

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have reviewed the consolidated balance sheet of the Bangchak Petroleum Public Company Limited and its subsidiaries as of June 30, 2005, and the related consolidated income statements for the three-month and six-month period ended June 30, 2005 and 2004, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended. We have also reviewed the financial statements for the same periods of the Bangchak Petroleum Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our review.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's and its subsidiaries' personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

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

The consolidated and the company's balance sheets as of December 31, 2004, presented herein for comparison, have been derived from such financial statements, which we have audited and reported, in accordance with generally accepted auditing standards and expressed an unqualified opinion in our report dated February 10, 2005. We have not performed any other audit procedures subsequent to such report date.

(KESREE NARONGDEJ)
Certified Public Account
Registration No. 76

A.M.T. & ASSOCIATES
Bangkok, Thailand
August 4, 2005

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 TH	As of 31 ST	As of 30 TH	As of 31 ST
		June	December	June	December
		2005	2004	2005	2004
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	1,589,722,459	2,212,561,232	1,453,789,096	1,894,499,857
Trade accounts receivable - net					
Related parties	3.1	-	-	296,081,918	434,942,310
Other parties	5	2,905,588,181	3,198,912,805	2,891,995,431	3,186,132,557
Inventories - net	6	10,273,521,417	10,118,144,306	10,009,206,222	9,946,500,675
Other current assets					
Material and Supplies - net	7	347,556,702	345,094,422	347,556,702	345,094,422
Oil Fund Subsidies Receivable		784,565,495	1,342,496,006	784,565,495	1,342,496,006
Others		370,399,110	405,626,494	358,147,941	391,003,541
Total Current Assets		<u>16,271,353,364</u>	<u>17,622,835,265</u>	<u>16,141,342,805</u>	<u>17,540,669,368</u>
NON-CURRENT ASSETS					
Investments for using the equity method	3.2	-	-	38,538,536	-
Other long-term investments	8	5,533,631	5,573,987	4,633,631	4,673,987
Tariff prepayment - net	9	28,146,690	33,169,500	28,146,690	33,169,500
Long-term loans to related parties	3.3	1,100,000	1,100,000	-	-
Property, plant and equipment - net	10	13,832,094,795	14,011,640,633	13,825,661,873	14,004,310,491
Intangible assets - net	11	1,424,087,176	1,448,937,928	1,424,087,176	1,448,937,928
Investment in service station - net	12	509,578,257	539,124,952	509,578,257	539,124,952
Other non-current assets					
Deferred income tax assets	13	101,742,785	94,415,342	101,742,785	94,415,342
Others	14	840,592,836	612,932,904	832,373,291	603,904,140
Total Non-Current Assets		<u>16,742,876,170</u>	<u>16,746,895,246</u>	<u>16,764,762,239</u>	<u>16,728,536,340</u>
TOTAL ASSETS		<u><u>33,014,229,534</u></u>	<u><u>34,369,730,511</u></u>	<u><u>32,906,105,044</u></u>	<u><u>34,269,205,708</u></u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	Notes	CONSOLIDATED		THE COMPANY ONLY	
		As of 30 TH	As of 31 ST	As of 30 TH	As of 31 ST
		June	December	June	December
		2005	2004	2005	2004
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	15, 16.1	500,207,037	2,000,000,000	500,207,037	2,000,000,000
Trade accounts payable					
Related parties	3.4	7,553,998	9,058,378	9,069,534	10,923,323
Other parties		6,897,756,269	7,638,078,411	6,838,308,046	7,571,866,050
Current portion of long-term loans	16	676,250,000	1,756,250,000	676,250,000	1,756,250,000
Other current liabilities:					
Accrued excise tax and oil stabilization fund		110,817,031	252,808,838	110,817,031	252,808,838
Accrued expenses		350,133,214	503,900,476	314,907,919	481,266,723
Others		405,453,172	329,187,762	402,875,054	327,518,742
Total Current Liabilities		<u>8,948,170,721</u>	<u>12,489,283,865</u>	<u>8,852,434,621</u>	<u>12,400,633,676</u>
NON-CURRENT LIABILITIES					
Long-term loans	16	11,678,770,000	11,164,700,000	11,678,770,000	11,164,700,000
Other non-current liabilities:					
Liabilities on long-term lease	11	551,631,820	551,631,820	551,631,820	551,631,820
Liabilities on service stations leasehold right		50,163,006	72,183,706	50,163,006	72,183,706
Reserve for pension fund		234,932,453	214,722,262	234,932,453	214,722,262
Deferred income tax liabilities	13	31,078,014	32,713,699	31,078,014	32,713,699
Others		57,413,656	63,689,812	45,565,990	52,170,077
Total Non-Current Liabilities		<u>12,603,988,949</u>	<u>12,099,641,299</u>	<u>12,592,141,283</u>	<u>12,088,121,564</u>
Total Liabilities		<u>21,552,159,670</u>	<u>24,588,925,164</u>	<u>21,444,575,904</u>	<u>24,488,755,240</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

B A H T

	CONSOLIDATED		THE COMPANY ONLY	
	As of 30 TH June 2005 (Unaudited / but reviewed)	As of 31 ST December 2004 (Audited)	As of 30 TH June 2005 (Unaudited / but reviewed)	As of 31 ST December 2004 (Audited)
SHAREHOLDERS' EQUITY				
Share Capital - Par Value Baht 1.00 per share	26			
Authorized share capital				
Common share 867,143,461 shares	867,143,461	867,143,461	867,143,461	867,143,461
Issued and paid - up share capital				
Common share 663,159,535 shares in 2005 and	663,159,535	-	663,159,535	-
Common share 660,559,535 shares in 2004	-	660,559,535	-	660,559,535
Capital Surplus				
Premium on share capital	1,627,669,706	1,593,089,706	1,627,669,706	1,593,089,706
Capital surplus on registered and paid-up share reduction	17 189,617,759	189,617,759	189,617,759	189,617,759
Surplus on fixed assets revaluation	4,613,388,186	4,724,586,227	4,613,388,186	4,724,586,227
Retained earning (deficit)				
Appropriated – legal reserve	86,714,346	86,714,346	86,714,346	86,714,346
Unappropriated	4,280,979,608	2,525,696,777	4,280,979,608	2,525,882,895
Total Equity of Parent Company's Shareholders	11,461,529,140	9,780,264,350	11,461,529,140	9,780,450,468
Minority interests	540,724	540,997	-	-
Total Shareholders' Equity	11,462,069,864	9,780,805,347	11,461,529,140	9,780,450,468
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,014,229,534	34,369,730,511	32,906,105,044	34,269,205,708

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Anusorn Sangnimnuan*

(Anusorn Sangnimnuan)

President

(Unaudited /
but reviewed)

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
	Notes	2005	2004	2005	2004
REVENUES					
Sales	19	40,295,947,886	37,132,362,253	39,878,651,719	36,681,397,038
Other incomes					
Interest income		10,050,175	10,872,784	9,764,252	10,599,078
Others		43,207,094	58,916,018	22,933,416	42,016,243
Share of gains from investments for using the equity method		-	-	38,538,536	-
Total Revenues		<u>40,349,205,155</u>	<u>37,202,151,055</u>	<u>39,949,887,923</u>	<u>36,734,012,359</u>
EXPENSES					
Cost of sales		37,054,981,794	34,371,581,037	36,854,934,972	34,105,263,572
Selling and administrative expenses		932,100,576	790,128,877	749,937,320	593,534,045
Other expenses					
Depreciation		148,487,147	146,967,890	147,049,627	143,590,327
Directors' remuneration		2,069,250	809,750	2,059,250	779,750
Loss from crude oil and product oil price					
hedging contract	24.3	42,848,625	102,167,833	42,848,625	102,167,833
Loss from foreign exchange	20	86,353,929	73,545,536	86,353,929	73,545,536
Total Expenses		<u>38,266,841,321</u>	<u>35,485,200,923</u>	<u>37,883,183,723</u>	<u>35,018,881,063</u>
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		2,082,363,834	1,716,950,132	2,066,704,200	1,715,131,296
Interest expenses	21	(320,570,615)	(425,255,663)	(320,570,615)	(425,254,723)
Income tax	13	(6,429,061)	3,629,579	8,963,128	3,629,579
PROFIT (LOSS) AFTER INCOME TAX		1,755,364,158	1,295,324,048	1,755,096,713	1,293,506,152
MINORITY INTERESTS		(81,327)	(3,995)	-	-
NET PROFIT (LOSS)		<u>1,755,282,831</u>	<u>1,295,320,053</u>	<u>1,755,096,713</u>	<u>1,293,506,152</u>
BASIC EARNING PER SHARE					
	22				
Earning per share (Baht)		2.65	1.81	2.65	1.81
Number of weighted average shares (shares)		661,823,623	716,233,248	661,823,623	716,233,248
DILUTED EARNING PER SHARE					
	22				
Earning per share (Baht)		2.12	1.41	2.12	1.41
Number of weighted average shares (shares)		843,143,451	951,382,714	843,143,451	951,382,714

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

(Signed) *General Tawat Ked-Unkoon*

(General Tawat Ked-Unkoon)

Chairman

(Signed) *Anusorn Sangnimnuan*

(Anusorn Sangnimnuan)

President

(Unaudited /
but reviewed)

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

		B A H T			
		CONSOLIDATED		THE COMPANY ONLY	
	Notes	2005	2004	2005	2004
REVENUES					
Sales	19	22,277,828,461	18,481,730,437	22,067,504,200	18,275,758,024
Other incomes					
Interest income		4,189,380	2,841,160	3,910,001	2,571,676
Others		24,698,793	25,270,431	12,497,911	19,146,062
Share of gains from investments for using the equity method		-	-	11,891,025	-
Total Revenues		22,306,716,634	18,509,842,028	22,095,803,137	18,297,475,762
EXPENSES					
Cost of sales		20,128,263,109	17,083,587,025	20,030,457,977	16,970,302,564
Selling and administrative expenses		473,158,079	399,690,271	376,159,830	303,896,144
Other expenses					
Depreciation		73,979,466	73,952,702	73,262,573	71,457,316
Directors' remuneration		1,320,250	624,500	1,320,250	609,500
Loss from crude oil and product oil price					
hedging contract	24.3	49,950,664	18,473,920	49,950,664	18,473,920
Loss from foreign exchange	20	91,168,652	106,261,658	91,168,652	106,261,658
Total Expenses		20,817,840,220	17,682,590,076	20,622,319,946	17,471,001,102
PROFIT (LOSS) BEFORE INTEREST EXPENSE AND INCOME TAX		1,488,876,414	827,251,952	1,473,483,191	826,474,660
Interest expenses	21	(160,537,139)	(182,691,450)	(160,537,139)	(182,690,510)
Income tax	13	(11,069,274)	3,427,342	4,322,915	3,427,342
PROFIT (LOSS) AFTER INCOME TAX		1,317,270,001	647,987,844	1,317,268,967	647,211,492
MINORITY INTERESTS		(1,034)	(2,449)	-	-
NET PROFIT (LOSS)		1,317,268,967	647,985,395	1,317,268,967	647,211,492
BASIC EARNING PER SHARE					
	22				
Earning per share (Baht)		1.99	0.86	1.99	0.86
Number of weighted average shares (shares)		663,073,821	753,040,940	663,073,821	753,040,940
DILUTED EARNING PER SHARE					
	22				
Earning per share (Baht)		1.58	0.67	1.58	0.67
Number of weighted average shares (shares)		843,143,451	1,032,761,220	843,143,451	1,032,761,220

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

(Signed) *General Tawat Ked-Unkoon*
(General Tawat Ked-Unkoon)
Chairman

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

(Unaudited /
but reviewed)

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

	BAHT							Total
	Issue and paid - up share capital	Premium on Share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		Minority interests	
					Appropriated legal reserve	Unappropriated		
Notes								
Beginning balance as at January 1, 2004	522,040,940	-	-	4,947,867,230	-	(2,413,141,747)	538,059	3,057,304,482
Issued and paid - up share capital	231,000,000	-	-	-	-	-	-	231,000,000
Premium on share capital	-	2,692,118,116	-	-	-	-	-	2,692,118,116
Decrease premium on share capital for reduction of accumulated deficit	-	(2,389,126,110)	-	-	-	2,389,126,110	-	-
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation	-	-	-	(111,718,238)	-	-	-	(111,718,238)
Net profit (loss)	-	-	-	-	-	1,295,320,053	3,995	1,295,324,048
Ending balance as at June 30, 2004	<u>753,040,940</u>	<u>302,992,006</u>	<u>-</u>	<u>4,836,148,992</u>	<u>-</u>	<u>1,271,304,416</u>	<u>542,054</u>	<u>7,164,028,408</u>
Beginning balance as at January 1, 2005	660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,696,777	540,997	9,780,805,347
Share capital increase from redemption of convertible debenture	2,600,000	-	-	-	-	-	-	2,600,000
Premium on share capital from redemption of convertible debenture	-	34,580,000	-	-	-	-	-	34,580,000
Transaction not recognised in the income statement								
- Depreciation on the fixed assets revaluation	-	-	-	(111,198,041)	-	-	-	(111,198,041)
Dividend payment for preferred stock	-	-	-	-	-	-	(81,600)	(81,600)
Net profit (loss)	-	-	-	-	-	1,755,282,831	81,327	1,755,364,158
Ending balance as at June 30, 2005	<u>663,159,535</u>	<u>1,627,669,706</u>	<u>189,617,759</u>	<u>4,613,388,186</u>	<u>86,714,346</u>	<u>4,280,979,608</u>	<u>540,724</u>	<u>11,462,069,864</u>

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

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

THE COMPANY ONLY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

	BAHT						Total
	Issue and paid - up share capital	Premium on Share capital	Capital surplus on registered and paid-up share reduction	Surplus on fixed assets revaluation	Retained earning (Deficit)		
					Appropriated legal reserve	Unappropriated	
Notes							
Beginning balance as at January 1, 2004	522,040,940	-	-	4,947,867,230	-	(2,389,126,110)	3,080,782,060
Issued and paid - up share capital	231,000,000	-	-	-	-	-	231,000,000
Premium on share capital	-	2,692,118,116	-	-	-	-	2,692,118,116
Decrease premium on share capital for reduction of accumulated deficits	-	(2,389,126,110)	-	-	-	2,389,126,110	-
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluator	-	-	-	(111,718,238)	-	-	(111,718,238)
Net profit (loss)	-	-	-	-	-	1,293,506,152	1,293,506,152
Ending balance as at June 30, 2004	<u>753,040,940</u>	<u>302,992,006</u>	<u>-</u>	<u>4,836,148,992</u>	<u>-</u>	<u>1,293,506,152</u>	<u>7,185,688,090</u>
Beginning balance as at January 1, 2005	660,559,535	1,593,089,706	189,617,759	4,724,586,227	86,714,346	2,525,882,895	9,780,450,468
Share capital increase from redemption of convertible debentures	2,600,000	-	-	-	-	-	2,600,000
Premium on share capital from redemption of convertible debentures	-	34,580,000	-	-	-	-	34,580,000
Transaction not recognised in the income statement							
- Depreciation on the fixed assets revaluator	-	-	-	(111,198,041)	-	-	(111,198,041)
Net profit (loss)	-	-	-	-	-	1,755,096,713	1,755,096,713
Ending balance as at June 30, 2005	<u>663,159,535</u>	<u>1,627,669,706</u>	<u>189,617,759</u>	<u>4,613,388,186</u>	<u>86,714,346</u>	<u>4,280,979,608</u>	<u>11,461,529,140</u>

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

(Unaudited /
but reviewed)

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

		B A H T				
		CONSOLIDATED		THE COMPANY ONLY		
Notes		2005	2004	2005	2004	
CASH FLOWS FROM OPERATING ACTIVITIES :						
	Net profit (loss)	1,755,282,831	1,295,320,053	1,755,096,713	1,293,506,152	
	Adjustments to reconcile net profit to net cash provided by (used in) Operating Activities					
	Depreciation	294,963,400	289,777,739	293,525,881	286,400,176	
	Bad debt and doubtful debts	9,149,460	6,587,270	8,358,880	5,306,870	
	Amortization	94,079,930	80,361,369	94,079,930	80,361,369	
	Loss (gain) from foreign exchange	20	51,120,880	16,840,041	51,120,880	16,840,041
	Deferred income tax	13	(8,963,128)	(3,629,579)	(8,963,128)	(3,629,579)
	Loss (gain) from fixed assets disposal		(164,871)	(5,842,856)	(164,871)	(5,863,535)
	Reserve for pension fund		20,210,191	10,020,501	20,210,191	10,020,501
	Deferred revenue		451,790	(3,732,246)	451,790	(3,732,246)
	Loss (gain) on investments for using the equity method		-	-	(38,538,536)	-
	Minority interests		81,327	3,995	-	-
	Operating gain before changes in operating assets and liabilities:	2,216,211,810	1,685,706,287	2,175,177,730	1,679,209,749	
	Operating assets (increase), decrease					
	Trade accounts receivable		353,246,450	(890,107,341)	492,822,965	(911,804,805)
	Inventories		(155,377,111)	(1,886,002,014)	(62,705,547)	(1,875,346,578)
	Other current assets		589,860,424	(614,120,957)	588,375,599	(616,058,459)
	Operating liabilities increase, (decrease)					
	Trade accounts payable		(793,572,616)	62,372,336	(787,157,887)	63,688,621
	Other current liabilities:		(283,284,635)	(393,230,749)	(296,785,274)	(397,389,406)
	Other non - current liabilities:		(6,727,945)	(3,549,910)	(7,055,876)	(4,033,326)
	Net Cash Provided by (Used in) Operating Activities:	1,920,356,377	(2,038,932,348)	2,102,671,710	(2,061,734,204)	

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

(Unaudited /
but reviewed)

THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005 AND 2004

	B A H T				
	Notes	CONSOLIDATED		THE COMPANY ONLY	
		2005	2004	2005	2004
CASH FLOWS FROM INVESTING ACTIVITIES :					
Decrease(increase) in temporary investments		-	(518)	-	-
Decrease(increase) in long-term investments		5,022,810	7,012,980	5,022,810	7,012,980
Decrease(increase) in long-term loans to related parties		-	3,000,000	-	-
Acquisition in property, plant and equipment		(230,048,632)	(79,631,948)	(229,508,333)	(79,480,175)
Proceeds from sales of property, plant and equipment		3,597,900	14,705,670	3,597,900	14,705,670
Decrease(increase) in intangible assets		(30,056,973)	(615,600)	(30,056,973)	(615,600)
Decrease(increase) in other non-current assets		(263,085,692)	(180,746,547)	(263,894,912)	(178,228,643)
Net Cash Provide by (Used in) Investing Activities		<u>(514,570,587)</u>	<u>(236,275,963)</u>	<u>(514,839,508)</u>	<u>(236,605,768)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase(decrease) in bank overdrafts and short-term loans from financial institutions		(1,499,792,963)	(6,100,000,000)	(1,499,792,963)	(6,100,000,000)
Increase(decrease) in other short-term loans		-	(1,390,823,000)	-	(1,390,823,000)
Proceeds from long-term loans		700,000,000	11,000,000,000	700,000,000	11,000,000,000
Payment of long-term loans		(1,228,750,000)	(6,507,500,000)	(1,228,750,000)	(6,507,500,000)
Dividend payment for preferred stock		(81,600)	-	-	-
Proceeds from issued and paid-up shares capital		-	231,000,000	-	231,000,000
Proceeds from premium on shares capital		-	2,692,118,116	-	2,692,118,116
Net Cash Provided by (Used in) Financing Activities		<u>(2,028,624,563)</u>	<u>(75,204,884)</u>	<u>(2,028,542,963)</u>	<u>(75,204,884)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS - NET		(622,838,773)	(2,350,413,195)	(440,710,761)	(2,373,544,856)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		<u>2,212,561,232</u>	<u>3,522,502,394</u>	<u>1,894,499,857</u>	<u>3,348,494,142</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	4	<u><u>1,589,722,459</u></u>	<u><u>1,172,089,199</u></u>	<u><u>1,453,789,096</u></u>	<u><u>974,949,286</u></u>
Cash paid during the periods for					
Interest expenses		355,558,170	641,578,472	355,558,170	641,577,532
Income tax		22,256,637	2,752,894	22,368,451	262,698

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

**THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD EDNED JUNE 30, 2005**

1. GENERAL INFORMATION

1.1 General matter

The company was incorporated as a limited company under the Civil and Commercial Code on November 8, 1984, and changed its status to a Public Company Limited under the Public Company Limited Act on April 23, 1993. The address of the head office is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand and the main business is operating an oil refinery and marketing the finished products through its service stations under its company's brand. The company's oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial and agriculture. The sale of oil is also made through the major and the minor oil traders. As at June 30, 2005 and 2004, the company employed 763 and 769 employees respectively and the employees related expenses were Baht 290.85 million and Baht 208.93 million respectively.

The Bangchak Green Net Co., Ltd., a subsidiary company, was incorporated as a limited company under the Civil and Commercial Code on July 13, 1993. Its head office address is 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Bangchak, Phakanong, Bangkok. The company operates in Thailand with its main business being the running of the Bangchak service stations and the consumer goods retail shops under the Lemon Green and the Bi-Chak brand. It also provides other services to accommodate future expansion in the retail business. As at June 30, 2005 and 2004, the company employed 1,960 and 848 employees respectively and the employees related expenses were Baht 94.68 million and Baht 88.15 million respectively.

1.2 Basis for preparation and presentation of interim financial statements

The interim financial statements of the company are prepared in accordance with the generally accepted accounting standards and presented in brief in accordance with the Department of Business Development announcement on September 14, 2001. The interim financial statements provide additional information from the annual financial statements that were last reported. The interim financial statements should therefore be used in conjunction with the financial statements for the year ended December 31, 2004.

The company's consolidated financial statements incorporate the financial statements of The Bangchak Petroleum Public Company Limited and The Bangchak Green Net Co., Ltd., in which the company holds 49% share, and The Retail Net Co., Ltd., a subsidiary company of The Bangchak Green Net Co., Ltd., in which it holds 99.30% share. For the purpose of the consolidation, all significant intercompany transactions and all intercompany account balances have been eliminated.

1.3 Related parties

Enterprises that directly, or indirectly through one or more intermediaries control, or are under common control of the company are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiaries :</u>			
- The Bangchak Green Net Co., Ltd.	Manage BCP service station and consumer goods retailer	Holding and joint directors	49.00%
- The Retail Net Co., Ltd.	Manage BCP service station (Company is in self liquidation process)	Indirect holding and joint directors	48.66%
- The Bangchak Green Line Co., Ltd.	Fuel transportation. (Company is in self liquidation process)	Indirect holding and joint directors	49.00%
<u>Related company :</u>			
- Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation	Holding and joint directors	11.41%

The Bangchak Green Net Co., Ltd. did not include The Bangchak Green Line Co., Ltd. in its consolidated financial statements as that company was in the process of self-liquidation and its investment was written off.

The Bangchak Green Net Co., Ltd. consolidated financial statement that had been brought to include in The Company consolidated financial statements that was included The Retail Net Co., Ltd. This is made the liquidation registry on June 1, 2005 to the Department of Business Development and now in the process of return on the investment.

1.4 Others.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the fiscal year ended December 31, 2004.

3. RELATED PARTY TRANSACTION

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

Balance of assets, liabilities, account and trading transactions with subsidiary and related companies as at June 30, 2005 are as follow:

3.1 Trade accounts receivable – related parties

	Million Baht			
	Consolidated		The Company Only	
	June 30,2005	December 31,2004	June 30,2005	December 31,2004
<u>Subsidiaries</u>				
- The Bangchak Green Net Co., Ltd.	-	-	296.08	434.94
- The Retail Net Co., Ltd.	-	-	-	-
<u>Related Company</u>				
- Fuel Pipeline Transportation Ltd.	-	-	-	-
Total Accounts receivable - Related parties net	-	-	296.08	434.94

3.2 Investments for using the equity method

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				June 30, 2005		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	38.54	-

Name	Type of Business	Authorized Share capital (Million Baht)	Holding %	Million Baht		
				The Company Only		
				December 31, 2004		
				Investments		
				Cost Method	Equity Method	Dividend
Subsidiary :						
The Bangchak Green Net Co., Ltd.	Holding and joint directors	1	49.00%	0.49	-	-

3.3 Long - term loans to related parties

	Million Baht				Borrowing Cost Policy
	Consolidated				
	Balance as at December 31, 2004	Increase	Receive	Balance as at June 30, 2005	
Subsidiary :					
The Bangchak Green Line Co., Ltd.	4.00	-	-	4.00	2% Pa.
<u>Less</u> : allowance for doubtful accounts	(2.90)	-	-	(2.90)	
Total Long – term loan to related parties	1.10	-	-	1.10	

3.4 Trade accounts payable – related parties

	Million Baht			
	Consolidated		The Company Only	
	June 30, 2005	December 31, 2004	June 30, 2005	December 31, 2004
<u>Subsidiaries</u>				
- The Bangchak Green Net Co.,Ltd.	-	-	1.52	1.86
- The Retail Net Co.,Ltd.	-	-	-	-
<u>Associated Companies</u>				
- Fuel Pipeline Transportation Ltd.	7.55	9.06	7.55	9.06
Total Account Payable				
- related parties	7.55	9.06	9.07	10.92

3.5 Transaction with related parties

Transaction with related parties for the six-month period ended June 30, 2005 and 2004 are as follow:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Revenue from sales of oil	-	-	4,158.05	2,948.17
Revenue from operating right	-	-	33.13	29.61
Cost of pipeline transportation	40.52	45.85	40.52	45.85

Transfer pricing with the related parties is not differed from unrelated parties.

4. CASH AND CASH EQUIVALENTS

As at June 30, 2005 and December 31, 2004 Cash and cash equivalents consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash and deposits at Banks	1,589.72	2,212.56	1,453.79	1,894.50
Fixed deposit (maturity dates not longer than 3 months)	-	-	-	-
Total	1,589.72	2,212.56	1,453.79	1,894.50

5. TRADE ACCOUNT RECEIVABLES – OTHER PARTIES - NET

As at June 30, 2005 and December 31, 2004, trade account receivables consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Trade accounts receivable - other parties	3,013.85	3,307.12	2,996.21	3,286.13
<u>Less</u> Allowance for doubtful accounts	(108.26)	(108.21)	(104.21)	(100.00)
Trade accounts receivable - other parties - net	2,905.59	3,198.91	2,892.00	3,186.13

As at June 30, 2005 and December 31, 2004, the overdue trade accounts receivable are classified by aging as follows:

	Million Baht	
	2005	2004
Over than 3 months to 6 months	3.20	0.71
Over than 6 months to 12 months	1.84	3.09
Over than 12 months	102.91	104.78
Total	107.95	108.58

6. INVENTORIES - NET

As at June 30, 2005 and December 31, 2004, Inventories consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Crude oil	6,156.37	7,384.61	6,156.37	7,384.61
Finished oil product	4,048.55	2,944.32	3,854.99	2,849.74
Consumer product	73.98	79.78	-	-
<u>Less</u> Allowance for devaluation	<u>(5.38)</u>	<u>(290.57)</u>	<u>(2.15)</u>	<u>(287.85)</u>
Inventories – net	<u>10,273.52</u>	<u>10,118.14</u>	<u>10,009.21</u>	<u>9,946.50</u>

Inventories as at June 30, 2005 and December 31, 2004 are included petroleum legal reserve of 378.70 million liters approximated value Baht 5,294.91 Million and 399.24 million liters approximated value Baht 4,530.90 Million respectively.

7. MATERIAL AND SUPPLIES - NET

As at June 30, 2005 and December 31, 2004, Material and supplies consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Material and supplies	377.46	375.10	377.46	375.10
<u>Less</u> Allowance for obsolescence	<u>(29.90)</u>	<u>(30.01)</u>	<u>(29.90)</u>	<u>(30.01)</u>
Material and supplies – net	<u>347.56</u>	<u>345.09</u>	<u>347.56</u>	<u>345.09</u>

8. OTHER LONG-TERM INVESTMENTS

As at June 30, 2005 and December 31, 2004, Other long-term investments consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<u>Investment in capital paper</u>				
- Fuel Pipeline Transportation Ltd.	181.75	181.75	181.75	181.75
<u>Less</u> Allowance for impairment	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>	<u>(181.75)</u>
Investment in capital paper – net	-	-	-	-
<u>Investment in commercial paper</u>				
- The Express way Authority of Thailand's bond	5.50	5.50	4.60	4.60
<u>Add</u> Premium on investments	<u>0.03</u>	<u>0.07</u>	<u>0.03</u>	<u>0.07</u>
Total Investment in commercial paper	<u>5.53</u>	<u>5.57</u>	<u>4.63</u>	<u>4.67</u>
Total other long-term investments	<u>5.53</u>	<u>5.57</u>	<u>4.63</u>	<u>4.67</u>

The Company invested in bond issued by The Expressway Authority of Thailand, B.E. 2542 no.1 of 7 years period. The bond with the face value of Baht 1,000 per unit, was registered on November 26, 1998, with maturity on November 26, 2005. The interest rate is 7.88% per annum, which will be paid twice annually in May and November. The company purchased a total of 4,600 units at Baht 5,043,922.03. The premium on the face value of the bond of Baht 443,922.03 was amortized using the straight-line accounting method, spread over the life of the bond. The amortization expense for the six months ended June 30, 2005 and 2004 was equally recorded at Baht 40,356.54

9. TARIFF PREPAYMENT - NET

The Company has provided financial support to the Fuel Pipeline Transportation Ltd. (FPT) in the form of advance payment of fuel transportation fee (Tariff Prepayment) as per the written agreement dated June 14, 1996. Subsequently, the Company, together with the other FPT creditors agreed on March 3, 1999 to restructure the FPT loan. Prior to the loan restructure, the amount owed to the Company as Tariff Prepayment was Baht 245.80 million, of this, Baht 48.75 million was converted to capital stock (preferred stock) on April 30, 1999, leaving the balance of loan as Baht 197.05 million. The loan shall be repaid in accordance with FPT's cash flow while the interest on the tariff prepayment and the custody fee (difference in interest rate MLR-2%) will be paid on a monthly basis. It turned out that FPT was able to repay some part of the loan and due to financial difficulties it could not comply with the agreed terms. Hence, an amendment to the original agreement was made on March 28, 2002. Under the revised agreement, the remaining loan principle of Baht 187.29 million will be repaid on a monthly basis over a total number 153 periods, with the first payment made on April 30, 2002. The interest rate will be based on MLR with relaxation of 1% per annum starting from March 29, 2002. The difference in the interest rates shall be established as a receivable in a suspense account.

The financial statements as at June 30, 2005 shows an outstanding prepaid tariff balance of Baht 157.67 million and the Company has set up allowance for doubtful debt of Baht 129.52 million, the remaining amount is Baht 28.15 million. The difference in the interest rates as calculated in accordance with the loan restructuring agreement, which is pending in the suspense account, shall be written-off if FPT makes full settlement of both the loan principle and the interest, without default, over a three-year period. These terms are specified in the

amendment of the loan restructuring agreement. The Company will consider the write-off of interest receivable on an annual basis. For the year 2004, the Company write-off the interest receivable, calculated up to December 31, 2001, in the amount of Baht 21.38 million. And in 2005, it will write-off the interest receivable set-up from January 1, 2002 to March 28, 2002 of Baht 2.42 Million. As for the interest from March 29, 2002 to June 30, 2005 of Baht 29.53 million, the Company will consider the write-off on an annual basis. The total interest receivable is Baht 31.95 million and the Company has set up an allowance for doubtful debt of the whole amount.

10. PROPERTY, PLANT AND EQUIPMENT - NET

	Million Baht				As at June 30, 2005
	Consolidated				
	As at December 31, 2004	Increase	Decrease	Transfer	
COST :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	511.69	-	-	-	511.69
Machinery, equipment and refinery plants	22,880.04	-	3.57	23.98	22,900.45
Marketing and office equipment	3,598.23	0.54	6.63	65.33	3,657.47
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	128.38	-	9.13	8.94	128.19
Construction work in progress	443.30	230.95	-	(98.25)	576.00
Total	29,229.12	231.49	19.33	-	29,441.28
Less Accumulated depreciation					
Buildings	299.93	8.62	-	-	308.55
Machinery, equipment and refinery plants	12,665.48	280.14	2.57	-	12,943.05
Marketing and office equipment	1,558.19	108.98	4.28	1.41	1,664.30
Platinum Catalyst	-	-	-	-	-
Vehicles	82.91	8.42	9.01	-	82.32
Total	14,606.51	406.16	15.86	1.41	14,998.22
Less Allowance for impairment					
Land	573.58	-	-	-	573.58
Machinery, equipment and refinery plants	0.56	-	-	-	0.56
Marketing and office equipment	36.83	-	-	-	36.83
Total	610.97	-	-	-	610.97
Property, plant and equipment - net	14,011.64				13,832.09
Depreciation for the period	583.97				294.96

	Million Baht				As at June 30, 2005
	The Company Only				
	As at December 31, 2004	Increase	Decrease	Transfer	
COST :-					
Land	1,344.78	-	-	-	1,344.78
Buildings	511.69	-	-	-	511.69
Machinery, equipment and refinery plants	22,880.04	-	3.57	23.98	22,900.45
Marketing and office equipment	3,559.48	-	6.63	65.33	3,618.18
Platinum Catalyst	322.70	-	-	-	322.70
Vehicles	125.08	-	9.13	8.94	124.89
Construction work in progress	443.30	230.95	-	(98.25)	576.00
Total	29,187.07	230.95	19.33	-	29,398.69
Less Accumulated depreciation					
Buildings	299.93	8.62	-	-	308.55
Machinery, equipment and refinery plants	12,665.48	280.14	2.57	-	12,943.05
Marketing and office equipment	1,524.57	107.87	4.28	1.41	1,629.57
Platinum Catalyst	-	-	-	-	-
Vehicles	81.81	8.09	9.01	-	80.89
Total	14,571.79	404.72	15.86	1.41	14,962.06
Less Allowance for impairment					
Land	573.58	-	-	-	573.58
Machinery, equipment and refinery plants	0.56	-	-	-	0.56
Marketing and office equipment	36.83	-	-	-	36.83
Total	610.97	-	-	-	610.97
Property, plant and equipment - net	14,004.31				13,825.66
Depreciation for the period	579.14				293.53

11. INTANGIBLE ASSETS - NET

As at June 30, 2005 and December 31, 2004, Intangible assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<u>Cost</u>				
Leasehold right	2,139.92	2,139.50	2,139.92	2,139.50
License and development costs of computer software	106.19	76.55	106.19	76.55
	<u>2,246.11</u>	<u>2,216.05</u>	<u>2,246.11</u>	<u>2,216.05</u>
<u>Accumulated amortization</u>				
Leasehold right	(744.52)	(691.15)	(744.52)	(691.15)
License and development costs of computer software	(66.91)	(65.37)	(66.91)	(65.37)
	<u>(811.43)</u>	<u>(756.52)</u>	<u>(811.43)</u>	<u>(756.52)</u>
Total	1,434.68	1,459.53	1,434.68	1,459.53
<u>Less : Allowance for impairment</u>	<u>(10.59)</u>	<u>(10.59)</u>	<u>(10.59)</u>	<u>(10.59)</u>
Intangible assets – net	<u>1,424.09</u>	<u>1,448.94</u>	<u>1,424.09</u>	<u>1,448.94</u>

On February 27, 2004, The Treasury Department permitted the Company to pay, by installments, the leasehold fee of Baht 551.63 million covering the extension of the lease agreement of state-owned land on which the company's refinery and the head office are located. The initial lease agreement, which expires on April 1, 2015, will be extended by 18 years under the new lease agreement, which will expire on March 31, 2033. The installment payments of the mentioned fee will be on an annual basis, commencing from the year 2007 - 2009 at about Baht 45.97 million per annum, 2010 - 2012 at about Baht 61.29 million per annum and 2013 - 2015 at about Baht 76.62 million per annum. The amounts are recorded as liability, against the long-term leasehold right.

In addition, The Treasury Department also permitted the Company to utilize the mentioned leasehold right to pledge as security against loan and to place the building structures, including machinery on the leased land as collateral for credit facilities from financial institutions. The agreement to this effect is in the process of being signed. The Company has extended the length of the net book value of the leasehold right to March 31, 2033, so as to correspond with terms of the new lease agreement.

12. INVESTMENT IN SERVICE STATIONS

The investment in service stations is for business expansion and the approach taken by the company varies. For example, the Company invests and grants franchise to others to operate or enter into, a joint venture agreement, or with investment made by the operator and the Company providing support. As at June 30, 2005 and December 31, 2004, the balances outstanding in the investment in service station account are Baht 509.58 million and Baht 539.12 million respectively. The amortization expense of Baht 26.30 million on total investment balance was recorded in this accounting period.

13. INCOME TAX AND DEFERRED INCOME TAX

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

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

Deferred income tax as at June 30, 2005 and December 31, 2004 are as follows:

	Million Baht	
	Consolidated	The Company Only
Deferred income tax assets		
As at December 31, 2004	94.42	94.42
Income tax expenses	7.32	7.32
As at June 30, 2005	<u>101.74</u>	<u>101.74</u>
Deferred income tax liabilities		
As at December 31, 2004	32.71	32.71
Income tax expenses	(1.63)	(1.63)
As at June 30, 2005	<u>31.08</u>	<u>31.08</u>

Deferred income tax assets mainly comprised allowance for doubtful accounts and pension fund reserve, and deferred income tax liabilities mainly comprised accumulated depreciation of equipment.

14. OTHER NON-CURRENT ASSETS - OTHERS

As at June 30, 2005 and December 31, 2004, Other non-current assets consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
14.1 Fixed deposit for staff welfare	177.20	170.20	177.20	170.20
14.2 Deposit for crude and product oil price hedging contract	263.63	178.50	263.63	178.50
14.3 Deferred expenses for the issuance of debentures and long-term loans	97.24	102.69	97.24	102.69
14.4 Other	302.52	161.54	294.30	152.51
Total	840.59	612.93	832.37	603.90

14.1 Fixed deposit for staff welfare

As at June 30, 2005 and December 31, 2004, the Company had a fixed deposit fund in a bank of Baht 177.20 million and Baht 170.20 million respectively with interest of 0%. The deposit is maintained to allow employees obtain credit facilities from the mentioned bank.

14.2 Deposit for crude and product oil price hedging contract

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

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

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

For the six month period ended June 30, 2005, the total amortized expenses on loans and issuance of the convertible debentures was Baht 5.44 million.

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at June 30, 2005 and December 31, 2004 bank overdrafts and short-term loans from financial institutions consisted of :

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Bank overdrafts	0.21	-	0.21	-
Short-term loans from financial institutions	500.00	2,000.00	500.00	2,000.00
Total	500.21	2,000.00	500.21	2,000.00

Short-term loans from financial institutions are part of the credit facilities covered by collateral, with interest rate as at June 30, 2005 and December 31, 2004 of 4.50% and 4.125% per annum respectively, as describe in Note 16.1.

16. LONG-TERM LOANS

As at June 30, 2005 and December 31, 2004, Long-term loans consisted of:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Loans from bank	8,436.25	7,800.00	8,436.25	7,800.00
Debentures	1,050.00	2,215.00	1,050.00	2,215.00
Convertible debentures	2,573.77	2,610.95	2,573.77	2,610.95
Promissory notes	295.00	295.00	295.00	295.00
Total	12,355.02	12,920.95	12,355.02	12,920.95
Less : current portion of long-term loans	(676.25)	(1,756.25)	(676.25)	(1,756.25)
Less : portion of early redemption of Debentures	-	-	-	-
Long-term loans	11,678.77	11,164.70	11,678.77	11,164.70

16.1 Loans from bank

The Company has entered a loan contract with Krung Thai Bank Public Company Limited by pledging the Company's assets as collateral for Baht 12,500 million credit line which are divided into Baht 8,500 million 10-year long-term loans and Baht 4,000 million 10-year working capital short-term loans. As at June 30, 2005 the Company has obtained long-term loans of Baht 8,436.25 million and working capital short-term loans of Baht 500 million which presented under bank overdrafts and short-term loans from financial institutions.

16.2 Debentures

As at June 30, 2005, the unsecured, unsubordinated registered debentures with the holders' names amounting to 1,050,000 units, totaling Baht 1,050 million, with interest rate from 5.50 to 6.25% per annum, were as follows:

No	Maturity Date	Interest Due Date
24/2545	Dec. 02, 2005	Jun 02 and Dec 02 of each year
25/2545	Dec. 02, 2007	Jun 02 and Dec 02 of each year

16.3 Convertible debentures

On January 29, 2004, the Company issued 400,000 units of unsecured, convertible into common stock, subordinated registered debentures with holders' names. The instruments have a face value of Baht 10,000 per unit, with a 10-year maturing period and with interest of 3% per annum. The convertible value of the debenture is Baht 14.30 per one common stock. The issuance of the convertible debentures form part of the financial restructuring plan, approved by the cabinet on July 8, 2003; in which offerings are made to investing institution in the form of depository receipt against benefits derived from the convertible debentures. The issuance of the depository receipt is made by the Siam DR Co., Ltd.(which is 99% owned by The Stock Exchange of Thailand) on the basis of one depository receipt for one convertible debenture. The Ministry of Finance guarantees the investment and offers to buy back the depository receipts at the initial offered price of Baht 10,000 per unit; as specified under the term, of the depository receipts.

The holders of the depository receipts can exchange them for convertible debentures and convert the debentures into common stock. Such conversion, however, must be done on every 30th day of March, June, September and December of each year. The first conversion commences on June 30, 2004 and ends on September 30, 2013. This is in accordance with the terms and conditions relating to depository receipts and also the convertible debentures. The depository receipt holders exercised the right by redeem 142,623 units of depository receipts. As at June 30, 2005 the balance of deposit receipts remaining were 257,377 units.

16.4 Promissory note

Transferable and unsecured promissory note of baht 150 million will be matured in the year 2005 with interest rate of 5.50% per annum and Baht 145 million in the year 2007 with interest rate of 6.25% per annum.

17. CAPITAL SURPLUS ON REGISTERED AND PAID-UP SHARE REDUCTION

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

18. WARRANTS

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

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

- 18.1 45% of the total allotted warrants is exercisable on the first year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 21 or higher, over a continuous period of 5 days.
- 18.2 25% of the total allotted warrants is exercisable on the second year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 23 or higher, over a continuous period of 5 days.
- 18.3 30% of the total allotted warrants is exercisable on the third year duration when the closing price of the Depository Receipts of BCP's Ordinary Shares (DRs), or the closing price of the Ordinary Shares, in case there are no DRs, is at Baht 25 or higher, over a continuous period of 5 days.

19. SALES

Sales revenue for the six months ended June 30, 2005 and 2004 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Sales revenue from fuel products	40,288.64	37,099.69	39,824.63	36,631.19
Income from investment charge	7.31	32.67	54.02	50.21
Total	40,295.95	37,132.36	39,878.65	36,681.40

20. GAIN (LOSS) FROM FOREIGN EXCHANGE

Gain (loss) from foreign exchange for the six month period ended June 30, 2005 and 2004 are as follows:

	Million Baht			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Realized gain (loss) from foreign exchange fluctuations	(35.23)	(56.71)	(35.23)	(56.71)
Unrealized gain(loss) from foreign exchange fluctuations	(51.12)	(16.84)	(51.12)	(16.84)
Total	(86.35)	(73.55)	(86.35)	(73.55)

21. INTEREST EXPENSE

The total interest for this period is Baht 323.80 million, of which Baht 3.23 million is recorded as cost of work in progress and Baht 320.57 million as expense.

22. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the six months ended June 30, 2005					
	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	1,755.28	661.82	2.65	1,755.10	661.82	2.65
Effect of dilutive potential ordinary shares	35.86	181.32		35.86	181.32	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	1,791.14	843.14	2.12	1,790.96	843.14	2.12

For the three months ended June 30, 2005

	Consolidated			The Company Only		
	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share	Net Profit (Loss)	Weighted Average Number of Ordinary Shares	Earning (Loss) Per Share
	Million Baht	Million Shares	Baht	Million Baht	Million Shares	Baht
Basic earning per share						
Net profit (loss)	1,317.27	663.07	1.99	1,317.27	663.07	1.99
Effect of dilutive potential ordinary shares	16.74	180.07		16.74	180.07	
Diluted earning per share						
Net earnings of ordinary shareholders assuming the conversion of convertible debenture to ordinary shares	1,334.01	843.14	1.58	1,334.01	843.14	1.58

23. CONTIGENT LIABILITES AND COMMITMENTS

23.1 Liabilities on guarantees

As at June 30, 2005, the Company's total liabilities in the form of bank guarantees amounted to Baht 31.24 million. These guarantees are mainly to cover electricity usage and the tele-communication contract with the Telephone Organization of Thailand.

23.2 Allegation

On April 30, 2003 the civil court dismissed the case lodged against the Ministry of Finance (the first defendant) and the Company (the fifth 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. The case is being appealed with the appeal court.

23.3 Commitments

As at June 30, 2005, the Company had entered into 4.18 million barrels oil price hedging contracts with foreign oil traders for price period from July to December 2005.

24. DISCLOSURE FOR FINANCIAL INSTRUMENTS

24.1 Risk from foreign exchange rate

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

As at June 30, 2005, the Company bought forward contracts due in September 2005 of which 35.50 million US\$ equal Baht 1,460.21 million and sold forward contracts due in June 2006 of which 11.00 million US\$ equal Baht 446.08 million.

24.2 Risk from interest rate

The interest rate risk depends on the fluctuation of the interest rate in the financial market, which could impact on the Company's operations and its cash flows. However, management believes that the risk is insignificant in the current financial market because the Company's outstanding debt is small compared with its annual income and net cash flow.

24.3 Risk from product oil price in the global market

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

For the six month period ended June 30, 2005 the company realized Baht 42.85 million from the difference in the world's oil market price being lower than the hedging contact price.

24.4 Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to the Company. However, since the Company currently sells its products to creditworthy customers, it does not anticipate any material

problem in collecting its debts. The concentration of credit risk with respect to trade receivable is limited as company debtors are spread over different type of businesses.

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

24.5 Fair value

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

25. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The statement of income of the Company segmented by type of business for the six month period ended June 30, 2005 are as follows:

	Million Baht			Total
	Refinery	Marketing	Elimination	
Sales	39,210.53	24,841.83	(24,173.71)	39,878.65
Cost of sales	(36,681.53)	(24,347.11)	24,173.71	(36,854.93)
Gross margin	2,529.00	494.72	-	3,023.72
Selling and administrative expense	(131.61)	(544.56)	-	(676.17)
Other incomes (expenses)	(117.92)	9.97	-	(107.95)
Depreciation and Amortization	(5.48)	(217.39)	-	(222.87)
EBIT	2,273.97	(257.26)	-	2,016.73
Gain (loss) from foreign exchange fluctuations of others				1.68
Share of gains (loss) from investments for using the equity method				38.54
Interest-net				(310.81)
Income Tax				8.96
Net Profit				1,755.10
EBITDA	2,436.53	(39.87)	-	2,396.66

The statement of income of the Company segmented by type of business for the three month period ended June 30, 2005 are as follows:

	Million Baht			Total
	Refinery	Marketing	Elimination	
Sales	21,612.72	13,141.30	(12,686.52)	22,067.50
Cost of sales	(19,938.48)	(12,778.49)	12,686.52	(20,030.45)
Gross margin	1,674.24	362.81	-	2,037.05
Selling and administrative expenses	(54.34)	(281.31)	-	(335.65)
Other incomes (expenses)	(137.90)	4.57	-	(133.33)
Depreciation and Amortization	(2.29)	(112.80)	-	(115.09)
EBIT	1,479.71	(26.73)	-	1,452.98
Gain (loss) from foreign exchange fluctuations of others				4.71
Share of gains (loss) from investments for using the equity method				11.89
Interest-net				(156.63)
Income Tax				4.32
Net Profit				1,317.27
EBITDA	1,560.55	86.07	-	1,646.62

26. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On July 5, 2005, the Company has registered paid up share to increase the paid up shares capital from Baht 663,159,535 to Baht 677,146,946 with the Ministry of Commerce. This derived from 2 depository receipts holders who, on June 30, 2005, redeemed 20,000 depository receipts with face value of Baht 10,000 each and converted them to 13,987,411 ordinary shares, with the convertible price of Baht 14.30 per unit convertible price. After the execution of the convertible right, the balance of deposit receipts remaining was 237,375 units.

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