

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

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2007

Review Report of Certified Public Accountant

To the Board of Directors of Thai Oil Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 June 2007, and the related statements of income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the six-month period 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 issue a report on these financial statements based on my reviews. The consolidated and the Company's statements of income for the three-month and six-month periods ended 30 June 2006, and the related statements of changes in shareholders' equity and cash flows for the six-month period then ended of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited, respectively, were reviewed by another auditor whose report dated 11 August 2006 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. As described in notes 2 and 12 to the financial statements, the financial statements for the three-month and six-month periods ended 30 June 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, and are now termed "separate" financial statements and the effects of the change in valuation method for crude oil and feedstock of the Company and its subsidiaries from last-in, first-out and first-in, first-out to weighted average in the consolidated and the Company's financial statements. I have reviewed the adjustments made to the consolidated and the Company's financial statements. Based on my reviews, nothing has come to my attention to indicate that those adjustments are not appropriate and properly applied.

I conducted my reviews 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. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, 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.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

The consolidated and the Company's financial statements for the year ended 31 December 2006 of Thai Oil Public Company Limited and its subsidiaries, and of Thai Oil Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 16 February 2007. As described in notes 2 and 12 to the accompanying financial statements, the financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, and are now termed "separate" financial statements and the effects of the change in valuation method for crude oil and feedstock of the Company and its subsidiaries from last-in, first-out and first-in, first-out to weighted average in the consolidated and the Company's financial statements. I have audited the adjustments that were applied to the restatement of 2006 consolidated and separate financial statements and in my opinion these adjustments are appropriate and have been properly applied. The consolidated and separate balance sheets as at 31 December 2006, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Thirdthong Thepmongkorn)
Certified Public Accountant
Registration No. 3787

KPMG Phoomchai Audit Ltd.
Bangkok
10 August 2007

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2007	2006	2007	2006
		(Unaudited)	(Restated)	(Unaudited)	(Restated)
<i>(in thousand Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents		13,982,321	6,525,430	8,663,259	1,393,332
Current investments		404,925	456,911	-	-
Trade accounts receivable	3, 4	18,308,897	18,754,250	17,850,918	16,434,350
Accounts receivable from subsidiary, associated and related companies	3	51,274	13,342	104,035	71,827
Short-term loan to subsidiary company	3	-	-	149,000	-
Inventories		21,432,254	20,686,622	19,106,855	18,194,891
Receivable from Oil Fuel Fund		1,078,113	1,148,057	1,078,113	1,148,057
Receivables from remeasurement to fair value of cross currency swap contracts		572,324	80,661	572,324	80,661
Other current assets		848,651	1,323,493	384,387	793,423
Total current assets		56,678,759	48,988,766	47,908,891	38,116,541
<i>Non-current assets</i>					
Investments in subsidiary and associated companies	5	36,725	44,367	8,238,421	8,238,421
Other long-term investments	6	-	-	-	-
Long-term loans to savings co-operative of employees		523,017	510,338	523,017	510,338
Property, plant and equipment	7	78,609,015	74,138,170	50,004,755	48,788,646
Intangible assets		45,064	51,917	43,692	50,565
Negative goodwill	5	(516,737)	(531,362)	-	-
Deferred tax assets		216,830	210,998	216,830	210,998
Other non-current assets		1,620,567	1,786,820	1,144,025	1,277,575
Total non-current assets		80,534,481	76,211,248	60,170,740	59,076,543
Total assets		137,213,240	125,200,014	108,079,631	97,193,084

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007 (Unaudited)	31 December 2006 (Restated)	30 June 2007 (Unaudited)	31 December 2006 (Restated)
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term loans from financial institution		-	1,000,000	-	1,000,000
Trade accounts payable	3, 8	15,121,860	12,937,373	16,898,966	13,219,017
Current portion of long-term loans		957,185	1,133,370	-	-
Accounts payable to subsidiary, associated and related companies	3	42,848	27,385	42,047	26,202
Excise duty payable		590,944	821,751	590,944	821,751
Income tax payable		3,525,699	669,860	3,055,509	441,269
Other current liabilities		2,663,553	2,438,815	2,172,845	2,186,829
Total current liabilities		22,902,089	19,028,554	22,760,311	17,695,068
Non-current liabilities					
Long-term loans from financial institutions		11,867,405	11,150,880	6,660,395	6,766,542
Payables from remeasurement to fair value of cross currency swap contracts		83,029	-	-	-
Notes		17,622,049	18,167,918	17,622,049	18,167,918
Deferred tax liabilities		3,852,577	3,427,555	3,809,485	3,381,270
Other non-current liabilities		278,339	228,065	461,067	430,075
Total non-current liabilities		33,703,399	32,974,418	28,552,996	28,745,805
Total liabilities		56,605,488	52,002,972	51,313,307	46,440,873
Shareholders' equity					
Share capital					
Authorised share capital		20,400,279	20,400,279	20,400,279	20,400,279
Issued and paid-up share capital		20,400,279	20,400,279	20,400,279	20,400,279
Reserves					
Share premium		2,456,261	2,456,261	2,456,261	2,456,261
Revaluation surplus		11,342,894	12,574,530	11,342,894	12,574,530
Retained earnings					
Appropriated					
Legal reserve		2,040,028	2,040,028	2,040,028	2,040,028
Other		244,500	244,500	244,500	244,500
Unappropriated		39,870,353	31,224,532	20,282,362	13,036,613
Total equity attributable to the Company's shareholders		76,354,315	68,940,130	56,766,324	50,752,211
Minority interest		4,253,437	4,256,912	-	-
Total shareholders' equity		80,607,752	73,197,042	56,766,324	50,752,211
Total liabilities and shareholders' equity		137,213,240	125,200,014	108,079,631	97,193,084

Thai Oil Public Company Limited and its Subsidiaries
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For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Thai Oil Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 June 2007 and 2006 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Revenues	9				
Revenue from sale of goods and rendering of services	3	72,069,805	74,720,182	74,330,452	76,107,825
Net foreign exchange gain		433,918	454,631	337,413	378,881
Net gain on remeasurement to fair value of cross currency swap contracts		5,715	-	74,515	-
Other income	3	186,303	170,895	2,469,272	998,503
Total revenues		72,695,741	75,345,708	77,211,652	77,485,209
Expenses	9				
Cost of sale of goods and rendering of services	3	63,955,327	65,836,744	68,115,229	69,853,875
Selling and administrative expenses	3	245,060	294,190	153,862	148,812
Share of losses from investments accounted for using the equity method		8,378	-	-	-
Total expenses		64,208,765	66,130,934	68,269,091	70,002,687
Profit before interest, financial and income tax expenses		8,486,976	9,214,774	8,942,561	7,482,522
Interest and financial expenses		-452,400	-476,719	(362,414)	(331,760)
Income tax expense		-1,781,950	-1,687,315	(1,597,514)	(1,664,303)
Profit after tax		6,252,626	7,050,740	6,982,633	5,486,459
Net loss (profit) of minority interest		34,308	(70,192)	-	-
Net profit		6,286,934	6,980,548	6,982,633	5,486,459
Basic earnings per share (Baht)	10	3.08	3.42	3.42	2.69

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Thai Oil Public Company Limited and its Subsidiaries

Statements of income

For the six-month periods ended 30 June 2007 and 2006 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Revenues	9				
Revenue from sale of goods and rendering of services	3	136,497,659	139,578,865	136,922,434	142,977,576
Net foreign exchange gain		1,120,839	2,127,979	948,269	1,706,990
Net gain on remeasurement to fair value of cross currency swap contracts		408,633	-	491,663	-
Other income	3	378,220	328,694	2,728,878	1,676,706
Total revenues		138,405,351	142,035,538	141,091,244	146,361,272
Expenses	9				
Cost of sale of goods and rendering of services	3	121,562,414	126,862,095	126,613,088	135,221,065
Selling and administrative expenses	3	433,487	505,139	251,516	229,164
Share of losses from investments accounted for using the equity method	5	7,642	-	-	-
Total expenses		122,003,543	127,367,234	126,864,604	135,450,229
Profit before interest, financial and income tax expenses		16,401,808	14,668,304	14,226,640	10,911,043
Interest and financial expenses		-926,024	-939,123	-741,097	-649,732
Income tax expense		-3,275,387	-2,414,393	-2,839,806	-2,392,977
Profit after tax		12,200,397	11,314,788	10,645,737	7,868,334
Net profit of minority interest		(154,588)	(281,342)	-	-
Net profit		12,045,809	11,033,446	10,645,737	7,868,334
Basic earnings per share (Baht)	10	5.90	5.41	5.22	3.86

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Thai Oil Public Company Limited and its Subsidiaries		Separate financial statements (Restated)										Total equity attributable to the Company's shareholders
		Reserves					Retained earnings					
Statements of changes in shareholders' equity		Issued and paid-up share capital	Share premium	Revaluation surplus	Legal reserve	Other	Unappropriated					
For the six-month periods ended 30 June 2007 and 2006 (Unaudited)		<i>(in thousand Baht)</i>										
	Note											
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	
Change in accounting policy	12	-	-	-	-	-	(9,988,330)				(9,988,330)	
Restated balance		20,400,279	2,456,261	15,049,072	1,284,945	244,500	13,842,754				53,277,811	
Change in shareholders' equity for 2006												
Depreciation of revaluation surplus of assets		-	-	(680,066)	-	-	680,066				-	
Deferred tax on revaluation of assets		-	-	(551,569)	-	-	-				(551,569)	
Net profit		-	-	-	-	-	7,868,334				7,868,334	
Dividends	11	-	-	-	-	-	(7,140,097)				(7,140,097)	
Balance at 30 June 2006		20,400,279	2,456,261	13,817,437	1,284,945	244,500	15,251,057				53,454,479	
Balance at 1 January 2007		20,400,279	2,456,261	12,574,530	2,040,028	244,500	30,842,300				68,557,898	
Change in accounting policy	12	-	-	-	-	-	(17,805,687)				(17,805,687)	
Restated balance		20,400,279	2,456,261	12,574,530	2,040,028	244,500	13,036,613				50,752,211	
Change in shareholders' equity for 2007												
Depreciation of revaluation surplus of assets		-	-	(680,068)	-	-	680,068				-	
Deferred tax on revaluation of assets		-	-	(551,568)	-	-	-				(551,568)	
c Net profit		-	-	-	-	-	10,645,737				10,645,737	
Dividends	11	-	-	-	-	-	(4,080,056)				(4,080,056)	
Balance at 30 June 2007		20,400,279	2,456,261	11,342,894	2,040,028	244,500	20,282,362				56,766,324	

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Thai Oil Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2007 and 2006 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Net profit		12,045,809	11,033,446	10,645,737	7,868,334
<i>Adjustments for</i>					
Depreciation and amortisation		3,367,411	3,284,518	2,541,479	2,477,222
Unrealised net foreign exchange gain		-871,493	-1,622,752	-665,932	-1,338,792
Interest expense		899,659	911,642	718,146	628,335
Increase in allowance for doubtful accounts		-	1,290	-	-
Share of losses from investments accounted for using the equity method		7,642	-	-	-
Dividend income		-	-	-2,193,257	(688,955)
Net gain on remeasurement to fair value of cross currency swap contracts		-408,633	-	-491,663	-
Loss (gain) on disposal of property, plant and equipment		6,707	15,625	6,757	(8,262)
Realisation of deferred land lease and other income		-13,725	-13,913	-97,411	-91,790
Income tax expense		3,275,387	2,414,393	2,839,806	2,392,977
Net profit of minority interests		154,588	281,342	-	-
		18,463,352	16,305,591	13,303,662	11,239,069
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		441,912	-480,557	-1,415,870	-1,877,242
Accounts receivable from subsidiary, associated and related companies		-37,932	3,526	-32,208	23,690
Inventories		-745,632	-8,516,218	-911,963	-8,105,664
Receivable from Oil Fuel Fund		69,944	95,067	69,943	95,067
Other current assets		317,569	-116,487	248,519	-200,011
Other non-current assets		7,139	-150,336	-1,541	-81,856
Trade accounts payable		2,195,799	7,377,149	3,691,259	8,839,845
Accounts payable to subsidiary, associated and related companies		27,897	1,044	15,845	-473,624
Excise duty payable		-230,806	237,121	-230,806	237,121
Other current liabilities		29,256	-284,371	-151,502	-269,705
Other non-current liabilities		60,746	73,319	109,892	159,102
Income tax paid		(555,171)	(2,013,466)	(354,752)	(1,981,491)
Net cash provided by operating activities		20,044,073	12,531,382	14,340,478	7,604,301

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

Statements of cash flows

For the six-month periods ended 30 June 2007 and 2006 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Note</i>	2007	2006	2007	2006
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Dividends received	-	-	2,193,257	688,955
Decrease in current investments	51,986	126,288	-	-
Decrease in subordinated loan to subsidiary company	-	-	-	136,066
Increase in long-term loans to savings co-operative of employees	(12,679)	(17,100)	(12,679)	(17,100)
Purchase of property, plant and equipment	(7,263,563)	(3,580,236)	-3,232,626	(2,734,402)
Sales of property, plant and equipment	1,686	99,920	1,614	99,920
Increase in short-term loan to subsidiary	-	-	(149,000)	-
Purchase of intangible assets	-10,362	-3,282	-10,176	-3,221
Payment of investments in shares of associated company	-	-30,000	-	-30,000
Net cash used in investing activities	-7,232,932	-3,404,410	-1,209,610	-1,859,782
<i>Cash flows from financing activities</i>				
Interest paid	-972,486	-1,394,284	-780,885	-716,859
Dividends paid	-4,238,119	-7,298,160	(4,080,056)	(7,140,097)
Repayment of short-term loans from financial institution	(1,000,000)	-	(1,000,000)	-
Proceeds from long-term loans	1,423,040	1,479,059	-	-
Repayment of long-term loans	-566,685	-7,415,033	-	-4,117,460
Net cash used in financing activities	-5,354,250	-14,628,418	-5,860,941	-11,974,416
Net increase (decrease) in cash and cash equivalents	7,456,891	-5,501,446	7,269,927	-6,229,897
Cash and cash equivalents at beginning of period	6,525,430	11,251,624	1,393,332	7,411,402
Cash and cash equivalents at end of period	13,982,321	5,750,178	8,663,259	1,181,505
<i>Non-cash transactions</i>				
Purchase of property, plant and equipment on credit terms	1,345,249	-	1,265,342	-

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

These notes form an integral part of the financial statements.

These interim financial statements were authorised for issue by the directors on 10 August 2007.

1 General information

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

Head office : 123 Suntowers Building B, 16th Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok, Thailand.

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

The Company was listed on the Stock Exchange of Thailand in 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 are oil refining operations. Details of the Company’s subsidiaries are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2007	2006
<i>Direct subsidiaries</i>				
Thai Paraxylene Co., Ltd.	Paraxylene manufacturing	Thailand	99.99	99.99
Thai Lube Base Public Co., Ltd.	Lube base oil refining and distribution	Thailand	99.99	99.99
Thaioil Marine Co., Ltd.	Oil and chemical products transported by marine	Thailand	99.99	99.99
Thaioil Power Co., Ltd.	Steam and power generation	Thailand	54.99	54.99
Independent Power (Thailand) Co., Ltd.	Power generation	Thailand	24.00	24.00
<i>Indirect subsidiary</i>				
Independent Power (Thailand) Co., Ltd.	Power generation	Thailand	56.00	56.00

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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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 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 are prepared to provide an update on the financial statements for the year ended 31 December 2006. 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 2006.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2007 are consistent with those applied in the financial statements for the year ended 31 December 2006, except for

- a) the change in the Company's accounting policy for investments in subsidiary companies and associated companies, which are not classified as "held for sale" investments.
- b) the change in valuation method for crude oil and feedstock from last-in, first-out and first-in, first-out to weighted average.

These changes in accounting policies, and their effects, on the financial statements, are described in Note 12.

3 Related party transactions and balances

Related parties are those parties linked to the Group and the Company 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.

Thai Oil Public Company Limited and its Subsidiaries
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Details of significant related parties and their relationship are as follows:

Related companies	Relationship
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
Measod Clean Energy Co., Ltd.	Associated company and / or directorship
PTT ICT Solutions Co., Ltd.	Associated company and / or directorship
Thai Petroleum Pipeline Co., Ltd.	Related company and / or directorship
Star Petroleum Refining Company Limited	Major shareholder's associated company
Rayong Refinery Public Co., Ltd.	Major shareholder's associated company
IRPC Public Co., Ltd.	Major shareholder's associated company
The Aromatics (Thailand) Public Co., Ltd.	Major shareholder's associated company
Bangchak Petroleum Public Co., Ltd.	Major shareholder's associated company
Conoco (Thailand) Co., Ltd	Subsidiary of major shareholder's subsidiary company

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

- 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 the Company's shareholders.

Significant transactions for the three-month periods ended 30 June 2007 and 2006 with related parties were summarised as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Major shareholder				
Revenue from sale of goods and rendering of services	38,845,542	44,162,351	37,981,314	43,377,239
Purchase of crude oil and feedstock	29,769,288	35,615,637	28,148,673	33,931,365
Purchase-sale of crude oil and feedstock for legal reserve*	1,828,750	690,000	1,828,750	690,000
Other income	34,393	7,062	34,393	7,062
Disposal of land and property gas station	-	105,000	-	105,000
Expenses	14,786	1,381	14,549	1,152

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	11,332,553	10,248,943
Purchase of crude oil and feedstock	-	-	8,974,835	9,395,793
Purchase-sale of crude oil and feed stock for legal reserve*	-	-	149,040	1,460,000
Interest income	-	-	993	350
Dividend income	-	-	2,193,257	495,768
Other income	-	-	158,257	385,539
Land lease income	-	-	9,481	9,437
Interest expense	-	-	-	370
Expenses	-	-	1,711	3,975
Associate				
Expenses	7,702	-	7,702	-
Other related parties				
Revenue from sale of goods and rendering of services	4,777,982	5,054,310	4,600,809	4,966,912
Purchase of crude oil and feedstock	481,032	522,620	338,436	522,620
Purchase-sale of crude oil and feedstock for legal reserve*	371,439	-	371,439	-
Other income	815	695	815	695
Expenses	23,946	13,265	23,946	13,265
Directors' remuneration				
	62,092	62,142	52,820	53,116

* Paper transactions between related companies for the purchase and sale of crude oil and feedstock, which physical kept in seller's storage, were entered only for the purpose of legal maintaining minimum levels of crude oil inventory in the respective related companies, have been reversed from the financial statements for the three-month periods ended 30 June 2007 and 2006.

Significant transactions for the six-month periods ended 30 June 2007 and 2006 with related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Major shareholder				
Revenue from sale of goods and rendering of services	74,713,923	81,645,511	73,086,048	80,131,374
Purchase of crude oil and feedstock	58,669,913	64,932,389	54,541,177	61,636,753
Purchase-sale of crude oil and feedstock for legal reserve*	1,828,750	2,197,680	1,828,750	2,197,680
Other income	37,717	8,794	37,717	8,774
Disposal of land and property gas station	-	105,000	-	105,000
Expenses	19,237	5,942	18,783	5,509

Thai Oil Public Company Limited and its Subsidiaries
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	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sale of goods and rendering of services	-	-	19,626,042	20,246,535
Purchase of crude oil and feedstock	-	-	16,787,891	16,781,407
Purchase-sale of crude oil and feedstock for legal reserve*	-	-	711,750	1,460,000
Interest income	-	-	993	1,201
Dividend income	-	-	2,193,257	688,955
Other income	-	-	306,005	751,263
Land lease income	-	-	18,962	18,873
Interest expense	-	-	-	370
Expenses	-	-	6,837	17,465
Associate				
Expenses	16,295	-	16,295	-
Other related parties				
Revenue from sale of goods and rendering of services	9,977,824	7,586,629	9,277,963	7,495,649
Purchase of crude oil and feedstock	2,191,809	1,760,114	1,941,797	1,760,114
Purchase-sale of crude oil and feedstock for legal reserve*	2,927,972	465,000	2,927,972	-
Other income	1,601	1,458	1,601	1,458
Sale of equipment	500	-	500	-
Expenses	50,315	33,958	50,315	33,958
Directors' remuneration	73,454	71,115	55,646	55,561

* Paper transactions between related companies for the purchase and sale of crude oil and feedstock, which physical kept in seller's storage, were entered only for the purpose of legal maintaining minimum levels of crude oil inventory in the respective related companies, have been reversed from the financial statements for the six-month periods ended 30 June 2007 and 2006.

Thai Oil Public Company Limited and its Subsidiaries
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Balances as at 30 June 2007 and 31 December 2006, with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Major shareholder				
PTT Public Co., Ltd.	8,813,868	8,073,655	8,597,159	7,794,791
Subsidiaries				
Thai Paraxylene Co., Ltd.	-	-	3,324,305	2,928,404
Thai Lube Base Public Co., Ltd.	-	-	174,595	76,978
Independent Power (Thailand) Co., Ltd.	-	-	16,875	-
Thaioil Power Co., Ltd.	-	-	23,498	32,363
Other related parties				
Conoco (Thailand) Co., Ltd	148,467	-	148,467	-
Rayong Refinery Public Co., Ltd.	169,649	-	169,649	-
Star Petroleum Refining Co., Ltd.	256,482	-	256,482	-
IRPC Public Co., Ltd.	86,241	404,466	-	30,331
Bangchak Petroleum Public Co., Ltd.	509,211	949,701	482,391	945,782
	9,983,918	9,427,822	13,193,421	11,808,649
<i>Less allowance for doubtful accounts</i>	<i>(266)</i>	<i>(266)</i>	<i>-</i>	<i>-</i>
Net	9,983,652	9,427,556	13,193,421	11,808,649

<i>Accounts receivable from subsidiary, associated and related companies</i>	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Major shareholder				
PTT Public Co., Ltd.	30,839	4,080	30,839	4,080
Subsidiaries				
Thaioil Power Co., Ltd.	-	-	21,878	23,138
Thai Paraxylene Co., Ltd.	-	-	9,370	11,784
Thai Lube Base Public Co., Ltd.	-	-	13,908	17,073
Independent Power (Thailand) Co., Ltd.	-	-	7,070	5,629
Thaioil Marine Co., Ltd.	-	-	535	861
Associate				
PTT ICT Solutions Co., Ltd.	20,435	9,262	20,435	9,262
Total	51,274	13,342	104,035	71,827

Thai Oil Public Company Limited and its Subsidiaries
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<i>Loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006

(in thousand Baht)

Short-term loan

Subsidiary

Thaioil Marine Co.,Ltd.
(interest rate in 2007 at MMR
rate not exceeding than average
MLR of 5 banks less margin)

-	-	149,000	-
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Movements of loan to related party during the six-month periods ended 30 June 2007 and 2006 were as follows:

<i>Loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2007	2006	2007	2006

(in thousand Baht)

Short term loan

Subsidiary

At 1 January

-	-	-	-
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Increase

-	-	149,000	-
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At 30 June

-	-	149,000	-
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**Trade accounts payable -
related parties**

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2007	2006	2007	2006

(in thousand Baht)

Major shareholder

PTT Public Co., Ltd.

12,288,381	8,323,271	11,356,468	6,655,321
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Subsidiaries

Thaioil Power Co., Ltd.

-	-	151,755	152,992
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Thai Paraxylene Co., Ltd.

-	-	2,407,199	2,172,438
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Thai Lube Base Public Co., Ltd

-	-	240,734	215,899
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Thaioil Marine Co., Ltd.

-	-	4,071	-
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Other related parties

Bangchak Petroleum Public Co., Ltd.

-	60,754	-	60,754
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IRPC Public Co., Ltd.

100,538	168	41,191	-
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Total

12,388,919	8,384,193	14,201,418	9,257,404
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Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

<i>Accounts payable to subsidiary, associated and related companies</i>	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	<i>(in thousand Baht)</i>			
Major shareholder				
PTT Public Co., Ltd.	10,040	4,972	9,239	2,375
Subsidiaries				
Thai Lube Base Public Co., Ltd.	-	-	-	1,187
Thaioil Marine Co., Ltd.	-	-	-	227
Associate				
PTT ICT Solutions Co., Ltd.	25,428	15,602	25,428	15,602
Other related party				
Thai Petroleum Pipeline Co., Ltd.	7,380	6,811	7,380	6,811
Total	42,848	27,385	42,047	26,202

Significant agreements with related parties

(a) Power and Steam Purchase Agreements

In 1997 and 1998, a subsidiary company entered into Power and Steam Purchase Agreements for 25 years with the Company and two subsidiary companies whereby the subsidiary company will supply electric and steam energy to the said companies at the agreed quantity and price and with a minimum take or pay obligation.

In 2005, a subsidiary company entered into a Steam Purchase Agreement for 20 years with the Company whereby the subsidiary company will supply steam energy to the Company at the agreed quantity and price.

(b) Cost Reimbursement Agreements

In 1998, a subsidiary company entered into a Cost Reimbursement Agreement with the Company covering the construction costs of natural gas pipeline facilities and the use of the pipeline facilities. Under the terms of the agreement, the subsidiary company agreed to absorb the total investment costs advanced by the Company on the basis and conditions stipulated in the agreement. The agreement will be in effect for a period of 25 years or until the termination of the Power Purchase Agreement entered into by the subsidiary company with EGAT, whichever is sooner.

In 1998, a subsidiary company entered into three Cost Reimbursement Agreements with the Company covering the construction costs of natural gas pipeline facilities, raw water pipeline and the use of land for the construction of a transmission line connecting the subsidiary company to the Electricity Generating Authority of Thailand (EGAT). Under the terms of these agreements, the subsidiary company agreed to share these investment costs on the bases and conditions stipulated in the agreements. These agreements will be in effect for a period of 25 years or until the termination of the Power Purchase Agreement entered into by the subsidiary company with EGAT, whichever is sooner.

Thai Oil Public Company Limited and its Subsidiaries
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(c) Services and Supplies Agreements

In 1997 and 1998, subsidiary companies entered into agreements with the Company for the Company to provide the subsidiary companies with services and supplies on the scope, terms and conditions described in the agreements. These include the following:

- operate, maintain and repair the power generation plant to generate electricity and process steam to the subsidiaries' customers;
- manage, control and arrange for handling, inspection, storage and procurement of materials, spare parts, and equipment necessary for operations and maintenance of plant; and
- provide supporting services such as financial and accounting services, personnel resources with training and development of such personnel and managing such personnel to support the business operations of the subsidiary companies.

In consideration thereof, the subsidiary companies agree to pay certain fees based on the terms and conditions stipulated in the agreements.

(d) Land Lease Agreements

In 1997, a subsidiary company entered into agreements with the Company to lease/sublease certain parcels of land for a period of 25 years and 9 months ending in 2022 with total annual rental of Baht 1.2 million. This rent will be adjusted every 5 years. Under the terms of the agreements, the subsidiary company paid deposits and front-end fees to the Company totaling approximately Baht 16.1 million.

In 1997, a subsidiary company entered into agreements with the Company to sublease certain parcels of land for a period of 25 years and 10 months ending in 2022 with total annual rental of Baht 2.8 million. This rent will be adjusted every 5 years. Under the terms of the agreements, the subsidiary company paid deposits and front-end fees to the Company totaling approximately Baht 31.7 million.

In 1995, the Company entered into agreements with a subsidiary company to lease/sublease certain parcels of land for a period of 27 years and 8 months ending in 2022 with total annual rental of Baht 8.6 million. This rent will be adjusted every 5 years. Under the terms of the agreements, the subsidiary company paid deposits and front-end fees to the Company totaling approximately Baht 116 million.

In 1997, the Company entered into agreements with a subsidiary company to lease/sublease certain land for 25 years and 10 months up to 2022 with total annual rental of Baht 4.7 million. This rent will be adjusted every 5 years. Under the terms of the agreements, the subsidiary company paid deposits and front-end fees to the Company amounting to approximately Baht 59.1 million.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

(e) *Raw Materials and Finished Product Purchases and Sales Agreements*

In 1997, the Company entered into raw materials and finished products purchases and sales agreements with a subsidiary company for a period of 20 years. The volume and purchase and sale price of raw materials and finished products are specified in the agreements.

Subsequently, in 2005, the Company entered into raw material and finished products purchases and sales agreements with a subsidiary company and terminated the previous agreement. The term of the agreement has been in effect from 1 April 2005 onwards or shall be terminated if any party gives at least six months notice in writing to the other party. The volume and purchase and sale price of raw materials and finished products are specified in the agreements.

(f) *By-Product Sale and Purchase Agreement*

In 2005, the Company entered into by-product sale and purchase agreement with a subsidiary company. The term of the agreement was 10 years commencing from 1 October 2004 onwards or terminable by mutual consent. The volume and purchase and sale prices of by-product are specified in the agreement.

(g) *Oil-Products Sale and Purchase Agreement*

In 2006, the Company entered into two sale and purchase oil products agreements with a subsidiary company. The term of the agreements have been in effect from 1 November 2005 and 1 March 2006 onwards and shall be terminated if any party does not complies with the term and condition as stipulated in the agreements. The volume and purchase and sale prices are specified in the agreements.

(h) *Technology and Communication Service Agreement*

In 2006, the Company entered into technology and communication service agreement with an associate. The term of the agreement was 5 years commencing from 1 July 2006 onwards and shall be extended for successive of five years each. Service income are specified in the agreement.

(i) *Refined Petroleum Products Sale and Purchase Agreement*

In 2006, the Company entered into a sale and purchase refined petroleum products agreement with a related company for a period of 6 months. The volume and purchase and sale price of refined petroleum oil products are specified in the agreement. The agreement shall be extended for successive of 1 month each or terminated by not less than six months' prior written notice given by any one party to the other.

(j) *Throughput Agreement*

Pursuant to the shareholders agreement entered into among the shareholders of a related company, currently held at rate of 9.43% shareholding of such company. Under the terms and conditions of the agreement, the Company commits to make a tariff prepayment not exceeding an aggregate of Baht 250 million to the related company at any time as requested by such company if the following events occur: (a) the related company has a cost overrun during pre-completion period; and (b) the related company has a cash shortfall during the post-completion period. The tariff prepayment may be redeemed by the Company when the conditions stipulated in the agreement are met.

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

(k) *Product Off take and Crude Oil Supply Agreement*

In 2000, the Company entered into 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 220,000 barrels of products per day and (b) the related company will supply and the Company will purchase crude oil and/or feedstock for the refinery required to produce 49.99% of 220,000 barrels of products per stream day. The credit term for crude oil and/or feedstock shall be mutually agreed. On 13 September 2004, the Company and the related company agreed to amend the agreement to increase the required volume to 270,000 barrels per day after the completion date of the expansion of Crude Distillation Unit 3 (CDU-3) and ready for start up.

(l) *Agreement for Crude Oil Processing*

In 1999, the Company entered into 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 total value of Relevant Crude Intake in the same month, taking into account other expenses plus the cost of funds, if any, incurred by either party. There was no indication of expiry date specified in this agreement.

(m) *Long Residue Cracking and Fuel Oil Exchange Agreement*

In 2002, the Company entered into 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 process and receive Fuel Oil left from the process for selling in such related company's market. The agreement shall continue indefinitely until terminated by not less than ninety days' prior written notice given by any one party to the other. Payments shall be made on a net settlement basis as stipulated in the agreement.

(n) *Oil Transportation Agreement*

In 2005, a subsidiary company entered into an agreement with a related company to transport oil products. The term of the agreement was one year commencing from the agreement date and is renewable if counterparty notifies in writing the company any intention of expansion at least three months before the termination of the agreement.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

4 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
<i>(in thousand Baht)</i>					
Related parties	3	9,983,918	9,427,822	13,193,421	11,808,649
Other parties		8,326,269	9,328,038	4,657,497	4,625,701
		18,310,187	18,755,860	17,850,918	16,434,350
Less allowance for doubtful accounts		(1,290)	(1,610)	-	-
Net		18,308,897	18,754,250	17,850,918	16,434,350

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	9,983,652	9,424,537	13,193,421	11,808,649
Overdue:				
Less than 6 months	-	3,019	-	-
Over 12 months	266	266	-	-
	9,983,918	9,427,822	13,193,421	11,808,649
Less allowance for doubtful accounts	(266)	(266)	-	-
Net	9,983,652	9,427,556	13,193,421	11,808,649
Other parties				
Within credit terms	8,134,144	9,296,963	4,657,497	4,625,701
Overdue:				
Less than 6 months	162,667	12,639	-	-
6-12 months	10,738	3,671	-	-
Over 12 months	18,720	14,765	-	-
	8,326,269	9,328,038	4,657,497	4,625,701
Less allowance for doubtful accounts	(1,024)	(1,344)	-	-
Net	8,325,245	9,326,694	4,657,497	4,625,701
Total	18,308,897	18,754,250	17,850,918	16,434,350

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

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Trade accounts receivable from other parties overdue for more than 12 months include approximately Baht 17.1 million (*31 December 2006: Baht 13.4 million*) owed by a state enterprise. As at 30 June 2007, the subsidiary is in the process of negotiation with this state enterprise and has received legal advice that the debt should be received in full. Accordingly, no allowance for doubtful account has been made in respect of this debt.

5 Investments in subsidiaries and associates

Movements on investments during the six-month periods ended 30 June 2007 and 2006 were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
	<i>(in thousand Baht)</i>			
At 1 January	44,367	-	8,238,421	8,193,421
Share of net losses of investments				
- equity method	(7,642)	-	-	-
Acquisitions	-	30,000	-	30,000
At 30 June	<u>36,725</u>	<u>30,000</u>	<u>8,238,421</u>	<u>8,223,421</u>

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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 12.8 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-month and six-month periods ended 30 June 2007, the Company amortised such negative goodwill by Baht 7.3 million, and Baht 14.6 million, respectively, resulting in the remaining balance of the aforementioned negative goodwill of Baht 516.7 million as at 30 June 2007.

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 2,918.4 million. At present, the decrease of its preferred shares has not been preceded.

Thai Lube Base Public Company Limited

At the annual general meeting of the shareholders of Thai Lube Base Public Company Limited held on 27 April 2007, the shareholders approved the cancellation of unissued shares of Baht 90 (*divided into 9 shares at Baht 10 par value*) and approved the decrease in the registered share capital of the Company from Baht 2,832,959,060 (*divided into Baht 283,295,906 shares at Baht 10 par value*) to Baht 1,757,890,730 (*divided into Baht 175,789,073 shares at Baht 10 par value*) and transferred the difference between formerly paid-up shares capital and newly paid-up shares capital to reduce the Company's discount on share capital of Baht 1,075,068,326. On 18 July 2007, the Company has already registered the decrease in the registered share capital with the Ministry of Commerce.

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

6 Other long-term investment

Other long-term investment in a related company recorded by cost method as at 30 June 2007 and 31 December 2006 was detailed as follows:

		Consolidated financial statements							
Type of Business	Ownership interest (%)	Paid-up capital				Cost method		Dividends for six months ended	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
		2007	2006	2007	2006	2007	2006	2007	2006
<i>(in thousand Baht)</i>									
<i>Related company</i>									
Thai Petroleum Pipeline Co., Ltd.	Oil transportation by pipeline	9.19	9.43	8,479,000	8,267,687	779,497	779,497	-	-
						779,497	779,497	-	-
	Less allowance for loss on impairment of investments					(779,497)	(779,497)	-	-
	Net					-	-	-	-

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

		Separate financial statements						Dividends for six months	
	Type of Business	Ownership interest (%)		Paid-up capital		Cost method		ended	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
		2007	2006	2007	2006	2007	2006	2007	2006
<i>(in thousand Baht)</i>									
Related company									
Thai Petroleum Pipeline Co., Ltd.	Oil transportation by pipeline	9.19	9.43	8,479,000	8,267,687	<u>779,497</u>	<u>779,497</u>	<u>-</u>	<u>-</u>
						779,497	779,497	-	-
<i>Less allowance for loss on impairment of investments</i>						<u>(779,497)</u>	<u>(779,497)</u>	<u>-</u>	<u>-</u>
Net						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

7 Property, plant and equipment

The movements of property, plant and equipment during the six-month periods ended 30 June were as follows:

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006
	<i>(in thousand Baht)</i>			
At 1 January	74,138,170	71,300,909	48,788,646	46,836,763
Acquisitions / transfers in	7,681,051	3,509,294	3,522,887	2,776,712
Disposals / transfers out	(165,098)	(179,581)	(78,039)	(133,967)
Depreciation expenses	(3,045,108)	(3,012,563)	(2,228,739)	(2,207,367)
At 30 June	<u>78,609,015</u>	<u>71,618,059</u>	<u>50,004,755</u>	<u>47,272,141</u>

8 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		<i>(in thousand Baht)</i>			
Related parties	3	12,388,919	8,384,193	14,201,418	9,257,404
Other parties		2,732,941	4,553,180	2,697,548	3,961,613
Total		<u>15,121,860</u>	<u>12,937,373</u>	<u>16,898,966</u>	<u>13,219,017</u>

9 Segment information

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

Segment revenue and results 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:

<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

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June were as follows:

Thai Oil Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2007 (Unaudited)

Three-month period ended 30 June 2007

	Oil Refining	Lube Base Oil refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
	<i>(in thousand Baht)</i>						
Revenue from sale of goods and rendering of services	74,330,452	5,138,391	10,774,700	2,239,925	185,686	(20,599,349)	72,069,805
Cost of sale of goods and rendering of services	<u>(68,115,229)</u>	<u>(4,639,401)</u>	<u>(9,599,669)</u>	<u>(2,226,857)</u>	<u>(163,199)</u>	<u>20,789,028</u>	<u>(63,955,327)</u>
Gross profit	6,215,223	498,990	1,175,031	13,068	22,487	189,679	8,114,478
Other income	2,469,272	42,285	45,269	17,344	1,293	(2,389,160)	186,303
Selling and administrative expenses	(153,862)	(56,303)	(28,447)	(18,846)	(12,209)	24,607	(245,060)
Share of losses from investment accounted for using the equity method	-	-	-	-	-	(8,378)	(8,378)
Gain (loss) on remeasurement to fair value of cross currency swap contracts	74,515	-	(68,800)	-	-	-	5,715
Net foreign exchange gain (loss)	337,413	(2,799)	63,412	35,876	16	-	433,918
Interest and financial expenses	(362,414)	(37)	(9,053)	(81,776)	(113)	993	(452,400)
Net loss of minority interest	-	-	-	-	-	34,308	34,308
Income tax expense	<u>(1,597,514)</u>	<u>(143,251)</u>	<u>-</u>	<u>(41,185)</u>	<u>-</u>	<u>-</u>	<u>(1,781,950)</u>
Net profit	<u>6,982,633</u>	<u>338,885</u>	<u>1,177,412</u>	<u>(75,519)</u>	<u>11,474</u>	<u>(2,147,951)</u>	<u>6,286,934</u>

Six-month period ended 30 June 2006 (Restated)

	Oil Refining	Lube Base Oil Refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
	<i>(in thousand Baht)</i>						
Revenue from sale of goods and rendering of services	142,977,576	8,171,063	20,893,381	4,785,160	249,317	(37,497,632)	139,578,865
Cost of sale of goods and rendering of services	<u>(135,221,065)</u>	<u>(7,037,931)</u>	<u>(18,551,482)</u>	<u>(4,150,800)</u>	<u>(205,265)</u>	<u>38,304,448</u>	<u>(126,862,095)</u>
Gross profit	7,756,511	1,133,132	2,341,899	634,360	44,052	806,816	12,716,770
Other income	1,676,706	44,550	83,576	32,158	1,974	(1,510,270)	328,694
Selling and administrative expenses	(229,164)	(95,161)	(77,967)	(131,811)	(23,790)	52,754	(505,139)
Net foreign exchange gain (loss)	1,706,990	(2,169)	98,213	325,344	(399)	-	2,127,979
Interest and financial expenses	(649,732)	(86)	(67,921)	(220,973)	(979)	568	(939,123)
Net profit of minority interest	-	-	-	-	-	(281,342)	(281,342)
Income tax expense	<u>(2,392,977)</u>	<u>(5,518)</u>	<u>-</u>	<u>(15,898)</u>	<u>-</u>	<u>-</u>	<u>(2,414,393)</u>
Net profit	<u>7,868,334</u>	<u>1,074,748</u>	<u>2,377,800</u>	<u>623,180</u>	<u>20,858</u>	<u>(931,474)</u>	<u>11,033,446</u>

investment accounted for

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Three-month period ended 30 June 2006 (Restated)

	Oil Refining	Lube Base Oil Refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
	<i>(in thousand Baht)</i>						
Revenue from sale of goods and rendering of services	76,107,825	4,572,922	11,461,585	2,345,358	127,329	(19,894,837)	74,720,182
Cost of sale of goods and rendering of services	<u>(69,853,875)</u>	<u>(3,763,189)</u>	<u>(10,349,883)</u>	<u>(2,072,653)</u>	<u>(102,660)</u>	<u>20,305,516</u>	<u>(65,836,744)</u>
Gross profit	6,253,950	809,733	1,111,702	272,705	24,669	410,679	8,883,438
Other income	998,503	28,725	46,776	15,294	1,262	(919,665)	170,895
Selling and administrative expenses	(148,812)	(56,033)	(44,512)	(68,845)	(12,206)	36,218	(294,190)
Net foreign exchange gain	378,881	885	10,134	64,529	202	-	454,631
Interest and financial expenses	(331,760)	(37)	(30,308)	(110,545)	(446)	(3,623)	(476,719)
Net profit of minority interest	-	-	-	-	-	(70,192)	(70,192)
Income tax expense	<u>(1,664,303)</u>	<u>(5,518)</u>	<u>-</u>	<u>(17,494)</u>	<u>-</u>	<u>-</u>	<u>(1,687,315)</u>
Net profit	<u>5,486,459</u>	<u>777,755</u>	<u>1,093,792</u>	<u>155,644</u>	<u>13,481</u>	<u>(546,583)</u>	<u>6,980,548</u>

Six-month period ended 30 June 2006 (Restated)

	Oil Refining	Lube Base Oil Refining	Petro-Chemical	Power Generation	Oil and Chemical Products Transportation	Elimination	Total
	<i>(in thousand Baht)</i>						
Revenue from sale of goods and rendering of services	142,977,576	8,171,063	20,893,381	4,785,160	249,317	(37,497,632)	139,578,865
Cost of sale of goods and rendering of services	<u>(135,221,065)</u>	<u>(7,037,931)</u>	<u>(18,551,482)</u>	<u>(4,150,800)</u>	<u>(205,265)</u>	<u>38,304,448</u>	<u>(126,862,095)</u>
Gross profit	7,756,511	1,133,132	2,341,899	634,360	44,052	806,816	12,716,770
Other income	1,676,706	44,550	83,576	32,158	1,974	(1,510,270)	328,694
Selling and administrative expenses	(229,164)	(95,161)	(77,967)	(131,811)	(23,790)	52,754	(505,139)
Net foreign exchange gain (loss)	1,706,990	(2,169)	98,213	325,344	(399)	-	2,127,979
Interest and financial expenses	(649,732)	(86)	(67,921)	(220,973)	(979)	568	(939,123)
Net profit of minority interest	-	-	-	-	-	(281,342)	(281,342)
Income tax expense	<u>(2,392,977)</u>	<u>(5,518)</u>	<u>-</u>	<u>(15,898)</u>	<u>-</u>	<u>-</u>	<u>(2,414,393)</u>
Net profit	<u>7,868,334</u>	<u>1,074,748</u>	<u>2,377,800</u>	<u>623,180</u>	<u>20,858</u>	<u>(931,474)</u>	<u>11,033,446</u>

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10 Basic earnings per share

The calculation of basic earnings per share of the consolidated and separate financial statements for the three-month period ended 30 June 2007 was based on the consolidated and separate net profit attributable to ordinary shareholders for the said period of Baht 6,286.9 million and Baht 6,982.6 million, respectively (*consolidated and separate net profit for the three-month period ended 30 June 2006: Baht 6,980.5 million and Baht 5,486.5 million, respectively*) and the weighted average number of shares outstanding during the three-month period ended 30 June 2007 of 2,040 million shares, (*three-month period ended 30 June 2006: 2,040 million shares*)

The calculation of basic earnings per share of the consolidated and separate financial statements for the six-month period ended 30 June 2007 was based on the consolidated and separate net profit attributable to ordinary shareholders for the said period of Baht 12,045.8 million and Baht 10,645.7 million, respectively (*consolidated and separate net profit for the six-month period ended 30 June 2006: Baht 11,033.4 million and Baht 7,868.3 million, respectively*) and the weighted average number of shares outstanding during the six-month period ended 30 June 2007 of 2,040 million shares, (*six-month period ended 30 June 2006: 2,040 million shares*)

11 Dividends and others

- (a) At the annual general meeting of the shareholders of the Company held on 10 April 2007, the shareholders approved the appropriation of dividends of Baht 3.50 per share, amounting to Baht 7,140 million, from the net profit of 2006. After deductive the interim dividends of Baht 1.50 per share amounting Baht 3,060 million were paid to shareholders during 2006, from the six-month period ended 30 June 2006. The dividend was paid to shareholders during 2007 and 2006
- (b) At the annual general meeting of the shareholders of the Company held on 20 April 2006, the shareholders approved the appropriation of dividends of Baht 3.50 per share, amounting to Baht 7,140 million, from the net profit of 2005. The dividend was paid to shareholders during 2006.
- (c) At the annual general meeting of the shareholders of the Company held on 10 April 2007, the shareholders approved the Company to issue and offer notes in the amount equivalent to U.S. Dollars 500 million. As at 30 June 2007, the Company has not issued the additional notes.

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12 Change in accounting policies

(a) Investments in subsidiaries and associates

The following change of accounting policy by the Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for its investments in subsidiary companies and associates in its financial statements using the equity method.

On 11 October 2006, the Federation of Accounting Professions (FAP) announced that the Thai Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” is to be revised. FAP announcement No. 26/2006 requires a parent company which has investments in a subsidiary company, an entity under joint control, or an associate company, which is not classified as a “held for sale” investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

Starting from 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiary companies and associate companies in its separate financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively and the Company’s 2006 financial statements, which are included in the Company’s 2007 interim financial statements for comparative purposes, have been restated accordingly.

(b) Inventories

The following change of accounting policy by companies has effect on the consolidated and separate financial statements.

Starting from 1 January 2007, the Company and its subsidiaries have changed their accounting policy in valuation method for crude oil and feedstock from last-in, first-out and first-in, first-out to weighted average. The change in method of valuation has been applied retrospectively and the Group’s 2006 financial statements, which are included in the Group’s 2007 interim financial statements for comparative purposes, have been restated accordingly. The effects of the change in accounting policy on the 2007 and 2006 interim consolidated and separate financial statements are as follows:

Thai Oil Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

	Consolidated financial statements			
	2007	2007	2006	2006
	<i>(in thousand Baht)</i>			
<i>Investments in subsidiaries and associates</i>				
Balance at 1 January before change in accounting policy		44,367		-
Balance at 1 April before change in accounting policy	-		-	
Increase in retained earnings	-	-	-	-
Net increase	-	-	-	-
Balance at 1 January after change in accounting policy		44,367		-
Balance at 1 April after change in accounting policy	-		-	
<i>Inventories</i>				
Balance at 1 January before change in accounting policy		20,168,136		19,000,931
Balance at 1 April before change in accounting policy	-		19,731,313	
Increase in retained earnings	-	382,232	665,513	698,900
Increase income tax payable	-	134,226	251,350	235,414
Increase in minority interests	-	2,028	2,081	1,485
Net increase	-	518,486	918,944	935,799
Balance at 1 January after change in accounting policy		20,686,622		19,936,730
Balance at 1 April after change in accounting policy	-		20,650,257	

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Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

	Consolidated financial statements			
	2007	2007	2006	2006
	<i>(in thousand Baht)</i>			
Retained earnings				
Balance at 1 January before change in accounting policy		30,842,300		23,831,084
Balance at 1 April before change in accounting policy	-		28,255,524	
Decrease in cost of sale of goods	-	518,486	918,944	935,799
Increase in income tax	-	(134,226)	(251,350)	(235,414)
Increase in minority interests	-	(2,028)	(2,081)	(1,485)
Net increase	-	382,232	665,513	698,900
Balance at 1 January after change in accounting policy		31,224,532		24,529,984
Balance at 1 April after change in accounting policy	-		28,921,037	

	Consolidated financial statements			
	Three-month period ended 30 June 2007	Six-month period ended 30 June 2007	Three-month period ended 30 June 2006	Six-month period ended 30 June 2006
	<i>(in thousand Baht)</i>			
Net profit				
Net profit before change in accounting policy	5,873,818	11,700,705	6,884,990	10,971,275
Decrease in cost of sale of goods	550,233	452,714	98,332	81,477
Increase in income tax	(137,030)	(107,524)	(2,778)	(18,714)
(Increase) decrease in net profit of minority	(87)	(86)	4	(592)
Net increase	413,116	345,104	95,558	62,171
Net profit after change in accounting policy	6,286,934	12,045,809	6,980,548	11,033,446
Increase in earnings per share (Baht)	0.20	0.17	0.05	0.03

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Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2007 (Unaudited)

	2007	Separate financial statements		2006
		2007	2006	
		<i>(in thousand Baht)</i>		
<i>Investments in subsidiaries and associates</i>				
Balance at 1 January before change in accounting policy		26,341,722		18,887,994
Balance at 1 April before change in accounting policy	-		20,640,211	
Decrease in retained earnings	-	(18,103,301)	(12,446,790)	(10,694,573)
Net decrease	-	(18,103,301)	(12,446,790)	(10,694,573)
Balance at 1 January after change in accounting policy		8,238,421		8,193,421
Balance at 1 April after change in accounting policy	-		8,193,421	
<i>Inventories</i>				
Balance at 1 January before change in accounting policy		17,798,072		16,471,823
Balance at 1 April before change in accounting policy	-		16,908,162	
Increase in retained earnings	-	297,614	754,050	706,243
Increase income tax payable	-	99,205	251,350	235,414
Net increase	-	396,819	1,005,400	941,657
Balance at 1 January after change in accounting policy		18,194,891		17,413,480
Balance at 1 April after change in accounting policy	-		17,913,562	

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	2007	Separate financial statements		2006
		2007	2006	
		<i>(in thousand Baht)</i>		
<i>Retained earnings</i>				
Balance at 1 January before change in accounting policy		30,842,300		23,831,084
Balance at 1 April before change in accounting policy	-		28,255,524	
Increase in dividend income from subsidiaries and associates	-	2,237,642	741,839	548,652
Decrease in share of profits from investments accounted for using the equity method, net	-	(20,340,943)	(13,188,629)	(11,243,225)
Decrease in cost of sale of goods	-	396,819	1,005,400	941,657
Increase in income tax	-	(99,205)	(251,350)	(235,414)
Net decrease	-	(17,805,687)	(11,692,740)	(9,988,330)
Balance at 1 January after change in accounting policy		13,036,613		13,842,754
Balance at 1 April after change in accounting policy	-		16,562,784	

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	Separate financial statements			
	Three- month period ended 30 June 2007	Six- month period ended 30 June 2007	Three- month period ended 30 June 2006	Six- month period ended 30 June 2006
	<i>(in thousand Baht)</i>			
Net profit				
Net profit before change in accounting policy	5,865,022	11,620,123	6,884,990	10,971,275
Increase in dividend income from subsidiaries and associates	2,193,257	2,193,257	495,768	688,955
Decrease in share of profits from investments accounted for using the equity method, net	(1,497,559)	(3,593,330)	(1,886,080)	(3,831,484)
Decrease (increase) in cost of sale of goods	562,551	567,583	(10,959)	52,784
Decrease (increase) in income tax	(140,638)	(141,896)	2,740	(13,196)
Net increase (decrease)	1,117,611	(974,386)	(1,398,531)	(3,102,941)
Net profit after change in accounting policy	6,982,633	10,645,737	5,486,459	7,868,334
Increase (decrease) in earnings per share (Baht)	0.55	(0.48)	(0.68)	(1.52)

13 Contingent liabilities and commitments

- (a) As at 30 June 2007, the Company and subsidiary companies were contingently liable to certain banks for letters of guarantee issued to the Treasury Department and others totaling Baht 173.7 million and Baht 144.2 million, respectively.
- (b) As at 30 June 2007, the Company had outstanding contracts to purchase crude oil with several foreign suppliers totaling approximately U.S. Dollars 840.5 million.
- (c) As at 30 June 2007, 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 counterparties the excess of LIBOR and the maximum interest rate for the each determination interest period for periods of 7 to 10 years.

Thai Oil Public Company Limited and its Subsidiaries

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On 31 October 2006, the Company entered into cross currency swap contracts to swap the principal of Baht debt totalling Baht 5,500 million and the fixed interest thereon with a local financial institution to US\$ 149.25 million and floating rate of six-month USD LIBOR plus margins as stipulated in each contract. As at 31 December 2006, the remeasurement of fair value of financial assets and liabilities resulted in a gain of Baht 81 million, which was recorded separately in the statement of income for the year. The receipt and repayment terms of principal and interest of the swap contract will mature on the redemption date of notes issued on 31 October 2006. These contracts will be terminated within October 2013. Subsequently, on 10 July 2007, the Company and the counterparty agree to terminate the aforesaid cross currency swap contracts.

- (d) As at 30 June 2007, a subsidiary company had various hedge agreements with two Thailand branches of overseas 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 53 million. For the duration of the agreement, the subsidiary company has commitments to receiving payments from or making payments 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) As at 30 June 2007, the Company and subsidiary companies had various contracts with certain companies for the construction of the additional capital projects with an outstanding contract price equivalent to approximately Baht 10,678 million.
- (f) 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 30 June 2007, this matter was in the process of consideration by the Supreme Court.
- (g) In May and June 2007, the Company entered into agreements with a related company in respect of crack spread swap transactions relating to a crack margin for three-

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month and one-month periods ending during 30 June 2007 to 30 September 2007. Upon settlement, the related company or the Company will make payment if the fixed price exceeds/lower than the floating price for each period.

14 Agreement for shipbuilding

In 2007, a subsidiary company entered into an agreement with a foreign company for construction a tanker for transportation of petroleum oil / petro-chemical products, with a contract price of U.S. Dollars 12.3 million, excluding cost of additional works. In consideration thereof, the Company will pay the fee in 5 installments as stipulated in the agreement. In addition, the supplier will deliver such tanker within June 2008.

15 Events after the balance sheet date

At the meeting of Board of Directors of the Company held on 13 July 2007, the Board of Directors approved the Company to establish new companies to participate the IPP bidding process. Accordingly, the Company has already registered to set up new companies with the Ministry of Commerce on 25 July 2007, the details are as follows;

- Thairoil Energy Company Limited (100% owned by the Company) with registered capital of Baht 40 million.
- TOP Independent Power Company Limited (100% owned by Thairoil Energy Company Limited) with registered capital of Baht 40 million.

16 Reclassification of accounts

Certain accounts in the 2006 interim financial statements have been reclassified to conform with the presentation in the 2007 interim financial statements.