



Renewable Energy



LEADER

Annual Report 2011

The Bangchak Petroleum Public Company Limited





Renewable

**Our determination to develop clean energy
for Thais and the world**

Clean energy is Bangchak's tool for sustainable development, a goal that is being achieved through our solar farm, biodiesel, and ethanol plants. Other alternative-energy businesses with Greenery thinking for Thais and the world are being scrutinized as well. Our vision is behind our determination to develop alternative energy and to apply advanced technology to our refining processes. Our EURO IV products-gasohol 91, 95, E20, E85, and Power D B5 diesel-are proofs of this.



Energy

Looking after energy security and upgrade
Thai society's wellbeing

Bangchak still staunchly subscribes to this principle today. Apart from environmentally friendly refining processes of our complex refinery, we build on our energy business to sustain growth while being accountable to all stakeholders, including society and the nation at large.



Leader

A leading Thai energy business operator
on its way to becoming Asia's top
alternative-energy leader

Recognition from the public and awards from various institutions as one with sound corporate governance and management characterized by transparent, efficient, socially responsible, and conscious attention to the environment through the consistent application of a Sufficiency Economy principles, corporate governance, and social responsibility.



Content



11	Vision Value Statement Mission Business Culture Employee Culture
13	Message from the Chairman
14	Financial Highlights
15	Business Description
19	Performance Review 2011
28	Operation Outcomes on Safety, Health, Environment, and Energy
33	Sustainable Development in Harmony with the Environment and Society
36	Awards of 2011
38	Business Overview and Competition Outlook
46	Organization Growth and Development
49	Report of the Enterprise-wide Risk Management Committee
51	Risk Management
55	Capital Structure
58	Report of the Nomination and Remuneration Committee
59	Management Structure
84	Board of Directors
98	Executive Management
114	Report of the Corporate Governance Committee
117	Corporate Governance
129	Changes in the Securities Portfolios of the Board and the Executive
130	Internal Control
132	Connected Transactions
141	Management's Discussion and Analysis for Business Operations
156	Declaration of the Directors' Responsibility for the Financial Statements
157	Report of the Audit Committee
159	Audit Report of Certified Public Accountant
160	Financial Statements
171	Notes to the Financial Statements
229	Reference
230	Company Information
232	Awards and Achievements

Vision Value Statement Mission Business Culture Employee Culture



Vision

“Greenenergy Excellence”

Creating an energy business that is environmentally friendly for sustainable development

Value Statement

B - Beyond Expectation

C - Continuing Development

P - Pursuing Sustainability

Business Mission

Stakeholder

Shareholders/business partners/
customers/creditors

Society/Community/Environment

Employees

Mission

: Conduct business to steadily
grow its returns in a fair manner

: Promote a business culture that
is responsible to the environment
and society

: Grow employees into
professionals

Business Culture

Develop sustainable business, while safeguarding
environment and society

Employee Culture

To be virtuous, knowledgeable,
and contributive to society





Message from the Chairman



The recognition of the Bangchak Petroleum Plc by the public is our pride, as a Thai company with a corporate image of modern, transparent, socially responsible company.

The year 2011 was another one in which Bangchak Petroleum Plc. recorded excellent performance, with Baht 158,610 million in sales and service revenues, resulting in Baht 5,610 million in net profit. Despite several problems and obstacles beyond its control, exercised its perseverance, prudence, and unity in its management under clear strategies and goals to successfully overcome them.

Our business continues to expand to new forms of alternative energy that are clean and environmentally friendly in keeping with our Greenery vision, which in turn aligns with the public sector's promotion policy, represents a worldwide energy consumption trend currently valued by all countries, and supports research and development for lower costs and greater popularity. This vision is one of the approaches to the mitigation of natural catastrophes resulting from climate change, currently faced by humanity.

Traditionally, business progress is determined by the setting of goals, action plans, risk management (to ward off potential problems), and problem-solution approaches (to eliminate menaces standing in the way of goal achievement). But equally important is personnel development in search of professionalism and practical competency for changes in external factors, which explains why the Company has taken personnel capability upgrading seriously.

What the Company Board of Directors, the management, and employees take pride in is public recognition-or moral support-of the Company as a major Thai entity filled with sophistication, transparency, and social responsibility, evident in several domestic and

international awards. The sixth consecutive year of recognition of its corporate governance reports and the fifth year of recognition of its social responsibility have clinched for the Company an SET Award of Honor for sustained excellence of listed companies at the SET Awards 2011 event, hosted by the Stock Exchange of Thailand and relevant agencies.

Sadly, this year Thais in nearly all regions got caught in the middle of the most devastating floods of modern times that ravaged lives and properties in all quarters, submerged thousands of plants and factories, and put hundreds of thousand people out of their jobs. The Company promptly launched the Company Sharing project to distribute survival bags and drinking water, sell one baht/litre cheaper fuels at mobile service stations found in flooded areas, and provide free boats to relieve people's plight in hard-hit areas. Its Nong Bangchak Sharing project, meanwhile, helped victims after the water had receded by giving those unemployed Baht 400 in travel and food expenses for cleaning the homes of those that could not help themselves, public places, temples, and schools along with the Company's executives, employees, and students with a volunteering spirit.

A Thai entity from roots to leaves, the Company willingly shares in the development of lives for Thai society in tandem with its responsibility to shareholders, customers, business partners, employees, and so on. On behalf of all of us at Bangchak, I extend my sincere thanks to all who have provided their support to us, the public sector and the private sector alike. Because of your wonderful support, we have achieved excellent growth and security, which has enabled us to return good things to, and do good deeds for, Thais.

(Signed) *Krairit Nilkuha*
(Mr. Krairit Nilkuha)
Chairman of the Board

Financial Highlights



	2011	2010	2009
Statement of Income (Million Baht)			
Sales and service income	158,610	136,369	108,681
Gross profit (loss)	10,626	6,350	7,672
EBITDA	9,108	6,165	12,305
Adjusted EBITDA ^{1/}	6,405	5,725	9,072
Foreign Exchange Gain (loss)	(531)	912	(95)
Other items ^{2/}	12	146	(5)
Net profit (loss)	5,610	2,796	7,517
Balance Sheet (Million Baht)			
Total assets	61,603	58,413	49,474
Total liabilities	31,724	35,632	28,140
Shareholders' equity	29,879	22,780	21,334
Share capital			
- Registered share capital	1,532	1,532	1,532
- Issued & fully paid-up share capital	1,377	1,177	1,170
Financial ratios (%)			
Gross profit ratio	6.7	4.7	7.1
Net profit ratio	3.5	2.1	6.9
Return on total assets	9.4	5.0	15.3
Debt to Equity ratio	0.6	0.9	0.7
Operating outcomes per share (Baht)			
Net earnings per share	4.24	2.93	6.57
Book value per share	21.59	19.22	18.16


Notes: Data based on Consolidated Financial Statements

1/ Adjusted EBITDA - not including profit (loss) from oil inventory

2/ Other items is loss adjustment / (loss) from impairment of assets

Business Description



A leading Thai petroleum company that imports crude oil from the Middle East, the Far East and indigenous sources and refining it into product with a maximum crude-processing capacity of 120,000 barrels per day, Bangkok Petroleum Plc operates more than 1,000 service stations under the  trademark and has grown its business to new ones both related and unrelated to its current business to add value and diversify its income-related risks.

For the most part, the Company's complex refinery produces high-value gasoline and diesel products while being able to accommodate high-volumes of lower cost, indigenous crude oil. In addition, the refinery is highly energy efficient, thanks to the purchase of power and steam from a cogeneration plant (an investment by PTT Plc) and to the use of clean-burning natural gas to produce improved gasoline, gasohol, and diesel to meet the EURO IV standards, whose enforcement began on January 1, 2012.

Refinery Business

Nameplate 120,000 bbl/day capacity



Marketing Business



Aviatin



Industrial

Non-Oil



Bai Chak/Lemon Green



Inthanin Coffee



Green Series



NGV



497 Standard service stations
As of December 2011



571 community
service stations



Lube

Clean Energy Business



Solar Farm

Green Energy Business



Biodiesel

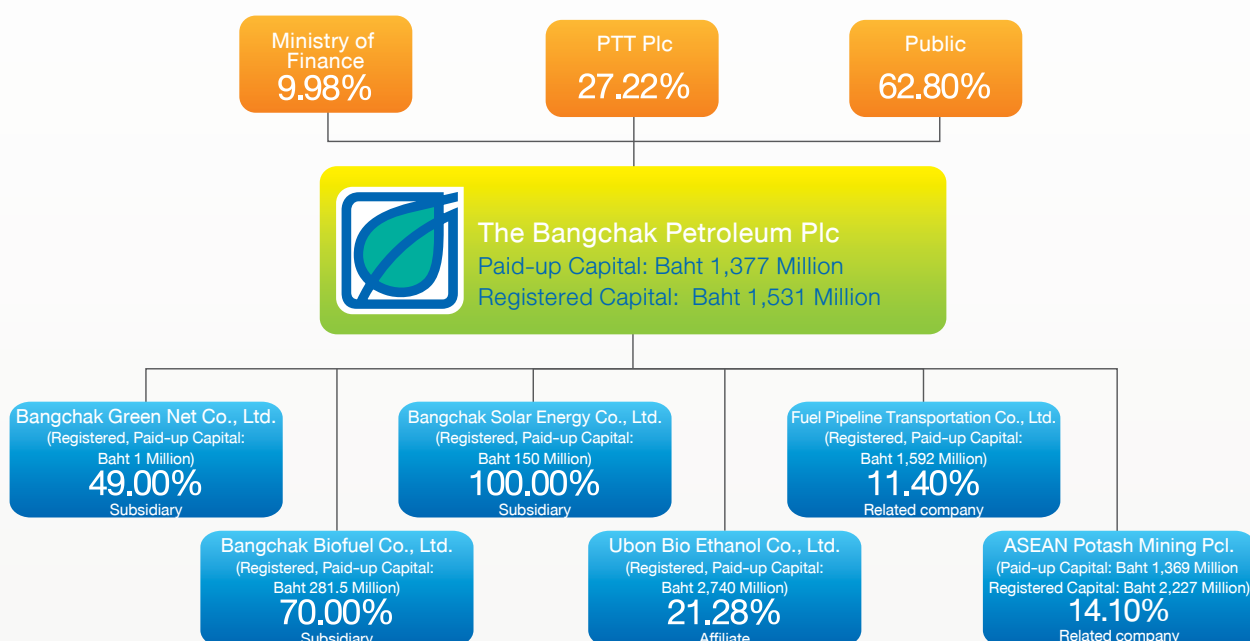


Ethanol

Most refined products are sold directly to other oil traders via several transportation modes, such as pipeline, marine or roads while the rest is exported. More than 80% of the refined products are sold directly to consumers through the Company's own nationwide network of service stations. **This retail network consisted of 497 standard service stations and 571 community service stations (as of 2011) with direct distribution to users in the transportation, aviation, shipping, construction, industrial and agricultural sectors. The Company also runs supplementary businesses at its service stations.** Instances include sale of consumer products in Bai Chak and Lemon Green outlets, engine-oil changing/maintenance and car wash centers under the Green Series business group, also known as 'Green Auto Service', 'Green Serve', 'Green Wash', 'Green Wash Auto Care' and 'Green Tire'. The Company also runs Inthanin coffee shops, found at Bangchak service stations and now expanding to other key commercial areas, including Inthanin Premio at the CentralWorld shopping center, leading educational institutions and major office buildings. Today, 17 Bangchak service stations sell NGV as an option for consumers. In addition to fuel products, **the Company produces and sells "Bangchak" lubricants oil and special lubricant products (transmission fluid, brake fluid and grease).** Apart from sales to domestic markets through the network of Bangchak service stations, shops, factories and OEM (original equipment manufacturer) market, the Company exports its products under BCP LUBRICANT brand.

Recognizing the significance of alternative energy, which benefits national energy security and lowers trade imbalances resulting from fuel import, the Company promoted alternative energy by blending ethanol with gasoline and biodiesel with diesel to obtain 91-octane and 95-octane gasohols together with E20 and E85, in addition to Super Power D. And to ensure continued support to this effort, BCP set up Bangkok Biofuel Co., Ltd., to centralize biodiesel production. The 300,000-litre/day plant, worth over Baht 1,000 million, is located next to Bang Pa-in Depot in Amphoe Bang Pa-in, Ayutthaya province, and runs primarily on crude palm oil. To lower risks from uncertain supply of crude palm oil, the Company invited a project to turn deserted orange groves into oil palm plantations. At present, it has rented 1,200 rai of land in Nakhon Nayok province as an experiment site for the concept. This year, it acquired 583,000 common shares (21.28% of all shares) in Ubon Bio-Ethanol Co., Ltd. (UBE), located in Amphoe Na Yia, Ubon Ratchathani province. With a capacity of 400,000 litres per day, UBE exports ethanol to China. Another purpose of this move is to enhance the security of ethanol supply to accommodate BCP's expansion plan for E20 and E85 sales. Moreover the company has launched the Sunny Bangchak solar power plant project at Amphoe Bang Pa-in of Ayutthaya province, with 38 megawatts of capacity and at an investment outlay of Baht 4,200 million. This project is due for completion in 2012.

The Company has three subsidiaries, namely Bangchak Green Net Co., Ltd., Bangchak Biofuel Co., Ltd., and Bangchak Solar Energy Co., Ltd., also invests in three companies, namely Fuel Pipeline Transportation Co., Ltd., ASEAN Potash Mining Public Co., Ltd., and Ubon Bio Ethanol Company Limited, as detailed in the equity chart below:



Note: As of December 31, 2011

Bangchak Green Net Co., Ltd. (BGN)

The subsidiary was set up to manage service stations and inthanin coffee shop, and sell consumer products in Lemon Green and Bai Chak convenience stores to support the continued expansion of its retail business.

Bangchak Biofuel Co., Ltd. (BBF)

Located in Amphoe Bang Pa-in, Ayutthaya, the subsidiary was set up to develop and produce domestic alternative fuels, starting with a 300,000-liter/day biodiesel plant running mainly on crude palm oil. Its management philosophy is centered on environmental considerations, as seen in the design and construction of an artificial water-management pond system relying on nature's help in water treatment from the country's first biodiesel plant with zero-discharge water management.

Bangchak Solar Energy Co., Ltd. (BSE)

Bangchak Solar Energy Co., Ltd is 100% owned by the Company. The subsidiary was set up to operate a solar power plant project, known by the name Sunny Bangchak, with 38 megawatts in capacity, also located at Amphoe Bang Pa-in of Ayutthaya province., the plant will promote Bang Pa-in as a learning center and Thailand's first tourist attraction for integrated alternative energy. The company plans to invest more in such power generation to reach 118 megawatts or more.

Ubon Bio Ethanol Co., Ltd. (UBE)

Ubon Bio Ethanol Co., Ltd. is manufacturer of ethanol from fresh cassava roots and cassava chips, with capacity of 400,000 liter per day or 132 million liter per year. UBE intends to mainly export the product to China. Moreover, UBE also has few Subsidiaries which were set up to produce cassava, and own the power plant which use the water that comes out from the production processing.

Fuel Pipeline Transportation Co., Ltd. (FPT)

This company was set up to manage fuel transportation through a network of underground, multi-product pipelines starting from Bangchak Refinery in parallel with the railway leading to the Chongnonsri and Don Muang depots, and finally to the Company's Bang Pa-in Depot and FPT. This route was extended near the Makkasan area to Suvarnabhumi Airport to transport aviation fuel by JP-One Asset Co., Ltd.

ASEAN Potash Mining Public Co., Ltd. (APMC)

This company was set up to explore for and produce potash around Amphoe Bamnet Narong, Chaiyaphum, for manufacturing and sales as potassium chloride fertilizers. This project arose from collaboration among ASEAN member countries to capitalize on natural resources of member countries.

Revenue Structure

In 2011, the consolidated financial statements of the Company and its subsidiaries totaled Baht 158,610 million, consisting of Baht 156,928 million from the Company and the following from its subsidiaries, Baht 21,774 million from BGN. (where the Company holds 49% equity), Baht 2,500 million from BBF (where the Company holds 70% equity) and Baht 1 million from BSE (where the Company holds 100% equity). Of this income, Baht 22,593 million was accounted for by connected transaction items, most of which came from selling refined products to Bangchak Green Net. Below is the revenue structure by product and service from all companies in 2009-2011.

Product/Service	Operated by	2011		2010		2009	
		Revenue (Baht Mill.)	%	Revenue (Baht Mill.)	%	Revenue (Baht Mill.)	%
Refined products ^{1/}	BCP and subsidiary	157,915	98.5	135,750	98.2	108,068	94.4
Consumer products	Subsidiary	695	0.4	619	0.4	613	0.5
Others ^{2/}	BCP and subsidiary	1,724	1.1	1,823	1.3	5,856	5.1
Total		160,334	100.0	138,171	100.0	129,293	100.0

Note: 1/ The proportions of earnings from sales of products in the domestic in 2011, 2010 and 2009 is 86.9%, 87.1% and 71.3% respectively.

2/ Other earnings, namely, interest receivable, earnings from hedging gain, profit from exchange rates, loss adjustment from impairment assets, earnings from sales promotions, land lease, service station lease, equipment lease etc.

Performance Review 2011



In 2011, the Company and its subsidiaries earned Baht 158,610 million in sales and service revenues; with Baht 9,108 million in EBITDA (Baht 6,391 million in adjusted EBITDA); Baht 783 million in net financial cost; and Baht 23 million loss in foreign-exchange and other items; Baht 2,053 million in depreciation and amortization; and Baht 615 million in income taxes. Therefore, its net profits amounted to Baht 5,632 million, of which Baht 5,610 million was shareholders' portion and Baht 22 million was minor shareholders' portion to the minor shareholders.

Refining business

Leveraging advanced Hydro Cracking technology, the Company operates a complex refinery. This year, the Company had an average net crude run of 85.7 thousand barrels per day, slightly lower than that of last year (86 thousand barrels per day). This is because the annual 30-day plant turnaround was moved up to mitigate the impacts and lower the loss of refining opportunities resulting from an ignition incident earlier this year at the fuel oil product improvement unit into diesel, so that all repair work could be undertaken at the same time. The year's average gross refining margin (excluding the profits/losses resulting from hedging transactions to prevent oil price fluctuation risks and excluding oil stocks gains/losses) amounted to US\$6.71 per barrel, against US\$5.63 per barrel last year, thanks to the procurement of crude oil with high GRM yield and the refinery business's profitability over the past year. Apart from these, the world oil market was marked by high prices amid great uncertainty in the world economic situation, which could cause great volatility in the oil price. Therefore, to achieve the refining business goals while taking care of the environment, BCP took the following key actions.

- Closely monitored the world oil price to manage refining-margin risks by leveraging financial tools to conduct hedging and manage refining-margin exchange rate risks by entering into forward purchases of exchange rate risks
- Maintained crude oil supply from indigenous deposits, which had lower transport costs than imported crude oil. Indigenous crude oil yields low-sulfur fuel oil for exports and is thus more financially attractive than domestic consumption. The Company also sourced new grades of crude oil that yielded low-sulfur fuel oil and commanded cost-effective refining margins in line with the plans to refine more.



- Produced and sold gasoline, gasohol and diesel under the EURO IV specifications before the government's enforcement date of January 1, 2012, to contribute to more complete engine combustion while cutting down on air pollution. The company completed its construction for the EURO IV quality improvement project for gasoline and gasohol as planned, with production and sales beginning in December. As for EURO IV diesel, the company had successfully produced and sold this since 2008.
- Managed its crude inventory at low levels without affecting the refining business to lower risks arising from oil price volatility.

The Company still took safety, health, environment and energy (SHEE) in the operations of the refinery and depots seriously by continually campaigning for employees' awareness through assorted activities and taking part in various community relations activities around its refinery and depots to cultivate trust and friendship. To illustrate, it showed online air quality analytical results obtained from the measurement station located around the refinery (at Somthawil School), together with effluent quality results, on signboards for air quality and effluent quality located at the refinery entrance and around its community, namely at the entrance to and the rear of Wat Boon Rot and the Secretariat Department military housing units, as well as the Inthanin Coffee shop of the Piyarom Sports Club Department Store. The qualities were found to be superior to the required limits. This is regarded as joint examination of the Company's environmental performance conducted by the community.



Marketing business



The total sales revenue from all marketing channels rose 7% from last year, that is, from an average of 67.1 KBD in 2010 to 71.9 KBD 2011 (or 348 million litres per month). For Bangkok Metropolis and its perimeter, the average retail marketing margin was about Baht 1.50 per litre, against Baht 1.65 per litre in 2010. The market share for gasoline ranked second, while the market share for clear fuels ranked third. The Company launched new products and the Bangchak Gasohol Club Lady Card to raise its sales while expanding and maintaining its customer base through the Gasohol Club and focusing on alternative-energy market leadership by expanding and promoting sales of Gasohol E85, Gasohol E20 and Biodiesel. The market share for Gasohol E85, Gasohol E20 ranked first. Effective from December, the company began selling EURO IV gasoline and gasohol at its nationwide service stations ahead of the enforcement date. In the industrial sector, its turnover rose by over 16% thanks to the expansion of the Company's distribution channels to export markets and wholesale markets in line with the increased output. With supply outpacing domestic demand and a highly competitive market, the Company took assorted key measures to raise its sales and maintain its customer base:



- Raised the sales volume by expanding the number of service stations in areas with high potential. It launched the maiden flagship “green station” on Vibhavadi Rangsit Road, a sizeable station featuring modern looks and environmental friendliness complete with amenities and supplementary businesses.
- Continually promoted and expanded sales of Gasohol E20, and Gasohol E85. The Company raised the number of service stations selling Gasohol E20 by 154, and selling Gasohol E85 by 25. To accommodate newer car models, service stations selling E20 and E85 nationwide currently number 454 and 30 respectively. The company raised sales volumes while maintaining its alternative-energy customer base with its customer relationship management project featuring the Gasohol Club card; the Bangchak Gasohol Club Lady Card has now been added to attract female drivers.

Bangchak Service Stations

As of year-end 2011

	Stations	Increment
 E20	454	+154
 E85	30	+25

- Continued to stress the quality of service and the image of Bangchak service stations of cleanliness, modern looks, and responsiveness to more customers' needs. The year saw Bangchak service stations come in second in a Brand of Choice survey (third consecutive year) by outside research company. For the third straight year, the Company won the "Quality and Safe Service Stations Award", sponsored by the Department of Energy Business, together with a runner-up award recognizing "Clean Toilets" for service station toilets that passed the HAS standard, sponsored by the Department of Health, Ministry of Public Health. Thanks to the growth of communication technology, it also came up with an application program for oil prices for iPhone users, with real-time movements of retail fuel prices and information on service station locations nationwide.



- Promoted and improved the image of supplementary businesses at Bangchak service stations to include a convenience store by the brand of Bai Chak, Green Series car care, and others. Inthanin Coffee shops have now been expanded to educational institutions and office building. Inthanin launched the first branch of modern shop "Inthanin Premio" at Central World Department Store, and Bangchak service station (4.5 km.) as the second branch, to make it better known.

- Due to fierce competition in the industrial sector and the rising volume of outputs, the Company expanded its distribution of Diesel to the wholesale customer group as well as expanding its exports to neighboring countries
- As for lubricants, the Company consistently focused on its marketing to the industrial sector and neighboring countries while launching sales promotion and the Company developed high-quality products in the form of D3 Gold diesel lubricants. Accommodating EURO IV engines, the API CJ-4 technology saves fuels. The total sales volume of all lubricants for the year grew by 12% to 2.4 million litres a month.





The Company conducts fair marketing operation in parallel with its stewardship of the environment and society, including its cooperation with agricultural cooperatives on using agricultural products as sales promotional items. And in view of the Great Floods, the company launched its Sharing Project to extend help to flood victims by selling 91-octane gasoline and diesel at mobile service stations at one baht/litre below regular prices in the following districts: Don Mueang, Bang Bua Thong, Thawi Wathana, Bang Khae and Bang Khen. Besides, it urged Gasohol Club card members to donate their cumulative points to help flood victims.

Business development

The Company is focusing on developing new businesses, both related to existing businesses and otherwise, to add value to its business and diversify risks to its revenue amid highly dynamic business circumstances and volatile oil prices. Its principle remains the driving of business that focuses on production and marketing with due regard for the environment and benefit to society for security and sustained growth. However, because of the domestic economic downturn in line with the global economic recession of the past year, The Company has revised and refined its business direction and business development plan to prudently suit prevailing circumstances. The year 2009 was a successful one for Bangchak Biofuel Co., Ltd., in managing a biodiesel plant at Amphoe Bang Pa-in, which derived higher investment returns than expected. In 2011, the company embarked on development and expansion of new businesses, described as follows:

Ethanol business: The Company bought 580,000 ordinary shares (21.28%) of Ubon Bio-Ethanol Co., Ltd., located in Amphoe Na Yia, Ubon Ratchathani. The 400,000-litre/day plant is due for completion by Q4/2012, running on fresh cassava and cassava chips supplied by local farmers, and is to export most of its products to China. Investment in the ethanol business heightens the supply security of ethanol to accommodate the company's sales expansion plans for E20 and E85 gasohol.





Bang Pa-in solar farm business: “Sunny Bangchak” began investing and constructing the first phase of work for 38 megawatts (MW). To date, it has completed construction of an 8-MW unit to generate power from solar energy and achieved commercial sale to the Provincial Electricity Authority (PEA) on August 5, 2011, with revenue derived from selling base electricity and adders, which was, however, suspended on October 16 by the Great Floods. Restoration work completion is expected by the second quarter of 2012. By 2015, the company plans to expand investment in this solar-farm power generation project to no less than 118 MW. According to its power purchase agreement with PEA, the agreed adder rate will remain at 8 baht/unit. The Company plans to focus to expanding this project with steadily rising returns.



Palm planting project: The company rented 1,200 rai of land in Nakhon Nayok from the Bank of Agriculture and Agricultural Cooperatives for palm planting, while urging farmers with 50,000 to 60,000 rai of land to join in its efforts. The Company agreed to take all outputs and will be constructing a 400-million-baht palm oil extraction plant to accommodate farmers’ outputs, in the hope of reaching 50,000 tons/year of extraction capacity to feed the palm oil into its B100 biodiesel plant at Amphoe Bang Pa-in to cut down on palm oil transport costs from the South.



Fuel from algae project: On March 31, 2011, the Ministry of Energy (through the Department of Alternative Energy Development and Efficiency), the Company, Ratchaburi Electricity Generating Holding Plc and Loxley Plc signed a memorandum of cooperation on the development of bioenergy industry development from oily algae. This move paves the way for a new industry (fuel from algae) as a high-potential alternative-energy innovation that contributes to energy security in addition to easing oil price crises for Thailand, apart from serving as a carbon dioxide sink to cool global warming.

Organizational capability development

Since organizational capability must be developed hand in hand with business, The Company has focused on doing such a job with efficiency and raising its competitiveness openly and transparently by international management principles. Personnel are developed to become professionals thanks to sophisticated IT systems and management of a sound corporate image to serve as a key driver for efficient and effective business, thus providing a big leap toward its goals.

Professional personnel

The Company always recognizes that its personnel represent valuable resources for its sustained growth. In fact, this has been spelled out in its mission to employees: To develop the Company personnel into professionals, starting from systematic and efficient development of human resource management on competency-based management to developing core competencies to support future vision and business expansion. These competencies consist of six key characteristics:



1. Ability for adaptation and initiation
2. Leadership
3. Teamwork spirit
4. Organization commitment
5. Personal mastery
6. Social and SHEE awareness

Then there is the development of functional competencies, which differ from one person to the next, subject to their roles and responsibilities. The bottom line is to enable employees to perform their work effectively and most efficiently. In addition, the Company develops executive competencies, which enables it to define individual development plans to best suit employees and their responsibilities.

To cultivate employees' love for lifelong learning to promote innovations, the company has in place a modern and simple knowledge management system for efficient knowledge-sharing through an interactive knowledge management system. The Company has also launched projects promoting assorted learning, like a community of practice (designed for those with similar interests or experiences) and a cascade for innovation project (initiated by the President to promote innovations and teamwork, in which those from different



businesses put their brains to work together in line with the company's strategies (which could differ from year to year), with winners receiving awards from the President himself.

The Company promotes learning through other activities, including IT Day, CG Day, KM Day, and SHEE Day, apart from internal radio programs featuring practical information, including law, IT, risks, accounting, taxes and corporate governance. All these form the Company's approach for moving toward a learning organization, which is a long-term corporate objective.

Besides personnel capability development, the Company focuses on nurturing employee engagement. In 2011, an employee engagement survey by an internationally accepted consultant found that the Company's employee engagement ranked in the 72th percentile, which was a vast improvement over the previous year. It is the Company's plan to raise this further to the 75th percentile within five years, since highly engaged employees are ready to join forces and dedicate themselves to help the Company succeed.

Transparent business processes of world-class efficiency

The Company continues to drive the application of ERM (Enterprise Risk Management) down the organization by educating and brainstorming employees to identify, assess and define management plans for risks affecting corporate goals down to those of sections. A Work Process Improvement Taskforce (WPI) consistently reviews and revises work processes throughout the Company to be on a par with international standards and meet the criteria of the Thailand Quality Award (TQA) through the push of a TQA Steering Committee. In previous year, The Company won a Thailand Quality Class (TQC) award, which spoke volumes for the quality and efficiency of its work processes.

The Company also promoted and encouraged the application of IT to add efficiency and transparency to work processes, including the Plant Information Management system (PIMs), development of TAS Interface at Bang Pa-in Depot and the IT improvement to the ISO 27001 for Network and Data Center.





Modern, transparent, socially responsible with sustainable growth: corporate image

Emphasized is the Company's corporate image of a modern, transparent and socially responsible company, an image that won for the sixth straight year the Top Corporate Governance Report Award and, for the fifth straight year, the Corporate Social Responsibility Award. These strings of successes led to the SET Award of Honor, a recognition of sustained excellence, bestowed at the SET Awards 2011. As for its excellence in corporate governance, the Company took two regional awards from the Corporate Governance Asia magazine, namely the Asian Corporate Director Recognition Award 2011 and the Corporate Governance Asia Recognition Award 2011. Besides these, it received a plaque and certificate (CSR-DIW

Continuous Award) as an industrial operator that was social and environmentally responsible. The Company also won a Level 3 Green Industry Certificate from the Ministry of Industry, a Crown Standard Award for its solar power plant project and a certificate for its reduction of greenhouse gas emissions (building category) from Thailand Business Council for Sustainable Development. As for its marketing business, the Company won a Trusted Brand Award for 2011 from votes given by the readers of Reader's Digest, illustrating consumers' confidence in the Company brand when deciding to buy goods and services. These awards are attributed to transparency, social as well as environmental responsibility required by good corporate governance, a hallmark of Bangchak Petroleum Plc. In addition, the Company was chosen for calculating the SET50 index by set, which showed the recognition of the Company by the public and its continual growth.

Operation Outcomes on Safety, Health, Environment, and Energy



The Company places importance to safety, health, environmental, and energy management to ensure that its operations comply with the universal management system, safety and health. Additionally, the operations do not affect the environment, society and communities. The Company promotes the cost-effective use of energy and realizes the important of employees as well as those of its contractors, and other stakeholders. Formulating a SHEE policy and appointing a task force, the Company requires that SHEE competency is a core competency and promotes recognition of safe behavior to turn it into a company culture and form proper behavior of related people according to the behavior-based safety health environment energy principle.



Health, safety, environmental and energy (SHEE) policy

The Company is committed to raising its management excellence by the approach of the Thailand Quality Awards, which values social responsibility; protection of health, safety and the environment; and business conduct and employees. In addition, the Company values resource conservation, which encompasses all activities, products and services-all with key business roles; loss prevention; and compliance with the law and public regulations. Viewing these regulations as opportunities for improvement over and beyond what need to be complied with, the Company devises the SHEE policy, and all executives and rank-and-file employees-including all contractors working on behalf of the Company-are held directly responsible for the following:

- Complying with SHEE laws as well as company regulations as a minimum
- Working safely without undue impacts on themselves, related parties, community or the environment
- Preventing losses and illnesses potentially arising from accidents and minimizing impacts potentially leading to pollution, leaks and oil losses
- Making the best use of resources (energy, water and chemicals) and continually raising the efficiency of company resource consumption, suiting the size of the business
- Supporting reasonable procurement of products and services while taking into account safety, environmental conservation and energy-saving
- Researching, developing and sourcing products and services that are safe, save energy and socially responsible to the environment and communities; developing modern and continual SHEE management systems.

Besides formulating the SHEE policy, the Company has a management structure consisting of all executives and units and encompassing the issuing of the policy and design of equipment, processes, work methods and protection so that employees may be safe and exert no impact on the environment and communities. It also involves the promotion of the effectiveness and efficiency of SHEE management and the oversight of emergency and crisis management, including plans for fires, flashfloods and earthquakes.

The Company won certification of the 2007 version of the BS OHSAS/TIS 18001 health and safety management standard together with the ISO 14001 environmental management standard for the refinery and depots (Bangchak and Bang Pa-in). Besides these, it won ISO 17025 certification for its analytical laboratory and ISO 9000 certification for lubricants.

Having in place risk management assessment and proper, international-standard control measures, the Company also appointed a safety task force, charged with reviewing safety aspects.



1. Safety, Health, Environment and Energy Management Team (SHEEM):

level management from all business lines, having the responsibility to define management system policies and guidelines, and regularly reviews the management processes while supplying resources for continual process development as well as setting up task forces for efficient and effective safety, health, environmental and energy management.

2. Safety, Health and Environment Committee (SHEC):

Having 50% of its membership from employee representatives from the first year of law enforcement on safety committees, it is responsible for compliance with the laws and works with operational-level safety subcommittees for greater work safety.

3. Safe Operation Team (SOT):

reviews operation procedures and past performances screened by the JSA&QCA, HAZOP and EQT teams to comply with safety standards while reviewing incident reports and define protection approaches. Apart from the relevant managers, SOT members consist of managers of the operations, technical, and engineering lines of the refinery.



4. Safety, Health, Environment and Energy Promotion Team (SHEEP):

through open participation for everyone, promotes awareness of safety, occupational health, environment and energy in each employee's performance.

5. Job Safety Analysis and Quality Control Analysis Team (JSA & QCA Team):

reviews work processes for safety and detailed quality control.



6. Hazard and Operability Study Team (HAZOPs Team):

through the HAZOP technique, revises designs and modifications to refinery pipelines, instruments and equipment to meet the Company's technical principles and engineering standards for safe applications.

7. Engineering Quality Team (EQT):

This year, the Company constructed and controlled design quality to international standards involving the following improvements to work processes:

As for emergency preparedness, the Company has put in place emergency plans and other crisis management plans, incorporating management, operating structure and procedures for emergency notification and termination, coordination with internal and external units, evacuation and rehabilitation, as well as staging continual emergency drills.

The company also inspected safety equipment for maintenance purposes and constantly raised its capability and efficiency beyond international standards to bolster confidence in efficiently terminating and responding to emergencies, and to upgrade the knowhow and skills of workers so that they may do their work properly and in a timely manner.

Recognizing the value of sustainable improvement of human resources, the company established an environmental and safety training center at the Bang Pa-in Oil Distribution Center in Ayutthaya to constantly provide integrated safety training courses (primary and advanced firefighting, firefighting techniques, emergency responses and annual fire drills) to employees, government agencies, communities and the public.

Environmental management

For the third year in a row, this year the Company received no CAR (corrective action request) out of the assessment by Anglo-Japanese-American Registras Company. It also accomplished an electronic, online document filing system (called the Document Management System) to raise management efficiency and reduce paper use. It is developing an online management system (known as the ISO Management System) to raise its management efficiency standard.

The Company will be assigning responsibility to a unit for tracking new legislation and drafting a law dealing with health, safety, environment and energy.

This includes oversight of refinery effluent and emission to ensure superior quality to legal requirements. Incidentally, the Company has never faced a fine or punishment for violating the law or environmental regulations.

To remain vigilant and keep track of environmental quality, the company regularly measured stack emission quality, including measurement of total suspended particles (TSP), nitrogen oxides (NO_x) and sulfur dioxide (SO_2)-all of which have proved superior to the air quality standards set by the Ministry of Industry.

With a location in the heart of a community, the Company takes environmental quality seriously, choosing clean energy in its processes, closely monitoring pollutants potentially released from the refinery by installing CEMs (Continuous Emission Monitoring) at stacks, which enables the company to continuously measure environmental quality and stack emissions. Besides, the Company has installed two air quality measurement stations in surrounding



communities, one at Somthawil School and the other at the housing of officers attached to the Permanent Secretary of Defence. Readings from the CEMs and air quality measurement stations go to automatic display boards located in front of the company and in communities around the refinery, in addition to public spots like the Piyarom Sports Club. This way, external parties can examine them anytime-a measure to boost the confidence of neighboring residents.

The Company commands a high-efficiency wastewater treatment system, closely monitored and controlled with online measurement instruments. Each day, wastewater is checked by the company's environmental quality analytical laboratory, which is certified along with other private quality analytical laboratories by the Department of Industrial Works and has won the ISO/IEC 17025 certification-a guarantee for the refinery's effluent quality. The Company is also committed to the lowering of consumed water and wastewater volumes to

save water resources while maximizing its use. In the plan is a project to install an effluent quality improvement unit using modern technology so as to derive high-quality water on a par with piped water for reuse in production processes.

As for personnel capability improvement, the Company encouraged its employees to undergo several training courses (including Lead Auditor, controller of pollution prevention systems, officers attached to pollution prevention systems, air pollution, volatile organic compounds and atmospheric air-quality measurement stations) to strive for excellence in environmental management, thanks to these personnel driving the system with maximum efficiency.

This year the company also won certification at Level Three, Green System, given by the Ministry of Industry in recognition of the Company's systematic environmental management, monitoring and evaluation and review for continuous development.

Sustainable Development in Harmony with the Environment and Society



Throughout the past 27 years, sustainable business development in parallel with environmental and social development-known at the Company as Greenergy-has found such consistent implementation that it has now become a key corporate culture. The Company has designated the target to become a carbon-neutral company. It has also humbly applied HM the King's Sufficiency Economy philosophy to its business management while adhering to corporate governance through the Board, executives and operating personnel with transparency and openness to scrutiny. To this end, the Company steers the organization and applies clear environmental policies as its immunity in order for its growth to become sustainable and secure. Even when faced with potentially destructive events, notably this year's natural disasters, the Company successfully maintained its poise. One might say that 2011 posed a good, comprehensive test of the Bangchak Way, in which the company demonstrated its ability to sustainably adjust, cope with and grow immunity.

In addition, the Company continually steers the organization and expands its business to take on current climate change and growth in alternative energy, including biodiesel production, conversion of deserted orange groves in Rangsit into oil palm plantations and power generation from solar energy (solar farm). These represent business development approaches that align with environmental changes, reduce global resource consumption and thus least impacts the environment. Yet, campaigns to lower resource consumption and conserve the environment may not prove adequate for this period of change. The company will continue its stress to the public a need to be aware of safe practices so that Thais may stay vigilant for disasters-particularly flooding, which tends to be more prolonged and frequent than other natural disasters. This environmental and social responsibility shown by the Company's practices has consistently and logically served as its long-standing trademark (ever since day one of its existence).

Strategies for Development of Sustainable Business Operation

Strategy	1. Grow the business and diversify risks to businesses with secure income (economic aspect)
Plan and goal	<ul style="list-style-type: none"> 1.1 Develop the solar-energy power-generating business by 118 MW 1.2 Develop the ethanol business with a capacity of 500,000 liters/day 1.3 Develop the biodiesel business with a capacity of 600,000 litres/day
Progress made and performance in 2011	<ul style="list-style-type: none"> 1.1 Generated and sold 8 MW since August 2011, but currently under suspension due to floods 1.2 Invested with Ubon Bio-Ethanol Co., Ltd. (UBE) 1.3 Started up and sold nearly 70% of the capacity because of palm oil shortage earlier and floods later in the year
2012 goal	<ul style="list-style-type: none"> 1.1 Generate and sell 54 MW by 2012 (with 38 MW coming from Bang Pa-in and 16 MW from Chaiyaphum) 1.2 Complete the construction of the UBE plant 1.3 Investigate biodiesel capacity debottlenecking to meet rising biodiesel demand
Strategy	2. Become a carbon-neutral company (environmental aspect)
Plan and goal	<ul style="list-style-type: none"> 2.1 Use clean natural gas instead of fuel oil 2.2 Generate power and steam from an efficient co-generator 2.3 Improve the refinery's energy efficiency 2.4 Develop clean-energy businesses (as in (1))
Progress made and performance in 2011	<ul style="list-style-type: none"> 2.1 Replaced 80% of fuel oil consumption with natural gas 2.2 Generated 80% of the power and steam capacity of the co-generator 2.3 6 efficiency improvement projects saved 0.9% in energy consumption 2.4 Details as in (1)
2012 goal	<ul style="list-style-type: none"> 2.1 Replace all fuel oil consumption with natural gas 2.2 Maximize power and steam generation from the co-generator 2.3 Invest in five additional efficiency improvement projects to gain 0.3% in energy saving 2.4 Details as in (1)

Strategy	3. Develop business formats for in-processes (social & environmental aspects)
Plan and goal	<p>3.1 Develop business formats leading to national benefits to society and the environment</p> <p>3.2 Develop business formats leading to social and environmental benefits at the community level</p>
Progress made and performance in 2011	<p>3.1 - Developed an additional 21 service stations with agricultural cooperatives, taking the total to 571. This added jobs and income to communities under the cooperatives while developing society from the bottom up to the macro-level. Agricultural goods found their way as sales promotional items to Bangchak service stations, including brown rice made into khao klong taen with black sesames and Doi Kham dried baked mangoes.</p> <ul style="list-style-type: none"> - Operated the Thailand Go Green project for the fifth straight year under the "Solar Energy for Future" theme to cultivate awareness and knowledge of solar energy among students nationwide. The year saw more than 700 participating schools, with over 2.5 million participating students since the first year. <p>3.2 Developed project formats to meet the needs of target groups and align with the ISO 26000 community development approach with a focus on the environment and alternative energy forms</p>
2012 goal	<p>3.1 - Develop an additional 50 service stations with agricultural cooperatives</p> <ul style="list-style-type: none"> - Maintain the Thailand Go Green project to truly educate students on the benefits and necessity of alternative energy forms while focusing on public communication for disaster preparedness <p>3.2 Develop project/activity formats on sufficiency economy</p>
Strategy	4. Be open, transparent and auditable (social aspect)
Plan and goal	<p>4.1 Disclose business information transparently to allow public scrutiny</p> <p>4.2 Prepare sustainable development reports to disclose economic, environmental and social information</p>
Progress made and performance in 2011	<p>4.1 After the Company had linked its air and effluent quality tests for display in front of the refinery, at the Piyaom shopping center and at three refinery communities, the year saw further link-ups with the Department of Industrial Works. This fostered confidence and allowed participation by the public and government agencies in transparent scrutiny</p> <p>4.2 Developed formats and contents to encompass the approach of GRI : GRI Check (in the process of quality of the GRI report assessment)</p>
2012 goal	<p>4.1 Continue such operation with a plan to add display points and coverage</p> <p>4.2 Maintained the quality of the report to disclose economic, environment and social information</p>

Awards of 2011



Board of the Year Awards - Hall of Fame 2010/11



SET Award of Honor



Recognition Awards 2011 "THE BEST OF ASIA"

The year 2011 saw continual recognition of the Bangchak Petroleum Plc, by the public as well as various entities, as a company with transparent corporate governance and management with efficiency, social responsibility, and environmental awareness.

- **Board of the Year Awards - Hall of Fame 2010/11** for being a Board with commitment to ensuring good corporate governance practices and the Board of the Year Award for Exemplary Practices for three consecutive years in the Board of the Year Awards 2010/11, organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand (SET), Board of Trade of Thailand, Federation of Thai Industries (FTI), The Thai Bankers' Association (TBA), Thai Listed Companies Association (TLCA), and the Federation of Thai Capital Market Organizations (FETCO).

- **SET Awards of Honor**, presented at the SET Awards 2011 event, organized by the Stock Exchange of Thailand (SET) and Finance and Banking Magazine:

- **Top Corporate Governance Report Award**, in its sixth straight year. This award honors listed companies with outstanding reports on compliance with corporate governance
- **Best Corporate Social Responsibilities Award**, in its fifth straight year. This award honors listed companies with outstanding social responsibility practices.

In addition, the Company won an Outstanding Corporate Social Responsibility Award and Outstanding Investor Relations Award.

- **Recognition Awards 2011 "THE BEST OF ASIA"**, organized by Corporate Governance Asia Magazine:
 - **Asian Corporate Director Recognition Award 2011**, this award honors Dr. Anusorn Sangnimnuan with his contributions in growing the business, social responsibility, environmental protection and also efforts in raising the standards of corporate governance practice in the country.
 - **Corporate Governance Asia Recognition Award 2011**, this award is given in recognition to the Company's continuing commitment to the development of Corporate Governance in the region.

- **ASEAN Honorary Fellow Award**, presented at Conference of 19th ASEAN Federation of Engineering Organization (CAFEO 29), Brunei. This award honors Dr. Anusorn Sangnimnuan with his contributions and efforts in engineering development.

- **The assessment outcome of a survey on corporate governance reports of listed companies of 2011**, given by Thai Institute of Directors (IOD), showed that the Company commanded 'excellent' ratings in over all categories.

- **An excellent score for its quality under the Annual General Meeting (AGM) for 2011 project**, given by the Thai Investors Association.



ASEAN Honorary Fellow Award



The Crown Standard



Trusted Brands Awards 2011

- **NACC Integrity Awards 2011 (Honorable Mention Award)** given by the Office of the National Anti-Corruption Commission. This award is given in recognition to the Company's promotional activities for corporate governance, righteousness, and transparency.
- **The Certificate of Green Industry (Level 3)**, given by Ministry of Industry, which certified that the Company has a systematic environmental management, including the monitoring and continuing development.
- **The Crown Standard**, for the Company's solar power plant project (Sunny Bangchak) in operating sustainable development and environment protection project, creating stakeholders' participation procedure, and also supporting activities on society, culture and sufficiency economy philosophy, given by Thailand Greenhouse Gas Management Organization.
- **A plaque and Certificate of CSR-DIW Continuous Award**, as the business with social responsibility, awarded by Management System Certification Institute (Thailand) and the Department of Industrial Works.
- **The Certificate of Green house Gas Reduction for the Company's buildings for using and maintaining buildings and facilities with low emissions of greenhouse gas**, given by Thailand Business Council for Sustainable Development, Thailand Greenhouse Gas Management Organization and Thailand Environment Institute.
- **The Certificate for Green Meeting** in recognition of meetings, seminars, training sessions and businesses conducive to natural balance and sustainable development through cost effective resource application and mitigation of environmental impacts, given by Thailand Greenhouse Gas Management organization and Thailand Environment Institute.
- **The Best Oil and Gas Innovation in Refining Technology Award 2011**, given by opinion surveys among the readers of the World Finance Magazine.
- **The Quality and Safety Service Stations Award** from the Department of Energy Business, designed to raise the quality of service stations nationwide. 128 Bangchak stations were awarded with 53 gold (five-star) medals, 42 silver (four-star) medals, and 33 bronze (three-star) medals.
- **Trusted Brands Awards 2011**, given by votes from the readers of Reader's Digest Magazine, illustrating consumers' confidence in the Company brand when deciding to buy goods and services.
- **Marketing Excellence Awards 2011 (second place)**, for the Company's and outstanding marketing campaign in green marketing or environmentally friendly marketing, given by MCOT FM 100.5 News Network.

Business Overview and Competition Outlook



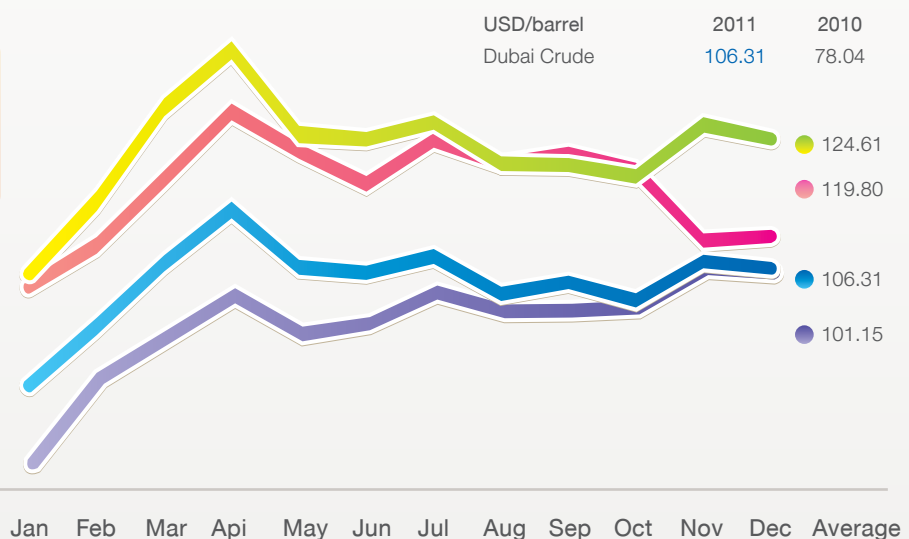
The world economy in 2011 was marked by high volatility with a slowdown trend resulting from the challenge of resolving long-standing public-sector economic woes in European countries and the US, which had proved so severe that several rating entities degraded these countries' credibility. While the US tried to apply several "easing" policies to spur its economy, with improving economic figures, the risk is still there for raising the public-debt ceiling, eroding investors' confidence in economic recovery. Meanwhile, European countries applied policies to lower public-sector spending to ease public debts and apply for help from the European Union and the International Monetary Fund (IMF).

No clear solution has emerged, however, and the economic situation remains grim. Compounding things were riots in Middle Eastern countries and northern Africa, including Egypt, Libya, Yemen, Syria and Bahrain, which hiked the price of crude, in turn compounding inflation and hurting global trade and investment alike.

The world oil price in 2011 fluctuated with economic factors, surging during the first quarter of the year with the unrest in the Middle East, dropping in the second and third quarters with debt problems in European countries, and picking up again late in the fourth quarter.

2011 World Oil Price Movement

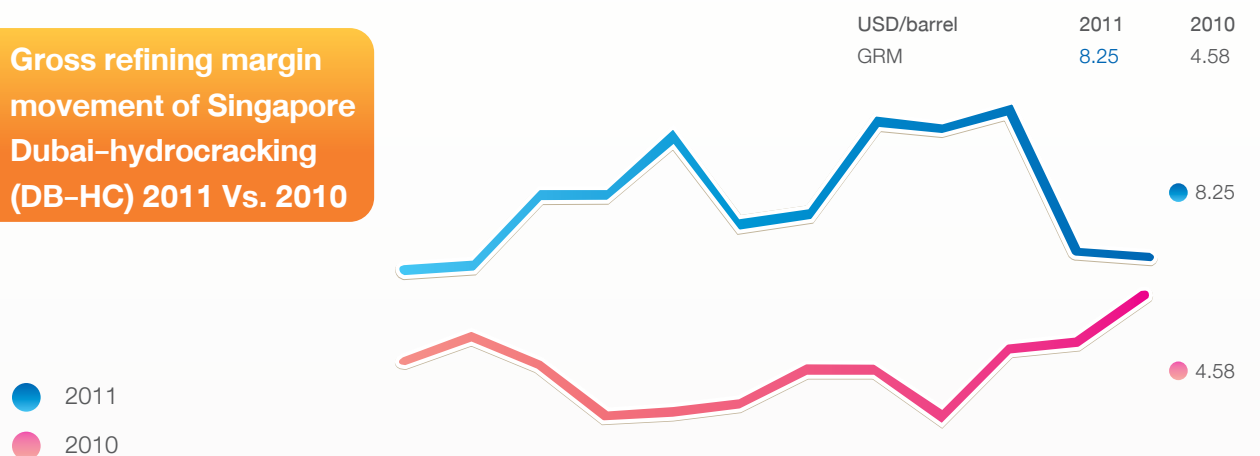
- Dubai crude
- UNL95 Gasoline
- GO 0.5%S Diesel
- HSFO Bunker Oil



For the year, Dubai crude averaged USD 106.31/BBL (a 36% rise from USD 78.04/BBL in 2010), which provided profits from stock

gains in USD equivalent to the gain in the Dubai closing price at year-end of USD 90.03/BBL to USD 109.41/BBL.

**Gross refining margin
movement of Singapore
Dubai-hydrocracking
(DB-HC) 2011 Vs. 2010**



Source : Reuters

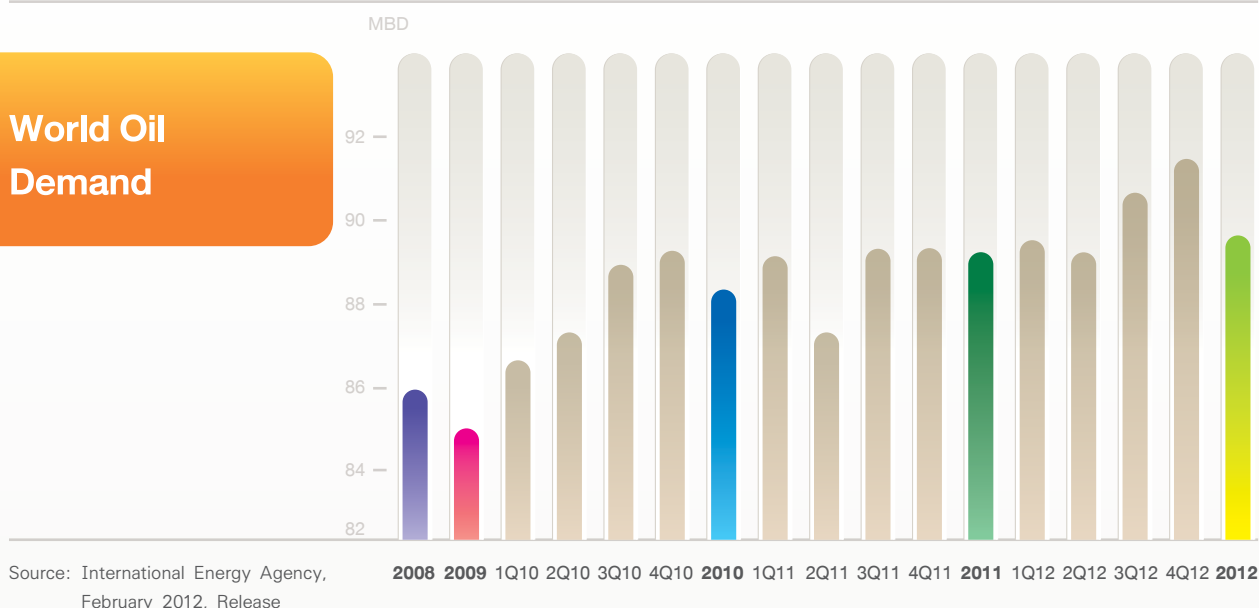
GRM = gross refining margin

In 2011, the reference Dubai gross refining margin (GRM) for cracking refineries in Singapore averaged USD 8.25/BBL, a huge rise from that of the previous year (USD 4.58/BBL), against the sluggish world economy. This was due to the improving spreads between all refined oil products and Dubai over the past year, buoyed by supply and demand in Asia in the wake of Japan's earthquakes; problems besetting Japan's nuclear power plants, which raised Japan's oil imports; refinery maintenance shutdowns in Asia; and the apparently dwindling reserves of refined products. Still, in the fourth quarter, the price spreads between gasoline products

and Dubai dramatically narrowed because of investors' profiteering sales of forward gasoline contracts in the US and the continued high reserves of gasoline at the end of the travel season.

According to IMF's figures, the world economy expanded by 4% in 2011, against 5.1% in the previous year. Its trend is to slow down because of economic problems in developed countries, which hurt trade and investment while contributing to only a mild rise (0.7 Mbd) in oil demand over the same period (89.0 versus 88.3 Mbd) -in contrast with the 2.7% rise seen in 2009 and 2010.

World Oil Demand



Yet, the International Energy Agency has forecast that in 2012, the oil demand will be rising to 89.9 Mbd (or 1.1%), with the possibility of continued sluggish demand. This agrees with IMF's economic growth forecast that the world economy in 2012 (as of February, 2012) will continue to grow, but more gradually, to about 3.3%. In addition, the world economy still features uncertainty about economic problem resolution of Western countries, Asia's inflation, and most investors' expectations that the US economy could face a double-dip recession. Meanwhile, its expansion is expected to bear the brunt of the growth of emerging markets, particularly BRIC (Brazil, Russia, India and China).

Likewise, oil prices in 2012 could face a slowdown due to the global economic downturn, which results in less dramatic rises in global energy demand, and due to the rather high oil prices in recent months. Depending on the improved situation in the

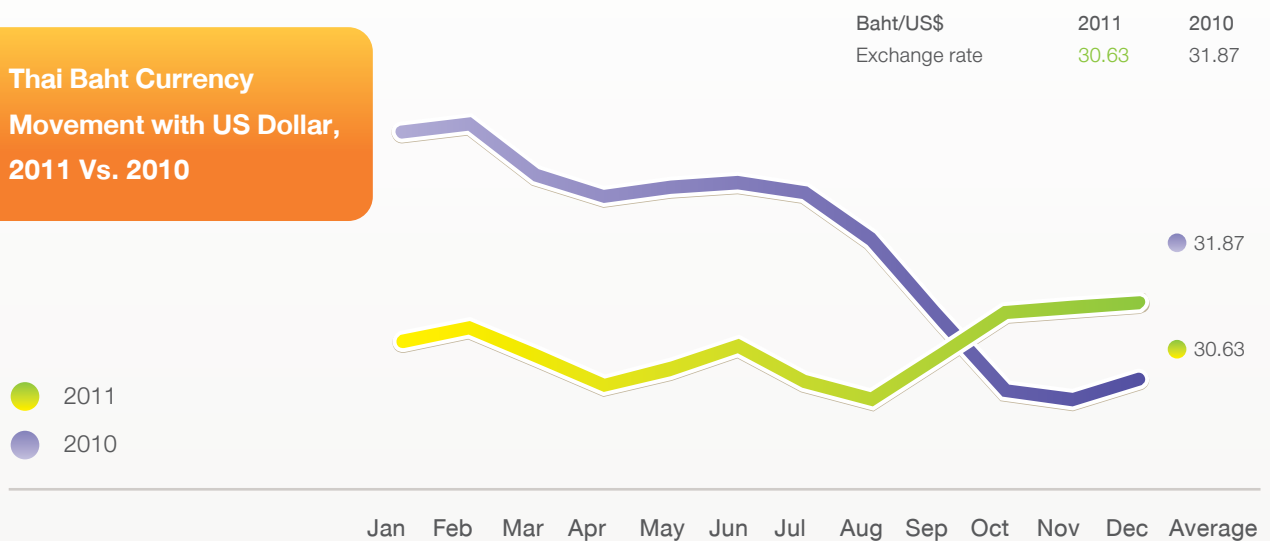
Middle East while GRMs remain at 2011 levels, in line with the global economy and global oil demand, as well as the demand and supply of refined products in Asia. Still, the growing global warming phenomenon has contributed to catastrophes in many countries in the past year, while problems at the damaged nuclear power plants and radioactive leaks in Japan have resurrected interest by many countries in alternative energy and renewable energy (including solar energy, wind energy and plant-based energy) to make up for fossil fuels, which are becoming increasingly costly.

Domestically, the economy expanded only 0.1% against the global economic downturn, earthquake problems in Japan and the Great Floods ravaging several regions of the country from September to November. This latter catastrophe struck the manufacturing industry, export sector and private-sector consumption, eventually leading to interest rate cuts.

Yet, investors worldwide continued their interest in Asian capital markets, including Thailand's own, leaving the baht currency moving between 30-31.5 to the US dollar.

The average baht value peaked at 30.63 to the dollar against 31.87 to the dollar in the previous year.

Thai Baht Currency Movement with US Dollar, 2011 Vs. 2010



Based on worldwide economic factors, the Office of the National Economic and Social Development Board (in February 2012) has projected that this year's domestic economic expansion will range from 5.5% to 6.5%. In the wake of the Great Floods, the central bank announced a cut in interest rates to help the manufacturing sector and promote domestic investment. A related factor is that the public policy to stimulate economic growth and private-sector consumption will be driving economic growth.

Domestic oil business

Thanks to rising GRMs and rising world-oil demand, coupled with more promising economic outlooks, the capacity utilization of seven domestic refineries (Thai Oil, IRPC, Esso, Star, PTT Global Chemical, Bangchak and Rayong Purifier) has surged. In 2011, the average throughput 933,500 barrels/day, a 2.6% drop from that of the previous year. The throughput of 2012 is expected to grow from that of 2011 to keep up with several other refineries, which have planned greater throughputs to accommodate rising oil demand.

Average Crude Run by Domestic Refineries

Crude Run (thousand barrels/day, KBD)			
Refinery	2011	2010	Difference
Thai Oil	275.5	255.6	+7.8%
IRPC	157.9	173.0	-8.7%
Esso	110.2	124.7	-11.6%
Star Petroleum	154.6	161.2	-4.1%
PTT Global Chemical	133.7	146.2	-8.5%
Bangchak	90.1	88.6	+1.7%
Rayong Purifier	11.5	10.6	+8.5%
Total	933.5	959.9	-2.8%
Total capacity	1,097.0	1,097.0	

Source: Department of Energy Business

Marketing business

Compared with the previous year, the fuel demand in 2011 featured a 4% rise to about 122.6 million litres a day (771,000 barrels/day). The substantial rises in the costs of oil in the world market over the past year have kept gasoline demand relatively constant while suppressing fuel oil demand. On the other hand, LPG and natural gas demand has surged. Faced with this, the government exercised its policy to keep retail fuel prices manageable to consumers as well as to the domestic economy. To illustrate, an initial measure kept the diesel price at Baht 30/litre, followed by a temporary exemption of fund contribution to the Oil Fund for gasoline and diesel from August 26, 2011, onward.

Because of these, the retail prices of gasoline and diesel in 2011 were Baht 30-36/litre, which was comparable to last year. In the fourth quarter, fuel demand was jolted by the Great Floods, which hurt the manufacturing sector, consumption and transportation alike, while suspending the operation of several service stations in the Central Region and Bangkok and its perimeter. It is projected that in 2012, the domestic fuel demand will be rising in line with domestic economic conditions, which are in turn expected to pick up once things return to normal. What will be critical factors deciding the domestic oil demand are the public sector's fuel price measures and rising world oil prices.

Domestic Refined Product Demand

Demand Volume (million litres/day)

Product	2011	2010	Difference
Regular Gasoline	8.6	8.3	+3.6%
Gasohol	11.5	12.0	-4.2%
Gasoline Group	20.1	20.3	-1.0%
Jet Fuel	13.9	13.0	+6.9%
Diesel Group	52.6	50.6	+4.0%
Fuel Oil	6.7	7.3	-8.2%
LPG	29.3	26.4	+11.0%
Total	122.6	117.5	+4.3%
(KBD)	771.1	739.1	+4.2%

Source: Department of Energy Business

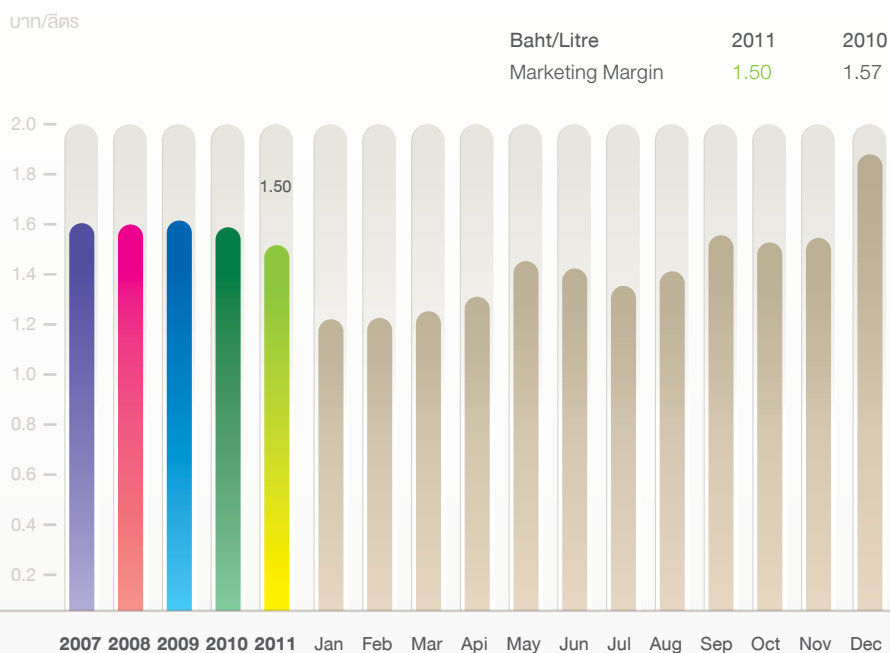
Note: Regular Diesel (B4) was produced and sold since July 1, 2011

And while the public policy has consistently been to promote alternative energy, to ease the shortage of crude palm oil faced by the public, the government made several adjustments to the blending ratio of B100 biodiesel in high-speed diesel. Effective February 1, 2011, the policy was to have a single grade (namely, B2 biodiesel); then it became B3. With abundant crude palm oil supply, the government announced that biodiesel would consist of one grade, varying between B3 and B5, effective from July 1, 2011. Overall, diesel demand rose, while those of gasoline and gasohol remained relatively constant at 20.2 million litres a day, thanks to elevated world oil prices and the temporary exemption of fund contribution to the Oil Fund-which narrowed the gaps in the retail prices of gasoline and gasohol, thus promoting gasoline consumption at the expense of gasohol consumption. In time, the government manipulated the price gaps to attract consumers to use more gasohol. To help the agricultural sector, promote domestic buying and mitigate global warming

(which has grown more and more severe), the public sector increasingly recognized the criticality of alternative energy forms (like E20 gasohol, E85 gasohol and diesel blended with biodiesel) and renewable energy (like solar energy, wind energy, wave energy and hydrogen). Incidentally, on November 30, 2011, the National Energy Policy Council decided to ban the consumption of 91-octane gasoline, effective from October 1, 2012.

With world-market oil price volatility, which seemed to be on the rise, oil traders adjusted retail fuel prices to keep up with changing prices while conforming to the public sector's policies. As a result, the gross marketing margins in Bangkok and its perimeter (including service station operators' margins, dealer margins and compensation for transport) for 2011 averaged Baht 1.50/litre, regarded as suitable (Baht 1.5-1.8/litre). This will attract oil traders to steadily maintain or improve their safety, environmental and service standards.

2011 Bangchak Metro and Vicinity Gross Marketing Margin

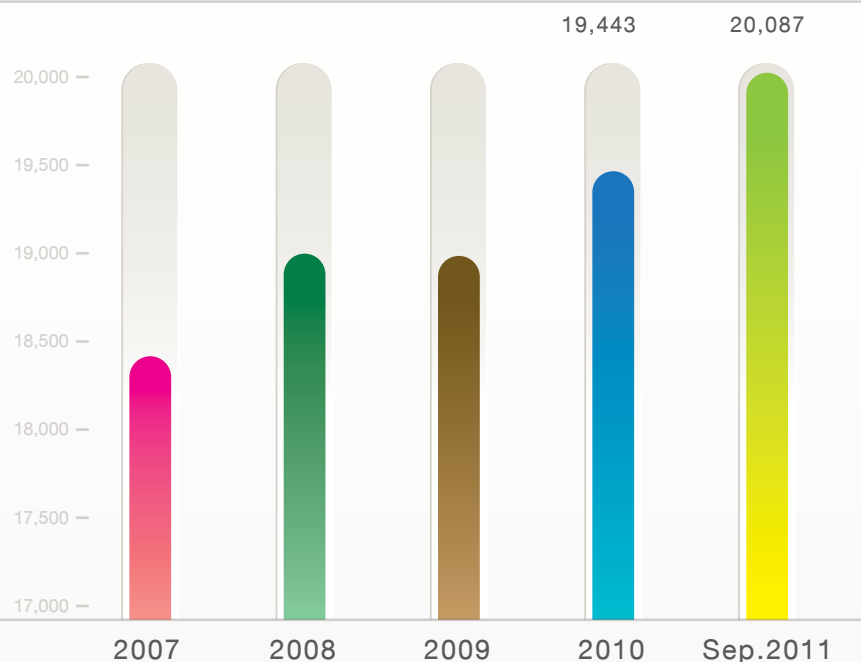


Service stations

Domestic economic growth, rising outputs, relief measures concerning retail fuel prices and the public sector's economic stimulus policy contributed to the buoying of refined product sales through service stations nationwide in 2011 by about 5.2% from that of 2010 on average (1,445.4 million litres/month). Meanwhile, the jobber's market had greater sales volumes corresponding to rising consumption. In 2011, the service station count nationwide was 20,087 (as of September 2011), with 644 in addition to that in the same period last year. Most (297) of the increase in the station count for oil

traders under Article 7 were LPG service stations, with a steady rise in those selling alternative energy. To illustrate, as of October 2011, 236 service stations sold E20 gasohol and 19 stations sold E85 gasohol, raising the tallies to 778 and 29. The government's promotion of alternative energy forms came in the form of abolishing 91-octane gasoline, effective from late 2012. It also supported the expansion of E20 and E85 gasohol operated by oil traders under the 15-year Renewable Energy Development Plan to accommodate new fleets of cars.

Number of Service Station selling all type of gasoline, 2011



Source: Department of Energy Business
As of September 2011

Industrial market and lubricant market

As a result of higher costs of refined fuels in keeping with the world oil market, the world saw a continual rise in the consumption of natural gas and coal to replace the more costly fuel oil. Meanwhile, the reduced output of the industrial sector due to impacts of earthquakes and tsunamis in Japan, together with domestic floods, suppressed the average consumption of fuel oil nationwide to 6.7 million litres/month, a 6% drop from that of the previous year-with a similar outlook going forward. In addition, the combined domestic refinery throughput climbed more than the

modest domestic demand for fuels, thus intensifying industrial market competition, while the call for natural gas among domestic industrial operators remained relatively constant. The domestic lubricant market (including grease) through Article 7 traders rose by 3.2% to about 28.75 million litres/day. Of the lubricant market, the automotive sector takes the lion's share of 60%, whereas the manufacturing sector shrunk slightly. It is expected to grow in line with domestic economic growth.

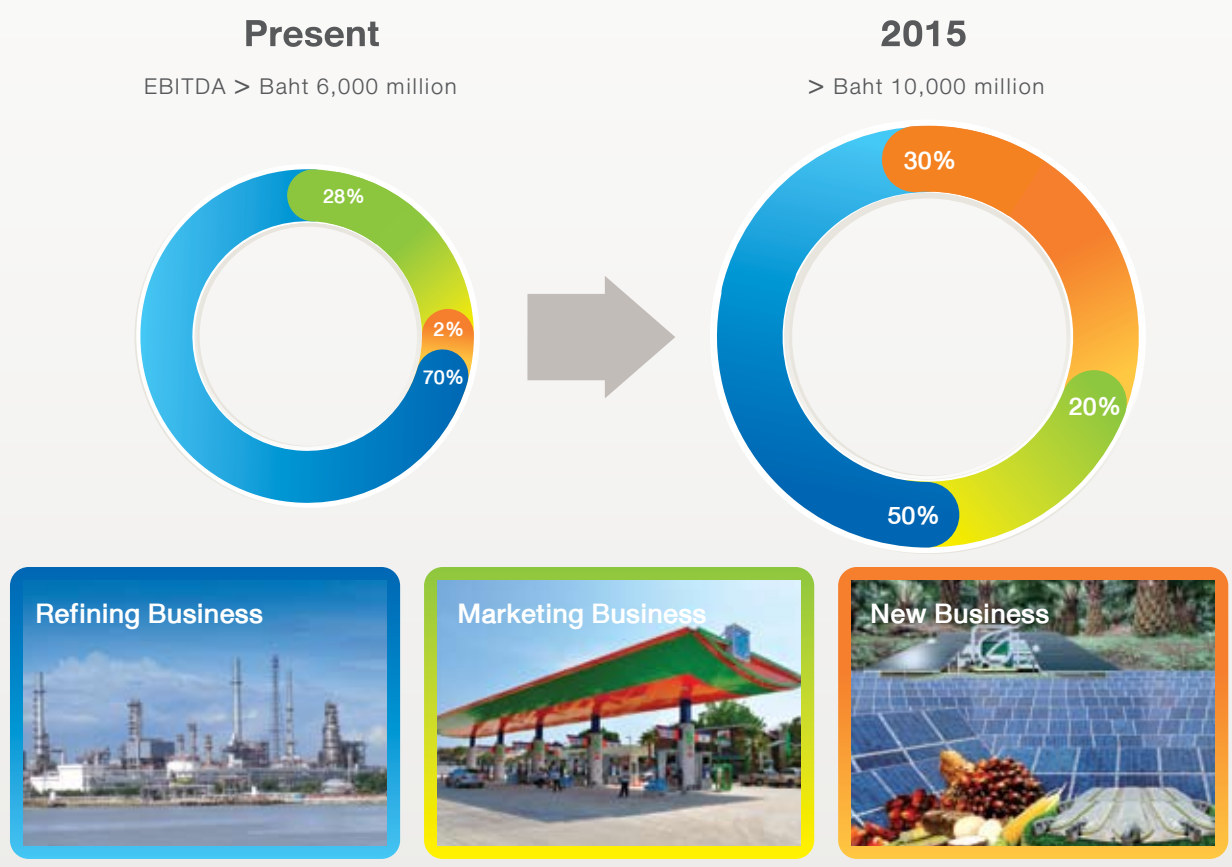
Organization Growth and Development



For the last 27 years since the start of its energy business in 1985, The Bangchak Petroleum Plc has always been committed to the corporate culture of “sustainable business development in harmony with the environment and society.” It will continue to do so with an aim to strike a balance between business values and those of the environment and society through the consistent application of a self-sufficient economy, good governance and social responsibility to its operations and goal achievement.

For sustainable business value creation, the Company will restructure its current revenue stream of 70% : 30% between refining and marketing businesses, which is vulnerable to the volatility of oil prices and refining margins depending on the regional and world economies. Within 2015, the targeted revenue structure will be 50% : 20% : 30% for refining, marketing and new businesses.

Emphasis on new business will be on clean energy and alternative energy with a steady income and low dependence on external factors, such as solar power plant, palm-oil biodiesel production including palm plantation and wind power. It will steadily add value to the business and diverse the risks of income sources in the future.



For this five-year period (from 2011 to 2015), BCP plans to invest more than Baht 25,000 million in new businesses like solar-energy power generation, ethanol production and other alternative-energy projects. Meanwhile, it also plans to invest in efficiency improvement for the refinery business, specifically by improving the Catalytic Reforming Unit to raise gasoline octane ratings to a continuous mode to raise the volume and value of gasoline while extending the engine-operating time to maintenance. It also plans to continually de-bottleneck processing units to add flexibility to the refinery through participation in a benchmarking program along with other refineries. It also plans to invest to expand and modernize marketing networks into more prime areas to support increased production from the Product Quality Improvement (PQI) unit and that from refining business growth.

The Company has focused on organizational development, especially on its employees, who are well-trained under the new competency-based training system to be capable of coping with business changes. To support future business expansion, the Company is gearing up toward being a learning organization by encouraging and cultivating in its employees the love of learning, especially that of new businesses, through an interactive knowledge management system as well as setting up communities of practice for all to learn from and share their knowledge and experience. Furthermore, the Company is developing its human resource management and employee engagement

programs to a higher level on a par with those of world's leading companies. Its employees are cultivated with virtues and public service, in keeping with its employee culture. Finally, having won the TQC (Thailand Quality Class) in 2010 and paved the way for being a company with management excellence, the Company has applied management principles in line with the Thailand Quality Award criteria to develop more efficient, transparent and internationally competitive businesses and processes.

The Company manages not only for steady and continuous business growth, but also for sustainability by balancing business values with social and environmental values. Social and environmental performance indicators are properly cascaded down to various operating units and groups. All operation plans must be linked to these indicators and must not conflict with social and environmental goals. The core strategies for social and environmental sustainability are as follows:

1. Open, Transparent and Verifiable

The Company adheres to an open, transparent and verifiable policy in its operations. Operational data are transparently disclosed under good corporate governance and The Stock Exchange of Thailand rules. Applying proactive environmental management, it discloses the actual data on quality of air and effluents around the refinery by posting such information at the entrance to the refinery and in surrounding communities.

2. Socially and Environmentally Friendly Business Models (In-process)

Aware that business operations that lack social and environmental activities are unsustainable, the Company is determined to do business in such a way that not only can it sustain continuous growth, but also simultaneously generate positive impacts on society and the environment. Such a model that the Company has been operating successfully is the cooperation of retail stations and agricultural cooperatives. The Company buys agricultural products from cooperatives in different communities and uses them for retail stations' sales promotion to create jobs and revenue in support of the economic and social development of the

communities. In the future, the Company, in cooperation with the Ministry of Agriculture and Cooperatives, the Ministry of Energy and the Bank for Agriculture and Agricultural Cooperatives, will initiate a conversion of abandoned orange farms to palm plantations for orange farmers in Rangsit. The palm produce will be their new source of income and promote the use of alternative energy, which has been a the Company initiative for more than a decade as in gasohol and biodiesel promotion. In all, this business model benefits the environment and provides higher income to support social development in agricultural communities.

3. Carbon Neutral Company

Aware that the refining business consumes a large amount of energy and emits considerable carbon dioxide, the Company has set a target to become a carbon neutral company. To illustrate, its carbon dioxide emission will be reduced by more than 50% of the business-as-usual within 2015 as a result of its

continuous efforts on clean energy business development, be it a 118-megawatt solar power plant, palm oil biodiesel plants, tapioca-based ethanol production plants, diesel production from weeds, energy efficiency improvement or the use of clean fuels in the refinery.

Such balanced business management goals backed by determined and ethical staff-committed to the employee culture and values-will enable the Company to add value to business as well as society and the environment and become an organization of sustainable growth.

Report of the Enterprise-wide Risk Management Committee



To the Shareholders

The Bangchak Petroleum Plc's Enterprise-wide Risk Management Committee (ERMC) consists of qualified members with experience in organizational management, headed by Ms. Supa Piyajitti, with Mr. Thana Putarungsi, Mr. Surin Chiravisit and Mr. Sukrit Surabotsopon serving as members. Subsequently, the Board of Directors meeting No. 6/2011 appointed Mr. Chumphon Thitayaruks and Mr. Nuttachat Charuchinda to the committee, replacing Mr. Sukrit Surabotsopon, who resigned on April 20, 2011. ERMC therefore now numbers six persons, including Dr. Anusorn Sangnimnuan, who also serves as secretary. Its role is to ensure that the Company has in place a comprehensive risk management system for all core activities, with relevant risks duly considered. It is also charged with devising interconnected mitigation plans for all its businesses to ensure that risk management is effectively and continuously undertaken to become sustainable.

In 2011, the committee held eight meetings, including joint consultations with executives and twice jointly with the internal auditor and with the Audit Committee, as summarized below:

1. Oversight of key risk management

The Company based its risk management plan on key strategic objectives, consisting of 26 key business risks encompassing strategic risks, operation risks, financial risks and compliance risks. In overseeing risk management, ERMC examined the approach for risk assessment, ranking of risks, definition of risk management measures and continual monitoring of progress made to ensure that the Company efficiently manages its risks under the risk profile in line with the Company's acceptable risks. Overall, the company achieved its goals. To boost confidence that investment will lead to viable operation and achieve goals, ERMC also examined risks from investment in new businesses like the solar-cell power generation project, shareholding with ethanol producers and the investment project in ASEAN Potash Mining Plc.

2. Development of and support to the risk management process

ERMC provided an approach for the development of a risk management process by integrating risk management approaches under ISO 31000 and COSO ERM-overall risk management covering the entire company-to achieve operating objectives and international standards. The company consistently values the application of cost-benefit analyses to support its selection of risk management measures in a systematic and economically viable manner. In 2011, it revised its risk management handbook for the third time to keep it up to date as a guideline for common understanding among all parties.

3. Development of and support to the internal control process

In 2011, the Company isolated internal controls from internal audit by having it report to the Development and Promotion of Internal Controls Committee and supervised by ERMC, which has adopted a role for formulating proper approaches for effective internal controls by way of improved internal control process in parallel with handbook preparation. Now in place is control self-assessment (CSA) at business levels, section levels, and work process levels throughout the company, as is an annual assessment of performance.

4. Review and rehearsal of the business continuity management process

ERMC followed up to ensure a continual review and rehearsal of crisis management plans for personnel and resource preparedness. In 2011, in the wake of the equipment ignition incident and the Great Floods, the Company enforced crisis management plans in both cases. A panel was appointed to determine facts related to the equipment ignition, specifically the causes, and devise preventive measures. As for the floods, a flood prevention operating center was set up to define flood preventive measures, coordinate, communicate and rehabilitate Bangchak Refinery and Bang Pa-in areas. Findings were reported to ERMC, which oversaw the provision of help and useful recommendations, which enabled the Company to successfully manage and control this incident.

In 2011, the Company also applied the Business Continuity Management process under the BS 25999 standard by appointing an Organizational Development Committee, charged with system preparation to handle risks and potential crises; defined strategies to keep the company running even during emergencies; appointed a task force to draft business continuity management procedures to make plans comprehensive, ring-fence crises and situations, and recall key business processes within the recovery time objectives so as not to disrupt or harm businesses, customers and stakeholders.

5. Continual tracking of the implementation of social and environmental plans

Recognizing the value of social, environmental and safety management, ERMC monitored updates of social and environmental plan implementation (at both community and national levels) by requiring updates every two months on the likes of youth development under the Thailand Go Green Project and the Thais' Preparedness for Disasters Handbook Project, in addition to continually extending help to the public, neighboring communities (Bang Pa-in, the Central Region and Bangkok) and private and public agencies to ease the hardship of the Great Floods. These actions have boosted the confidence of the neighbors of the refinery, the oil depots and assorted the Company project areas and bolster the image of Greenergy Excellence.

In summary, ERMC has consistently valued risk management and internal controls to enable the company to execute its business under an effective risk management system, with excellence in management and proper internal controls consistent with its business. These, we are convinced, will enable Bangchak to fulfill its goals.

(Signed) *Supa Piyajitti*

(Ms. Supa Piyajitti)

Chairman, Enterprise-wide Risk Management Committee

Risk management



Recognizing the significance of risk management to business goal achievement, the company (through the Enterprise-wide Risk Management Committee, ERM) defined approaches and developed an effective risk management system in parallel with strategic planning processes, featuring identification, analysis, assessment and ranking of risks. Each year, identified risks are analyzed and compiled from short-term and long-term (five-year) strategic corporate plans; global and domestic economic outlooks for the following year; internal and external risk factors; opinions of the Board of Directors, ERM and the Audit Committee; recommendations made by external assessors; and results of risk management or management of residual risks from the previous year. ERM also drives cooperation from all to supervise, define risk management measures, track the portfolio view of risk together with managing individual risk factors to mitigate them to acceptable levels. Systematically selected by way of cost-benefit analysis, such measures encompass strategic, operation, financial, compliance and other key risks. (For data on the enterprisewide risk management process, please refer to the Sustainability Report.)

Risk factors

Despite the value attached to ensuring a risk management process compatible with international-standard COSO Enterprise Risk Management (COSO ERM) and ISO 31000, the Company's nature of business makes risks inevitable against goal achievement, the key ones of which are summarized below:

1. Business risks

1.1 Risks from a shareholding change of recapitalization shares in the form of depository receipts (DRs), which gave rise to concerns about the company's status and management

The company implemented its debt restructuring plan by issuing and offering for sale its ordinary shares to Siam DR Co., Ltd., to serve as reference securities for the DRs of the benefits derived from such ordinary shares, known as BCP-DR1 and issued by Siam DR for a total value of Baht 3,003 million, for which the Ministry of Finance underwrote the investment value of the principal amounts. One condition was that if the closing price of the DR exceeded Baht 20.8 (the forced redemption value) for 15 straight days, the company's shareholding structure would consist of only "BCP" shares, with all the BCP-DR1s force-redeemed into ordinary shares. The risks resulting from such a shareholding change may bring concerns to shareholders or investors about the company's status and management. On June 8, 2011, this forced redemption clause was fulfilled. It was found, however, that such conversion into ordinary shares benefited the company by adding liquidity for "BCP" buying and selling, thus raising its market capital to that of SET 50. By the way, foreign investors' interest grew in the company's shares, which would buoy its share price over the current level. In addition, investors would find it simpler to deal with only the company's ordinary shares.

1.2 Risks from public policy changes

In the past few years, Thailand's political uncertainty has wielded impacts on the Company and subjected it to risks from public policy changes in assorted energy-related measures, including the policy on the blending ratio of biodiesel (B100) in diesel; diesel price fixing; and the reduction in contribution to the Oil Fund of 91-octane and 95-octane gasoline and of diesel. As a result, the price gaps between these fuels and gasohol-the Company's core products-have narrowed, directly hurting its sales volumes and revenue.

2. Financial risks

2.1 Risks from volatility in the oil price and value of the baht in the world market

the Company's costs of crude oil and refined-product prices are subject to rises and falls in the world market, along with fluctuation of the baht and currency exchange rates (which are highly volatile beyond control). As a result, gross refining margins (GRMs), which form the Company's staple revenue, are unpredictable. To manage price risks, the Price Risk Management Committee therefore trades both short-term and long-term derivatives and is engaged in forward currency contracts and derivative instruments to convert foreign-denomination loans and set proper risk management goals in line with the Company's business plans. To manage the costs and sales prices of such transactions, each price risk management action must accompany

physical volumes of raw-material and product trading. Besides, PTT Group features cooperation among its affiliates in oil price information exchange to widen perspectives and promote transport cooperation to cut transport costs from the Middle East, in addition to purchase of group insurance policies. Also, the Company focuses on sourcing additional volumes of indigenous crude oil to keep oil and transport costs low.

3. Operation risks

3.1 Risks from the refinery's location, its environment and safety

Since the Company's refinery is the only refinery operating near a community, it could pose environmental and safety hazards unless properly controlled. The company therefore takes safety to employees and society very seriously, since mishaps could come from fires, oil spills, terroristic acts, natural disasters, and acts of external parties and unforeseen incidents potentially harming communities, properties, the environment and causing business disruption. The Company values risk management by defining preventive measures for machinery, plant compounds, workplaces, procedures under its health, safety, environment and energy policies, as well as preparedness to act under emergency and crisis plans, which are continually and earnestly implemented. In addition, the company joined PTT Group in internationalizing its vessel standards. In 2011, it upgraded some of its oil transport vessels to double-hull ones to minimize en-route oil spills.

The Company has continually monitored, revised and conducted crisis management plan and emergency plan drills so as to remain prepared in personnel and resources. In 2011, it applied the Business Continuity Management process under the BS 25999 standard by appointing an Organizational Development Committee, charged with system preparation to handle risks and potential crises; defined strategies to keep the company running even during emergencies; formed a task force to formulate business continuity management procedures to update plans to cover all potential crises, ring-fence crises and situations and recall key business processes within recovery time objectives so as not to disrupt or harm businesses, customers and stakeholders.

From day one, the Company has systematically conducted its business with social and environmental responsibility, which has consistently earned it prestigious awards and corporate rankings, as well as leaders with exemplary practices in CSR and environmental aspects. The company focused its strict execution under the law, TIS 18001 safety and environmental protocols, OHSAS 18001 and ISO 14001. To boost the confidence of the refinery's neighbors in its safety and environmental aspects, the Company built an information center on refinery environmental quality at Piyarom Sports Club in addition to installing several monitors around such communities showing environmental quality parameters. Out of its stewardship for energy security and for

participation in bettering Thai lives, the Company put in place mechanisms for risk management concerning its social reputation at national and community levels that are continuously congruent on matters concerning the environment, public services and sustainable development of communities and society. All these are reported to ERM. As a social and community citizen, during the recent Great Floods of Central Thailand, the Company extended continual help to the public, neighboring Bang Pa-in communities, the Central Region and Bangkok-as well as the private sector and the public sector-to ease people's hardship.

4. Risks from new business investment

Thanks to its Greenergy vision, which entails sustainable development, and to lower risks of engaging solely in the oil business, the company values investment in businesses downstream from its current portfolio, including a biodiesel plant, solar-energy power generation project, shareholding in ethanol plants and a project to promote palm planting in deserted orange groves in Rangsit. As a result, in the feasibility study of every new project, the Company analyzes risk factors impacting the project, assesses their severity, develops risk management plans and monitors updates through ERM to ensure that any new investment is viable and fulfills goals.

The company also updated its Risk Management Handbook for use as a guideline to create a common understanding among all related parties; improved all stages of risk assessment in processes for internal controls; and constantly campaigned for risk management to accompany its business operation and become a company culture. This latter action was made possible through public relations and activities designed to promote mastery of and an atmosphere conducive to risk management among the Company's management and employees.

Capital Structure



Common shares

As of year-end 2011, the Company's registered capital amounted to Baht 1,531,643,461 of which Baht 1,376,923,157 was paid up. An equal number of common shares were issued at a par value of one Baht each.

Warrants

On May 15, 2006, the Company issued 69,092,486 warrants for new shares (the so-called BCP-W1) and allocated them to existing shareholders at 10 existing shares per warrant, with a maturity period of five years. Each warrant was equivalent to one common share at an exercise price of 18 Baht per share. Now, warrants have totally expired and been terminated as a listed security on 14 May 2011.

Convertible debentures

As of year-end 2010, the Company had a total of 135,097 units of convertible

debentures in the form of the Depository Receipts of The Convertible Debentures of The Bangchak Petroleum Plc (BCP141A) issued by Siam DR Co., Ltd., worth Baht 10,000 each, for a total of Baht 1,350,970,000. Now, BCP141A has totally been forced to be redeemed as convertible debentures and then to common shares.

In addition, the Company offered to sell 58,560 units of non-transferable subordinated debentures to PTT Plc at Baht 10,000 per unit, for a total of Baht 585,600,000. Now, all of them have been converted to common shares as well.

Loans

As of year-end 2011, the Company incurred Baht 16,022 million in domestic loans from banks, which was in the form of long-term loans. Details of loans have been disclosed in the notes to the financial statements for the year ended December 31, 2011.

Shareholders

Top 10 Major Shareholders (as of September 14, 2011)	Number of Shares	Shareholding (%)
1. PTT Plc	374,748,571	27.22
2. Ministry of Finance	137,442,767	9.98
3. Thai NVDR Co., Ltd.	70,794,058	5.14
4. American International Assurance Company, Limited-Di-Life	52,060,069	3.78
5. Somers (U.K.) Limited	32,341,600	2.35
6. The Bank of New York (Nominees) Limited	29,306,858	2.13
7. Krungsri Dividend Stock LTF	29,120,700	2.11
8. Social Security Office (2 cases)	25,078,826	1.82
9. Bangkok Life Assurance Plc	16,940,200	1.23
10. Vayupak Fund 1 by MFC Asset Management Plc	10,502,900	0.76
Top 10 Total	778,336,549	56.52
Grand Total	1,376,923,157	100.00

Common share holders through Thai NVDR Co., Ltd.

Major Shareholders (as of September 14, 2011)	Number of Shares	Shareholding (%)
1. Chase Nominees Limited	29,872,900	42.20
Major Shareholders Total	29,872,900	42.20
Grand Total	70,794,058	100.00

Note : The major shareholder was nominee account. The Company's investigation at Thailand Securities Depository Co., Ltd., found that the ultimate shareholder's name could not be disclosed.

Dividend policy

The Company has the policy to pay out dividend to the shareholders at the rate of not less than 30 percent of net profit of consolidated financial statements after deduction of allocation of legal reserve. However, this is subject to the economic situation, the Company's cash flow and investment plans of the Company and its subsidiaries according to the necessary, appropriation and other concerning as the Board of Directors' consideration.



Subsidiaries' dividend policies

- **Bangchak Green Net Co., Ltd.**

For a given fiscal year, the holders of preferred shares are entitled to annual dividends equivalent to the average daily interest rates for one-year fix deposits announced by Krungthai Bank Plc plus 3%. Dividends are paid in proportion to each paid-up share value when the dividends are paid out as stated in the resolution of the annual general meeting of shareholders (AGM). For a given year, if the company's profit is less than the dividends calculated for holders of preferred shares, all dividends are to be paid from such profit to holders of preferred shares only, and none is to be paid to holders of common shares. Any outstanding dividends for holders of preferred shares will be carried forward or accumulated to the following year along with those for the holders of common shares. For a given year, if the company's profit exceeds the dividends calculated for holders of preferred shares, the AGM will approve dividends for holders of common shares, case by case.

- **Bangchak Biofuel Co., Ltd.**

Dividend payment must have the approval of an AGM and will be made only when the company has allocated at least 5% of its net profit in a given year as provisional capital until the provisional capital reaches 10% of the registered capital. The Board may consider interim dividend payment to shareholders but not as long as it still has cumulative losses.

- **Bangchak Solar Energy Co., Ltd.**

-None-

Report of the Nomination and Remuneration Committee



To the Shareholders

At its meeting No. 6/2011, The Board of Directors of Bangchak Petroleum Plc. appointed the current Nomination and Remuneration Committee, with Prof. Dr. Chai-Anan Samudavanija as chairman, Mr. Wirat Iam-Ua-Yut as member, and Mr. Nuttachat Charuchinda as member and secretary.

The committee held four meetings through 2011 to nominate those qualified to be directors, define directors' compensation, assess the President's performance and decide his compensation, and deliberate succession planning for the President and Senior Executive Vice Presidents.

In nominating directors and senior management, the committee took into consideration personal qualifications, expertise, competence, experience and career profiles, leadership, vision, righteousness, ethics, attitude toward the Company, and the ability to devote enough time to the Company's business, apart from suitability and alignment with the composition and structure of the Board under the Company's prevailing business strategies, specifically in line with its goal to evolve new businesses and competent specialists. To foster confidence for shareholders, the nomination process is made transparent. The present Board is made up of fourteen members, seven of whom are independent directors and six non-management ones, with the President as its secretary. The profile of each director appears under 'The Board of Directors'.

In defining the compensation for the Board and senior management, the Company's guidance is compensation suited each person's role and responsibility, as well as competitive with listed companies in the Stock Exchange of Thailand of the same industry and comparable business size; compensation must attract quality directors or executives to achieve the goals and directions as defined by the Company. To foster confidence for shareholders, the remuneration process is also made transparent. Each director's compensation information appears under 'Management Structure'.

(Signed) *Chai-Anan Samudavanija*

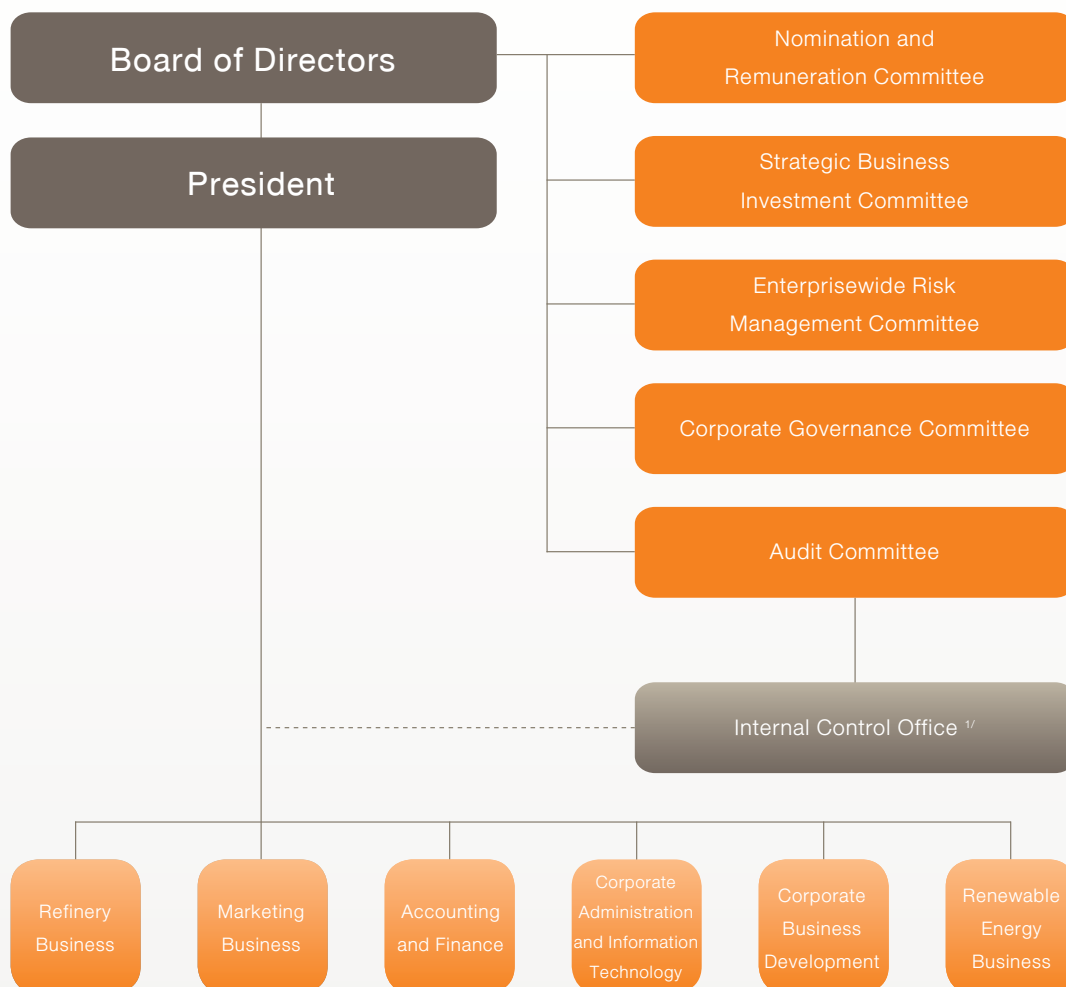
(Prof. Dr. Chai-Anan Samudavanija)

Chairman, Nomination and Remuneration Committee

Management Structure



1. Management Structure



Note: 1/ The Audit Committee determines and evaluates the Internal Control Office's annual performance to ensure corporate governance and the independence of the Internal Control Office.

2. Board of Directors

According to the Company's regulations, the Board of Directors consists of at least five and no more than fourteen directors and at least half of the directors must reside in the Kingdom. The directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf. For instance, the President has the authority to allocate the annual budget, pay for the Company's activities according to the contract or other commitments as approved by the authorized person, administration and procurement and sale of petroleum products.

At present, the Board of Directors consists of fourteen directors as follows:

Name		Position
1. Mr. Krairit Nilkuha	Chairman	
2. Prof. Dr. Chai-Anan Samudavanija	Vice Chairman (Independent Director)	
3. Dr. Anusorn Tamajai	Independent Director	
4. Mr. Wirat Iam-Ua-Yut	Independent Director	
5. Mr. Thana Putarungsi	Independent Director	
6. Mr. Surin Chiravisit	Independent Director	
7. Mr. Issra Shoatburakarn	Independent Director	
8. General Dapong Ratanasuwan	Independent Director	
9. Mr. Nuttachat Charuchinda	Director	
10. Mr. Sarakorn Kulatham	Director	
11. Mr. Chumphon Thitayaruks	Director	
12. Mr. Pitipan Teparimargorn	Director	
13. Ms. Supa Piyajitti	Director	
14. Dr. Anusorn Sangnimnuan	President and Secretary to the Board of Directors	

Note: The names and number of the authorized directors who have authority to sign on behalf of the Company are: Mr. Krairit Nilkuha signs jointly with Mr. Anusorn Sangnimnuan with affixation of the Company's seal or any one of these two directors signs jointly with Mr. Chai-Anan Samudavanija or Mr. Wirat Iam-Ua-Yut or Mr. Thana Putarungsi or Mr. Nuttachat Charuchinda or Mr. Sarakorn Kulatham or Mr. Surin Chiravisit or Mr. Issra Shoatburakarn or General Dapong Ratanasuwan or Mr. Pitipan Teparimargorn or Mr. Chumphon Thitayaruks, being two persons, with affixation of the Company's seal.

Independent Directors

The present Board of Directors consists of seven Independent Directors, which is more than one third of all Directors. According to the Company's policy, the Chairman of the Board must not be the same person as the President. Additionally, the Chairman must not hold any position in the appointed Sub-committee (sometimes called Committee) in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as committed to good governance as follows:

1. Hold no more than 0.5% of the overall shares in the Company, subsidiaries, related company, or person(s) with potential conflicting interests.
2. Take no part in the administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or related company, or person(S) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.

3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, related company, or person(s) with potential conflicts of interest and thus lacking independence.
4. Are not close relatives of the Executives or major shareholders of the Company, subsidiaries, or related company, or person(s) with potential conflicting interests and not appointed as a representative to protect the interest of Directors and/or major shareholders.

Directors from major shareholders are

1. Mr. Krairit	Nilkuha	Ministry of Finance
2. Ms. Supa	Piyajitti	Ministry of Finance
3. Mr. Nuttachat	Charuchinda	PTT Public Company Limited
4. Mr. Sarakorn	Kulatham	PTT Public Company Limited
5. Mr. Chumphon	Thitayaruks	PTT Public Company Limited
6. Mr. Pitipan	Tepartimargorn	PTT Public Company Limited

Appointment and dismissal of Directors

1. Shareholder's meetings elect Directors through majority voting with one shareholder holding one vote per share held and can elect Directors individually. The candidates with the most votes are to be appointed Directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.
2. In every Annual General Meeting (AGM), one-third of the Directors must retire. If this number is not a multiple of three, then the number nearest to one-third. The names of the Directors to retire during the first and second year after the Company was registered are to be drawn by lots if not agreed otherwise. For subsequent years, those with the longest terms must retire. The retired Directors can be re-elected.
3. Other than the completion of term, a Director may retire for to the following reasons:
 - death
 - resignation (effective from the date the Company receives the letter of resignation)
 - lack of qualifications according to Article 68 of the Public Company Limited Act 1992
 - decision of the shareholders' meeting to resign according to Article 76 of the Public Company Limited Act 1992
 - court order
4. In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors is to elect a candidate with qualifications according to the Company's regulations in the next meeting except when the Director's term is to be completed in less than two months. At least, a three-quarter vote of the Directors present at the meeting is required. The elected Director holds the position until the completion of term of the Director they have replaced.

Terms of Directorship

Bangchak decided that directors can serve for maximum consecutive terms as follows:

“The appropriate term for directorship is no more than three consecutive terms (from 2008 onward) except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the director who is under consideration and defend their decision to the shareholders.”

Directors do not hold more than three consecutive terms, meaning that they cannot serve for more than nine years (three years in each term) to allow the Company to find other qualified Directors for the maximum benefit of the Company.

Roles, duties and responsibilities of the Board of Directors

1. Each newly elected Director must attend an orientation course on the Company's business.
2. Carry out duties under laws, objectives and regulations of the Company as well as resolutions of shareholders' meetings with honesty, protect the Company's benefit and have accountability to the shareholders.
3. Define the Company's policy and direction and monitor and supervise management so that they may work efficiently and effectively according to the Company's policy and regulations under corporate governance practices so as to maximize economic value and shareholders' wealth.
4. Follow-up on the Company's activities at all times and act according to the laws and regulations pertaining to the Company's contracts by assigning management to report the Company's performance and important matters to the Board of Directors at its monthly meeting so that the Company's business may run effectively.
5. Regularly and truthfully report to the shareholders on the Company's situations, including the Company's future trends, whether positively or negative, with sufficient rationale.
6. Ensure that the Company possesses an effective and reliable accounting system, financial report, internal controls and internal audit.
7. Regularly review the corporate governance policy.
8. Play an important role in risk management through appropriate and sufficient risk management guidelines and measures, with regular monitoring.
9. Ensure that management treats all stakeholders ethically and equally.
10. Independent and external Directors are prepared to express their opinions freely formulating strategies, management, use of resources, appointment of Directors and business standard as well as to disagree with other Directors or the administration in conflicts that affect the equality of all shareholders.
11. If necessary, the Board of Directors may seek professional opinions from external advisers on Company performance at the expense of the Company.
12. Appoint a Company Secretary according to the Securities and Exchange Act to prepare and maintain documents and other matters as determined by the Capital Market Supervisory Board as well as to facilitate the Board's and the Company's business, such as meetings of the Board and shareholders, regularly provide the Directors and

the Company with legal advice and remind them of the various regulations that they need to know and comply with, as well as ensuring that Directors and the Company disclose correct, complete and transparent information.

13. Provide a code of conduct, code of ethics as working guidelines within the Company.
14. Undertake no securities transactions at least one month before budget announcement and at least three days after budget announcement.
15. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay in the following cases:
 - Have vested interests, whether direct or indirect, in any of the Company's contracts within the accounting year.
 - Hold shares or debentures in the Company or the subsidiary companies.
16. Attend at least one training course organized by Thai Institute of Directors Association (IOD), such as Director Accreditation Program (DAP) or Director Certification Program (DCP) or equivalent, to increase expertise at work.
17. The Directors who are not executives must annually evaluate the President.
18. The Directors who are not executives and Independent Directors may convene among themselves as necessary at least twice a year to discuss relevant management problems without the management's attendance, and report the findings of the meeting to the President.
19. Each Director cannot hold the position of Director in a listed company in SET in more than five companies.

Meetings of the Board of Directors

The Board of Directors set the 2011 timetable for its official meetings in advance. The Chairman and the President jointly consider the items to be included in the agenda. The meeting is set once every month on the last Tuesday of the month, with additional extraordinary meetings as appropriate. The Secretary to the Board of Directors Office ("SBO") will send out invitation letters with the agenda attached and complete meeting documents to each Director at least seven days in advance so that the Directors may have sufficient time to study and review the documents before the meeting and ask additional questions to the vice president of SBO. Each Director can submit items to the agenda by informing SBO.

In meetings, the Chairman allocates sufficient time for Directors to discuss important matters and supports the Directors' independent opinions. The minutes of meetings are undertaken in written form with complete information. The certified minutes are maintained, so that Directors and relevant persons can check, with a good filing system. Amendments cannot be made without the consent of the Board. Each meeting lasts approximately three hours.

In 2011, the Board convened in twelve general meetings. Moreover, the Board organized a meeting/seminar on organizational strategies with the management to set up strategies and action plans for 2012 and a study tour on alternative-energy business, including a hydropower plant. ; the detail of each Director's meeting attendance is as follows:

Meeting attendance/all meetings (Times)

Names		General meetings	Seminars	Total	Remark
1. Mr. Krairit	Nilkuha	12/12	1/1	13/13	
2. Prof. Dr. Chai-Anan	Samudavanija	12/12	1/1	13/13	
3. Dr. Anusorn	Tamajai	12/12	1/1	13/13	
4. Mr. Wirat	Iam-Ua-Yut	12/12	1/1	13/13	
5. Mr. Thana	Putarungsi	12/12	1/1	13/13	
6. Mr. Issra	Shoatburakarn	12/12	1/1	13/13	
7. Mr. Surin	Chiravisit	12/12	1/1	13/13	
8. General Dapong	Ratanasuwan	7/9	1/1	8/10	Started on April 5, 2011
9. Mr. Nuttachat	Charuchinda	12/12	1/1	13/13	
10. Mr. Sarakorn	Kulatham	12/12	1/1	13/13	
11. Mr. Chumphon	Thitayaruks	7/7	1/1	8/8	Started on May 31,2011
12. Mr. Pitipan	Tepartimargorn	7/7	1/1	8/8	Started on May 31,2011
13. Ms. Supa	Piyajitti	11/12	0/1	11/13	
14. Dr. Anusorn	Sangnimnuan	12/12	1/1	13/13	
15. Assoc.Prof. Pranom	Kowinwipat	3/3	-	3/3	Completed term on April 5, 2011
16. Mr. Sukrit	Surabotsopon	3/3	-	3/3	Resigned on April 20, 2011
17. Mr. Pichai	Chunhavajira	3/3	-	3/3	Resigned on April 22, 2011

According to corporate governance practices, in 2011, the Board of Directors agreed on joint meetings for non-executive Directors. during the Board of Directors meetings No. 8/2011 on August 30, 2011 and 11/2554 on November 17, 2011, and Independent Directors. during the Board of Directors meetings No. 7/2554 on July 26, 2011 and 10/2554 on October 25, 2011, before the Board of Directors meeting, non-executive Directors and Independent Directors convened without the management's attendance to discuss general problems of the Company's management and inform the President so that the management may take due action.

Moreover, the Board of Directors also evaluated the supporting performance of the Secretariat to improve and determine a direction to efficiently develop and maximize Board of Directors' meetings.

Evaluation of the Board of Directors

In view of corporate governance practices, the Board of Directors set up an evaluation form for the Board's performance at least once a year. In 2011, the Board conducted the evaluation in three forms, namely individual evaluation (self-evaluation), individual evaluation (cross-evaluation by group) by group of 3-4 directors (3-4:1) (The name of the evaluating Directors would not be revealed to the director being evaluated.) and group evaluation with reference to the evaluation form of SET and the Thai Institute of Directors Association (IOD) which was the same as in the previous year.

Additionally, the Board of Directors set an evaluation process for Members in Committees, such as the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Enterprisewide Risk Management Committee, as in the previous year, so that the Board of Directors and the Committees may use it as a framework to review duties, problems and obstacles and leverage the findings to analyze the work of Directors and improve and develop the work.

The evaluation results of the Board of Directors and the Sub-committees are as follows:

- Individual evaluation (self-evaluation) had the average score of 70.1 from 80, rated excellent.
- Individual evaluation (cross-evaluation by group) had the average score of 73.8 from 80, rated excellent.
- Both types of evaluation had the same three categories, namely the Company's strategies and direction, monitoring and evaluation of management performance and responsibilities of the Directors.
- Group evaluation had the average score of 151.9 from 160, rated excellent.
- Group evaluation had eight categories, namely Structure and qualifications of the Board of Directors, Strategic implementation, Risk management and internal control, Elimination of conflicts of interest, Meetings of the Board of Directors, Self-development of the Directors, Nomination and Remuneration and Relationship with the management.
- The group evaluation of Sub-committees in 2010 was undertaken on the criteria of responsibilities and meetings; the evaluations of all Committees were as follows:
 - Audit Committee, the group evaluation had the average score of 79.3 from 80, rated excellent.
 - Nomination and Remuneration Committee, the group evaluation had the average score of 47.7 from 48, rated excellent.
 - Corporate Governance Committee, the group evaluation had the average score of 43.2 from 48, rated excellent.
 - Enterprisewide Risk Management Committee, the group evaluation had the average score of 44.2 from 48, rated excellent.

Orientation for new Directors

The Company organized an orientation course for new Directors by presenting the new Directors with an overview of the Company's business, as follows:

- Operational framework (laws, cabinet decisions, regulations, rules)
- Information on the Company's business profile and activities
- The Company's important projects
- Organizational and business development
- Corporate governance policy
- Corporate social responsibility

Additionally, the Company organized Company visits for new Directors, including the refinery, terminal and service stations and provided SEC's "Handbook for Directors of Listed Companies" and the information files of the Board of Directors and the Executives as a handbook/introduction of the Company to the new Directors as a guideline to oversee the Company's activities for the following topics:

- The Company's vision, mission, value statement and objectives
- Organizational and business development
- Profiles summaries of Directors and the Executives
- Qualifications and remuneration of Directors
- Roles, duties and responsibilities of Directors
- Management structure
- Information on the Company's establishment
- Corporate governance policy and risk management handbook
- The Company's memorandum of association, company affidavit, regulations and rules

Training of the Board of Directors

The Company promotes opportunities for the Board of Directors to pursue further study and training so as to increase knowledge and understanding of corporate governance principle, rules and regulations, as well as roles and duties of the Board of Directors so that they may work efficiently and ethically. In 2011, the Directors who attended the training courses/seminars organized by the IOD are as follows:

1. Director Accreditation Program (DAP) : General Dapong Ratanasuwan
2. How New Foreign Bribery Laws Affect Companies in Thailand : Dr. Anusorn Tamajai

At present, there are 8 and 5 out of 14 Directors had attended the Directors' courses (DCP and DAP respectively). The Company also applied all Directors for IOD membership to receive news and information, and every time the Company received documents announcing news on training courses and documents attached to the training courses concerning the Board of Directors, such information would be forwarded to the Directors for further study.

Summary of the Board of Directors' attendance of major training course as follows:

Name		Director Certification Program	Director Accreditation Program
1. Mr. Krairit	Nilkuha	-	-
2. Prof. Dr. Chai-Anan Samudavanija		-	2010
3. Dr. Anusorn	Tamajai	2003	2004
4. Mr. Wirat	Iam-Ua-Yut	-	2006
5. Mr. Thana	Putarungsi	2009	-
6. Mr. Issra	Shoatburakarn	2010	-
7. Mr. Surin	Chiravisit	2010	-
8. General Dapong	Ratanasuwan	-	2011
9. Mr. Nattachart	Charuchinda	2010	-
10. Mr. Sarakorn	Kulatham	-	-
11. Mr. Chumphon	Thitayaruks	-	-
12. Mr. Pitipan	Tepartimargor	2010	-
13. Ms. Supa	Piyajitti	2010	-
14. Dr. Anusorn	Sangnimnuan	2005	2005
15. Assoc.Prof. Pranom Kowinwipat	^{1/}	2001	-
16. Mr. Sukrit	Surabotsopon	^{2/} 2010	-
17. Mr. Pichai	Chunhavajira	^{3/} 2008	2005

Note: 1/ Term expired on April 5, 2011

2/ Resigned on April 20, 2011

3/ Resigned on April 22, 2011

3. Committees

The Board of Directors elected Sub-committees (or Committees) to facilitate the Company's business undertaking, with five sub-committees as follows:

1. Audit Committee (AUDIT)

The present Audit Committee consists of three Directors, all of whom are Independent Directors and one of whom is specialist in accounting and finance or audit. Their responsibilities are assigned by the Board of Directors in written form in the Audit Commission charter. Their meetings are to be convened at least once per quarter. The names of the Audit Committee are:

Name		Position
1. Dr. Anusorn	Tamajai	Chairman and Independent Director with expertise in accounting and finance
2. Mr. Wirat	Iam-Ua-Yut	Member and Independent Director
3. Mr. Issra	Shoatburakarn	Member and Independent Director

* If necessary, the Audit Committee may seek advice from outside independent advisers, the expense paid by the Company.

Scopes, Duties and responsibilities of the Audit Committee

1. To ensure accuracy and adequacy of the Company's financial reporting according to the Accounting Principles governed by laws.
2. To ensure that the Company has suitable and efficient internal control system and internal audit and to assure the efficiency and adequacy of the risk management system.
3. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the Company.
4. To review a connected transaction or transaction that may lead to conflict of interest to ensure compliance with the laws and regulations of the Exchange.
5. To inspect and consider with the management on the defects that have been found out and on the responses from the management.
6. To empower the auditing and investigating all related party under the authorization of the Audit Committee and also to authorize in hiring an expert so as to audit and investigate in compliance with the Company's regulations.
7. To prepare a report on monitoring activities of the Audit Committee and disclose it in an annual report of the Company, and have such report signed by Chairman of the Audit Committee.
8. To consider, select, nominate the person who is independent to be the Company's auditor, recommend remuneration of the Company's auditor and, at least once a year, attend the private meeting with an auditor without management.
9. To consider auditing scopes and plans of the external auditor and the internal control office so that they are contributory to each other and to reduce double operations as concerns financial auditing.
10. To approve Charter, audit work plans, budget, training plans and manpower of the Internal Control Office.
11. To appoint, transfer, and undertake annual evaluation of the Vice President of Internal Control Office and review the independence of Internal Control Office.
12. To review the efficiency and effectiveness of internal control and risk management focusing on the issue of information technology.
13. In performing the duty of the Audit Committee, if there is transaction or act which could extremely affect the Company's financial status and the Company's performance, namely
 - 1) transaction which lead to conflict of interest
 - 2) dishonest, extremely unusual or remiss Internal Control system
 - 3) breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company,

The Audit Committee has to report the Company's Board of Directors so as to modify and revise within prescribed time. If the Audit Committee or executives does not modify and revise within prescribed time, the Audit Committee is able to report this transaction or act to the Securities and Exchange Commission or the Stock Exchange of Thailand.

14. To perform any other act assigned by the Board of Directors with approval of the Audit Committee.

Remuneration

Monthly remuneration was set at 10,000 Baht per person and a meeting allowance 5,000 Baht per meeting (only the Directors attending the meeting) and the Audit Committee Chairman would get an additional 25 percent.

2. Nomination and Remuneration Committee (NRC)

In compliance with the corporate governance principle of directors in a listed company on SET, the Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance with the charter of the Nomination and Remuneration Committee as follows:

Nomination policy for Directors

“To nominate Directors, the Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality, ethics and good attitude toward the organization, who can dedicate adequate time for the Company’s benefit. Moreover, consideration was also given for the appropriate qualifications in compliance with the structure of Directors and in line with the Company’s business strategies through transparent procedures to bolster the confidence of shareholders”.

Remuneration policy for Directors

“To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry and business size. The remuneration for the Directors is sufficient to induce the Directors to work with quality and meet the objectives and business direction as determined by the Company through transparent procedures, giving confidence to the shareholders”.

Moreover, the Board of Directors sets the following procedures for the official and transparent nomination of Directors:

1. The Company gives minor shareholders opportunities to submit names of candidates as potential Directors to the Company.
2. The Nomination and Remuneration Committee reviews the structure of Directors in line with the Company’s strategies.
3. Define new Directors’ qualifications in terms of knowledge, competing and experience in compliance with the Company’s objectives and strategies by using the Director Qualifications and Skill Matrix tool.
4. The Committee defines the qualifications needed for the replacement or additional appointment and submits the names of the qualified candidates to the Secretary of the Committee.
5. The Committee selects qualified candidates and submits their name to the Board of Directors for approval.
6. The Board agrees on the list of qualified candidates and submits their names to the AGM for approval.

The Nomination and Remuneration Committee hold at least three meetings a year. At present, there are three members with at least one member with expertise in personnel management as follows:

Name		Position
1. Prof. Dr. Chai-anan Samudavanija		Chairman and Independent Director
2. Mr. Wirat Iam-Ua-Yut		Member and Independent Director
3. Mr. Nattachat Charuchinda		Member and Secretary, Non-executive Director

Scopes, duties and responsibilities of the Nomination and Remuneration Committee

1. Define qualifications needed for potential Directors and President.
2. Recommend qualified candidates for the positions of Directors and President to the Board of Directors.
3. Define criteria of remuneration for Directors and the President.
4. Submit the remuneration for Directors to the Board of Directors and then for the shareholders for approval.
5. Submit the remuneration for the President to the Board of Directors for approval.
6. Review and summarize the President's succession plan every year and report it to the Board of Directors.
7. Perform duties assigned by the Board.

Remuneration

The remuneration is set as a meeting allowance of 10,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.

3. Strategic Business Investment Committee (SBIC)

To align with the direction and goals defined by the Board of Directors for business development to supplement value and growth to the Company through healthy returns on investment and lower the risks associated with the oil business, the Board at its 5/2010 meeting, held on May 27, 2010, appointed a Strategic Business Investment Committee, with the responsibilities as assigned by the Board of Directors in written form. The present Strategic Business Investment Committee consists of experts in business investment as follows:

Name		Position
1. Mr. Pichai	Chunhavajira	Chairman
2. Dr. Anusorn	Sangnimnuan	Member and Executive Director
3. Senior Executive Vice President		Member
4. Corporate Planning Office		Secretary

Scopes, Duties and Responsibilities of the Strategic Business Investment Committee

1. Define the direction and goals for business development that supplements value and strength to the Company under the Board's policy
2. Screen assorted investment projects and opportunities in line with the Company's business goals for the Board's consideration
3. Perform duties assigned by the Board.

Remuneration

The remuneration is set as a meeting allowance of 10,000 Baht per meeting (only the Directors who attended the meeting) and the Chairman would receive an additional 25 percent.

4. Enterprise-wide Risk Management Committee (ERMC)

The Enterprise-wide Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has six members, with at least one member with expertise in risk management as follows:

Name		Position
1. Ms. Supa	Piyajitti	Chairman and Non-executive Director
2. Mr. Thana	Putarungsi	Member and Independent Director
3. Mr. Surin	Chiravisit	Member and Independent Director
4. Mr. Nuttachat	Charuchinda	Member and Non-executive Director
5. Mr. Chumphon	Thitayaruks	Member and Non-executive Director
6. Dr. Anusorn	Sangnimnuan	Member and Secretary, Executive Director

Scopes, duties and responsibilities of the Enterprise-wide Risk Management Committee

1. Set policy, strategies and objectives of the enterprise-wide risk management.
2. Develop enterprise-wide risk management system in view of continuous efficiency.
3. Promote enterprise-wide risk management at all levels of the organization.
4. Ensure that the Company has appropriate and efficient risk management.

5. The Chairman of the Enterprise-wide Risk Management Committee reports the findings to the Board of Directors' next meeting.
6. Perform duties assigned by the Board.

Remuneration

The Members and the experts in risk management receive remuneration in the form of meeting allowances of 10,000 Baht per meeting (only Members who attended the meeting) and the Chairman receives an additional 25 percent.

5. Corporate Governance Committee (CGC)

The Corporate Governance Committee is responsible for ensuring that the whole organization has corporate governance in compliance with the guidelines and policy of corporate governance as set by the Board of Directors in written form, as well as continuously improving the principles of corporate governance in line with international standards. The present Committee consists of six members with at least one expert in corporate governance principles in line with international standards as follows:

Name		Position
1. Mr. Surin	Chiravisit	Chairman and Independent Director
2. Mr. Thana	Putarungsi	Member and Independent Director
3. General Dapong	Ratanasuwan	Member and Independent Director
4. Mr. Sarakorn	Kulatham	Member and Non-executive Director
5. Mr. Pitipan	Tepartimargorn	Member and Non-executive Director
6. Dr. Anusorn	Sangnimnuan	Member and Secretary, Executive Director

Scopes, duties and responsibilities of Corporate Governance Committee

1. Recommend the implementation of corporate governance to the Board of Directors
2. Monitor the work of the Committee and the management in compliance with the principles of corporate governance.
3. Review the implementation of corporate governance by comparing it with international standards and recommend it to the Board of Directors for continual follow-ups.
4. Give the policy of corporate governance to the Company's corporate governance working team.
5. Have the authority to invite external advisors to attend meetings at the Company's expense.
6. Perform duties assigned by the Board.

Remuneration

The Members are to receive a meeting allowance of 10,000 Baht per meeting (only Members who attended the meeting) and the Chairman receives an additional 25 percent.

The meetings of the Sub-committees in 2011

Committees

2011 ^{1/}		AUDIT	NRC	SBIC	ERMC	CGC	Remark
1. Prof. Dr. Chai-Anan Samudavanija	-	4/4	-	-	-	-	
2. Dr. Anusorn Tamajai	12/12	-	-	-	-	-	
3. Mr. Wirat Iam-Ua-Yut	12/12	4/4	-	-	-	2/2	
4. Mr. Thana Putarungsi	-	-	-	8/8	3/4		
5. Mr. Issra Shoatburakarn	12/12	-	-	-	-		
6. Mr. Surin Chiravisit	-	-	-	8/8	4/4		
7. General Dapong Ratanasuwan ^{2/}	-	-	-	-	1/2		Started term on April 5, 2011
8. Mr. Nuttachat Charuchinda ^{3/}	-	4/4	-	3/4	-		
9. Mr. Sarakorn Kulatham	-	-	-	-	4/4		
10. Mr. Chumphon Thitayaruks ^{4/}	-	-	-	4/4	-		Started term on May 31, 2011
11. Mr. Pitipan Tepartimargorn ^{2/}	-	-	-	-	1/2		Started term on May 31, 2011
12. Ms. Supa Piyajitti	-	-	-	8/8	-		
13. Dr. Anusorn Sangnimnuan	-	-	7/7	8/8	4/4		
14. Assoc.Prof. Pranom Kowinwipat	3/3	-	-	-	-		Completed term on April 5, 2011
15. Mr. Sukrit Surabotsopon	-	-	-	1/2	-		Resigned on April 20, 2011
16. Mr. Pichai Chunhavajira	-	2/2	3/3	-	-		Resigned on April 22, 2011

Note: 1/ Mr. Krairit Nilkuha, Chairman, did not join any Committee as member.

2/ Appointed as Member of CGC on June 28, 2011

3/ Appointed as Member of ERMC on June 28, 2011

4. Company Secretary

The Board of Directors appoints Miss Pakawadee Junrayapes, vice president of the secretary to the Board of Directors office, as the Company Secretary responsible for providing legal and regulatory advice that the Board of Directors and the Executives must know and oversee the Board of Directors' activities, as well as coordinate to ensure that the resolutions of the Board of Directors and the shareholders are in compliance with the Company's corporate governance. The Secretary has the main duties and responsibilities as follows:

- Give preliminary advice to Directors on laws, and company rules and regulations and ensure correct and continuous compliance, as well as reporting on important changes to the Directors.
- Organize meetings of shareholders and the Board of Directors in compliance of the Company's laws and regulations.
- Prepare minutes of the meetings of the shareholders and the Board of Directors, as well as monitor the implementation of the resolutions of the shareholders and the Board of Directors.
- Ensure the disclosure of information and information technology report under responsibilities to the Company's monitoring office in compliance with the Company's rules and regulations.
- Communicate with general shareholders on their rights and the Company's news.
- Oversee the activities of the Board of Directors.

5. Executive Management

The Company's Executive Management (or Management) consists of nine persons, namely:

Name		Position
1. Dr. Anusorn	Sangnimnuan	President
2. Mr. Vichien	Usanachote	Senior Executive Vice President, Refinery Business
3. Mr. Wattana	Opanon-amata	Senior Executive Vice President, Corporate Administration and Information and Technology
4. Mr. Yodphot	Wongrukmit	Acting Senior Executive Vice President, Marketing Business
5. Mr. Bundit	Sapianchai	Executive Vice President, Corporate Business Development
6. Mr. Surachai	Kositsareewong	Executive Vice President, Accounting and Finance
7. Mr. Kiatchai	Maitriwong	Executive Vice President, Corporate Administration and Information Technology
8. Mr. Pongchai	Chaichirawiwat	Executive Vice President, Renewable Energy Business
9. Mr. Somchai	Tejavanija	Executive Vice President, Marketing Business

The Board of Directors' regulations on scopes, duties and responsibilities of the Executive Management

The Board of Directors defines the roles, duties and responsibilities of the Executive Management as follows:

1. Manage the Company's daily operations in compliance with the Company's policy, action plans, objectives, regulations and rules as set by the Board of Directors.
2. Manage operations according to the resolutions of the meetings of the Board of Directors with the allocated budget with sternness, honesty, protecting the best interest of the Company and the shareholders.
3. Regularly report performance and update on the work according to the resolutions and the Company's important performance to the meeting of the Board of Directors at least once a month.
4. Manage the Company' activities in compliance with corporate governance practices as set by the Board of Directors.
5. Refrain from running the business or participate in similar businesses in competition with the Company's business, whether for one's own interest for interest of others, with the exception that one's respective superior and the Internal Control Office have been informed and approves such activity.
6. If the President takes the position of Director in another company, the Board of Directors must approve it first. In the case of a senior executive, the President must approve it first.
7. All senior executives including the first four senior-most executives after the President, and all those who hold the equivalent position to the fourth senior-most executive, as well as the executive in accounting and finance at the same level as the vice president, must refrain from securities trading at least one month before the announcement of the Company's financial statements and at least three days after such announcement. They

have to report the ownership of securities of their own, those of their spouse and their children not yet of legal age, held in the Company and subsidiaries to the Board of Directors every month and must promptly report to the Company in the following cases:

- Direct and indirect vested interests with any contract concluded by the Company during the accounting year.
 - Possess shares or debentures of the Company and its subsidiary companies.
8. Must participate in courses related to the Company's business and daily operation at the Company's expense, to enhance knowledge and skills to perform duties. As for the Senior Executive Vice Presidents, the Board of Directors encourage them to participate in the Director Certification Program (DCP) organized by the Thai Institute of Directors Association (IOD) or equivalent to enhance understanding of the Director's roles and responsibilities that would lead to effective management of the Company.

Stipulations of the Board of Directors concerning the succession plan and improvement of Executives

The Board of Directors sets a policy to nominate the President and Vice Presidents with appropriate qualifications which any person whether external or internal the Company can apply. The rationale is to suit the Company's situations at that particular time and to prepare Company personnel to work in case the President or Senior Executives could not perform their duties or complete their term. It is also designed to reduce the risk or impact of the non-continuity in the Company's management. The succession plan is thus set. The qualified person is selected by the Nomination and Remuneration Committee, which sets a succession plan for the President and the Senior Executive Vice Presidents under the following procedures:

1. Determine an executive position that needs a succession plan, consisting of the President and Senior Executive Vice Presidents of all business departments.
2. The Nomination and Remuneration Committee determines the competency, experiences and the required level of each position.
3. The Nomination and Remuneration Committee selects qualified executives for the succession in each business department.
4. Assign the President to evaluate the performance and competency of the qualified executives against the required competency to set a plan to develop each person to reduce the competency gap.
5. Assign the Personnel and Management Committee to take charge of training and the development of the competency of qualified executives.
6. The President stipulates the rotation of duties of qualified executives and instructs the Senior Executive Vice Presidents and Executive Vice Presidents to attend the meetings of the Board of Directors to acquire better understanding, experience and readiness in general organizational management.
7. The President regularly reports the performance and the improvement, according to the individual development plan, of the qualified executive to the Nomination and Remuneration Committee.
8. The Nomination and Remuneration Committee annually reviews and summarizes the succession plans for the President and Senior Executive Vice Presidents and reports them to the Board of Directors.

Appointment of Executives

According to the Company's rules, the Board of Directors promotes executives at the level of department. The Board of Directors assigns the Nomination and Remuneration Committee to select executives at the level of Senior Executive Vice President before submitting their names to the Board of Directors.

Evaluation of the President

Non-executive Directors are to evaluate the performance of the President at least once every year. Each year, the Board of Directors evaluates the performance of the President in the form of KPIs against the KPIs stated in the objectives in the hiring contract and action plan that were submitted to the Board of Directors. The President must present his performance in various fields, such as management of the refinery business, marketing business and organizational development, as well as in terms of success, obstacles and capability to expand opportunities and business competition while responding to the government's assorted policies.

6. Remuneration of Directors

The Nomination and Remuneration Committee fairly and sensibly sets the remuneration for Directors in line with the responsibilities of Directors, the financial status, and against other companies listed on SET in a similar industry or business size, as well as comparing the average of listed companies from a survey of remuneration rates of registered Directors of IOD by setting the remuneration in the forms of meeting allowances and bonus. The Directors assigned as Members in various Committees receive additional compensation to reflect additional responsibilities. The Company has sought permission to pay Directors from the meeting of the shareholders as follows:

1. Annual remuneration and meeting allowance

The 2011 AGM on April 5, 2011 gave permission to pay Directors as follows:

The Board of Directors

- Monthly remuneration of 20,000 Baht/person
- Meeting allowances of 20,000 Baht/person per meeting (only Directors who attended the meeting)

Committee Members

1. Audit Committee

- Monthly remuneration of 10,000 Baht/person
- Meeting allowances of 5,000 Baht/person per meeting (only Members who attended the meeting)

2. Nomination and Remuneration Committee

- Monthly allowance –none-
- Meeting allowance of 10,000 Baht/person (only Members who attended the Meeting)

3. The remuneration of other Committees appointed by the Board of Directors is under the consideration of the Board of Directors on the basis of appropriateness and in line with the Members' duties and responsibilities.

The Chairmen of the Board of Directors and the Committees receive monthly remuneration and meeting allowances amounting to 25 percent higher than other Directors, and the Vice Chairmen receive monthly remuneration and meeting allowances amounting to 12.5 percent higher than other Directors do.

2. Bonuses for Directors

The bonus for each Director is set at 1 percent of net profit but altogether no more than 20,000,000 Baht/year for all Directors. However, the President and Vice Presidents receive 25 percent and 12.5 percent higher bonuses.

In 2011, the individual remuneration of Directors was as follows:

Remuneration in Baht

	2011	BOARD AUDIT	NRC	SBIC	ERMC	CGC	Bonus	Net total
1. Mr. Krairit Nilkuha	675,000	0	0	0	0	0	1,447,574	2,122,574
2. Prof. Dr. Chai-Anan Samudavanija	607,500	0	50,000	0	0	0	1,574,596	2,232,096
3. Dr. Anusorn Tamajai	540,000	231,250	0	0	0	0	1,399,641	2,170,891
4. Mr. Wirat Iam-Ua-Yut	540,000	85,000	40,000	0	0	20,000	1,399,641	2,184,641
5. Mr. Thana Putarungsi	540,000	0	0	0	80,000	30,000	1,399,641	2,049,641
6. Mr. Issra Shoatburakarn	540,000	185,000	0	0	0	0	1,027,681	1,752,681
7. Mr. Surin Chiravisit	540,000	0	0	0	80,000	50,000	1,027,681	1,697,681
8. General Dapong Ratanasuwan ^{1/}	340,000	0	0	0	0	10,000	0	350,000
9. Mr. Nattachart Charuchinda	520,000	0	40,000	0	30,000	0	1,399,641	1,989,641
10. Mr. Sarakorn Kulatham	520,000	0	0	0	0	40,000	1,027,681	1,587,681
11. Mr. Chumphon Thitayaruks ^{2/}	320,000	0	0	0	40,000	0	0	360,000
12. Mr. Pitipan Tepartimargorn ^{2/}	300,000	0	0	0	0	10,000	0	310,000
13. Ms. Supa Piyajitti	460,000	0	0	0	100,000	0	1,211,744	1,771,744
14. Dr. Anusorn Sangnimnuan	540,000	0	0	70,000	80,000	40,000	1,399,641	2,129,641
TOTAL	6,982,500	601,250	130,000	70,000	410,000	200,000	14,315,162	22,708,912

Note 1/ Appointed as member on April 5, 2011

2/ Appointed as member on May 31, 2011

Since the Independent Directors (No. 2-8) did not hold the positions of Directors in subsidiaries or equivalent, there was no remuneration for holding the position

Directors who completed their terms and resigned during 2011

Remuneration in Baht									
Name List		BOARD AUDIT		NRC	SBIC	ERMC	CGC	Bonus	Net Total
1. Assoc.Prof. Pranom Kowinwipat	^{1/}	160,000	55,000	0	0	0	0	1,399,641	1,614,641
2. Mr.Sukrit Surabotsopon	^{2/}	160,000	0	0	0	10,000	0	1,027,681	1,197,681
3. Mr.Pichai Chunhavajira	^{3/}	140,000	0	20,000	37,500	0	0	1,399,641	1,597,141
Total		460,000	55,000	20,000	37,500	10,000	0	3,826,963	4,409,463

Note: 1/ Completed term on April 5, 2011

2/ Resigned on April 20, 2011

3/ Resigned on April 22, 2011

Directors who completed their terms and resigned during 2009 (and received bonuses for 2009 performance, payable in 2010)

Remuneration in Baht									
Name List		BOARD AUDIT		NRC	SBIC	ERMC	CGC	Bonus	Net Total
1. Mr. Thevan Vivhitakul	^{1/}	0	0	0	0	0	0	130,377	130,377
2. Mr. Twarath Sutabutr	^{1/}	0	0	0	0	0	0	130,377	130,377
3. General Tawat Ked-unkoon	^{2/}	0	0	0	0	0	0	469,742	469,742
4. Mr. Nipon Surapongrukcharoen	^{2/}	0	0	0	0	0	0	375,793	375,793
5. Mr. Chaivat Churitti	^{2/}	0	0	0	0	0	0	375,793	375,793
6. Mr. Tevin Vongvanich	^{2/}	0	0	0	0	0	0	375,793	375,793
Total		0	0	0	0	0	0	1,857,875	1,857,875

Note: 1/ Resigned on February 4, 2010

2/ Completed term on April 8, 2010

Comparison of Remuneration of Directors in 2010 and 2011

Remuneration	2010		2011	
	Persons	Baht	Persons	Baht
Meeting allowance	14	9,453,750	14	8,976,250
Bonus	14	15,000,000	14	20,000,000
Total		24,453,750		28,976,250

Note: Bonuses for 2010 performance under the resolution of the 2010 AGM, held on April 8, 2010, and payable in 2011

7. Remuneration of Executives

The Company evaluates the performance of executives every year in the form of KPIs by comparing them with the objectives in the hiring contract and/or action plan presented to the President and/or the Board of Directors, which will be connected to the rate received according to the Board of Directors' regulations. As for the President, the evaluation will be undertaken every year as well by the non-executive Directors as detailed above.

The Nomination and Remuneration Committee sets remuneration which reflects the performance and remuneration according to the standard of various companies in the same industry and submit appropriate remuneration to the Board of Directors for further consideration and approval.

The President and the Senior Executives of the Company, totaling nine persons, received a total of Baht 78,343,831 in remuneration in 2011, detailed as follows:

Remuneration of Senior Executives

Remuneration	2010		2011	
	Persons	Baht	Persons	Baht
Salary	7	35,299,158	9	46,123,530
Bonus and other	7	16,625,264	9	28,303,945

Note : Others consisted of 1) Retirement bonuses

2) Contribution to the Employee Joint Investment Program (October 1, 2009–September 30, 2011)

Provident Fund for Senior Executives

Remuneration	2010		2011	
	Persons	Baht	Persons	Baht
Provident fund	7	3,001,626	9	3,916,356

Executives who served positions in the subsidiaries and related companies as of December 31, 2011

Name-Surname	Position	Position in subsidiary companies			Position in related companies		
		BGN	BBF	BSE	UBE	FPT	APMC
1. Dr. Anusorn Sangnimnuan	President	-	Chairman	Chairman	Chairman	-	-
2. Mr. Vichien Usanachote	Senior Executive Vice President	-	-	-	Director	Director	-
3. Mr. Wattana Opanon-amata	Senior Executive Vice President	-	Director	-	-	Director	-
4. Mr. Yodphot Wongrakmit	Acting Senior Executive Vice President	Director	-	-	-	-	-
5. Mr. Bundit Sapianchai	Executive Vice President	-	-	Director	-	-	Director
6. Mr. Surachai Kositsareewong	Executive Vice President	Director	Director	-	-	Director	-
7. Mr. Kiatchai Maitriwong	Executive Vice President	-	-	Director	-	-	-
8. Mr. Pongchai Chaichirawiwat	Executive Vice President	Director	Managing Director	Director	-	-	-
9. Mr. Somchai Tejavanija	Executive Vice President	-	-	-	-	-	-

8. Personnel

On December 31, 2011, the Company had a total headcount of 1,031:

- Supporting Employee (Accounting and Finance, Administration and Information Technology, Internal Control Office): 223 persons
- Refinery Business Employee: 469 persons
- Marketing Business and Refinery Project Employee: 310 persons
- Corporate Business Development Employee: 13 persons
- Renewable Energy Business Employee: 16 persons

Remuneration of employee

Employee receive remuneration in the form of salary; shift, night shift, overtime, and upcountry pay; operation at the refinery; and discipline remuneration. Employees have the right to apply for membership of "Bangchak Public Company Limited Provident Fund" by choosing the accumulated at a rate of five percent or ten percent of the salary and the Company will pay the same rate to the Fund. In 2011, the Company paid remuneration to the personnel in the form of salary, shift, night shift, overtime, upcountry, refinery stand-by pay, discipline pay, special bonus and other welfare, with a total of 1,148 million Baht.

Moreover, the personnel and the Company's executives are entitled to join the Employee Joint Investment Program (EJIP) as approved at the meeting of the Board of Directors No. 9/2009 on August 28, 2009, with the project timeframe spanning October 1, 2009 to September 30, 2011, a total of two years. The Company deducts the salary of those who

were eligible and who volunteered to join the Program at a rate of up to five percent of the salary every month until the end of the program, to be accumulated into the Fund. Every month the Company pays 7.5 percent of the salary of those who joined the Program. With the accumulated sum plus the Company's payment, the Company buys BCP shares and/or BCP-DR1 on SET within a date set by the Company.

Significant changes in number employee for the past three years

For the past three years, the Company increased its employee from 865 (as of December 31, 2007) to 1,031 (as of December 31, 2011) to support the operation of the Product Quality Improvement (PQI) unit.

9. Human Resource Development Policy

The Company's strong intention is to support progress in personnel development under a development scheme based on corporate goals that lead to an action plan

This past year, the Company continued to value knowledge management by defining a goal to turn itself into a learning organization and use Competency Management as a human resource development tool.

The Company's competency management begins with individuals' competency assessment to arrive at competency gaps. This year the company made changes to its competency assessment to the 180-degree type (with feedback from employees themselves, their colleagues from related units and their superiors) for clearer and more accurate results before identifying competency gaps and, later, developing individual development plans. To implement these plans, employees could engage themselves in one or more of these: internal and external formal training, self-learning via e-Learning, on-the-job training, project assignment (cross-functional and functional development), QCC, Kaizen and CoPs (Community of Practices) activities to share learning among those with common jobs or interests-which is a part of knowledge management practices leading to lifelong learning. The six qualifications of the organization are:

1. Ability for Adaptation and Initiation

This means the ability to understand the organization and business environment by opening up for changing, learning new things, daring to think out of the box and do new things to create opportunities and lead the organization toward maximum success.

2. Leadership

This means a leader with vision, who dares to think and do what is right for the benefit of the organization with transparency and fairness, ready for differences of opinions, and show responsibility for a result as well as giving advice and creating inspiration to cooperate, and is accepted at all levels.

3. Teamwork Spirit

This means working as a service-minded team, the willingness to work with others, enthusiastic to assist, accept the value of colleagues in the team, and forge good relationships with all concerned, both within and outside, to create willingness to work together and render service so that the jointly set objectives may be met.

4. Organization Commitment

This means the commitment to dedicate oneself to meet the organization's objectives through integrity, professionalism and efficiency, and improve work processes to upgrade the general performance so that it may be generally accepted as well as continually creating success and business growth.

5. Personal Mastery

This means the enthusiasm to constantly learn and be ready to apply knowledge to develop one's own potential as well as that of the organization.

6. Social and "SHEE" Awareness

This means being aware and following the principles of safety, occupational health and environment in compliance with international standards and the Company's operation as well as have public consciousness and participating in activities benefiting the organization, community and society.

The Company has added functional competencies for employees without subordinates and executive competencies for executives and supervisors to serve as approaches for employee development to either perform or manage in their own jobs more efficiently.

The Company prepared functional competencies for subordinates, as detailed below:

1. Building Trust
2. Communication and Presentation
3. Customer Service Orientation
4. Persuasion and Influencing
5. Continuous Improvement
6. Decision Making
7. Managing Work
8. Quality Orientation
9. Sales Persuasion
10. Sales Negotiation
11. Business Orientation
12. Devising Sales Approaches and Solutions
13. Tenacity

Moreover, the Company prepared executive competencies for executives and supervisors, including:

1. Communication and Presentation
2. Building Partnership
3. Empowerment/Delegation
4. Facilitating Teams
5. Leading through Vision and Values
6. Building Organizational Talent
7. Business acumen
8. Customer Centric

9. Planning and Organizing
10. Facilitating Change
11. Driving for Results
12. Executive Disposition

As for training and development, the Company designed training courses to address its goals and direction in both the short term and the long term. As far as human resource development goes, continual improvement aimed to close competency gaps while developing expertise and experience in specialty, technical and management areas, as well as expertise to support future businesses. This year, personnel development took six man-days on average, with a total training outlay of Baht 21 million. The Company's training courses fell into six categories, namely:

1. Executive Development
2. Business Development
3. Company Policy
4. Competency Development
5. Successor & Talent
6. Technical Specialist Program

The Company constantly focuses on environmental and energy stewardship, work safety awareness and social responsibility. For instance, during the Great Floods this year, the company formed teams to help communities and those that found themselves unemployed during the early stage; this illustrated its vision of commitment to forge a green business.

In developing skills and lifelong learning, the Company values knowledge management by defining a goal for turning itself into a learning organization that, in time, develops into a place for lifelong learning. It launched a BCP Trainer project to develop people with the organization's own people. To achieve this, the Company promoted those well-versed in given areas to serve as internal experts that transfer their knowhow to others. This way, knowledge stays inside the company and employees can fill in for each other. It is also a means of developing personnel to regularly brush up their own knowledge and experience, thanks to what they acquire from the Company's experts, including procedures for controlling and managing waste and procedures for work safety, the accounting system, IT security and BCP people management.

The Company also has in place management and storage, transfer and active promotion of learning by its employees, together with sharing within sections and within the company alike, and sharing with external parties and other organizations to form networks. The shared knowledge is then applied and developed into best practices and innovations, which benefits the Company's business and business improvement. Also, Web KM improvement makes employees' learning simple and convenient, featuring basic knowledge for work, knowledge derived from experience, specialized knowledge and knowledge derived from training and assorted intelligence, apart from knowledge transferred from resigned or retired personnel.

Board of Directors



Mr. Krairit Nilkuha
Chairman

Prof. Dr. Chai-Anan Samudavanija
Vice Chairman (Independent Director)

Dr. Anusorn Tamajai
Independent Director

Mr. Wirat Iam-Ua-Yut
Independent Director

Mr. Issra Shoatburakarn
Independent Director

Board of Directors



Mr. Surin Chiravisit
Independent Director

Mr. Thana Putarungsi
Independent Director

General Dapong Ratanasuwan
Independent Director

Mr. Nuttachat Charuchinda
Director

Mr. Sarakorn Kulatham
Director



Mr. Chumphon Thitayaruks
Director

Mr. Pitipan Tepartimargorn
Director

Ms. Supa Piyajitti
Director

Dr. Anusorn Sangnimnuan
President
Secretary to Board of Directors

Board of Directors



Mr. Krairit Nilkuha

Chairman

- Age 60

• Education/Training

- B.B.Sc. in Mechanics Engineering, Kasetsart University
- M.Sc. in Petroleum Engineering, New Mexico Institute of Mining and Technology, USA
- Diploma, the National Defense Course, Class 48 (2005), National Defence College
- Audit Committee Continuing and Development Program (ACP 24/2008), IOD
- Senior Executive Program, Batch#8, Capital Market Academy

• Experience

- 2009-Present : Director General Department of Alternative Energy Development and Efficiency, Ministry of Energy
- 2008-2009 : Deputy Permanent Secretary, Ministry of Energy

- 2005-2008 : Director-General, Department of Mineral Fuels
- 2005-2007 : Director, PTT Exploration and Production Public Company Limited
- 2003-2005 : Deputy Director-General, Department of Mineral Fuels
- 1998-2005 : Sub-Committee of the Petroleum Committee
- 1998-2005 : Secretary of the Petroleum Committee
- Other directorship positions/other positions at present
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - Director, PTT Public Company Limited
 - Non-listed businesses
 - Director General Department of Alternative Energy Development and Efficiency, Ministry of Energy

Prof. Dr. Chai-Anan Samudavanija

Vice Chairman (Independent Director)

Chairman of the Nomination and Remuneration Committee

- Age 67

• Education/Training

- Doctorate degree, University of Wisconsin (Madison)
- Master's degree, University of Wisconsin (Madison)
- Bachelor's degree, Victoria University of Wellington, New Zealand
- Certificate, Social Planning, United Nations Asian Institute
- Honorary doctorate (development administration), National Institute of Development Administration
- Honorary doctorate, Edgewood University
- Honorary doctorate and outstanding alumnus, University of Wisconsin (Madison)
- Honorary degree, National Defence College
- Director Certification Program (DCP), IOD
- Role of the Compensation Committee (RCC), IOD

• Experience

- 2006-2008 : Member, National Legislative Assembly
: Chairman, Standing Committee of Education and Sport
: Chairman, Office of the Basic Education Commission
- 2005-2009 : Director, College of Management, Mahidol University
: President, The Royal Institute
: Chairman, Electricity Generating Authority of Thailand
: Chairman, Electricity Generating Public Company Limited
: Chairman of Audit Committee, Krungthai Bank Public Company Limited
: Director, State Enterprise Policy Committee
: Executive Director, National Research Council
: Director, Office of the Public Sector Development Commission (OPDC)

- 2003 : Vice President, The Royal Institute
 - 1998-2000 : Judge, Constitutional Court
 - 1996-June 2007 : Director, Vajiravudh College
 - 1981 : Fellow of the Academy of Moral and Political Sciences, The Royal Institute
- **Other directorship positions/other positions at present**
 - Subsidiaries/Related Company
 - None -
 - Other listed companies
 - None -
 - Non-listed businesses
 - Chairman, Institute of Public Policy Studies

Dr. Anusorn Tamajai

Independent Director

Chairman of Audit Committee

• Age 45

• Education/Training

- Ph.D.Econ. (International economics, finance and development), Fordham University New York, USA
- M.B.A., Southeastern University
- M.Econ, Fordham University New York, USA
- B.A. (Political Science) (Honours), Chulalongkorn University
- Director Certification Program (DCP), IOD
- Strategy and Policy Development, IOD
- Audit Committee Program (ACP), IOD
- Role of the Chairman Program (RCP), IOD
- Role of the Compensation Committee (RCC), IOD
- Financial Statement for Directors (FSC), IOD
- Monitoring the System of Internal Control and Risk Management (MIR), IOD
- Monitoring the Quality of Financial Reporting (MFR), IOD
- State-enterprise Leadership Development for Senior Managers (Class 2) King Prajadhipok's Institute
- How New Foreign Bribery Laws Affect Companies in Thailand, IOD

• Experience

- 2008-April 2011 : Director and Chairman of Audit Committee, MCOT Public Company Limited
- 2008-2011 : Executive Director, The Telecommunications Universal Service Obligation (USO)
- 2008-2010 : Director and Chairman of Risk Management Committee, Bank for Agriculture and Agricultural Cooperatives

- 2005-2007 : Director, Center for the Promotion of National Strength on Moral Ethics and Values, Moral Center, Office of the Prime Minister
- 2005-2006 : Managing Director, BT Asset Management Company Limited
- 2002-2006 : Director, Family Know How Company Limited (a subsidiary of Stock Exchange of Thailand)
- 2002-2006 : Director and Chairman of Internal Audit Committee, Thailand Post Company Limited
- 2002-2005 : Senior Director, Research and Fund Management Office, Bankthai Public Company Limited
- 2000 : Vice President, Corporate Regulatory, Research and Public Affairs, Citibank

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Dean of Faculty of Economics/Director, Research Center for Economic and Business Reform, Rangsit University
 - Director, Pridi Banomyong Institute
 - Specialist and Director for supervision and execution of policies, Public Management Office, Ministry of Finance
 - Member, Sub-committee on Performance Evaluation of State-Owned Enterprises, Ministry of Finance

Mr. Wirat lam-Ua-Yut

Independent Director

- Age 67

- **Education/Training**

- Honorary Master Degree of Science (Cooperatives Economics), Mae Jo University
- Improving the Quality of Financial Reporting (QFR), IOD
- Director Accredited Program (DAP), IOD
- Finance for Non-finance Director (FND), IOD

- **Experience**

- 2006-2010 : Member, The Cooperative League of Thailand
- 2002-2005 : Chairman, The Cooperative League of Thailand: Board of National Cooperative Development

- 1997-2001: Chairman, The Administrative Authority of Ka-Mung District, Nakhon Sawan

- **Other directorship positions/other positions at present**

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Chairman, Chumsaeng Agricultural Cooperatives Limited
 - Member, National Economic and Social Advisory Council

General Dapong Ratanasuwan

Independent Director

- Age 58

- **Education/Training**

- Bachelor of Science, Chulachomklao Royal Military Academy, Class 23
- Infantry Major Course (Infantry School of New Zealand Army)
- Command and General Staff College, Royal Thai Army, Class 63
- Army War College, Class 42
- Master Degree, Public Administration, Sri Pathum University, 2000
- Diploma, the National Defense Course, National Defense College, 2006
- Senior Executive Program, Batch#10, Capital Market Academy
- Director Accredited Program (DAP), IOD

- **Experience**

- 2011-Present : Deputy Army Commander-in-Chief

- 2010-2011: Director, Industrial Estate Authority of Thailand
 - : Director, Defence Technology Institute (Public Organization)
- 2010 : Army Chief of Staff
 - : Secretary-General, The Internal Security Operations Command
- 2009 : Army Deputy Chief of Staff
- 2008 : Army Assistant Chief of Staff for Operations
- 2007 : Deputy Commanding General, 1st Army Area Command
- 2006 : Commanding General, 1st Infantry Division, King's Guard

- **Other directorship positions/other positions at present**

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Deputy Army Commander-in-Chief

Mr. Thana Putarungsi

Independent Director

- Age 56

- **Education/Training**

- M.Eng. (Power Technology), Kasetsart University
- B.Eng. (Power Technology), Kasetsart University
- Director Certification Program (DCP), IOD
- Financial Statement for Directors (FSD), IOD

- **Experience**

- 2010-present : Deputy Governor, Transmission System, the Electricity Generating Authority of Thailand
- 2008-2010 : Assistant Governor, Transmission System Operation, the Electricity Generating Authority of Thailand
- 2003-2008 : Director, Demand Side Implementation Division, Electricity Generating Authority of Thailand
- 2000-2003 : Assistant Director Demand Side Implementation Division, Electricity Generating Authority of Thailand

- 1995-2000 : Chief of High Voltage Station Maintenance Division, Central Region Operations, Electricity Generating Authority of Thailand
- 1992-1995 : Chief of High Voltage Station Division, Central Region Operations, Electricity Generating Authority of Thailand

- **Other directorship positions/other positions at present**

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Deputy Governor, Transmission System, the Electricity Generating Authority of Thailand
 - Director, District Cooling System and Power Plant Company Limited
 - Director, Ratchaburi Electricity Generating Company Limited

Mr. Issra Shoatburakarn

Independent Director

- Age 64

- **Education/Training**

- B.Eng. (Industrial Engineering), Chulalongkorn University
- M.S. (Environment Engineering) Florida Institute of Technology, USA
- The National Defence Course, Class 46, National Defence College
- Senior Executive Program Batch#33, Office of the Civil Service Commission (OCSC)
- Director Certification Program (DCP 77/2006), IOD

- **Experience**

- 2007-retirement : Deputy Permanent Secretary, Ministry of Industry
- 2004-2006 : Director General, Department of Industrial Works

- 2003-2004 : Secretary General, Office of the Cane and Sugar Board
- : Director, Metropolitan Waterworks Authority (Thailand)
- : Director, Industrial Estate Authority of Thailand
- : Chairman, The General Environmental Conservation Public Company Limited
- : Chief Executive, Bangpa-in Paper Mill Industry Co., Ltd.
- : Chairman of Industrial Standards Committee

- **Other directorship positions/other positions at present**

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Director, Ubon Bio Ethanol Company Limited

Mr. Surin Chiravisit

Independent Director

Chairman of Corporate Governance Committee

• Age 64

• Education/Training

- LL.B., Ramkhamhaeng University
- B.Ed., Srinakharinwirot University
- LL.M., Chulalongkorn University
- Investigation of the criminal case program, Batch#44, The Royal Thailand Police
- Senior Administrator Program, Batch#29, Ministry of Interior
- Senior Executive Program, Batch#21, Office of The Civil Service Commission
- The National Defence Course, Class 40, National Defence College
- Politics and Government in Democracy for Executives (Class 6), King Prajadhipok's Institute
- Director Certification Program (DCP), IOD

• Experience

- 2006–retirement : Secretary General, Social Security Office
- 2005 : Deputy Permanent Secretary, Ministry of Labor, Office of the Permanent Secretary for Ministry of Labor
- 2004 : Director General, Department of Labor Protection and Welfare
- 2000 : Director General, Department of Skill Development

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - None -

Mr. Nuttachat Charuchinda

Director

• Age 56

• Education/Training

- M.B.A., Thammasat University
- B.S. (Engineering), Chiangmai University
- Director Certification Program (DCP) จาก IOD
- Break Through Program for Senior Executives (BPSE)

• Experience

- Oct 2011-Present: Chief Operating Officer, Downstream Petroleum Business Group, PTT Plc.
- Apr-Oct 2011 : Director, PTTAR Plc.
- 2009-Oct 2011 : Senior Executive Vice President Organizational Strategic, PTT Plc.
- 2005 : Executive Vice President, Gas Business Unit for Vehicles, PTT Plc.
- 2004 : Executive Vice President, Supply and Logistics, PTT Plc.
- 2002 : Executive Vice President, Terminal Operations, PTT Plc.

- 2002 : Executive Vice President, Business Development and International Markets, PTT Plc.
- 2001: Senior Vice President, Business Development and International Markets, Petroleum Authority of Thailand
- 1996: Senior Vice President, Marketing and Joint Venture, Petroleum Authority of Thailand

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - o Chief Operating Officer, Downstream Petroleum Business Group, PTT Plc.
 - o Director, Bangkok Aviation Fuel Services Plc.
 - o Director, PTT Global Chemical Plc.
- Non-listed businesses
 - None -

Mr. Sarakorn Kulatham

Director

• Age 57

• Education/Training

- B.Sc. (Sanitation), Chulalongkorn University
- M.S. (Civil Engineering), University of Missouri, USA
- Finance for Non Finance Executive (2007)
- PTT Group EVP Leadership Development Program Class 1 (2008)
- IMD-BPSE (2009)

• Experience

- Oct 2010-Present: Senior Executive Vice President, International Trading Unit, PTT Plc.
- 2010-Oct 2010 : Executive Vice President, International Trading Unit, PTT Plc.
- 2009-2010 : Executive Vice President, PTT Plc. (working at Alliance Refining Co., Ltd.)

- 2007-2009 : Executive Vice President, PTT Plc. (working at Alliance Refining Co., Ltd.)
- 2004-2007 : Vice President, PTT Plc. (working at Alliance Refining Co., Ltd.)
- 2001-2004 : Vice President, Petroleum Products and LPG Trading Department, PTT Plc.

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - Senior Executive Vice President, International Trading Unit, PTT Plc.
- Non-listed businesses
 - Director, Star Petroleum Refining Co., Ltd.
 - Director, Thailoil Marine Co., Ltd
 - Director, PTT International Trading Pte.Ltd.

Ms. Supa Piyajitti

Director

Chairman of Enterprise-wide Risk Management Committee

• Age 57

• Education/Training

- B.Sc. in Accounting, Thammasat University
- LL.B., Thammasat University
- MPA, National Institute of Development Administration (NIDA)
- Junior Executive Program, Batch#20
- Mini MBA Curriculum of Ministry of Finance, Batch#2
- English Language Program, United States of America
- Public Sector Management Reform Program, New Zealand
- Senior Executive program, Batch#27, Ministry of Finance
- Insurance Training Program, United Kingdom
- Directors Certification Program (DCP), IOD
- The National Defence Course, Batch#45, National Defence College
- The Program for Senior Executive on Justice Administration, Batch#11, Judicial Training institute

- Senior Executive Program, Batch#8, Capital Market Academy

• Experience

- 2010 : Deputy Permanent Secretary, Ministry of Finance
- 2009 : Director General, State Enterprise Policy Office (SEPO), Ministry of Finance
- 2006 : Deputy Permanent Secretary
- 2004 : Inspector General
- 2001 : Deputy Director General, The Comptroller General's Department
- 1997 : Director Bureau of State Enterprises and Government Securities, The Comptroller General's Department

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - Director, Siam Commercial Bank Public Company Limited
- Non-listed businesses
 - Deputy Permanent Secretary, Ministry of Finance
 - Chairman, National Credit Bureau Company Limited

Mr. Chumphon Thitayaruks

Director

- Age 57

• Education/Training

- Bachelor of Engineering (Civil), Chiangmai University
- Master of Political Science (Public Administration), Thammasat University
- Senior Management Training Class 1, Department of Public Works and Town & Country Planning
- Senior Engineer Training Class 2, Department of Public Works and Town & Country Planning
- Field study at United States of America, Department of Public Works and Town & Country Planning
- Field study at United States of America, Master's Degree Program for Executive, Thammasat University
- Senior Administration Training Class 45, Ministry of Interior

- Field study at Europe, Senior Executive Program, Class 45, Ministry of Interior
- Field study at Denmark, Ministry of Energy
- Senior Executive Program, Class 50, Office of The Civil Service Commission
- Field study on "Nuclear Re-processing Plant", Japan

• Experience

- 2009-Present : Inspector General, Ministry of Energy
- 2003-2009 : Director General, Regional Energy Office 10

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - None -
- Non-listed businesses
 - Inspector General, Ministry of Energy

Mr. Pitipan Tepartimargorn

Director

- Age 56

• Education/Training

- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Master of Political Science (Public Administration), Thammasat University
- Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Senior Executive program, Ministry of Energy
- Strategic Human Resource Management, Harvard University
- NIDA Wharton Executive Leaders, The Wharton School University of Pennsylvania
- Director Certification Program (DCP), IOD

• Experience

- April 1 2010-Present: Senior Executive Vice President, Human Resource and Organization Efficiency, PTT Plc.
- 2004-March 31, 2010: Executive Vice President, Organizational Human Resource, PTT Plc.
- 2003-2004 : Manager, Human Resource Policy Department (Head Quarter), PTT Plc.
- 2001-2003 : Manager, Organization Development Department (Head Quarter), PTT Plc.

• Other directorship positions/other positions at present

- Subsidiaries/Related Company
 - None -
- Other listed companies
 - Senior Executive Vice President, Human Resource and Organization Efficiency, PTT Plc.
- Non-listed businesses
 - Chairman, Energy Complex Co., Ltd.
 - Chairman, PTT ICT Solutions Co., Ltd

Dr. Anusorn Sangnimnuan

President

And Secretary to Board of Directors

• Age 57

• Education/Training

- Ph.D. (Chemical Engineering), Monash University, Melbourne, Australia
- M.Eng. (Environmental Engineering), Asian Institute of Technology (AIT)
- B.Sc. (Chemical Engineering), Chulalongkorn University
- Diploma, The joint State-Private Sector Course, National Defence College (Class of 20th)
- Leadership Program, Capital Market Academy (Class of 10th)
- Advanced Diploma, public administration and public law, King Prajadhipok's Institute
- Public Director Certification Program, Public Director Institute (Class of 1st)
- Director Certification Program (DCP), IOD
- Director Accreditation Program (DAP), IOD

• Experience

The Bangchak Petroleum Public Company Limited

- 2005-Present : President and Secretary to Board of Directors
- 2003-2004 : Senior Executive Vice President, Refinery Business
- 2001-2004 : Senior Executive Vice President, Planning and Supply/Industrial Lubricant Marketing

Others

- 2008-2011 : Chairman, Thailand Business Council for Sustainable Development (TBCSD)
: Director, Thai Capital Market Organizations
- 2007-2011 : Director, Thai Listed Companies Association
- 2006-2008 : Member, The National Legislative Assembly
: Commissioner and Secretary, Energy Committee
- 2001-2005 : Director, National Ethanol Committee
- **Other directorship positions/other positions at present**
 - Subsidiaries/Related Company
 - Chairman, Bangchak Biofuel Company Limited
 - Chairman, Bangchak Solar Energy Company Limited
 - Other listed companies
 - None -
 - Non-listed businesses
 - Chairman, Ubon Bio Ethanol Company Limited
 - Director, National Center of Excellence for Petroleum, Petrochemicals, and Advanced Materials, Chulalongkorn University
 - Director, School of Environment, Resources and Development, Asian Institute of Technology
 - Director, Petroleum Institute of Thailand
 - Natural Resources and Environment Committee, The Thai Chamber of Commerce



Dr. Anusorn Sangnimnuan
President



Mr. Vichien Usanachote
Senior Executive Vice President



Mr. Wattana Opanon-amata
Senior Executive Vice President

LEADER



Mr. Yodphot Wongrukmit
Acting Senior Executive Vice President

Mr. Bundit Sapianchai
Executive Vice President

Mr. Surachai Kositsareewong
Executive Vice President

Mr. Kiatchai Maitriwong
Executive Vice President



Mr. Pongchai Chaichirawiwat
Executive Vice President

Mr. Somchai Tejavanija
Executive Vice President

Mr. Chalermchai Udomranu
Senior Vice President

Dr. Kittti Nivatvongs
Senior Vice President

Mr. Pichit Wongrujiravanich
Senior Vice President

Executive Management



Dr. Anusorn Sangnimnuan

President

- Age 57

• Education/Training

- Ph.D. (Chemical Engineering), Monash University, Melbourne, Australia
- M.Eng. (Environmental Engineering), Asian Institute of Technology (AIT)
- B.Sc. (Chemical Engineering), Chulalongkorn University
- Diploma, The joint State-Private Sector Course, National Defence College (Class of 20th)
- Leadership Program, Capital Market Academy (Class of 10th)
- Advanced Diploma, public administration and public law, King Prajadhipok's Institute
- Public Director Certification Program, Public Director Institute (Class of 1st)
- Director Certification Program (DCP), IOD
- Director Accreditation Program (DAP), IOD

• Experience

The Bangchak Petroleum Public Company Limited

- 2005-Present : President and Secretary to Board of Directors
- 2003-2004 : Senior Executive Vice President, Refinery Business
- 2001-2004 : Senior Executive Vice President,

Planning and Supply/Industrial

Lubricant Marketing

Others

- 2008-2011 : Chairman, Thailand Business Council for Sustainable Development (TBCSD)
- : Director, Thai Capital Market Organizations
- 2007-2011 : Director, Thai Listed Companies Association
- 2006-2008 : Member, The National Legislative Assembly
- : Commissioner and Secretary, Energy Committee
- 2001-2005 : Director, National Ethanol Committee
- Other directorship positions/other positions at present
- Subsidiaries/Related Company
 - Chairman, Bangchak Biofuel Company Limited
 - Chairman, Bangchak Solar Energy Company Limited
- Other listed companies
 - None -
- Non-listed businesses
 - Chairman, Ubon Bio Ethanol Company Limited
 - Director, National Center of Excellence for Petroleum, Petrochemicals, and Advanced Materials, Chulalongkorn University
 - Director, School of Environment, Resources and Development, Asian Institute of Technology
 - Director, Petroleum Institute of Thailand
 - Natural Resources and Environment Committee, The Thai Chamber of Commerce

Mr. Vichien Usanachote

Senior Executive Vice President, Refinery Business

- Age 57

• Education/Training

- Master of Engineering, Ohio State University, USA
- BS (Engineering), Chulalongkorn University
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Diploma in Public Law and Management #7, King Prajadhipok's Institute
- Advanced Senior Executive Program, Kellogg School of Management
- Director Certification Program (DCP), IOD
- Finance for Non-Finance Director (FND), IOD

• Experience

- 2005-present : Senior Executive Vice President, Refinery Business
- 2003-2004 : Senior Consultant, Acting Senior Executive Vice President
- 2002 : Senior Executive Vice President, Planning and Logistics
- 2001 : Senior Consultant
- 2000 : Senior Executive Vice President, Marketing Business Unit
- 1993 : Senior Executive Vice President, Marketing/Manufacturing

• **Other directorship positions/other positions at present**

- Other listed companies
- None -

- Non-listed businesses

- Director, Fuel Pipeline Transportation Company Limited
- Director, Ubon Bio Ethanol Company Limited

Mr. Wattana Opanon-amata

Senior Executive Vice President,

Corporate Administration and Information Technology

• Age 55

• **Education/Training**

- M.Eng (Chemical Engineering), Chulalongkorn University
- BS (Chemical engineering), Chulalongkorn University
- Mini-MBA, Chulalongkorn University
- Diploma, Director Certification Program, IOD
- Advanced diploma in public administration and public law, King Prajadhipok's Institute (Por.Ror.Mor.6)
- Diploma, Enterprisewide Risk Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Certification Program Refresher Course (RE DCP), IOD
- Director Certification Program (DCP), IOD
- Audit Committee Program (ACP), IOD
- Finance for Non-finance Director Course (FND), IOD
- Certificate, Management of Thinking and Cultural Conflicts, Class 2, National Defence College Think Tank for Society
- Certificate, Executive Leadership Program (ELP 5), Nida-Wharton, School of University of Pennsylvania, USA
- Diploma, Senior Executive Program (SEP-24), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Senior Executive Program (ASEP 6-Sasin-Kellogg, School of Management of Northwestern University, USA) Sasin Graduate Institute of Business Administration of Chulalongkorn University

• **Experience**

- 2006-present : Senior Executive Vice President, Corporate Administration and Information Technology
- 2004-2005 : Senior Consultant, Acting Senior Executive Vice President
- 2001-2004 : Executive Vice President
- 2000-2001 : Senior Vice President, Planning and Supply
- 1994-2000 : Senior Vice President, Marketing and Engineering Service

• **Other directorship positions/other positions at present**

- Other listed companies
- None -
- Non-listed businesses
 - Director, Bangchak Biofuel Company Limited
 - Director, Fuel Pipeline Transportation Limited
 - Committee member, Chemical Engineering Committee for 2011-2013, The Engineering Institute of Thailand under H.M. the King's Patronage
 - Committee member, Thailand Business Council for Sustainable Development
 - Member of Green Labeling Project Management Committee, Thailand Environment Institute (TEI)
 - Member of Certified GHG Emission Reductions for Building Committee, Thailand Environment Institute (TEI)
 - Chairman of CSR Club, Thai Listed Companies Association, The Stock Exchange of Thailand
 - Advisor of Corporate Social Responsibility Institute (CSRI), The Stock Exchange of Thailand
 - Specialized Committee Member on Analysis of Master of Engineering Program in Chemical Engineering, King Mongkut's Institute of Technology Ladkrabang, 2011
 - Member of the Application of Sufficiency Economy Movement in private sector sub-committee, Research and Development Institute of Sufficiency Economy Philosophy Foundation

Mr. Yodphot Wongrukmit

Acting Senior Executive Vice President, Marketing Business

- Age 52

• Education/Training

- MBA, MTSU, USA
- BA (Economics) (2nd Class Honors), University of the Thai Chamber of Commerce
- NIDA-Wharton Executive Leadership Program #6/2010
- Graduate Diploma in Public Law and Management #9/2010, King Prajadhipok's Institute
- Director Certification Program (DCP), IOD
- Logistics Economic
- Economics for Decision Making
- JCCP "Advanced Marketing" (Japan)
- Marketing Outlook
- Sales Management
- Effective Negotiation Skills
- PR Strategies for SET-Listed Companies
- Strategic Leadership
- The Leadership GRID

• Experience

- April 2011-present : Acting Senior Executive Vice President, Marketing Business
- 2008-April 2011 : Executive Vice President, Marketing Business
- 2007-2008 : Executive Vice President, Retail Marketing
- 2004 : Senior Vice President, Retail Marketing
- 2001 : Vice President, Retail Marketing
- 1998 : Senior Manager, Central District
- 1994 : Manager, North and Central Districts

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - Director, Bangchak Green Net Company Limited

Mr. Bundit Sapianchai

Executive Vice President, Corporate Business Development

- Age 47

• Education/Training

- Master's degree in engineering, Asian Institute of Technology (AIT), Thailand
- BS (Engineering), King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP), IOD
- Director Accredited Program (DAP), IOD
- Finance for Non-finance Director (FND), IOD
- Successful Formulation & Execution of Strategy (SFE), IOD
- Management in Globalizing Era (Ex-PSM 5), Fiscal Policy Research Institute

• Experience

- The Bangchak Petroleum Public Company Limited
- 1998-present : Executive Vice President, Business Development and Strategy
- Others
- 1988-1994 : Commercial Manager, National Petrochemical Public Company Limited
- 1994-1997 : Marketing Director, PTT Petrochemical Company Limited
- 1997-2004 : Business Director, Air Liquide (Thailand) Company Limited
- 2004-2008 : Executive Vice President, Finance Strategy, NFC Fertilizer Public Company Limited

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - Director, ASEAN Potash Mining Public Company Limited
 - Director, Bangchak Solar Energy Company Limited

Mr. Surachai Kositsareewong

Executive Vice President, Accounting and Finance

- Age 49

- **Education/Training**

- Master of Business Administration, Stetson School of Economics and Business Administration Mercer University, USA
- BA in Merchant Marine, Faculty of Commerce and Accounting, Chulalongkorn University
- Director Accreditation Program (DAP), IOD
- Audit Committee Program (ACP), IOD

- **Experience**

The Bangchak Petroleum Public Company Limited

- 2009-Present : Executive Vice President, Accounting and Finance

Others

- 1998-2004 : Vice president, Treasury Department, Small and Medium Enterprise Development Bank of Thailand

- 2004-2007 : Independent director and audit committee member, Wyncoast Industrial Park Public Company Limited
- 2005-2007 : Consultant in business, finance, and investment, Libra Law Office (Thailand)
- 2007-2009 : Vice President (Administration) and Chief Finance Officer, Dhanarak Asset Development Company Limited

- **Other directorship positions/other positions at present**

- Other listed companies
 - None -
- Non-listed businesses
 - Director, Bangchak Biofuel Company Limited
 - Director, Bangchak Green Net Company Limited
 - Director, Fuel Pipeline Transportation Company Limited

Mr. Kiatchai Maitriwong

Executive Vice President,

Corporate Administration and Information Technology

- Age 52

- **Education/Training**

- MBA (Bachelor of Commerce and Accountancy), Thammasat University
- BS (Chemical engineering), Chulalongkorn University
- Director Certification Program (DCP), IOD
- Executive Development Program (EDP) Fiscal Policy Research Institute Foundation
- Oil Price Risk Management, Morgan Stanley (USA)
- The Manager Grid, AIM
- Fire & Business Interruption, The Chartered Insurance Institute (CII)
- Energy Leadership Development for Senior Management (Class 4), Ministry of Energy
- Executive Development Program Coaching for Result, Mahidol University
- Executive Development Program, Fiscal Policy Research Institute Foundation (FPRI) and Maxwell School of Syracuse University

- **Experience**

The Bangchak Petroleum Public Company Limited

- 2010-present : Executive Vice President, Corporate Administration and Information Technology
- 2009-2010 : Senior Consultant
- 2008 : Consultant
- 2007 : Senior Vice President, Planning and Supply
- 2006 : Acting Senior Vice President, Planning and Supply
- 2004 : Vice President, Planning, Planning and Supply
- 2002 : Assistant Vice President, Business Strategy Office
- 2001 : Senior Manager, Planning and Evaluation, Marketing Business
- 1997 : Senior Manager, Oil Supply

Others

- Team leader, OIM Price Risk Management, PTT Group
- Vice chairman and committee member, Petroleum Refining Industrial Group, Federation of Thai Industries
- Special instructor for refining and supply businesses, Petroleum Institute of Thailand

- Special course instructor and consultant to Ministry of Energy involved in the development of Energy Leadership Development training programs for senior, middle, and junior managers
- Course director, Logistics Economics & Workshop

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - Director, Bangchak Solar Energy Company Limited

Mr. Pongchai Chaichirawiwat

Executive Vice President, Renewable Energy Business

• Age 51

• Education/Training

- MBA, Thammasat University
- Master's degree in engineering, Asian Institute of Technology (AIT), Thailand
- Bachelor's degree in engineering, Chulalongkorn University

• Experience

- April 2011-present : Executive Vice President, Renewable Energy Business, and Managing Director appointed to Bangchak Biofuel Company Limited
- 2008-April 2011 : Senior Vice President (Managing Director appointed to Bangchak Biofuel Company Limited)

- 2007 : Acting Senior Vice President, Commercial Marketing and Lubricants

- 2006 : Vice President, Business

- 2004 : Vice President, Retail Marketing

- 2001 : Senior Manager, Marketing Engineering

- 1998 : Manager, Marketing Engineering

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - Managing Director, Bangchak Biofuel Company Limited
 - Director, Bangchak Green Net Company Limited
 - Director, Ubon Agricultural Energy Company Limited
 - Director, Ubon Bio Gas Company Limited
 - Director, Bangchak Solar Energy Company Limited
 - Director, NP Bio Energy Company Limited

Mr. Somchai Tejavanija

Executive Vice President, Marketing Business

• Age 48

• Education/Training

- MBA, Thammasat University
- B.ENG (Engineering), Kasetsart University
- Energy Leadership Development for Senior Managers (Class 4), Ministry of Energy
- Executive Development Program (Session 6), Thai Listed Companies Association

• Experience

- April 2011-present: Executive Vice President, Business, responsible for Retail

Marketing, and Acting

Vice President, Marketing Business Strategy and Planning

- 2010-April 2011 : Senior Vice President-Marketing Business Strategy and Planning, Marketing Business

- 2008 : Senior Vice President-Retail Marketing

- 2006 : Vice President-Retail Marketing Development

- 2003 : Vice President-Associated Company

- 2002 : Assistant Vice President, Metropolitan Area

- 2000 : Senior Manager, Metropolitan Area

- 1996 : Manager, Metropolitan Area

- Other directorship positions/other positions at present
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Mr. Chalermchai Udomranu

Senior Vice President, Refinery Operation,
Refinery Business

- Age 50

• Education/Training

- MBA, Thammasat University
- B. Engineering (Electronical),
Chulalongkorn University

• Experience

- April 2011-present : Senior Vice President, Refinery
Operation, Refinery Business
- 2009-April 2011 : Vice President, Refinery
Operation, Refinery Business

- 2005 : Vice President, Refinery Project
- 2003 : Senior Manager, Production Project
- 2001 : Senior Manager, Technical Service Division
- 2000 : Senior Manager, Maintenance Service Division
- 1997 : Manager, Maintenance Service Division

• Other directorship positions/other positions at present

- Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Dr. Kitti Nivatvongs

Senior Vice President, Refinery Technique,
Refinery Business

- Age 57

• Education/Training

- Ph.D. (Engineering), Northwestern University
- MS (Engineering), Mississippi State University
- BS (Engineering), Chulalongkorn University

• Experience

- April 2011-present : Senior Vice President, Refinery
Technique, Refinery Business

- 2009-April 2011 : Vice President, Refinery
Engineering, Refinery Business
- 2005 : Vice President, Technique,
Refinery Business
- 2000 : Senior Manager (Engineering)
- 1999 : Manager, Technique and Environment

• Other directorship positions/other positions at present

- Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Mr. Pichit Wongrujiravanich

Senior Vice President, Internal Control Office

- Age 51

• Education/Training

- MS (Accounting), Thammasat University
- BA (Accounting), Thammasat University
- Certified Public Accountant, license no. 3766

• Experience

- April 2011-present : Senior Vice President,
Internal Control Office

- 2005-April 2011 : Vice President,
Internal Control Office
- 1992 : Assistant to Executive Director,
Yontrakit Group

• Other directorship positions/other positions at present

- Other listed companies
- None -
- Non-listed businesses
- None -

Mr. Thanachit Makaranond

Vice President, Refinery Engineering, Refinery Business

- Age 52

- **Education/Training**

- Master of Engineering,
The University of Southwestern Louisiana
- BS (Chemical technology), Chulalongkorn University
- Energy Leadership Development for Senior Managers
(Class 4), Ministry of Energy

- **Experience**

- April 2011-present : Vice President, Refinery
Engineering, Refinery Business

- 2009-April 2011 : Vice President, Refinery
Technique, Refinery Business
- 2004 : Vice President, Operations,
Refinery Business
- 2001 : Senior Manager, Refining Operations
- 2000 : Senior Manager (Technique and
Environment)
- 1997 : Senior Manager (Operations)
- **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -

Mr. Watcharapong Saisuk

Vice President, Associated Company Business,
Renewable Energy Business

- Age 46

- **Education/Training**

- BS (Engineering), Chulalongkorn University

- **Experience**

- 2011-present : Vice President, Associated
Company Business, Renewable
Energy Business, and Managing
Director appointed to Bangchak
Solar Energy Company Limited

- 2010 : Vice President, Solar Farm Project
- 2004 : Vice President, Corporate Planning and
IR Office, Accounting and Finance
- 2003 : Assistant Vice President, Corporate Planning
- 2000 : Senior Manager, Depot and Transport
- 1994 : Manager, Depot and Transport
- **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - Managing Director, Bangchak Solar Energy
Company Limited

Ms. Revadee Pornpatkul

Vice President, Accounting and Taxation,
Accounting and Finance

- Age 51

- **Education/Training**

- MBA, Thammasat University
- BA (Accounting), Ramkhamhaeng University
- BA (Law), Sukhothai Thammathirat University
- BS (Science), Chulalongkorn University

- **Experience**

- 2007-present : Vice President, Accounting and
Taxation, Accounting and Finance
- 2004 : Senior Manager, Accounting, and Acting
Vice President, Accounting and Tax
- 2002 : Manager, Accounting
- 2000 : Manager, Revenue Accounting
- **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -

Mr. Chokchai Assavarangsailit

Vice President, Corporate Business Development Office,
Corporate Business Development

• Age 43

• Education/Training

- MBA, Kasetsart University
- BS (Engineering), Chulalongkorn University
- Director Certification Program (DCP), IOD
- TCLA Executive Development Program (EDP),
Thai Listed Companies Association
- Energy Leadership Development for Senior Managers
(Class 6), Ministry of Energy

• Experience

- Jun 2009-present : Vice President, Corporate
Business Development Office,
Corporate Business Development

- 2007-Jun 2009 : Vice President, Company Secretariat,
and Company Secretary
- 2005 : Senior Manager, Company Secretariat
- 2004 : Senior Manager, Business Strategy
and Enterprise Risk Management Office
- 2003 : Manager, Marketing Business
- 2002 : Manager, Business Strategy and Analysis
- 2000 : Manager, Oil Supply

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - None -

Mr. Prawit Sunthornsittipong

Vice President, Retail Marketing, Marketing Business

• Age 50

• Education/Training

- MBA, Chulalongkorn University
- BS (Dentistry), Mahidol University

• Experience

- 2010-present : Vice President, Retail Marketing,
Marketing Business
- 2008-2010 : Vice President, Retail Marketing,
Marketing Business (Managing
Director appointed to Bangchak
Green Net Company Limited)

- 2006-2008 : Acting Vice President
- 2004 : Senior Manager, Metropolitan Area
- 2003 : Manager, Metropolitan Area
- 2002 : Manager, Corporate Business Development
- 2001 : Manager, Member Card and Business Card

• Other directorship positions/other positions at present

- Other listed companies
 - None -
- Non-listed businesses
 - None -

Ms. Nintira Abhisinha

Vice President, Finance, Accounting and Finance

• Age 45

• Education/Training

- MBA, Case Western Reserve University, USA
(KBank scholarship)
- BA (Commerce) (Honours), Chulalongkorn University
- Energy Leadership Development for Senior Managers
(Class 6), Ministry of Energy

• Experience

- The Bangchak Petroleum Public Company Limited
- 2008-present : Vice President, Finance,
Accounting and Finance

Others

- 2005-2007 : Member of sub-committee on National
Skill Standards, Department of Skill
Development, Ministry of Labour
- 2004-2007 : Vice President,
Samart Comtech Company Limited
- 2001-2004 : Vice President, Corporate Business
Development, Samart Corporation
Public Company Limited
- 1999-2001 : Deputy Managing Director,
Capital Management Company Limited

- 1994-1999 : Vice President, Investment, Capital Management Company Limited
 - 1993 : Chief of Business Promotion, Business Development, K Bank
 - **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Mr. Pichet Aimwatana

Vice President, Planning and Logistics, Refinery Business

- Age 44
 - **Education/Training**
 - BS (Engineering), Chulalongkorn University
 - **Experience**
 - June 2009-present : Vice President, Planning and Logistics, Refinery Business
 - 2008-June 2009 : Acting Senior Vice President, Planning and Logistics
 - 2007 : Vice President, Corporate Business Development Office
 - 2006 : Senior Manager, Strategy and Risk Management Office
 - 2004 : Senior Manager, Oil Supply and Wholesale Operations
 - 2000 : Manager, Oil Supply and Wholesale Operations
 - **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Mr. Pisespong Sasanavin

Vice President, Refinery Project, Refinery Business

- Age 48
 - **Education/Training**
 - M.B.A
 - M.Eng. (Chemical Engineering)
 - **Experience**
 - 2010-present : Vice President, Refinery Project
 - 2009-2009 : Senior Manager, Project
 - 2005-2009 : Senior Manager, Project Engineering Division
 - 2004-2004 : Senior Manager, Technical Service Division : Manager, Technical Service Division
 - **Other directorship positions/other positions at present**
 - Other listed companies
 - None -
 - Non-listed businesses
 - None -
-

Mrs. Chavewan Kiatchokechaikul

Vice President, Corporate Communication and Community Relations Office, Corporate Administration and Information Technology

- Age 54
- **Education/Training**
 - Master of Public and Private Management (MPPM), National Institute of Development Administration (NIDA)
 - Bachelor of Arts in Political Science (Government), Ramkhamhaeng University
 - Mini-MBA, Thammasat University
 - Property Development, Chulalongkorn University
- Field Study Concerning Economy and Education, USA
- The Philosophy of Sufficiency Economy, National Defence College Alumni Think Tank
- Executive of High Level Public Communication, ISRA Institute Thai Press Development Foundation
- **Experience**
 - The Bangchak Petroleum Public Company Limited)**
 - 2009-present : Vice President, Corporate Communication and Community Relations Office
 - 2005-2009 : Senior Manager, Public Relations Division

- 2002-2005 : Senior Manager,
Corporate Relations Division

- 2000-2002 : Senior Manager, President Office

Others

- 1999-2000 : Editor of Head News and Financial
News, Bangkok Business Newspaper

- 1997-1999 : President of The Economic Reporters
Association

- 1995-1999 : Editor of Economic News,
Naewna Newspaper

- 1983-1995 : Senior Reporter, Matichon Newspaper

• **Other directorship positions/other positions at present**

- Other listed companies

- None -

- Non-listed businesses

- None -

Mr. Ittikhun Sihsobhon

Vice President, Industrial and Lubricant Marketing,
Marketing Business

• Age 46

• **Education/Training**

- Master of Applied Science (Chemistry),
Curtin University of Technology

- Bachelor of Science (Chemistry),
Chulalongkorn University

• **Experience**

- April 2011-present : Vice President, Industrial and
Lubricant Marketing

- 2010-April 2011 : Acting Vice President, Industrial
and Lubricant Marketing

- 2007-2010 : Senior Manager, Lubricant Business
Division

- 2000-2007 : Manager, Lubricant Business Division

- 1999-2000 : Manager, Product Development Section

• **Other directorship positions/other positions at present**

- Other listed companies

- None -

- Non-listed businesses

- None -

Ms. Pakawadee Junrayapes

Vice President, The Secretary to The Board of the
Directors Office And Company Secretary,
Corporate Administration and Information Technology

• Age 50

• **Education/Training**

- Master of Law, Ramkhamhaeng University

- Bachelor of Law, Thammasat University

- Thai Barrister at law,

The Institute of Legal Education Thai Bar
Association Under The Royal Patronage

- Certificate in Business Law, Thammasat University

- Certificate in English for Specific Careers (Law),
Sukhothai Thammathirat Open University

- Company Secretary Program (CSP), IOD

- Director Certification Program (DCP), IOD

• **Experience**

The Bangchak Petroleum Public Company Limited

- April 2011-present : Vice President, The Secretary to
The Board of the Directors Office,
and Company Secretary

- 2009-April 2011 : Senior Manager, The Secretary to
The Board of the Directors Office,
and Company Secretary

- 2007-2009 : Senior Manager, Legal Office

- 2004-2007 : Manager, Legal Office

- 2002-2004 : Manager, Litigation Division

- 2002-2002 : Manager, Legal Office

Others

- 2006-2008 : Personal Specialist of National Legislative
Assembly Member and Sub-Committee on
Energy

• **Other directorship positions/other positions at present**

- Other listed companies

- None -

- Non-listed businesses

- None -

Report of the Corporate Governance Committee



To the Shareholders

The Board of Directors appointed the Corporate Governance Committee, headed by Mr. Surin Chiravisit, with Mr. Wirat Iam-Ua-Yut, Mr. Thana Putarungsi, Mr. Sarakorn Kulatham and Dr. Anusorn Sangnimnuan serving as members. Subsequently, at its meeting No. 6/2011, the Board appointed General Dapong Ratanasuwan and Mr. Pitipan Teparatimargorn as new members in place of Mr. Wirat Iam-Ua-Yut. In 2011, the committee held four meetings to monitor performance under the plan for developing good corporate governance practices. Below is a summary of the meetings:

In 2011, the committee held a total of four meetings to monitor performance under the plan for developing good corporate governance practices. Below are the essences of the meetings:

1. Rights of Shareholders

- Publicized information concerning the Annual General Meeting of the Shareholders (AGM) on the Company website 33 days ahead of the meeting and mailed the documents to the shareholders 21 days ahead of the meeting.
- Held the AGM at Synergy Hall, Energy Complex Building, to accommodate more attendees.
- Added registration points at the AGM for faster processing.

2. Equitable Treatment of Shareholders

- Allowed the shareholders to propose AGM agenda items and nominate directors between October 1 and December 31 of the previous year.
- Proposed six independent directors (excluding one director who completed term) to whom the shareholders could assign proxies for the AGM.

3. Roles of stakeholder

- Disclosed the Whistleblower Policy in the intranet
- Staged the second offsite CG meeting for the committee to inspect Bangchak service stations in the South (Krabi province) and meet station operators as well as cooperative groups. In addition, the committee observed the oil palm business, which will benefit the company's future oil palm business.
- Monitored whistle-blowing reports or complaints through the Internal Control Office, 24 cases of which arose in 2011.

4. Disclosure of information and transparency

- Developed the Bangchak Mobile Application on the iPhone (free download), which shows oil prices and Bangchak service stations and is GPRS-linked to show locations, together with an alert system for oil price changes.
- Installed two additional smart online boards at the refinery's Command Center and new firefighting building for a total of eight boards for greater information access efficiency among employees while phasing out the use of paper.
- Was invited to present the Company data under a project on TCC Best Awards, sponsored by the Office of National Anti-Corruption Commission and the Thai Chamber of Commerce.
- Was invited to present the Company data under a project on Transparency Awards, sponsored by the Office of National Anti-Corruption Commission.

5. Responsibility of the committee

- Staged meetings among independent directors in July and October, and ones among non-executive directors in August and November.
- Organized a study tour on alternative-energy business, including a hydropower plant.

6. Corporate governance policy

- Amended the policy for the eighth edition, having to do with working against corruption in all its forms, the number of listed companies where the Company's directors may serve as directors, composition of the Nomination and Remuneration Committee and more channels for whistle-blowing or complaint-filing.
- Asked all employees to respond to and take a test on the 2011 policy through the knowledge management system.
- Added the CG Hotline (4050) and compiled frequently asked questions (FAQs) on the policy, and added details in the intranet about the protection of whistle-blowers.

7. Publicity of corporate governance

Directors and the management were invited speakers on the policy and experience of corporate governance management:

- "Hear It from a CG Champion" for senior management of the insurance business, including delegates of the Office of Insurance Commission.
- "Experience on Private-sector Governance Implementation", sponsored by the Department of Mental Health.
- "Management Governance: Private-entity Case Study (Bangchak)", sponsored by Isra Institute, Thai Press Development Foundation.
- "Good Corporate Governance" for the management and staff of Thailand Productivity Institute.
- "Asean Standard and Corporate Governance Creation" sponsored by King Prajadhipok's Institute
- Participation in the "How New Foreign Bribery Laws Affect Companies in Thailand" seminar, sponsored by the Thailand Institute of Directors (IOD).
- Participation in the 2011 special seminar entitled "Thailand Agenda: Sustainable Governance", sponsored by the Doctorate Degree Project, Governance Development Discipline, Chandrakasem Rajabhat University.
- Participation in an anti-corruption walk campaign, sponsored by the anti-corruption network of associates and held at the Rama VI Statue plaza, Lumpini Park.

The Company also welcomed visiting public and private agencies, together with educational institutions, to its premises to share experiences and observe its corporate governance practices. It also joined the Global Compact associates of the United Nations, which deals with human rights, labor, the environment and anti-corruption on September 1, 2011.

8. Public relations to promote the corporate governance culture

- Included good corporate governance training in the orientation of new directors.
- Staged "BCP Culture CSR&CG" training sessions in 2011 for 239 employees.
- Staged the "CG Day 2011: Bangchak Joins All Anti-corruption Moves, Commits Good Deeds in Honor of HM the King" activity, featuring exhibitions, a talk by Mr. Klanarong Chantik, National Anti-Corruption Commissioner, and employees' performance on "Taviphop" (a popular Thai Drama) to cultivate understanding and tackle dishonest practices among employees.

(Signed) *Surin Chiravisit*

(Mr. Surin Chiravisit)

Chairman, Corporate Governance Committee



The Board of Directors is fully committed to conducting its business under the principles of good corporate governance to ensure that the Company performs its operations with efficiency, transparency and accountability toward all stakeholders. In 2011, the Company conformed to corporate governance principles in the following aspects:

1. Compliance with the Principles of Good Corporate Governance for Listed Companies 2006

The Stock Exchange of Thailand (SET) has instituted “The Principles of Good Corporate Governance for Listed Companies 2006” which consist of principles and best practices related to corporate governance for use by listed companies. The Company, throughout 2011, has continuously adopted such principles in executing its business, which can be divided into five areas as follows:

1.1 Rights of Shareholders

1) Policy

The Board has defined a policy on the rights of shareholders in the Corporate Governance Policy, section 6, with details as follows:

- 1) The Board of Director safeguards the basic rights of all shareholders:
 - The right to receive share certificates, the right to transfer shares and access to adequate and timely information in appropriate form for making decision that would affect the interests of the Company and oneself.
 - The right to attend meetings and cast votes at the Annual General Meeting (AGM) to make important decisions about the Company's significant policy, and on shareholders' right that require the Board to obtain approval from the AGM.
 - The right to appoint and remove Directors and to appoint an external auditor.
 - The right to dividend.
- 2) The Shareholder receives meeting invitations containing the venue and time which are properly arranged, also agenda details and related appendices. In the agenda to pay dividend, the Company must disclose a comparison between payment amount and dividend policy, then delivers such invitation to the shareholders and the registrar no less than 14 days prior to the meeting, advertises the meeting appointment in the newspaper for three consecutive days no less than three days prior to the meeting date, as well as making the information available on the Company website at least 1 month before delivering the meeting invitation.
- 3) In the agenda to appoint a Director, the shareholder can vote for individual nominees. The shareholder's vote is proportional to the number of the shares held.
- 4) According to the laws and the Company's articles of association, the Shareholder can submit a request to the Board for an item to be added to the meeting agenda and may ask questions, ask for explanations and express their opinions in an appropriate manner.
- 5) The Chairman, Directors and related executives are responsible for attending the AGM to answer shareholders' questions.
- 6) After the AGM, the shareholder can access information to find out the results of the ballots and matters considered.”

2) 2011 Annual General Meeting of Shareholders

- The 2011 Annual General Meeting of Shareholders (AGM) was held on Tuesday, April 5, 2011, sooner than in the previous year to avoid overlapping with the AGMs of most listed companies.
- The meeting was held at Energy Complex, located near BTS Mo-Chit Station and MRT Chatuchak station, which is conveniently accessible.
- The Company applied the record date for the 2010 AGM to give shareholders more time to examine meeting notices and related information ahead of the meeting.
- Shareholders were informed of the meeting two months ahead of the meeting date, which is or and above the standard required by law, to allow shareholders time to plan his or her schedule.
- Meeting documents were disseminated 33 days before the meeting date via website and 21 days via mail.
- Opinions of the Board were included for every agenda item and an annual report was attached as well as a proxy form, with details of documents and supporting evidence needed, together with meeting documents.
- Contact numbers were provided for additional inquiries by shareholders.
- Shareholders can pose inquiries ahead of the meeting for clarification from the Company related to agenda items proposed for the meeting. The rules and procedures were disclosed via the Company's website and SET's media channel.
- Facilities were provided to shareholders on the date of the meeting as follows:
 - Ample parking spaces were reserved and free transport provided from BTS Mo-Chit Station and MRT Chatuchak station to the meeting venue.
 - Registration points were increased and the barcode system used in registration and ballot counting for efficiency and speed.
 - The Thailand Securities Depository Company Limited's (TSD's) e-voting system was used in the registration and ballot counting for efficiency and transparency.
 - Stamp duties to affix to the proxy form were provided to proxies free of charge.
 - Stickers were provided to registered shareholders to ease their access to the meeting without re-verifying the document.
 - The President, before the meeting, informed shareholders of the voting and counting procedures for the resolution of each agenda.
 - A trip to Bangchak Refinery was arranged for interested shareholders and an exhibition board on the progress of the Company's operations was displayed for shareholders to better understand its overall operations.
- During the meeting, the shareholders were given equal opportunities to express their views and raising queries. Significant views and queries were recorded in the minutes of the meeting.
- Afterward, the minutes of the meeting were disseminated to the shareholders via the Company's website and SET's channel, and a video presentation of the meeting was posted on the Company's website

For the 2011 AGM, the Company invited Mr. Visith Uevirojnangkoon, independent legal consultant, to serve as a referee to ensure that the meeting was conducted in a transparent ways and in compliance with the laws and the Company's Regulations for the following matters:

1. Verification process for documents and evidence of shareholders or proxy holders
2. Quorum of the meeting
3. Abstention of stakeholders
4. Vote casting and vote counting procedures in compliance with the Company' s regulations/as informed by Chairman.
5. Monitoring of ballot collecting and verification of voting results and resolutions.

Because of its continual improvement, the Company has received, under a project to assess the quality of organizations for the (AGM)/ 2011, rated Excellent, organised by the Thai Investors Association.

1.2 Equitable Treatment of Shareholders

1) Policy

The Board has defined its policy on equitable treatment of shareholders in its corporate governance, section 6, in addition to those defined by the law, with details as follows:

- 1) Shareholders have the right to cast as many votes as the shares they hold and have equal access to information and media about the Company.
- 2) Shareholders receive sufficient and fair information from the Company. The Company does not show favor to certain groups of shareholders by giving access to undisclosed information.
- 3) All shareholders receive equal treatment in the AGM.
- 4) Shareholders can add items to the meeting agenda or nominate Directors ahead of the meeting and in accordance with Company guidelines.
- 5) The shareholders can directly contact independent directors on matters concerning his/her rights via ico@bangchak.co.th

2) Equitable Treatment of Shareholders

- Allowed shareholders to propose agenda items and nominate directors ahead of the AGM from October 1 to December 31, 2011, with related rules and procedures disclosed on the Company' s website, and posted a notice of the meeting via SET's media channels. The Company makes it a policy not to add any agenda items without prior notification, especially essential agenda items which need time for investigation before making decisions.
- Encouraged shareholders to use Proxy Form B with stipulated direction for voting and a list of six independent directors (excluding one director who completed term), any of whom they can appoint as their proxy in the meeting.

- Used ballot papers on every agenda, especially the agenda on election of directors, in which shareholders can vote for each individual nominee. The vote is in proportion to the number of shares held. Ballot papers (to either approve, disapprove or abstain votes) were collected from all shareholders attending the meeting.
- Defined guidelines for employees in the good corporate governance statement, section 8, on safeguarding the Company's confidential information and restraining from using the Company's confidential information for their own gains.
- Stipulated the duties of directors and the management in the good corporate governance statement, section 4, in refraining from trading of Company shares at least a month before the disclosure of financial statements and three days after the disclosure, as well as in reporting to the Board on their shares held every month.
- Provided various communication channels in order that shareholders can have equal access to the information.

1.3 Role of Stakeholders

1) Policy

The Board has defined its policy on the roles of the Company towards stakeholders in its corporate governance policy, section 6, as follows:

- "1) The Board recognize and value the rights of stakeholders as defined by laws, human rights and fair labor treatment, locally and internationally, and promotes cooperation between the Company and its stakeholders in forging prosperity, creating jobs and creating a sustained, stable financial status for the business. The Board ensures that the stakeholders' rights are protected and well-treated.
- 2) The Board takes into consideration the benefits derived and the stakeholders' assistance in forging its competitiveness and profitability.
- 3) The Board has instituted measures for whistle-blowing and complaint-filing against violations of the law and the code of conduct, or behavior potentially classified as frauds or malfeasance of those inside the Company or of stakeholders, including inaccurate financial reports or deficient internal controls. The Board has also instituted protective measures for whistle-blowers for stakeholders' greater stewardship of Company benefits..."

2) Role of Stakeholders

- Disclosed the Whistleblower Policy in the intranet.
- Staged one offsite CG meeting for the corporate governance committee to inspect Bangchak service stations in the Central and Northern Regions and meet service station operators and cooperative groups.
- Monitored information reports or complaints through the Internal Control Office, 24 cases of which arose in 2011.

In corporate governance, there are various groups of stakeholder which the Company takes into consideration their rights over and above those stated by the law, as well as not taking actions which might violate the rights of stakeholders. This can be summarized below

Employees

The Company recognizes that employees are the driving force, and encourages the training of employees to increase their competency. Moreover, the Company has arranged for the equal treatment of employees, and fair remuneration and benefits including medical care, the Company's shuttle service and activities including the Employee Club House which has various activity clubs for the employee's relaxation after their work. (Further details are included in the Sustainability Report 2011)

The Company has set up an Employee Joint Investment Program (EJIP) (October 1, 2009-September 30, 2011) as a means to motivate employees in their work and keep their loyalty with the Company by encouraging them to participate in the program as a way to accumulate savings through acquisition of the Company's shares through a regular and efficient trading system.

Customers and Society

The Company is dedicated to improving the quality of products and services for maximum customers' satisfaction. The policy aims to deliver quality goods which meets or exceeds the customer's demands under fair conditions, and aims to give adequate, accurate and timely information about the products and services. The Company does not exaggerate or mislead the customer about the quality, quantity or other terms and conditions of the products or services. Company employees protect the customer's secrets and do not use them for personal gains.

Suppliers/Contractors

The Company has a policy which limits the practices in contract and procurement as well as the provision and sales of petroleum and petroleum-related products to ensure that business conduct with its suppliers/contractors is carried out in an appropriate and fair manner, and complies with corporate governance. Moreover, the Company has a "Manual for Appropriate Business Conduct" and "Guidelines for Bangchak Petroleum Station Representatives" to ensure that the Entrepreneur/Representative of the Company conducts business with efficiency, corporate governance, and good business ethics. The policy treats suppliers/contractors fairly, and is based on the principle of fair compensation for both parties, honors contractual obligations and agreements, and seeks to notify suppliers/contractors as soon as possible in the case that one or more of the agreements cannot be fulfilled, in order to find a timely resolution.

Lenders

Bangchak treats lenders fairly, responsibly, and transparently and seeks to fulfill all its contractual and financial obligations. It does not engage in dishonest practices and does not conceal information which may cause losses for the lender. If the Company cannot fulfill one or more of its obligations, it seeks to notify the lender so that a resolution can be agreed upon together.

Competitors

The Company conducts business with ethics, transparency, and engages in fair competition with its competitors under the guidance of fair competition. It does not seek to find information about Competitors through dishonest or inappropriate means, for example, bribing a competitor's employees. The Company does not engage in slander or discrediting its competitors.

Shareholders

The Company is determined to follow the principles of corporate governance and is focused on creating a business which has financial stability and sustainability to maximize the value of shares for the benefit of the shareholders.

The Community around the Refinery, Society, and the Environment

The Company considers health and safety and the environment an integral part of the business, and has a written guideline on health, safety and the environment for the Directors, Executives, and employees to uphold. Under the mission to “Develop sustainable business, while safeguarding environment and Society”.

The Company produces “Krob Krua Bai Mai” (Leaf Family) newsletter and “Rob Rua Bangchak” (Bangchak Neighbors) magazine for distribution every other month to allow the community to know the goings-on of the Company as well as receiving interesting information, such as how to save energy, how to ensure safety in daily life, and health tips and how to protect the environment. This is another way for the Company to communicate with and take care of communities around its refinery.

Moreover, the Board has developed a mechanism for the stakeholders to be involved with the Company’s business by making information available and transparent, as well as listening to various opinions on Open House days, receiving information through opinion boxes, Investor Relations, and the website. **Various channels are available for tipping or making complaints against misconduct or unethical behavior in financial practices or internal control. There are mechanisms for protecting the whistleblower and appropriate mechanisms for action after information is received. This ensures that the stakeholders play an active part in protecting the Company’s interest.**

Methods of filing a complaint or inquiry

- E-Mail: ico@bangchak.co.th
- Mail: The Internal Control Office
The Bangchak Petroleum Plc
210 Sukhumvit 64, Bangchak, Phra Khanong, Bangkok 10260
Tel : 0-2335-4566 Fax : 0-2331-6530

1.4 Disclosure and Transparency

1) Policy

The Board has defined its policy on Disclosure and Transparency s in its corporate governance policy, section 7, as follows:

The Company is committed to the fair disclosure of information to the shareholders, financial institutions, securities companies, investors, those needing financial information, and the general public. It highly values communication practices that are open, complete, accurate, timely, and regular for past information and future value addition without bias against positive or negative information. The Company recognizes the need to maintain sensitive information for critical business

information and operating strategies. This policy aligns with the SET and SEC criteria and terms for information disclosure...

2) Disclosure and Transparency

- Developed the Bangchak Mobile Application on the iPhone (free download), which shows oil prices and Bangchak service stations and is GPRS-linked to show locations, together with an alert system for oil price changes.
- Installed two additional smart online boards at the refinery's Command Center and new firefighting building for a total of eight boards for greater information access efficiency among employees while phasing out the use of paper.
- Was invited to present the Company data under a project on TCC Best Awards, sponsored by the Office of National Anti-Corruption Commission and the Thai Chamber of Commerce.
- Was invited to present the Company data under a project on Transparency Awards, sponsored by the Office of National Anti-Corruption Commission.
- The Company has an investor relations section to communicate with analysts, investors and other persons who might seek information on financial statements, corporate performance and status as well as any transactions which might affect the Company.
- Regularly disseminate the Company's important news via SET's media channel, information disclosure forms, annual report and the Company's website, in both Thai and English.

1.5 Responsibilities of the Board

1) Policy

The Board has defined its policy on the roles, duties and responsibilities of the Board in its corporate governance statement, section 2. (details as in "Management Structure").

2) Responsibilities of the Board

- Staged meetings among independent directors in July and October, and ones among non-executive directors in August and November.
- Held a trip study on alternative-energy business, including a hydropower plant.
- Took part in defining a vision, mission, strategy, business targets, and budget each year to maximize economic value to the Company business and shareholders' security. The Board also approves essential strategies and policies, in particular, key performance indicators (KPIs) relating to financial and planning matters which the Board had earlier approved (indicators and targets) and monitor them from time to time.
- Ensured that the Company had efficient internal controls, internal audit, and risk management measures in place and regularly reported to the Board on its performance.
- Followed up on the management's execution by assigning the management to report the Company's performance and operations to the Board every month.

2. Corporate Governance Policy

The Board has had a written corporate governance policy since 2003 for its executives and employees to adhere to:

1. **Accountability** for all decisions made and actions taken
2. **Responsibility**, or being responsible for one's duties
3. **Transparency** in regard to information disclosure and being open to scrutiny
4. **Equitable Treatment** to all concerned parties
5. **Vision to Create Long-Term Value**
6. **Ethics** and virtue.

The corporate governance policy, section 2, stipulates the roles, duties and responsibilities of the Board in reviewing the policy regularly. In 2010, the Board developed and provided support to the execution of good corporate governance as follows:

- Amended the policy for the eighth edition, having to do with working against corruption in all its forms, the number of listed companies where The Company directors may serve as directors, composition of the Nomination and Remuneration Committee and more channels for whistle-blowing or complaint-filing.
- Asked all employees to respond to and take a test on the 2011 policy through the knowledge management system.
- Added the CG Hotline (4050) and compiled frequently asked questions (FAQs) on the policy, in the intranet.
- Played a role in disseminating good corporate governance principles to the public. Directors and executives were invited to share their knowledge and experience on the Company's good corporate governance on various occasions as follows:
 - "Hear It from a CG Champion" for senior management of the insurance business, including delegates of the Office of Insurance Commission.
 - "Experience on Private-sector Governance Implementation", sponsored by the Department of Mental Health.
 - "Management Governance: Private-entity Case Study (Bangchak)", sponsored by Isra Institute, Thai Press Development Foundation.
 - "Good Corporate Governance" for the management and staff of Thailand Productivity Institute.
 - "Asean Standard and Corporate Governance Creation" sponsored by King Prajadhipok's Institute
 - Participation in the "How New Foreign Bribery Laws Affect Companies in Thailand" seminar, sponsored by the Thailand Institute of Directors (IOD).
 - Participation in the 2011 special seminar entitled "Thailand Agenda: Sustainable Governance", sponsored by the Doctorate Degree Project, Governance Development Discipline, Chandrakasem Rajabhat University.
 - Participation in an anti-corruption walk campaign, sponsored by the anti-corruption network of associates and held at the Rama VI Statue plaza, Lumpini Park.

The Company also welcomed delegates from public and private agencies, as well as educational institutions, to its operations where experience was shared at study tours of the Company's good corporate governance. On September 1 this year, Bangchak joined the network associates of the United Nations Global Compact, dealing with human rights, labor, the environment and anti-corruption.

- Launched public relations activities to promote the good corporate governance culture as follows:
 - Training on good corporate governance was included in its orientation course for new directors.
 - Training on BCP Culture CSR&CG 2011 for 239 employees.
 - Staged the "CG Day 2011: Bangchak Joins All Anti-corruption Moves, Commits Good Deeds in Honor of HM the King" activity, featuring exhibitions, a talk by Mr. Klanarong Chantik, National Anti-Corruption Commissioner, and employees' performance on "Taviphop" (a popular Thai Drama) to cultivate understanding and tackle dishonest practices among employees. The Company, to publicize its good corporate governance model, invited four representatives from interested listed companies to participate as observers.

The Company has also defined its policy and directions in compliance with good corporate governance, with an emphasis on internal controls, internal audit and risk management systems, and monitored and supervised the management to conduct business in compliance with good corporate governance for long-term benefit to shareholders and stakeholders and in compliance with the law. The Company has also defined its Business Ethics as follows:

1. Transparency and disclosure of information
2. Equitable treatment of related parties
3. Risk management
4. Commitment to excellence
5. Commitment to social responsibility
6. Virtue and ethical behavior at every level.
7. Anti-Corruption of all forms

3. Conflicts of Interest

Under the corporate governance policy, section 8, the guidelines for directors, management and employees stipulated that they must refrain from any act posing potential conflicts of interest with the Company, i.e. any act potentially depriving the Company of its interests or its fair share of interests, including competing with the Company, incurring personal gains from private business dealing with the Company, abuse of Company information for personal gain and holding shares in the Company's business competitors.

The Company, in order to prevent potential conflicts of interest, has set the following forms:

- **Employees' personal information in addition to job information form**

To comply with the policy on good corporate governance, which forbids directors, management and employees to commit any act which might deprive the Company of its interests, the Company has prepared the above-mentioned form. All employees are to fill it out and deliver it to Internal Audit through their supervisors, to in turn audit any acts or activities that might be in conflict with the Company's business interests.

- **Report of directors and management's stake form**

The Securities and Exchange Act (No. 4) B.E. 2551 (2008) stipulates that directors and the management are to report to the Company his/her or connected persons' stakes connected with the business operations of the Company or its subsidiaries. The Company has therefore prepared the above-mentioned form for its directors and management to fill out and report any change to the Company. The Corporate Secretary will forward a copy of the form to the Chairman of the Audit Committee to ensure that the directors and management perform their duties with integrity.

- **Report on connected transactions form**

To ensure that transactions between the Company and any related parties or businesses are transparent and comply with SET's rules and regulations, the Company has defined a policy and guidelines on connected transactions and prepared the above-mentioned form for responsible employees to fill out and forward it to the Secretary to the Board with a copy to Internal Audit for acknowledgment.

4. Monitoring the Use of Inside Information

The Company has a policy detailing the accepted practices of director, executive and employees and forbidding the disclosure of important secret information to the public for personal or other gains, as well as policies on the buying and selling of Company shares as follows:

1. Directors and executives, as well as spouses and offspring, including connected persons, according to Article 258 of the Securities and Exchange Act of 1992 must notify and distribute information about shares held, as well as reporting any changes to SEC every time they buy, sell, transfer, or receive shares within three days of the change to comply with Article 59 or face punishment according to Clause 275 of the Securities and Exchange Act of 1992.
2. Notify the Directors and executives of the financial information which affects the price of shares. Avoid buying or selling Company shares one month prior to the disclosure of information and three days after disclosure, as well as not disclosing information to others before it is made available to the public.

Furthermore, in the Board Meeting, Directors and executives must report changes in shares held every month, and must notify the Company without delay if:

- They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
- They hold shares or bonds in the Company and its subsidiaries.

The Company also has penalties against employees who use the Company's inside information for personal gains, ranging from a warning to termination of employment.

5. Remuneration for the External Auditor

5.1 Audit Fee

The Company and its subsidiaries have paid audit fees as follows:

- The Company's External Auditor (Mr. Viroj Jindamaneepitak or Mr. Charoen Poosamritlert or Mr. Winid Silamongkol) in the last year totaled 0 Baht
- The Audit Company (KPMG Phoomchai Audit Ltd.), persons and businesses related to the external auditor and the Audit Company in the last year totaled 2,692,104 Baht (Bangchak Petroleum Plc: 1,811,424 Baht, Bangchak Green Net Ltd.: 649,830 Baht and Bangchak Biofuel Ltd.: 158,350 Baht and Bangchak Solar Energy Ltd.: 72,500 Baht)

5.2 Other fees

- none -

6. Investor Relations

The Company realizes that its information, both financial and non-financial, affect the decision-making process for investors and stakeholders. Therefore the management values accurate and full disclosure in a regular and timely manner, in accordance with SEC and SET regulations. The Investor Relations department acts as a center for giving out important information to investors and ensuring that financial reports as well as important information which affects the value of the Company's shares, such as the financial statements, the business performance report, MD&A report and analysis for each quarter and year, are distributed in a timely and regular manner, and that complying with SEC regulations. This is for the benefit of investors both in Thailand and abroad. The Company produces a performance report and provides information to investors, shareholders and stakeholders directly and indirectly as follows:

- Directly: The Company keeps analysts, investors and employees updated regularly through analyst meetings, company road shows, E-newsletters, conference calls and attending conferences organized by various institutions, meeting with minor investors on SET's Opportunity Day, or company visits to other listed companies through the Federation of Thai Industries to allow potential investors, shareholders in listed companies, analysts and Federation of Thai Industries members to have access to the Company's management information and activities. Related parties can also make appointments to ask for information about business updates and can attend the company visit programs as well. Moreover, those who cannot attend analyst meetings can access the information through videotaped sessions, which are put on the website in Thai and English.

A Summary of Investor Relations Activities in 2011

Activity	Number (times)
Foreign Roadshow	4
Local Roadshow	2
Analyst Meetings	4
Opportunity Day (organized by the SET)	3
Company Visit	34
Conference Call	12
Answering Inquiries by E-mail/telephone	Apprx. 3-4 times/day
E-newsletter	4
Site Visit	4
Shareholder and Minor Investors Get-together	6

- Indirectly: The Company gives out both current and past information about the Company, financial statements, performance reports, as well as other reports submitted to SET on the Company's website www.bangchak.co.th, where interested parties can read and download this information. The Investor's Relations page contains information in Thai and English which is updated frequently.

Investors and related parties can make queries or ask for the Company's information at Ms. Supamol Eamaon, tel. 0-2140-8952, at the Website: www.bangchak.co.th, or e-mail address: ir@bangchak.co.th

Furthermore, the Company distributes information about public relations, business updates, business progress, and ongoing projects, as well as answering questions and allowing ready access for the media and the public, through e-mails, press releases, photo captions, press conferences, as well as Opportunity Day. Activities in 2011 can be summarized as follows:

Activity	Number (times)
Press Conference/other ceremonies involving the media	18
SMS news alert	88
Press Release	23
Photo Caption	84

Changes in the Securities Portfolios of the Board and the Executive



The Company has notified all Board of Directors and Executives team members about the announcement of the Securities and Exchange Commission (SEC), calling on them to report their portfolios, including those of their spouses and children not yet of age, to SEC within 30 days of their appointment to the Board and the management rank, and to do so with each change in portfolio.

Each month the portfolios and changes of the Board and the executives are reported to the Board at their meeting. As of year-end 2011, these portfolios were as follows.

Name		Type of Securities ^{1/}	Shares as of Year-end 2010	Shares as of Year-end 2011	Up (Down)
Board of Directors					
1. Mr. Krairit	Nilkuha	-	-	-	-
2. Prof. Dr. Chai-Anan	Samudavanija	-	-	-	-
3. Dr. Anusorn	Tamajai	-	-	-	-
4. Mr. Wirat	Iam-Ua-Yut	BCP	-	150,715	150,715
		BCP-DR1	100,650	-	(100,650)
		Warrant (BCP-W1)	65	-	(65)
5. Mr. Thana	Putarungsi	-	-	-	-
6. Mr. Surin	Chiravisit	-	-	-	-
7. Mr. Issra	Shoatburakarn	-	-	-	-
8. General Dapong	Ratanasuwan ^{2/}	-	-	-	-
9. Ms. Supa	Piyajitti	-	-	-	-
10. Mr. Nuttachat	Charuchinda	-	-	-	-
11. Mr. Sarakorn	Kulatham	BCP	-	20,000	20,000
12. Mr. Chumphon	Thitayaruks ^{3/}	BCP	-	2,000	2,000
13. Mr. Pitipan	Tepartimargorn ^{3/}	-	-	-	-
14. Dr. Anusorn	Sangnimnuan ^{4/}	BCP	20,000	455,708	435,708
		BCP-DR1	252,360	-	(252,360)
Executive Management ^{4/}					
1. Mr. Vichien	Usanachote	BCP	-	48,977	48,977
2. Mr. Wattana	Opanon-amata	BCP	-	6,532	6,532
		BCP-DR1	2,860	-	(2,860)
		Warrant (BCP-W1)	286	-	(286)
3. Mr. Yodphot	Wongrukmit	BCP	-	44,096	44,096
4. Mr. Bundit	Sapianchai	BCP	-	31,895	31,895
5. Mr. Surachai	Kositsareewong	BCP	-	42,687	42,687
6. Mr. Kiatchai	Maitriwong	BCP	-	11	11
7. Mr. Pongchai	Chaichirawiwat	BCP	-	44,332	44,332
8. Mr. Somchai	Tejavanija	BCP	-	28,522	28,522

Note: 1/ Types of securities:

- BCP (common shares of the Bangchak Petroleum Plc)
- BCP-DR1 (Depository Receipts of Ordinary Shares of the Bangchak Petroleum Plc) was forced to be redeemed as BCP (common shares) on 18 June 2011.
- BCP-W1 (Warrants on the Bangchak Petroleum Plc's newly issued common shares series 1/2006) was expired and invalid on May 14, 2011.

2/ Appointed to the Board on April 5, 2011

3/ Appointed to the Board on May 31, 2011

4/ Changed in the Securities Portfolios of the Executive was partly a result of Employee Joint Investment Program (EJIP) which expired on September 26, 2011.

Internal Control



Below is a summary of opinions of the Board of Directors ("Board") of Bangchak Petroleum Plc on the adequacy and suitability of the Company's internal control system.

1. Control environment

The Company's organizational environment and structure favor implementation of the internal control system. Its business goals are deliberated by the Board in a clear and measurable way for use as concrete guidelines for employees. Employee incentives or compensation has undergone a critical analysis for sensibility. A proper organizational structure favors efficient business execution by the management. Supporting assorted projects on alternative-energy promotion and CSR alike, which illustrate systematic social and environmental responsibility, the management also consistently values business integrity and ethics. In 2011, the Company revised its corporate governance policy by adding issues concerning anti-corruption in all forms, the number of listed companies where its own directors can serve as directors, the composition of the Nominating and Remuneration Committee and adding channels for whistle-blowing or complaint-filing. In addition, the company staged the annual CG Day under the theme "Bangchak Joins All Anti-corruption Moves, Commits Good Deeds in Honor of HM the King" to strengthen the promotion of its good corporate governance. To join others in achieving the turning point for this, it joined an anti-corruption network of associates in staging the "Bangchak joins all anti-corruption moves" by urging executives, employees and the public in a walking campaign to oppose corruption and underscore its intention. The company also puts in place whistle-blowing and complaint-filing measures for wrongdoing under laws, code of practice or behavior implying corrupt actions or malfeasance by its members and stakeholders, as well as for inaccurate financial reports or defective internal control system so that stakeholders may provide oversight.

2. Risk assessment

The Company has appointed the Enterprisewide Risk Management Committee (ERMC) to define policies, strategies and enterprisewide risk management goals; evolve such a management system for continual efficiency; support and actively encourage cooperation in risk management at all levels; and ensure suitable and efficient risk management. In 2011, the company took into consideration risks associated with new ventures (like the solar-cell power generation project, the joint-venture project in ethanol companies and the investment project in ASEAN Potash Mining Plc) to bolster confidence that such businesses are viable and achieve goals. It also evolved a risk management process by integrating the approaches under ISO 31000 and COSO ERM (which accounts for company-wide risk management) to achieve operating objectives and align with international standards. It continued to value the application of cost-benefit analytical tools in its selection of systematic and cost-effective risk management measures, and updated its risk management handbook to serve as guidelines for a common understanding among all.

Stringent and consistent is the Company's valuing of a sound environmental and safety management system to its neighboring communities. In 2011, it appointed an Organizational Development Committee, charged with system preparation to handle risks and potential crises; defined strategies to keep the company running even during emergencies; appointed a task force to draft business continuity management procedures to make plans comprehensive, ring-fence crises

and situations, and recall key business processes within recovery time objectives so as not to disrupt or harm its own businesses and those of customers and stakeholders. Every two months, the Enterprisewide Risk Management Committee monitors the outcomes of plan implementation of social and environmental activities at community and national levels.

3. Control activities

The Company's control activities rely on key performance indicators (KPIs) as a planning and control tool, with segregation of responsibilities for checks and balances. Authority, responsibility and approval of expenditure are defined in writing, along with preparation of documents that favor segmentation and identification of responsible parties should things go wrong. Custodianship and stewardship of Company properties to prevent losses or abuses have been instituted. the Company transactions with long-term obligations are properly monitored for contractual compliance. Measures are in place to prevent self-gains of Company opportunities or benefits. Subsidiaries are properly monitored. Procedures are in place to ensure that the Company observes the law and relevant regulations. In 2011, the Company isolated internal controls from internal audit by having it report to the Development and Promotion of Internal Controls Committee. Now in place is control self-assessment (CSA) at business levels, section levels, and work process levels throughout the company, as is an annual assessment of performance.

In addition, the business processes of Bangchak Biofuels Co., Ltd., and Bangchak Green Net Co., Ltd. (the Company's subsidiaries) were reviewed. The company's duly stringent measures are applied to work when it is engaged in transactions with the

majority shareholder, directors and so on to prevent siphoning of benefits. These include approval procedures by parties with no vested interests, the need to disclose information about such transactions under the rule of the Securities and Exchange Commission and the disclosure of information about related parties or businesses required by accounting standards.

4. Information and communication

To ensure that essential company data, information and knowledge are complete for continuous use and are duly secure under ISO 27001's policy and guidelines for information security (ISMS), the Company has consistently developed its data and information system. Such policy and guidelines consist of 1) Security policy 2) Security guidelines 3) Information back-up plans 4) Emergency preparedness plans.

The IT Committee, represented by all businesses, devises a five-year IT Roadmap and is responsible for developing, formulating and reviewing plans in addition to overseeing and defining a corporate information policy for hardware and software.

In addition, the Company has developed an Executive Information System to track key data to accommodate senior management's decision-making.

5. Monitoring and assessment

The Company commands a performance tracking system by having a committee regularly compare performance results against goals, so that factors potentially impacting performance can lead to strategic plan adjustment and goal achievement. An internal audit unit, reporting to the Audit Committee, reviews compliance with the company's formulated internal control system.

Connected Transactions



The Board of Directors' opinions of Bangchak Petroleum Plc's connected transactions at December 31, 2011, are summarized as follows:

1. Connected transactions between shareholders

For the years ended 31 December 2010 and 2011, connected transactions with the shareholders were as follows:

Company	Relationship	Connected transaction	For the years ended 31 December Baht (million)	
			2010	2011
PTT Plc	Major shareholder	• Value of sale of refined products to PTT	17,410.90	20,394.68
		• Other revenues	119.87	123.56
		• Trade debtors as of the end of the period	1,538.68	1,595.75
		• Value of purchase of refined products from PTT	81,619.34	108,842.32
		• Trade creditors as of the end of the period	8,644.69	7,698.21
		• Creditor to others	170.74	411.20
		• Service fee for the use of PTT's Si Racha Terminal	230.71	232.61
		• Expenses on natural gas, steam and electricity	1,128.35	1,676.11
		• Accrued interests payable	7.41	-
		• Interests derived from converted subordinated debentures	17.57	1.44
		• Other expenses	8.59	2.26
		• Profits (losses) incurred by oil and product forward/futures contracts	3.78	-
		• Assets from risk insurance	1.20	-
		• Advance payments for utilities	82.65	129.06
		Holding convertible subordinated, unsecured bonds specifying holder's names		
		- As of 31 December 2011, the outstanding balance was - units		-
		- As of 31 December 2010, the outstanding balance of converted bonds was 58,560 units at a repurchase value of Baht 10,000 each	585.60	
Ministry of Finance	Shareholder	Investment underwriting of the principal of CD-DR:		
		- As of 31 December 2011, the outstanding balance of converted debentures was - units.		-
		- As of 31 December 2010, the outstanding balance of converted debentures was 135,097 units at a repurchase value of Baht 10,000 each.	1,350.97	
		Investment underwriting of the principal of BCP-DRI:		
		- As of 31 December 2011, the outstanding balance was - units		-
		- As of 31 December 2010, the outstanding balance of BCP-DR1 was 426 million units at a repurchase value of Baht 13 each	5,539.47	

1.2 Connected transactions with subsidiaries, jointly-controlled businesses, associated companies and related companies during 2010 and 2011 consisted of the following:

1.2.1 Sale of Product and Services: These items are sold and services performed by the Company to subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	18,296.80	20,575.52	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	48.58	48.86	BCP holds 70% shares	BCP delegates its representatives as directors
Associated companies				
Ubon Agricultural Energy Co., Ltd.	-	5.00	Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	BCP delegates its representatives as directors
Other related businesses				
PTT International Trading Co., Ltd.	1,165.69	37.28	Connected through PTT Plc	-
PTT Global Chemical Plc	697.33	2.73	Connected through PTT Plc	-
Thai Oil Plc	-	8.32	Connected through PTT Plc	-
PTT International Trading DMCC	-	343.83	Connected through PTT Plc	-

1.2.2 Purchase of product and services: These items have to do with the Company's purchase of products and/or services from subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	1.09	1.26	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	1,697.10	1,963.96	BCP holds 70% shares	BCP delegates its representatives as directors
Other related businesses				
IRPC Plc	1,843.68	1,470.79	Connected through PTT Plc	-
PTT Global Chemical Plc	1,749.73	29.63	Connected through PTT Plc	-
Thai Oil Plc	6,207.58	9,959.05	Connected through PTT Plc	-
Thai Lube Base Plc	20.13	36.43	Connected through PTT Plc	-
IRPC Oil Co., Ltd.	-	48.11	Connected through PTT Plc	-
Fuel Pipeline Transportation Co., Ltd.	135.33	136.47	BCP holds 11.40% shares in this company	BCP delegates its representatives as directors
Thai Oleochemicals Co., Ltd.	-	30.45	Connected through PTT Plc	-

1.2.3 Other revenue from subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	33.10	13.16	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	5.13	92.71	BCP holds 49% shares	BCP delegates its representatives as directors
Associated Companies				
Ubon Bio-Ethanol Co., Ltd.	-	0.66	BCP holds 21.28% shares	BCP delegates its representatives as directors
Other related businesses				
PTTEP Siam Co., Ltd	0.09	0.09	Connected through PTT Plc	-
PTT Exploration and Production Plc	0.13	-	Connected through PTT Plc	-
Fuel Pipeline Transportation Co., Ltd.	4.28	5.15	BCP holds 11.40% shares	BCP delegates its representatives as directors
Thai Lube Base Plc	0.17	-	Connected through PTT Plc	-
Star Petroleum Refining Co., Ltd.	-	10.81	Connected through PTT Plc	-
PTT Global Chemical Plc	-	6.08	Connected through PTT Plc	-
PTT International Trading DMCC	-	0.01	Connected through PTT Plc	-

1.2.4 Interest expenses paid by the Company to subsidiaries for loan guarantees under grant of operating rights.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	0.72	0.73	BCP holds 49% shares	BCP delegates its representatives as directors

1.2.5 Other expenses paid by the Company to subsidiaries, jointly-controlled businesses, associated companies and related companies.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries			BCP delegates its representatives as directors	
Bangchak Green Net Co., Ltd.	12.12	20.03	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Solar Energy Co., Ltd	-	1.38	BCP holds 100% shares	

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Other related businesses				
NPC Safety and Environmental Services Co., Ltd.	0.35	1.58	Connected through PTT Plc	-
Energy Complex Co., Ltd.	20.63	21.07	Connected through PTT Plc	-
PTT ICT Solutions Co., Ltd.	0.28	44.48	Connected through PTT Plc	-
Thai Oil Plc	0.51	0.05	Connected through PTT Plc	-
IRPC Plc	-	0.12	Connected through PTT Plc	-
Thaioil Energy Services Co., Ltd.	-	0.06	Connected through PTT Plc	-

1.2.6 Debtors, advance payments and short-term loans to related businesses

1.2.6.1 Trade debtors

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	710.88	689.75	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	6.43	11.37	BCP holds 70% shares	BCP delegates its representatives as directors
Associated companies				
Ubon Agricultural Energy Co., Ltd.	-	2.30	Ubon Bio-Ethanol Co., Ltd. (associated company) holds 100% shares	BCP delegates its representatives as directors
Other related businesses				
Fuel Pipeline Transportation Co., Ltd.	0.33	0.98	BCP holds 11.40% shares	BCP delegates its representatives as directors
Thai Oil Plc	-	0.48	Connected through PTT Plc	-
PTT International Trading DMCC	-	120.55	Connected through PTT Plc	-
PTT International Trading Co., Ltd.	-	37.28	Connected through PTT Plc	-
Star Petroleum Refining Co., Ltd.	-	11.56	Connected through PTT Plc	-
PTT Global Chemical Plc	-	0.41	Connected through PTT Plc	-

1.2.7 Debtors, advance payment and long- term loans to related businesses

1.2.7.1 Advance transport expenses

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Other related businesses				
Fuel Pipeline Transportation Co., Ltd.	15.16	12.00	BCP holds 11.40% shares BCP delegates its representatives as directors	

1.2.7.2 Other debtors

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Associated Companies				
Ubon Bio-Ethanol Co., Ltd.	-	0.13	BCP holds 21.28% shares BCP delegates its representatives as directors	

1.2.8 Creditors of related businesses

1.2.8.1 Trader creditors

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	3.57	9.45	BCP holds 49% shares	BCP delegates its representatives as directors
Bangchak Biofuel Co., Ltd.	97.70	87.62	BCP holds 70% shares	BCP delegates its representatives as directors
Other related businesses				
PTT Aromatics and Refining Plc	96.69	-	Connected through PTT Plc	-
Thai Oil Plc	605.31	181.83	Connected through PTT Plc	-
Thai Lube Base Plc	0.34	1.95	Connected through PTT Plc	-

1.2.8.2 Other creditors

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Subsidiaries				
Bangchak Solar Energy Co., Ltd.	-	1.38	BCP holds 100% shares	BCP delegates its representatives as directors
Other related businesses				
Fuel Pipeline Transportation Co., Ltd.	15.33	15.90	BCP holds 11.40% shares	BCP delegates its representatives as directors
Energy Complex Co., Ltd.	0.06	0.06	Connected through PTT Plc	-
PTT ICT Solutions Co., Ltd	-	0.01	Connected through PTT Plc	-

- 1.3 Other non- current assets. These items are the Company's guarantee payment for office use under lease contracts for office and related services.

Related company	2010 Baht (million)	2011 Baht (million)	Relationship for the year ended 31 December 2011	
			Shareholding	Management
Other related businesses				
Energy Complex Co., Ltd.	4.51	4.51	Connected through PTT Plc	-

- 1.4 Other current liabilities: These items are the Company's demanded guarantee payment for operating contracts with subsidiaries companies.

Related company	2010 Baht (million)	2011 Baht (million)	Relationship for the year ended 31 December 2011	
			Shareholding	Management
Subsidiaries				
Bangchak Green Net Co., Ltd.	26.86	27.23	BCP holds 49% shares	BCP delegates its representatives as directors

- 1.5 Other non-current liabilities: These items are the Company's revenue received in advance for land lease from related companies.

Related company	2010	2011	Relationship for the year ended 31 December 2011	
	Baht (million)	Baht (million)	Shareholding	Management
Other related businesses				
Fuel Pipeline Transportation Co., Ltd.	5.82	5.35	BCP holds 11.40% shares	BCP delegates its representatives as directors

Connected transactions:

1. With PTT Plc

Orders for crude oil supplies between BCP and PTT, which is BCP's crude oil supplier for sale to industrial operators under the terms of feedstock supply agreements, are designed to enhance BCP's capability for sourcing feedstock for its processes. As for the sale of refined products, PTT notifies BCP six months in advance of its orders. A meeting is held each month to confirm orders, for which pricing follows market prices.

BCP entered into a 10-year contract with PTT, starting on August 3, 2009, for natural gas purchase to feed BCP's processes. Pricing was agreed in the contract with the terms and conditions considered normal business practice.

BCP entered into a contract with PTT for the use of PTT's Si Racha petroleum and gas terminal service. The 15-year contract, which started on January 1, 2009, involves receipt, storage and distribution of oil products. The service charge was agreed in the contract with the terms and conditions considered normal business practice.

BCP entered into an agreement with PTT to operate NGV fueling stations. The Company earned income from land use and station operation at the rates agreed in the contract, with the terms and conditions considered normal business practice.

BCP entered into an agreement with PTT on February 25, 2008, for the sale/purchase of electricity and steam. Under the contract, PTT is the investor in the construction of a plant with a capacity to produce 90 tons per hour of steam and 19.7 megawatts of electricity, while BCP is the sole buyer of all products at the prices agreed in the contract with the terms and conditions considered

normal business practice. Commercial production started in June 2010.

BCP holds convertible, subordinated, unsecured bonds specifying the holder's names for BCP's financial restructuring. This gives BCP access to sources of funds with better conditions.

As a part of its risk management, BCP entered into a price-hedging contract with PTT, due to end in December 2010, using the prices and currency exchange rates agreed in the contract. BCP later terminated the contract, which resulted in a gain from such hedging. Payment was due in December 2010.

2. With the Ministry of Finance

The ministry underwrote the CD-DR debentures and BCP-DR1 equity shares issued by Siam DR Co., Ltd., for BCP's financial restructuring to ease its search for better sources of fund.

3. With Bangchak Green Net Co., Ltd.

Bangchak Green Net managed Bangchak service stations and consumer product sales at Lemon Green and Bai Chak outlets. These connected transactions followed normal business practices, relied on market prices and followed the details stated in the operating right agreements.

4. With Bangchak Biofuel Co., Ltd.

A subsidiary company, Bangchak Biofuel was set up to produce and sell biodiesel. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

5. With Bangchak Solar Energy Co., Ltd.

A subsidiary company, Bangchak Solar Energy Co., Ltd., operated a 38-megawatt

power plant to produce electricity from solar cell (Sunny Bangchak) phase 1, at Amphoe Bang Pa-in, Ayutthaya. These connected transactions followed normal business practices, relied on market prices and followed details stated in the operation contracts.

6. With Ubon Bio-Ethanol Co., Ltd

Ubon Bio-Ethanol (UBE), the Company's associated company, is engaged in cassava-based ethanol production with a production capacity of 400,000 liters per day, equivalent to 132,000,000 liters per year. The ethanol was used in the production of BCP's gasohol and some was exported to China. The transaction with this company followed normal business practices, relied on market prices and followed details stated in the operation contracts.

7. With Ubon Agricultural Energy Co., Ltd

Transactions with Ubon Agricultural Energy Co., Ltd, a connected company as a result of Ubon Bio-Ethanol Co., Ltd. (BCP's associated company), holding shares in this company, followed normal business practices and market prices.

8. With Fuel Pipeline Transportation Co., Ltd

BCP entered into contracts with this company to take its oil products from Bangchak Depot to its Bang Pa-in Depot and sell them to its customers in the Central, North and Northeast under normal business conditions and market prices.

9. With Thai Oil Plc

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices

10. With PTT Global Chemical Plc

(a company founded through the

amalgamation of PTT Aromatics and Refining Plc and PTT Chemical Plc)

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

11. With Thai Lube Base Plc

Transactions with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.

12. With IRPC Plc

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

13. With NPC Safety and Environmental Services Co., Ltd.

Service fees with this company, a connected company as a result of shared relationship through PTT, followed normal business practices and market prices.

14. With PTT International Trading Co., Ltd.

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

15. With PTT ICT Solutions Co., Ltd.

Payment for the rights to use Microsoft software from this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

16. With PTTEP Siam Co., Ltd.

Other services fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

17. With Energy Complex Co., Ltd.

The deposit payments, office rents and office service fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

18. With Thai Oleochemicals Co., Ltd.

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

19. With PTT Exploration and Production Plc

Other services fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

20. With PTT International Trading DMCC

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

21. With IRPC Oil Co., Ltd.

Transactions with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

22. With Star Petroleum Refining Co., Ltd

Transactions with this company, a

connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

23. With Thai Oil Energy Services Co., Ltd

Other services fees with this company, a connected company as a result of PTT's shareholding in both, followed normal business practices and market prices.

These transactions were undertaken in the normal course of business, with none taken as extraordinary transactions. No siphoning of interests occurred among BCP, subsidiary companies, connected companies and shareholders. Approvals were scrutinized by the President, who duly approved them as authorized by Company regulations, with the exception of the underwriting of debentures and equity stocks by the Ministry of Finance, which enabled BCP to find sources of funds with superior conditions to the case without underwriting them.

Disclosure of connected transactions follow the rules of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the accounting standards concerning the disclosure of information concerning connected parties and businesses, as defined by the Federation of Accounting Profession of Thailand.

Policy for future connected transactions

In undertaking future connected transactions, BCP will continue its product and oil pipeline transport service transactions with connected companies, since these represent normal business practices in the same industry. The pricing of products and services follow market practices and/or the details stipulated in commercial contracts. However, in such cooperation, BCP takes into consideration its best interests. The Audit Committee and the Internal Audit Office are to supervise and review BCP's business to ensure its conformance to securities and SET laws, as well as the requirements, announcements, or regulations of SET. In addition, for whichever transactions involving BCP executives, they are not allowed to cast their votes in meetings.

Management's Discussion and Analysis for Business Operations



For the year ended December 31, 2011

1.Executive Summary

For the year end of 2011, the Consolidated Financial Statements recorded a net profit of Baht 5,610 million (EPS = 4.24 Baht per share) which can be summarized in the table below

(Unit: Million Baht)	End of 2011	End of 2010	Q4 2011	% Change YoY	% Change QoQ
Sale Revenues	158,610	136,369	40,172	+16.31%	+1.01%
Net Profit ^{1/}	5,610	2,796	561	+100.64%	-7.12%
EPS (Baht))	4.24	2.16	0.42	+96.30%	-4.55%

Note 1/ Excluding the profit attributed to Non-Controlling interests.

For the year end of 2011, Net Profit increased by 100.64% from last year because of higher GRM and inventory gain. In addition, company also received the compensation from PQI contractor and claim received from insurance company according to the Hydro Cracking Unit's pipe leakage incident in January, 2011. Company's projects progress status are shown as follow:

Project	Details	Progress
1. Product Quality Improvement Project		
1.1 Gasoline EURO IV Project	To improve gasoline quality to meet with the EURO IV standard following the new regulation of the Ministry of Energy which has been legally effective on January 1, 2012	The Commercial Operation Date (COD) was in November 2011.
2. Marketing Business Expansion Project		
2.1 Gasohol Promotion Project	To promote and expand the use of gasohol through the increasing service stations of E20 and E85, including the sales promotion through the Gasohol Club Card	As of end of 2011, the Company's average sales volume of E20 was 10 million litres per month and average sales volume of E85 was around 400,000 litres per month .There are 454 service stations selling E20 and 30 service stations selling E85.

Project	Details	Progress
3. Renewable Energy Development Project		
3.1 Solar-cell power generation plants– Solar Farm Phase 1 at Bang Pa-in District, Ayutthaya Province.	<p>The capacity of 38 MW consisting of :</p> <ul style="list-style-type: none"> • 8 MW plant, electricity will be sold to the PE • 30 MW plant, electricity will be sold to the EGAT 	<ul style="list-style-type: none"> • The 8 MW plant had commercial operation since Aug 5, 2011, but ceased its operation on October 16, 2011 due to the flood. The plant has insurance coverage both property damage and Business Interruption. It is expected to resume operation in April 2012. • The 30 MW plant has been under construction and not yet hand-over. The insurance coverage was arranged by the contractor. It is expected that the Commercial Operation Date (COD) of 30 MW will be in July 2012. • From the flood in 2011, the company had the impairment losses for solar project for Baht 98 million.
3.2 Solar-cell power generation plants-Solar Farm Phase 2 (Bangchak Solar Energy Co., Ltd./BSE)	<p>The capacity of 32 MW comprises of 2 locations: A 16 MW plant is at Bamnet Narong District, Chaiyaphum Province and the other 16 MW is at Bangpahun District, Ayutthaya Province</p>	<ul style="list-style-type: none"> • The 16 MW plant at Bamnet Narong District, Chaiyaphum Province is expected to start construction in April 2012. • The other 16 MW plant at Bangpahun District, Ayutthaya Province is under the study of flood protection system and expected to start the flood protection construction in Second Quarter of 2012
3.3 Ethanol Project (Ubon Bio Ethanol Co., Ltd./UBE)	<p>Produce ethanol with the capacity of 400,000 litres per day. Its business includes the manufacturing of cassava starch and biogas. BCP holds 21.28% of UBE shares.</p>	<ul style="list-style-type: none"> • Under construction, expected to be completed and start COD in October 2012. • In October 2011, UBE had signed a contract with OSIC to export ethanol 300,000litre/day to China

For the investment in Thai Agro Energy Public Company limited (TAE), BCP had announced the investment cancellation as TAE could not achieve the condition precedent as stated in Share Sale and Purchase Agreement within the specified time frame.

2.Oil Price Situation

In 2011, an average crude price increased from previous year around 28 \$/bbl. At the beginning of the year, there were two prominent key factors that supported the increase in oil price. Firstly, the Japanese earthquake in March 2011 resulted in the shutdown of nuclear power plants and led to strong demand of fossil fuel especially crude oil. Secondly, the political unrest situations in Middle East and North Africa regions led to the price rising until International Energy Agency (IEA) decided to release 60 million barrels of its strategic reserves to heal the situation.

In the Second Half of the year, oil price decreased due to the resolved of political tension in Middle East, but the price still fluctuated until the end of the year. Negative impact to oil price resulted from the announcement of S&P lowering the U.S. long term credit rating from AAA to AA. Price also been pressured by the “Operation Twist”, the FED’s measurement to stimulus the U.S. economy. This resulted in U.S. dollar appreciation and an increase in oil price. Furthermore, the concern over the default of some of the countries in Euro zone such as Greece, Ireland, Portugal, Italy and Spain were also the critical factors.

At the end of the year, oil price was supported from tension between Iran and the West over Iran’s nuclear program.

Oil prices and product spread comparisons

Unit: USD/bbl

Price	MAX	2011 MIN	AVG (A)	2010 AVG (B)	Changes (A)-(B)
DB	116.00	92.52	106.19	78.04	+28.15
UNL95/DB	18.06	3.86	13.50	10.31	+3.19
GO/DB	22.01	15.67	18.28	11.41	+6.87
IK/DB	23.21	16.44	19.39	12.04	+7.35
FO/DB	-0.11	-10.77	-5.18	-5.68	+0.50

3. Operating Result

3.1 Summary of the Operating Results on consolidated basis

(in million Baht)

Statements of income	Year 2011	Year 2010	Changes + / (-)	4Q2011	
				2011	2010
Revenue from sale of goods and rendering of services	158,610	136,369	+22,241	40,172	36,225
Cost of sale of goods and rendering of services	(147,984)	(130,020)	+17,964	(38,364)	(33,783)
Gross Profit	10,626	6,350	+4,276	1,808	2,442
Gain (loss) from crude and product oil price hedging contract	(759)	28	-787	117	(189)
Gain (loss) from foreign exchange and foreign exchange forward contract	(531)	912	-1,443	(196)	187
Impairment cost (loss)	12	146	-134	(227)	20
Other income / expense	1,524	717	+807	73	493
Selling, General & Administrative Expense	(3,841)	(3,406)	+435	(1,305)	(1,153)
Profit before financial costs and income tax expense	7,031	4,746	+2,285	269	1,800
Financial costs	(783)	(879)	-95	(195)	(228)
Income tax expense	(615)	(995)	-380	472	(447)
Net Profit / (Loss)	5,632	2,872	+2,760	546	1,125
- Non-controlling interests	22	76	-54	-15	39
- Equity holders of the Company	5,610	2,796	+2,814	561	1,086

Revenues

For 2011, revenues from sale of goods and rendering of services of the Company and its subsidiaries were Baht 158,610 million, comprised of the Company's revenues of Baht 156,928 million, Bangchak Green Net Company Limited (BGN)'s revenues of Baht 21,774 million, Bangchak Bio Fuel Company Limited (BBF)'s revenues of Baht 2,500 million and Bangchak Solar Energy Company Limited (BSE)'s revenues of Baht 1.38 Million. However, there was connected transaction of Baht 22,593 million which mostly associated with the sale transactions from the Company to BGN and BBF.

Cost of sale of goods and rendering of services

For 2011, cost of sale of goods and rendering of services of Consolidated Income Statement was Baht 147,984 million, comprising of the Company's costs of Baht 147,033 million, Bangchak Green Net Company Limited (BGN)'s costs of Baht 21,083 million and Bangchak Bio Fuel Company Limited (BBF)'s costs of Baht 2,363 million adjusted by connected transaction of Baht 22,495 million, which mostly was cost of sales of oil finished products among the Company to BGN and B-100 produced by BBF sold to BCP.

Net Profit

For 2011, the Consolidated Financial Statements recorded a net profit of Baht 5,632 million, which was the Company's net profit of Baht 5,643 million, Bangchak Green Net Company Limited (BGN)'s net profit of Baht 14 million, Bangchak Bio Fuel Company Limited (BBF)'s net profit of Baht 74 million and Bangchak Solar Energy Company limited (BSE)'s net profit of Baht 0.33 million. Taking out the profit attributed to Non-Controlling interests of Baht 22 million, the remaining net profit to equity holders of the Company was Baht 5,610 million (EPS 4.24 Baht.)

3.2 Analysis of the Company's Operating Results

(in million Baht)

Statements of income	Year 2011	Year 2010	Changes + / (-)	4Q2011	
				2011	2010
Revenue from sale of goods and rendering of services	156,928	134,638	+22,290	39,792	35,661
Cost of sale of goods and rendering of services	(147,033)	(129,115)	+17,918	(38,082)	(33,493)
Gross Profit	9,896	5,523	+4,373	1,710	2,168
Gain (loss) from crude and product oil price hedging contract	(759)	28	-786	117	(189)
Gain (loss) from foreign exchange and foreign exchange forward contract	(531)	912	-1,443	(196)	187
Impairment cost (loss)	12	146	-135	(227)	20
Other income/expense	1,629	705	+924	73	462
Selling, General & Administrative Expense	(3,249)	(2,853)	+396	(1,144)	(1,004)
Profit before financial costs and income tax expense	6,998	4,461	+2,536	333	1,644
Financial costs	(748)	(842)	-94	(187)	(219)
Income tax expense	(607)	(985)	-378	468	(437)
Net Profit/(Loss)	5,643	2,634	+3,009	614	987

- For 2011, The Company's net profit was Baht 5,643 million increased from the last year by Baht 3,009 million. The Company's base performance EBITDA was Baht 6,597 million. Combining inventory gain of Baht 2,597 million and loss from GRM Hedging of Baht 171 million, total accounting EBITDA was Baht 9,022 million in which the refinery business, marketing business and Solar Power plant were accounted for Baht 7,716 million, Baht 1,292 million and Baht 14 million respectively. The Total Gross Integrated Margin-GIM (Gross Refining Margin-GRM and Marketing Margin-MKM) was 11.77 \$/bbl. and the average crude run was at 85.7 KBD.
- The revenue from sales was Baht 156,928 million, Baht 22,290 million increasing from 2010, due to rising in average oil price compared to the last year. Average retail price was Baht 26.09 per liter compared to Baht 22.45 per liter in 2010 while sales volume slightly increased by 0.35%.

- Gross profit of Baht 9,896 million which was Baht 4,373 million increasing (79.11%) from 2010 resulted from an improvement in refinery margin and a substantial inventory gain of Baht 2,597 million.
- Baht 759 million loss from crude and product oil price hedging contract.
- Loss from foreign exchange and foreign exchange forward contract amounted of Baht 531 million resulted from Thai Baht depreciation. It had effected a FX loss from Mark to Market and the USD 200 million Cross Currency Swap transactions in which the company had swapped the Thai Baht Loan to USD loan (Cross Currency Swap) according to the company's Natural Hedge Policy to protect exchange rate fluctuation impact.
- Other income was Baht 1,629 million comprising of a compensation from PQI contractor of Baht 918 million, claim received from insurance according to the incident in January, 2011 of Baht 260 million, and other income of Baht 451 million.
- Selling, General & Administrative expense increased by Baht 396 million resulted from an increase in transportation expenses and employees benefits.
- A decrease in financial cost of Baht 94 million from the conversion of convertible debenture in the beginning of 2011 and the Long-Term Loan restructure.
- Corporate Income Tax decreased by baht 378 million because of the BOI Tax Privilege from the Baht 1,349 million investment in Environmental Improvement Project.

The breakdown EBITDA by businesses

	(in million Baht)			
	For Year		△	
	2011	2010	+/(−)	%
Base Performance EBITDA	6,597	5,365	+1,232	+23.0
- Refinery business	5,291	4,004	+1,287	+32.1
- Marketing business	1,292	1,361	-69	-5.1
- Solar Power Plant	14	-	+14	N/A
Gain (loss) from GRM hedging	(171)	28	-199	N/A
Gain (loss) from inventory (Including Inventory Hedging)	2,597	434	+2,163	+498.4
Total Accounting EBITDA	9,022	5,827	+3,195	+54.8
- Refinery business	7,716	4,466	+3,250	+72.8
- Marketing business	1,292	1,361	-69	-5.1
- Solar Power Plant	14	-	+14	N/A

Refinery Business

- For 2011, the Refinery Business's Base Performance EBITDA was Baht 5,291 million, an increase of Baht 1,287 million from EBITDA last year. As there were Baht 2,597 million inventory gain (included inventory hedging) and Baht 171 million loss from GRM hedging, total accounting EBITDA of Refinery business was Baht 7,716 million, an increase of Baht 3,250 million from 2010. The Refinery Business has a Total GRM of 9.24 \$/bbl, compared to 6.09 \$/bbl in 2010. An average crude run was 85.7 KBD decreasing from 86.0 KBD in 2010 due to a Turnaround Annual Maintenance in the First Quarter and equipments fixing in the Third Quarter. GRM Analysis is available as follows:

Unit: USD/bbl			
GRM	For Year 2011	For Year 2010	Changes +/-
Base GRM	6.71	5.63	+1.08
GRM Hedging	-0.18	0.03	-0.21
Inventory Gain (include inventory hedging)	2.71	0.43	+2.28
Total	9.24	6.09	+3.15

Base GRM The Base GRM was at 6.71 \$/bbl which was 1.08 \$/bbl increase from 5.63 \$/bbl in 2010 due to an improvement in spreads of all finished products to crude, and a better production yield. The spreads of the oil finished products and the benchmark crude are described as follows:

Unit: USD/bbl			
spreads	For Year 2011	For Year 2010	Changes +/-
UNL95/DB	13.50	10.31	+3.19
IK/DB	19.39	12.10	+7.29
GO/DB	18.28	11.41	+6.87
FO/DB	-5.18	-5.68	+0.50

GRM Hedging loss of 0.18 \$/bbl since the spread between finished products to crude oil were higher than the prices the company had hedged.

Inventory Effect Net inventory gain equaled to 2.71 \$/bbl due to rising in oil price from the previous year.

Marketing Business

- For 2011, EBITDA from the Marketing Business was Baht 1,292 million, Baht 69 million decreased from EBITDA of the last year which was at Baht 1,361 million. The Company's Marketing Margin (excluding lube) was at Baht 0.55 per litre (equivalent to USD 2.85 per barrel at the average exchange rate of 30.63 Baht/USD) which was lower when compared to last year's marketing margin of Baht 0.56 per litre (equivalent to USD 2.75 per barrel at the average exchange rate of 31.86 Baht/USD). It was the effect from the government policy of diesel price cap and a postpone of oil fuel fund since September 2011.
- The sales volume through the Marketing Business increased approximately by 7% from the last year, resulted from increases in industrial sales, service station sales and JET sales to Thai Airways International PLC., by 29.3%, 2.8% and 3.7% respectively.

Monthly sales volume by marketing business

	(in million Baht)			
	Year		△	
	2011	2010	+/-	%
Service station	194.3	189.0	+53	+2.8%
Jobber	10.2	12.1	-1.9	-15.6%
Industrial sales	77.1	59.6	+17.5	+29.3%
JET	65.9	63.6	+2.3	+3.7%
Lube and others	2.5	2.2	+0.2	+14.7%
Total	350.0	326.5	23.5	7.2%

Solar Power Plant Business

- In 2011, the 8 MW Solar Power Plant generated revenue of Baht 28 million and EBITDA of Baht 14 million. The Commercial Operation Date was on August 5, 2011 but later ceased operation on October 16, 2011 due to flood.

4. Analysis of the Financial Position as of December 31, 2011 compared with December 31, 2010

(Million Baht)

	31 December 2011		31 December 2010	
	Consolidated	Company	Consolidated	Company
Assets				
Current assets	31,294	30,760	32,084	31,451
Investments in associates and other long-term investments	745	1,111	-	198
Property, plant and equipment	26,959	26,062	23,566	22,736
Other non-current assets	2,605	2,568	2,763	2,754
Total assets	61,603	60,501	58,413	57,139
Total assets				
Current liabilities	13,990	13,786	14,918	14,577
Long-term borrowings & debentures (including current portion)	16,581	16,022	19,577	19,028
Other non-current liabilities	1,152	1,121	1,137	1,109
Total liabilities	31,724	30,929	35,632	34,713
Equity				
Total equity attributable to owners of company	29,729	29,572	22,616	22,426
Non-controlling interests	150	-	164	-
Total equity	29,879	29,572	22,780	22,426
Total liabilities and equity	61,603	60,501	58,412	57,139

Remark : The figures shown in the table for 2011 and 2010 were adjusted to the new accounting standard which has been applied since 1 January 2011.

4.1 Assets

- At the end of December 2011, Total Assets of the Company and its subsidiaries were Baht 61,603 million, which comprised of the Company's total assets of Baht 60,501 million, Bangchak Green Net Company Limited (BGN)'s total assets of Baht 874 million, Bangchak Bio Fuel Company Limited (BBF)'s total assets of Baht 1,282 million and Bangchak Solar Energy (BSE)'s total assets of Baht 151 million adjusted by connected transactions of Baht 1,205 million which was mainly Trade Account Receivable-BGN and BBF of Baht 699 million and Baht 99 million accordingly. Subsidiaries investment of Baht 348 million and realized Baht 18 million lose from associate investment (Ubon-Bio-ethanol)
- The Company's Total Assets at the end of 2011 compared to the end of 2010 increased by Baht 3,362 million or increased by 6%. The changes of assets were mainly from
 - Cash decreased by Baht 5,092 million resulted from cash used for operating activities, in investment activities and long-term loan repayment. (Detail is mentioned under Cash Flow Analysis Section).
 - Net Accounts Receivable increased by Baht 2,354 million from the increasing sales through Supply sales, industrial sales and export.

- The inventories increased by Baht 1,087 million from an increase in product prices while decreased in quantity. Inventory as of end of 2011 was 4.5 M.bbl which comprised of 2.9 M.bbl in crude oil and 1.6 M.bbl in finished products
- Prepayment of Corporate Income Tax increased by Baht 327 million because the Corporate Income Tax paid for the First-half of 2011 was higher than the actual Corporate Income Tax, as the Company has received benefits from BOI tax privilege in Environmental Improvement Project amounted of Baht 1,349 million.
- At the end of 2011, Oil Fuel Fund Subsidy Receivable increased by Baht 406 million mostly from refunds of Diesel (EURO IV), GSH E20 and GSH9.
- Other Current Assets comprised of a Baht 568 million increase in Value Added Tax Receivable since there was an increase in crude purchasing, whereas Insurance Compensation Receivable decreased by Baht 416 million since the company already received the compensation payment.
- Property, plant and equipment increased by Baht 3,326 million. In 2011 the Company had an investment of Baht 5,145 million which were investment in Solar Power Plant 38 MW, Euro IV investment and normal capital expenditure. In addition, there was Baht 98 million in impairment assets caused by 2011 flood in Solar Power Plant, Baht 241 million reversing entries of impairment assets and Baht 1,850 million depreciation.

4.2 Liabilities

- At the end of December 2011, Total Liabilities of the Company and its subsidiaries were Baht 31,724 million, which comprised of the Company's total liabilities of Baht 30,929 million, Bangchak Green Net Company Limited (BGN)'s total liabilities of Baht 839 million, Bangchak Bio Fuel Company Limited (BBF)'s total liabilities of Baht 782 million and Bangchk Solar Energy (BSE)'s total liabilities of Baht 0.33 million adjusted by connected transactions of Baht 826 million which mostly associates with the sale transactions between the Company and subsidiaries (BGN and BBF).
- The Company's Total Liabilities at the end of 2011 compared to the end of 2010 decreased by Baht 3,784 million. The changes of liabilities were mainly from;
 - The short-term loans increased by Baht 2,000 million for working capital.
 - Current portion of long-term loans from financial institutions decreased by Baht 1,069 million. There was a long-term loans drawdown of Baht 3,452 million for the 38 MW Solar Power Plants while there was a long-term loan prepayment of Baht 4,521 million. In addition, convertible debentures (CD-DR) were completely converted to common share worth of Baht 1,937 million.
 - Accounts Payable decreased by Baht 1,477 million which was resulted from a 1.19 Mbbl. decrease in crude purchasing at the end of the Fourth Quarter.
 - Excise tax and oil fuel fund payable decreased resulted from the government policy to reduce excise tax rate and remittance to oil fuel fund.
 - Other Non-Current Liabilities decreased by Baht 794 million which mainly resulted from decrease in Other Account Payable from the final payment to PQI Contractor, Unpaid expenses and retention.

4.3 Equity

- At the end of 2011, the Consolidated Total Equity was Baht 29,879 million, which comprised of the Company's total equity of Baht 29,572 million, Bangchak Green Net Company Limited (BGN)'s total equity of Baht 35 million, Bangchak Bio Fuel Company Limited (BBF)'s total equity of Baht 499 million and Bangchak Solar Energy (BSE)'s total equity of Baht 151 million adjusted by connected transactions of Baht 377 million.
- The Company's Total Equity at the end of 2011 was Baht 29,572 million increased by Baht 7,146 million from the end of 2010. The changes in the Company's Equity were as follow;
 - The Company's net profit for year 2011 was Baht 5,643 million.
 - The holders of the CD-DR had exercised conversion into common shares worth Baht 1,352 million at conversion price of Baht 14.30 per common share.
 - PTT had exercised conversion CD-PTT worth Baht 585 million to common shares at conversion price of Baht 14 per common share.
 - The holders of BCP-W1 had exercised their right to purchase common shares at exercise price of Baht 18 per common share, totaling 63 million shares.
 - The above mentioned CD conversion and warrant exercising led to an increase of the common shares by 200 million shares at par of Baht 1 per share (an increase of Baht 200 million in paid up capital and an increase of Baht 2,885 million in share premium)
 - The dividend paid to the Company's shareholders was in a total of Baht 1,582 million which comprised of Baht 687 million for the second half of 2010 at Baht 0.55 per share and Baht 895 Million for the 2011 interim dividend at Baht 0.65 per share.

Therefore, as of December 31, 2011, the Company's equities were Baht 29,572 million, with a book value of Baht 21.48 per share

5. Analysis of the Cash Flows Statement

	(Million Baht)	
	Consolidated	Company
Cash flows from operating activities	9,965	9,787
Cash used for operating assets and liabilities	(8,845)	(8,814)
Net cash used in operating activities	1,120	973
Net cash used in investing activities	(6,003)	(5,961)
Net cash paid from financing activities	(205)	(104)
Net increase (decrease) in cash and cash equivalents	(5,088)	(5,092)
Cash and cash equivalents at 1 January 2011	9,109	8,504
Cash and cash equivalents at 31 December 2011	4,020	3,412

- In 2011, the Company and Subsidiaries had Cash and cash equivalents at 1 January 2011 of 9,109 million. Net decrease in cash and cash equivalents was Baht 5,088 million which was resulted from Baht 1,120 net cash received from operating activities, Baht 6,003 million net cash used in investing activities and Baht 205 net cash paid for financial activities. As a consequence, total cash and cash equivalents at 31 December 2011 accounted for Baht 4,020 million.
- In 2011, the Company had a net profit of Baht 5,643 million and added by Baht 2,789 million from non-cash expenses, thus the cash earnings before interest and Corporate Income Tax were Baht 8,432 million and the Company's cash beginning balance was at Baht 8,504 million. Detail of cash used are as follows:
 - The company used Baht 8,814 million of cash for operating assets and liabilities;
 - The Company paid cash of Baht 4,545 million for the operating assets and liabilities, mostly for the increase in Trade Account Receivable by Baht 2,343 million, the increase in Inventory by Baht 1,177 million, and the increase in Other Assets by Baht 1,025 million.
 - Cash paid of Baht 2,859 million from Liabilities. There were Baht 1,870 million decreased in Accounts Payable, and Baht 989 million decreased in Debt and Other Accrued Expenses.
 - Corporate Income Tax paid of Baht 1,410 million
 - The company used Baht 5,961 million of cash for investing activities; Investment in Property, Plant and Equipments of Baht 5,059 million, Share payment of Baht 913 million in Subsidiaries and Affiliated Companies.
 - The company used Baht 104 million of cash for financing activities ;
 - Receiving of Baht 2,000 million from short-term loan and Baht 3,452 million from long-term loan.
 - Receiving Baht 1,148 million of cash from BCP-W1exercising.
 - Baht 601 million paid for interest expense.
 - Baht 4,521 million paid for long-term loan prepayment
 - Baht 1,582 million for annual and interim dividend payments to the shareholders.

Therefore, as of the end of 2011, the Company's cash and cash equivalents decreased by Baht 5,092 million from the end of 2010 when the Company's cash was at Baht 8,504 million, leading to the ending cash of Baht 3,412 million.

6. Financial Ratio

(Million Baht)

	2011		2010	
	Consolidated	Company	Consolidated	Company
Net Profit Margin, %	3.54	3.60	2.05	1.96
Earnings Per Share, Baht/Share ^{1/}	4.24	4.26	2.39	2.25
Return on Equity-ROE, %	21.44	21.70	11.54	10.92
ROE (excluding inventory effect), %	14.47	14.71	10.26	9.66
Current Ratio, Times	2.15	2.16	1.83	1.84
Debt to Equity, Times ^{2/}	0.62	0.61	0.86	0.85
Book Value, Baht/Share ^{3/}	21.59	21.48	19.22	19.06

1/ As of 1,374 million shares in 2011 and 1,170 million shares in 2010.

2/ Calculated from Interest bearing debt

3/ As of 1,377 million shares at September, 30 2011 and 1,177 million shares at December, 31 2010.

7. Environmental Cost Accounting

Having the environmental concerns and social responsibilities, since 2005, the Company has prepared the Environmental Management Accounting Report (production line) and also published in the Annual Sustainability Report. The Environmental Cost Accounting helps the Company to keep track of related information, which is useful for enhancing the environmental management effectiveness, and resource utilization. The report for 2011 compared to last year is summarized hereunder.

Million Baht

	2011	2010	Change +/-
Material Costs of Product Outputs : Consist of crude oil, ethanol, bio-diesel, chemical, energy and utilities in production	110,779.62	84,091.34	+26,688.28
Material Costs of Non-Product Outputs : Consist of slop and sludge oil, waste water, chemical surplus	132.49	132.48	+0.01
Waste and Emission Control Costs : Consist of maintenance cost of environmental control equipments and depreciation and other fees	154.40	222.66	(68.26)

(Million Baht)			
	2011	2010	Change +/-
Prevention and Other Environmental Management Costs :			
Consist of monitoring and measurement cost, environmental management system expenses	7.32	7.99	(0.67)
Benefit from by-product and waste recycling : The revenue realization from liquid sulfur, glycerin, waste paper	(25.20)	(12.39)	+12.81

From the above table, the environmental expense in 2011 as a whole, increased from 2010 around Baht 26,688.28 million, or increased by 32%. Most of which, more than 99%, were the Material Costs of Product Outputs because the average crude oil price had increased by Baht 4.98 per litre, or increased by 31.8% compared to Baht 15.68 per litre in 2011.

The Material Costs of Non-Product Outputs was almost the same as 2010 due to 21% decrease of the slop oil which was in accordance with the decrease of the frequency of distillation unit maintenance.

The Waste and Emission Control Costs decreased by Baht 68.26 million or 30.66% from 2010 as the depreciation reduced from equipment replacements.

In addition, the benefit from by-product and waste recycling increased of Baht 12.81 million from liquid sulfur generated by refining 8 times amount of crude oil which had approximately twice sulfur contents compared to 2010.

Declaration of the Directors' Responsibility for the Financial Statements



The Board of Directors of the Bangchak Petroleum Plc has prepared the Company's financial statements to show its financial status and performance for 2009 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992, and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2011. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of the Company and its subsidiaries ended December 31, 2011 are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.

(Signed) *Krairit Nilkuha*

(Mr. Krairit Nilkuha)
Chairman of the Board

(Signed) *Anusorn Sangnimnuan*

(Mr. Anusorn Sangnimnuan)
President

Report of the Audit Committee



To the Shareholders

The Audit Committee (AC) consists of qualified members with expert, independence and experience, chaired by Dr. Anusorn Tamajai and consisting of Mr. Wirat Iam-ua-yut, Assoc.Prof. Pranom Kowinwipat and Mr. Issra Shoatburakarn as members. Then Assoc.Prof. Pranom Kowinwipat had completed her term in April 5, 2011. Therefore AC now consists of 3 persons.

In 2011 the committee held 12 meetings, ten of which with senior management. When meeting with senior management, executives with vested interests stayed away from the meetings. The following captures the meeting attendances.

Name		Attendance/Totalt
Mr. Anusorn	Tamajai	12/12
Mr. Wirat	Iam-ua-yut	12/12
Assoc.Prof. Pranom	Kowinwipat	3/3
Mr. Issra	Shoatburakarn	12/12

In addition, the committee held 2 meetings with the Enterprise-wide Risk Management Committee. The committee deliberated various matters, summarized below:

1. Reviewed quarterly and annual financial statements, as well as related financial reports, including adequate and timely disclosure of information, compliance with generally accepted accounting principles, accounting standards, and significant changes in accounting policies, together with connected transactions among shareholders and subsidiaries or related companies. This was to ensure that such connected transactions were conducted in the normal course of business without transferring benefits, in the best interests of the Company and in compliance with the regulations of the Stock Exchange of Thailand (SET). Also, the committee met with the Company's legal team to keep updated on significant court cases in which the Company was being sued with potentially significant impacts on its business.
2. Reviewed to ensure that the Company
 - Had instituted a proper, transparent and efficient internal control and internal audit system by monitoring the performance of the internal control office to ensure independence and efficiency
 - Confirmed the independence of the performance of the external auditor
 - Recognized the need for improved business efficiency while minimizing oil losses in its processes

3. Reviewed the Company's compliance with all accounting standards in effect, laws, SET regulations and laws relevant to its business in a complete and accurate manner and in line with corporate governance principles. The committee's emphasis was that the Company would exceed such standards.
4. Selected, nominated and proposed compensation for KPMG Phoomchai Audit Ltd. as the external auditor for 2011 and staged quarterly meetings between the committee and the external auditor to discuss concerns arising from each audit and find prompt solutions to significant ones.
5. Reviewed the adequacy of the Company's risk management process, investigated risks under identified ones and instituted coordination between the committee and the Enterprise-wide Risk Management Committee.
6. Actively encouraged and ensured compliance with safety standards and stewardship of the refinery surroundings and nearby communities.
7. Revised the Audit Committee Charter in line with the criteria and terms of the Office of the Securities and Exchange Committee (SEC) and SET and the Corporate Governance Policy to ensure confidence of shareholders, business partners, customers and other stakeholders that the Company's business follows such terms and the code of conduct to maintain an efficient internal control system.
8. Reviewed the policy and operating manual of the internal control office to cover the roles and responsibilities of the Audit Committee and the internal control office for use as a practical guideline.
9. Cooperated fully with the State Enterprise Policy Office in assessing the Company's internal control and internal audit performance through Thai Rating and Information Service Company (TRIS), the findings of which were implemented in audit quality improvement. The evaluation results of 2010 showed the Company ranked 5th of 54.

Having monitored the Company's performance in 2011 under the scope of authority and assigned responsibility, the Audit Committee approved the way the Company had prepared its financial statements, regarding it as accurate in significant details under generally accepted accounting principles. Connected transactions or items of potential conflicts of interest were adequately disclosed. the Company's internal controls and a risk management process are compatible with its business circumstances, with accurate and complete compliance with the law, SET regulations, and relevant laws.

(Signed) *Anusorn Tamajai*
 (Mr. Anusorn Tamajai)
 Chairman, Audit Committee

Audit report of Certified Public Accountant



To the shareholders of the Bangchak Petroleum Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011 and 2010, and the related statements of income, statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2011 and 2010 of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of The Bangchak Petroleum Public Company Limited and its subsidiaries, and of The Bangchak Petroleum Public Company Limited, respectively, in accordance with Financial Reporting Standards.

As explained in notes 2 and 4 to the financial statements, the Company has changed the accounting policy for property, plant and equipment from the revaluation method to the cost method and with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2012

Financial Statements



Statements of financial position

The Bangchak Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2011 and 2010

(Baht)					
	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Assets					
Current assets					
Cash and cash equivalents	7	4,020,710,649	9,109,013,095	3,411,905,210	8,503,955,407
Current investments	8	9,823,677	9,277,752	-	-
Trade accounts receivable					
Related parties	6,9	1,838,987,793	1,593,110,679	2,470,429,661	2,256,318,433
Other parties	9	6,233,335,944	4,132,852,213	6,197,541,965	4,057,976,964
Inventories	10	16,658,225,735	15,607,901,880	16,145,098,338	15,057,675,751
Refundable income tax		326,867,644	-	326,867,644	-
Oil Fuel Fund subsidies receivable		926,778,096	521,189,086	926,778,096	521,189,086
Other current assets	6,11	1,279,729,291	1,110,697,938	1,251,418,327	1,054,103,621
Total current assets		31,294,458,829	32,084,042,643	30,730,039,241	31,451,219,262
Non-current assets					
Investments in subsidiaries	6,12	-	-	347,539,500	197,539,500
Investments in associate	6,13	745,479,405	-	763,229,520	-
Other long-term investments	8	284,645,072	287,382,207	284,645,072	287,382,207
Tariff prepayment	6	12,004,200	15,163,200	12,004,200	15,163,200
Investment properties	14	288,062,000	288,062,000	288,062,000	288,062,000
Property, plant and equipment	15	26,959,261,135	23,565,916,447	26,061,624,313	22,735,512,491
Leasehold rights	16	937,382,932	954,016,761	937,382,932	954,016,761
Intangible assets	17	101,135,053	74,729,539	100,549,357	73,867,231
Investment in service stations	18	180,351,084	215,644,676	180,351,084	215,644,676
Deferred tax assets	19	179,072,560	242,544,559	179,072,560	242,544,559
Other non-current assets	6,20	621,639,658	685,019,795	616,489,423	678,109,992
Total non-current assets		30,309,033,099	26,328,479,184	29,770,949,961	25,687,842,617
Total assets		61,603,491,928	58,412,521,827	60,500,989,202	57,139,061,879

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

Statements of financial position

The Bangchak Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2011 and 2010

(Baht)					
	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2011	2010	2011	2010
			(Restated)		(Restated)
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	21	2,000,000,000	40,000,000	2,000,000,000	-
Trade accounts payable					
Related parties	6,22	7,881,988,240	9,347,034,229	7,979,056,032	9,448,296,084
Other parties	22	876,517,129	886,984,345	637,809,382	646,077,128
Other accounts payable to related parties	6	427,170,577	186,133,768	428,554,077	186,133,768
Current portion of long-term loans from financial institutions	21	551,363,070	2,662,116,916	450,000,000	2,587,414,538
Excise tax and Oil Fuel Fund payable		296,841,676	815,229,753	296,841,676	815,229,753
Income tax payable		148,141	536,208,053	-	532,686,643
Liabilities on hedging contracts		604,919,384	314,669,490	604,919,384	314,669,490
Other current liabilities	6,23	1,902,504,770	2,792,067,263	1,839,404,908	2,633,107,285
Total current liabilities		14,541,452,987	17,580,443,817	14,236,585,459	17,163,614,689
Non-current liabilities					
Long-term loans from financial institutions	21	16,030,166,740	14,978,618,763	15,572,000,000	14,504,038,953
Convertible debentures	6,21	-	1,936,570,000	-	1,936,570,000
Deferred tax liabilities	19	6,869,877	13,085,480	6,869,877	13,085,480
Liabilities on long-term lease		237,846,592	291,391,648	237,846,592	291,391,648
Employee benefit obligations	24	839,950,328	759,495,625	830,969,026	752,840,891
Other non-current liabilities	6	67,764,855	72,667,871	45,059,480	51,182,053
Total non-current liabilities		17,182,598,392	18,051,829,387	16,692,744,975	17,549,109,025
Total liabilities		31,724,051,379	35,632,273,204	30,929,330,434	34,712,723,714

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

Statements of financial position

The Bangchak Petroleum Public Company Limited and its Subsidiaries

As at 31 December 2011 and 2010

		(Baht)			
	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
Liabilities and equity					
Equity					
Share capital	25				
Authorised share capital		1,531,643,461	1,531,643,461	1,531,643,461	1,531,643,461
Issued and paid-up share capital		1,376,923,157	1,176,822,958	1,376,923,157	1,176,822,958
Additional paid-in capital					
Share premium	25,26	11,157,460,051	8,272,622,542	11,157,460,051	8,272,622,542
Share premium on subsidiary of the Company		18,621,225	18,621,225	-	-
Capital surplus on registered and paid-up share reduction	26	189,617,759	189,617,759	189,617,759	189,617,759
Retained earnings					
Appropriated					
Legal reserve	26	153,164,346	153,164,346	153,164,346	153,164,346
Unappropriated		16,833,294,392	12,805,338,933	16,694,493,455	12,634,110,560
Equity attributable to owners of the Company		29,729,080,930	22,616,187,763	29,571,658,768	22,426,338,165
Non-controlling interests		150,359,619	164,060,860	-	-
Total equity		29,879,440,549	22,780,248,623	29,571,658,768	22,426,338,165
Total liabilities and equity		61,603,491,928	58,412,521,827	60,500,989,202	57,139,061,879

(Signed) *Krairit Nilkuha*
(Krairit Nilkuha)
Chairman

(Signed) *Anusorn Sangnimnuan*
(Anusorn Sangnimnuan)
President

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

Statements of income

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

(Baht)					
		Consolidated		Separate	
	<i>Note</i>	financial statements	financial statements	financial statements	financial statements
		2011	2010	2011	2010
			(Restated)		(Restated)
Revenue from sale of goods					
and rendering of services	6,27	158,609,989,454	136,369,388,669	156,928,440,615	134,638,172,504
Cost of sale of goods and					
rendering of services	6	(147,984,315,203)	(130,019,702,976)	(147,032,761,020)	(129,115,258,254)
Gross Profit		10,625,674,251	6,349,685,693	9,895,679,595	5,522,914,250
Investment income	6,28	54,552,640	44,869,508	126,611,985	59,714,933
Other income	6,29	1,487,341,327	672,060,840	1,502,443,483	645,461,390
Selling expenses	6,30	(2,436,294,179)	(2,204,887,663)	(1,889,633,527)	(1,701,850,449)
Administrative expenses	6,31	(1,404,490,194)	(1,200,997,277)	(1,359,162,268)	(1,150,766,363)
Gain (loss) from crude and product					
oil price hedging contract	6	(758,853,327)	27,633,506	(758,853,327)	27,633,506
Gain (loss) from foreign currencies					
forward contract		(701,066,248)	523,543,066	(701,066,248)	523,543,066
Gain on foreign exchange		170,093,035	388,045,717	170,093,035	388,007,648
Net Reversal of allowance for loss from					
impairment of assets		11,706,758	146,244,762	11,706,758	146,244,762
Share of loss of associates	13	(17,750,115)	-	-	-
Profit before finance costs and					
income tax expense		7,030,913,948	4,746,198,152	6,997,819,486	4,460,902,743
Finance costs	34	(783,178,921)	(878,761,612)	(748,168,303)	(841,813,045)
Profit before income tax expense		6,247,735,027	3,867,436,540	6,249,651,183	3,619,089,698
Income tax expense	35	(615,291,297)	(995,468,477)	(607,067,283)	(985,217,582)
Profit for the year		5,632,443,730	2,871,968,063	5,642,583,900	2,633,872,116
Profit attributable to:					
Owners of the Company		5,610,156,464	2,796,239,265	5,642,583,900	2,633,872,116
Non-controlling interests		22,287,266	75,728,798	-	-
Profit for the year		5,632,443,730	2,871,968,063	5,642,583,900	2,633,872,116
Earnings per share					
Basic earnings per share (in Baht)	37	4.24	2.39	4.26	2.25
Diluted earnings per share (in Baht)	37	4.24	2.16	4.26	2.04

(Signed) *Krairit Nilkuha*
(Krairit Nilkuha)
Chairman

(Signed) *Anusorn Sangnimnuan*
(Anusorn Sangnimnuan)
President

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

Statements of comprehensive income

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

	(Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Profit for the year	<u>5,632,443,730</u>	<u>2,871,968,063</u>	<u>5,642,583,900</u>	<u>2,633,872,116</u>
Other comprehensive income for the year, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>5,632,443,730</u>	<u>2,871,968,063</u>	<u>5,642,583,900</u>	<u>2,633,872,116</u>
Total comprehensive income attributable to:				
Owners of the Company	5,610,156,464	2,796,239,265	5,642,583,900	2,633,872,116
Non-controlling interests	22,287,266	75,728,798	-	-
Total comprehensive income for the year	<u>5,632,443,730</u>	<u>2,871,968,063</u>	<u>5,642,583,900</u>	<u>2,633,872,116</u>

(Signed) *Krairit Nilkuha*
(Krairit Nilkuha)
Chairman

(Signed) *Anusorn Sangnimnuan*
(Anusorn Sangnimnuan)
President

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

Statements of changes in equity

For the years ended 31 December 2011 and 2010

The Bangkok Petroleum Public Company Limited and its Subsidiaries

Consolidated financial statements (Baht)

	Note	Share premium		Capital surplus on registered and paid-up share reduction	Retained earnings		Other components of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Share premium		Share premium on subsidiary of the Company	Legal reserve	Unappropriated and equipment	Surplus on revaluation of property, plant, and equipment			
Balance at 1 January 2010 - as reported		1,169,829,952	8,179,615,548	18,621,225	189,617,759	153,164,346	11,676,691,109	4,477,247,790	25,864,787,729	88,398,101	25,953,185,830
Impact of changes in accounting policies	4	-	-	-	-	-	(146,880,623)	(4,477,247,790)	(4,624,128,413)	(24,627)	(4,624,153,040)
Balance at 1 January 2010 - restated		1,169,829,952	8,179,615,548	18,621,225	189,617,759	153,164,346	11,529,810,486	-	21,240,659,316	88,373,474	21,329,032,790
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
Issue of ordinary shares	25	6,993,006	93,006,994	-	-	-	-	-	100,000,000	-	100,000,000
Dividends to owners of the Company	38	-	-	-	-	-	(1,520,710,818)	-	(1,520,710,818)	(41,412)	(1,520,752,230)
Total contributions by and distributions to owners of the Company		6,993,006	93,006,994	-	-	-	(1,520,710,818)	-	(1,420,710,818)	(41,412)	(1,420,752,230)
Total transactions with owners, recorded directly in equity		6,993,006	93,006,994	-	-	-	(1,520,710,818)	-	(1,420,710,818)	(41,412)	(1,420,752,230)
Comprehensive income for the year											
Profit		-	-	-	-	-	2,796,239,265	-	2,796,239,265	75,728,798	2,871,968,063
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	2,796,239,265	-	2,796,239,265	75,728,798	2,871,968,063
Balance at 31 December 2010		1,176,822,958	8,272,622,542	18,621,225	189,617,759	153,164,346	12,805,338,933	-	22,616,187,763	164,060,860	22,780,248,623

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

Consolidated financial statements (Baht)

	Note	Share premium		Capital surplus		Retained earnings		Other components of equity		Total equity
		Issued and paid-up share capital	Share premium	Share premium on subsidiary of the Company	on registered and paid-up share reduction	Legal reserve	Unappropriated and equipment	Surplus on revaluation of property, plant, and equipment	Equity attributable to owners of the Company	
Balance at 1 January 2011 - as reported		1,176,822,958	8,272,622,542	18,621,225	189,617,759	153,164,346	12,968,789,521	4,108,125,747	26,887,764,098	164,121,164
Impact of changes in accounting policies	4	-	-	-	-	-	(163,450,588)	(4,108,125,747)	(4,271,576,335)	(60,304)
Balance at 1 January 2011 - restated		1,176,822,958	8,272,622,542	18,621,225	189,617,759	153,164,346	12,805,338,933	-	22,616,187,763	22,780,248,623
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Issue of ordinary shares	25	200,100,199	2,884,837,509	-	-	-	-	-	3,084,937,708	3,084,937,708
Dividends to owners of the Company	38	-	-	-	-	-	(1,582,201,005)	-	(1,582,201,005)	(35,988,507)
Total contributions by and distributions to owners of the Company		200,100,199	2,884,837,509	-	-	-	(1,582,201,005)	-	1,502,736,703	1,466,748,196
Total transactions with owners, recorded directly in equity		200,100,199	2,884,837,509	-	-	-	(1,582,201,005)	-	1,502,736,703	1,466,748,196
Comprehensive income for the year										
Profit		-	-	-	-	-	5,610,156,464	-	5,610,156,464	22,287,266
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	5,610,156,464	-	5,610,156,464	22,287,266
Balance at 31 December 2011		1,376,923,157	11,157,460,051	18,621,225	189,617,759	153,164,346	16,833,294,392	-	29,729,080,930	150,359,619

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

Statements of changes in equity

For the years ended 31 December 2011 and 2010

The Bangkok Petroleum Public Company Limited and its Subsidiaries

Separate financial statements (Baht)

	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Other components of equity		Total equity
					Legal reserve	Unappropriated	Surplus on revaluation of property, plant, and equipment		
Balance at 1 January 2010 - as reported	4	1,169,829,952	8,179,615,548	189,617,759	153,164,346	11,662,887,782	4,477,247,790	25,832,363,177	
Impact of changes in accounting policies		-	-	-	-	(141,938,520)	(4,477,247,790)	(4,619,186,310)	
Balance at 1 January 2010 - restated		1,169,829,952	8,179,615,548	189,617,759	153,164,346	11,520,949,262	-	21,213,176,867	
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Issue of ordinary shares	25	6,993,006	93,006,994	-	-	-	-	100,000,000	
Dividends to owners of the Company	38	-	-	-	-	(1,520,710,818)	-	(1,520,710,818)	
Total contributions by and distributions to owners of the Company		6,993,006	93,006,994	-	-	(1,520,710,818)	-	(1,420,710,818)	
Total transactions with owners, recorded directly in equity		6,993,006	93,006,994	-	-	(1,520,710,818)	-	(1,420,710,818)	
Comprehensive income for the year									
Profit or loss		-	-	-	-	2,633,872,116	-	2,633,872,116	
Other comprehensive income		-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	2,633,872,116	-	2,633,872,116	
Balance at 31 December 2010		1,176,822,958	8,272,622,542	189,617,759	153,164,346	12,634,110,560	-	22,426,338,165	

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

Separate financial statements (Baht)								
	Note	Issued and paid-up share capital	Share premium	Capital surplus on registered and paid-up share reduction	Retained earnings		Other components of equity	
					Legal reserve	Unappropriated	Surplus on revaluation of property, plant, and equipment	Total equity
Balance at 1 January 2011 - as reported		1,176,822,958	8,272,622,542	189,617,759	153,164,346	12,790,966,718	4,108,125,747	26,691,320,070
Impact of changes in accounting policies	4	-	-	-	-	(156,856,158)	(4,108,125,747)	(4,264,981,905)
Balance at 1 January 2011 - restated		1,176,822,958	8,272,622,542	189,617,759	153,164,346	12,634,110,560	-	22,426,338,165
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	25	200,100,199	2,884,837,509	-	-	-	-	3,084,937,708
Dividends to owners of the Company	38	-	-	-	-	(1,582,201,005)	-	(1,582,201,005)
Total contributions by and distributions to owners of the Company		200,100,199	2,884,837,509	-	-	(1,582,201,005)	-	1,502,736,703
Total transactions with owners, recorded directly in equity		200,100,199	2,884,837,509	-	-	(1,582,201,005)	-	1,502,736,703
Comprehensive income for the year								
Profit or loss		-	-	-	-	5,642,583,900	-	5,642,583,900
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	5,642,583,900	-	5,642,583,900
Balance at 31 December 2011		1,376,923,157	11,157,460,051	189,617,759	153,164,346	16,694,493,455	-	29,571,658,768

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

Statements of cash flows

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

	(Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Profit for the year	5,632,443,730	2,871,968,063	5,642,583,900	2,633,872,116
<i>Adjustments for</i>				
Depreciation	1,879,182,085	1,696,597,751	1,826,504,350	1,647,281,581
Amortisation	173,891,622	173,552,487	173,563,758	173,040,176
(Reversal of allowance) allowance for doubtful debts	7,463,280	(5,787,808)	8,068,425	(6,176,546)
Unrealised (gain) loss on foreign exchange	709,806,671	(374,527,881)	709,806,671	(374,489,812)
Reversal of loss from impairment of assets	(11,706,758)	(146,244,762)	(11,706,758)	(146,244,762)
Loss on disposal of property, plant and equipment	116,742,100	10,051,117	116,890,492	11,181,954
Investment Income	(54,552,640)	(44,869,508)	(126,611,985)	(59,714,933)
Employee benefit obligations	98,699,850	88,596,871	96,373,282	86,908,867
Deferred revenue	(3,487,940)	(1,580,008)	(3,487,940)	(1,580,008)
Share of loss of associate	17,750,115	-	-	-
Finance costs	783,178,921	878,761,612	748,168,303	841,813,045
Income tax expense	615,291,297	995,468,477	607,067,283	985,217,582
	<u>9,964,702,333</u>	<u>6,141,986,411</u>	<u>9,787,219,781</u>	<u>5,791,109,260</u>
Changes in operating assets and liabilities				
Trade accounts receivable	(2,335,271,485)	(854,872,192)	(2,342,734,832)	(813,549,671)
Inventories	(1,145,824,993)	(1,211,529,174)	(1,177,202,725)	(1,095,842,647)
Other current assets	(970,485,571)	68,307,002	(1,013,569,251)	66,483,700
Other non-current assets	(18,900,608)	(223,089,191)	(11,786,546)	(238,601,477)
Trade accounts payable	(1,871,069,418)	4,158,085,734	(1,870,293,172)	4,064,781,543
Other current liabilities	(1,006,134,319)	758,837,725	(916,778,592)	734,076,849
Employee benefit obligations	(20,571,715)	(9,648,103)	(18,245,147)	(9,648,103)
Other non-current liabilities	(51,238,952)	(57,297,405)	(54,147,786)	(62,988,873)
Cash generated from operating activities	<u>2,545,205,272</u>	<u>8,770,780,807</u>	<u>2,382,461,730</u>	<u>8,435,820,581</u>
Income tax paid	(1,425,102,611)	(1,838,205,944)	(1,409,374,789)	(1,829,643,565)
Net cash from operating activities	<u>1,120,102,661</u>	<u>6,932,574,863</u>	<u>973,086,941</u>	<u>6,606,177,016</u>

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

Statements of cash flows

The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

	(Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
Cash flows from investing activities				
Interest received	55,972,614	43,261,933	44,293,553	40,429,354
Dividend received	-	-	83,926,183	17,640,000
Increase in current investments	(545,925)	(877,589)	-	-
Decrease (increase) in long-term investments	7,757,997	(82,348,023)	7,757,997	(83,248,023)
Purchase of property, plant and equipment	(5,193,317,535)	(1,318,558,399)	(5,072,968,315)	(1,298,538,932)
Sale of property, plant and equipment	14,511,105	32,441,501	13,965,846	31,310,659
Increase in leasehold right	(71,565,600)	(15,934,400)	(71,565,600)	(15,934,400)
Purchase of intangible assets	(53,065,500)	(18,182,710)	(52,836,000)	(17,841,133)
Net cash outflow from issue of subsidiary's share capital	-	-	(150,000,000)	-
Net cash outflow from purchase of shares in associate	(763,229,520)	-	(763,229,520)	-
Net cash used in investing activities	(6,003,482,364)	(1,360,197,687)	(5,960,655,856)	(1,326,182,475)
Cash flows from financing activities				
Interest paid	(635,895,070)	(876,042,096)	(601,194,494)	(838,405,466)
Increase (decrease) in short-term loans from financial institutions	1,960,000,000	(860,000,000)	2,000,000,000	(800,000,000)
Dividend paid	(1,618,189,512)	(1,520,752,230)	(1,582,201,005)	(1,520,710,818)
Proceeds from long - term loans	3,536,950,000	5,590,000,000	3,452,000,000	5,590,000,000
Repayment of long - term loans	(4,596,155,869)	(932,796,486)	(4,521,453,491)	(917,578,674)
Proceeds from exercise of share option	1,148,367,708	-	1,148,367,708	-
Net cash from (used in) financing activities	(204,922,743)	1,400,409,188	(104,481,282)	1,513,305,042
Net increase (decrease) in cash and cash equivalents	(5,088,302,446)	6,972,786,364	(5,092,050,197)	6,793,299,583
Cash and cash equivalents as at 1 January	9,109,013,095	2,136,226,731	8,503,955,407	1,710,655,824
Cash and cash equivalents as at 31 December	4,020,710,649	9,109,013,095	3,411,905,210	8,503,955,407

Non-cash transactions

On 4 October 2010, the Company issued 6.99 million new ordinary shares at the par value of Baht 1 each, totalling Baht 6.99 million to support the conversion of Convertible Debentures. The convertible value of each debenture is Baht 14.30 per common share, which results in a share premium totaling Baht 93.01 million.

During 2011, the Company issued 200.10 million new ordinary shares at the par value of Baht 1 each, totalling Baht 200.10 million to support the conversion of Convertible Debentures. The convertible value of each debenture is Baht 14.30 and Baht 14.00 per common share, which results in a share premium totaling Baht 2,884.84 million.

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

Notes to the financial statements



The Bangchak Petroleum Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

Note	Contents	Note	Contents
1	General information	23	Other current liabilities
2	Basis of preparation of the financial statements	24	Employee benefit obligations
3	Impact of severe flooding in Thailand	25	Share capital
4	Changes in accounting policies	26	Additional paid-in capital and reserves
5	Significant accounting policies	27	Segment reporting
6	Related parties	28	Investment income
7	Cash and cash equivalents	29	Other income
8	Investments	30	Selling expenses
9	Trade accounts receivable	31	Administrative expenses
10	Inventories	32	Employee benefit expenses
11	Other current assets	33	Expense by nature
12	Investments in subsidiaries	34	Finance costs
13	Investments in equity-accounted investee	35	Income tax expense
14	Investment properties	36	Promotional privileges
15	Property, plant and equipment	37	Earnings per share
16	Leasehold right	38	Dividends
17	Intangible assets	39	Financial instruments
18	Investment in oil service station	40	Commitments with non-related parties
19	Deferred tax	41	Contingent liabilities and contingent assets
20	Other non-current assets	42	Events after the reporting period
21	Interest-bearing liabilities	43	Thai Financial Reporting Standards (TFRS) not yet adopted
22	Trade accounts payable	44	Reclassification of accounts

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 14 February 2012.

1. General information

The Bangchak Petroleum Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office : 555/1, Energy Complex Building A, Floor 10th, Vibhavadi Rangsit Road, Chatuchak, Bangkok.
Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 23 April 1993.

The Company is a company in the PTT Public Company Limited (“PTT”) group of companies. PTT is incorporated in Thailand and is the major shareholder of the Company, holding 27.22 % of the Company's issued and paid-up share capital as of 31 December 2011.

The principal businesses of the Company are operating an oil refinery and marketing the finished products through its service stations under its company's brand. The Company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. The Company's other businesses are production and distribution of electricity from solar cell.

Details of the Company's subsidiaries as at 31 December 2011 and 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2011	2010
<i>Direct subsidiaries</i>				
• The Bangchak Green Net Co., Ltd.	Manage BCP service stations and consumer goods retailer	Thailand	49.00	49.00
• The Bangchak Biofuel Co., Ltd.	Production and distribution of biodiesel	Thailand	70.00	70.00
• The Bangchak Solar Energy Co., Ltd.	Production of electricity from solar cell	Thailand	100.00	-
<i>Indirect subsidiary</i>				
• The Bangchak Green Line Co., Ltd. (During liquidation process)	Fuel transportation	Thailand	49.00	49.00

2. Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions ("FAP"), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TIC 31	Revenue - Barter Transactions Involving Advertising Services
FAP Announcement no. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
FAP Announcement no. 18/2554	Accounting Guidance on Revaluation of Assets

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 43.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as explained in accounting policies.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) Use of estimates and judgements

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

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

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

Note 3	Impact of severe flooding in Thailand
Note 14	Valuation of investment properties
Note 19, 35	Current and deferred taxation
Note 24	Measurement of defined benefit obligations

3. Impact of severe flooding in Thailand

The Company's Solar Power Plant operation in Ayutthaya was affected by the unusual severe flooding that had affected parts of Thailand. As a result, The Solar Power Plant Project 8 Megawatts ceased its operations on 16 October 2011 and hasn't resumed operations. Management, the insurers and loss adjusters have had full access to the affected areas since December 2011 but have thus far not finalized their assessment of the actual damage suffered. Management believes that any losses arising as a consequence of the flooding will be substantially recovered from the insurance settlement. The book value of total assets of Solar Power Plant as at 31 December 2011 recorded in the consolidated statement of financial position amounted to Baht 671.35 million and revenue generated from operations at the plant recorded in the consolidated statement of income for the year ended 31 December 2011 amounted to Baht 27.58 Million. Management has made a preliminary assessment of the financial impact of the flooding on the Company's assets and operations. This preliminary assessment indicates that the carrying value of certain of the Company's assets will need to be reduced by Baht 97.77 million. The Company has already provided an allowance for impairment losses amounting to Baht 97.77 Million. The total charge to the statement of income for the year ended 31 December 2011 in this respect is Baht 97.77 million. The Solar Power Plant Project 30 Megawatts is under construction and contractor has insurance on these assets. These financial statements do not include any adjustments that might have been required had the assessment of the damage, and the extent of the insurance coverage, been finalized.

4. Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statement
- Accounting for property, plant and equipment
- Accounting for investment properties
- Accounting for employee benefits

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 4(b) to 4(e) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group. The impact of the changes on the financial statements for the years ended 31 December 2010 is summarised as follows:

(in million Baht)			
		Consolidated financial statements	Separate financial statements
	Note	2010	2010
Statement of financial position			
Equity at 1 January 2010 – as reported		25,953.19	25,832.36
Changes as a result of the adoption retrospectively of:			
TAS 16 Property, plant and equipment	4(c)	(4,477.25)	(4,477.25)
TAS 19 Employee benefits		(146.91)	(141.93)
Equity at 1 January 2010 - restated		<u>21,329.03</u>	<u>21,213.18</u>
Equity at 31 December 2010 – as reported		27,051.89	26,691.32
Changes as a result of the adoption retrospectively of:			
TAS 16 Property, plant and equipment	4(c)	(4,108.13)	(4,108.13)
TAS 19 Employee benefits	4(e)	(163.51)	(156.86)
Equity at 31 December 2010 – restated		<u>22,780.25</u>	<u>22,426.33</u>

(in million Baht)

	Consolidated financial statements 2010	Separate financial statements 2010
Statement of income for the year ended 31 December 2010		
Profit before income tax – as reported	3,890.44	3,640.40
Changes before tax as a result of the adoption retrospectively of:		
TAS 19 Employee benefits	(23.00)	(21.31)
Profit before income tax – restated	3,867.44	3,619.09
Income tax expense – as reported	(1,001.86)	(991.61)
Changes to income tax expense as a result of the adoption retrospectively of:		
TAS 19 Employee benefits	6.39	6.39
Income tax expense – restated	(995.47)	(985.22)
Profit - restated	2,871.97	2,633.87
Decrease in earnings per share:		
- Basic earnings per share (in Baht)	(0.01)	(0.01)
- Diluted earnings per share (in Baht)	(0.01)	(0.01)

(b) Presentation of financial statements

From 1 January 2011, the Group has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for property, plant and equipment

From 1 January 2011, the Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end. The changes have had no material impact on the profit and earnings per share for the year ended 31 December 2011 and 2010.

In 2011, the Company had changed the accounting policy from fixed assets valuation from the revaluation method to the cost method to harmonise practices within the industry. The change in accounting policy has been applied retrospectively which effected to total assets as of 31 December 2010 decreased by Baht 4,108.13 million and equity decreased with the same amount. The changes have had no material impact on the profit and earnings per share for the year ended 31 December 2011 and 2010.

(d) *Accounting for investment properties*

From 1 January 2011, the Group has adopted TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using either the cost model, with changes in fair value being recognised in profit or loss.

Previously, investment properties were included in property, plant and equipment and measured using the cost/revaluation model. Revaluation changes were recognised in equity or profit or loss in accordance with the provisions of TAS 16 Property, Plant and Equipment.

The Group has selected the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the financial statements for the year ended 31 December 2011, which are included in the Group's 2011 financial statements for comparative purposes, have been adjusted to reclassify investment properties from 'Property, plant and equipment' to a separate account, 'Investment property'. The cost and accumulated depreciation as at 1 January 2010, and 31 December 2010 of the Group's investment property previously included in property, plant and equipment, have been reclassified to a separate account, 'Investment property'. Apart from this reclassification, the change in policy has no material impact on the 2010 financial statements. From 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements of TAS 16 (Revised 2009) – see note 3(c). These changes in accounting policy in this regard have been applied prospectively in accordance with the transitional provisions of TAS 16 (Revised 2009), except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on profit and earnings per share for the year ended 31 December 2011 and 2010.

(e) Accounting for employee benefits

From 1 January 2011, the Group has adopted TAS 19 Employee Benefits. Under the new policy, the Group's liability for post-employment benefits and other long-term benefit obligations is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the statement of the financial position for the year 2011 and 2010 were as follows:

	(in million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Statement of financial position as at 31 December				
Increase in employee benefit obligations	(80.45)	(230.73)	(78.13)	(224.08)
Increase in deferred tax asset	23.44	67.22	23.44	67.22
Decrease in retained earnings	(57.01)	(163.51)	(54.69)	(156.86)

5. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 4, which addresses changes in accounting policies.

(a) Basis of consolidation

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

Subsidiaries

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

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associate

Associate is entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

(c) Derivative financial instruments

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

Hedge of future foreign currency transactions

Foreign exchange forward contracts protect the Company from movements in exchange rates by establishing the rates at which foreign currency assets will be realized or foreign currency liabilities will be settled. Forward foreign exchange contracts are recognized in the financial statements on inception. The premium or discount on the establishment of each agreement is amortized on a straight-line method over the contract period.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

Hedge of Crack Spread

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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

(g) Investments

Investments in subsidiaries and associate

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

Investments in other debt and equity securities

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

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

Disposal of investments

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

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

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

No depreciation is provided on land.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	years
Buildings	20-30
Machinery, equipment refinery plants and terminal	5-30
Marketing and office equipment	5-20
Vehicles	5

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leasehold right

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation.

(k) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

The right to use and the cost of development of computer software	5	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(I) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

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

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee Joint Investment Program (EJIP)

Obligations for contributions to Employee Joint Investment Program (EJIP) are recognised as an expense in the statement of income as incurred.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Revenue

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

Sale of goods and services rendered

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

Income from operating right

Income from operating right is recognised in accordance with the substance of the contract.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in the statement of income as it accrues.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business

combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(v) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes.

6. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
PTT Plc.	Thailand	Major shareholder, some common directors
Fuel Pipeline Transportation Ltd.	Thailand	Shareholding, representative from the Company as director
PTT ICT Solutions Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT International Trading Pte. Ltd.	Singapore	Major shareholder as the Company's shareholder
IRPC Plc.	Thailand	Major shareholder as the Company's shareholder
Thai Oil Plc.	Thailand	Major shareholder as the Company's shareholder
Energy Complex Co., Ltd.	Thailand	Major shareholder as the Company's shareholder
PTT International Trading DMCC	Dubai	Major shareholder as the Company's shareholder
PTT Global Chemical Plc. (the amalgamation of PTT Aromatics and Refining Plc. and PTT Chemical Plc.)	Thailand	Major shareholder as the Company's shareholder
Star Petroleum Refining Co.,Ltd.	Thailand	Major shareholder as the Company's shareholder
Ubon Bio Ethanol Co., Ltd.	Thailand	Associate, Shareholding 21.28%
NPC Safety and Environmental Service Co., Ltd.	Thailand	Related Company of Major Shareholder
Thai Lube Base Plc.	Thailand	Related Company of Major Shareholder
Thai Oleochemicals Co., Ltd.	Thailand	Related Company of Major Shareholder
IRPC Oil Co., Ltd.	Thailand	Related Company of Major Shareholder
Ubon Agricultural Energy Co., Ltd	Thailand	Subsidiary of the Company's associate, representative from the Company as director
Thaioil Energy Services Co., Ltd (Formerly Thaioil Energy Solutions Co., Ltd)	Thailand	Related Company of Major Shareholder
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

Transactions

Sale of goods
 Rendering of service
 Purchase of goods/raw materials
 Receiving of services
 Technical assistance fee
 Royalty expense

Pricing policies

Market price/ Contractually agreed prices
 Contractually agreed prices
 Market price/ Contractually agreed prices
 Contractually agreed prices
 Contractually agreed prices
 Contractually agreed prices

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

(in million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Major Shareholder				
Sales of goods	20,623.23	17,410.49	20,394.68	17,410.90
Purchases of raw material	110,518.53	82,747.69	110,518.43	82,747.69
Other income	123.56	119.87	123.56	119.87
Service expense	232.61	230.71	232.61	230.71
Gain from crude and product oil price hedging contract	-	3.78	-	3.78
Interest expense	1.44	17.57	1.44	17.57
Other expense	2.26	8.59	2.26	8.59
Subsidiaries				
Sales of goods	-	-	20,624.38	18,345.38
Purchases of goods	-	-	1,965.22	1,698.19
Other income	-	-	21.94	20.59
Dividend income	-	-	83.93	17.64
Interest expenses	-	-	0.73	0.72
Other expenses	-	-	21.41	12.12
Associate				
Sales of goods	5.00	-	5.00	-
Other income	0.66	-	0.66	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	101.95	78.14	101.86	78.04
Post-employment benefits and other long-term benefits	5.46	1.34	5.46	1.34
Total key management personnel compensation	107.41	79.48	107.32	79.38
Other related parties				
Sales of goods	478.79	1,863.02	392.16	1,863.02
Purchases of raw material and product	11,574.46	9,821.12	11,574.46	9,821.12
Other income	22.14	4.67	22.14	4.67
Pipeline transportation expenses	136.47	135.33	136.47	135.33
Other expenses	67.36	21.77	67.36	21.77

Balances as at December 2011 and 2010 with related parties were as follows:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade accounts receivable-related parties				
Major Shareholder				
PTT Plc.	1,665.43	1,592.78	1,595.75	1,538.68
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	689.75	710.88
The Bangchak Biofuel Co., Ltd.	-	-	11.37	6.43
Associate				
Ubon Agricultural Energy Co., Ltd	2.30	-	2.30	-
Other related party				
Thai Oil Plc.	0.48	-	0.48	-
PTT International Trading Pte. Ltd.	37.28	-	37.28	-
PTT International Trading DMCC	120.55	-	120.55	-
PTT Global Chemical Plc.	0.41	-	0.41	-
Star Petroleum Refining Co.,Ltd.	11.56	-	11.56	-
Fuel Pipeline Transportation Ltd.	0.98	0.33	0.98	0.33
	1,838.99	1,593.11	2,470.43	2,256.32
Less allowance for doubtful accounts	-	-	-	-
Net	1,838.99	1,593.11	2,470.43	2,256.32
Bad and doubtful debts expense for the year	-	-	-	-
Trade accounts payable-related parties				
Major Shareholder				
PTT Plc.	7,698.21	8,644.69	7,698.21	8,644.69
Subsidiaries				
The Bangchak Green Net Co., Ltd.	-	-	9.45	3.57
The Bangchak Biofuel Co., Ltd.	-	-	87.62	97.70
Other related parties				
Thai Oil Plc.	181.83	605.31	181.83	605.31
Thai Lube Base Plc.	1.95	0.34	1.95	0.34
PTT Aromatics and Refining Plc.	-	96.69	-	96.69
Total	7,881.99	9,347.03	7,979.06	9,448.30

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>Other accounts payable-related parties</i>				
Major Shareholder				
PTT Plc.	411.20	170.74	411.20	170.74
Subsidiaries				
The Bangchak Solar Energy Co., Ltd.	-	-	1.38	-
Other related parties				
Fuel Pipeline Transportation Ltd.	15.90	15.33	15.90	15.33
Energy Complex Co., Ltd.	0.06	0.06	0.06	0.06
PTT ICT Solutions Co., Ltd.	0.01	-	0.01	-
Total	427.17	186.13	428.55	186.13
<i>Investment in Subsidiaries</i>				
The Bangchak Green Net Co., Ltd.	-	-	0.49	0.49
The Bangchak Biofuel Co., Ltd.	-	-	197.05	197.05
The Bangchak Solar Energy Co., Ltd.	-	-	150.00	-
Total	-	-	347.54	197.54
<i>Investment in Associate</i>				
Ubon Bio Ethanol Co., Ltd.	745.48	-	763.23	-
<i>Other current assets - net</i>				
Major Shareholder				
PTT Plc.	129.06	83.85	129.06	83.85
Associate				
Ubon Bio Ethanol Co., Ltd.	0.13	-	0.13	-
Total	129.19	83.85	129.19	83.85
<i>Tariff prepayment</i>				
Other related party				
Fuel Pipeline Transportation Ltd.	99.35	106.78	99.35	106.78
Less allowance for doubtful accounts	(87.35)	(91.62)	(87.35)	(91.62)
Net	12.00	15.16	12.00	15.16
<i>Non-current assets</i>				
Other related party				
Energy Complex Co., Ltd.	4.51	4.51	4.51	4.51

(in million Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Other current liabilities					
Major Shareholder					
PTT Plc.		-	7.41	-	7.41
Subsidiary					
The Bangchak Green Net Co., Ltd.		-	-	27.23	26.86
Total		-	7.41	27.23	34.27
Convertible debentures					
Major Shareholder					
PTT Plc .	21	-	585.60	-	585.60
Other non-current liabilities					
Other related party					
Fuel Pipeline Transportation Ltd.		5.35	5.82	5.35	5.82

Tariff prepayment

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated 14 June 1996. Subsequently, the Company, together with the other FPT creditors agreed on 3 March 1999 to restructure the FPT's loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million. On 30 April 1999, Baht 48.75 million was converted to capital stock (preferred stock) with remaining loan outstanding totalling Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate of MLR-2%) will be paid on a monthly basis. Subsequently, FPT was able to repay some parts of the loan, however, due to financial difficulties it could not comply with the agreed terms. An amendment to the original agreement was made on 28 March 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number of 153 periods, with the first payment made on 30 April 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from 29 March 2002. The difference in the interest shall be established as a receivable in a suspense account which will be written-off provided FPT complies with the agreement, without default, over a three-year consecutive period.

On 29 December 2009, the Company and other FPT creditors had additionally amended the restructuring agreement to comply with FPT's ability to pay debt. The Company and other FPT creditors agreed to give up interest receivable and changed repayment schedule as stipulated in the restructuring agreement without additional debt relief.

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

During 1997, the Company entered into a fuel pipeline transportation agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date

and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

Feedstock Supply Agreement

During 2006, the Company entered into Feedstock Supply Agreement, to enhance the Company's feedstock supply, whereby the major shareholder will supply crude oil and other feedstocks for the refinery process commencing from 16 May 2006 and shall be in effect for a period of twelve years after PQI's commercial operation date.

Crude Oil Supply and Oil-Products Sales and Purchase Agreement

During 2006, the Company entered into Sale and Purchase Agreement with the major shareholder, to accommodate the additional Gasoline production outputs from the PQI project after commercial operation date. The major shareholder will purchase minimum level of 30% of refined petroleum products (not include aviation fuel and fuel oil) from the refinery. This agreement shall be in effect for a period of twelve years after PQI's commercial operation date.

Since 2007, the Company has entered into five oil products purchase agreements with related companies. The related companies will provide oil products at quantities and prices as stipulated in the agreement. The agreement has no specified expiry date and can be terminated by either party by giving at least 90 days written notice for termination to the other party.

Bio-diesel Sales and Purchase Agreement

During 2008, the Company entered into a Bio-diesel Sales and Purchase Agreement with a subsidiary for a period of seven years to start from the commencement of the Bio-diesel Plant's commercial operations (currently, under construction). The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity at the market prices as stipulated in the agreement

Gas Sales and Purchase Agreement

During 2008, the Company entered into Gas Sales and Purchase Agreement with the major shareholder for the refinery process for a period of ten years commencing on the first date of Gas delivery by the major shareholder and the Company receive this gas with the service fee as stipulated in the agreement.

Service Station Operating Right Agreement

During 2010, the Company entered into Service Station Operating Right Agreement which include the right to operate within service station with a subsidiary for a period of three years. The subsidiary agreed to pay the fee at agreed prices as stipulated in the agreement. For mutual interest under the agreement, the subsidiary agreed to purchase the finish oil products at contractually agreed prices.

Store Operation Right Agreement

During 2010, the Company entered into Store Operation Right Agreement with a subsidiary for a period of three years to operate retail stores within service stations under the Company's brand. The subsidiary agreed to pay the fee under agreed prices as stipulated in the agreement.

Cogeneration Purchase and Sale Agreement

On 25 February 2008, the Company entered into Cogeneration Project Agreement with the major shareholder under which the major shareholder invested in the construction of a cogeneration power plant to generate 19.7 MW of electricity and 90 metric tons per hour of steam to sell to the Company. It started its commercial operation in June 2010. The volume and market prices are as stipulated in the agreement.

Petroleum and Gas Tank Storage Service Agreement

The Company entered into Petroleum and Gas Tank Storage Service Agreement with the major shareholder for a period of 15 years from 1 January 2009 to 31 December 2023 with the service fee as stipulated in the agreement.

Office Rental and Service Agreements

The Company entered into office rental and service agreements with a related company for a period of 3 years commencing from 1 January 2010 to 31 December 2012 and with a renewable option for another period of 3 years. Office rental fees and conditions are as stipulated in the agreement.

Establishment and Management Service Agreement for NGV Service Station

The Company entered into establishment and management service agreement for NGV service station with the major shareholder. The major shareholder has the right to utilise the lands and/or lands with building. The Company will receive the fee for land utilisation and management fee for service station as stipulated in the agreements. Establishment agreements shall be in effect for a period of 8 - 23 years which will be expired between 2016 - 2031. Management service agreement for service station shall be effect for 1 year which will be annually reviewed.

7. Cash and cash equivalents

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash on hand	29.92	25.48	1.63	1.48
Cash at banks - current accounts	679.76	477.79	546.34	343.98
Cash at banks - savings accounts	2,811.03	2,205.74	2,463.94	1,758.50
Highly liquid short-term investments	500.00	6,400.00	400.00	6,400.00
Total	4,020.71	9,109.01	3,411.91	8,503.96

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

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	3,977.05	9,002.20	3,368.25	8,397.15
United States Dollars (USD)	42.75	106.81	42.75	106.81
Others	0.91	-	0.91	-
Total	4,020.71	9,109.01	3,411.91	8,503.96

8. Investments

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<i>Current investment</i>				
Short-term deposits at financial institutions	9.82	9.28	-	-
	9.82	9.28	-	-
<i>Other long-term investments</i>				
Non-marketable equity securities				
Fuel Pipeline Transportation Co., Ltd.	181.75	181.75	181.75	181.75
Less Allowance for impairment	(181.75)	(181.75)	(181.75)	(181.75)
ASEAN Potash Mining Plc.	173.24	173.24	173.24	173.24
MFC Energy Fund	126.22	126.22	126.22	126.22
Less Allowance for impairment	(17.90)	(15.50)	(17.90)	(15.50)
Non-marketable equity securities - net	281.56	283.96	281.56	283.96
Debt securities held to maturity				
Government bonds	3.00	3.30	3.00	3.30
Add: Premium on investments	0.09	0.12	0.09	0.12
Debt securities held to maturity - net	3.09	3.42	3.09	3.42
Other long-term investments	284.65	287.38	284.65	287.38
Total	294.47	296.66	284.65	287.38

9. Trade accounts receivable

(in million Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Related parties	6	1,838.99	1,593.11	2,470.43	2,256.32
Other parties		6,286.14	4,206.37	6,247.96	4,128.63
		8,125.13	5,799.48	8,718.39	6,384.95
Less allowance for doubtful accounts		(52.81)	(73.52)	(50.42)	(70.65)
Net		8,072.32	5,725.96	8,667.97	6,314.30
(Reversal of) bad and doubtful debts expense for the year					
		11.85	(0.45)	12.33	(0.49)

Aging analyses for trade accounts receivable were as follows:

(in million Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Related parties				
Within credit terms	1,838.99	1,593.11	2,470.43	2,256.32
Less allowance for doubtful accounts	-	-	-	-
Net	1,838.99	1,593.11	2,470.43	2,256.32
Other parties				
Within credit terms	6,169.90	4,115.22	6,137.64	4,041.87
Overdue:				
Less than 3 months	62.52	17.70	58.91	15.57
3-6 months	1.58	0.03	1.45	0.02
6-12 months	0.03	0.15	0.03	0.15
Over 12 months	52.11	73.27	49.93	71.02
	6,286.14	4,206.37	6,247.96	4,128.63
Less allowance for doubtful accounts	(52.81)	(73.52)	(50.42)	(70.65)
Net	6,233.33	4,132.85	6,197.54	4,057.98
Total	8,072.32	5,725.96	8,667.97	6,314.30

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

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

(in million Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	6,370.05	4,603.69	6,965.70	5,192.03
United States Dollars (USD)	1,702.27	1,122.27	1,702.27	1,122.27
Total	8,072.32	5,725.96	8,667.97	6,314.30

10. Inventories

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Crude oil	10,113.46	9,940.36	10,011.41	9,859.11
Finished oil products	6,066.21	5,144.67	5,713.11	4,729.20
Materials and supplies	524.56	483.00	518.28	477.28
Consumer products	52.54	48.72	-	-
	16,756.77	15,616.75	16,242.80	15,065.59
Less: allowance for obsolete and slow moving	(98.54)	(8.85)	(97.70)	(7.92)
Net	16,658.23	15,607.90	16,145.10	15,057.67

As at 31 December 2011 and 2010, the Company's inventories included petroleum legal reserve of 464.64 million litres with approximated value of Baht 10,251.36 million and 412.57 million litres with approximated value of Baht 7,024.59 million, respectively.

The cost of inventories which is recognised as an expense and included in 'cost of sale of goods' for the year ended 31 December 2011 amounted to Baht 104,211.41 million (2010: Baht 79,472.21 million).

11. Other current assets

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Receivable from oil hedging contracts	141.83	116.13	141.83	116.13
Receivable from foreign currency hedging contracts	-	46.55	-	46.55
Value added tax receivable	822.35	254.16	822.35	254.16
Prepayment of corporate income tax	56.46	52.38	50.50	50.50
Prepayment of utilities - net	129.06	82.65	129.06	82.65
Insurance compensation receivable	-	416.39	-	416.39
Others	130.03	142.44	107.68	87.72
Total	1,279.73	1,110.70	1,251.42	1,054.10

Prepayment of utilities - net is for steam and electricity which the Company has provided for quantity which is not expected to be utilized in accordance with the contract's terms and is under negotiation with supplier.

12. Investments in subsidiaries

		(in million Baht)	
		Separate financial statements	
		2011	2010
Subsidiaries			
At 1 January		197.54	197.54
Acquisitions		150.00	-
At 31 December		347.54	197.54

Investments in subsidiaries as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

Separate financial statements												
	Ownership interest		(in million Baht)									
			Paid-up capital		Cost method		Impairment		At cost – net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Subsidiaries												
The Bangchak Green Net Co., Ltd.	49.00	49.00	1.00	1.00	0.49	0.49	-	-	0.49	0.49	-	17.64
The Bangchak Biofuel Co., Ltd.	70.00	70.00	281.50	281.50	197.05	197.05	-	-	197.05	197.05	83.93	-
The Bangchak Solar Energy Co., Ltd.	100.00	-	150.00	-	150.00	-	-	-	150.00	-	-	-
Total					347.54	197.54	-	-	347.54	197.54	83.93	17.64

13. Investments in equity-accounted investee

(in million Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Associate				
At 1 January	-	-	-	-
Acquisition	763.23	-	763.23	-
Share of net loss of equity-accounted associate	(17.75)	-	-	-
At 31 December	745.48	-	763.23	-

Investments in equity-accounted investees as at 31 December 2011 and 2010, and dividend income from those investments for the years ended 31 December 2011 and 2010 were as follows:

Consolidated financial statements

	(%)		(in million Baht)											
	Ownership		Paid-up		Cost method		Equity method		Impairment		At equity – net		Dividend	
	interest		capital		2011	2010	2011	2010	2011	2010	2011	2010	income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Associate														
Ubon Bio Ethanol														
Co., Ltd.	21.28	-	2,740.00	-	763.23	-	745.48	-	-	-	745.48	-	-	-
Total					763.23	-	745.48	-	-	-	745.48	-	-	-

Separate financial statements

	(%)		(in million Baht)											
	Ownership		Paid-up capital		Cost method		Impairment		At cost – net		Dividend income			
	interest		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Associate														
Ubon Bio Ethanol														
Co., Ltd.	21.28	-	2,740.00	-	763.23	-	-	-	763.23	-	-	-	-	-
Total					763.23	-	-	-	763.23	-	-	-	-	-

14. Investment Properties

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cost				
At 1 January	459.34	459.34	459.34	459.34
At 31 December	459.34	459.34	459.34	459.34
Depreciation and impairment losses				
At 1 January	(171.28)	(225.34)	(171.28)	(225.34)
Reversal of impairment losses	-	54.06	-	54.06
At 31 December	(171.28)	(171.28)	(171.28)	(171.28)

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Net book value				
At 1 January	288.06	234.00	288.06	234.00
At 31 December	288.06	288.06	288.06	288.06

Investment properties were revalued as at 31 December 2011 and 2010 using the marketing price from Department of Land. The appraised value was Baht 288.06 million.

One property has been transferred from property, plant and equipment to investment property, since the property was no longer used by the Group.

15. Property, plant and equipment

(a) The Group

Consolidated financial statements (in million Baht)

	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	Total
Cost									
At 1 January 2010 (Restated)	913.55	809.59	29,704.90	-	3,823.81	308.30	162.80	579.46	36,302.41
Additions	-	0.08	1.84	-	5.29	-	7.50	1,460.20	1,474.91
Transfers	30.71	(21.52)	623.70	-	271.64	4.26	24.01	(1,099.25)	(166.45)
Disposals	(30.19)	(0.69)	(94.55)	-	(42.60)	-	(24.51)	-	(192.54)
At 31 December 2010 and									
1 January 2011 (Restated)	914.07	787.46	30,235.89	-	4,058.14	312.56	169.80	940.41	37,418.33
Additions	82.77	1.06	1.44	-	4.59	-	2.47	5,173.19	5,265.52
Transfers	0.08	44.09	2,375.63	743.71	165.60	-	17.41	(3,344.56)	1.96
Disposals	-	(22.66)	(317.83)	-	(155.75)	(69.76)	(8.08)	-	(574.08)
At 31 December 2011	996.92	809.95	32,295.13	743.71	4,072.58	242.80	181.60	2,769.04	42,111.73

Consolidated financial statements (in million Baht)

	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	Total
Depreciation and impairment losses									
At 1 January 2010 (Restated)	(328.67)	(380.23)	(9,008.74)	-	(2,512.78)	-	(110.73)	-	(12,341.15)
Depreciation charge for the year	-	(32.37)	(1,410.24)	-	(253.77)	-	(17.93)	-	(1,714.31)
Reversal of impairment losses	73.07	-	-	-	5.66	-	-	-	78.73
Transfers	-	2.19	(1.35)	-	1.06	-	(0.78)	-	1.12
Disposals	-	0.10	65.21	-	33.38	-	24.51	-	123.20
At 31 December 2010 and									
1 January 2011 (Restated)	(255.60)	(410.31)	(10,355.12)	-	(2,726.45)	-	(104.93)	-	(13,852.41)
Depreciation charge for the year	-	(31.58)	(1,571.79)	(12.40)	(268.63)	-	(18.39)	-	(1,902.79)
(Loss) Reversal of impairment losses	241.54	-	(16.00)	(97.77)	28.34	-	-	-	156.11
Disposals	-	19.34	289.13	-	130.41	-	7.74	-	446.62
At 31 December 2011	(14.06)	(422.55)	(11,653.78)	(110.17)	(2,836.33)	-	(115.58)	-	(15,152.47)
Net book value									
At 1 January 2010 (Restated)	584.88	429.36	20,696.16	-	1,311.03	308.30	52.07	579.46	23,961.26
At 31 December 2010 and									
1 January 2011 (Restated)	658.47	377.15	19,880.77	-	1,331.69	312.56	64.87	940.41	23,565.92
At 31 December 2011	982.86	387.40	20,641.35	633.54	1,236.25	242.80	66.02	2,769.04	26,959.26

As at 31 December 2011, a subsidiary has mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 760.55 million (2010: Baht 784.45 million).

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory amounted to Baht 132.33 million (2010: Baht 14.22 million), with a capitalization rate of 5.0-6.1 (2010: 4.22%) (see note 34).

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2011 amounted to Baht 2,070.11 million (2010: Baht 1,978.31 million).

(b) The Company

Separate financial statements (in million Baht)

	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipments	Marketing and office equipments	Platinum Catalyst	Vehicles	Construction work in progress	Total
Cost									
At 1 January 2010 (Restated)	867.67	549.99	29,176.56	-	3,779.44	308.30	153.66	569.85	35,405.47
Additions	-	-	-	-	-	-	-	1,453.43	1,453.43
Transfers	30.71	20.52	576.03	-	282.56	4.27	24.01	(1,103.13)	(165.03)
Disposals	(30.19)	(0.69)	(94.55)	-	(42.58)	-	(21.68)	-	(189.69)
At 31 December 2010 and 1 January 2011 (Restated)	868.19	569.82	29,658.04	-	4,019.42	312.57	155.99	920.15	36,504.18
Additions	-	-	-	-	-	-	-	5,145.39	5,145.39
Transfers	0.08	44.06	2,356.24	743.71	165.60	-	17.41	(3,325.14)	1.96
Disposals	-	(22.66)	(317.83)	-	(152.88)	(69.76)	(7.37)	-	(570.50)
At 31 December 2011	868.27	591.22	31,696.45	743.71	4,032.14	242.81	166.03	2,740.40	41,081.03
Depreciation and impairment losses									
At 1 January 2010 (Restated)	(328.67)	(378.72)	(9,005.06)	-	(2,485.18)	-	(106.13)	-	(12,303.76)
Depreciation charge for the year	-	(19.56)	(1,363.97)	-	(251.10)	-	(15.54)	-	(1,650.17)
Reversal of impairment losses	73.07	-	-	-	5.66	-	-	-	78.73
Transfers	-	-	-	-	(0.14)	-	-	-	(0.14)
Disposals	-	0.10	51.53	-	33.36	-	21.68	-	106.67
At 31 December 2010 and 1 January 2011 (Restated)	(255.60)	(398.18)	(10,317.50)	-	(2,697.40)	-	(99.99)	-	(13,768.67)
Depreciation charge for the year	-	(20.65)	(1,536.23)	(12.40)	(265.16)	-	(15.83)	-	(1,850.27)
(Loss) Reversal of impairment losses	241.54	-	(16.00)	(97.77)	28.34	-	-	-	156.11
Disposals	-	19.34	289.13	-	127.58	-	7.37	-	443.42
At 31 December 2011	(14.06)	(399.49)	(11,580.60)	(110.17)	(2,806.64)	-	(108.45)	-	(15,019.41)
Net book value									
At 1 January 2010 (Restated)	539.00	171.27	20,171.50	-	1,294.26	308.30	47.53	569.85	23,101.71
At 31 December 2010 and 1 January 2011 (Restated)	612.59	171.64	19,340.54	-	1,322.02	312.57	56.00	920.15	22,735.51
At 31 December 2011	854.21	191.73	20,115.85	633.54	1,225.50	242.81	57.58	2,740.40	26,061.62

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory amounted to Baht 132.33 million (2010: Baht 14.22 million), with a capitalization rate of 5.0–6.1 (2010: 4.22%) (see note 34).

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2011 amounted to Baht 2,046.41 million (2010: Baht 1,955.52 million).

16. Leasehold Rights

	(in million Baht)
	Consolidated and Separate financial statements
Cost	
At 1 January 2010	2,154.98
Addition	15.93
At 31 December 2010 and 1 January 2011	2,170.91
Addition	73.50
Transfers	(1.20)
Disposals	(1.16)
At 31 December 2011	2,242.05
Amortisation and impairment losses	
At 1 January 2010	(1,129.98)
Amortisation charge for the year	(89.63)
Reversal of loss on impairment	2.72
At 31 December 2010 and 1 January 2011	(1,216.89)
Amortisation charge for the year	(91.04)
Disposals	0.37
Reversal of impairment losses	2.89
At 31 December 2011	(1,304.67)
Net book value	
At 1 January 2010	1,025.00
At 31 December 2010 and 1 January 2011	954.02
At 31 December 2011	937.38

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 551.63 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. The annually instalments of the leasehold fee are as followed;

Period	(in million Baht)
The year 2007 - 2009	137.90
The year 2010 - 2012	183.88
The year 2013 - 2015	229.85
Total	551.63

As at 31 December 2011, leasehold right liability has remaining balance totalling Baht 291.14 million (2010: Baht 352.94 million).

17. Intangible assets

	Right to use and cost of development of computer software (in million Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
At 1 January 2010	178.83	176.08
Addition	18.19	17.84
At 31 December 2010 and 1 January 2011	197.02	193.92
Addition	53.06	52.84
At 31 December 2011	250.08	246.76
Amortisation and impairment losses		
At 1 January 2010	(89.99)	(88.43)
Amortisation for the year	(32.30)	(31.62)
At 31 December 2010 and 1 January 2011	(122.29)	(120.05)
Amortisation for the year	(26.65)	(26.16)
At 31 December 2011	(148.94)	(146.21)
Net book value		
At 1 January 2010	88.84	87.65
At 31 December 2010 and 1 January 2011	74.73	73.87
At 31 December 2011	101.14	100.55

18. Investment in oil service stations

The investments in oil service stations comprise oil service station expansion with different approaches. The Company invests and grants others to operate or enter into a joint venture agreement, or with investment made by the operator and the Company providing support.

As at 31 December 2011, the balances outstanding in the investment in service stations account total Baht 180.35 million (2010: Baht 215.64 million). The Company amortised the investment in service stations on a straight-line basis over the term of the agreement. Amortisation charge for the year ended 31 December 2011 total Baht 49.02 million (2010: Baht 43.92 million)

19. Deferred tax

Deferred tax assets and liabilities as at 31 December 2011 and 2010 were as follows:

(in million Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Deferred tax assets	179.07	242.54	179.07	242.54
Deferred tax liabilities	(6.87)	(13.09)	(6.87)	(13.09)
Net	172.20	229.45	172.20	229.45

Movements in total deferred tax assets and liabilities during the year were as follows:

Consolidated and Separate financial statements (in million Baht)			
	At 1 January 2011	(Charged) / credited to Statement of income (Note 35)	At 31 December 2011
Deferred tax assets			
Employee benefit obligation	221.35	(52.36)	168.99
Others	21.19	(11.11)	10.08
Total	242.54	(63.47)	179.07
Deferred tax liability			
Property, plant and equipment	13.09	(6.22)	6.87
Total	13.09	(6.22)	6.87
Net	229.45	(57.25)	172.20

Consolidated and Separate financial statements (in million Baht)			
	At 1 January 2010	(Charged) / credited to Statement of income (Note 35)	At 31 December 2010
Deferred tax assets			
Employee benefit obligation	197.82	23.53	221.35
Others	21.34	(0.15)	21.19
Total	219.16	23.38	242.54
Deferred tax liability			
Property, plant and equipment	16.36	(3.27)	13.09
Total	16.36	(3.27)	13.09
Net	202.80	26.65	229.45

20. Other non-current assets

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Fixed deposit for staff welfare	376.71	341.17	376.71	341.17
Deposit for oil hedging contracts	-	60.02	-	60.02
Deferred expenses for the issuance of debentures and long-term loans	172.34	208.18	167.86	202.64
Others	72.59	75.65	71.92	74.28
Total	621.64	685.02	616.49	678.11

21. Interest-bearing liabilities

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current				
Short-term loans from financial institutions				
secured	-	40.00	-	-
unsecured	2,000.00	-	2,000.00	-
	2,000.00	40.00	2,000.00	-
Current portion of long-term loans from financial institutions				
secured	101.36	74.71	-	-
unsecured	450.00	2,587.41	450.00	2,587.41
	551.36	2,662.12	450.00	2,587.41
Total Current	2,551.36	2,702.12	2,450.00	2,587.41
Non-current				
Long-term loans from financial institutions				
secured	458.17	474.58	-	-
unsecured	15,572.00	14,504.04	15,572.00	14,504.04
	16,030.17	14,978.62	15,572.00	14,504.04
Convertible Debenture unsecured	-	1,936.57	-	1,936.57
	-	1,936.57	-	1,936.57
Total Non-current	16,030.17	16,915.19	15,572.00	16,440.61
Total	18,581.53	19,617.31	18,022.00	19,028.02

Details of the Group's loans from financial institutions as at 31 December were as follows:

(in million Baht)									
Facilities		Interest		Repayment Terms	Consolidated		Separate		
Currency	(in million)	Interest Rates (%) p.a.	financial statements		financial statement				
			2011		2010	2011	2010		
Short-term loans from financial institutions									
The Company	Baht	12,905	MMR	Payable in accordance with terms in Promissory note	2,000.00	-	2,000.00	-	
Subsidiary	Baht	220	MOR - 1	Payable in accordance with terms in Promissory note	-	40.00	-	-	
Total					2,000.00	40.00	2,000.00	-	
Long-term loans from financial institutions									
The Company	Baht	7,100	THBFIX 6M plus a margin	The principle will be repayable in 18 instalments commencing in December 2008	-	5,573.50	-	5,573.50	
The Company	Baht	8,400	THBFIX 6 plus a margin	The principle will be repayable in 15 instalments commencing in June 2010	-	7,567.95	-	7,567.95	
The Company	Baht	9,000	THBFIX 6 plus a margin	The principle will be repayable in 20 instalments commencing in June 2011	8,690.00	-	8,690.00	-	
The Company	Baht	4,200	Fixed Interest Rate	The principle will be repayable in 26 instalments commencing in March 2013	3,902.00	450.00	3,902.00	450.00	
The Company	Baht	3,500	THBFIX 6 plus a margin	The principle will be repayable in 23 instalments commencing in December 2011	3,430.00	3,500.00	3,430.00	3,500.00	
Subsidiaries	Baht	710	Six-month fixed deposit corporate rate plus a margin	The principle will be repayable in 24 instalments commencing in June 2010	559.53	549.29	-	-	
Total					16,581.53	17,640.74	16,022.00	17,091.45	
Less: Current portion					(551.36)	(2,662.12)	(450.00)	(2,587.41)	
Net					16,030.17	14,978.62	15,572.00	14,504.04	

On 4 and 24 January 2011, the Company repaid a long-term loan totaling Baht 4,141.45 million from the total long-term loan outstanding of Baht 13,141.45 million. Subsequently on 26 January 2011, the Company entered into a debt refinancing agreement with a consortium of four local financial institutions for a long-term loan totaling Baht 9,000 million bearing interest at a rate referenced to THBFIX of 6 months plus margin. The Company is required to comply with certain conditions under the debt refinancing agreement and maintain certain financial ratios as specified in the agreement.

On 1 November 2011, a subsidiary signed an amendment to the loan contract from a financial institution to amend the loan interest rate from term loans to six-month fixed deposit corporate rate plus a margin.

The loan agreements contain certain conditions and restrictions such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio.

As at 31 December 2011 the Group and the Company had unutilised credit facilities totalling Baht 11,423 million and Baht 11,203 million, respectively (2010: Baht 15,234 million and Baht 15,110 million, respectively).

Convertible Debentures

As of 31 December 2010, the remaining balances of Convertible Debentures were 193,657 units. The balance included 104,000 units of convertible debenture with order of conversion on 30 December 2010 without available ordinary shares. During the year ended 31 December 2011, those convertible debentures were converted to share capital totaling 31,097 units at conversion rate of Baht 14.30 per one common share and 58,560 units at conversion rate of Baht 14.00 per one common share.

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

(in million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Within one year	2,551.36	2,702.12	2,450.00	2,587.41
After one year but within five years	5,058.79	10,135.84	4,600.62	9,661.26
After five years	10,971.38	6,779.35	10,971.38	6,779.35
Total	18,581.53	19,617.31	18,022.00	19,028.02

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

(in million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Property, plant and equipment	760.55	784.45	-	-
Total	760.55	784.45	-	-

Interest-bearing liabilities of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

22. Trade accounts payable

(in million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Related parties	6	7,881.99	9,347.03	7,979.06	9,448.30
Other parties		876.52	886.99	637.81	646.08
Total		8,758.51	10,234.02	8,616.87	10,094.38

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

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	8,758.51	10,189.51	8,616.87	10,049.87
United States Dollars (USD)	-	44.51	-	44.51
Total	8,758.51	10,234.02	8,616.87	10,094.38

23. Other current liabilities

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Accrued expenses	709.27	536.27	652.49	422.15
Other accounts payable	430.84	1,296.17	412.05	1,286.60
Retention	373.23	664.26	399.33	656.89
Current portion of non-current liabilities	82.00	79.67	80.03	78.00
Value added tax payable	10.66	24.62	-	-
Others	296.50	191.08	295.50	189.47
Total	1,902.50	2,792.07	1,839.40	2,633.11

24. Employee benefit obligations

	(in million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Statement of financial position obligations for:				
Post-employment benefits	825.71	747.20	818.37	741.96
Other long-term employee benefits	14.24	12.30	12.60	10.88
Total	839.95	759.50	830.97	752.84

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 4 (e). As stated in note 4 (e), the Group has opted to apply the new standard retrospectively and adjust the prior year's financial statements accordingly.

Under the new policy, the Group's liability for post-employment benefits and other long-term employee benefit obligations is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this obligation was recognised based on internal calculation performed by the Company.

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	(in million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Defined benefit obligations				
at 1 January	759.50	670.90	752.84	665.93
Benefits paid by the plan	(18.89)	(10.47)	(18.24)	(9.65)
Current service costs and interest	99.34	99.07	96.37	96.56
Defined benefit obligations				
at 31 December	839.95	759.50	830.97	752.84

Expense recognised in profit or loss::

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current service costs	62.12	65.52	59.48	63.26
Interest on obligation	37.22	33.55	36.89	33.30
Total	99.34	99.07	96.37	96.56

The expense is recognised in the following line items in the statement of income:

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost of sales	24.21	26.07	24.21	26.07
Selling expenses	37.20	37.02	34.51	34.76
Administrative expenses	37.93	35.98	37.65	35.73
Total	99.34	99.07	96.37	96.56

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(%)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Discount rate as at 31 December	5	5	5	5
Future salary increases	6	6	6	6
Retirement age	55 and 60 years	55 and 60 years	60 years	60 years

Assumptions regarding future mortality are based on published statistics and mortality tables. Discount rate is the interest rate of long-term government bond.

25. Share capital

(million shares / million Baht)

	Par value per share (in Baht)	2011		2010	
		Number	Baht	Number	Baht
Authorised					
At 1 January					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
At 31 December					
ordinary shares	1	1,531.64	1,531.64	1,531.64	1,531.64
Issued and paid-up					
At 1 January					
ordinary shares	1	1,176.82	1,176.82	1,169.83	1,169.83
Issue of new shares	1	200.10	200.10	6.99	6.99
At 31 December					
ordinary shares	1	1,376.92	1,376.92	1,176.82	1,176.82

During 2011, the Company issued 200.10 million new ordinary shares with a par value of 1 Baht each, totaling Baht 200.10 million to support the conversion of convertible debentures to 136.30 million common shares at conversion price of Baht 14.30 and 14.00 and the exercise of warrant totaling 63.80 million shares resulting in increase in premium of Baht 2,884.84 million.

On 4 October 2010, the Company issued 6.99 million new ordinary shares with a par value of Baht 1 each, totaling Baht 6.99 million to support the conversion of convertible debentures. The convertible value of each debenture is Baht 14.30 per common share, which results in a share premium totalling Baht 93.01 million.

26. Additional paid-in capital and reserves

Share premium

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

Capital surplus on registered and paid-up share reduction

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

Legal reserve

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

27. Segment reporting

Segment reporting 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.

Business segments

The Group comprises the following main business segments:

<i>Segment 1</i>	Refinery
<i>Segment 2</i>	Marketing
<i>Segment 3</i>	Electricity

Business segments profit (loss) results.

(in million Baht)

	2011				
	Refinery	Marketing	Electricity	Eliminations	Total
Sales	153,061.58	116,252.71	27.58	(110,731.88)	158,609.99
Cost of sales	(145,978.08)	(112,715.55)	(22.57)	110,731.88	(147,984.32)
Gross profit	7,083.50	3,537.16	5.01	-	10,625.67
Investment income	38.44	16.11	-	-	54.55
Other income	1,367.84	119.50	-	-	1,487.34
Selling and administrative expenses	(1,011.10)	(2,824.19)	(5.49)	-	(3,840.78)
Loss from crude and product oil price hedging contract	(758.85)	-	-	-	(758.85)
Loss from foreign currency forward contract	(701.07)	-	-	-	(701.07)
Gain on foreign exchange	170.09	-	-	-	170.09
Reversal of allowance for loss (loss) from impairment of assets	33.51	75.97	(97.77)	-	11.71
Share of loss of associate	(17.75)	-	-	-	(17.75)
Profit (Loss) before finance costs and income tax expense	6,204.61	924.55	(98.25)	-	7,030.91
Finance costs					(783.18)
Income tax expense					(615.29)
Profit for the year					5,632.44

(in million Baht)

	2010			
	Refinery	Marketing	Eliminations	Total
Sales	131,481.77	96,914.49	(92,026.87)	136,369.39
Cost of sales	(128,491.54)	(93,555.03)	92,026.87	(130,019.70)
Gross profit	2,990.23	3,359.46	-	6,349.69
Investment income	36.82	8.05	-	44.87
Other income	539.98	132.08	-	672.06
Selling and administrative expenses	(807.29)	(2,598.59)	-	(3,405.88)
Loss from crude and product oil price hedging contract	27.63	-	-	27.63
Loss from foreign currency forward contract	523.54	-	-	523.54
Loss on foreign exchange	388.05	-	-	388.05
Reversal of allowance for loss from impairment of assets	97.63	48.61	-	146.24
Profit before finance costs and income tax expense	3,796.59	949.61	-	4,746.20
Finance costs				(878.76)
Income tax expense				(995.47)
Profit for the year				2,871.97

28. Investment income

(in million Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		<i>Note</i>	2011	2010	2011
<i>Dividend income</i>					
Subsidiaries	6	-	-	83.93	17.64
		-	-	83.93	17.64
Other investment income		54.55	44.87	42.68	42.07
Total		54.55	44.87	126.61	59.71

29. Other income

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Fee for land utilisation and management fee for NGV service station	76.56	71.71	76.56	71.71
Indemnity and insurance compensation	1,248.46	366.77	1,248.46	366.77
Oil reservation fee	70.54	70.53	70.54	70.53
Others	91.78	163.05	106.88	136.45
Total	1,487.34	672.06	1,502.44	645.46

30. Selling expenses

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Personnel	531.38	441.14	257.81	205.98
Advertising	180.85	207.97	112.77	130.86
Depreciation and amortisation	426.77	418.65	422.78	415.71
Distribution	600.84	517.90	600.84	516.22
Others	696.45	619.23	495.43	433.08
Total	2,436.29	2,204.89	1,889.63	1,701.85

31. Administrative expenses

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Personnel	707.15	757.84	665.85	715.12
Advertising	150.23	148.91	150.19	148.79
Depreciation and amortisation	77.24	65.84	74.57	62.82
Others	469.87	228.41	468.55	224.04
Total	1,404.49	1,201.00	1,359.16	1,150.77

32. Employee benefit expenses

(in million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Management				
Wages and salaries	75.19	59.85	75.10	59.75
Contribution to provident funds	3.92	3.00	3.92	3.00
Pension	5.46	1.34	5.46	1.34
EJIP	5.69	2.13	5.69	2.13
Others	17.15	13.16	17.15	13.16
	107.41	79.48	107.32	79.38
Other employees				
Wages and salaries	900.65	816.19	621.37	568.23
Contribution to provident funds	53.11	49.37	50.66	46.90
Pension	93.88	73.34	90.91	73.34
EJIP	35.98	54.90	35.98	54.90
Others	307.42	252.22	270.58	226.57
	1,391.04	1,246.02	1,069.50	969.94
Total	1,498.45	1,325.50	1,176.82	1,049.32

Defined benefit plans

Details of the defined benefit plans are given in note 24.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

Employee Joint Investment Program (EJIP)

On 6 October 2009, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC) in accordance with the notification of the SEC, SorJor 12/2009, dated 10 June 2009. EJIP is an investment program for the periodic accumulative buying of the Company's shares, established to serve as another means of compensating Company employees and executives effective for the period from 1 October 2009 to 30 September 2011.

33. Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

(in million Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	925.45	130.07	983.91	59.02
Raw materials and consumables used	104,389.99	79,810.74	104,211.41	79,472.21
Tax expenses and oil fuel fund	9,989.01	21,989.50	9,989.01	21,989.50
Depreciation	1,539.39	1,364.03	1,493.06	1,320.17
<i>Included in selling expenses:</i>				
Depreciation	299.60	297.32	295.64	294.38
<i>Included in administrative expenses:</i>				
Depreciation	40.19	35.25	37.80	32.73

34. Finance costs

(in million Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Interest payable to financial institutions		821.66	801.15	787.71	765.26
Interest payable to Convertible Debentures		-	59.82	-	59.82
Amortisation of transaction costs capitalised		69.50	2.74	68.44	1.68
Others		24.35	29.27	24.35	29.27
		915.51	892.98	880.50	856.03
Capitalised as cost of assets under construction	15	(132.33)	(14.22)	(132.33)	(14.22)
Net		783.18	878.76	748.17	841.81

35. Income tax expense

(in million Baht)

		Consolidated		Separate		
		financial statements		financial statements		
		<i>Note</i>	2011	2010	2011	2010
<i>Current tax expense</i>						
Current year			479.66	1,022.12	471.44	1,011.87
Under provided in prior years			78.38	-	78.38	-
			558.04	1,022.12	549.82	1,011.87
<i>Deferred tax expense</i>						
Movements in temporary differences	19		57.25	(26.65)	57.25	(26.65)
			57.25	(26.65)	57.25	(26.65)
Total			615.29	995.47	607.07	985.22

Consolidated financial statements

Reconciliation of effective tax rate	2011		2010	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		6,247.74		3,867.44
Income tax using the Thai corporation tax rate	30.00	1,874.32	30.00	1,160.23
Income tax reduction - deferred	1.32	82.40	-	-
Profit exemption - promotional privileges for environment impact reduction	(21.59)	(1,349.07)	-	-
Income not subject to tax/Expenses that are deductible at a greater amount	(0.52)	(32.45)	(5.54)	(214.11)
Expenses not deductible/Other adjustments	(0.61)	(38.29)	1.28	49.35
Under provided in prior years	1.25	78.38	-	-
Total	9.85	615.29	25.74	995.47

Separate financial statements

<i>Reconciliation of effective tax rate</i>	2011		2010	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		6,249.65		3,619.09
Income tax using the Thai corporation tax rate	30.00	1,874.90	30.00	1,085.73
Income tax reduction - deferred	1.32	82.40	-	-
Profit exemption - promotional privileges for environment impact reduction	(21.59)	(1,349.07)	-	-
Income not subject to tax/Expenses that are deductible at a greater amount	(0.56)	(34.74)	(4.06)	(147.04)
Expenses not deductible/Other adjustments	(0.72)	(44.80)	1.29	46.53
Under provided in prior years	1.26	78.38	-	-
Total	9.71	607.07	27.23	985.22

Income tax reduction - deferred

On 11 October 2011, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

In order to give effect to the above Cabinet resolution, the Government has issued a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 to reduce the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution.

Such announcement on the reduction of income tax rate has an impact on the measurement of deferred tax assets and deferred tax liabilities since Thai Accounting Standard No. 12 Income Taxes paragraph 47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Federation of Accounting Professions has considered this matter and has resolved that the substantively enacted tax rates which should be applied in measuring deferred tax assets and liabilities shall be the reduced rates as approved by the Cabinet; i.e. 23% shall be applied for the accounting period 2012 and 20% shall be applied for accounting periods 2013 onwards.

36. Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

Petroleum Refinery production

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for net profit of not over 100% of investment cost excluding land and working capital for environment protection for a period eight years from the date on which the income is first derived from such operations.

Production of Biodiesel and production of electricity from solar cell

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

As promoted companies, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

Consolidated financial statements (in million Baht)

	2011			2010		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Export sales	32.18	19,167.71	19,199.89	11.20	16,055.18	16,066.38
Local sales	2,479.05	159,524.87	162,003.92	2,415.07	137,931.96	140,347.03
Eliminations			(22,593.82)			(20,044.02)
Total Revenue			158,609.99			136,369.39

Separate financial statements (in million Baht)

	2011			2010		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Export sales	-	19,167.71	19,167.71	-	16,055.18	16,055.18
Local sales	27.58	137,733.15	137,760.73	-	118,582.99	118,582.99
Total Revenue	27.58	156,900.86	156,928.44	-	134,638.17	134,638.17

37. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

(in million Baht/million shares)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit attributable to ordinary shareholders of the Company (basic)	5,610.16	2,796.24	5,642.58	2,633.87
Number of ordinary shares outstanding at 1 January	1,176.82	1,169.83	1,176.82	1,169.83
Effect of shares issued during the period	146.94	1.71	146.94	1.71
Weighted average number of ordinary shares outstanding	1,323.76	1,171.54	1,323.76	1,171.54
Earnings per share (basic) (in Baht)	4.24	2.39	4.26	2.25

Diluted earnings per share

The calculation of diluted earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

(in million Baht/million shares)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit attributable to ordinary shareholders of the Company (basic)	5,610.16	2,796.24	5,642.58	2,633.87
Interest expense on convertible debentures, net of tax	-	41.87	-	41.87
Profit attributable to equity holders of the Company (diluted)	5,610.16	2,838.11	5,642.58	2,675.74
Weighted average number of ordinary shares outstanding (basic)	1,323.76	1,171.54	1,323.76	1,171.54
Effect of conversion of convertible Debentures	-	141.58	-	141.58
Weighted average number of ordinary shares outstanding (diluted)	1,323.76	1,313.12	1,323.76	1,313.12
Earnings per share (diluted) (in Baht)	4.24	2.16	4.26	2.04

38. Dividends

At the Board of Directors meeting of the Company held on 30 August 2011, the Board of Directors approved the appropriation of dividend from retained earnings as of 30 June 2011 at Baht 0.65 per share, amounting to Baht 894.97 million. The dividend was paid to shareholders on 21 September 2011.

At the annual general meeting of the shareholders of the Company held on 5 April 2011, the shareholders approved the appropriation of annual dividend from retained earnings as of 31 December 2010 at Baht 1.05 per share, amounting to Baht 1,272.12 million. The Company had paid interim dividend of the first half year of 2010 at Baht 0.50 per share, amounting to Baht 584.89 million on 21 September 2010. The remaining dividend was paid for the second half year of 2010 at Baht 0.55 per share, amounting to 687.23 million to shareholders on 19 April 2011.

At the Board of Directors' meeting of the Company held on 25 August 2010, the Board of Director approved the appropriation of interim dividend from retained earnings as of 30 June 2010 at of Baht 0.50 per share, amounting to Baht 584.89 million. The dividend was paid to shareholders on 21 September 2010.

At the annual general meeting of the shareholders of the Company held on 8 April 2010, the shareholders approved the appropriation of annual dividend from retained earnings as of 31 December 2009 at Baht 1.80 per share, amounting to Baht 2,105.60 million. The Company had paid interim dividend for of the first half year of 2009 at Baht 1.00 per share, amounting to Baht 1,169.78 million on 7 September 2009. The remaining dividend was paid for the second half year of 2009 at Baht 0.80 per share, amounting to 935.82 million to shareholders on 22 April 2010.

39. Financial instruments

Financial risk management policies

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

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

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in

interest rates on specific debt securities and borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements (in million Baht)

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2011					
Current					
Loans from Financial institutions	2.9-6.1	2,551.36	-	-	2,551.36
Non-current					
Loans from Financial institutions	2.9-6.75	-	5,058.79	10,971.38	16,030.17
Total		2,551.36	5,058.79	10,971.38	18,581.53
2010					
Current					
Loans from Financial institutions	2.8-5.38	2,702.12	-	-	2,702.12
Non-current					
Loans from Financial institutions	2.8-5.60	-	8,784.87	6,193.75	14,978.62
Convertible debentures	3.0	-	1,350.97	585.60	1,936.57
Total		2,702.12	10,135.84	6,779.35	19,617.31

Separate financial statements (in million Baht)

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2011					
Current					
Loans from Financial institutions	2.9-6.1	2,450.00	-	-	2,450.00
Non-current					
Loans from Financial institutions	2.9-4.9	-	4,600.62	10,971.38	15,572.00
Total		2,450.00	4,600.62	10,971.38	18,022.00
2010					
Current					
Loans from Financial institutions	2.8-3.6	2,587.41	-	-	2,587.41
Non-current					
Loans from Financial institutions	2.8-4.2	-	8,310.29	6,193.75	14,504.04
Convertible debentures	3.0	-	1,350.97	585.60	1,936.57
Total		2,587.41	9,661.26	6,779.35	19,028.02

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

(in million Baht/million shares)

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2011	2010	2011	2010
<i>USD and others</i>					
Cash and cash equivalents	7	43.66	106.81	43.66	106.81
Trade accounts receivable	9	1,702.27	1,122.27	1,702.27	1,122.27
Receivable from oil hedging contracts	11	141.83	116.13	141.83	116.13
Other current assets	20	-	60.02	-	60.02
Trade accounts payable	22	-	(44.51)	-	(44.51)
Payable from oil hedging contracts		(21.25)	(314.67)	(21.25)	(314.67)
Other current liabilities		(171.86)	(827.30)	(171.86)	(827.30)
Gross balance sheet exposure		1,694.65	218.75	1,694.65	218.75
Currency forwards		(591.52)	(401.26)	(591.52)	(401.26)
Net exposure		1,103.13	-	1,103.13	-

Additionally, the Company entered into foreign currency buying and selling forward contracts, net totaling Baht 14,744.24 million, to hedge future sales and purchases transaction of goods with price denominated in foreign currencies and foreign currency buying forward contracts totalling Baht 71.78 million to hedge the construction costs of the Solar power plant project.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments is taken to approximate the carrying value

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

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

Fair values of convertible debentures together with the carrying values shown in the balance sheets at 31 December 2010 were as follows:

(in million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Fair value	Carrying value	Fair value	Carrying value
Non-current				
Convertible debentures	2,535.22	1,936.57	2,535.22	1,936.57
Total	2,535.22	1,936.57	2,535.22	1,936.57

40. Commitments with non-related parties

(in million Baht/million shares)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Capital commitment				
Construction projects	1,527.79	4,477.52	1,476.94	4,454.49
Total	1,527.79	4,477.52	1,476.94	4,454.49
Non-cancellable operating lease commitments				
Within one year	461.57	392.30	461.57	392.30
After one year but within five years	1,768.55	1,505.78	1,768.55	1,505.78
After five years	2,934.09	3,076.32	2,934.09	3,076.32
Total	5,164.21	4,974.40	5,164.21	4,974.40
Other commitment				
Bank guarantees	77.52	49.13	77.52	49.13
Total	77.52	49.13	77.52	49.13

The Company entered into 7.14 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2012 and December 2013

The Company entered into foreign currency buying forward contracts cover the period to March 2012 amounting to USD 292.80 million and EURO 0.14 million equivalents to Baht 9,177.09 million and selling forward contracts cover the period to December 2012 amounting to USD 786.73 million equivalents to Baht 24,441.07 million.

The Company entered into an interest rate swap contract for the following loan agreements by swap from float rate to fixed rate as stipulated in the agreements. The details are as follows:

Loan agreement facility (in million Baht)	Due date
3,000	30 June 2013
1,000	30 June 2014
1,500	30 June 2015
7,000	30 December 2015
1,500	30 June 2016

41. Contingent liabilities and contingent assets

The Company (the fifth defendant) was accused with the Ministry of Finance (the first defendant) for alleged land right transgression and demanding Baht 1,055 million in compensation. The land in question is located at the pier of the Refinery that the Company lodged against the Ministry of Finance. On 3 June 2009, the Appeal court upheld the civil court verdict to dismiss the case. This was being re-appealed with the Supreme Court and currently under petition to Supreme Court.

The Company has utilized the tax privilege on the allowance for corporate income tax calculation for its 2006 tax payment which was in accordance with the announcement of the Director General of the Revenue Department regarding the corporate income tax (No. 156) "Criteria, procedures and conditions for the exemption of corporate income tax for the companies that registered its shares in the Stock Exchange of Thailand according to the Securities and Exchange Acts for payments of investment or extension, modification, addition or improvement of assets but not the repair of assets according to Section 65 Tri (5) of the Revenue Codes" and change in inventory costing method from first in first out to weighted average cost which was approved by The Revenue Department. The Revenue Department has examined and assessed the additional income tax payment totaling Baht 50 million that had previously been submitted by the Company and filed for appeal. Subsequently on 20 July 2011, the Revenue Department issued its verdict ruling to dismiss the return of the tax payment. Currently, the Company is appealing the decision and has submitted a petition to the Central Tax Court to revoke the Revenue Department's ruling.

42. Events after the reporting period

At the Board of Directors' meeting held on 14 February 2012, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2011 dividend payment at the rate of Baht 1.65 per share, of which Baht 0.65 per share was paid as an interim dividend on 21 September 2011 as discussed in note 38. Thus, the remaining dividend will be at the rate of Baht 1.00 per share to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 3 April 2012.

43. Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following revised TFRS that have been issued as of the reporting date but are not yet effective. The revised TFRS is expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate or Company's financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. This standard is as follows:

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.

44. Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2010 and the statement of income for the year ended 31 December 2010, which are included in the 2011 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2011 interim financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new and revised TFRS as disclosed in note 4. Other significant reclassifications were as follows:

2010 (in million Baht)						
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>Statement of financial position</i>						
Inventories	15,132.82	475.08	15,607.90	14,588.31	469.36	15,057.67
Materials and supplies	533.64	(533.64)	-	527.92	(527.92)	-
Investment properties	-	288.06	288.06	-	288.06	288.06
Property, plant, and equipment	27,903.55	(229.50)	27,674.05	27,073.14	(229.50)	26,843.64
Other current liabilities	2,807.08	(15.01)	2,792.07	2,648.12	(15.01)	2,633.11
Employee benefit obligations	-	528.76	528.76	-	528.76	528.76
Other non-current liabilities	586.42	(513.75)	72.67	564.93	(513.75)	51.18
		<u>-</u>			<u>-</u>	
<i>Statement of income</i>						
Investment income	-	44.87	44.87	-	59.72	59.72
Other income	716.93	(44.87)	672.06	705.18	(59.72)	645.46
Administrative expenses	1,098.51	79.48	1,177.99	1,050.08	79.38	1,129.46
Management benefit expenses	79.48	(79.48)	-	79.38	(79.38)	-
Loss from Forward contract	-	523.54	523.54	-	523.54	523.54
Loss on foreign exchange	931.76	(543.72)	388.04	931.73	(543.72)	388.01
Finance costs	(898.94)	20.18	(878.76)	(861.99)	20.18	(841.81)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group

Reference



Securities Registrar

Thailand Securities Depository Limited

62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel. 0-2229-2888
Fax. 0-2654-5427

Auditor

KPMG Phoomchai Audit Limited

48th-51st Floors, Empire Tower
195 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel. 0-2677-2000
Fax. 0-2677-2222

Others

Contact

- Investor support
- Reporting losses of share certificates
- Shareholders' information change

Issuer Service Unit
Thailand Securities Depository Limited
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel. 0-2229-2888
Fax. 0-2654-5427

Company Information



Registration No.

0107536000269

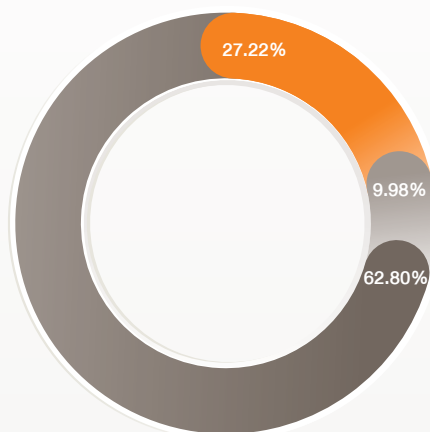
Business established:

April 1985

Registered capital as of December 31, 2011

- 1,531,643,461 Baht, of which Baht 1,376,923,157 was paid up, dividing in to 1,531,643,461 shares, at 1 Baht per share.

Shareholders



- PTT Plc
- Ministry of Finance
- Minor Shareholders

as of December 31, 2011

Business:

Sales of refined fuel products; management of 120,000-barrel/day Bangchak Refinery; sales of consumer products

Customers:

- General public through Bangchak and dealers' service stations nationwide
- Industrial sector, including industrial works
- Transport and service sectors, including aviations, marine vessels, hotels, trucks, and construction activities
- Agricultural sector through cooperative-owned Bangchak service stations
- Foreign export market

Website:

<http://www.bangchak.co.th>



Office and Terminals:

- **Head Office:** 555/1 Energy Complex, 10th Floor, Building A, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900
Tel. 0-2140-8999, Fax 0-2140-8900
- **Bangchak Refinery and Terminal:** 210 Sukhumwit 64 Road, Bangchak, Phra Khanong, Bangkok 10260
Tel. 0-2335-4999, 0-2331-0047, Fax 0-2335-4009
- **Central Region Business Office and Bang Pa-In Terminal:** 99 Moo 9, Tambon Bang Krasan, Amphoe Bang Pa-in, Ayutthaya 13160
Tel. 0-3535-0260, 0-3527-6999, Fax (Central Region Business Office) 0-3535-0290, Fax (Bang Pa-In Terminal) 0-3527-6920
- **Northern Region Business Office:** 87/9 Yee-wan Building, 3rd Floor, Thung Hotel Road, Tambon Wat Ket, Amphoe Muang, Chiang Mai 50000
Tel. 0-5330-0484, Fax 0-5330-0485
- **Northeastern Region Business Office:** 499 Moo 3, Mitraphab Road, Tambon Muang Kao, Amphoe Muang, Khon Kaen 40000
Tel. 0-4326-1789-92, 0-4326-1751-3, Fax 0-4326-1750
- **Southern Region Business Office:** Room 402, 4th Floor, P.C. Tower, 91/1 Moo 1, Kanchanawithi Road, Tambon Bang Kung, Amphoe Muang, Surat Thani 84000
Tel. 0-7722-4790-2, Fax 0-7722-4793
- **Samut Sakhon Oil Distribution Center:** 100/149 Moo 1, Tambon Tha Chin, Amphoe Muang, Samut Sakhon 74000
Tel. 0-3482-0974, Fax -none-
- **Si Racha Oil Distribution Center:** 115/14 Moo 10, Tambon Thung Sukhla, Amphoe Si Racha, Chon Buri 20230
Tel. 0-3849-3179, Fax 0-3849-3129
- **Rayong Oil Distribution Center:** 1, 3B Road, Tambon Map Ta Phut, Amphoe Muang, Rayong 21150
Tel. 0-3860-9389, Fax 0-3860-9413
- **Surat Thani Oil Distribution Center:** 104/1 Moo 2, Surat-Pak Nam Road, Tambon Bang Kung, Amphoe Muang, Surat Thani 84000
Tel. 0-7727-5056-8, Fax 0-7728-2943
- **Song Kla Oil Distribution Center:** 13/1 Moo 6, Tambon Sa Ting Mor, Amphoe Singha Nakorn, Song Kla 90280
Tel. 0-7433-2782, Fax 0-7433-2783
- **Suksawat Lubricant Oil Distribution Center:** 196 Moo 1, Suksawat Road, Tambon Pak Khlong Bang Pla Kot, Amphoe Phra Samut Chedi, Samut Prakan 10290
Tel. 0-2815-6997-8, Fax 0-2815-6996

Awards and Achievements



2011

- **Board of the Year Awards - Hall of Fame 2010/11** for being a Board with commitment to ensuring good corporate governance practices and the Board of the Year Award for Exemplary Practices for three consecutive years in the Board of the Year Awards 2010/11, organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand (SET), Board of Trade of Thailand, Federation of Thai Industries (FTI), The Thai Bankers' Association (TBA), Thai Listed Companies Association (TLCA), and the Federation of Thai Capital Market Organizations (FETCO).
- **ASEAN Honorary Fellow Award**, presented at Conference of 19th ASEAN Federation of Engineering Organization (CAFEO 29), Brunei. This award honors Dr. Anusorn Sangnimnuan with his contributions and efforts in engineering development.
- **The assessment outcome of a survey on corporate governance reports of listed companies of 2011**, given by Thai Institute of Directors (IOD), showed that the Company commanded 'excellent' ratings in over all categories.
- **SET Awards of Honor**, presented at the SET Awards 2011 event, organized by the Stock Exchange of Thailand (SET) and Finance and Banking Magazine:
 - **Top Corporate Governance Report Award**, in its sixth straight year. This award honors listed companies with outstanding reports on compliance with corporate governance
 - **Best Corporate Social Responsibilities Award**, in its fifth straight year. This award honors listed companies with outstanding social responsibility practices.

In addition, the Company won an Outstanding Corporate Social Responsibility Award and Outstanding Investor Relations Award.
- **Recognition Awards 2011 "THE BEST OF ASIA"**, organized by Corporate Governance Asia Magazine:
 - **Asian Corporate Director Recognition Award 2011**, this award honors Dr. Anusorn Sangnimnuan with his contributions in growing the business, social responsibility, environmental protection and also efforts in raising the standards of corporate governance practice in the country.
 - **Corporate Governance Asia Recognition Award 2011**, this award is given in recognition to the Company's continuing commitment to the development of Corporate Governance in the region.
- **An excellent score for its quality under the Annual General Meeting (AGM) for 2011 project**, given by the Thai Investors Association.
- **NACC Integrity Awards 2011** (Honorable Mention Award) given by the Office of the National Anti-Corruption Commission. This award is given in recognition to the Company's promotional activities for corporate governance, righteousness, and transparency. the Company was among the ten private-sector finalists at this event,
- **The Certificate of Green Industry (Level 3)**, given by Ministry of Industry, which certified that the Company has a systematic environmental management, including the monitoring and continuing development.
- **The Crown Standard**, for the Company's solar power plant project (Sunny Bangchak) in operating sustainable development and environment protection project, creating stakeholders' participation procedure, and also supporting activities on society, culture and sufficiency economy philosophy, given by Thailand Greenhouse Gas Management Organization.
- **A plaque and Certificate of CSR-DIW Continuous Award**, as the business with social responsibility, awarded by Management System Certification Institute (Thailand) and the Department of Industrial Works.

- **The Certificate of Green house Gas Reduction** for using and maintaining buildings and facilities with low emissions of greenhouse gas, given by Thailand Business Council for Sustainable Development, Thailand Greenhouse Gas Management Organization and Thailand Environment Institute.
- **The Certificate for Green Meeting** in recognition of meetings, seminars, training session and business conducive to natural balance and sustainable development through cost-effective resource application and mitigation of environment impacts given by Thailand Greenhouse Gas Management Organization and Thailand Environment Institute.
- **The Best Oil and Gas Innovation in Refining Technology Award 2011**, given by opinion surveys among the readers of the World Finance Magazine.
- **The Quality and Safety Service Stations Award** from the Department of Energy Business, designed to raise the quality of service stations nationwide. 128 Bangchak stations were awarded with 53 gold (five-star) medals, 42 silver (four-star) medals, and 33 bronze (three-star) medals.
- **Trusted Brands Awards 2011**, given by votes from the readers of Reader's Digest Magazine, illustrating consumers' confidence in the Company brand when deciding to buy goods and services.
- **Marketing Excellence Awards 2011** (second place), for the Company's an outstanding marketing campaign in green marketing of environmentally friendly marketing given by MCOT FM 100.5 News Network.

2010

- Thailand Quality Class (TQC) Award of 2010, organized by the National Quality Award Office. This award honors entities with integrated organizational management systems under the National Quality Award guidelines, as well as world-standard quality.
- SET Awards of Honor, presented at the SET Awards 2010 event, organized by the Stock Exchange of Thailand (SET) and Finance and Banking Magazine:
 - Top Corporate Governance Report, in its fifth straight year. This award honors listed companies with outstanding reports on compliance with corporate governance
 - Corporate Social Responsibilities, in its fourth straight year. This award honors listed companies with outstanding social responsibility practices.
- First prize at a contest of Sufficiency Economy practices for large corporations (for modern-management adaptation of the principle), presented at the second such event, organized by the Chaipattana Foundation, Office of the Royal Development Projects Boards, Ministry of Interior, Bureau of the Budget, Royal Thai Army, and the Sufficiency Economy National Research and Development Institute.
- Award of Excellence (Community Development Program of the Year), presented at the Platts Global Energy Awards 2010 event. This award honors entities with outstanding aspects of management in Asia. The Company was the only Thai winner of the award.
- Titanium Award (Corporate Governance), presented at The Asset Corporate Awards 2010, organized by The Asset Magazine. This award honors entities with outstanding Corporate Governance, which compared aspects of listed regional companies.

- The assessment outcome of a survey on good corporate governance reports of listed companies of 2010, organized by IOD (Thai Institute of Directors), showed that the Company commanded 'excellent' ratings in all categories, with top average scores for all categories among the entrants.
- A plaque presented under a project on transparent organizations to those with promotional activities for corporate governance, righteousness, and transparency. The Company was among the ten private-sector finalists at this event, hosted by the Office of the National Anti-Corruption Commission.
- Honorary award as an entity engaged in environmental public service, presented on the World Environment Day 2010 by the Ministry of Natural Resources and Environment.
- A perfect score of 100 for its quality under the Annual General Meeting (AGM) for 2010 project, sponsored by the Office of the Securities and Exchange Commission (SEC) in conjunction with the Listed Companies Association and the Thai Investors Association.
- The Quality and Safety Service Stations Award from the Department of Energy Business, designed to raise the quality of service stations nationwide. 75 Bangchak stations were awarded with 16 gold (five-star) medals, 31 silver (four-star) medals, and 28 bronze (three-star) medals.
- Certificate for potable piped water given by the Provincial Waterworks Authority for the quality of the company's water, which passed the recommended standards of the World Health Organization of 2006.
- Trusted Brands Awards 2010 given by votes from Reader's Digest Magazine readers, as a Thai brand of excellence (gold level) in the service stations category.

2009

- ASEAN Business Award 2008 for Corporate and Environmental Social Responsibility for Large-Scale Businesses in ASEAN, sponsored by the ASEAN Business Advisory Council and the Thai Chamber of Commerce, The Federation of Thai Industries (FTI) and Thai Bankers' Association (TBA).
- This was organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand (SET), Board of Trade of Thailand, Federation of Thai Industries (FTI), TBA, Thai Listed Companies Association, and the Federation of Thai Capital Market Organizations (FETCO).
- Board of the Year Awards 2008/09 Project achievements:
 - The Board of the Year Award for Exemplary Practices for the third consecutive year, ranking in the top five with the highest average score
 - Audit Committee of the Year Award, ranking in the top five with the highest average score
 - Honorary Award (Hall of Fame) for being a Board with Consistent Exemplary Practices, presented to the Board that has received the Board of the Year Award for Exemplary Practices for three consecutive years.
- The Top Corporate Governance Report Award as a listed Company with outstanding good corporate governance practices for the fourth consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- The Corporate Social Responsibility Award as a listed company with outstanding corporate social responsibility (CSR) and environmental practices for the third consecutive year. This was presented at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.

- The IR Excellence Award as a listed company with outstanding investor relations (IR) practices, which values participation from across the board in the organization for investor relations with investors and shareholders. The Company received this award for the second consecutive year at the SET Awards 2009 event, organized by SET and Finance and Banking Magazine.
- A perfect score of 100 under a project to assess the quality of organizations for the Annual General Meeting of Shareholders (AGM) 2009, organized by the Securities and Exchange Commission (SEC) in conjunction with the Listed Companies Association and the Thai Investor Association.
- A plaque under a staff volunteer project entitled 'Chit Asa Personnel Development toward Sustainable Development of Organization and Society', sponsored by the Center for the Promotion and National Strength on Moral Ethics and Values, the Office of Knowledge Management and Development, and Kenan Institute Asia.
- The "Quality and Safety Service Stations Award" from the Department of Energy Business, designed to raise the quality of service stations nationwide. 67 the Company stations were awarded with 17 gold (five-star) medals, 38 silver (four-star) medals, and 12 bronze (three-star) medals.
- A plaque under a project entitled 'Rak Mae, Rak Mae Nam' as an organization which has conserved and recognized the value of the Chao Phraya River under the initiative of 'Friendly Works and Community and Environment' following the guidance of Her Majesty Queen Sirikit, who has expressed concern for the quality of river water. The project coordinated efforts from the public, schools, local communities, local administrations and organizations, private industrial entrepreneurs and the Ministry of Industry to restore and conserve the four major rivers, namely the Chao Phraya, Tha Chin, Mae Klong, and Bang Pakong river. The Company has received this honor for the second consecutive year.
- National Outstanding Business Operator in Safety, Occupational Health and Work Environment Award for the second consecutive year, presented at the 23rd National Safety Week 2009 event, organized by the Department of Welfare and Labour Protection, Ministry of Labour.
- A certificate of laboratory competence under ISO/IEC 17025:2005 standards, terms, rules and conditions of the Office of Administration and Laboratory Accreditation, Department of Science Service, Ministry of Science and Technology.
- Outstanding Franchise Award in Coffee Category for inthanin coffee, in the 6th Thailand Asian Coffee & Tea 2009, organized by Thailand Coffee & Tea Association, Thai Community Products Association, the Department of Agriculture under the Ministry of Agriculture and Cooperatives

2008

- The Top Corporate Governance Report Award as a listed company that has shown excellence in reporting good corporate governance practices under the guidance for listed companies. The Company received this award for the third consecutive year in the SET Awards 2008 event, organized by SET and Finance & Banking Magazine.
- The Corporate Social Responsibilities Award as a listed company with outstanding corporate social responsibility and environmental practices for the second consecutive year. This was presented at the SET Awards 2008 event, organized by SET and Finance and Banking Magazine.

- The IR Excellence Awards as a listed company with outstanding IR practices, which values participation from across the board in the organization for investor relations with investors and shareholders, presented at the SET Awards 2008 event and organized by SET and Finance and Banking Magazine.
- A plaque and Certificate of Compliance to Corporate Social Responsibility guidelines, under a project entitled "Corporate Social Responsibility, Department of Industrial Works" (CSR-DIW), awarded by Management System Certification Institute (Thailand) (MASCI) and the Department of Industrial Works.
- A plaque under a project entitled 'Rak Mae, Rak Mae Nam' as an organization which has conserved and recognized the value of the Chao Phraya River under the initiative of 'Friendly Works and Community and Environment' following the guidance of Her Majesty Queen Sirikit, who has expressed concern for the quality of river water. The project raises awareness in industrial buildings and the local community situated on the river banks to coordinate efforts to curb pollution and restore the environment, as well as monitoring and safeguarding the quality of the river water, initiated by the Ministry of Industry.
- A plaque for participation in World Environment Day 2008 as an organization campaigning for public awareness of environmental protection and exemplary practices for environmental protection, organized by Office of Natural Resources and Environmental Policy and Planning and Bangkok Metropolitan Administration.
- National Outstanding Business Operator in Safety, Occupational Health and Work Environment Award, presented at the 22nd Occupational Safety and Health Week 2008, organized by the Department of Labour Protection and Welfare, Ministry of Labour.
- ISO/TS 16949:2002 certificate based on a set of internationally-recognized technical specifications for quality management for the automotive industry. The Company was the first in Thailand to receive this certification from United Registrar of Systems (Thailand) Ltd.
- Recognition for Good Lab Practice/Department of Industrial Works (GLP/DIW) and analytical laboratory which meets the standards of ISO/IEC 17025 from the Thai Industrial Standards Institute (TISI), Ministry of Industry.
- CNBC's Corporate Social Responsibility Award 2008, awarded for the Company's leading CSR practices, under CNBC's Asia Business Leader Award (ABLA) project, organized by the Consumer News and Business Channel (CNBC), NBC Universal.

2007

- Board of the Year for Exemplary Practices 2006-2007 from IOD, organized in conjunction with SET, The Thai Chamber of Commerce and Board of Trade of Thailand, FTI, TBA, Thai Listed Companies Association, and FETCO.
- Runner-up for work practices that follow the guidelines of the Sufficiency Economy Philosophy Competition (for Large-Scale Businesses) from the Office of Royal Development Projects Board (RDPB).

- The Company's laboratories are ISO 17025-certified for competence in diesel product testing from TISI, Ministry of Industry.
 - A Certificate of Commitment to Social and/or Environment Issues from the Thailand Management Association (TMA) in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the "Thailand Corporate Excellence Awards" 2006 event.
 - A Certificate of Commitment to Energy Saving from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 6th "Thailand Corporate Excellence Awards" 2006 event.
-

2006

- Being among the nine companies with the highest scores for good corporate governance from IOD, organized in conjunction with SEC and SET.
 - A certificate of Distinction in Maintaining Excellent Corporate Governance Reports from Money & Banking Magazine and SET, presented at the SET Awards 2006 event.
 - Best Corporate Social Responsibilities Award from Money & Banking Magazine and SET, presented at the SET Awards 2006 event.
 - A Certificate of Commitment to Social and/or Environment Issues from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 5th "Thailand Corporate Excellence Awards" 2006 event.
 - A Certificate of Commitment to Energy Saving from TMA in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at the 5th "Thailand Corporate Excellence Awards" 2006 event.
 - Best Toilets on Main Roads of the Year 2006 Award on Pahonyothin Road and Rama 2 Road, awarded by the Department of Health, Ministry of Public Health, under a project to develop Thai public toilets, presented at the "World Toilet Expo and Forum 2006" event.
-

2005

- Certificate of recognition for Board of the Year 2004-2005 from IOD, organized in conjunction with SET, Board of Trade of Thailand, FTI, TBA, Thai Listed Companies Association, and FETCO.
- Best Corporate Governance Report Award from Money & Banking Magazine and SET, presented at the SET Awards 2005 event.
- Certified in Occupational Health and Safety Management according to TISI /OHSAS 18001 for the Company's Bang Pa-in Oil Distribution Center, Ayutthaya province, from MASCI in 2005.
- Selection to Top Quartile Companies 2005 for the third consecutive year, under the Corporate Governance of Thai Listed Companies 2005 project, organized by IOD in conjunction with SET and SEC.

1990-2004

- Most Creative Issue Award under the Best Bond Awards 2004 project of the Thai Bond Market Association.
- Recipient of the “Prueksa Nakhara” medal for Green and Clean Presentation of Large-scale Office Buildings between 2002 and 2004, organized by Khet Phra Khanong Office, Bangkok.
- Certificate of Occupational Health and Safety Management under TISI-18001-2542 and OHSAS 18001-1999 in all work processes as of 2004.
- OHSAS 18001 Certificate of Occupational Health and Safety Management in 2003.
- ISO 9001:2000 Quality Management Certificate for motor oil product development, contract and procurement, and car care in 2002
- EIA Monitoring Award 2001 for Environmental Impact Assessment and Planning, presented by the Office of Natural Resources and Environmental Policy and Planning.
- The Company's Refinery was the first Thai refinery to receive Occupational Health and Safety Management System (OHSAS 18001) certification in 2000.
- EIA Monitoring Award 1997 for Environmental Impact Assessment and Planning, presented by the Office of Natural Resources and Environmental Policy and Planning 1998
- Best Board for Occupational Health and Safety Award 1998
- ISO 14001-Petroleum Refining Certificate for environmental management system in production processes in 1997, extended in 2003.
- Compliance with Environmental Impact Assessment and Environmental Monitoring 1995.
- National Outstanding Business Operator in Safety Award 1995.
- Best Industrial Practices for Safety Management 1994.
- Best Environmental Stewardship 1991.
- Best Energy Conservation 1990.