u>(27.36)</u>	<u>-</u>

				Million Baht		
				The Company Only		
				December 31, 2006		
Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Investments		
				Cost Method	Net Book Value	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	(38.57)	-

### 3.3 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	2.37	2.16
<u>Related Companies</u>				
- PTT Public Company Limited.	4,153.30	2,120.39	4,153.30	2,120.39
- The Related Companies of PTT	875.84	1,015.23	875.84	1,015.23
- Fuel Pipeline Transportation Ltd.	7.65	7.00	7.65	7.00
Total Account Payable - related parties	<u>5,036.79</u>	<u>3,142.62</u>	<u>5,039.16</u>	<u>3,144.78</u>

### 3.4 Transaction with related parties

Transaction with related parties for the three-month period ended March 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Revenue from sales of oil	857.58	4,261.64	3,546.88	7,083.35
Revenue from operating right	-	-	18.73	19.21
Other Revenue	6.91	-	7.34	2.87
Cost of pipeline transportation	20.42	20.37	20.42	20.37
Crude and Product purchase	13,946.91	10,570.79	13,946.91	10,570.79
Terminal service	10.08	18.60	10.08	18.60

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

## 4. CASH AND CASH EQUIVALENTS

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

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Cash and deposits at Banks *	2,257.05	2,705.24	2,116.35	2,599.18
Fixed deposit (maturity dates not longer than 3 months)	600.00	-	600.00	-
Total	<u>2,857.05</u>	<u>2,705.24</u>	<u>2,716.35</u>	<u>2,599.18</u>

\* Included Banks deposits for PQI project as at March 31, 2007 and December 31, 2006 amounting to Baht 355.86 million and 800.12 million.

The Company entered into an agreement with financial institutions to pledge banks deposits as security for the credit facilities obtained from those financial institutions, as referred in Notes17.1.

**5. SHORT TERM INVESTMENT**

As at March 31, 2007 and December 31, 2006 , trade account receivables consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Fixed deposit	40.01	40.01	-	-
Fixed deposit for investment in PQI Project	3,829.11	4,045.04	3,829.11	4,045.04
<u>Less</u> Fixed deposit (maturity over 1 year)	-	-	-	-
<b>Total</b>	<b>3,869.12</b>	<b>4,085.05</b>	<b>3,829.11</b>	<b>4,045.04</b>

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

**6. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES - NET**

As at March 31, 2007 and December 31, 2006, Trade accounts receivable consist of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Trade accounts receivable - other parties	2,990.58	2,718.14	2,965.83	2,695.79
<u>Less</u> Allowance for doubtful accounts	(79.06)	(89.36)	(75.51)	(85.81)
<b>Trade accounts receivable - other parties - net</b>	<b>2,911.52</b>	<b>2,628.78</b>	<b>2,890.32</b>	<b>2,609.98</b>

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

	Million Baht	
	2007	2006
Over than 3 months to 6 months	5.06	1.99
Over than 6 months to 12 months	7.31	6.50
Over than 12 months	72.83	85.67
<b>Total</b>	<b>85.20</b>	<b>94.16</b>

**7. INVENTORIES - NET**

As at March 31, 2007 and December 31, 2006, Inventories consist of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Crude oil	6,356.26	4,565.31	6,356.26	4,565.31
Finished oil product	2,775.41	4,311.17	2,585.91	4,129.56
Consumer product	50.25	56.09	-	-
<u>Less</u> Allowance for devaluation	(1.51)	(57.28)	-	(54.51)
<b>Inventories – net</b>	<b>9,180.41</b>	<b>8,875.29</b>	<b>8,942.17</b>	<b>8,640.36</b>

Inventories as at March 31, 2007 and December 31, 2006, are included petroleum legal reserve of 300.36 million liters approximated value Baht 4,201.09 Million and 328.50 million liters approximated value Baht 4,843.45 Million respectively.

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



**8. MATERIAL AND SUPPLIES - NET**

As at March 31, 2007 and December 31, 2006, Material and supplies consist of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Material and supplies	349.30	350.50	349.30	350.50
<u>Less</u> Allowance for obsolescence	<u>(20.42)</u>	<u>(20.46)</u>	<u>(20.42)</u>	<u>(20.46)</u>
Material and supplies - net	<u>328.88</u>	<u>330.04</u>	<u>328.88</u>	<u>330.04</u>

**9. OTHER LONG-TERM INVESTMENTS**

As at March 31, 2007 and December 31, 2006, Other long-term investments consist of :

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
<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	0.90	0.90	-	-
- The Government bond	3.00	3.00	3.00	3.00
<u>Less</u> Discount on investments	<u>(0.06)</u>	<u>(0.06)</u>	<u>(0.06)</u>	<u>(0.06)</u>
Total Investment in commercial paper	<u>3.84</u>	<u>3.84</u>	<u>2.94</u>	<u>2.94</u>
Total other long-term investments	<u>3.84</u>	<u>3.84</u>	<u>2.94</u>	<u>2.94</u>

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 total 3,000 units bond, which face value Baht 1,000 per unit and stated interest rate at 4.25% per annum payable twice per year in February and August, was registered on August 13, 2006. 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 the three-months period ended March 31, 2007, the Company amortized the discount to be income amounting to Baht 4,275.66.

**10. TARIFF PREPAYMENT - NET**

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some 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 March 31, 2007 shows an outstanding prepaid tariff balance of Baht 144.95 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 15.43 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. In 2005, it wrote-off the interest receivable set-up for the year 2002 of Baht 10.67 Million. And in 2006, it wrote-off the interest receivable set-up for the year 2003 of Baht 9.40 Million. As for the interest from January 1, 2004 to March 31, 2007 of Baht 27.85 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.

**11. PROPERTY, PLANT AND EQUIPMENT - NET**

Million Baht								
Consolidated								
	Land	Buildings	Machinery, equipment and refinery plants	Marketing and office equipment	Platinum Catalyst	Vehicles	Construction work in progress	Total
<b>Cost / Revaluation</b>								
At January 1, 2007	1,360.05	502.52	23,386.41	3,762.96	322.70	125.95	2,977.04	32,437.63
Additions	-	-	-	0.18	-	-	317.23	317.41
Borrowing Cost	-	-	-	-	-	-	5.27	5.27
Disposals	-	-	(4.20)	(8.32)	-	(0.05)	(1.20)	(13.77)
Reclassification	8.59	0.37	29.09	27.07	-	-	(65.11)	-
At March 31, 2007	1,368.64	502.89	23,411.30	3,781.89	322.70	125.90	3,233.23	32,746.54
<b>Accumulated depreciation :</b>								
At January 1, 2007	-	(328.21)	(13,801.84)	(1,921.70)	-	(83.85)	-	(16,135.60)
Additions	-	(3.90)	(148.76)	(57.50)	-	(4.49)	-	(214.65)
Disposals	-	-	3.97	5.92	-	0.05	-	9.94
Reclassification	-	-	-	-	-	-	-	-
At March 31, 2007	-	(332.11)	(13,946.63)	(1,973.28)	-	(88.29)	-	(16,340.31)
<b>Allowance for impairment</b>								
At January 1, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Reversal of loss on impairment of assets	-	-	-	-	-	-	-	-
At March 31, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
<b>Property, plant and equipment - net</b>								
At January 1, 2007	791.02	174.31	9,584.01	1,801.90	322.70	42.10	2,977.04	15,693.08
At March 31, 2007	799.61	170.78	9,464.11	1,769.25	322.70	37.61	3,233.23	15,797.29
<b>Depreciation included in income statements for the :</b>								
Year ended December 31, 2006								649.80
Three-month period ended March 31, 2007								159.97
<b>Cost</b>								
At December 31, 2006	1,360.05	502.52	13,304.57	3,762.96	134.57	125.95	2,977.04	22,167.66
<b>Add (Less) :</b> Reclassification	8.59	0.37	29.09	18.93	-	(0.05)	256.19	313.12
<b>Less :</b> Accumulated depreciation	-	(332.11)	(7,909.12)	(1,973.28)	-	(88.29)	-	(10,302.80)
<b>Less :</b> Allowance for impairment	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
At March 31, 2007	799.61	170.78	5,423.98	1,769.25	134.57	37.61	3,233.23	11,569.03
<b>Appraisal Surplus</b>								
At December 31, 2006	-	-	10,081.83	-	188.13	-	-	10,269.96
<b>Add(Less) :</b> Changing in appraisal surplus	-	-	(4.20)	-	-	-	-	(4.20)
<b>Less :</b> Accumulated depreciation	-	-	(6,037.50)	-	-	-	-	(6,037.50)
At March 31, 2007	-	-	4,040.13	-	188.13	-	-	4,228.26

	Million Baht							
	The Company Only							
	Land	Buildings	Machinery, equipment and refinery plants	Marketing and office equipment	Platinum Catalyst	Vehicles	Construction work in progress	Total
<b>Cost / Revaluation</b>								
At January 1, 2007	1,360.05	502.52	23,386.41	3,724.61	322.70	120.89	2,977.04	32,394.22
Additions	-	-	-	-	-	-	317.23	317.23
Borrowing Cost	-	-	-	-	-	-	5.27	5.27
Disposals	-	-	(4.20)	(8.32)	-	(0.05)	(1.20)	(13.77)
Reclassification	8.59	0.37	29.09	27.07	-	-	(65.11)	-
At March 31, 2007	1,368.64	502.89	23,411.30	3,743.36	322.70	120.84	3,233.23	32,702.95
<b>Accumulated depreciation :</b>								
At January 1, 2007	-	(328.21)	(13,801.84)	(1,886.88)	-	(81.30)	-	(16,098.23)
Additions	-	(3.90)	(148.76)	(57.07)	-	(4.25)	-	(213.98)
Disposals	-	-	3.97	5.92	-	0.05	-	9.94
Reclassification	-	-	-	-	-	-	-	-
At March 31, 2007	-	(332.11)	(13,946.63)	(1,938.03)	-	(85.50)	-	(16,302.27)
<b>Allowance for impairment</b>								
At January 1, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
Reversal of loss on impairment of assets	-	-	-	-	-	-	-	-
At March 31, 2007	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
<b>Property, plant and equipment - net</b>								
At January 1, 2007	791.02	174.31	9,584.01	1,798.37	322.70	39.59	2,977.04	15,687.04
At March 31, 2007	799.61	170.78	9,464.11	1,765.97	322.70	35.34	3,233.23	15,791.74
<b>Depreciation included in income statements for the :</b>								
Year ended December 31, 2006								646.93
Three-month period ended March 31, 2007								159.29
<b>Cost</b>								
At December 31, 2006	1,360.05	502.52	13,304.57	3,724.61	134.57	120.89	2,977.04	22,124.25
<b>Add (Less) :</b> Reclassification	8.59	0.37	29.09	18.75	-	(0.05)	256.19	312.94
<b>Less :</b> Accumulated depreciation	-	(332.11)	(7,909.12)	(1,938.03)	-	(85.50)	-	(10,264.76)
<b>Less :</b> Allowance for impairment	(569.03)	-	(0.56)	(39.36)	-	-	-	(608.95)
At March 31, 2007	799.61	170.78	5,423.98	1,765.97	134.57	35.34	3,233.23	11,563.48
<b>Appraisal Surplus</b>								
At December 31, 2006	-	-	10,081.83	-	188.13	-	-	10,269.96
<b>Add(Less) :</b> Changing in appraisal surplus	-	-	(4.20)	-	-	-	-	(4.20)
<b>Less :</b> Accumulated depreciation	-	-	(6,037.50)	-	-	-	-	(6,037.50)
At March 31, 2007	-	-	4,040.13	-	188.13	-	-	4,228.26

The Company has mortgaged its land, buildings and machinery which the net book value as at March 31, 2007 and December 31, 2006 were Baht 13,138.87 million and Baht 12,988.47 million respectively as collateral with financial institutions for the credit facilities extended to the Company by the financial institutions as mentioned in Note 17.1

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

**12. INTANGIBLE ASSETS - NET**

As at March 31, 2007 and December 31, 2006, Intangible assets consist of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
<u>Cost</u>				
Leasehold right	2,116.82	2,112.49	2,116.82	2,112.49
License and development costs of computer software	178.00	184.21	175.81	182.13
	<u>2,294.82</u>	<u>2,296.70</u>	<u>2,292.63</u>	<u>2,294.62</u>
<u>Accumulated amortization</u>				
Leasehold right	( 864.04)	( 864.11)	( 886.04)	( 864.10)
License and development costs of computer software	( 82.49)	( 84.41)	( 82.05)	( 84.30)
	<u>( 968.53)</u>	<u>(948.52)</u>	<u>( 968.09)</u>	<u>(948.40)</u>
Total	1,326.29	1,348.18	1,324.54	1,346.22
<u>Less</u> : Allowance for impairment	( 10.81)	( 10.81)	( 10.81)	( 10.81)
Intangible assets – net	<u>1,315.48</u>	<u>1,337.37</u>	<u>1,313.73</u>	<u>1,335.41</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 Baht 76.62 million per annum. The amounts of Baht 505.66 million and Baht 45.97 million are recorded as liability, against the long-term leasehold right and other current liability. The Company has extended the length of the net book value of the leasehold right to March 31, 2033, so as to correspond with terms of the new lease agreement.

In addition, The Treasury Department also permitted the Company to utilize the mentioned leasehold right to pledge as security against loan and to place the building structures, including machinery on the leased land as collateral for credit facilities from financial institutions, as referred to in Notes 17.1.

**13. INVESTMENT IN SERVICE STATIONS**

The investment in service stations is for business expansion and the approach taken by the company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As at March 31, 2007 and December 31, 2006, the balances outstanding in the investment in service station account are Baht 409.79 million and Baht 429.93 million respectively. The amortization expense of Baht 13.75 million on total investment balance was recorded in this accounting period.

**14. INCOME TAX AND DEFERRED INCOME TAX**

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

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

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

	Million Baht	
	Consolidated	The Company Only
Deferred income tax assets		
As at December 31, 2006	228.10	228.10
Income tax expenses	13.11	13.11
As at March 31, 2007	<u>241.21</u>	<u>241.21</u>
Deferred income tax liabilities		
As at December 31, 2006	26.17	26.17
Income tax expenses	(0.82)	(0.82)
As at March 31, 2007	<u>25.35</u>	<u>25.35</u>

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

#### 15. OTHER NON-CURRENT ASSETS - OTHERS

As at March 31, 2007 and December 31, 2006, Other non-current assets consist of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2005
15.1 Fixed deposit for staff welfare	196.91	186.38	196.91	186.38
15.2 Deposit for crude and product oil price hedging contract	217.69	184.22	217.69	184.22
15.3 Deferred expenses for the issuance of debentures and long-term loans	76.70	80.00	76.70	80.00
15.4 Other	289.07	294.70	285.79	291.95
Total	<u>780.37</u>	<u>745.30</u>	<u>777.09</u>	<u>742.55</u>

##### 15.1 Fixed deposit for staff welfare

As at March 31, 2007 and December 31, 2006, the Company has a fixed deposit fund in a bank of Baht 196.91 million and Baht 186.38 million respectively with interest rates of 0-1.25 %. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

##### 15.2 Deposit for crude and product oil price hedging contract

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

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

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

For the three-month period ended March 31, 2007, the total amortized expenses on loans and issuance of the convertible debentures was Baht 3.29 million.

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

As at March 31, 2007 and December 31, 2006, Bank overdrafts and Short-term loans from financial institutions consist of :

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

Short-term loans from financial institutions are part of the credit facilities covered by collateral as describe in Note 17.1. As at March 31, 2007, the Company has no balance of the short-term loan. As at December 31, 2006, the short-term loan of Baht 1,200 million bared the interest rates at 5.10 % per annum.

**17. LONG-TERM LOANS**

As at March 31, 2007 and December 31, 2006, Long-term loans consist of:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
17.1 Loans from bank	7,736.26	7,821.26	7,736.26	7,821.26
17.2 Debentures	800.00	800.00	800.00	800.00
17.3 Convertible debentures	2,761.56	2,761.56	2,761.56	2,761.56
17.4 Promissory notes	145.00	145.00	145.00	145.00
Total	11,442.82	11,527.82	11,442.82	11,527.82
Less : current portion of long-term loans	( 1,285.00)	( 1,285.00)	( 1,285.00)	( 1,285.00)
Long-term loans	10,157.82	10,242.82	10,157.82	10,242.82

**17.1 Loans from bank**

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

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

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

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

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

**17.2 Debentures**

As at March 31, 2007, 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.

**17.3 Convertible debentures**

On January 29, 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per one common stock, subjected to subsequent adjustment of price according to the terms of the exercise of conversion right in the Debentures. The issuance of the convertible debentures 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 30<sup>th</sup> day of March, June, September and December of each year. The first conversion commences on June 30, 2004 and ends on September 30, 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures.

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

As at March 31, 2007, the convertible debentures holders exercised the right by redeem 182,404 units of convertible debentures, the balance of convertible debentures, remaining were 276,156 units

#### 17.4 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.

#### 18. ISSUED AND PAID – UP SHARE CAPITAL

On May 16, 2006, the Company issued 428,092,940 units of ordinary shares, Par Value of Baht 1.00 per share, Offered price of Baht 14 per share, and have already paid up in full amount of Baht 5,993,301,160. As at March 31, 2007, the Issue and paid-up share capital amounting to Baht 1,119,111,351.

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

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

#### 20. WARRANTS

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

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

20.1.1 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.

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

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

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

As at March 31, 2007, the warrants (BCP-W1) holders exercised the right by redeem 40,000 warrants, the balance of the warrants (BCP-W1), remaining were 69,052,486 warrants.

#### 21. SALES

Sales revenue for the three-month period ended March 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Sales revenue from fuel products	19,973.42	26,028.92	19,758.92	25,828.91
Income from investment charge	11.86	19.21	30.59	30.66
Total	19,985.28	26,048.13	19,789.51	25,859.57

**22. GAIN (LOSS) FROM FOREIGN EXCHANGE**

Gain (loss) from foreign exchange for the three-month period ended March 31, 2007 and 2006 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2007	2006	2007	2006
Realized gain (loss) from foreign exchange fluctuations	(3.41)	58.54	(3.41)	58.54
Unrealized gain(loss) from foreign exchange fluctuations	(20.04)	17.97	(20.04)	17.97
Total	(23.45)	76.51	(23.45)	76.51

**23. INTEREST EXPENSE**

The total interest for this period is Baht 181.47 million, of which Baht 5.27 million is recorded as cost of work in progress and Baht 176.20 million as expense.

**24. RECONCILIATION OF DILUTED EARNINGS PER SHARE**

	For the three-month period ended March 31, 2007					
	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)	(41.90)	1,119.11	(0.04)	(53.92)	1,119.11	(0.05)
Effect of dilutive potential ordinary shares	20.82	193.12		20.82	193.12	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	(21.08)	1,312.23	(0.04)	(33.10)	1,312.23	(0.05)

	For the three-month period ended March 31, 2006					
	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)	514.37	687.48	0.75	534.34	687.48	0.78
Effect of dilutive potential ordinary shares	16.21	155.66		16.21	155.66	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	530.58	843.14	0.63	550.55	843.14	0.65

**25. CONTINGENT LIABILITIES AND COMMITMENTS****25.1 Liabilities on guarantees**

As at March 31, 2007, the Company's total liabilities in the form of bank guarantees is amounted to Baht 28.82 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.

**25.2 Allegation**

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

25.2.1 The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of



the Refinery that the Company lodged against the Ministry of Finance. The civil court dismissed on April 30, 2003 and now is being appealed with the appeal court.

- 25.2.2 The Company was accused in accompany with the government, PTT and other private sectors, called upon to pay 210 million Baht in compensation for an infringement of the petty patentee's rights as the Patent Act in case of producing and selling Bio-diesel. Now is being appealed with the court of first instance. However, The Company's Legal Office believes that it will final win.

### **25.3 Commitments**

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

- 25.3.1 The Company has entered into 4.35 million barrels oil price hedging contracts with foreign oil traders for price period from April to December 2007.
- 25.3.2 The Company has foreign currency buying forward contracts cover the period to April 2007 amounting to US\$ 10.41 million equivalent to Baht 364 million and selling forward contracts cover the period to January 2008 amounting to US\$ 39.10 million equivalent to Baht 1,395.72 million.
- 25.3.3 The Company applies the financial instrument to manage the risk for PQI Project as follows:
- 23.3.3.1 Buying forward contracts cover the period to September 2008 amounting to US\$ 186.68 million equivalent to Baht 7,132.98 million.
- 23.3.3.2 Buying Interest Rate Swap contracts amounting to Baht 8,242 million.
- 25.3.4 The Company has entered into subscription agreements with PTT as follows:
- 23.3.4.1 Feedstock Supply Agreement, to enhance the Company's feedstock supply, which PTT will supply crude oil and other feedstocks for the refinery. The agreement has been effective since May 16, 2006 and shall be in effect for an initial period of twelve years after PQI's commercial operation date (COD).
- 23.3.4.2 Product Offtake Agreement, to accommodate the additional production outputs from the PQI project. PTT will purchase 30% of refined petroleum products ( not include aviation fuel and fuel oil ) from the refinery. This agreement shall be in effect for an initial period of twelve years after PQI's commercial operation date ( COD ).

## **26. DISCLOSURE FOR FINANCIAL INSTRUMENTS**

### **26.1 Risk from foreign exchange rate**

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

### **26.2 Risk from interest rate**

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

### **26.3 Risk from product oil price in the global market**

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

### **26.4 Risk from credit term**

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

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

## 26.5 Fair value

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

## 27. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statements of income of the Company segmented by type of business for the three-month period ended March 31, 2007 are as follows:

	Million Baht			Total
	Refinery	Marketing	Elimination	
Sales	19,242.52	14,868.89	(14,321.90)	19,789.51
Cost of sales	(19,317.87)	(14,463.17)	14,321.90	(19,459.14)
Gross margin	(75.35)	405.72	-	330.37
Selling and administrative expenses	(84.30)	(227.97)	-	(312.27)
Other incomes (expenses)	156.07	13.62	-	169.69
Depreciation and Amortization	(4.96)	(110.08)	-	(115.04)
<b>EBIT</b>	<b>(8.54)</b>	<b>81.29</b>	<b>-</b>	<b>72.75</b>
Gain (loss) from impairment				0.04
Gain (loss) from foreign exchange fluctuations of others				(39.84)
Interest-net				(112.45)
Income Tax				25.58
<b>Net Profit</b>				<b>(53.92)</b>
<b>EBITDA</b>	<b>85.93</b>	<b>191.37</b>	<b>-</b>	<b>277.30</b>

The statements of income of the Company segmented by type of business for the three-month period ended March 31, 2006 are as follows:

	Million Baht			Total
	Refinery	Marketing	Elimination	
Sales	25,307.66	16,369.43	(15,817.52)	25,859.57
Cost of sales	(25,075.03)	(15,921.95)	15,817.52	(25,179.46)
Gross margin	232.63	447.48	-	680.11
Selling and administrative expenses	(60.73)	(285.75)	-	(346.48)
Other incomes (expenses)	674.04	16.44	-	690.48
Depreciation and Amortization	(1.31)	(107.40)	-	(108.71)
<b>EBIT</b>	<b>844.62</b>	<b>70.77</b>	<b>-</b>	<b>915.39</b>
Gain (loss) from impairment				0.09
Gain (loss) from foreign exchange fluctuations of others				(49.64)
Interest-net				(149.23)
Income Tax				(182.25)
<b>Net Profit</b>				<b>534.36</b>
<b>EBITDA</b>	<b>945.92</b>	<b>178.16</b>	<b>-</b>	<b>1,124.08</b>

**28. EVENTS AFTER THE BALANCE SHEET DATE**

At the Company's ordinary shareholders' meeting held on April 27, 2007, the shareholders unanimously approved the distribution of cash dividends for the year period ended December 31, 2006 at Baht 0.17 per share for 1,119,111,351 ordinary shares, amounting to Baht 190,248,930

**29. ACCOUNT RECLASSIFICATION**

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

**30. THE APPROVED OF THE FINANCIAL STATEMENT**

The financial statement has been approved by the designated management to issue on May 11, 2007.

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