

Management's Discussion and Analysis (MD&A) and operating results for the fourth quarter of 2014 and the year 2014

Economic Overview in the fourth quarter of 2014

The world economy in the fourth quarter of 2014 (Q4/2014) expanded at a slower pace than the third quarter of 2014 (Q3/2014) which was driven mainly by the advanced economies. The euro area economy remained weak. In addition, the inflation continued to decline causing the European Central Bank (ECB) to purchase covered bonds and asset-backed securities in order to stimulate the economy. Moreover, the Japan economic recovery was slower-than-expected, owing to weak private consumption and exports. The U.S. economy slowed down from declining private consumption and widening trade deficit. Therefore, the Federal Reserve (Fed) pledged to stimulate the economy by keeping the interest rate at a record low for a considerable of time even though it decided to end its quantitative easing (QE) in October. For developing and emerging countries, economy remained stable, especially China, as a result of the government's mini-stimulus package to agriculture and small businesses. Thus, the International Monetary Fund (IMF) in January 2015 unchanged its projection for the world economy to grow 3.3%.

According to the International Energy Agency (IEA) in January 2015, global oil demand in Q4/2014 averaged 93.4 million barrels per day (MMBD), just over 93.0 MMBD and 92.8 MMBD in Q3/2014 and Q4/2013 respectively, driven by a demand surge in China, India and Japan. Global oil demand in 2014 averaged 92.4 MMBD, shooting up from 91.8 MMBD in 2013.

Dubai oil price in Q4/2014 averaged US\$74.4 per barrel, sharply dropped from the average US\$101.5 and US\$106.8 per barrel in Q3/2014 and Q4/2013 respectively. The reason for this is that concerns about a supply surplus particularly US shale oil production. In addition, OPEC crude oil production remained high level and the group had agreed on a quota of 30 MMBD. Moreover, weak global oil demand accelerated which have the negative effect on oil price. Dubai oil price in 2014 averaged at US\$ 96.6 per barrel which is lower than US\$105.5 per barrel seen in 2013.

| Unit: USD/BBL | Q4/2013 | Q3/2014 | Q4/2014 | %Inc.(Dec.) | | 2013 | 2014 | %Inc. (Dec.) |
|-----------------------|---------|---------|---------|-------------|---------|-------|------|-----------------|
| | | | | YoY | QoQ | | | |
| Dubai crude oil price | 106.8 | 101.5 | 74.4 | (43.5%) | (36.4%) | 105.5 | 96.6 | (8.4%) |

Petroleum product prices in the Singapore Spot Market in Q4/2014 declined from those in previous quarter, aligned with the Dubai oil price. However, gasoline crack spread in Q4/2014 was similar to the previous quarter as there was a tight supply even lower requirement from Indonesia due to the subsidy removal. Diesel crack spread in Q4/2014 increased from the previous quarter on accounts of winter demand along with tight supply. Similarly, fuel oil crack spread in Q4/2014 increased from the previous quarter because of robust demand in winter and power generators as well as lower exports from Iran.

Petrochemical prices of Olefins, both High Density Polyethylene (HDPE) and Polypropylene (PP), in Q4/2014 declined from previous quarter in parallel with sharp decreases in crude and naphtha prices and excess supply coupling with sluggish demand. Most buyers deferred the purchase with an expectation of a further drop in prices. However, the spread between product and feed (HDPE-Naphtha and PP-Naphtha) kept surging. For Aromatics, the Benzene (BZ) price weakened along with declining feedstock price and softening prices in the U.S. and Europe. Also, the BZ market experienced a thin trade and Styrene Monomer (SM) producers, as BZ derivatives, lowered their operating rates. Similarly, Paraxylene (PX) price dropped amid bearish PTA market in China as demand for polyester waned.

| Unit: USD/Ton | Q4/2013 | Q3/2014 | Q4/2014 | %Inc.(Dec.) | | 2013 | 2014 | %Inc. (Dec.) |
|------------------|---------|---------|---------|-------------|---------|-------|-------|-----------------|
| | | | | YoY | QoQ | | | |
| HDPE | 1,535 | 1,604 | 1,448 | (5.7%) | (9.7%) | 1,487 | 1,544 | 3.8% |
| PP | 1,537 | 1,620 | 1,459 | (5.1%) | (9.9%) | 1,515 | 1,556 | 2.7% |
| BZ | 1,283 | 1,307 | 964 | (24.9%) | (26.2%) | 1,302 | 1,219 | (6.4%) |
| PX | 1,420 | 1,337 | 995 | (29.9%) | (25.6%) | 1,483 | 1,214 | (18.1%) |

The Thai economy in Q4/2014 expanded higher than in Q3/2014. Private consumption and investment showed signs of improvement as well as tourism. In addition, exports recovered, partly determined by a temporary boosts in exports to the euro area ahead of Thailand's Generalized System of Preferences (GSP) tax privilege expiration. However, the Thai economy has recovered slower than expected, thus the economy expanded at 0.7% in year 2014.

Non-recurring items in 2014

Summary of non-recurring items for 2014 are as follows:

| | |
|---------------|---|
| January 2014 | <ul style="list-style-type: none"> ● PTT Group has activated Business Continuity Management (“BCM”). |
| | <ul style="list-style-type: none"> ● PTTEP has signed a Partnership Unit Redemption Agreement (PURA) to restructure the ownership of Mariana Oil Sands project. |
| February 2014 | <ul style="list-style-type: none"> ● PTTGC had planned shutdown of Olefins Plant I-1 and unplanned shutdown of Plant I4-1. |
| April 2014 | <ul style="list-style-type: none"> ● PTTEP completed its acquisition of subsidiaries of Hess Corporation, including Hess Thailand Holdings II Limited (HTH) and Hess Exploration Thailand Company Limited (HETCL). As a result, PTTEP has 60% and 55% of participating interests in the Contract 4 and Sinphuhorm projects, respectively. |
| May 2014 | <ul style="list-style-type: none"> ● PTTEP fulfilled the condition in Partnership Units Redemption Agreement (PURA) with Statoil Canada Limited, resulting in PTTEP holding 100% ownership and operator of Thornbury, Hangingstone and South Leismer fields, and receiving US\$ 200 million and US\$ 219 million in cash calculated from price revision in order to reflect the asset swap transaction. |
| June 2014 | <ul style="list-style-type: none"> ● IRPC had a fire incident in Vacuum Gas Oil Hydro Treating Unit (VGOHT), which provided feedstock to crackers mainly for Propylene production. The incident resulted in a temporary shutdown. Currently, other units have normal production, except for VGOHT which IRPC is in the process of ordering for equipment replacement. Additionally, the insurance covers the damage up to US\$ 1,200 million and IRPC received insurance compensation amounting to Baht 1,710 million. |
| July 2014 | <ul style="list-style-type: none"> ● BCP set up a new subsidiary in Singapore to purchase of ordinary shares in Nido Petroleum Limited. |
| August 2014 | <ul style="list-style-type: none"> ● The National Energy Policy Council (NEPC) passed a resolution calling for PTT to separate natural gas pipeline business from its gas procurement and distribution business to set up a subsidiary. Initially, PTT will own 100% of the subsidiary. Prior to separating the natural gas pipeline business, PTT needs to complete Third Party Access Code (TPA code). |
| | <ul style="list-style-type: none"> ● PTTEP's Zawtika Project began producing and delivering natural gas to Thailand. |

| | |
|----------------|--|
| September 2014 | <ul style="list-style-type: none"> The Energy Policy Management Committee (EPMC) approved to raise LPG price for transportation by Baht 0.62 per kilogram to Baht 22.00 per kilogram and NGV price by Baht 1 per kilograms to Baht 11.50 per kilogram, effective on October 1, 2014. PTTEP participated in the Concession BM-ES-23 exploration block in the Federal Republic of Brazil. PTTGC shut down the Aromatics Complex 2 to repair the reactor of the Platforming Unit. IRPC dispute settlement with Liaopairattana family |
| October 2014 | <ul style="list-style-type: none"> EPMC approved to raise LPG price for transportation by Baht 0.63 per kilogram making retail price for household and transportation sector equal to Baht 22.63 per kilogram, effective on October 21, 2014. PTT approved the sale of investment in PT Mitra Aneka Rezeki (PT. MAR). |
| November 2014 | <ul style="list-style-type: none"> EPMC approved to raise LPG price for transportation and household sector by Baht 0.50 per kilogram to Baht 23.13 per kilogram, effective on November 18, 2014, as well as gradually reduced collection on oil fund 2 from industry sector. |
| December 2014 | <ul style="list-style-type: none"> EPMC approved to raise LPG price for transportation and household sector by Baht 1.03 per kilogram, making retail price for all sectors equal to Bath 24.16 per kilogram, and to raise NGV price by Baht 1 per kilogram for both private and public cars to Baht 12.50 per kilogram and Baht 9.50 per kilogram, respectively, effective on December 3, 2014. PTT and PTTEP approved a resolution to dissolve PTT FLNG Limited. IRPC approved the Joint Venture with PCC Rokita SA, Poland. BCP approved the purchase of shares in Galoc Production Company WLL by its subsidiary. |
| January 2015 | <ul style="list-style-type: none"> EPMC approved to restructure LPG price in order to reflect the actual price by setting the weighted average cost from three new producers at US\$ 488 per ton (Baht 16.11 per kilogram), while retail price maintained at Baht 24.16 per kilogram, effective on Feb 2, 2015. EPMC approved to raise NGV price by Baht 0.50 per kilogram for both private and public cars to be at Baht 13.00 per kilogram and Baht 10.00 per kilogram, respectively, effective on January 31, 2015. |

Overall performance of PTT and its subsidiaries

Financial performance of Q4/2014 compared with Q4/2013 and Q3/2014 as well as Year 2014 compared with Year 2013 are as follows:

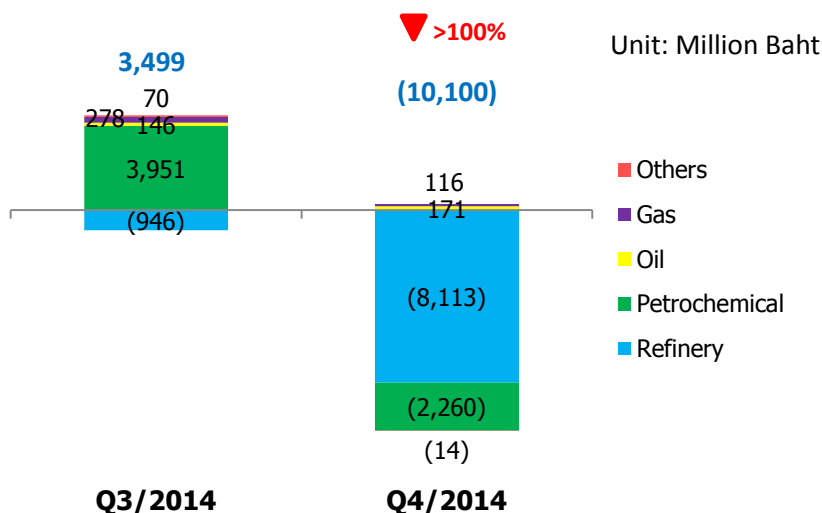
| Unit : Million Baht | Q4/2013 | Q3/2014 | Q4/2014 | % Inc. (Dec.) | | Y2013 | Y2014 | % Inc. (Dec.) |
|---|----------------|----------------|-----------------|----------------|----------------|------------------|------------------|----------------|
| | | | | YoY | QoQ | | | |
| Sales & services income | 749,921 | 757,619 | 643,851 | (14.1%) | (15.0%) | 2,842,408 | 2,834,732 | (0.3%) |
| : Exploration & Production | 58,791 | 64,021 | 60,348 | 2.6% | (5.7%) | 224,973 | 247,817 | 10.2% |
| : Natural gas | 133,278 | 140,486 | 141,172 | 5.9% | 0.5% | 529,051 | 558,018 | 5.5% |
| : Oil | 157,968 | 155,360 | 150,935 | (4.5%) | (2.8%) | 617,305 | 638,409 | 3.4% |
| : International trading | 449,084 | 455,041 | 336,411 | (25.1%) | (26.1%) | 1,656,735 | 1,599,101 | (3.5%) |
| : Petrochemical | 25,688 | 26,937 | 28,722 | 11.8% | 6.6% | 93,054 | 111,851 | 20.2% |
| : Coal | 7,269 | 4,734 | 4,426 | (39.1%) | (6.5%) | 24,978 | 20,557 | (17.7%) |
| : Others | 1,058 | 1,056 | 1,192 | 12.7% | 12.9% | 4,027 | 4,191 | 4.1% |
| EBITDA | 58,696 | 66,052 | 51,854 | (11.7%) | (21.5%) | 228,541 | 251,025 | 9.8% |
| : Exploration & Production | 40,128 | 45,565 | 40,223 | 0.2% | (11.7%) | 161,273 | 174,740 | 8.4% |
| : Natural gas | 12,262 | 15,840 | 9,680 | (21.1%) | (38.9%) | 44,836 | 54,102 | 20.7% |
| : Oil | 2,024 | 3,126 | (236) | n.m. | n.m. | 13,297 | 11,578 | (12.9%) |
| : International trading | 442 | (708) | (1,577) | n.m. | n.m. | (1,151) | (751) | 34.8% |
| : Petrochemical | 509 | 853 | 1,034 | n.m. | 21.2% | 2,041 | 4,113 | n.m. |
| : Coal | 2,307 | 1,147 | 940 | (59.3%) | (18.0%) | 5,809 | 4,475 | (23.0%) |
| : Others | 835 | 174 | 717 | (14.1%) | n.m. | 1,600 | 1,538 | (3.9%) |
| EBIT | 36,416 | 38,457 | 19,927 | (45.3%) | (48.2%) | 152,297 | 142,685 | (6.3%) |
| : Exploration & Production | 25,543 | 24,209 | 14,715 | (42.4%) | (39.2%) | 110,922 | 91,525 | (17.5%) |
| : Natural gas | 8,645 | 12,229 | 5,971 | (30.9%) | (51.2%) | 30,985 | 39,780 | 28.4% |
| : Oil | 1,347 | 2,410 | (1,003) | n.m. | n.m. | 10,652 | 8,716 | (18.2%) |
| : International trading | | | | | | | | |
| - Excluding effect of FX | 438 | (728) | (1,584) | n.m. | n.m. | (1,163) | (787) | 32.3% |
| - Including effect of FX | 933 | 1,474 | (33) | n.m. | n.m. | 4,679 | 7,154 | 52.9% |
| : Petrochemical | 174 | 529 | 691 | n.m. | 30.6% | 769 | 2,801 | n.m. |
| : Coal | (307) | 42 | (147) | 52.1% | n.m. | (591) | (234) | 60.4% |
| : Others | 387 | (290) | 211 | (45.5%) | n.m. | (115) | (348) | n.m. |
| Depreciation and amortization expenses | 22,280 | 27,595 | 31,928 | 43.3% | 15.7% | 76,244 | 108,341 | 42.1% |
| Finance costs | 5,478 | 5,369 | 5,833 | 6.5% | 8.6% | 20,593 | 22,218 | 7.9% |
| Gain (loss) on foreign exchange | (5,322) | 1,312 | 5,258 | n.m. | n.m. | (210) | 11,156 | n.m. |
| Loss from impairment of assets | 2 | - | 36,707 | n.m. | n.m. | 49 | 36,707 | n.m. |
| Income taxes | 13,316 | 10,704 | 7,997 | (39.9%) | (25.3%) | 47,649 | 41,029 | (13.9%) |
| Net income (loss) | 14,798 | 24,558 | (26,649) | n.m. | n.m. | 93,091 | 55,795 | (40.1%) |
| Earnings per share (Baht/share) | 5.16 | 8.58 | (9.49) | n.m. | n.m. | 32.52 | 19.33 | (40.6%) |

Fourth quarter of 2014 compared with Third quarter of 2014

Net loss of PTT and its subsidiaries in Q4/2014 was Baht 26,649 million, decreasing from Baht 24,558 million of net income in Q3/2014. The main result was the recognition of impairment loss of PTT Group's assets totaling Baht 36,707 million, mainly from PTTEP's. However, the operating result of PTT Group, excluding the impairment loss of assets, still decreased, especially refining business. This was resulted from the continuous decline of crude oil prices since Q3/2014, which led to significant amounts of stock losses and inventory losses from net realizable value (NRV). In addition, the petrochemical business had lower operating result from declining PX spread margin. Moreover, PTT's operating result decreased from the effect of oil prices and retroactive adjustments of natural gas feed costs.

In Q4/2014, sales revenue of PTT and its subsidiaries was Baht 643,851 million, decreasing by Baht 113,768 million. The main reason was lower sales volume of crude oil and imported condensate of the international trading business. Furthermore, sales revenue of oil business and PTTEP decreased mainly due to lower average product selling prices in relation to reference crude oil prices. Additionally, Natural Gas Business had higher feed costs due to retroactive adjustment of fuel oil index in purchasing prices. Therefore, earnings before interest, taxes, depreciation and amortization (excluding other non-operating incomes and expenses) (EBITDA) of PTT and subsidiaries in this period was Baht 51,854 million, decreasing by Baht 14,198 million or 21.5%.

Share of net income (loss) from investments in associates



In Q4/2014, the share of net loss from investments in associates was Baht 10,100 million, decreasing from Baht 3,499 million gains in Q3/2014, mainly from the following reasons:

The performance of petrochemical associates decreased. For Aromatics petrochemical associates, spread margins of PX and Benzene decreased from excessive supply of PX and resumption of Naphtha Cracker in Q4/2014, whereas Polyester and PTA producers had lower demand due to uncertainty of products prices which may decrease in accordance with oil prices. Additionally, PTTGC had a planned shutdown of Aromatics plant#1 in Q4/2014, leading to decreases in both production and sales volume. Nevertheless, for Olefins petrochemical associates, spread margins increased in all products due to continuously higher demand of plastics, even though HDPE and PP prices started to decline in late Q4/2014 in line with the drop in crude oil prices.

The performance of refining business associates decreased; despite better Market GRM from increasing domestic and regional demand as well as seasonal oil demand in winter and travelling season, due to stock losses and inventory losses from NRV at the end of 2014. Accounting GRM (including stock gain/loss and hedging gain/loss, excluding PTTGC's refining unit) of refineries in PTT Group decreased from US\$ 0.83 gain per barrel in Q3/2014 to US\$ 4.23 loss per barrel in Q4/2014. The main reason was the continuous decline of crude oil prices as aforementioned.

In Q4/2014, depreciation and amortization expenses increased by Baht 4,333 million or 15.7% from Baht 27,595 million in Q3/2014 to Baht 31,928 million. The main reason was increase in depreciation and amortization expenses of PTTEP Australasia project, which had higher completed assets, and Zawtika project, which exported its natural gas sales to Thailand for the whole quarter.

Gains on foreign exchange were Baht 5,258 million, increasing by Baht 3,946 million from Baht 1,312 million in Q3/2014. This was resulted mainly from US\$ appreciated against Thai Baht in Q4/2014, especially PTTEP which has US\$ as its functional currency.

Finance costs increased by Baht 464 million or 8.6% from Baht 5,369 million in Q3/2014 to Baht 5,833 million in Q4/2014.

In Q4/2014, losses from impairment of assets were Baht 36,707 million because PTTEP recognized losses from impairment of assets from PTTEP Australasia and Mariana Oil Sands projects due to the decrease in oil prices totaling to Baht 32,796 million. Furthermore, PTTGE, a subsidiary of PTT which operates palm business, recognized losses from impairment of operating assets amounting to Baht 2,816 million.

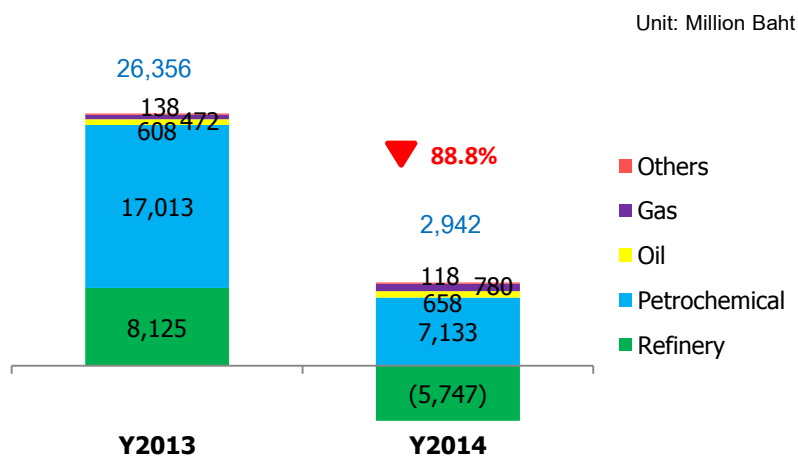
Corporate income taxes were Baht 7,997 million, decreasing by Baht 2,707 million or 25.3% from Baht 10,704 million in Q3/2014, mainly due to the decrease in profits of PTT and PTTEP from the drop in sales in accordance with reference crude oil prices.

Year 2014 compared with Year 2013

In 2014, net income of PTT and its subsidiaries was 55,795 million, decreasing by Baht 37,296 million or 40.1% from Baht 93,091 million in 2013. The main reasons were the recognition of impairment losses of PTT Group's assets totaling Baht 36,707 million in Q4/2014 and the increase in depreciation and amortization expenses of PTTEP in accordance with higher production volume and completed assets. Nonetheless, these transactions did not affect the cash flow of PTT Group; therefore, EBITDA of PTT and its subsidiaries still increased from the previous year due to the higher performance of Natural Gas Business. However, impacts of stock loss and lower petrochemical spread margins resulted in the significant decreases of operating results of petrochemical and refining associates from previous year.

In 2014, sales revenue of PTT and its subsidiaries was Baht 2,834,732 million, slightly decreasing by Baht 7,676 million or 0.3%, mainly from lower average product selling prices of international trading business in line with reference crude oil prices. Although the average product selling prices of oil business and PTTEP were affected from lower oil prices, the sales revenue of these business groups still increased due to the continuous growth of sales volume. Nevertheless, the average product selling prices of gas business increased in relation to reference petrochemical prices and the Baht depreciation against US\$. The sales volume also increased because PTT's GSP Unit 5 has resumed its normal production after lightning strike incident of PTT's GSP Unit 5 in 2013, which led to the increase in utilization rate. Although Natural Gas Business had retroactive adjustments of natural gas feed costs in Q4/2014, EBITDA of PTT and its subsidiaries was Baht 251,025 million, increasing by Baht 22,484 million or 9.8% compared with 2013.

Share of net income (loss) from investments in associates



In 2014, the share of net income from investments in associates was Baht 2,942 million, decreasing by Baht 23,414 million or 88.8% mainly from the following reasons:

The performance of Aromatics petrochemical associates decreased due to the decreases in spread margins of PX and Benzene. The main reasons were oversupply and lower growth in demand of downstream-products in accordance with global economic. In addition, in Q3/2014 and Q4/2014, there were both planned and unplanned shutdowns of Aromatics plants, whereas there were shutdowns only in some units in 2013. Nevertheless, the performance of Olefins petrochemical associates increased because spread margins of Olefins and derivatives increased in accordance with demand in the market. Although Olefins plants had maintenance shutdowns in Q1/2014, production and average sales volume in 2014 still increased from the previous year.

The performance of refining business associates decreased because Accounting GRM (excluding PTTGC's refining unit) of refineries in PTT Group decreased from US\$ 4.75 per barrel in 2013 to US\$ 1.17 per barrel in 2014. The main reasons were stock losses and inventory losses from NRV at the end of Q4/2014, while there were stock gains in 2013, as a result of a drop in crude oil price since Q3/2014. Additionally, there were major turnaround in all refineries of PTT Group in 2014.

In 2014, PTT had gains on disposal of investments totaling to Baht 1,081 million mainly from disposal of Vietnam LPG Co.,Ltd. (VLPG), Nava Nakorn Electricity Generating Co.,Ltd. (NNEG), and Ratchaburi Power Co.,Ltd. (RPCL).

PTT and its subsidiaries' depreciation and amortization expenses increased by Baht 32,097 million or 42.1% from Baht 76,244 million in 2013 to Baht 108,341 million. This was resulted from the higher depreciation and amortization expenses of PTTEP in PTTEP Australasia project, which produced and sold crude oil for the whole year of 2014, while it began offloading crude oil for sales in August 2013, Contract 4 and Zawtika projects in relation to increases in production volume and completed assets.

Gains on foreign exchange increased from Baht 210 million losses in 2013 to Baht 11,156 million gains in 2014. This was mainly resulted from the higher gains on exchange rate of PTT in relation to the lower Baht depreciation rates against US\$ compared with 2013.

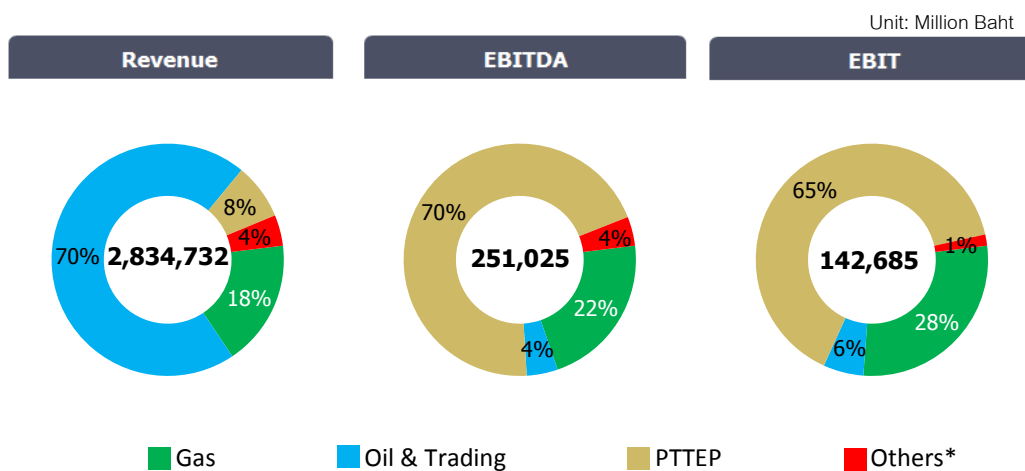
Finance costs increased by Baht 1,625 million or 7.9% from Baht 20,593 million in 2013 to Baht 22,218 million in 2014.

In 2014, losses from impairment of assets were Baht 36,707 million because PTTEP recognized losses from impairment of assets from PTTEP Australasia and Mariana Oil Sands projects, due to the decrease in oil prices, totaling Baht 32,796 million. Furthermore, PTTGE, a subsidiary of PTT which operates palm business, recognized losses from impairment of operating assets amounting to Baht 2,816 million.

The corporate income taxes were Baht 41,209 million, decreasing by Baht 6,620 million or 13.9% from Baht 47,649 million in 2013. The drop was mostly from the lower domestic petroleum income taxes of PTTEP, following the lower performance, as a result of maintenance shutdowns of Bongkot and lower selling price of S1 projects in relation to declining oil prices. Nonetheless, income taxes of PTT increased in relation to higher operating income.

Segmentation performance of PTT and its subsidiaries

The details of revenue, EBITDA and EBIT of 2014 by segmentation are as follow;



* Including petrochemical, coal, and others .

1. Upstream Petroleum and Natural Gas Business Group

Petroleum Exploration and Production Business: PTT Exploration and Production Public Co., Ltd. (PTTEP)

| | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | % Inc.(Dec.) |
|-----------------------------|---------|---------|---------|----------------------------------|------|---------|---------|--------------|
| | | | | YoY | QoQ | | | |
| | | | | Average selling price (US\$/BOE) | 64.5 | | | |
| Average sales volume (BOED) | 299,716 | 325,248 | 347,295 | 15.9% | 6.8% | 292,629 | 321,886 | 10.0% |

Fourth quarter of 2014 compared with Third quarter of 2014

In Q4/2014, sales revenue of PTTEP, a subsidiary of PTT, was Baht 60,348 million, decreasing by Baht 3,673 million or 5.7%, because the average selling prices decreased by 13.3% from US\$ 65.2 per barrel of oil equivalent (BOE) in Q3/2014 to US\$ 56.5 per BOE in Q4/2014, in relation to the decrease in the reference crude oil prices. On the other hand, the average sales volume increased by 6.8% from 325,248 barrels of oil equivalent per day (BOED) in Q3/2014 to 347,295 BOED in Q4/2014 because Zawtika project had its sales from natural gas export to Thailand for the whole period. The project has started its natural gas export sales to Thailand since August 2014. Furthermore, PTTEP Australasia project had fewer days for maintenance shutdown than the prior period.

In Q4/2014, EBITDA was Baht 40,223 million, decreasing by Baht 5,342 million or 11.7%, because of lower sales revenue as aforementioned, together with higher operating expenses of Zawtika project due to its natural gas export to Thailand for the whole period.

In Q4/2014, EBIT was Baht 14,715 million, decreasing by Baht 9,494 million or 39.2%, as a result of a drop of EBITDA as aforementioned. Furthermore, depreciation and amortization expenses of Zawtika and PTTEP Australasia projects increased mainly from the increases in completed assets.

Year 2014 compared with Year 2013

In 2014, sales revenue of PTTEP was Baht 247,817 million, increasing by Baht 22,844 million or 10.2% from 2013, mainly due to the followings:

The average sales volume increased from 292,629 BOED in 2013 to 321,886 BOED in 2014. The increase in sales volume was primarily from Montara Field of PTTEP Australasia project, which began offloading crude oil for sales in August 2013, Contract 4 and Sinphuhorm projects generated by the share acquisition of Hess Corporation's subsidiaries, and Zawtika project from its first gas sales in March 2014 and export to Thailand in August 2014.

The average selling price dropped by 3.4% from US\$ 65.6 per BOE in 2013 to US\$ 63.4 per BOE in 2014, in relation to the drop in reference crude oil prices.

In 2014, EBITDA was Baht 174,740 million, increasing by Baht 13,467 million or 8.4%, mainly due to the rise in the sales revenue as aforementioned. However, the exploration expenses increased by Baht 5,475 million in 2014 mainly due to exploratory well write-off costs in PTTEP Australasia, L 28/48 and Kenya L10A projects.

In 2014, EBIT was Baht 91,525 million, decreasing by Baht 19,397 million or 17.5% due to higher depreciation expenses in relation to increases in completed assets, production and sales volume mainly from PTTEP Australasia, Contract 4, and Zawtika projects.

Natural Gas Business Group

The details of all product sales volume from gas separation plants are as follows:

| Unit: Ton | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | %Inc.(Dec.) |
|--------------|------------------|------------------|------------------|--------------|-------------|------------------|------------------|-------------|
| | | | | YoY | QoQ | | | |
| LPG | 647,667 | 719,895 | 714,138 | 10.3% | (0.8%) | 2,690,389 | 2,738,633 | 1.8% |
| Ethane | 509,507 | 531,635 | 596,619 | 17.1% | 12.2% | 2,074,467 | 2,105,650 | 1.5% |
| Propane | 177,124 | 162,068 | 244,332 | 37.9% | 50.8% | 726,952 | 819,349 | 12.7% |
| NGL | 169,330 | 183,685 | 179,330 | 5.9% | (2.4%) | 704,931 | 728,542 | 3.3% |
| Total | 1,503,628 | 1,597,283 | 1,734,419 | 15.3% | 8.6% | 6,196,739 | 6,392,174 | 3.2% |

The details of reference product prices of GSP are as follows:

| Unit: US\$ per Ton | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | %Inc.(Dec.) |
|-------------------------|---------|---------|---------|--------------|---------|-------|-------|-------------|
| | | | | YoY | QoQ | | | |
| LPG ^{1,4/} | 958 | 792 | 637 | (33.5%) | (19.6%) | 868 | 799 | (7.9%) |
| Ethylene ^{2/} | 1,427 | 1,478 | 1,214 | (14.9%) | (17.9%) | 1,352 | 1,395 | 3.2% |
| Propylene ^{2/} | 1,367 | 1,301 | 1,032 | (24.5%) | (20.7%) | 1,327 | 1,245 | (6.2%) |
| HDPE ^{2/} | 1,535 | 1,604 | 1,448 | (5.7%) | (9.7%) | 1,487 | 1,544 | 3.8% |
| PP ^{2/} | 1,537 | 1,620 | 1,459 | (5.1%) | (9.9%) | 1,515 | 1,556 | 2.7% |
| Naphtha ^{3/} | 864 | 832 | 577 | (33.2%) | (30.6%) | 842 | 786 | (6.7%) |

Note: 1/ Contract price (CP) 60:40

2/ South East Asia Spot Price

3/ MOP Singapore (MOP'S)

4/ LPG price is controlled by the Government via the Committee on Energy Policy Administration ("the Committee"). LPG ex-refinery price (LPG selling price at gas separation plants) was fixed at Baht 10.6101 per kilogram. However, on August 27, 2009, the Committee approved the new LPG ex-refinery price to be capped at US\$ 332.7549 per ton with floating foreign exchange rate. The adjustment of the exchange rate will be based on the average exchange rate in the previous month.

Fourth quarter of 2014 compared with Third quarter of 2014

In Q4/2014, sales revenue of Natural Gas Business was Baht 141,172 million, increasing by Baht 686 million or 0.5% from Q3/2014 as a result of higher sales revenue of PTTLNG, a subsidiary of PTT which operates LNG receiving terminal.

EBITDA of Natural Gas Business in Q4/2014 was Baht 9,680 million, decreasing by Baht 6,160 million or 38.9%. The main reason was that retroactive adjustment of fuel oil index in purchasing prices created higher natural gas feed costs despite receiving shortfall compensation of Zawtika field, which PTT has started to import gas since August 5, 2014. In addition, the drop in profit of products from GSPs was mainly caused by lower

selling prices of NGL and LPG products. Consequently, EBIT in Q4/2014 was Baht 5,971 million, decreasing by 51.2% in line with the drop in EBITDA.

Year 2014 compared with Year 2013

In 2014, sales revenue of Natural Gas Business was Baht 558,018 million which increased by Baht 28,967 million or 5.5% from 2013 as a result of higher sales revenue of PTT's natural gas business unit due to the followings:

Increases in average natural gas selling prices in 2014 resulted from the Baht depreciation against US\$. Moreover, the average natural gas sales volume (calculated at heating value of 1,000 BTU per cubic foot) increased by 99 MMSCFD or 2.2% from 4,589 MMSCFD in 2013 to 4,688 MMSCFD in 2014, especially from SPP customers.

The product selling prices of the gas separation plants in 2014 increased in most products in relation to the global reference petrochemical prices and the Baht depreciation against US\$.

The total sales volume of products from GSPs (including NGL derived from Dew Point Control units) increased by 3.2% from 6,196,739 tons in 2013 to 6,392,174 tons in 2014, especially Propane, because utilization rate of GSP increased from 90.2% to 92.7%. Additionally, PTT's GSP Unit 5, which shut down from lightning strike incident in August 2013, has resumed its normal production by using temporary equipment since April 2014 and completed the replacement of Waste Heat Recovery Unit (WHRU) on September 16, 2014. Furthermore, the shutdown period of gas separation plant decreased by 33 days from 112 days in 2013 to 79 days in 2014.

EBITDA of Natural Gas Business in 2014 was Baht 54,102 million, increasing by Baht 9,266 million or 20.7%. The main reason was the rise in profit of products from the gas separation plants as a result of the increase in GSP product selling prices, in relation to global petrochemical prices and the Baht depreciation against US\$. In addition, there were gas discounts from producers that were unable to supply gas as committed in agreements (Shortfall) mainly from Zawtika field. However, the natural gas feed costs also increased due to higher feed costs. Moreover, the loss from NGV business increased in relation to an increase in sales volume. Consequently, EBIT in 2014 was Baht 39,780 million, increasing by 28.4%, in relation to the increase in EBITDA.

2. Downstream Petroleum Business Group

Oil Business Group

| Unit : million liter | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | % Inc.(Dec.) |
|----------------------|---------|---------|---------|--------------|------|--------|--------|--------------|
| | | | | YoY | QoQ | | | |
| Average sales volume | 6,041 | 5,943 | 6,209 | 2.8% | 4.5% | 23,981 | 24,657 | 2.8% |

Fourth quarter of 2014 compared with Third quarter of 2014

Sales revenue of Oil Business in Q4/2014 was Baht 150,935 million, decreasing by Baht 4,425 million or 2.8% because oil selling prices decreased as a result of the decrease in the Dubai crude oil price from US\$ 101.5 per barrel in Q3/2014 to US\$ 74.4 per barrel in Q4/2014. However, sales volume in this quarter rose by 266 million liters or 4.5% from 5,943 million liters or equivalent to 406,317 barrels per day in Q3/2014 to 6,209 million liters or equivalent to 424,503 barrels per day, especially increases in sales volume of aviation fuel, in relation to an increase in number of flights, diesel and gasoline following lower oil prices.

EBITDA in Q4/2014 was Baht 236 million losses, decreasing from Baht 3,126 million gains in Q3/2014 mainly due to stock losses and inventory losses from NRV at the end of 2014 in relation to the drop in oil prices. Hence, EBIT in this quarter was Baht 1,003 million losses, decreasing from Baht 2,410 million gains in Q3/2014 as a result of the drop in EBITDA as aforementioned.

Year 2014 compared with Year 2013

Sales revenue of Oil Business in 2014 was Baht 638,409 million, increasing by Baht 21,104 million or 3.4% because sales volume increased by 676 million liters or 2.8% from 23,981 million liters or equivalent to 413,258 barrels per day in 2013 to 24,657 million liters or equivalent to 424,907 barrels per day in 2014, especially aviation fuel, due to an increase in number of flights, and gasoline. However, the average Dubai crude oil price decreased from US\$ 105.5 per barrel in 2013 to US\$ 96.6 per barrel in 2014.

EBITDA in 2014 was Baht 11,578 million, decreasing by Baht 1,719 million or 12.9 % due to higher stock losses, together with inventory losses from NRV at the end of 2014, in relation to the drop in market oil prices. In addition, profits from diesel, fuel oil and lube oil also decreased. Consequently, EBIT in 2014 was Baht 8,716 million, decreasing by Baht 1,936 million, in line with the decrease in EBITDA as aforementioned.

International Trading Business Group

| Unit : million liter | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | % Inc.(Dec.) |
|----------------------|---------|---------|---------|--------------|--------|--------|--------|--------------|
| | | | | YoY | QoQ | | | |
| Average sales volume | 19,954 | 20,429 | 19,527 | (2.1%) | (4.4%) | 75,545 | 74,200 | (1.8%) |

Fourth quarter of 2014 compared with Third quarter of 2014

Sales revenue of International Trading Business was Baht 336,411 million in Q4/2014, decreasing by Baht 118,630 million or 26.1% from Q3/2014 because the sales volume in this quarter decreased by 902 million liters or 4.4% from 20,429 million liters or equivalent to 1,396,709 barrels per day in Q3/2014 to 19,527 million liters or equivalent to 1,335,040 barrels per day in Q4/2014. This was resulted mainly from the drop in sales volume of imported crude oil and condensate.

EBITDA in Q4/2014 was Baht 1,577 million losses, which increased by Baht 869 million losses. Nevertheless, EBIT, which included effect on foreign exchange, was Baht 33 million losses, decreasing from Baht 1,474 million gains in Q3/2014. This was resulted mainly from lower margins of domestic sales of condensate, together with lower margins of crude oil and condensate in overseas (out-in).

Year 2014 compared with Year 2013

Sales revenue of International Trading Business was Baht 1,599,101 million in 2014, decreasing by Baht 57,634 million or 3.5% which resulted mainly from the drop in major oil product selling prices. Additionally, the sales volume in this quarter decreased by 1,345 million liters or 1.8% from 75,545 million liters or equivalent to 1,301,845 barrels per day in 2013 to 74,200 million liters or equivalent to 1,278,675 barrels per day, mainly due to the drop in sales volume of crude oil import as there were major turnaround of refineries.

In 2014, EBITDA was Baht 751 million losses, which decreased by Baht 400 million losses. Nevertheless, EBIT, which included effect on foreign exchange, in 2014 was Baht 7,154 million, increasing by Baht 2,475 million from 2013 mainly due to the higher margin of domestic sales of condensate and the Baht depreciation against \$US.

Petrochemical Business Group

| Unit : US\$ per Ton | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | % Inc.(Dec.) |
|------------------------|---------|---------|---------|--------------|--------|-------|-------|--------------|
| | | | | YoY | QoQ | | | |
| HDPE - Naphtha (MOP'J) | 582 | 685 | 815 | 40.1% | 19.0% | 556 | 678 | 21.9% |
| PP - Naphtha (MOP'J) | 585 | 698 | 819 | 39.9% | 17.3% | 585 | 687 | 17.5% |
| BZ - Naphtha (MOP'J) | 328 | 388 | 321 | -2.2% | -17.3% | 371 | 349 | -5.9% |
| PX - Naphtha (MOP'J) | 465 | 418 | 352 | -24.4% | -15.8% | 552 | 344 | -37.7% |

Fourth quarter of 2014 compared with Third quarter of 2014

Sales revenue of petrochemical subsidiaries and jointly controlled entities of PTT in Q4/2014 was Baht 28,722 million, increasing by Baht 1,785 million or 6.6% because petrochemical sales volume of PTTPM increased by 9.9%; even though, the average selling price decreased by 4.8%.

EBITDA in Q4/2014 was Baht 1,034 million increased by Baht 181 million or 21.2% and EBIT was Baht 691 million, increased by Baht 162 million or 30.6%. This is due to better performance of PTTAC as a result of spread margins of PP and Acrylonitrile (AN) increased by 17.3% and 19.7%, respectively. Furthermore, in Q4/2014, a petrochemical plant of PTTAC has resumed its normal production after annual maintenance shutdown in Q3/2014.

Year 2014 compared with Year 2013

Sales revenue of petrochemical subsidiaries and jointly controlled entities in 2014 was Baht 111,851 million, increasing by Baht 18,797 million or 20.2% mainly due to the increases in both petrochemical average selling price and sales volume of HMC. Moreover, the sales volume of PTTAC increased as a result of maintenance shutdowns of PTTAC and HMC plants in 2013.

In 2014, EBIDA was Bath 4,113 million, increasing by Baht 2,072 million. EBIT was Bath 2,801 million, increasing by Baht 2,032 million, mainly caused by the rise in average selling price and sales volume as aforementioned. Moreover, spread margins of PP and AN increased by 17.5% and 43.0%, respectively.

Coal Business

| | Q4/2013 | Q3/2014 | Q4/2014 | % Inc.(Dec.) | | Y2013 | Y2014 | % Inc.(Dec.) |
|----------------------------------|---------|---------|---------|--------------|--------|-------|-------|--------------|
| | | | | YoY | QoQ | | | |
| Average selling price (US\$/ton) | 70.1 | 62.2 | 58.7 | (16.3%) | (5.6%) | 72.4 | 63.6 | (12.2%) |
| Sales volume (million ton) | 3.3 | 2.3 | 2.2 | (33.3%) | (4.3%) | 11.2 | 9.8 | (12.5%) |

Fourth quarter of 2014 compared with Third quarter of 2014

Sales revenue of coal business in Q4/2014 was Baht 4,426 million, decreasing by Baht 308 million or 6.5% because the average selling prices dropped by US\$ 3.5 per ton or 5.6% in Q4/2014. In addition, the sales volume decreased by 0.1 million tons or 4.3%. The decrease was caused by the low production policy in order to lower impact during a down turn of coal price.

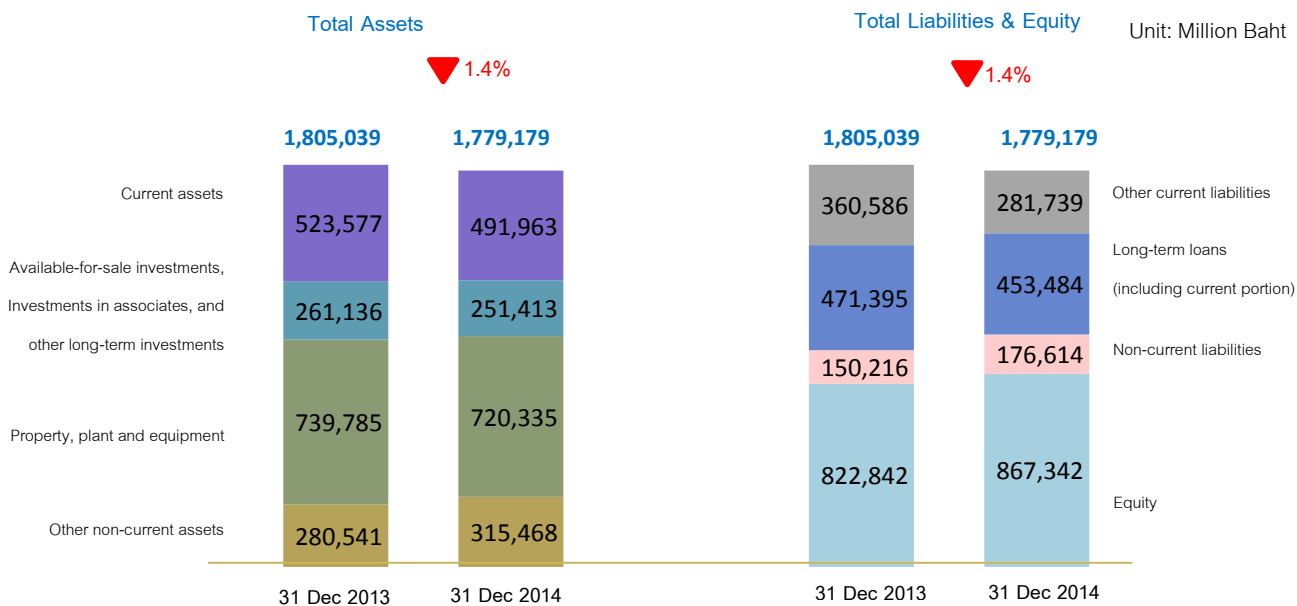
In Q4/2014, EBITDA was Baht 940 million, decreasing by Baht 207 million or 18.0%. EBIT decreased from Baht 42 million gains in Q3/2014 to Baht 147 million losses in Q4/2014 which was caused by the drop in selling prices and sales volume as aforementioned.

Year 2014 compared with Year 2013

In 2014, sales revenue of coal business was Baht 20,557 million, decreasing by Baht 4,421 million or 17.7% mainly due to the drop in both sales volume and average selling prices. The average selling price decreased by US\$ 8.8 per ton or 12.2% and the sales volume decreased by 1.4 million tons or 12.5% mainly from Jembanyan mine.

In 2014, EBITDA was Baht 4,475 million, decreasing by Baht 1,334 million or 23.0% mainly due to the drop in both sales volume and average selling prices as aforementioned. EBIT was Baht 234 million losses, decreasing by Baht 357 million losses or 60.4% which was caused by the decreases in depreciation and amortization expenses in line with the drop in production volume.

The analysis of PTT and its subsidiaries' consolidated financial position as of December 31, 2014 compared with December 31, 2013



Assets

As of December 31, 2014, total assets of PTT and its subsidiaries were Baht 1,779,179 million, decreasing by Baht 25,860 million or 1.4% compared with December 31, 2013. This decrease was mainly from the net effect of the followings:

: A decrease of Baht 31,614 million or 6.0% in current assets was mainly from the followings:

- A decrease of Baht 98,321 million in accounts receivable, mainly from decreases in sales volume and selling prices of an International Trading Business, in relation to the drop in crude oil prices in the global market.
- An increase of Baht 46,102 million in cash and cash equivalents mainly due to the net effect of cash inflow from asset swap of Mariana Oil Sands project and an issuance of debentures of PTTEP, offset with cash outflow in the additional investments in property, plants and equipment, the acquisition of subsidiaries of Hess Corporation, the repayment of debentures, and dividends payment for second half of 2013 (2H/2013) and for first half of 2014 (1H/2014) performances of PTT and PTTEP.

: A decrease of Baht 19,450 million or 2.6% in property, plant and equipment was primarily from a decrease in petroleum exploration and production assets of PTTEP, mainly due to asset swap of Mariana Oil Sands project with Statoil Canada Limited, and recognition of impairment losses on assets for PTTEP Australasia project. However, during 2014, PTTEP completed its 100% shareholding acquisition of subsidiaries of Hess Corporation, including Hess Thailand Holdings II Limited (HTH) and Hess Exploration Thailand Company

Limited (HETCL), and PTTEP had additional investment in production phase project such as Arthit, Zawtika, and Bongkot projects.

: An increase of Baht 34,927 million or 12.5% in other non-current assets mainly owing to an increase of goodwill and exploration and evaluation assets of PTTEP. This was caused by asset swap of Mariana Oil Sands project and the acquisition of subsidiaries of Hess Corporation. However, the Group has recognized impairment losses in Mariana Oil Sands project.

Liabilities

As of December 31, 2014, PTT and its subsidiaries had total liabilities of Baht 911,837 million, decreasing by Baht 70,360 million or 7.2% from the year-ended 2013. This decrease was mainly from the net effect of the followings:

: A decrease of Baht 78,847 million or 21.9% in other current liabilities was primarily from a decrease of Baht 87,651 million in trade accounts payable of PTT. This was caused by a decrease in purchasing volume and prices of International Trading Business.

: Long-term loans (including the current portion within 1 year) were Baht 453,484 million, decreasing by Baht 17,911 million or 3.8%. The decrease was mainly from PTT's redemption of matured foreign debentures totaling to US\$ 685 million or approximately Baht 24,882 million, while PTT issued Baht currency debentures amounting to Baht 10,000 million. In addition, PTTEP redeemed its matured Baht currency debentures amounting to Baht 11,696 million by issuing Baht currency debentures amounting to Baht 19,535 million. The maturities of long-term loans and debentures are as follows:

Unit: million Baht

| Maturity (since December 31, 2014) | PTT | PTTEP | TTM(T) | PTTAC | HMC | EnCo | TTM(M) | DCAP | PTTPL | PTTNGD | Total |
|--|----------------|----------------|--------------|--------------|--------------|--------------|--------------|------------|------------|-----------|----------------|
| Within 1 year (December 31, 2015) | 34,604 | 24,696 | 631 | 695 | 575 | 450 | 120 | 131 | 300 | 76 | 62,278 |
| Over 1 year - 2 years | 36,499 | - | 631 | 695 | 574 | 450 | 212 | 131 | 125 | - | 39,317 |
| Over 2 years - 5 years | 83,474 | 64,233 | 1,894 | 2,100 | 2,742 | 1,400 | 604 | 381 | - | - | 156,828 |
| Over 5 years | 134,371 | 50,462 | 3,628 | 699 | - | 900 | 1,202 | 37 | - | - | 191,299 |
| Total | 288,948 | 139,391 | 6,784 | 4,189 | 3,891 | 3,200 | 2,138 | 680 | 425 | 76 | 449,722 |

Note: Excluding liabilities under finance leases of Baht 3,762 million.

The outstanding loans (including long-term loans, debentures and bonds due within one year and later than one year) as of December 31, 2014 consisted of loans in Baht currency and foreign currencies.

Details of which are as follows:

Unit: Million Baht

| Long-term loans | PTT | PTTEP | TTM(T) | PTTAC | HMC | EnCo | TTM(M) | DCAP | PTTPL | PTTNGD | Total |
|---------------------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|------------|------------|-----------|----------------|
| Baht currency | 185,924 | 27,074 | - | - | 1,953 | 3,200 | - | 680 | 425 | 76 | 219,332 |
| Foreign currency | 103,024 | 112,317 | 6,784 | 4,189 | 1,938 | - | 2,138 | - | - | - | 230,390 |
| Total | 288,948 | 139,391 | 6,784 | 4,189 | 3,891 | 3,200 | 2,138 | 680 | 425 | 76 | 449,722 |
| Proportion of long-term | | | | | | | | | | | |
| foreign currency loans to | 36% | 81% | 100% | 100% | 50% | - | 100% | - | - | - | 51% |
| total long-term loans (%) | | | | | | | | | | | |

As of December 31, 2014, the loans amounting to Baht 4,500 million were guaranteed by the Ministry of Finance.

Equity

As of December 31, 2014, PTT and its subsidiaries had total shareholders' equity of Baht 867,342 million, increasing by Baht 44,500 million or 5.4% from the year-ended 2013 principally from the followings:

: An increase of Baht 13,765 million in unappropriated retained earnings mainly due to the performance of PTT and subsidiaries during the year 2014 amounting to Baht 55,795 million and dividends paid for 2H/2013 and for 1H/2014 performances totaling to Baht 39,985 million.

: An increase of Baht 29,232 million in non-controlling interests mostly from issuance of subordinated capital debenture (Hybrid Bond) of PTTEP, amounting to Baht 32,207 million.

Liquidity

For the year ended December 31, 2014, PTT and its subsidiaries had net increase in cash and cash equivalents amounting to Baht 46,102 million, and cash and cash equivalents at the beginning of the period was Baht 157,683 million. As a result, cash and cash equivalents at the end of the period was Baht 203,785 million. Details of cash flow by activities are as follows:

| | Unit: Million Baht |
|--|-----------------------|
| Net cash provided by operating activities | 235,367 |
| Net cash used in investing activities | (144,061) |
| Net cash used in financing activities | (47,315) |
| Effects of exchange rates on cash and cash equivalents | 1,527 |
| Currency translation differences | 811 |
| Cash and cash equivalents attributable to non-current assets held-for-sale | (227) |
| Net increase in cash and cash equivalents during the period | <u>46,102</u> |
| Cash and cash equivalents at the beginning of the period | <u>157,683</u> |
| Cash and cash equivalents at the end of the period | <u><u>203,785</u></u> |

Net cash provided by operating activities of Baht 235,367 million was derived from Baht 55,795 million of net profit attributable to equity holders of the company, adjusted by net profit to net cash provided (used in) by operating activities. The increase in net cash flow from operating activities mainly resulted from Baht 108,341 million of depreciation and amortization expenses, Baht 41,029 million of income taxes expenses, Baht 36,707 million of impairment losses on assets, Baht 21,463 million of interest expenses, together with Baht 11,545 million of changes in net operating assets, and Baht 49,826 million of income taxes paid.

Net cash used in investing activities was Baht 144,061 million resulting mainly from the followings:

: The cash outflow of investments in property, plant and equipment, intangible assets, and mining properties amounting to Baht 128,353 million mainly due to the additional investments of PTTEP in petroleum exploration and production assets and intangible assets totaling Baht 83,911 million mainly from the investments in Myanmar Zawtika, Arthit, and Bongkot projects. In addition, there were investments in various projects of PTT totaling to Baht 31,592 million principally from the Nakorn Sawan pipeline, Nakorn Rachasima pipeline and the 4th natural gas transmission pipeline projects.

: PTTEP's payment of share acquisition of Hess Corporation's subsidiaries amounting to Baht 26,401 million.

: PTTEP's cash received from asset swaps of Mariana Oil Sands project totaling Baht 12,618 million.

: Cash received from dividends amounting to Baht 11,534 million.

: The proceeds of long-term investments amounting to Baht 2,699 million derived from Baht 144 million and Baht 2,417 million of disposal of investments in NNEG and RPCL (30% and 15% shareholdings held by PTT, respectively) to Global Power Synergy Co.,Ltd. (GPSC) and US\$3.85 million or equivalent to Baht 122 million of the disposal of investment in VLPG (45% shareholdings held by PTT) to PetroVietnam Southern Gas Joint Stock Company.

Net cash used by financing activities was Baht 47,315 million resulting mainly from the followings:

: The repayment of loans and debentures totaling Baht 49,559 million, principally from the redemption of PTT's foreign currency debentures amounting to US\$ 685 million, approximately Baht 24,882 million, and the redemption of PTTEP's Thai baht debentures amounting to Baht 11,696 million.

: The dividends payment amounting to Baht 48,837 million.

: The interest payment amounting to Baht 20,980 million.

: Cash received from the issuance of PTTEP's subordinated capital debentures (Hybrid Bond), netting by debenture issuance fees, and Baht currency debentures amounting to Baht 32,335 million and Baht 19,535 million, respectively, together with cash received from the issuance of PTT's Baht currency debentures amounting to Baht 10,000 million.

Financial ratios and earnings per share of PTT and its subsidiaries

| Financial Ratio | Unit | 2014 | 2013 |
|-----------------------------|------------|-------|--------|
| <u>Liquidity Ratios</u> | | | |
| Current ratio | Time | 1.43 | 1.29 |
| Quick ratio | Time | 1.17 | 1.08 |
| Account receivable turnover | Time | 12.27 | 10.83 |
| Collection period | Day | 29.34 | 33.24 |
| Account payable turnover | Time | 11.46 | 9.95 |
| Payment period | Day | 31.40 | 36.17 |
| <u>Profitability Ratios</u> | | | |
| Gross profit margin | % | 8.02% | 7.89% |
| Net profit margin | % | 1.97% | 3.28% |
| Return on equity | % | 8.09% | 14.46% |
| <u>Activity Ratios</u> | | | |
| Total asset turnover | % | 3.11% | 5.41% |
| Fixed asset turnover | % | 7.64% | 13.40% |
| Working capital turnover | Time | 1.58 | 1.65 |
| <u>Solvency Ratios</u> | | | |
| Debt to equity | Time | 0.55 | 0.59 |
| Interest coverage | Time | 13.59 | 10.52 |
| Dividend payout | % | 56.89 | 39.97 |
| <u>Earnings per share</u> | | | |
| Earnings per share | Baht/share | 19.33 | 32.52 |

Note:

| | | |
|-----------------------------|---|---|
| Current ratio | = | Current assets divided by Current liabilities |
| Quick ratio | = | (Cash and cash equivalent + Current investments + Accounts receivable) divided by Current Liabilities |
| Account receivable turnover | = | Sales and service income divided by Average account receivable |
| Collection period | = | 360 divided by Account receivable turnover |
| Account payable turnover | = | Cost of sales and services divided by Average account payable |
| Payment period | = | 360 divided by Account payable turnover |
| Gross profit margin | = | Gross profit divided by Sales and service income |
| Net profit margin | = | Net profit divided by Sales and service income |
| Return on equity | = | Net profit divided by Average shareholders' equity |
| Total asset turnover | = | Net profit divided by Average total assets |
| Fixed asset turnover | = | Net profit divided by Average total fixed assets |
| Working capital turnover | = | Sales and service income divided by Average total assets |
| Debt to equity | = | Interest bearing debt divided by Total shareholder's equity |
| Interest coverage | = | (Net cash flow from operating activities + Taxes paid from operating activities) divided by Interest paid from financing activities |
| Dividend payout | = | Dividends paid divided by Net profit |

Economic Outlook in 2015

The world economy in 2015 is expected to expand higher than 2014. IMF, in January 2015, expecting growth of 3.5%, up from 3.3% in 2014. The advanced economies continue to recover. A strong expansion in the U.S. will be driven by a boost in domestic consumers spending from a declining global oil price, and accommodative monetary policy even though the Fed plans to increase interest rates in 2015. Meanwhile, the euro area faces deflationary risks. To stimulate the economy, the ECB, therefore, launches a 60 billion euro a month QE program in order to purchases of government and private bonds which will start in March and are intended to run through to September 2016 in which more than 1 trillion Euro will have been created. In addition, Japan economy remains weak. The developing and emerging economies are expected to slow down. For China, the economy will be affected by a continuing structural reform and a slumping real-estate market. In terms of Russia, the economy will come under pressure both from Western sanction and lower revenue from falling global oil prices. However, risk factors that need to be monitored include stagnation and prolonged deflation in the euro area and Japan, volatility in financial market, Geopolitical risk in Russia and Middle East and North Africa (MENA), and non-performing loans from Chinese real estate sector.

Global oil demand in 2015 is forecasted to grow by 0.9 MMBD and reach 93.3 MMBD according to the IEA in January 2015, mainly driven by an increase in oil demand from developing and emerging economies, particularly China, India, and Middle East. However, demand from developed countries such as the U.S. and Europe remain constant. Despite an increased oil demand, a sufficient oil supply is expected, specifically a surge in US shale oil production. Moreover, OPEC production remains high level. As a result, average Dubai oil price in 2015 is estimated to fall from 2014 to be in the range of US\$ 50-60 per barrel owing to a surplus supply. Oil price is expected to increase in the second half of the year because a drop in price could dampen crude oil supply from high cost producers and lower oil price should boost global demand as well.

Dubai crude cracking in Singapore in 2015 is estimated to be in the range of US\$ 6-7 per barrel, same level as 2014.

Olefins and Aromatics price in 2015 are on a downward trend due to an oversupply, mostly in China. HDPE and PP prices are expected at US\$ 1,145 and US\$ 1,062 per ton, respectively. Aromatics price will also tend to be lower caused by the accumulated surplus from last year. BZ price is expected to be at US\$ 720 per ton from new capacity especially from South Korea, China, and Singapore. PX price is forecasted at US\$ 856 per ton.

The Thai economy is expected to expand at a higher rate in 2015 compared to 2014, driven by government investment, especially in large infrastructure development projects. Clarity in government policy will help boost confidence in private sector, leading to improvement in private consumption and investment. In addition, there will be a boost from investment projects that received promotional privileges approval in 2014 including declining global oil price will pressure price of goods and increase purchasing power of consumer. Exports continue to grow, following global economic recovery. Nevertheless, risk factors that need to be monitored include household debt that remains high, delays in government investment projects, political uncertainty which may affect investor confidence, and global economic recovery. As such, the National Economic and Social Development Board (NESDB) in February 2015, forecasts the Thai economy to grow in range of 3.5-4.5%.

Appendix

Natural gas business unit consists of PTT Natural Gas Distribution Co., Ltd. (PTTNGD), PTT LNG Co., Ltd (PTTLNG), the proportionate consolidation of Trans Thai-Malaysia (Thailand) Co.,Ltd. (TTM (T)), Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M)) and District Cooling System and Power Plant Co., Ltd. (DCAP).

Oil business unit consists of PTT (Cambodia) Co., Ltd. (PTTCL), Subic Bay Energy Co., Ltd. (SBECL), PTT Tank Terminal Co., Ltd. (PTT TANK), PTT Retail Business Co., Ltd. (PTTRB) and the consolidated Thai Lube Blending Company Limited (TLBC) due to the 100% TLBC's shareholding acquisition by PTTRB and PTT, and PTT Oil Myanmar Co., Ltd. (PTTOM).

International trading business unit consists of PTT international business unit and PTT International Trading Pte Ltd (PTTT).

Petrochemical business unit consists of PTT Polymer Marketing Co., Ltd. (PTTPM), PTT Polymer Logistics Co., Ltd. (PTTPL) and PTT PMMA Co., Ltd. (PTTPMMA) and the proportionate consolidation of PTT Asahi Chemical Co., Ltd. (PTTAC), HMC Polymers Co., Ltd. (HMC) and PTT MCC BioChem Co.,Ltd. (PTTMCC).

Coal business consists of Sakari Resources Ltd. (SAR), International Coal Holdings Pty Ltd (ICH), Straits (Brunei) Pte Ltd (Straits (Brunei)), and Yoxford Holdings (94.58% shareholding in SAR and 100% shareholdings in the others, held by PTT Mining Limited (PTTML), a 100% shareholding subsidiary of PTT Energy Resources Company Limited (PTTER)(Former: PTT International Co., Ltd. (PTTI)).

Other business consists of Energy Complex Co., Ltd. (EnCo), Business Services Alliance Co., Ltd. (BSA), PTT Green Energy Pte Ltd (PTTGE), PTT Energy Resources Company Limited (PTTER), and PTT Regional Treasury Center Pte. Ltd. (PTTRTC).

Earnings per share is calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares which are held by third parties during the periods.