

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

**Interim financial statements
and
Review report of Certified Public Accountant**

**For the three-month periods ended
31 March 2006 and 2005**



KPMG Phoomchai Audit Ltd.

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Review report of Certified Public Accountant

To the Board of Directors of Thai Oil Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thai Oil Public Company Limited and its subsidiaries as at 31 March 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2006. I have also reviewed the balance sheet of Thai Oil Public Company Limited as at 31 March 2006 and the related statement of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2006. The management of Thai Oil Public Company Limited is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my review. The consolidated statements of income, changes in shareholders' equity and cash flows of Thai Oil Public Company Limited and its subsidiaries for the three-month period ended 31 March 2005 and the statements of income, changes in shareholders' equity and cash flows of Thai Oil Public Company Limited for the three-month period ended 31 March 2005, which have been presented for comparative purposes, were reviewed by another auditor, whose report dated 28 April 2005 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

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

The consolidated financial statements of Thai Oil Public Company Limited and its subsidiaries for the year ended 31 December 2005, and the financial statements of Thai Oil Public Company Limited for the same year, were audited by another auditor, whose report dated 10 February 2006 expressed an unqualified opinion on those financial statements. The consolidated balance sheet of Thai Oil Public Company Limited and its subsidiaries and the separate balance sheet of Thai Oil Public Company Limited as at 31 December 2005, which have been presented herein for comparative purposes, are components of those financial statements.

(Narong Luktharn)
Certified Public Accountant
Registration number 4700

KPMG Phoomchai Audit Ltd.
Bangkok
10 May 2006

Thai Oil Public Company Limited and its Subsidiaries

Balance sheets

As at 31 March 2006 and 31 December 2005

Assets	Note	Consolidated		The Company	
		31 March 2006 (Reviewed)	31 December 2005 (Audited)	31 March 2006 (Reviewed)	31 December 2005 (Audited)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	10	12,374,075	11,251,624	8,856,332	7,411,402
Current investments	10	114,078	421,487	-	-
Trade accounts receivable, net	5	17,055,570	17,805,388	16,916,405	16,202,765
Accounts receivable from subsidiary and related companies	4	6,050	9,985	169,673	160,260
Inventories	6	19,731,313	19,000,931	16,908,162	16,471,823
Receivable from Oil Fuel Fund		1,063,099	1,232,607	1,063,099	1,232,607
Other current assets		879,417	1,277,130	473,378	852,541
Total current assets		51,223,602	50,999,152	44,387,049	42,331,398
Non-current assets					
Investments accounted for using the equity method	7	-	-	20,640,211	18,887,994
Other long-term investment, net	8	-	-	-	-
Subordinated loan to a subsidiary company	4	-	-	133,403	136,066
Loans to savings co-operative of employees, net		492,242	481,311	492,242	481,311
Property, plant and equipment, net	10	71,731,524	71,300,909	47,385,924	46,836,764
Intangible assets		72,158	79,426	70,533	77,751
Negative goodwill, net	7	(553,299)	(560,611)	-	-
Deferred tax assets		216,841	206,554	204,431	194,144
Other non-current assets	10	1,763,328	1,662,150	1,225,726	1,178,005
Total non-current assets		73,722,794	73,169,739	70,152,470	67,792,035
Total assets		124,946,396	124,168,891	114,539,519	110,123,433

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

Thai Oil Public Company Limited and its Subsidiaries

Balance sheets

As at 31 March 2006 and 31 December 2005

Liabilities and shareholders' equity	<i>Note</i>	Consolidated		The Company	
		31 March 2006 (Reviewed)	31 December 2005 (Audited)	31 March 2006 (Reviewed)	31 December 2005 (Audited)
<i>(in thousand Baht)</i>					
Current liabilities					
Trade accounts payable	9	18,251,814	13,527,223	19,857,985	13,449,460
Current portion of long-term loans	10	1,549,988	1,615,852	-	-
Accounts payable to subsidiary and related companies	4	199,879	275,455	6,800	477,782
Current tax payable		869,204	1,991,943	840,548	1,963,158
Other current liabilities		2,955,156	2,662,113	2,749,446	2,013,957
Total current liabilities		23,826,041	20,072,586	23,454,779	17,904,357
Non-current liabilities					
Long-term loans, net	10	13,640,257	19,857,004	7,078,296	11,452,539
Notes, net	10	13,614,796	14,395,131	13,614,796	14,395,131
Deferred tax liabilities		2,971,980	2,825,449	2,920,907	2,772,781
Other non-current liabilities		177,876	166,267	394,099	332,484
Total non-current liabilities		30,404,909	37,243,851	24,008,098	28,952,935
Total liabilities		54,230,950	57,316,437	47,462,877	46,857,292
Shareholders' equity					
<i>Share capital</i>					
Authorized share capital	11	20,400,279	20,400,279	20,400,279	20,400,279
Issued and paid-up share capital	11	20,400,279	20,400,279	20,400,279	20,400,279
Share premium		2,456,261	2,456,261	2,456,261	2,456,261
Revaluation reserve		14,435,133	15,049,072	14,435,133	15,049,072
<i>Retained earnings</i>					
<i>Appropriated</i>					
- Legal reserve		1,284,945	1,284,945	1,284,945	1,284,945
- Other		244,500	244,500	244,500	244,500
Unappropriated		28,255,524	23,831,084	28,255,524	23,831,084
Total equity of the Company's shareholders		67,076,642	63,266,141	67,076,642	63,266,141
Minority interest		3,638,804	3,586,313	-	-
Total shareholders' equity		70,715,446	66,852,454	67,076,642	63,266,141
Total liabilities and shareholders' equity		124,946,396	124,168,891	114,539,519	110,123,433

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

Thai Oil Public Company Limited and its Subsidiaries
Statements of income
For the three-month periods ended 31 March 2006 and 2005

“UNAUDITED”
“REVIEWED”

	Note	Consolidated		The Company	
		2006	2005	2006	2005
		<i>(in thousand Baht)</i>			
Revenues	12				
Revenue from sale of goods and rendering of services	4	64,858,683	47,942,133	66,869,751	44,948,758
Gain on foreign exchange		1,673,348	251,302	1,328,109	210,084
Other income	4	157,839	116,476	485,027	251,019
Share of profits from investments accounted for using the equity method	7	-	-	1,945,404	743,311
Total revenues		66,689,870	48,309,911	70,628,291	46,153,172
Expenses	12				
Cost of sale of goods and rendering of services	4	61,008,496	42,810,860	65,430,933	41,044,653
Selling and administrative expenses	4	210,989	220,410	80,363	130,258
Loss from insurance claims		-	232,053	-	-
Total expenses		61,219,485	43,263,323	65,511,296	41,174,911
Profit before interest, financial and income tax expense		5,470,385	5,046,588	5,116,995	4,978,261
Interest and financial expenses	4	(462,404)	(485,593)	(317,972)	(303,493)
Income tax expense		(711,142)	(982,233)	(712,738)	(983,830)
Profit after tax		4,296,839	3,578,762	4,086,285	3,690,938
Net (profit) loss of minority interest		(210,554)	112,176	-	-
Net profit		4,086,285	3,690,938	4,086,285	3,690,938
Basic earnings per share	13	2.00	1.81	2.00	1.81

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

Thai Oil Public Company Limited and its Subsidiaries
 Statements of changes in shareholders' equity
 For the three-month periods ended 31 March 2006 and 2005

"UNAUDITED"

"REVIEWED"

	Consolidated					Total equity of the Company's shareholders	Minority interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Revaluation reserve	Legal reserve	Other <i>(in thousand Baht)</i>				Unappropriated
Balance at 1 January 2005	20,400,279	2,456,261	17,970,644	347,290	244,500	7,877,159	49,296,133	4,279,170	53,575,303
Depreciation of revaluation surplus of assets	-	-	(347,771)	-	-	346,889	(882)	-	(882)
Deferred tax on revaluation of assets	-	-	(282,818)	-	-	-	(282,818)	-	(282,818)
Change in portion of minority interests	-	-	-	-	-	-	-	(941,478)	(941,478)
Net profit	-	-	-	-	-	3,690,938	3,690,938	(112,176)	3,578,762
Balance at 31 March 2005	20,400,279	2,456,261	17,340,055	347,290	244,500	11,914,986	52,703,371	3,225,516	55,928,887
Balance at 1 January 2006	20,400,279	2,456,261	15,049,072	1,284,945	244,500	23,831,084	63,266,141	3,586,313	66,852,454
Depreciation of revaluation surplus of assets	-	-	(338,155)	-	-	338,155	-	-	-
Deferred tax on revaluation of assets	-	-	(275,784)	-	-	-	(275,784)	-	(275,784)
Net profit	-	-	-	-	-	4,086,285	4,086,285	210,554	4,296,839
Dividend payment	-	-	-	-	-	-	-	(158,063)	(158,063)
Balance at 31 March 2006	20,400,279	2,456,261	14,435,133	1,284,945	244,500	28,255,524	67,076,642	3,638,804	70,715,446

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

Thai Oil Public Company Limited and its Subsidiaries
 Statements of changes in shareholders' equity
 For the three-month periods ended 31 March 2006 and 2005

"UNAUDITED"

"REVIEWED"

	Issued and paid-up share capital	Share premium	Revaluation reserve	The Company			Total equity of the Company's shareholders
				Retained earnings			
			Legal reserve	Other	Unappropriated		
			<i>(in thousand Baht)</i>				
Balance at 1 January 2005	20,400,279	2,456,261	17,970,644	347,290	244,500	7,877,159	49,296,133
Depreciation of revaluation surplus of assets	-	-	(347,771)	-	-	346,889	(882)
Deferred tax on revaluation of assets	-	-	(282,818)	-	-	-	(282,818)
Net profit	-	-	-	-	-	3,690,938	3,690,938
Balance at 31 March 2005	20,400,279	2,456,261	17,340,055	347,290	244,500	11,914,986	52,703,371
Balance at 1 January 2006	20,400,279	2,456,261	15,049,072	1,284,945	244,500	23,831,084	63,266,141
Depreciation of revaluation surplus of assets	-	-	(338,155)	-	-	338,155	-
Deferred tax on revaluation of assets	-	-	(275,784)	-	-	-	(275,784)
Net profit	-	-	-	-	-	4,086,285	4,086,285
Balance at 31 March 2006	20,400,279	2,456,261	14,435,133	1,284,945	244,500	28,255,524	67,076,642

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 three-month periods ended 31 March 2006 and 2005

“UNAUDITED”
“REVIEWED”

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Net profit	4,086,285	3,690,938	4,086,285	3,690,938
<i>Adjustments for</i>				
Depreciation and amortization	1,632,459	1,584,471	1,233,387	1,249,279
Unrealized (gain) loss on foreign exchange	(1,362,878)	23,889	(1,065,166)	14,816
Interest expenses	450,006	474,524	306,416	294,617
Decrease in allowance for decline in value of inventories	-	(17,635)	-	-
Share of profits from investments accounted for using the equity method	-	-	(1,945,404)	(743,311)
Loss from insurance claims	-	232,053	-	-
(Gain) loss on disposal of liquid chemical tanker and equipment	40	(29,494)	11	1,431
Realisation of deferred land lease and other income	(6,409)	(15,669)	(46,006)	(36,781)
Income tax expense	711,142	982,233	712,738	983,830
Net profit (loss) of minority interests	210,554	(112,176)	-	-
Profit provided by operating activities before changes in operating assets and liabilities	5,721,199	6,813,134	3,282,261	5,454,819
<i>Changes in operating assets and liabilities</i>				
<i>(Increase) decrease in operating assets</i>				
Trade accounts receivable	731,399	(1,791,364)	(722,083)	(1,829,074)
Accounts receivable from subsidiary and related companies	3,935	100,543	(9,413)	92,772
Inventories	(730,382)	(1,618,636)	(436,338)	(1,248,551)
Receivable from Oil Fuel Fund	169,507	360,777	169,507	360,777
Other current assets	313,262	540,202	293,677	533,659
Other non-current assets	(147,156)	3,573	(90,755)	(5,521)
<i>Increase (decrease) in operating liabilities</i>				
Trade accounts payable	4,846,151	4,839,565	6,450,799	4,612,631
Accounts payable to subsidiary and related companies	(75,576)	(343,878)	(470,982)	(7,874)
Other current liabilities	610,434	111,648	620,591	125,782
Other non-current liabilities	16,392	44,590	97,238	68,438
Income tax paid	(1,974,456)	(2,774,798)	(1,973,292)	(2,772,949)
Net cash provided by operating activities	9,484,709	6,285,356	7,211,210	5,384,909

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 three-month periods ended 31 March 2006 and 2005

“UNAUDITED”
“REVIEWED”

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Decrease in current investments	307,409	253,600	-	-
Payment of investments in shares of subsidiary company	-	(487,968)	-	(487,968)
Loans to savings co-operative of employees (increase) decrease	(10,931)	7,910	(10,931)	7,910
Dividends received	-	-	193,187	-
Purchase of plant and equipment	(1,995,826)	(1,422,674)	(1,647,592)	(350,089)
Proceeds from insurance claims	-	899,391	-	-
Proceeds from sales of liquid chemical tanker and equipment	-	177,595	-	396
Increase in intangible assets	(2,191)	(2,932)	(2,130)	(1,858)
Net cash used in investing activities	(1,701,539)	(575,078)	(1,467,466)	(831,609)
<i>Cash flows from financing activities</i>				
Interest paid	(764,954)	(709,163)	(181,354)	(447,185)
Decrease in short-term loans from financial institutions	-	(50,805)	-	-
Repayment of long-term loans	(5,737,702)	(4,721,593)	(4,117,460)	(3,909,449)
Dividend paid	(158,063)	-	-	-
Net cash used in financing activities	(6,660,719)	(5,481,561)	(4,298,814)	(4,356,634)
Net increase in cash and cash equivalents	1,122,451	228,717	1,444,930	196,666
Cash and cash equivalents at beginning of period	11,251,624	6,667,166	7,411,402	4,170,710
Cash and cash equivalents at end of period	12,374,075	6,895,883	8,856,332	4,367,376

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

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month periods ended 31 March 2006 and 2005 (Reviewed)
and 31 December 2005 (Audited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 10 May 2006.

1 General information

Thai Oil Public Company Limited, the “Company”, was incorporated in Thailand in 1961 and has its registered office as follows:

Bangkok office : 123 Suntowers Building B, 12th Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok, Thailand.

Sriracha office and refinery plant : 42/1 Moo 1, Sukhumvit Road Km. 124, Tungsukla, Sriracha, Choburi, Thailand.

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

The Company is a company in the PTT Public Company Limited (“PTT”) group of companies. PTT was incorporated in Thailand and is the major shareholder of the Company, holding 49.54% of the Company’s issued and paid-up share capital.

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are as follows:

The Company

The principal activity of the Company is oil refining operations.

The Subsidiary Companies

Thaioil Marine Co., Ltd. is engaged in transportation of petroleum oil products and chemical products by waterway.

Thaioil Power Co., Ltd. is engaged in power plant operations with a capacity to produce electricity and steam.

Independent Power (Thailand) Co., Ltd. is engaged in operations with a 700 Megawatt combined cycle power plant.

Thai Lube Base Public Co., Ltd. is engaged in refining and distributing of lube base oil.

Thai Paraxylene Co., Ltd. is engaged in manufacturing of paraxylene, one of the preliminary upstream petrochemical products.

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

**For the three-month periods ended 31 March 2006 and 2005 (Reviewed)
and 31 December 2005 (Audited)**

2 Basis of preparation of financial statements

The interim 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 interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard ("TAS") No. 41 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements have been prepared to provide an update on the financial statements for the year ended 31 December 2005. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2005.

Accounting policies and methods of computation applied in the interim financial statements for the three-month period ended 31 March 2006 are consistent with those applied in the financial statements for the year ended 31 December 2005.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month periods ended 31 March 2006 and 2005 (Reviewed)
and 31 December 2005 (Audited)

4 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by common shareholders or directors.

Details of significant related parties and their relationship

<u>Related companies</u>	<u>Relationship</u>
PTT Public Co., Ltd.	Major shareholder
Thai Paraxylene Co., Ltd.	Subsidiary and/or directorship
Thai Lube Base Public Co., Ltd.	Subsidiary and/or directorship
Thaioil Power Co., Ltd.	Subsidiary and/or directorship
Independent Power (Thailand) Co., Ltd.	Subsidiary and/or directorship
Thaioil Marine Co., Ltd.	Subsidiary and/or directorship
Thai Petroleum Pipeline Co., Ltd.	Related company and/or directorship
Siemens Power Generation	Related company of subsidiary's shareholder
Siemens Limited	Related company of subsidiary's shareholder

The Company determines the policy of pricing for related party transactions as follows:

- (1) Revenue from sale of goods and rendering of services and purchase of goods are determined by reference to market prices or, where no market price exists, at contractually agreed prices.
- (2) Other income and other expenses are determined by contractually agreed prices.
- (3) Directors' remuneration is determined by Shareholders.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month periods ended 31 March 2006 and 2005 (Reviewed)
and 31 December 2005 (Audited)

Significant transactions for the three-month periods ended 31 March 2006 and 2005 with related parties are summarised as follows:

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Revenues				
<i>Revenue from sale of goods and rendering of services</i>				
PTT Public Co., Ltd.	37,483	20,021	36,754	19,558
Thai Paraxylene Co., Ltd.	-	-	7,871	1,953
Thai Lube Base Public Co., Ltd.	-	-	2,019	755
Independent Power (Thailand) Co., Ltd.	-	-	107	27
<i>Interest income</i>				
Thaioil Power Co., Ltd.	-	-	-	1
Thaioil Marine Co., Ltd.	-	-	-	2
Thai Paraxylene Co., Ltd.	-	-	4	6
Thai Lube Base Public Co., Ltd.	-	-	-	1
<i>Land lease income</i>				
Thaioil Power Co., Ltd.	-	-	1	1
Independent Power (Thailand) Co., Ltd.	-	-	1	1
Thai Paraxylene Co., Ltd.	-	-	3	3
Thai Lube Base Public Co., Ltd.	-	-	5	5
<i>Other income</i>				
PTT Public Co., Ltd.	2	1	2	1
Thaioil Power Co., Ltd.	-	-	124	83
Independent Power (Thailand) Co., Ltd.	-	-	15	16
Thai Paraxylene Co., Ltd.	-	-	131	43
Thai Lube Base Public Co., Ltd.	-	-	92	24
Expenses				
<i>Purchases</i>				
PTT Public Co., Ltd.	29,317	23,385	27,705	22,017
Thaioil Power Co., Ltd.	-	-	409	357
Thai Paraxylene Co., Ltd.	-	-	6,055	115
Thai Lube Base Public Co., Ltd.	-	-	921	413
<i>Other expenses</i>				
PTT Public Co., Ltd.	5	37	4	37
Thaioil Marine Co., Ltd.	-	-	11	17
Thaioil Power Co., Ltd.	-	-	-	2
Thai Lube Base Public Co., Ltd.	-	-	-	4
Thai Petroleum Pipeline Co., Ltd.	21	24	21	24
Siemens Limited	-	36	-	-
<i>Interest expenses</i>				
Thai Lube Base Public Co., Ltd.	-	-	-	3
<i>Directors' remuneration</i>				
	9	7	2	2

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month periods ended 31 March 2006 and 2005 (Reviewed) and 31 December 2005 (Audited)

Balance as at 31 March 2006 and 31 December 2005, with related parties are as follows:

Trade accounts receivable

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
PTT Public Co., Ltd.	9,471	7,451	9,320	7,320
Thai Paraxylene Co., Ltd.	-	-	2,672	2,428
Thai Lube Base Public Co., Ltd.	-	-	56	47
Independent Power (Thailand) Co., Ltd.	-	-	114	-
Total	<u>9,471</u>	<u>7,451</u>	<u>12,162</u>	<u>9,795</u>

Accounts receivable from subsidiary and related companies

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
<i>Other receivables</i>				
PTT Public Co., Ltd.	6	10	6	10
Thaioil Power Co., Ltd.	-	-	45	40
Thai Paraxylene Co., Ltd.	-	-	47	37
Thai Lube Base Public Co., Ltd.	-	-	43	32
Independent Power(Thailand) Co., Ltd.	-	-	4	9
Thaioil Marine Co., Ltd.	-	-	-	2
Total	<u>6</u>	<u>10</u>	<u>145</u>	<u>130</u>
<i>Current portion of long-term receivable</i>				
Thaioil Marine Co., Ltd.	-	-	24	30
Total	<u>6</u>	<u>10</u>	<u>169</u>	<u>160</u>

Subordinated loan - subsidiary

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
Thai Paraxylene Co., Ltd.	-	-	133	136

On 15 March 2004, the Company provided financial support of U.S. Dollars 3 million to Thai Paraxylene Co., Ltd. under the Sponsors Financial Support Agreement dated 13 September 2000. This loan bears interest at a rate not exceeding LIBOR plus 2% per annum. The loan and related interest will be repaid after all loans under "the Master Agreement" and "the Credit Agreements" of the subsidiary company have been fully repaid.

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Trade accounts payable

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
PTT Public Co., Ltd.	10,403	7,294	9,891	5,993
Thaioil Power Co., Ltd.	-	-	148	136
Thai Paraxylene Co., Ltd.	-	-	2,083	1,923
Thai Lube Base Public Co., Ltd.	-	-	96	230
Total	<u>10,403</u>	<u>7,294</u>	<u>12,218</u>	<u>8,282</u>

Accounts payable to subsidiary and related companies

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
<i>Other payables</i>				
PTT Public Co., Ltd.	4	-	-	1
Siemens Power Generation	193	272	-	-
Thai Lube Base Public Co., Ltd.	-	-	-	468
Thai Paraxylene Co., Ltd.	-	-	-	2
Thai Petroleum Pipeline Co., Ltd.	3	3	3	3
Thaioil Marine Co., Ltd.	-	-	4	4
Total	<u>200</u>	<u>275</u>	<u>7</u>	<u>478</u>

5 Trade accounts receivable, net

	Note	Consolidated		The Company	
		31 March 2006	31 December 2005	31 March 2006	31 December 2005
		<i>(in million Baht)</i>			
Trade accounts receivable from related parties	4	9,471	7,451	12,162	9,795
Trade accounts receivable from other parties		7,585	10,354	4,754	6,408
Less allowance for doubtful accounts		-	-	-	-
Net		<u>17,056</u>	<u>17,805</u>	<u>16,916</u>	<u>16,203</u>

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	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
Within credit terms	17,025	17,796	16,916	16,203
Overdue:				
Less than 6 months	25	7	-	-
6-12 months	4	-	-	-
Over 12 months	2	2	-	-
	<u>17,056</u>	<u>17,805</u>	<u>16,916</u>	<u>16,203</u>
Less allowance for doubtful accounts	-	-	-	-
Net	<u>17,056</u>	<u>17,805</u>	<u>16,916</u>	<u>16,203</u>

The normal credit term granted by the Group is between 19 days to 60 days.

6 Inventories

As at 31 March 2006 and 31 December 2005, crude oil and feedstock valued using the last-in, first-out method at the lower of cost or net realizable value, were Baht 945 million and Baht 1,014 million, respectively, lower than the cost calculated using the first-in, first-out method.

As at 31 March 2006 and 31 December 2005, inventories included inventories held in reserve under regulatory requirements amounting to Baht 6,838 million and Baht 7,466 million, respectively.

7 Investments accounted for using the equity method

Movements during the three-month periods ended 31 March on investments accounted for using the equity method were as follows:

	Consolidated		The Company	
	2006	2005	2006	2005
	<i>(in million Baht)</i>			
Net book value at 1 January	-	-	18,888	8,327
Share of net profits of investments				
- equity method	-	-	1,945	743
Acquisitions	-	-	-	488
Dividend income	-	-	(193)	-
Net book value at 31 March	<u>-</u>	<u>-</u>	<u>20,640</u>	<u>9,558</u>
Net book value at 31 December		<u>-</u>		<u>18,888</u>

The dividend income was all from Thairoil Power Company Limited.

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Investments accounted for using the equity method as at 31 March 2006 and 31 December 2005 were as follows:

	Percentage of		<i>(in million Baht)</i>							
	Holding		Paid-up capital		Cost		Consolidated		The Company	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	(%)									
Investments recorded by the equity method:										
- Subsidiary companies										
Thaioil Power Co., Ltd.	54.99	54.99	2,810	2,810	1,546	1,546	-	-	3,252	3,277
Independent Power (Thailand) Co., Ltd.										
- Indirectly held by Thaioil Power Co., Ltd. and equity included as part of Thaioil Power Co., Ltd.	56.00	56.00	1,771	1,771	-	-	-	-	-	-
- Directly held by the Company	24.00	24.00	-	-	488	488	-	-	744	651
Thaioil Marine Co., Ltd.	99.99	99.99	630	630	630	630	-	-	511	502
Thai Paraxylene Co., Ltd.	99.99	99.99	5,491	5,491	3,551	3,551	-	-	8,621	7,330
Thai Lube Base Public Co., Ltd.	99.99	99.99	2,833	2,833	1,978	1,978	-	-	7,512	7,128
Total									20,640	18,888

Independent Power (Thailand) Co., Ltd.

On 16 December 2004, the Company entered into an agreement to purchase shares of Independent Power (Thailand) Co., Ltd. from Unocal Asia Pacific Ventures Ltd., a former shareholder, in the amount of 42,504,000 shares (equivalent to 24% of total shares of this company) at the price of U.S. Dollars 12.75 million. On 11 March 2005, the Company completed the acquisition as per the conditions stipulated in the above agreement. The Company recognised the difference between the cost of acquisition and the fair value of Baht 585 million as negative goodwill in the balance sheet. The negative goodwill is amortised by the straight line basis over its estimated useful life of 20 years. For the three -months period ended 31 March 2006, the Company amortised such negative goodwill by Baht 7 million, resulting in the remaining balance of the aforementioned negative goodwill of Baht 553 million as at 31 March 2006.

Thai Paraxylene Co., Ltd.

At the extraordinary shareholders' meeting of Thai Paraxylene Co., Ltd. held on 18 April 2005, the shareholders unanimously approved the decrease of its preferred shares in the amount of Baht 2,918.44 million. At present, the company is in the process of getting approval from lenders under the loan facility agreements to decrease such preferred shares.

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Thai Lube Base Public Co., Ltd.

At the ordinary shareholders' meeting held on 21 April 2006, the shareholders unanimously approved the distribution of cash dividends for the year ended 31 December 2005 at Baht 1.75 per share, totaling Baht 496 million and the appropriation of Baht 232 million or 5% of net profit.

8 Other long-term investment, net

Other long-term investment in a related company as at 31 March 2006 and 31 December 2005 was as follows:

Type of Business	Percentage of		(in million Baht)								
	Holding		Paid-up capital		Cost		Consolidated		The Company		
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	
	(%)										
Investments recorded by cost method:											
- Related company											
Thai Petroleum Pipeline Co., Ltd.	Transportation by pipeline	9.43	9.43	8,268	8,268	779	779	779	779	779	779
Total								779	779	779	779
Less: allowance for loss on impairment of investments								(779)	(779)	(779)	(779)
Net								<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9 Trade accounts payable

	Note	Consolidated		The Company	
		31 March 2006	31 December 2005	31 March 2006	31 December 2005
		(in million Baht)			
Trade accounts payable to related parties	4	10,403	7,294	12,218	8,282
Trade accounts payable to other parties		7,849	6,233	7,640	5,167
Total		<u>18,252</u>	<u>13,527</u>	<u>19,858</u>	<u>13,449</u>

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10 Long-term loans and notes

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
The Company				
1. U.S. Dollars 65 million in 2006 and 2005 under U.S. Dollars 65 million and Baht 2,600 million Syndicated Loan Facility agreement repayable in six (6) semi-annual installments commencing in September 2008 (interest at LIBOR plus a margin of 1.18%)	2,531	2,676	2,531	2,676
2. Thai Baht under U.S. Dollars 65 million and Baht 2,600 million Syndicated Loan Facility agreement repayable in six (6) semi-annual installments commencing in September 2008 (interest at the average Baht 6-month time deposit rate plus a margin of 2.75%)	2,600	2,600	2,600	2,600
3. U.S. Dollars 50 million in 2006 and U.S. Dollars 150 million in 2005 under U.S. Dollars 200 million Revolving Credit Facility agreement, principal will be repayable in full at the fifth anniversary of the date of the agreement (interest at LIBOR plus a margin of 0.36%), prior to maturity date, it's Company's own discretion whether to make a drawdown or repayment within the availability period as well as decision to select the interest period of the amount drawdown under the relevant terms and conditions under the loan agreement	1,947	6,176	1,947	6,176
Subsidiary Companies:				
Thaioil Power Co., Ltd.				
Onshore loans				
- Tranche A	1,001	1,106	-	-
Independent Power (Thailand) Co., Ltd.				
Onshore loans				
- Tranche A1 (U.S. Dollars 27.6 million in 2006 and U.S. Dollars 28.8 million in 2005)	1,075	1,186	-	-
- Tranche A2	706	737	-	-
- Tranche A3	646	674	-	-
- Tranche A5	256	267	-	-
- Tranche E	172	178	-	-
Offshore loans				
- Tranche B (U.S. Dollars 70.7million in 2006 and U.S. Dollars 81.1 million in 2005)	2,755	3,341	-	-

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	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
Thai Paraxylene Co., Ltd.				
Onshore loans				
- Tranche A1 (U.S. Dollars 30.7 million in 2006 and U.S. Dollars 33.4 million in 2005)	1,195	1,376	-	-
- Tranche A2	306	333	-	-
Offshore loans				
- Tranche J (U.S. Dollars 20 million in 2005)	-	823	-	-
Total	15,190	21,473	7,078	11,452
Less: portion due within one year	(1,550)	(1,616)	(-)	-
Net	<u>13,640</u>	<u>19,857</u>	<u>7,078</u>	<u>11,452</u>

On 10 June 2005, the Company issued ten-year-term notes at pricing rate of 99.884 % of their face value of U.S. Dollars 350 million, maturing on 9 June 2015 and bearing interest at the rate of 5.10% per annum payable semi-annually in arrears, commencing on 9 December 2005. The loan agreement and the Offering Circular agreement for notes have certain covenants pertaining to maintenance of certain financial ratios in the financial statements and percentage of shares held by the major shareholder. The outstanding balances of notes were as follows:

	Consolidated		The Company	
	31 March 2006	31 December 2005	31 March 2006	31 December 2005
	<i>(in million Baht)</i>			
Notes	13,630	14,411	13,630	14,411
Less: Discount on notes	(15)	(16)	(15)	(16)
Net	<u>13,615</u>	<u>14,395</u>	<u>13,615</u>	<u>14,395</u>

Security of subsidiary companies' loan

As at 31 March 2006 and 31 December 2005, the loan facilities to Thairoil Power Co., Ltd., Independent Power (Thailand) Co., Ltd., Thairoil Marine Co., Ltd., Thai Paraxylene Co., Ltd. and Thai Lube Base Public Co., Ltd. were secured by the following assets of these subsidiary companies:

	31 March 2006	31 December 2005
	<i>(in million Baht)</i>	
Savings accounts and fixed deposits	2,168	2,767
Current investments in promissory notes	114	203
Property, plant and equipment - Power plant - carrying value	11,573	11,738
- Paraxylene plant - carrying value	6,483	6,581

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11 Share capital

	<i>Par Value (In Baht)</i>	2006 Number	Baht <i>(in million)</i>	2005 Number	Baht
Authorised					
At 1 January					
- Ordinary shares	10	2,040	20,400	2,040	20,400
At 31 March					
- Ordinary shares	10	<u>2,040</u>	<u>20,400</u>	<u>2,040</u>	<u>20,400</u>
Issued and fully paid					
At 1 January					
- Ordinary shares	10	2,040	20,400	2,040	20,400
At 31 March					
- Ordinary shares	10	<u>2,040</u>	<u>20,400</u>	<u>2,040</u>	<u>20,400</u>

12 Segment information

Segment information is presented in respect of the Group's business. 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. Unallocated items mainly comprise interest or dividend-earning assets and revenue, interest-bearing loans, borrowings and interest expenses, and corporate assets and expenses.

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Business segments

The Group comprises the following main business segments:

<i>Segment 1</i>	Oil refining
<i>Segment 2</i>	Lube base oil refining
<i>Segment 3</i>	Petrochemical
<i>Segment 4</i>	Power generation
<i>Segment 5</i>	Oil and chemical products transportation

The business segmented financial information of the Group for the three-month periods ended 31 March 2006 and 2005, are as follows:

	For the three-month period ended 31 March 2006 (in million Baht)						Total
	Oil Refining	Lube Base Oil refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	
Revenue from sale of goods and rendering of services	66,870	3,598	9,432	2,441	122	(17,605)	64,858
Cost of sale of goods and rendering of services	(65,431)	(3,193)	(8,202)	(2,081)	(103)	18,002	(61,008)
Gross profit	1,439	405	1,230	360	19	397	3,850
Gain (loss) on foreign exchange	1,328	(3)	88	261	(1)	-	1,673
Other income	485	16	37	17	1	(398)	158
Selling and administrative expenses	(80)	(39)	(33)	(63)	(11)	15	(211)
Interest and financial expenses	(318)	-	(38)	(110)	(1)	5	(462)
Net profit of minority interest	-	-	-	(160)	-	(51)	(211)
Income tax expense	(713)	-	-	2	-	-	(711)
Net profit	<u>2,141</u>	<u>379</u>	<u>1,284</u>	<u>307</u>	<u>7</u>	<u>(32)</u>	<u>4,086</u>

	As at 31 March 2006 (in million Baht)						Total
	Oil Refining	Lube Base Oil refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	
Property, plant and equipment, net	47,386	4,016	8,116	12,231	420	(437)	71,732
Other assets	67,154	4,054	5,383	6,141	205	(29,723)	53,214
Total assets	<u>114,540</u>	<u>8,070</u>	<u>13,499</u>	<u>18,372</u>	<u>625</u>	<u>(30,160)</u>	<u>124,946</u>

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For the three-month period ended 31 March 2005 (in million Baht)

	Oil Refining	Lube Base Oil refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
Revenue from sale of goods and rendering of service	44,949	2,386	2,595	1,896	196	(4,080)	47,942
Cost of sale of goods and rendering of services	(41,045)	(2,098)	(2,044)	(1,691)	(186)	4,253	(42,811)
Gross profit	3,904	288	551	205	10	173	5,131
Gain on foreign exchange	210	1	6	32	2	-	251
Loss from insurance claims	-	-	-	(232)	-	-	(232)
Other income	251	16	(2)	10	40	(199)	116
Selling and administrative expense	(130)	(27)	(25)	(48)	(14)	24	(220)
Interest and financial expenses	(303)	(3)	(59)	(134)	(3)	17	(485)
Net loss of minority interest	-	-	-	112	-	-	112
Income tax expense	(984)	-	-	2	-	-	(982)
Net profit (loss)	<u>2,948</u>	<u>275</u>	<u>471</u>	<u>(53)</u>	<u>35</u>	<u>15</u>	<u>3,691</u>

As at 31 March 2005 (in million Baht)

	Oil Refining	Lube Base Oil refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
Property, plant and equipment, net	49,090	1,542	6,762	12,926	473	(615)	70,178
Other assets	<u>49,172</u>	<u>2,317</u>	<u>1,721</u>	<u>6,107</u>	<u>404</u>	<u>(15,178)</u>	<u>44,543</u>
Total assets	<u>98,262</u>	<u>3,859</u>	<u>8,483</u>	<u>19,033</u>	<u>877</u>	<u>(15,793)</u>	<u>114,721</u>

13 Basic earnings per share

The calculation of basic earnings per share for the three-month period ended 31 March 2006 was based on the profit attributable to ordinary shareholders of Baht 4,086 million (2005: Baht 3,691 million) and the weighted average number of shares outstanding during the three-month period ended 31 March 2006 of 2,040 million shares (2005: 2,040 million shares).

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14 Contingent liabilities and commitments

- a) As at 31 March 2006, the Company and subsidiary companies were contingently liable to certain banks for letters of guarantee issued to the Treasury Department and others totaling Baht 174 million and Baht 135 million, respectively.
- b) As at 31 March 2006, the Company had outstanding contract commitments to purchase crude oil with several foreign suppliers totaling approximately U.S. Dollars 801 million.
- c) As at 31 March 2006, the Company had commitments under interest rate knockout cap agreements with certain foreign banks to hedge interest rate risk in respect of its U.S. Dollars 450 million long-term loans. These loans, which originally had floating interest rates of LIBOR plus margin, are capped under the agreements at maximum interest rates of 6.0% and 6.5% per annum with a knockout rate of 7.5% per annum. Under the terms of the agreements, the Company is entitled to be paid by its hedging counter-parties the excess of LIBOR and the maximum interest rate for the each determination interest period for periods of 7 to 10 years.
- d) As at 31 March 2006, a subsidiary company had various hedge agreements with two foreign banks to reduce the risk of movement in interest rates covering U.S. Dollar loans obtained for the construction of plant, amounting to U.S. Dollars 73.4 million. For the duration of the agreement, the subsidiary company has commitments to receiving payments from or making payment to the other party whenever the interest rates vary from the agreed rates based on the terms and conditions stipulated in the agreements. However, the subsidiary still has the liable commitments with the lender if the counterparty is unable to comply with terms and conditions of such agreements.
- e) During 2002 and 2001, the Customs Department and Excise Department sent letters to a subsidiary company to claim payment of excise tax including penalty and surcharge for certain shipments of imported reduced crude oil totaling Baht 253.7 million. The subsidiary company's management sent a letter to the Appeal Committee of the Excise Department to appeal this decision. On 18 April 2003, the Appeal Committee of the Excise Department took a decision to dismiss the subsidiary company's appeals and ordered the subsidiary company to pay a penalty. On 22 May 2003, the subsidiary company filed a petition against the Excise Department, the Customs Department and the Revenue Department (the Defendants) to the Central Revenue Court to reclaim excise tax which had been charged and to deny the excise tax assessed by the Excise Department. On 15 July 2004, the Central Tax Court ruled in favor of the subsidiary company and ordered the Defendants to return the tax charged plus interest and bank guarantee and to release machinery belonging to the subsidiary company which was being held in encumbrance. The Defendants requested and were granted permission from the Court to extend the appeal period to 15 September 2004. On 14 September 2004, the Defendants sent an application to the Supreme Court to appeal the Central Tax Court's decision and to suspend the execution of that decision. On 19 October 2004, the subsidiary company's management sent a letter to the Supreme Court to object to the appeal and to request for suspended execution of the decision to be reversed. In addition, on 25 August 2005, the Excise Department was ordered to release such machinery and bank guarantee. However, as at 31 March 2006, this matter was in the process of consideration by the Supreme Court.
- f) As at 31 March 2006, the Company and subsidiary companies had various contracts with certain company for addition capital projects with an outstanding contract price equivalent to approximately Baht 21,930 million.

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15 Subsequent events

At the ordinary shareholders' meeting held on 20 April 2006, the shareholders unanimously approved the distribution of cash dividends for the year ended 31 December 2005 at Baht 3.50 per share, totaling Baht 7,140 million and the appropriation of Baht 938 million.

16 Other

On 19 January 2006, one of the two gas turbines, CT1, of a subsidiary company was interrupted as a result of an electric short circuit of a transformer. The subsidiary company expects to take approximately 150 days for the maintenance process. The management of the subsidiary company has been in the process of determining loss resulting from the incident and amount to be claimed from the insurance company.

17 Reclassification of accounts

Certain accounts in the consolidated balance sheet and the separate balance sheet as at 31 December 2005 and the consolidated and the separate financial statements for the three-month period ended 31 March 2005, have been reclassified to conform with the 2006 consolidated and separate financial statements presentation.