

**Thai Oil Public Company Limited  
and its Subsidiaries**

Annual financial statements  
and  
Audit Report of Certified Public Accountant

For the years ended  
31 December 2009 and 2008

## **Audit Report of Certified Public Accountant**

### **To the Shareholders of Thai Oil Public Company Limited**

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009, and the related statements of income, changes in equity and cash flows for the year then ended of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits. The consolidated and separate financial statements of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited respectively for the year ended 31 December 2008 were audited by another auditor whose report dated 11 February 2009 expressed an unqualified opinion on those statements.

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 statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and the results of operations and cash flows for the year then ended of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited respectively in accordance with generally accepted accounting principles.

(Charoen Phosamritlert)  
Certified Public Accountant  
Registration No. 4068

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2010

# Thai Oil Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in Baht)					
Current assets					
Cash and cash equivalents	6, 17	8,618,114,654	8,016,204,295	5,675,290,263	3,670,608,211
Current investments	7, 17	619,978,540	539,101,097	-	-
Trade accounts receivable	5, 8	20,190,732,812	15,237,033,453	17,583,298,131	12,076,860,511
Short-term loans to related parties	5	-	-	4,007,500,000	3,159,000,000
Inventories	5, 9	28,936,590,245	20,544,717,417	24,546,077,830	17,770,008,984
Prepaid corporate income tax		218,313,384	4,357,671,317	213,162,875	4,354,497,954
Value added tax receivable		4,667,682,904	3,844,292,329	4,296,684,955	3,439,864,661
Other current assets	5, 10	1,220,001,142	2,060,074,377	899,707,382	1,284,220,780
Total current assets		64,471,413,681	54,599,094,285	57,221,721,436	45,755,061,101
Non-current assets					
Investments in subsidiaries	11	-	-	8,313,387,002	8,094,387,002
Investments in associates	12	202,310,745	229,198,269	30,000,000	232,500,000
Other long-term investments	7	1,012,335,174	915,137,454	1,012,335,174	915,137,454
Property, plant and equipment	13, 17	67,800,702,776	72,214,677,647	34,375,979,165	37,220,563,811
Intangible assets	14	790,156,695	841,686,729	235,912,659	245,304,703
Deferred tax assets	15	324,957,605	1,550,131,783	319,337,859	1,527,621,885
Other non-current assets	16	3,142,822,608	2,490,798,250	2,003,703,103	2,080,682,105
Total non-current assets		73,273,285,603	78,241,630,132	46,290,654,962	50,316,196,960
Total assets		137,744,699,284	132,840,724,417	103,512,376,398	96,071,258,061

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

# Thai Oil Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		(in Baht)			
<b>Current liabilities</b>					
Short-term borrowings from					
financial institutions	17	1,300,000,000	7,951,578,963	1,300,000,000	7,951,578,963
Trade accounts payable	5, 18	18,108,349,029	15,618,028,657	16,992,551,665	14,305,872,938
Short-term borrowings from					
related parties	5, 17	-	-	3,165,670,801	-
Current portion of long-term					
borrowings from financial					
institutions	13, 17	2,144,962,498	2,168,194,363	296,350,000	-
Current portion of debentures	17	-	2,750,000,000	-	2,750,000,000
Excise duty payable		757,541,010	162,014,885	757,541,010	162,014,885
Income tax payable		448,435,776	229,381,692	-	-
Other current liabilities	5, 19	1,538,362,723	1,393,983,368	1,384,294,876	1,117,933,914
<b>Total current liabilities</b>		<b>24,297,651,036</b>	<b>30,273,181,928</b>	<b>23,896,408,352</b>	<b>26,287,400,700</b>
<b>Non-current liabilities</b>					
Long-term borrowings from					
financial institutions	13, 17	10,381,953,489	18,897,121,663	5,630,650,000	11,943,480,000
Debentures	17	29,607,517,284	18,300,175,463	29,607,517,284	18,300,175,463
Deferred tax liabilities	15	1,329,503,487	1,420,237,572	1,302,371,118	1,386,721,116
Other non-current liabilities		441,199,191	370,588,686	597,844,359	571,651,627
<b>Total non-current liabilities</b>		<b>41,760,173,451</b>	<b>38,988,123,384</b>	<b>37,138,382,761</b>	<b>32,202,028,206</b>
<b>Total liabilities</b>		<b>66,057,824,487</b>	<b>69,261,305,312</b>	<b>61,034,791,113</b>	<b>58,489,428,906</b>

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

# Thai Oil Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
(in Baht)					
Equity					
Share capital	20				
Authorised share capital		20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730
Issued and paid-up share capital		20,400,278,730	20,400,278,730	20,400,278,730	20,400,278,730
Additional paid-in capital					
Premium on ordinary shares	21	2,456,261,491	2,456,261,491	2,456,261,491	2,456,261,491
Unrealised deficit					
Fair value changes on investment		(19,604,723)	(10,939,251)	(19,604,723)	(10,939,251)
Currency translation differences		(4,575,198)	-	-	-
Retained earnings					
Appropriated					
Legal reserve	21	2,040,027,873	2,040,027,873	2,040,027,873	2,040,027,873
Other		244,500,000	244,500,000	244,500,000	244,500,000
Unappropriated		41,671,653,809	33,791,872,712	17,356,121,914	12,451,700,312
Total equity attributable to equity holders of the Company		66,788,541,982	58,922,001,555	42,477,585,285	37,581,829,155
Minority interests		4,898,332,815	4,657,417,550	-	-
Total equity		71,686,874,797	63,579,419,105	42,477,585,285	37,581,829,155
Total liabilities and equity		137,744,699,284	132,840,724,417	103,512,376,398	96,071,258,061

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

# Thai Oil Public Company Limited and its Subsidiaries

## Statements of income

For the years ended 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
<b>Revenues</b>					
Revenue from sale of goods and rendering of services	5, 28	284,123,035,628	399,124,764,379	274,324,864,770	399,735,344,114
Net foreign exchange gain		1,574,988,023	-	1,480,332,855	-
Other income	5, 23	1,695,248,457	2,274,942,161	8,136,589,193	4,738,438,761
<b>Total revenues</b>		<b>287,393,272,108</b>	<b>401,399,706,540</b>	<b>283,941,786,818</b>	<b>404,473,782,875</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	5, 9	269,014,692,068	393,665,390,105	270,382,778,647	400,225,705,565
Selling expenses	5	200,596,508	108,546,692	383,206,730	173,713,522
Administrative expenses	5, 24	937,149,274	707,985,559	557,317,514	430,150,308
Management benefit expenses	5, 25	278,744,922	302,893,521	174,650,213	226,961,506
Net derivative loss on hedging		360,961,300	3,825,340,046	360,961,300	3,825,340,046
Net foreign exchange loss		-	897,600,421	-	802,476,656
<b>Total expenses</b>		<b>270,792,144,072</b>	<b>399,507,756,344</b>	<b>271,858,914,404</b>	<b>405,684,347,603</b>
Share of loss of associates	12	(26,887,524)	(2,035,451)	-	-
<b>Profit (loss) before finance costs and income tax expense (income)</b>		<b>16,574,240,512</b>	<b>1,889,914,745</b>	<b>12,082,872,414</b>	<b>(1,210,564,728)</b>
Finance costs	5, 26	2,114,723,892	2,116,400,519	1,872,759,954	1,702,603,891
<b>Profit (loss) before income tax expense (income)</b>		<b>14,459,516,620</b>	<b>(226,485,774)</b>	<b>10,210,112,460</b>	<b>(2,913,168,619)</b>
Income tax expense (income)	27	2,004,749,154	(785,838,235)	1,123,934,028	(1,376,855,838)
<b>Profit (loss) for the year</b>		<b>12,454,767,466</b>	<b>559,352,461</b>	<b>9,086,178,432</b>	<b>(1,536,312,781)</b>
<b>Profit (loss) for the year attributable to:</b>					
Equity holders of the Company		12,061,537,927	223,570,235	9,086,178,432	(1,536,312,781)
Minority interests		393,229,539	335,782,226	-	-
<b>Profit (loss) for the year</b>		<b>12,454,767,466</b>	<b>559,352,461</b>	<b>9,086,178,432</b>	<b>(1,536,312,781)</b>
<b>Basic earnings (loss) per share (Baht)</b>	29	5.91	0.11	4.45	(0.75)

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

**Thai Oil Public Company Limited and its Subsidiaries**
**Statements of changes in equity**
**For the years ended 31 December 2009 and 2008**

Consolidated financial statements										
				Retained earnings						
	Note	Issued and paid-up share capital	Premium on ordinary shares	Fair value changes on investment	Legal reserve	Other (in Baht)	Unappropriated	Total equity attributable to equity holders of the Company	Minority interests	Total equity
Balance at 1 January 2008		20,400,278,730	2,456,261,491	-	2,040,027,873	244,500,000	42,747,973,380	67,889,041,474	4,450,482,049	72,339,523,523
Unrealised loss										
Change in fair value recognised in equity		-	-	(10,939,251)	-	-	-	(10,939,251)	-	(10,939,251)
Total expense recognised directly in equity		-	-	(10,939,251)	-	-	-	(10,939,251)	-	(10,939,251)
Change in minority interests from acquisition of subsidiaries' shares		-	-	-	-	-	-	-	59,234,089	59,234,089
Profit for the year		-	-	-	-	-	223,570,235	223,570,235	335,782,226	559,352,461
Total recognised income and expense		-	-	(10,939,251)	-	-	223,570,235	212,630,984	395,016,315	607,647,299
Dividends	30	-	-	-	-	-	(9,179,670,903)	(9,179,670,903)	(188,080,814)	(9,367,751,717)
Balance at 31 December 2008		20,400,278,730	2,456,261,491	(10,939,251)	2,040,027,873	244,500,000	33,791,872,712	58,922,001,555	4,657,417,550	63,579,419,105

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

**Thai Oil Public Company Limited and its Subsidiaries**  
**Statements of changes in equity**  
**For the years ended 31 December 2009 and 2008**

					Consolidated financial statements						
					Retained earnings						
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Fair value changes on investment	Currency translation differences	Legal reserve	Other (in Baht)	Unappropriated	Total equity attributable to equity holders of the Company	Minority interests	Total equity
Balance at 1 January 2009		20,400,278,730	2,456,261,491	(10,939,251)	-	2,040,027,873	244,500,000	33,791,872,712	58,922,001,555	4,657,417,550	63,579,419,105
Unrealised loss											
Change in fair value recognised in equity		-	-	(8,665,472)	-	-	-	-	(8,665,472)	-	(8,665,472)
Currency translation differences		-	-	-	(4,575,198)	-	-	-	(4,575,198)	-	(4,575,198)
Total expense recognised directly in equity		-	-	(8,665,472)	(4,575,198)	-	-	-	(13,240,670)	-	(13,240,670)
Profit for the year		-	-	-	-	-	-	12,061,537,927	12,061,537,927	393,229,539	12,454,767,466
Total recognised income and expense		-	-	(8,665,472)	(4,575,198)	-	-	12,061,537,927	12,048,297,257	393,229,539	12,441,526,796
Dividends	30	-	-	-	-	-	-	(4,181,756,830)	(4,181,756,830)	(152,314,274)	(4,334,071,104)
Balance at 31 December 2009		20,400,278,730	2,456,261,491	(19,604,723)	(4,575,198)	2,040,027,873	244,500,000	41,671,653,809	66,788,541,982	4,898,332,815	71,686,874,797

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



# Thai Oil Public Company Limited and its Subsidiaries

## Statements of changes in equity

For the years ended 31 December 2009 and 2008

### Separate financial statements

	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	Fair value changes on investment	Retained earnings			Total equity attributable to equity holders of the Company
					Legal reserve (in Baht)	Other	Unappropriated	
<b>Balance at 1 January 2008</b>		<b>20,400,278,730</b>	<b>2,456,261,491</b>	-	<b>2,040,027,873</b>	<b>244,500,000</b>	<b>23,167,683,996</b>	<b>48,308,752,090</b>
<b>Unrealised loss</b>								
Change in fair value recognised in equity		-	-	(10,939,251)	-	-	-	(10,939,251)
Total expense recognised directly in equity		-	-	(10,939,251)	-	-	-	(10,939,251)
Loss for the year		-	-	-	-	-	(1,536,312,781)	(1,536,312,781)
<b>Total recognised income and expense</b>		-	-	<b>(10,939,251)</b>	-	-	<b>(1,536,312,781)</b>	<b>(1,547,252,032)</b>
Dividends	30	-	-	-	-	-	(9,179,670,903)	(9,179,670,903)
<b>Balance at 31 December 2008 and 1 January 2009</b>		<b>20,400,278,730</b>	<b>2,456,261,491</b>	<b>(10,939,251)</b>	<b>2,040,027,873</b>	<b>244,500,000</b>	<b>12,451,700,312</b>	<b>37,581,829,155</b>
<b>Unrealised loss</b>								
Change in fair value recognised in equity		-	-	(8,665,472)	-	-	-	(8,665,472)
Total expense recognised directly in equity		-	-	(8,665,472)	-	-	-	(8,665,472)
Profit for the year		-	-	-	-	-	9,086,178,432	9,086,178,432
<b>Total recognised income and expense</b>		-	-	<b>(8,665,472)</b>	-	-	<b>9,086,178,432</b>	<b>9,077,512,960</b>
Dividends	30	-	-	-	-	-	(4,181,756,830)	(4,181,756,830)
<b>Balance at 31 December 2009</b>		<b>20,400,278,730</b>	<b>2,456,261,491</b>	<b>(19,604,723)</b>	<b>2,040,027,873</b>	<b>244,500,000</b>	<b>17,356,121,914</b>	<b>42,477,585,285</b>

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

**Thai Oil Public Company Limited and its Subsidiaries**

**Statements of cash flows**

**For the years ended 31 December 2009 and 2008**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		12,454,767,466	559,352,461	9,086,178,432	(1,536,312,781)
<b>Adjustments for</b>					
Depreciation and amortisation		6,552,677,115	6,148,072,074	4,065,839,933	4,006,798,092
Finance costs	26	2,114,723,892	2,116,400,519	1,872,759,954	1,702,603,891
Unrealised (gain) loss on foreign exchange		(845,931,177)	1,473,030,765	(683,834,165)	1,312,668,549
Share of loss of associates	12	26,887,524	2,035,451	-	-
Dividend income	11	-	-	(5,804,912,223)	(1,761,387,671)
(Gain) loss on disposal of property, plant and equipment		(23,602,967)	1,435,304	(482,801)	768,410
Gain on disposal of assets held for sale		(60,232,256)	(13,795,304)	-	-
Realisation of deferred land lease and other income		(10,443,950)	(10,393,624)	(102,700,252)	(98,763,672)
Income tax expense	27	2,004,749,154	(785,838,235)	1,123,934,028	(1,376,855,838)
Reversal of allowance for impairment losses on investments		-	(779,496,900)	-	(779,496,900)
		22,213,594,801	8,710,802,511	9,556,782,906	1,470,022,080
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		(4,840,424,030)	9,082,265,410	(5,507,178,731)	9,094,194,512
Inventories		(8,254,306,045)	12,684,729,041	(6,776,068,847)	11,798,876,893
Other current assets		(436,258,551)	(4,006,880,025)	(772,290,476)	(3,668,040,088)
Other non-current assets		(210,111,352)	(257,592,924)	(163,171,980)	(256,522,827)
Trade accounts payable		2,482,531,862	(10,468,877,402)	2,676,653,575	(11,104,389,932)
Excise duty payable		595,526,125	(509,434,771)	595,526,125	(509,434,771)
Other current liabilities		222,828,654	(73,676,081)	325,980,846	(27,539,246)
Other non-current liabilities		73,279,129	104,275,343	82,126,689	161,951,985
Income tax paid		(861,144,004)	(6,824,405,235)	(208,664,921)	(6,130,119,966)
Income tax received		4,350,000,616	-	4,350,000,000	-
<b>Net cash provided by operating activities</b>		<b>15,335,517,205</b>	<b>8,441,205,867</b>	<b>4,159,695,186</b>	<b>828,998,640</b>

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

**Thai Oil Public Company Limited and its Subsidiaries**

**Statements of cash flows**

**For the years ended 31 December 2009 and 2008**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
<b>Cash flows from investing activities</b>					
Dividends received		-	-	5,804,912,223	1,761,387,671
(Purchase) sale of current investments		(80,877,443)	8,027,021	-	-
Purchase of other long-term investments		(105,863,192)	(129,601,876)	(105,863,192)	(129,601,876)
Cash outflow on short-term loans to related parties	5	-	-	(1,848,500,000)	(2,936,000,000)
Cash inflow on short-term loans to related parties	5	-	-	1,000,000,000	1,295,000,000
Cash outflow on investments in subsidiaries	4, 11	-	(639,058,009)	(219,000,000)	(1,250,999,970)
Cash outflow on investments in associates	12	-	(86,250,000)	-	(86,250,000)
Proceeds from disposal of investments in associates	12	-	-	202,500,000	-
Cash outflow on long-term loans to savings co-operative of employees		(10,065,996)	(3,169,121)	(10,065,996)	(3,169,121)
Purchase of property, plant and equipment		(1,353,382,258)	(6,291,491,071)	(673,108,162)	(2,864,282,947)
Sale of property, plant and equipment		53,335,170	7,771,536	1,838,656	5,634,374
Sale of assets held for sale		211,771,561	82,990,504	-	-
Purchase of intangible assets		(21,179,875)	(650,445,995)	(18,313,783)	(234,845,136)
Cash outflow on acquisition of business	4	(1,154,082,128)	(1,939,740,763)	-	-
Currency translation differences		(5,380,545)	-	-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(2,465,724,706)</b>	<b>(9,640,967,774)</b>	<b>4,134,399,746</b>	<b>(4,443,127,005)</b>

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

**Thai Oil Public Company Limited and its Subsidiaries**

**Statements of cash flows**

**For the years ended 31 December 2009 and 2008**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
<b>Cash flows from financing activities</b>					
Finance costs paid		(2,069,849,949)	(2,018,188,980)	(1,776,560,126)	(1,639,297,659)
Dividends paid		(4,334,071,104)	(9,367,751,717)	(4,181,756,830)	(9,179,670,903)
Repayment of short-term borrowings					
from financial institutions		(6,730,286,724)	-	(6,730,286,724)	-
Proceeds from short-term borrowings					
from financial institutions		-	7,601,578,963	-	7,601,578,963
Proceeds from short-term borrowings					
from related parties	5	-	-	3,165,670,800	-
Repayment of long-term borrowings					
from financial institutions		(12,134,674,363)	(10,320,521,060)	(9,766,480,000)	(6,641,505,000)
Proceeds from long-term borrowings					
from financial institutions		1,001,000,000	16,107,845,000	1,000,000,000	13,032,845,000
Proceeds from issue of debentures		<u>12,000,000,000</u>	<u>3,000,000,000</u>	<u>12,000,000,000</u>	<u>3,000,000,000</u>
<b>Net cash provided by (used in)</b>					
<b>financing activities</b>		<u><b>(12,267,882,140)</b></u>	<u><b>5,002,962,206</b></u>	<u><b>(6,289,412,880)</b></u>	<u><b>6,173,950,401</b></u>
<b>Net increase in cash and cash equivalents</b>		<b>601,910,359</b>	<b>3,803,200,299</b>	<b>2,004,682,052</b>	<b>2,559,822,036</b>
Cash and cash equivalents					
at beginning of year		<u>8,016,204,295</u>	<u>4,213,003,996</u>	<u>3,670,608,211</u>	<u>1,110,786,175</u>
<b>Cash and cash equivalents</b>					
<b>at end of year</b>	6	<u><b>8,618,114,654</b></u>	<u><b>8,016,204,295</b></u>	<u><b>5,675,290,263</b></u>	<u><b>3,670,608,211</b></u>
<b>Non-cash transaction</b>					
Payable on purchase of property, plant					
and equipment		70,479,758	100,702,685	59,048,205	83,400,332

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

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

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# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 19 February 2010.

### 1 General information

Thai Oil Public Company Limited, the “Company”, is incorporated in Thailand and has its registered offices and refinery plant as follows:

Head office	:	123 Suntowers Building B, 16th Floor, Vibhavadi Rangsit Road, Kwang Chomphon, Khet Chatuchak, Bangkok 10900, Thailand
Sriracha office and refinery plant	:	42/1 Moo 1, Sukhumvit Road Km. 124, Tambol Tungsukla, Amphur Sriracha, Choburi 20230, Thailand

The Company was listed on the Stock Exchange of Thailand on 26 October 2004.

The Company is an entity in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company and owned 49.1% of the Company’s issued and paid-up share capital as at 31 December 2009 (*31 December 2008: 49.1%*).

The principal businesses of the Company are oil refining and distributions. Details of the Company’s direct and indirect subsidiaries as at 31 December 2009 and 2008 were as follows:

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
<i>Direct subsidiaries</i>				
Thai Paraxylene Co., Ltd.	Paraxylene manufacturing	Thailand	99.99	99.99
Thai Lube Base Public Company Limited	Lube base oil refining and distribution	Thailand	99.99	99.99
Thaioil Marine Co., Ltd.	Providing marine transportation services for petroleum and liquid chemical products	Thailand	99.99	99.99
Thaioil Energy Solutions Co., Ltd. (formerly Thaioil Energy Co., Ltd.)	Power generation and providing of energy-related consulting services	Thailand	99.99	99.99
Thaioil Solvent Co., Ltd.	Investment in solvent and petrochemical businesses	Thailand	99.99	99.99
Thaioil Ethanol Co., Ltd.	Investment in ethanol business and alternative energy products	Thailand	99.99	99.99

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2009	2008
Thaioil Power Co., Ltd.	Power and steam generation	Thailand	54.99	54.99
<b>Indirect subsidiaries</b>				
TOP Independent Power Co., Ltd.	Power generation	Thailand	-	99.99
TOP Solvent Co., Ltd.	Distribution of solvent and petrochemical products	Thailand	99.99	99.99
Independent Power (Thailand) Co., Ltd.	Power generation	Thailand	80.00*	80.00*
Sak Chaisidhi Co., Ltd.	Solvent and petrochemical products manufacturing and distribution	Thailand	80.52	80.52
TOP Solvent (Vietnam) LLC.	Distribution of solvent and petrochemical products	Vietnam	100.00	100.00

\* The Company and a subsidiary (Thaioil Power Co., Ltd.) hold a 24% and 56% interest in Independent Power (Thailand) Co., Ltd. respectively.

## 2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

The Company and local subsidiaries have adopted the following revised TAS and TFRS and accounting guidance which were issued by the FAP during 2008 and 2009, which are relevant to their operations, and effective for accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007)      Impairment of Assets  
TFRS 5 (revised 2007)      Non-current Assets Held for Sale and Discontinued Operations  
Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)  
Accounting Guidance about Leasehold Right (effective on 26 June 2009)  
Accounting Guidance about Business Combination under Common Control

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

The adoption of these revised TAS and TFRS and accounting guidance does not have any material impact on the consolidated and separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS and TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS, which are relevant to the operations of the Company and local subsidiaries are disclosed in note 36 to the financial statements.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes to the financial statements:

Note 4 to the financial statements	Acquisitions
Note 7 to the financial statements	Other investments
Note 14 to the financial statements	Intangible assets
Note 15 to the financial statements	Deferred income tax
Note 31 to the financial statements	Financial instruments

### 3 Significant accounting policies

#### (a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

##### *Business combinations*

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.



# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The consolidated financial statements include the Group's share of the income, expenses and equity movements of associates, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **(b) Foreign currencies**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

### *Foreign entities*

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at the average foreign exchange rates ruling during the periods.

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

Where monetary items, in substance, form part of the Group's net investment in a foreign entity, foreign exchange differences arising on such monetary items and related hedges are recognised directly in a separate component of equity until disposal of the investment.

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

### **(c) *Derivative financial instruments***

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

#### *Hedge of future foreign currency transactions*

Forward foreign exchange contracts hedging future foreign currency transactions are revalued at the reporting date at the foreign exchange rate ruling on that date. Differences on revaluation are recognised in the statement of income.

#### *Cross currency swap and interest rate swap contracts*

Financial assets and liabilities hedged by forward exchange contracts at the reporting date are translated at the contracted forward exchange rates. The differences from translation are recognised in the statement of income. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the financial obligations in the statement of income.

#### *Hedge of Crack Spread and Time Spread*

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.

### **(d) *Cash and cash equivalents***

Cash and cash equivalents in the statement of cash flows comprise cash balances, savings and current accounts, and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

### **(e) *Trade and other accounts receivable***

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### **(f) *Inventories***

#### *Raw materials, work in progress and finished goods*

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is calculated using weighted average cost. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Crude oil, feedstock and finished and semi-finished oil products*

Cost of crude oil, feed stock and finished and semi-finished oil products is calculated using the weighted average cost principle.

### *Materials, spare parts and supplies*

Cost of materials, spare parts and supplies is calculated using the weighted average cost principle.

## **(g) Investments**

### *Investments in subsidiaries and associates*

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

### *Investments in other debt and equity securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. The exceptions are impairment losses and foreign exchange gains and losses, which are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

Equity securities which are not marketable are stated at cost less any impairment losses.

### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

## **(h) Property, plant and equipment**

### *The Group's owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Depreciation*

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment (except the power plant of Thailoil Power Company Limited which is depreciated by the units of production method). The estimated useful lives are as follows:

Buildings	10 - 25	years
Leasehold improvements	5 - 20	years
Refinery plant and equipment (depreciated over the remaining estimated useful life starting from 1 October 1994)	20	years
Lube base oil refinery plant and equipment	16 - 20	years
Paraxylene plant	10 - 25	years
Power plant	25	years
Transmission facilities	20	years
Machinery, equipment and plant equipment	3 - 20	years
Oil and liquid chemical tankers	10 - 25	years
Furniture, fixtures, office equipment and others	5 - 10	years
Vehicles	5	years

No depreciation is provided on freehold land and assets under construction.

### *(i) Intangible assets*

#### *Goodwill*

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill is measured at cost less impairment losses. Goodwill is tested for impairment as described in note 3 (j) to the financial statements.

#### *Customer database*

Customer database is stated at cost less impairment losses.

#### *License fee and computer software*

License fee and computer software that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses.

#### *Amortisation*

Amortisation is charged to the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

License fee	10 - 15	years
Computer software	5 - 10	years

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Deferred charges*

Deferred charges are amortised over the estimated periods to which the benefits relate, which are principally in line with the agreements to which such deferred charges relate.

### **(j) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

### *Calculation of recoverable amount*

The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

**(k) Discount on debentures**

Discount on debentures, comprising the difference between proceeds from debentures issuance and redemption value on maturity, is recognised in the statement of income over the period of the borrowings on an effective interest basis.

**(l) Interest-bearing liabilities**

Interest-bearing liabilities are stated at cost.

**(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(n) Employee benefits**

*Provident fund*

Obligations for contributions to provident fund are recognised as an expense in the statement of income as incurred.

*Retirement gratuity fund*

Obligations for contributions to retirement gratuity fund are computed on the benefit formula at the reporting date and are recognised as an expense in the statement of income. Benefits are payable upon retirement, disability, death or resignation.

**(o) Provisions**

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(p) Revenue**

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

*Sale of goods and services rendered*

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

*Rental income*

Rental income from assets is recognised in the statement of income on a straight-line basis over the term of the lease.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Interest and dividend income*

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

### **(q) Expenses**

#### *Operating leases*

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

#### *Repair and maintenance expenses*

Expenditure on repair and maintenance is charged to the statement of income in the period in which the expenditure is incurred. Expenditure of a capital nature is added to the cost of the related plant and equipment.

#### *Finance costs*

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

### **(r) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax.

#### *Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 4 Acquisitions

On 2 November 2009 an indirect subsidiary (TOP Solvent (Vietnam) LLC.) acquired the solvent and petrochemical distribution business in Vietnam of the Shell Vietnam Limited (“acquiree”). The acquiree’s assets at the acquisition date comprised:

	Recognised value	Fair value adjustments (in thousand Baht)	Carrying amount
Trade accounts receivable	108,972	-	108,972
Inventories	137,567	-	137,567
Property, plant and equipment	175,716	57,538	118,178
<b>Net identifiable assets</b>	<b>422,255</b>	<b>57,538</b>	<b>364,717</b>
Goodwill on acquisition	731,827		
<b>Consideration paid</b>	<b>1,154,082</b>		

On 1 December 2008 an indirect subsidiary (TOP Solvent Co., Ltd.) acquired 80.52% of the issued registered shares of Sak Chaisidhi Co., Ltd. (“acquiree”). The acquiree’s net assets at the acquisition date comprised:

	Recognised value	Fair value adjustments (in thousand Baht)	Carrying amount
Cash and deposits at financial institutions	92,140	-	92,140
Trade accounts receivable	8,520	-	8,520
Inventories	55,798	-	55,798
Other current assets	2,975	-	2,975
Property, plant and equipment	698,187	486,355	211,832
Other assets	11,522	-	11,522
Trade accounts payable	(61,125)	-	(61,125)
Other current liabilities	(17,585)	-	(17,585)
<b>Net identifiable assets and liabilities</b>	<b>790,432</b>	<b>486,355</b>	<b>304,077</b>
Less minority interests	(59,234)		
<b>Consideration paid</b>	<b>731,198</b>		
Cash received	(92,140)		
<b>Net cash outflow</b>	<b>639,058</b>		

Sak Chaisidhi Co., Ltd.’s operation for the month of December 2008 was reported a net profit of Baht 1.5 million.

On 1 December 2008 an indirect subsidiary (TOP Solvent Co., Ltd.) acquired the solvent distribution business in Thailand of the Shell Company of Thailand Limited (“acquiree”). The acquiree’s assets at the acquisition date comprised:

	Recognised value	Fair value adjustments (in thousand Baht)	Carrying amount
Trade accounts receivable	1,362,494	-	1,362,494
Inventories	371,888	(9,852)	381,740
Intangible assets	205,359	205,359	-
<b>Net identifiable assets and liabilities</b>	<b>1,939,741</b>	<b>195,507</b>	<b>1,744,234</b>
<b>Consideration paid</b>	<b>1,939,741</b>		



# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 5 Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Group or are being controlled or jointly controlled by the Group or have transactions with the Group are as follows:

Name of entities	Country of incorporation	Nature of relationships
PTT Public Company Limited	Thailand	Major shareholder
Thai Paraxylene Co., Ltd.	Thailand	Subsidiary and/or common directors
Thai Lube Base Public Company Limited	Thailand	Subsidiary and/or common directors
Thaioil Marine Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Energy Solutions Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Solvent Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Ethanol Co., Ltd.	Thailand	Subsidiary and/or common directors
Thaioil Power Co., Ltd.	Thailand	Subsidiary and/or common directors
TOP Solvent Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
Independent Power (Thailand) Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
Sak Chaisidhi Co., Ltd.	Thailand	Indirect subsidiary and/or common directors
TOP Solvent (Vietnam) LLC.	Vietnam	Indirect subsidiary and/or common directors
PTT ICT Solutions Co., Ltd.	Thailand	Associate and/or common directors
Maesod Clean Energy Co., Ltd.	Thailand	Indirect associate and/or common directors
PTT International Trading Pte. Ltd.	Singapore	Subsidiary of major shareholder
Star Petroleum Refining Co., Ltd.	Thailand	Associate of major shareholder
IRPC Public Company Limited	Thailand	Associate of major shareholder
PTT Aromatics and Refining Public Company Limited	Thailand	Associate of major shareholder
Bangchak Petroleum Public Company Limited	Thailand	Associate of major shareholder
PTT Chemical Public Company Limited	Thailand	Associate of major shareholder
PTT Phenol Co., Ltd.	Thailand	Associate of major shareholder
Thai Petroleum Pipeline Co., Ltd.	Thailand	Related company and/or common directors

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services, lease income, purchase of goods and assets	Market prices or, where no market price exists, at contractually agreed prices
Interest income and expense	Agreed rates stipulated in the agreements
Dividend income	Right to receive dividends
Other income and expenses	Contractually agreed prices
Directors' remuneration	Amounts approved by the Group's shareholders

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Revenue from sale of goods and rendering of services	147,393,743	216,481,269	142,190,255	211,416,432
Purchase of crude oil and feedstock	134,987,205	235,856,117	123,950,427	225,390,860
Purchase-sale of crude oil and feedstock for legal reserve*	1,582,800	11,414,360	1,582,800	11,414,360
Other income	44,845	28,835	44,834	28,835
Other expenses	477,999	1,858,837	468,426	1,857,690
<b>Subsidiaries</b>				
Revenue from sale of goods and rendering of services	-	-	40,082,137	51,060,890
Purchase of crude oil and feedstock	-	-	29,648,241	38,034,098
Purchase-sale of crude oil and feedstock for legal reserve*	-	-	357,440	1,835,076
Purchase of assets	-	-	14,795	-
Interest income	-	-	139,908	114,304
Dividend income	-	-	5,804,912	1,761,388
Land lease income	-	-	48,395	44,946
Other income	-	-	674,545	726,954
Interest expense	-	-	19,445	-
Other expenses	-	-	343,403	144,410
<b>Associate</b>				
Other expenses	43,082	46,538	43,082	45,473
Purchase of assets	8,592	57,995	8,592	37,495
<b>Other related parties</b>				
Revenue from sale of goods and rendering of services	11,650,331	19,235,832	9,737,480	16,758,359
Purchase of crude oil and feedstock	2,577,503	1,061,419	301,960	253,869
Other income	20,424	9,687	20,424	9,687
Other expenses	62,697	42,617	62,697	42,617
<b>Directors' remuneration</b>	90,229	105,962	39,499	63,584

\* Purchase-sale of crude oil and feedstock transactions entered for the purpose of maintaining the legal levels of crude oil inventory are transacted with related parties and have already been reversed in the financial statements for the years ended 31 December 2009 and 2008.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

Balances as at 31 December 2009 and 2008 with related parties were as follows:

### *Trade accounts receivable - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
PTT Public Company Limited	7,655,683	5,247,751	7,403,113	5,120,859
<b>Subsidiaries</b>				
Thai Paraxylene Co., Ltd.	-	-	3,242,357	1,312,460
Thai Lube Base Public Company Limited	-	-	126,065	30,119
Thaioil Power Co., Ltd.	-	-	65,417	58,525
<b>Other related parties</b>				
PTT International Trading Pte. Ltd.	801	812,125	-	811,423
Star Petroleum Refining Co., Ltd.	-	160,131	-	160,131
IRPC Public Company Limited	124,289	59,875	-	48,452
PTT Aromatics and Refining Public Company Limited	-	158,712	-	158,712
Bangchak Petroleum Public Company Limited	548,958	183,821	548,632	182,774
PTT Chemical Public Company Limited	1,432	1,505	-	-
Thai Petroleum Pipeline Co., Ltd.	2,404	-	-	-
	<b>8,333,567</b>	<b>6,623,920</b>	<b>11,385,584</b>	<b>7,883,455</b>
<i>Less allowance for doubtful accounts</i>	-	(266)	-	-
<b>Net</b>	<b>8,333,567</b>	<b>6,623,654</b>	<b>11,385,584</b>	<b>7,883,455</b>

### *Other accounts receivable - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
PTT Public Company Limited	10,137	67,714	9,124	66,830
<b>Subsidiaries</b>				
Thai Paraxylene Co., Ltd.	-	-	22,780	14,281
Thai Lube Base Public Company Limited	-	-	23,726	7,925
Thaioil Marine Co., Ltd.	-	-	3,046	3,134
Thaioil Energy Solution Co., Ltd.	-	-	5,788	13,401
Thaioil Solvent Co., Ltd.	-	-	17,339	449
Thaioil Ethanol Co., Ltd.	-	-	162	24
Thaioil Power Co., Ltd.	-	-	23,233	-
TOP Solvent Co., Ltd.	-	-	404	-
Independent Power (Thailand) Co., Ltd.	-	-	2,559	27,757
Sak Chaisidhi Co., Ltd.	-	-	79	-

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Associate</b>				
PTT ICT Solutions Co., Ltd.	15,375	15,593	15,375	15,593
<b>Total</b>	<b>25,512</b>	<b>83,307</b>	<b>123,615</b>	<b>149,394</b>

### *Short-term loans to related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Thaioil Marine Co., Ltd.	-	-	1,622,500	1,694,000
Thaioil Solvent Co., Ltd.	-	-	2,385,000	1,465,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,007,500</b>	<b>3,159,000</b>

Interest rates during the years of 2009 and 2008 were charged at money market rate (MMR) but not exceeding the average minimum loan rate (MLR) of 5 financial institutions less margin.

Movements of short-term loans to related parties during the years ended 31 December 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	-	-	3,159,000	1,518,000
Increase	-	-	1,848,500	2,936,000
Decrease	-	-	(1,000,000)	(1,295,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>4,007,500</b>	<b>3,159(20,672,615)</b>

### *Trade accounts payable - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
PTT Public Company Limited	10,996,439	10,450,064	9,413,470	8,492,049
<b>Subsidiaries</b>				
Thai Paraxylene Co., Ltd.	-	-	2,025,225	1,202,336
Thai Lube Base Public Company Limited	-	-	166,960	130,994
Thaioil Power Co., Ltd.	-	-	97,294	112,410
Sak Chaisidhi Co., Ltd.	-	-	1,150	-

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Star Petroleum Refining Co., Ltd.	-	17,461	-	-
IRPC Public Company Limited	55,901	77,088	-	36,237
PTT Aromatics and Refining Public Company Limited	110,720	17,461	-	-
<b>Total</b>	<b>11,163,060</b>	<b>10,562,074</b>	<b>11,704,099</b>	<b>9,974,026</b>

### *Other accounts payable - related parties*

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
PTT Public Company Limited	362,181	7,415	361,501	6,898
<b>Subsidiaries</b>				
Thai Paraxylene Co., Ltd.	-	-	268	388
Thai Lube Base Public Company Limited	-	-	12,519	6,450
Thaioil Marine Co., Ltd.	-	-	33,353	6,160
Thaioil Energy Solutions Co., Ltd.	-	-	9,138	-
Thaioil Power Co., Ltd.	-	-	-	3,166
Independent Power (Thailand) Co., Ltd.	-	-	5,290	887
<b>Associate</b>				
PTT ICT Solutions Co., Ltd.	24,428	39,774	24,428	19,274
<b>Other related party</b>				
Thai Petroleum Pipeline Co., Ltd.	2,748	4,922	2,748	4,922
<b>Total</b>	<b>389,357</b>	<b>52,111</b>	<b>449,245</b>	<b>48,145</b>

### *Short-term borrowings from related parties*

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Thai Paraxylene Co., Ltd.	-	-	1,063,392	-
Thai Lube Base Public Company Limited	-	-	2,064,811	-
Thaioil Marine Co., Ltd.	-	-	37,468	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,165,671</b>	<b>-</b>

Interest rates during the year of 2009 were charged at money market rate (MMR) but not exceeding the average minimum loan rate (MLR) of 5 financial institutions less margin.

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

Movements of short-term borrowings from related parties during the years ended 31 December 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increases	-	-	3,165,671	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,165,671</b>	<b>-</b>

### *Significant agreements with related parties*

As at 31 December 2009 the Group had the following significant agreements with related parties.

#### *Raw Materials and Oil-Products Purchases and Sales Agreements*

The Company has raw materials and oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices of raw materials and oil products are specified in the agreements. These agreements are effective on the agreement date and shall be terminated by either party giving at least 6 months notice in writing to the other party.

#### *Oil-Products Sale and Purchase Agreements*

The Company has oil products purchase and sale agreements with a subsidiary, whereby the purchase and sale volumes and prices are specified in the agreements. These agreements are effective on the agreement date and shall be terminated if either party does not comply with the terms stipulated in the agreements.

#### *By-Product Sale and Purchase Agreement*

The Company has a by-product purchase and sale agreement with a subsidiary, whereby the purchase and sale volumes and prices of the by-product are specified in the agreement. The agreement is for a period of 10 years commencing on the agreement date, or until the termination by mutual consent.

#### *Technology and Communication Service Agreement*

The Company has a technology and communication service agreement with an associate, whereby the service fees are specified in the agreement. The agreement is for a period of 5 years commencing on the agreement date and is renewable for additional periods of 5 years.

#### *Crack Spread Swap and Time Spread Swap Agreements*

The Company has crack spread swap and time spread swap agreements with a related company. The Company or the related company has commitments to make payments for the differences between the fixed price and floating price for each period. As at 31 December 2009 the Company had oil volume under the agreements totaling 1.81 million barrels (31 December 2008: 0.45 million barrels).

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

### ***Product Offtake and Crude Oil Supply Agreement***

The Company has a product off take and crude oil supply agreement with a related company, whereby (a) the Company will sell and the related company will purchase refined petroleum products produced by the refinery for 49.99% of 270,000 barrels per day; and (b) the related party will supply and the Company will purchase crude oil and/or feedstock for the refinery required to produce 49.99% of 270,000 barrels per day. The credit term for crude oil shall be mutually agreed.

### ***Feedstock Throughput Agreement***

The Company has an agreement with a related company to use the Company's single buoy mooring facility for receiving its feedstock. The agreement is for a period of 15 years and the throughput fee is stipulated in the agreement.

### ***Crude Oil Processing Agreement***

The Company has an agreement for crude oil processing with a related company, whereby the related company will supply crude oil to the Company and the Company will provide a processing service. In this regard, the Company will either receive payments from or make payments to the related company depending on whether the processing fee for the different amount of products lifted by the related company is higher or lower than the value of relevant crude intake in the same month, including other expenses and finance costs, if any, incurred by both parties. There is no expiry date specified in the agreement.

### ***Long Residue Cracking and Fuel Oil Exchange Agreement***

The Company has a long residue cracking and fuel oil exchange agreement with a related company to exchange a related company's long residue for cracking in the Company's refinery process and to receive fuel oil left from the process for selling in the market. The agreement shall be terminated by either party giving at least 90 days notice in writing to the other party. Payments shall be made on a net settlement basis as stipulated in the agreement.

### ***Throughput Agreement***

The Company has throughput agreement with a related company, whereby the tariff fee is specified in the agreement. The agreement is for a period of 20 years and is renewable.

### ***Natural Gas Supply Agreements***

The Company and two subsidiaries have natural gas supply agreements with a related company, whereby the related company agrees to supply the natural gas to the Company and the subsidiaries at quantities and prices as stipulated in the agreements. These agreements are effective for periods of 8 to 25 years.

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

### ***Cost Reimbursement Agreements***

Subsidiaries have cost reimbursement agreements with the Company covering the reimbursement of construction costs of natural gas pipeline facilities and the use of the pipeline facilities, raw water pipeline and the use of land for the construction of a transmission line connecting the subsidiary to the Electricity Generating Authority of Thailand (EGAT). Under the terms of the agreements, the subsidiaries agree to share the cost of investments on the basis and conditions stipulated in the agreements. These agreements are effective for a period of 25 years, or until the termination of the power purchase agreement entered into by the subsidiary with EGAT, whichever is sooner.

### ***Power and Steam Purchase Agreements***

Subsidiaries (the “sellers”) have power and steam purchase agreements for 20 and 25 years with the Company and two subsidiaries, whereby the sellers will sell power and steam energy to the Company and the subsidiaries at the agreed quantities and prices as stipulated in the agreements.

### ***Services and Supplies Agreements***

Subsidiaries have services and supplies agreements with the Company, whereby the Company provides the subsidiaries for the operating, repair and maintenance, management, controlling and administration, procurement, financial, accounting and human resource services. The subsidiaries agree to pay certain fees as stipulated in the agreements. These agreements are effective for periods of 3 years and 24 years or until the termination of the land lease agreement entered into by the subsidiaries with the Company, whichever is sooner.

### ***Land Lease Agreements***

Subsidiaries have land lease agreements with the Company to lease/sublease certain parcels of land ending in 2022 with total annual rental of Baht 22 million, and the rate will be adjusted every 5 years.

### ***Raw Materials and Petrochemical Products Purchase and Sale Agreements***

A subsidiary has raw materials and petrochemical products purchase and sale agreements with related companies, whereby the purchase and sale volumes and prices of raw materials and petrochemical products are specified in the agreements. These agreements are for periods of 3 to 15 years.

### ***Technical Service Agreement***

A subsidiary has technical service agreements with the Company and another subsidiary to provide a consultancy technical solutions service for energy-related and petrochemical businesses, whereby the service fees are specified in the agreements. These agreements are for a period of 3 years.

### ***Office Rental Agreements***

A subsidiary has office rental agreements with related company and another subsidiary, whereby the rental fees are specified in the agreements. These agreements have no specified expiry date so the compliance with conditions specified in the agreements is ongoing until either party giving at least 30 days written notice of termination to the other party.



# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 6 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Cash on hand	1,856	3,106	580	780
Cash at banks - savings and current accounts	7,329,210	5,338,859	5,674,708	3,669,828
Cash at banks - fixed deposits (maturity period less than 3 months from the investment date)	1,236,942	1,044,239	2	-
Promissory notes issued by financial institutions	50,107	1,630,000	-	-
<b>Total</b>	<b>8,618,115</b>	<b>8,016,204</b>	<b>5,675,290</b>	<b>3,670,608</b>

The currency denomination of cash and cash equivalents as at 31 December 2009 and 2008 was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Thai Baht	7,883,352	7,614,090	5,673,037	3,668,362
United States Dollars	642,934	402,023	2,135	2,246
Other	91,829	91	118	-
<b>Total</b>	<b>8,618,115</b>	<b>8,016,204</b>	<b>5,675,290</b>	<b>3,670,608</b>

As at 31 December 2009 subsidiaries pledged their savings, current and fixed deposits totaling Baht 1,267 million (2008: Baht 1,682 million) as collateral for credit facilities as described in note 17 to the financial statements. The subsidiaries can withdraw these deposits when needed as specified in the borrowing agreements.

### 7 Other investments

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Current investments</b>				
Cash at bank - fixed deposits	455,115	128,256	-	-
Promissory notes issued by financial institutions	164,864	410,845	-	-
	<b>619,979</b>	<b>539,101</b>	<b>-</b>	<b>-</b>
<b>Other long-term investments</b>				
Equity securities -				
available-for-sale securities	232,838	135,640	232,838	135,640
Other non-marketable securities	779,497	779,497	779,497	779,497
	<b>1,012,335</b>	<b>915,137</b>	<b>1,012,335</b>	<b>915,137</b>
<b>Total</b>	<b>1,632,314</b>	<b>1,454,238</b>	<b>1,012,335</b>	<b>915,137</b>

# **Thai Oil Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **For the years ended 31 December 2009 and 2008**

All other investments of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

#### *Cash at banks - fixed deposits*

As at 31 December 2009 a subsidiary pledged its fixed deposits totaling Baht 455 million (2008: *Baht 111 million*) as collateral for credit facilities as described in note 17 to the financial statements. The subsidiary can redeem these deposits when needed.

#### *Equity securities - available-for-sale securities*

In 2007 the Company entered into MFC Energy Open End Fund with certain companies so as to raise funds from financial institution investors who are interested in investing in energy or relating energy business. In consideration thereof, the Company has a commitment to purchase a holding in this Fund, comprising 40 million units at par value of Baht 10, amounting to Baht 400 million. During 2009 the Company invested an additional 10.59 million units, totaling Baht 105.9 million. As at 31 December 2009 the Company had holdings in this Fund at fair value of Baht 232.8 million (2008: *Baht 135.6 million*).

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

*Other non-marketable securities*

		Consolidated/Separate financial statements							
	Type of Business	Ownership interest		Paid-up capital		Cost method		Dividend income	
		2009	2008	2009	2008	2009	2008	2009	2008
		(%)				(in thousand Baht)			
<b>Related party</b>									
Thai Petroleum Pipeline Co., Ltd.	Oil transportation by pipeline	9.19	9.19	8,479,000	8,479,000	779,497	779,497	-	-
						<b>779,497</b>	<b>779,497</b>	<b>-</b>	<b>-</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**8 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	5	8,333,567	6,623,920	11,385,584	7,883,455
Other parties		11,857,166	8,614,403	6,197,714	4,193,406
		<b>20,190,733</b>	<b>15,238,323</b>	<b>17,583,298</b>	<b>12,076,861</b>
Less allowance for doubtful accounts		-	(1,290)	-	-
<b>Total</b>		<b>20,190,733</b>	<b>15,237,033</b>	<b>17,583,298</b>	<b>12,076,861</b>
(Reversal of) doubtful debts expenses for the year		<b>(1,290)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Aging analyses for trade accounts receivable are as follows:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<b>Related parties</b>					
Within credit terms		8,331,874	6,623,654	11,385,584	7,883,455
Overdue:					
Less than 3 months		1,693	-	-	-
Over 12 months		-	266	-	-
<b>Total</b>		<b>8,333,567</b>	<b>6,623,920</b>	<b>11,385,584</b>	<b>7,883,455</b>
Less allowance for doubtful accounts		-	(266)	-	-
<b>Net</b>	5	<b>8,333,567</b>	<b>6,623,654</b>	<b>11,385,584</b>	<b>7,883,455</b>
<b>Other parties</b>					
Within credit terms		11,762,874	8,463,314	6,197,714	4,107,749
Overdue:					
Less than 3 months		6,653	90,768	-	85,657
3 - 6 months		5,437	3,231	-	-
6 - 12 months		23,914	5,748	-	-
Over 12 months		58,288	51,342	-	-
		<b>11,857,166</b>	<b>8,614,403</b>	<b>6,197,714</b>	<b>4,193,406</b>
Less allowance for doubtful accounts		-	(1,024)	-	-
<b>Net</b>		<b>11,857,166</b>	<b>8,613,379</b>	<b>6,197,714</b>	<b>4,193,406</b>
<b>Total</b>		<b>20,190,733</b>	<b>15,237,033</b>	<b>17,583,298</b>	<b>12,076,861</b>

The normal credit term granted by the Group ranges from 15 days to 90 days.

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Trade accounts receivable from other parties overdue for more than 12 months included receivable from a state enterprise of Baht 58.1 million (2008: Baht 45.8 million). As at 31 December 2009 the subsidiary is in the process of negotiation with the state enterprise and has taken appropriate legal advice that the debt should be received in full. Accordingly, no allowance for doubtful account has been made in respect of this debt.

The currency denomination of trade accounts receivable as at 31 December 2009 and 2008 was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Thai Baht	15,433,934	11,487,627	14,264,147	9,156,258
United States Dollars	4,587,994	3,749,406	3,319,151	2,920,603
Other	168,805	-	-	-
<b>Total</b>	<b>20,190,733</b>	<b>15,237,033</b>	<b>17,583,298</b>	<b>12,076,861</b>

**9 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Crude oil and feedstock	11,324,636	9,677,533	9,403,067	8,655,709
Materials, spare parts and supplies	1,178,288	1,098,346	826,472	770,598
Finished and semi-finished oil products	7,222,639	5,448,945	5,099,471	3,752,367
Goods in transit				
Crude oil	9,452,995	5,428,595	9,452,995	5,428,595
Materials, spare parts and supplies	13,309	59,165	13,309	51,014
	29,191,867	21,712,584	24,795,314	18,658,283
Less allowance for decline in value of inventories adjusted to net realisable value	(255,277)	(1,167,867)	(249,236)	(888,274)
<b>Net</b>	<b>28,936,590</b>	<b>20,544,717</b>	<b>24,546,078</b>	<b>17,770,009</b>

As at 31 December 2009 the Group and the Company's inventories as stated above included a legal reserve amounting to Baht 7,888 million and Baht 7,350 million respectively (2008: Baht 5,851 million and Baht 5,507 million respectively).

The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2009 amounted to Baht 268,214 million (2008: Baht 392,842 million) in the consolidated financial statements and Baht 270,383 million (2008: Baht 400,226 million) in the separate financial statements.

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

In 2009 the Group and the Company recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 255 million and Baht 249 million respectively (2008: *Baht 1,168 million and Baht 888 million respectively*) and recognised a recovery of allowance for decline in value of inventories adjusted to net realisable value of Baht 1,168 million and Baht 888 million respectively (2008: *Baht 26 million and Baht 9 million respectively*).

**10 Other current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Prepaid expense	312,174	405,765	197,984	248,875
Other accounts receivable	296,521	757,042	168,158	562,467
Receivable from Oil Fuel Fund	295,569	280,343	295,569	280,343
Current portion of long-term loans to savings co-operative of employees	39,030	37,636	39,030	37,636
Other	276,707	579,288	198,966	154,900
<b>Total</b>	<b><u>1,220,001</u></b>	<b><u>2,060,074</u></b>	<b><u>899,707</u></b>	<b><u>1,284,221</u></b>

**11 Investments in subsidiaries**

	<b>Separate</b>	
	<b>financial statements</b>	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	8,094,387	6,843,387
Acquisitions	219,000	1,251,000
<b>At 31 December</b>	<b><u>8,313,387</u></b>	<b><u>8,094,387</u></b>

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Investments in subsidiaries as at 31 December 2009 and 2008, and dividend income from those investments for the years then ended were as follows:

	<b>Separate financial statements</b>							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)				(in thousand Baht)			
<b><i>Subsidiaries</i></b>								
Thai Paraxylene Co., Ltd.	99.99	99.99	2,572,414	2,572,414	2,161,193	2,161,193	4,951,897	-
Thai Lube Base Public Company Limited	99.99	99.99	1,757,891	1,757,891	1,978,726	1,978,726	676,788	1,532,881
Thaioil Marine Co., Ltd.	99.99	99.99	630,000	630,000	630,000	630,000	-	-
Thaioil Energy Solutions Co., Ltd.	99.99	99.99	40,000	40,000	40,000	40,000	-	-
Thaioil Solvent Co., Ltd.	99.99	99.99	1,250,000	1,250,000	1,250,000	1,250,000	-	-
Thaioil Ethanol Co., Ltd.	99.99	99.99	220,000	1,000	220,000	1,000	-	-
Thaioil Power Co., Ltd.	54.99	54.99	2,810,000	2,810,000	1,545,500	1,545,500	154,550	154,550
Independent Power (Thailand) Co., Ltd.	24.00	24.00	1,771,000	1,771,000	487,968	487,968	21,677	73,957
<b>Total</b>			<b>11,051,305</b>	<b>10,832,305</b>	<b>8,313,387</b>	<b>8,094,387</b>	<b>5,804,912</b>	<b>1,761,388</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**12 Investments in associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	229,198	144,984	232,500	146,250
Share of net loss of investments - equity method	(26,887)	(2,036)	-	-
Acquisitions	-	86,250	-	86,250
Disposals	-	-	(202,500)	-
<b>At 31 December</b>	<b>202,311</b>	<b>229,198</b>	<b>30,000</b>	<b>232,500</b>



**Thai Oil Public Company Limited and its Subsidiaries**  
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**For the years ended 31 December 2009 and 2008**

Investments in associates as at 31 December 2009 and 2008, and dividend income for the years then ended were as follows:

**Consolidated financial statements**

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)									
					(in thousand Baht)					
PTT ICT Solutions Co., Ltd.	20.00	20.00	150,000	150,000	30,000	30,000	40,026	46,920	-	-
Maesod Clean Energy Co., Ltd.	30.00	30.00	675,000	675,000	202,500	202,500	162,285	182,278	-	-
<b>Total</b>			<b>825,000</b>	<b>825,000</b>	<b>232,500</b>	<b>232,500</b>	<b>202,311</b>	<b>229,198</b>	<b>-</b>	<b>-</b>

**Separate financial statements**

	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)				(in thousand Baht)			
PTT ICT Solutions Co., Ltd.	20.00	20.00	150,000	150,000	30,000	30,000	-	-
Maesod Clean Energy Co., Ltd.	-	30.00	-	675,000	-	202,500	-	-
<b>Total</b>			<b>150,000</b>	<b>825,000</b>	<b>30,000</b>	<b>232,500</b>	<b>-</b>	<b>-</b>

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the years ended 31 December 2009 and 2008

On 4 March 2009 the Company sold 30% of paid-up capital of an associate (Maesod Clean Energy Co., Ltd.) to a subsidiary (Thaioil Ethanol Co., Ltd.) of Baht 202.5 million, then Maesod Clean Energy Co., Ltd. became the Company's indirect associate.

As at 31 December 2009 and 2008 the financial information on associates which have been accounted for using the equity method based on the percentage of ownership held by the Group are as follows:

	Ownership interest (%)	Total assets	Total liabilities <i>(in thousand Baht)</i>	Total revenues	Profit (loss)
<b>2009</b>					
PTT ICT Solutions Co., Ltd.	20	881,824	681,693	853,498	(34,469)
Maesod Clean Energy Co., Ltd.	30	2,767,497	2,226,546	340,716	(66,643)
<b>Total</b>		<b><u>3,649,321</u></b>	<b><u>2,908,239</u></b>	<b><u>1,194,214</u></b>	<b><u>(101,112)</u></b>
<b>2008</b>					
PTT ICT Solutions Co., Ltd.	20	828,035	593,435	937,913	77,449
Maesod Clean Energy Co., Ltd.	30	2,046,573	1,438,979	14,298	(58,417)
<b>Total</b>		<b><u>2,874,608</u></b>	<b><u>2,032,414</u></b>	<b><u>952,211</u></b>	<b><u>19,032</u></b>

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**13 Property, plant and equipment**

Consolidated financial statements													
	Land	Buildings	Leasehold improve- ments	Refinery plant and equipment	Paraxylene plant	Power plant	Trans- mission facilities	Machinery, equipment and plant equipment	Oil and liquid chemical tankers	Furniture, fixtures, office equipment and others	Vehicles	Construction in progress	Total
<i>(in thousand Baht)</i>													
<b>Cost</b>													
At 1 January 2008	2,575,324	1,113,270	4,795	71,193,098	8,209,478	15,553,311	192,637	2,161,448	1,616,233	522,872	21,910	17,197,381	120,361,757
Business acquisitions	-	65,874	-	-	-	-	-	1,120,203	-	11,954	6,294	5,086	1,209,411
Additions	50,098	-	-	74,118	-	-	-	181	-	22,230	9,137	5,542,981	5,698,745
Transfers, net	-	(125,508)	570	7,298,289	13,549,196	-	-	299,440	462,766	33,641	5,059	(21,523,453)	-
Disposals	-	-	-	(4,168)	-	-	-	(396,046)	-	(33,712)	(8,406)	-	(442,332)
<b>At 31 December 2008 and 1 January 2009</b>	<b>2,625,422</b>	<b>1,053,636</b>	<b>5,365</b>	<b>78,561,337</b>	<b>21,758,674</b>	<b>15,553,311</b>	<b>192,637</b>	<b>3,185,226</b>	<b>2,078,999</b>	<b>556,985</b>	<b>33,994</b>	<b>1,221,995</b>	<b>126,827,581</b>
Business acquisitions	-	-	-	-	-	-	-	175,716	-	-	-	-	175,716
Additions	-	-	-	-	-	-	-	4,751	1,163	9,763	2,415	1,304,505	1,322,597
Transfers, net	-	2,390	-	919,766	-	-	-	107,490	466,723	22,004	5,679	(1,524,052)	-
Disposals	(19)	-	-	(4,045)	-	-	-	(3,734)	(82,438)	(15,688)	(3,914)	-	(109,838)
Translation differences on consolidation	-	-	-	-	-	-	-	969	-	-	-	-	969
<b>At 31 December 2009</b>	<b>2,625,403</b>	<b>1,056,026</b>	<b>5,365</b>	<b>79,477,058</b>	<b>21,758,674</b>	<b>15,553,311</b>	<b>192,637</b>	<b>3,470,418</b>	<b>2,464,447</b>	<b>573,064</b>	<b>38,174</b>	<b>1,002,448</b>	<b>128,217,025</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
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**For the years ended 31 December 2009 and 2008**

<b>Consolidated financial statements</b>													
	Land	Buildings	Leasehold improve- ments	Refinery plant and equipment	Paraxylene plant	Power plant	Trans- mission facilities  (in thousand Baht)	Machinery, equipment and plant equipment	Oil and liquid chemical tankers	Furniture, fixtures, office equipment and others	Vehicles	Construction in progress	Total
<i>Accumulated depreciation</i>													
At 1 January 2008	-	618,829	1,514	38,672,376	2,458,847	5,025,778	87,892	1,043,132	203,695	396,663	16,104	-	48,524,830
Business acquisitions	-	56,928	-	-	-	-	-	441,934	-	10,482	5,815	-	515,159
Depreciation charge for the year	-	36,656	235	3,599,738	875,483	620,097	9,631	192,017	85,391	40,090	2,880	-	5,462,218
Disposals	-	-	-	(4,168)	-	-	-	(250,667)	-	(30,793)	(852)	-	(286,480)
<b>At 31 December 2008 and 1 January 2009</b>	<b>-</b>	<b>712,413</b>	<b>1,749</b>	<b>42,267,946</b>	<b>3,334,330</b>	<b>5,645,875</b>	<b>97,523</b>	<b>1,426,416</b>	<b>289,086</b>	<b>416,442</b>	<b>23,947</b>	<b>-</b>	<b>54,215,727</b>
Depreciation charge for the year	-	39,940	236	3,693,365	1,115,100	610,279	9,632	248,297	111,847	47,808	4,353	-	5,880,857
Disposals	-	-	-	(457)	-	-	-	(3,630)	(57,397)	(13,843)	(2,143)	-	(77,470)
Translation differences on consolidation	-	-	-	-	-	-	-	32	-	-	-	-	32
<b>At 31 December 2009</b>	<b>-</b>	<b>752,353</b>	<b>1,985</b>	<b>45,960,854</b>	<b>4,449,430</b>	<b>6,256,154</b>	<b>107,155</b>	<b>1,671,115</b>	<b>343,536</b>	<b>450,407</b>	<b>26,157</b>	<b>-</b>	<b>60,019,146</b>
<i>Impairment losses</i>													
At 31 December 2008	397,176	-	-	-	-	-	-	-	-	-	-	-	397,176
At 31 December 2009	397,176	-	-	-	-	-	-	-	-	-	-	-	397,176
<i>Net Book Value</i>													
At 31 December 2008	2,228,246	341,223	3,616	36,293,391	18,424,344	9,907,436	95,114	1,758,810	1,789,913	140,543	10,047	1,221,995	72,214,678
At 31 December 2009	2,228,227	303,673	3,380	33,516,204	17,309,244	9,297,157	85,482	1,799,303	2,120,911	122,657	12,017	1,002,448	67,800,703

**Thai Oil Public Company Limited and its Subsidiaries**  
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				<b>Separate financial statements</b>				
	Land	Buildings	Refinery plant and equipment	Machinery, equipment and plant equipment (in thousand Baht)	Furniture, fixtures, office equipment and others	Vehicles	Construction in progress	Total
<i>Cost</i>								
At 1 January 2008	2,570,992	847,842	65,017,314	937,962	290,883	10,513	5,268,526	74,944,032
Additions	50,098	-	74,118	-	25	8,020	2,703,912	2,836,173
Transfers, net	-	(125,508)	7,034,728	173,700	20,755	3,124	(7,106,799)	-
Disposals	-	-	(4,168)	(51)	(27,375)	(6,348)	-	(37,942)
<b>At 31 December 2008 and 1 January 2009</b>	<b>2,621,090</b>	<b>722,334</b>	<b>79,121,992</b>	<b>1,111,611</b>	<b>284,288</b>	<b>15,309</b>	<b>865,639</b>	<b>77,742,263</b>
Additions	-	-	-	-	4,666	-	644,109	648,775
Transfers, net	-	2,060	919,766	34,164	9,970	2,664	(968,624)	-
Disposals	(19)	-	(4,045)	(3,734)	(257)	(1,519)	-	(9,574)
<b>At 31 December 2009</b>	<b>2,621,071</b>	<b>724,394</b>	<b>73,037,713</b>	<b>1,142,041</b>	<b>298,667</b>	<b>16,454</b>	<b>541,124</b>	<b>78,381,464</b>
<i>Accumulated depreciation</i>								
At 1 January 2008	-	487,616	35,509,926	517,999	232,556	9,740	-	36,757,837
Depreciation charge for the year	-	23,389	3,285,777	68,319	20,114	650	-	3,398,249
Disposals	-	-	(4,168)	(51)	(27,344)	-	-	(31,563)
<b>At 31 December 2008 and 1 January 2009</b>	<b>-</b>	<b>511,005</b>	<b>38,791,535</b>	<b>586,267</b>	<b>225,326</b>	<b>10,390</b>	<b>-</b>	<b>40,124,523</b>
Depreciation charge for the year	-	23,647	3,378,864	62,411	22,066	1,408	-	3,488,396
Disposals	-	-	(457)	(3,629)	(208)	(316)	-	(4,610)
<b>At 31 December 2009</b>	<b>-</b>	<b>534,652</b>	<b>42,169,942</b>	<b>645,049</b>	<b>247,184</b>	<b>11,482</b>	<b>-</b>	<b>43,608,309</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
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				<b>Separate financial statements</b>				
	Land	Buildings	Refinery plant and equipment	Machinery, equipment and plant equipment (in thousand Baht)	Furniture, fixtures, office equipment and others	Vehicles	Construction in progress	Total
<b>Impairment losses</b>								
<b>At 31 December 2008</b>	<u>397,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,176</u>
<b>At 31 December 2009</b>	<u>397,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,176</u>
<b>Net Book Value</b>								
<b>At 31 December 2008</b>	<u>2,223,914</u>	<u>211,329</u>	<u>33,330,457</u>	<u>525,344</u>	<u>58,962</u>	<u>4,919</u>	<u>865,639</u>	<u>37,220,564</u>
<b>At 31 December 2009</b>	<u>2,223,895</u>	<u>189,742</u>	<u>30,867,771</u>	<u>496,992</u>	<u>51,483</u>	<u>4,972</u>	<u>541,124</u>	<u>34,375,979</u>

The gross amounts of the Group's fully depreciated property, plant and equipment that were still in use as at 31 December 2009, amounted to Baht 1,569 million in the consolidated financial statements (2008: Baht 1,478 million) and amounted to Baht 1,290 million in the separate financial statements (2008: Baht 1,214 million).

The subsidiary mortgaged its power plant as collateral for long-term borrowings as described in note 17 to the financial statements. The net book value of the power plant as at 31 December 2009 amounted to Baht 6,618 million (2008: Baht 9,873 million).

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**14 Intangible assets**

	Consolidated financial statements			
	License fee	Computer software (in thousand Baht)	Customer database	Total
<b>Cost</b>				
At 1 January 2008	573,903	45,862	-	619,765
Business acquisitions	-	603	205,359	205,962
Additions	594,547	55,899	-	650,446
<b>At 31 December 2008 and 1 January 2009</b>	<b>1,168,450</b>	<b>102,364</b>	<b>205,359</b>	<b>1,476,173</b>
Additions	2,501	18,679	-	21,180
<b>At 31 December 2009</b>	<b>1,170,951</b>	<b>121,043</b>	<b>205,359</b>	<b>1,497,353</b>
<b>Accumulated amortisation</b>				
At 1 January 2008	556,951	34,467	-	591,418
Business acquisitions	-	603	-	603
Amortisation charge for the year	38,535	3,930	-	42,465
<b>At 31 December 2008 and 1 January 2009</b>	<b>595,486</b>	<b>39,000</b>	<b>-</b>	<b>634,486</b>
Amortisation charge for the year	60,747	11,963	-	72,710
<b>At 31 December 2009</b>	<b>656,233</b>	<b>50,963</b>	<b>-</b>	<b>707,196</b>
<b>Net book value</b>				
<b>At 31 December 2008</b>	<b>572,964</b>	<b>63,364</b>	<b>205,359</b>	<b>841,687</b>
<b>At 31 December 2009</b>	<b>514,718</b>	<b>70,080</b>	<b>205,359</b>	<b>790,157</b>
	Separate financial statements			
	License fee	Computer software (in thousand Baht)	Total	
<b>Cost</b>				
At 1 January 2008	573,064	37,130	610,194	
Additions	210,889	23,957	234,846	
<b>At 31 December 2008 and 1 January 2009</b>	<b>783,953</b>	<b>61,087</b>	<b>845,040</b>	
Additions	2,509	15,805	18,314	
<b>At 31 December 2009</b>	<b>786,462</b>	<b>76,892</b>	<b>863,354</b>	
<b>Accumulated amortisation</b>				
At 1 January 2008	556,660	26,608	583,268	
Amortisation charge for the year	13,469	2,998	16,467	
<b>At 31 December 2008 and 1 January 2009</b>	<b>570,129</b>	<b>29,606</b>	<b>599,735</b>	
Amortisation charge for the year	22,289	5,417	27,706	
<b>At 31 December 2009</b>	<b>592,418</b>	<b>35,023</b>	<b>627,441</b>	
<b>Net book value</b>				
<b>At 31 December 2008</b>	<b>213,824</b>	<b>31,481</b>	<b>245,305</b>	
<b>At 31 December 2009</b>	<b>194,044</b>	<b>41,869</b>	<b>235,913</b>	

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**15 Deferred income tax**

Deferred tax assets and liabilities determined after appropriate offsetting as at 31 December 2009 and 2008 are included in the balance sheets as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Deferred tax assets	324,958	1,550,132	319,338	1,527,622
Deferred tax liabilities	<u>(1,329,503)</u>	<u>(1,420,238)</u>	<u>(1,302,371)</u>	<u>(1,386,721)</u>
<b>Net</b>	<b><u>(1,004,545)</u></b>	<b><u>129,894</u></b>	<b><u>(983,033)</u></b>	<b><u>140,901</u></b>

Movements in deferred tax assets and liabilities during the years 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>			
	Credit / (charged) to:			
	<b>At 1 January 2009</b>	Statement of income (Note 27)	Shareholders' equity	<b>At 31 December 2009</b>
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Pension fund	99,519	(3,463)	-	96,056
Loss carry forward	1,261,275	(1,182,865)	-	78,410
Impairment losses on assets	119,153	-	-	119,153
Gain on cross currency and interest rate swap contracts	67,395	(38,613)	-	28,782
Other	<u>2,790</u>	<u>(233)</u>	<u>-</u>	<u>2,557</u>
<b>Total</b>	<b><u>1,550,132</u></b>	<b><u>(1,225,174)</u></b>	<b><u>-</u></b>	<b><u>324,958</u></b>
<b>Deferred tax liabilities</b>				
Depreciation	(1,367,646)	80,564	-	(1,287,082)
Provision for hedging on foreign exchange and forward contracts	(19,075)	3,786	-	(15,289)
Amortisation of transmission facilities transferred to EGAT	<u>(33,517)</u>	<u>6,385</u>	<u>-</u>	<u>(27,132)</u>
<b>Total</b>	<b><u>(1,420,238)</u></b>	<b><u>90,735</u></b>	<b><u>-</u></b>	<b><u>(1,329,503)</u></b>
<b>Net</b>	<b><u>129,894</u></b>	<b><u>(1,134,439)</u></b>	<b><u>-</u></b>	<b><u>(1,004,545)</u></b>



**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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	<b>Consolidated financial statements</b>			
	<b>At 1 January 2008</b>	<b>Credit / (charged) to:</b>		<b>At 31 December 2008</b>
		<b>Statement of income (Note 27) (in thousand Baht)</b>	<b>Shareholders' equity</b>	
<b>Deferred tax assets</b>				
Pension fund	87,044	12,475	-	99,519
Loss carry forward	-	1,261,275	-	1,261,275
Impairment losses on assets	119,153	-	-	119,153
Gain on cross currency and interest rate swap contracts	-	67,395	-	67,395
Other	3,240	(450)	-	2,790
<b>Total</b>	<b>209,437</b>	<b>1,340,695</b>	<b>-</b>	<b>1,550,132</b>
<b>Deferred tax liabilities</b>				
Depreciation	(1,422,218)	54,572	-	(1,367,646)
Provision for hedging on foreign exchange and forward contracts	(23,175)	4,100	-	(19,075)
Amortisation of transmission facilities transferred to EGAT	(39,901)	6,384	-	(33,517)
<b>Total</b>	<b>(1,485,294)</b>	<b>65,056</b>	<b>-</b>	<b>(1,420,238)</b>
<b>Net</b>	<b>(1,275,857)</b>	<b>1,405,751</b>	<b>-</b>	<b>129,894</b>
	<b>Separate financial statements</b>			
	<b>At 1 January 2009</b>	<b>Credit / (charged) to:</b>		<b>At 31 December 2009</b>
		<b>Statement of income (Note 27) (in thousand Baht)</b>	<b>Shareholders' equity</b>	
<b>Deferred tax assets</b>				
Pension fund	99,519	(3,463)	-	96,056
Loss carry forward	1,238,765	(1,165,975)	-	72,790
Impairment losses on assets	119,153	-	-	119,153
Gain on cross currency and interest rate swap contracts	67,395	(38,613)	-	28,782
Other	2,790	(233)	-	2,557
<b>Total</b>	<b>1,527,622</b>	<b>(1,208,284)</b>	<b>-</b>	<b>319,338</b>
<b>Deferred tax liabilities</b>				
Depreciation	(1,367,646)	80,564	-	(1,287,082)
Provision for hedging on foreign exchange and forward contracts	(19,075)	3,786	-	(15,289)
<b>Total</b>	<b>(1,386,721)</b>	<b>84,350</b>	<b>-</b>	<b>(1,302,371)</b>
<b>Net</b>	<b>140,901</b>	<b>(1,123,934)</b>	<b>-</b>	<b>(983,033)</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
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	At 1 January 2008	Separate financial statements Credit / (charged) to:		At 31 December 2008
		Statement of income (Note 27) (in thousand Baht)	Shareholders' equity	
<b>Deferred tax assets</b>				
Pension fund	87,044	12,475	-	99,519
Loss carry forward	-	1,238,765	-	1,238,765
Impairment losses on assets	119,153	-	-	119,153
Gain on cross currency and interest rate swap contracts	-	67,395	-	67,395
Other	3,240	(450)	-	2,790
<b>Total</b>	<b>209,437</b>	<b>1,318,185</b>	<b>-</b>	<b>1,527,622</b>
<b>Deferred tax liabilities</b>				
Depreciation	(1,422,218)	54,572	-	(1,367,646)
Provision for hedging on foreign exchange and forward contracts	(23,175)	4,100	-	(19,075)
<b>Total</b>	<b>(1,445,393)</b>	<b>58,672</b>	<b>-</b>	<b>(1,386,721)</b>
<b>Net</b>	<b>(1,235,956)</b>	<b>1,376,857</b>	<b>-</b>	<b>140,901</b>

**16 Other non-current assets**

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(in thousand Baht)		
Long-term loans to savings co-operative of employees	546,153	536,087	546,153	536,087
Goodwill	735,866	-	-	-
Transmission facilities transferred to EGAT, net	90,441	111,721	-	-
Deferred natural gas pipeline facilities, raw water pipeline and the use of land, net	240,061	257,731	120,120	128,910
Deferred land lease arrangement and registration fees, net	548,627	591,818	548,627	591,818
Other deferred charges, net	861,819	869,436	747,542	782,662
Refundable deposits and other	119,856	124,005	41,261	41,205
<b>Total</b>	<b>3,142,823</b>	<b>2,490,798</b>	<b>2,003,703</b>	<b>2,080,682</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**17 Interest-bearing liabilities**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in thousand Baht)			
<b>Current</b>					
Short-term borrowings from financial institutions					
Unsecured		1,300,000	7,951,579	1,300,000	7,951,579
Short-term borrowings from related companies	5	-	-	3,165,671	-
Current portion of long-term borrowings from financial institutions					
Secured		557,389	841,311	-	-
Unsecured		1,587,573	1,326,883	296,350	-
Current portion of unsecured debentures		-	2,750,000	-	2,750,000
		<u>3,444,962</u>	<u>12,869,773</u>	<u>4,762,021</u>	<u>10,701,579</u>
<b>Non-current</b>					
Long-term borrowings from financial institutions					
Secured		2,026,281	2,648,933	-	-
Unsecured		8,355,673	16,248,189	5,630,650	11,943,480
Unsecured debentures		29,607,517	18,300,175	29,607,517	18,300,175
		<u>39,989,471</u>	<u>37,197,297</u>	<u>35,238,167</u>	<u>30,243,655</u>
<b>Total</b>		<b>43,434,433</b>	<b>50,067,070</b>	<b>40,000,188</b>	<b>40,945,234</b>

The periods to maturity of interest-bearing liabilities as at 31 December 2009 and 2008 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Within one year	3,444,962	12,869,773	4,762,021	10,701,579
After one year but within five years	25,006,958	21,035,173	20,255,654	14,772,216
After five years	14,982,513	16,162,124	14,982,513	15,471,439
<b>Total</b>	<u><b>43,434,433</b></u>	<u><b>50,067,070</b></u>	<u><b>40,000,188</b></u>	<u><b>40,945,234</b></u>

**Thai Oil Public Company Limited and its Subsidiaries**  
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Secured interest-bearing liabilities as at 31 December 2009 and 2008 were secured on the following assets:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Cash at banks - current, savings and fixed deposits	6	1,266,851	1,682,060	-	-
Current investments in fixed deposits and promissory notes	7	455,115	110,845	-	-
Power plant - carrying value	13	6,617,606	9,873,217	-	-
<b>Total</b>		<b>8,339,572</b>	<b>11,666,122</b>	<b>-</b>	<b>-</b>

As at 31 December 2009 the Group and the Company had unutilised long-term credit facilities totaling Baht 6,902 million and Baht 6,703 million respectively (2008: Baht 1,925 million and Baht 1,000 million respectively).

The currency denomination of interest-bearing liabilities as at 31 December 2009 and 2008 was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Thai Baht	28,399,360	22,792,550	28,277,526	18,378,579
United States Dollars	15,035,073	27,274,520	11,722,662	22,566,655
<b>Total</b>	<b>43,434,433</b>	<b>50,067,070</b>	<b>40,000,188</b>	<b>40,945,234</b>

Interest-bearing liabilities as at 31 December 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Short-term borrowings from financial institutions	1,300,000	7,951,579	1,300,000	7,951,579
Short-term borrowings from related companies	-	-	3,165,671	-
Long-term borrowings from financial institutions	12,526,916	21,065,316	5,927,000	11,943,480
Debentures	29,607,517	21,050,175	29,607,517	21,050,175
<b>Total</b>	<b>43,434,433</b>	<b>50,067,070</b>	<b>40,000,188</b>	<b>40,945,234</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
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**Long-term borrowings**

Details of principal features of the Group's long-term borrowings as at 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
<b>The Company :</b>				
1) Baht 4,927 million Syndicated Loan Facility agreement at interest 6-month (THBFIX) rate plus a margin, payable in semi-annual installments commencing in September 2010	4,927,000	4,927,000	4,927,000	4,927,000
2) Baht 1,000 million Sub-Syndicated Loan Facility agreement at interest 6-month (THBFIX) rate plus a margin, payable in semi-annual installments commencing in September 2010	1,000,000	-	1,000,000	-
3) U.S. Dollars 200 million Revolving Credit Facility agreement at interest LIBOR plus margin, principal will be repayable in full at the fifth anniversary of the date of the agreement. Within the availability period, the Company’s own discretion whether to make a drawdown or repayment as well as decision to select the interest period of the amount drawdown under the relevant terms and conditions under the loan agreement	-	7,016,480	-	7,016,480
<b>Subsidiaries:</b>				
1) Baht 1,971 million Credit Facility agreement at interest 6-month (THBFIX) rate plus a margin, payable in semi-annual installments commencing in March 2004	-	217,850	-	-
2) Baht 200 million Credit Facility agreement at interest rates ranging from 4.00% - 4.50% per annum, payable in semi-annual installments commencing in December 2010	1,000	-	-	-
3) U.S. Dollars 40 million Credit Facility agreement at interest LIBOR plus a margin, payable in semi-annual installments commencing in March 2000	630,116	757,780	-	-
4) Baht 1,000 million Credit Facility agreement at interest MLR less a margin, payable in semi-annual installments commencing in March 2000	481,052	552,698	-	-
5) Baht 920 million Credit Facility agreement at interest MLR less a margin, payable in semi-annual installments commencing in March 2000	439,787	505,287	-	-
6) Baht 371.4 million Credit Facility agreement at interest MLR less a margin, payable in semi-annual installments commencing in March 2000	174,167	200,107	-	-

**Thai Oil Public Company Limited and its Subsidiaries**  
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**For the years ended 31 December 2009 and 2008**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
7) Baht 308.6 million Credit Facility agreement at interest MLR less a margin, payable in monthly installments commencing in December 1999	91,500	113,029	-	-
8) U.S. Dollars 144 million Credit Facility agreement at interest LIBOR plus a margin, payable in semi-annual installments commencing in March 2000	767,049	1,143,493	-	-
9) Baht 2,625 million Loan Facility agreement at interest MLR less a margin, payable in semi-annual installments commencing in April 2009	2,100,000	2,625,000	-	-
10) Baht 1,125 million Revolving Credit Facility agreement at interest MLR less margin, principal will be repayable in full at the seventh anniversary of the date of the agreement. Within the availability period, the subsidiary's own discretion whether to make a drawdown as well as repayment under the relevant term and conditions under the loan agreement	-	200,000	-	-
11) Yen 9,438 million Syndicated Loan agreement at interest 3-month JPY LIBOR plus a margin, payable in semi-annual installments commencing in January 2009	1,915,245	2,806,592	-	-
<b>Total</b>	<b>12,526,916</b>	<b>21,065,316</b>	<b>5,927,000</b>	<b>11,943,480</b>

**Debentures**

In 2008 the Company issued four-year-term debentures to institutional investors and/or major investors, totaling Baht 3,000 million, at face value of Baht 1,000 each, maturing on 5 June 2012 and bearing interest at the rate of 4.74% per annum, which will be repayable on every 5 June and 5 December in arrears.

In 2009 the Company issued five-year-term debentures to general and institutional investors, totaling Baht 12,000 million, at face value of Baht 1,000 each, maturing on 13 February 2014 and bearing interest at the rate of 4.20% per annum for the first and second year, of 5.30% per annum for the third and fourth year and of 6.0% per annum for the fifth year, which will be repayable on every 13 February, 13 May, 13 August and 13 November in arrears.

Details of the Company's debentures as at 31 December 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Debentures	29,615,734	21,060,126	29,615,734	21,060,126
Less discount on debentures	(8,217)	(9,951)	(8,217)	(9,951)
<b>Total</b>	<b>29,607,517</b>	<b>21,050,175</b>	<b>29,607,517</b>	<b>21,050,175</b>

# Thai Oil Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the years ended 31 December 2009 and 2008

As at 31 December 2009 the Company and a subsidiary have cross currency swap contracts with the local branches of foreign financial institutions for hedging foreign exchange and interest rate exposure of long-term debts for Baht and Yen currencies, totaling Baht 3,000 million and Yen 9,438 million respectively (2008: Baht 3,000 million and Yen 9,438 million respectively). All counterparties agree to pay the interest and the notional amount according to terms and conditions of the contracts.

## 18 Trade accounts payable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	5	11,163,060	10,562,074	11,704,099	9,974,026
Other parties		6,945,289	5,055,955	5,288,453	4,331,847
<b>Total</b>		<b>18,108,349</b>	<b>15,618,029</b>	<b>16,992,552</b>	<b>14,305,873</b>

The currency denomination of trade accounts payable as at 31 December 2009 and 2008 was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Thai Baht	12,681,412	11,359,126	11,825,671	10,075,235
United States Dollars	5,414,317	4,258,903	5,166,881	4,230,638
Other	12,620	-	-	-
<b>Total</b>	<b>18,108,349</b>	<b>15,618,029</b>	<b>16,992,552</b>	<b>14,305,873</b>

## 19 Other current liabilities

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Accrued operating expenses	215,778	189,953	132,547	100,785
Oil Fuel Fund payable	179,554	316,942	179,554	316,942
Other payables	864,982	409,483	805,325	344,696
Value added tax payable	40,410	52,010	-	-
Other	237,639	425,595	266,869	355,511
<b>Total</b>	<b>1,538,363</b>	<b>1,393,983</b>	<b>1,384,295</b>	<b>1,117,934</b>

**Thai Oil Public Company Limited and its Subsidiaries**  
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**20 Share capital**

		2009		2008	
	<i>Par value per share (in Baht)</i>	<i>Number of shares</i>	<i>Amount (thousand shares / thousand Baht)</i>	<i>Number of shares</i>	<i>Amount</i>
<b><i>Authorised</i></b>					
At 1 January					
- Ordinary shares	10	2,040,028	20,400,279	2,040,028	20,400,279
<b>At 31 December</b>					
- Ordinary shares	10	<b>2,040,028</b>	<b>20,400,279</b>	<b>2,040,028</b>	<b>20,400,279</b>
<b><i>Issued and paid-up</i></b>					
At 1 January					
- Ordinary shares	10	2,040,028	20,400,279	2,040,028	20,400,279
<b>At 31 December</b>					
- Ordinary shares	10	<b>2,040,028</b>	<b>20,400,279</b>	<b>2,040,028</b>	<b>20,400,279</b>

**21 Additional paid-in capital and reserves**

***Share premium***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

***Legal reserve***

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**22 Segment information**

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

***Business segments***

The Group comprises the following main business segments:

Segment 1:	Oil refinery
Segment 2:	Lube base oil refinery
Segment 3:	Petrochemical
Segment 4:	Power generation
Segment 5:	Oil and chemical products transportation services
Segment 6:	Other



**Thai Oil Public Company Limited and its Subsidiaries**  
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***Business segment results***

	Oil refinery		Lube base oil refinery		Petrochemical		Power generation		Oil and chemical products transportation services		Other		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>															
Revenue from sale of goods and rendering of services	274,325	399,735	16,981	22,213	49,365	52,606	14,231	14,353	968	984	25	-	(71,772)	(90,766)	284,123	399,125
Net foreign exchange gain	1,480	-	3	-	17	-	72	-	3	-	-	-	-	-	1,575	-
Other income	8,136	4,738	151	159	329	285	41	63	10	16	-	-	(6,972)	(2,986)	1,695	2,275
<b>Total revenues</b>	<b>283,941</b>	<b>404,473</b>	<b>17,135</b>	<b>22,372</b>	<b>49,711</b>	<b>52,891</b>	<b>14,344</b>	<b>14,416</b>	<b>981</b>	<b>1,000</b>	<b>25</b>	<b>-</b>	<b>(78,744)</b>	<b>(93,752)</b>	<b>287,393</b>	<b>401,400</b>
Cost of sale of goods and rendering of services	270,383	400,226	15,472	20,653	41,691	50,459	12,984	13,145	788	823	12	-	(72,315)	(91,641)	269,015	393,665
Selling expenses	383	174	54	58	212	119	-	-	-	-	-	-	(448)	(242)	201	109
Administrative expenses	557	430	153	157	203	68	59	58	73	57	3	1	(111)	(63)	937	708
Management benefit expenses	174	227	18	19	33	22	30	23	8	5	5	-	10	7	278	303
Net derivative loss on hedging	361	3,825	-	-	-	-	-	-	-	-	-	-	-	-	361	3,825
Net foreign exchange loss	-	802	-	(10)	-	52	-	54	-	-	-	-	-	-	-	898
<b>Total expenses</b>	<b>271,858</b>	<b>405,684</b>	<b>15,697</b>	<b>20,877</b>	<b>42,139</b>	<b>50,720</b>	<b>13,073</b>	<b>13,280</b>	<b>869</b>	<b>885</b>	<b>20</b>	<b>1</b>	<b>(72,864)</b>	<b>(91,939)</b>	<b>270,792</b>	<b>399,508</b>
Share of loss of associates	-	-	-	-	-	-	-	-	-	-	-	-	(27)	(2)	(27)	(2)
<b>Profit (loss) before finance costs and income tax expense (income)</b>	<b>12,083</b>	<b>(1,211)</b>	<b>1,438</b>	<b>1,495</b>	<b>7,572</b>	<b>2,171</b>	<b>1,271</b>	<b>1,136</b>	<b>112</b>	<b>115</b>	<b>5</b>	<b>(1)</b>	<b>(5,907)</b>	<b>(1,815)</b>	<b>16,574</b>	<b>1,890</b>
Finance costs	1,873	1,702	-	-	210	231	110	233	74	65	-	-	(152)	(114)	2,115	2,117
<b>Profit (loss) before income tax expense (income)</b>	<b>10,210</b>	<b>(2,913)</b>	<b>1,438</b>	<b>1,495</b>	<b>7,362</b>	<b>1,940</b>	<b>1,161</b>	<b>903</b>	<b>38</b>	<b>50</b>	<b>5</b>	<b>(1)</b>	<b>(5,755)</b>	<b>(1,701)</b>	<b>14,459</b>	<b>(227)</b>
Income tax expense (income)	1,124	(1,377)	432	447	86	(20)	350	163	12	1	-	-	-	-	2,004	(786)
<b>Profit (loss) for the year</b>	<b>9,086</b>	<b>(1,536)</b>	<b>1,006</b>	<b>1,048</b>	<b>7,276</b>	<b>1,960</b>	<b>811</b>	<b>740</b>	<b>26</b>	<b>49</b>	<b>5</b>	<b>(1)</b>	<b>(5,755)</b>	<b>(1,701)</b>	<b>12,455</b>	<b>559</b>
Attributable to :																
Equity holders of the Company	9,086	(1,536)	1,006	1,048	7,248	1,960	561	490	26	49	5	(1)	(5,870)	(1,786)	12,062	224
Minority interest	-	-	-	-	28	-	250	250	-	-	-	-	115	85	393	335
<b>Profit (loss) for the year</b>	<b>9,086</b>	<b>(1,536)</b>	<b>1,006</b>	<b>1,048</b>	<b>7,276</b>	<b>1,960</b>	<b>811</b>	<b>740</b>	<b>26</b>	<b>49</b>	<b>5</b>	<b>(1)</b>	<b>(5,755)</b>	<b>(1,701)</b>	<b>12,455</b>	<b>559</b>

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***Business segment financial position***

	Oil refinery		Lube base oil refinery		Petrochemical		Power generation		Oil and chemical products transportation services		Other		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>															
Trade accounts receivable	17,583	12,077	990	620	5,220	2,834	2,220	2,690	117	111	16	-	(5,955)	(3,095)	20,191	15,237
Inventories	24,546	17,770	2,750	1,889	1,395	629	202	189	70	94	-	-	(26)	(26)	28,937	20,545
Other current assets	15,093	15,908	2,269	1,830	2,878	1,923	2,346	2,234	90	132	24	25	(7,357)	(3,235)	15,343	18,817
Investments in associates	8,343	8,327	-	-	-	-	-	-	-	-	203	-	(8,344)	(8,098)	202	229
Property, plant and equipment	34,376	37,221	3,130	3,446	18,797	19,791	10,021	10,409	2,147	2,100	-	-	(670)	(752)	67,801	72,215
Other non-current assets	3,571	4,768	69	89	1,414	700	371	410	6	1	-	-	(160)	(170)	5,271	5,798
<b>Total assets</b>	<b>103,512</b>	<b>96,071</b>	<b>9,208</b>	<b>7,874</b>	<b>29,704</b>	<b>25,877</b>	<b>15,160</b>	<b>15,932</b>	<b>2,430</b>	<b>2,438</b>	<b>243</b>	<b>25</b>	<b>(22,512)</b>	<b>(15,376)</b>	<b>137,745</b>	<b>132,841</b>
Trade accounts payable	16,993	14,306	1,388	569	3,761	1,610	1,662	2,043	89	50	6	-	(5,791)	(2,960)	18,108	15,618
Other current liabilities	6,903	11,981	510	323	3,855	2,944	770	1,021	1,664	1,736	2	14	(7,514)	(3,364)	6,190	14,655
Long-term borrowings from financial institutions	5,631	11,943	-	-	2,724	4,305	2,027	2,649	-	-	-	-	-	-	10,382	18,897
Debentures	29,608	18,300	-	-	-	-	-	-	-	-	-	-	-	-	29,608	18,300
Other non-current liabilities	1,900	1,959	31	31	33	-	27	33	-	-	-	-	(221)	(232)	1,770	1,791
<b>Total liabilities</b>	<b>61,035</b>	<b>58,489</b>	<b>1,929</b>	<b>923</b>	<b>10,373</b>	<b>8,859</b>	<b>4,486</b>	<b>5,746</b>	<b>1,753</b>	<b>1,786</b>	<b>8</b>	<b>14</b>	<b>(13,526)</b>	<b>(6,556)</b>	<b>66,058</b>	<b>69,261</b>

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**23 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Interest income	120,400	196,709	199,919	204,271
Land lease income	9,610	9,610	58,005	54,555
Service income	65,262	38,522	739,803	765,476
Dividend income	-	-	5,804,912	1,761,388
Reversal of allowance for impairment losses on investments	-	779,497	-	779,497
Euro IV compensation income	1,127,773	987,070	1,127,773	987,070
Other	372,203	263,534	206,177	186,182
<b>Total</b>	<b>1,695,248</b>	<b>2,274,942</b>	<b>8,136,589</b>	<b>4,738,439</b>

During 2008 the Company reversed allowance for impairment losses on investments in an other related company (Thai Petroleum Pipeline Co., Ltd.), amounting to Baht 779 million, due to the related company's operation reported net profit and increase in cash flows from operating activities, then the recoverable amount exceeds the carrying amount of the investment.

**24 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Advisory and legal fees	46,661	39,139	22,550	15,882
Personnel expenses	337,160	270,587	229,388	159,846
Depreciation	71,027	52,572	13,606	13,073
Other	482,301	345,688	291,774	241,349
<b>Total</b>	<b>937,149</b>	<b>707,986</b>	<b>557,318</b>	<b>430,150</b>

**25 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Management</b>				
Salaries and wages	164,782	163,358	107,731	123,673
Contributions to provident fund	14,669	13,201	10,093	10,633
Retirement gratuity fund	12,575	26,759	10,704	24,254
Other	86,719	99,576	46,122	68,402
	<b>278,745</b>	<b>302,894</b>	<b>174,650</b>	<b>226,962</b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b><i>Other employees</i></b>				
Salaries and wages	1,409,026	1,234,897	1,091,060	952,984
Contributions to provident fund	98,938	92,982	86,366	80,831
Retirement gratuity fund	71,902	126,904	71,641	129,409
Other	226,133	148,125	203,305	127,007
	<u>1,805,999</u>	<u>1,602,908</u>	<u>1,452,372</u>	<u>1,290,231</u>
<b>Total</b>	<u><b>2,084,744</b></u>	<u><b>1,905,802</b></u>	<u><b>1,627,022</b></u>	<u><b>1,517,193</b></u>

The Group established a contributory registered provident fund to which the employees contribute monthly at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 15% of the employees' basic salaries. Membership to the funds is on a voluntary basis. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

The Company has a retirement gratuity fund plan to provide retirement and gratuity benefits to all of its employees. Benefits are payable upon retirement, disability, death or resignation. Provisions are computed on the benefit formula assuming all employees are terminated at the reporting date.

**26 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Interest expense:				
Financial institutions and other	2,057,799	2,138,822	1,824,803	1,655,259
Financial expenses	56,925	63,393	47,957	47,345
	<u>2,114,724</u>	<u>2,202,215</u>	<u>1,872,760</u>	<u>1,702,604</u>
Capitalised as cost of assets under construction	-	(85,814)	-	-
<b>Net</b>	<u><b>2,114,724</b></u>	<u><b>2,116,401</b></u>	<u><b>1,872,760</b></u>	<u><b>1,702,604</b></u>

**27 Income tax expense (income)**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<b><i>Current tax expense</i></b>					
Current year		870,310	619,913	-	-
<b><i>Deferred tax expense</i></b>					
Movements in temporary differences	15	1,134,439	(1,405,751)	1,123,934	(1,376,857)
<b>Total</b>		<u><b>2,004,749</b></u>	<u><b>(785,838)</b></u>	<u><b>1,123,934</b></u>	<u><b>(1,376,857)</b></u>

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*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Profit (loss) before income tax expense (income)	14,459,517	(226,486)	10,210,112	(2,913,169)
Income tax using the Thai corporation tax rate	4,337,855	(67,945)	3,063,034	(873,951)
Income tax reduction	(510,506)	145,658	(510,506)	145,658
Income not subject to tax	(1,535,842)	(786,717)	(1,440,669)	(656,030)
Expenses not deductible for tax purposes	17,333	16,258	12,075	7,466
Utilisation of previously unrecognised tax losses	(304,091)	(93,092)	-	-
<b>Total</b>	<b>2,004,749</b>	<b>(785,838)</b>	<b>1,123,934</b>	<b>(1,376,857)</b>

*Income tax reduction*

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the five consecutive accounting periods beginning on or after enactment. Listed companies that received income tax reduction under this Royal Decree are also eligible to continue the period of tax reduction under Royal Decree No. 475 but not beyond the 2010 accounting period ending on or after 31 December 2010.

Royal Decree No. 475 B.E. 2551 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

The Company has, accordingly, calculated income tax on its taxable profit for the years ended 31 December 2009 and 2008 at the 25% corporate income tax rate. However, its subsidiaries have calculated income tax on their taxable profit for those years at the 30% corporate tax rate.

## **28 Promotional privileges**

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to power generation, petrochemical product production, petroleum and liquid chemical products transported by marine, offshore crude oil unloading facilities and industrial zone. The privileges granted include:

- an exemption from payment of import duty and tax on machinery and equipment as approved by the Board of Investment.
- an exemption from payment of corporate income tax for promoted operations for periods of 7 to 8 years from the dates on which the income is first derived from such operations, and
- a 50% reduction in the normal corporate income tax rate on the net profit derived from certain promotional operations for a period of five years, commencing from the expiry date in (b) above

As promoted companies, the Company and its subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

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Summary of revenue from promoted and non-promoted businesses:

<b>Consolidated financial statements</b>						
	2009 Promoted businesses	2009 Non- promoted businesses	Total	2008 Promoted businesses	2008 Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	13,350,419	39,993,563	53,343,982	10,104,051	54,805,744	64,909,795
Local sales	26,354,100	278,391,716	304,745,816	46,446,819	378,614,580	425,061,399
Eliminations			<u>(73,966,762)</u>			<u>(90,846,430)</u>
<b>Total revenues</b>			<b><u>284,123,036</u></b>			<b><u>399,124,764</u></b>

  

<b>Separate financial statements</b>						
	2009 Promoted businesses	2009 Non- promoted businesses	Total	2008 Promoted businesses	2008 Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	37,360,861	37,360,861	-	50,028,246	50,028,246
Local sales	-	236,964,004	<u>236,964,004</u>	-	349,707,098	<u>349,707,098</u>
<b>Total revenues</b>			<b><u>274,324,865</u></b>			<b><u>399,735,344</u></b>

## 29 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2009 and 2008 were based on the profit (loss) for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) for the year attributable to equity holders of the Company	12,061,538	223,570	9,086,178	(1,536,313)
Number of ordinary shares outstanding	<u>2,040,028</u>	<u>2,040,028</u>	<u>2,040,028</u>	<u>2,040,028</u>
<b>Basic earnings (loss) per share (in Baht)</b>	<b><u>5.91</u></b>	<b><u>0.11</u></b>	<b><u>4.45</u></b>	<b><u>(0.75)</u></b>

## 30 Dividends

At the meeting of the Board of Directors of the Company held on 20 August 2009, the Company's Board of Directors approved the appropriation of interim dividends for the six-month period ended 30 June 2009 at Baht 1.05 per share, totaling Baht 2,142 million. The interim dividends were paid to the Company's shareholders in September 2009.

At the annual general meeting of the shareholders of the Company held on 3 April 2009, the Company's shareholders approved the appropriation of 2008 annual dividends at Baht 2.75 per share, totaling Baht 5,610 million. After a deduction of the interim dividends of Baht 1.75 per share which were already paid to the Company's shareholders in September 2008, the remaining dividends of Baht 1 per share, totaling Baht 2,040 million, were paid to the Company's shareholders in April 2009.

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At the meeting of the Board of Directors of the Company held on 24 August 2008, the Company's Board of Directors approved the appropriation of interim dividends for the six-month period ended 30 June 2008 at Baht 1.75 per share, totaling Baht 3,570 million. The interim dividends were paid to the Company's shareholders in September 2008.

At the annual general meeting of the shareholders of the Company held on 4 April 2008, the Company's shareholders approved the appropriation of 2007 annual dividends at Baht 4.50 per share, totaling Baht 9,180 million. After a deduction of the interim dividends of Baht 1.75 per share which were already paid to the Company's shareholders in October 2007, the remaining dividends of Baht 2.75 per share, totaling Baht 5,610 million, were paid to the Company's shareholders in April 2008.

### **31 Financial instruments**

#### ***Financial risk management policies***

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### ***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Hence, the Group has hedging agreements with various investment-grade financial institutions to protect against the risk of rising interest rates.

The effective interest rates of loans as at 31 December 2009 and 2008 and the periods in which those assets mature were as follows:

<b>Consolidated financial statements</b>				
	Effective interest rate	Within	After	Total
	(% per annum)	1 year	1 year	
		(in thousand Baht)		
<b>2009</b>				
<b>Non-current</b>				
Long-term loans to savings co-operative of employees	MLR less margin	39,030	546,153	585,183
Loans to employees	3.50 - 4.25	808	8,152	8,960
<b>Total</b>		<b>39,838</b>	<b>554,305</b>	<b>594,143</b>
<b>2008</b>				
<b>Non-current</b>				
Long-term loans to savings co-operative of employees	MLR less margin	37,636	536,087	573,723
Loans to employees	4.25 - 4.75	771	9,608	10,379
<b>Total</b>		<b>38,407</b>	<b>545,695</b>	<b>584,102</b>

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		Separate financial statements			
		Effective interest rate (% per annum)	Within 1 year	After 1 year	Total
			(in thousand Baht)		
2009					
Current					
Short-term loans to subsidiaries	MMR rate not exceeding the average MLR of 5 banks less margin	4,007,500	-	4,007,500	
Non-current					
Long-term loans to savings co-operative of employees	MLR less margin	39,030	546,153	585,183	
Total		4,046,530	546,153	4,592,683	
2008					
Current					
Short-term loans to subsidiaries	MMR rate not exceeding the average MLR of 5 banks less margin	3,159,000	-	3,159,000	
Non-current					
Long-term loans to savings co-operative of employees	MLR less margin	37,636	536,087	573,723	
Total		3,196,636	536,087	3,732,723	

The effective interest rates of borrowings from financial institutions and debentures as at 31 December 2009 and 2008 and the periods in which those liabilities mature were disclosed in note 17 to the financial statements.

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases of raw materials and long-term borrowings which are denominated in foreign currencies. However, the Group enters into short-term currency hedging contracts for short term foreign currency exposures when appropriate.

As at 31 December 2009 and 2008 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
		(in thousand Baht)			
U.S. Dollars					
Cash and cash equivalents	6	642,934	402,023	2,135	2,246
Trade accounts receivable	8	4,587,994	3,749,406	3,319,151	2,920,603
Other receivables		23,115	467	4,779	-
Interest-bearing liabilities	17	(15,035,073)	(27,274,520)	(11,722,662)	(22,566,655)
Trade accounts payable	18	(5,414,317)	(4,258,903)	(5,166,881)	(4,230,638)
Other payables		(33,919)	(2,455)	(19,483)	(1,979)
		<u>(15,229,266)</u>	<u>(27,383,982)</u>	<u>(13,582,961)</u>	<u>(23,876,423)</u>
Other currencies					
Cash and cash equivalents	6	91,829	91	118	-
Trade accounts receivable	8	168,805	-	-	-
Trade accounts payable	18	(12,620)	-	-	-
Other payables		(24,656)	(7,147)	(22,143)	(7,147)
		<u>223,358</u>	<u>(7,056)</u>	<u>(22,025)</u>	<u>(7,147)</u>
Net balance sheet exposure		<u>(15,005,908)</u>	<u>(27,391,038)</u>	<u>(13,604,986)</u>	<u>(23,883,570)</u>



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***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has no significant credit risk with any single counterparty or group of counterparties since the Group maintains business with large customers in petroleum and power industries and requires full first class collateral for the rest.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

***Fair values***

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The following methods and assumptions are used by the Group to estimate the fair value of each class of financial instrument.

The fair value of cash and cash equivalents, trade and other short-term receivables is taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair values of investments in equity securities, which are available for sales, are determined by reference to their net asset value at the reporting date.

The fair value of bank overdrafts and short-term borrowings from financial institutions and trade accounts payable and others, are taken to approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans and long-term borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date or based on market price, if available.

Fair values of debentures, together with the carrying values shown in the balance sheets as at 31 December 2009 and 2008 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Carrying value	Fair value	Carrying value
	<i>(in thousand Baht)</i>			
<b>2009</b>				
<b>Non-current</b>				
Debentures	(30,478,518)	(29,607,517)	(30,478,518)	(29,607,517)
<b>Total</b>	<b><u>(30,478,518)</u></b>	<b><u>(29,607,517)</u></b>	<b><u>(30,478,518)</u></b>	<b><u>(29,607,517)</u></b>

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Fair value	Carrying value	Fair value	Carrying value
	<i>(in thousand Baht)</i>			
<b>2008</b>				
<b>Current</b>				
Debentures	(2,790,136)	(2,750,000)	(2,790,136)	(2,750,000)
<b>Non-current</b>				
Debentures	(16,548,965)	(18,300,175)	(16,548,965)	(18,300,175)
<b>Total</b>	<b>(19,339,101)</b>	<b>(21,050,175)</b>	<b>(19,339,101)</b>	<b>(21,050,175)</b>

**32 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
Project construction agreements	1,054,232	734,607	683,088	541,711
<b>Total</b>	<b>1,054,232</b>	<b>734,607</b>	<b>683,088</b>	<b>541,711</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	177,867	175,270	174,426	174,426
After one year but within five years	755,060	735,252	751,467	731,876
After five years	1,747,341	1,899,269	1,743,543	1,894,206
<b>Total</b>	<b>2,680,268</b>	<b>2,809,791</b>	<b>2,669,436</b>	<b>2,800,508</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Other commitments</b>				
Technical services agreements	364,500	501,381	364,500	501,381
Inventory management services agreements	44,689	70,165	-	-
Letters of guarantee issued by financial institutions	4,763,961	411,852	4,547,015	196,495
Crude oil purchase agreements	37,016,854	37,828,584	37,016,854	37,828,584
<b>Total</b>	<b>42,190,004</b>	<b>38,811,982</b>	<b>41,928,369</b>	<b>38,526,460</b>

**Long-Term Maintenance Agreements**

A subsidiary has combustion turbine supply and maintenance agreements with local companies ("service providers"), whereby the service providers will supply and repair parts used for yearly and scheduled repairs. In this regard, the subsidiary is committed to pay for the parts and maintenance service fees at the prices specified in the agreements. These agreements are effective on the agreement date till the second major scheduled repair or the twelfth yearly scheduled repair.

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**33 Contingent liabilities and contingent assets**

As at 31 December 2009 the Group had the following contingent liabilities and contingent assets:

- a) The Company has outstanding interest rate swap contracts with local branches of foreign financial institutions to protect interest rate risk of the U.S. Dollar and Baht long-term financial liabilities of U.S. Dollars 60 million and Baht 2,750 million (*31 December 2008: U.S. Dollars 60 million*). According to terms and conditions of the contracts, the Company and the counterparty bank agree to pay the interest rate differentials for the notional amount.
- b) A subsidiary has been assessed by the Excise Department for the excise tax including penalty and surcharge for certain shipments of imported reduced crude oil totaling Baht 253.7 million (the Central Tax Court ruled in favor of the subsidiary). As at 31 December 2009 the case was in the process of consideration of the Supreme Court.
- c) A subsidiary has been assessed by the Revenue Department for the corporate income tax in respect to 1999 and 2000 revenues resulting to the utilisation of tax loss carry forwards in subsequent years (the Central Tax Court ruled in favor of the subsidiary). As at 31 December 2009 the case was in the process of consideration of the Supreme Court.
- d) The Company has crack spread swap and time spread swap with foreign companies ("counterparties"). The Company has or the counterparties have commitments to make payments for the differences between the fixed price and floating price for each period. As at 31 December 2009 the Company had oil volume under the agreements totaling 5.12 million barrels (*31 December 2008: nil*).

**34 Insurance policy**

As at 31 December 2009 the Group has an All Risks and Loss of Profit Insurance Policy ("ALOP") from a syndicate of insurers and reinsurers for a total insured value of U.S. Dollars 6,453 million (*2008: U.S. Dollars 7,113 million*). Such policy is renewed on an annual basis. Certain subsidiaries have assigned their rights to proceeds from insurance claims under the ALOP to the lenders under certain loan agreements.

**35 Event after the reporting period**

At the meeting of the Board of Directors of the Company held on 19 February 2010, the Company's Board of Directors approved the submission for approval at the annual general meeting of the shareholders of the Company the appropriation of 2009 annual dividends at Baht 2.55 per share, totaling Baht 5,202 million. After a deduction of the interim dividends of Baht 1.05 per share which were already paid to the Company's shareholders in September 2009, the remaining dividends of Baht 1.50 per share, totaling Baht 3,060 million, scheduled for payment on 28 April 2010. This dividend is subject to the approval of the Company's shareholders at the annual general meeting to be held on 2 April 2010.

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**36 Thai Accounting Standards not yet adopted**

The Company and local subsidiaries have not adopted the following new and revised Thai Accounting Standards (“TAS”) that have been issued as of the reporting date but are not yet effective. The new and revised TAS which is relevant to the operations of the Company and the subsidiaries are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

<b>TAS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 24 (revised 2007)	Related Party Disclosures	2011
TAS 40	Investment Property	2011

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the consolidated and separate financial statements.

**37 Reclassification of accounts**

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows:

***Balance sheets as at 31 December 2008***

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication	Before reclassi- fication	Reclassi- fication	After reclassi- fication
	<i>(in million Baht)</i>					
Accounts receivable from subsidiary, associates and related parties	83	(83)	-	149	(149)	-
Other current assets	1,977	83	2,060	1,135	149	1,284
Investments in subsidiaries and associates	229	(229)	-	8,327	(8,327)	-
Investments in subsidiaries	-	-	-	-	8,094	8,094
Investments in associates	-	229	229	-	233	233
Accounts payable to subsidiary, associates and related parties	52	(52)	-	48	(48)	-
Other current liabilities	1,342	52	1,394	1,070	48	1,118
		<u>-</u>			<u>-</u>	

**Thai Oil Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

*Statements of income for the year ended 31 December 2008*

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication (in million Baht)	Before reclassi- fication	Reclassi- fication	After reclassi- fication
Cost of sale of goods and rendering of services	393,772	(107)	393,665	400,449	(223)	400,226
Selling and administrative expenses	1,012	(1,012)	-	608	(608)	-
Selling expenses	-	108	108	-	174	174
Administrative expenses	-	708	708	-	430	430
Management benefit expenses	-	303	303	-	227	227
		<u>-</u>			<u>-</u>	

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development “*Determination of items in the financial statements B.E. 2552*” dated 30 January 2009.