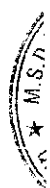




**PETROVIETNAM GAS CORPORATION -  
ONE MEMBER COMPANY LIMITED**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2010**

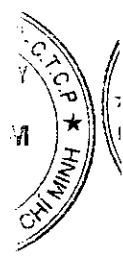


**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**  
19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam

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**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**  
19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of PetroVietnam Gas Corporation - One Member Company Limited ("the Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2010.

**THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS**

The members of the Boards of Management and General Directors of the Corporation who held office during the year and at the date of this report are as follows:

**Board of Management**

Ms. Nguyen Thi Lan	Chairman (appointed on 01 January 2011) Member (resigned on 31 December 2010)
Mr. Le Minh Hong	Chairman (appointed on 04 January 2010 and resigned on 01 January 2011)
Mr. Do Khang Ninh	Chairman (resigned on 04 January 2010) Member (appointed on 04 January 2010)
Mr. Vu Dinh Chien	Vice Chairman
Mr. Phan Quoc Nghia	Member

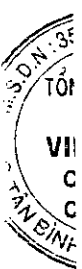
**Board of General Directors**

Mr. Do Khang Ninh	General Director (appointed on 04 January 2010)
Mr. Pham Viet Anh	General Director (appointed on 07 April 2009 and resigned on 04 January 2010)
Mr. Nguyen Trung Dan	Deputy General Director
Mr. Bui Minh Tien	Deputy General Director (resigned on 04 January 2011)
Mr. Tran Hung Hien	Deputy General Director
Mr. Pham Hong Linh	Deputy General Director
Mr. Pham Thanh Son	Deputy General Director (resigned on 01 November 2010)
Mr. Nguyen Thanh Nghi	Deputy General Director
Mr. Nguyen Quoc Huy	Deputy General Director (appointed on 04 January 2010)
Mr. Duong Manh Son	Deputy General Director
Mr. Bui Ngoc Quang	Deputy General Director (appointed on 28 Decmeber 2010)
Mr. Ho Tung Vu	Deputy General Director (appointed on 01 January 2011)
Mr. Nguyen Ngoc Son	Deputy General Director (appointed on 14 October 2010 and resigned on 01 January 2011)

**THE BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of General Directors of the Corporation is responsible for preparing the consolidated financial statements of each year, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year. In preparing these consolidated financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.



**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**  
19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam. The Board of General Directors is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Directors,



*[Signature]*  
Do Khang Ninh  
General Director

28 April 2011



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## AUDITORS' REPORT

**To: The Boards of Management and General Directors  
PetroVietnam Gas Corporation - One Member Company Limited**

We have audited the accompanying consolidated balance sheet of PetroVietnam Gas Corporation - One Member Company Limited ("the Corporation") as at 31 December 2010, the related consolidated statements of income and cash flows for the year then ended, and the notes thereto (collectively referred to as "the consolidated financial statements"), as set out from page 5 to page 30. The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

### Respective Responsibilities of the Board of General Directors and Auditors

As stated in the Statement of the Board of General Directors on page 1 and 2, these consolidated financial statements are the responsibility of the Corporation's Board of General Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

### Basis of Opinion

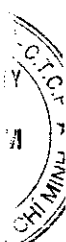
Except for limitation of audit scope of following paragraph, we have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Limitation of audit scope

During the year, the Corporation has made provision for decommissioning cost for gas pipelines with the amount of VND 77,140,233,977 (accumulated amount up to 31 December 2010 was VND 578,774,423,056). At the date of this report, the method and cost for the decommissioning have not been approved by competent authorities. We were not able to obtain necessary audit evidence to satisfy ourselves as to the above expenses, thus, we do not express an opinion on such provision as well as the effects thereof on relevant items presented in the Corporation's consolidated financial statements.

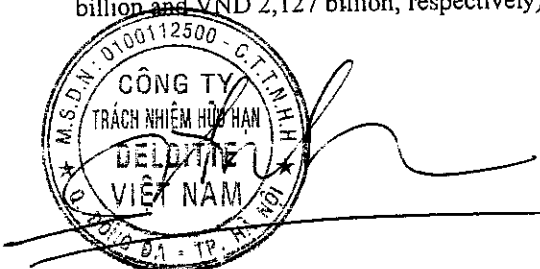
### Opinion

In our opinion, except for necessary adjustments related to the matters described in the preceding paragraph, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.



*We would like to draw the account users' attention to the following issue:*

As presented in Note 25 of the Notes to the consolidated financial statements, revenue from selling and transporting Nam Con Son gas is recognized at the issue date of value added tax invoices in accordance with Official Letter No.5110-TC/TCT dated 16 May 2003 issued by the Ministry of Finance. Accordingly, revenue and cost of sold and transported Nam Con Son gas incurred in November and December 2010 will be recorded in the consolidated income statement for the year 2011 with the amount of VND 2,640 billion and VND 2,590 billion, respectively (those incurred in November and December 2009 but recorded in 2010: VND 2,607 billion and VND 2,127 billion, respectively).



**Khuc Thi Lan Anh**  
Deputy General Director  
CPA Certificate No. D.0036/KTV

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**

*28 April 2011*  
*Hanoi, S.R. Vietnam*

A handwritten signature in black ink, appearing to be "Tran Huy Cong".

**Tran Huy Cong**  
Auditor  
CPA Certificate No. 0891/KTV

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam**Consolidated Financial Statements**  
For the year ended 31 December 2010**CONSOLIDATED BALANCE SHEET**

As at 31 December 2010

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2010	31/12/2009
<b>A. CURRENT ASSETS</b> (100=110+120+130+140+150)	<b>100</b>		<b>16,241,376,873,327</b>	<b>10,757,633,221,304</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>4,927,167,508,497</b>	<b>2,281,485,673,442</b>
1. Cash	111		2,872,009,982,480	1,991,506,562,579
2. Cash equivalents	112		2,055,157,526,017	289,979,110,863
<b>II. Short-term financial investments</b>	<b>120</b>		<b>2,201,551,000,000</b>	<b>2,674,045,500,583</b>
1. Short-term investments	121	6	2,201,551,000,000	2,674,045,500,583
<b>III. Short-term receivables</b>	<b>130</b>		<b>7,412,309,845,015</b>	<b>3,814,561,438,117</b>
1. Trade accounts receivable	131		6,158,060,939,052	2,934,746,283,825
2. Advances to suppliers	132		693,709,660,160	280,104,692,056
3. Inter-company receivables	133		46,763,079,934	70,903,982,510
4. Other receivables	135		519,889,674,724	544,312,536,598
5. Provision of short-term doubtful debts	139		(6,113,508,855)	(15,506,056,872)
<b>IV. Inventories</b>	<b>140</b>	<b>7</b>	<b>868,236,939,046</b>	<b>1,144,104,468,682</b>
1. Inventories	141		946,220,261,132	1,198,243,026,452
2. Provision for devaluation of inventories	149		(77,983,322,086)	(54,138,557,770)
<b>V. Other short-term assets</b>	<b>150</b>		<b>832,111,580,769</b>	<b>843,436,140,480</b>
1. Short-term prepayments	151		97,609,993,625	89,833,285,780
2. Value added tax deductibles	152		338,099,836,975	129,121,001,548
3. Taxes and other receivables from the State budget	154	8	30,910,899,789	99,547,887,675
4. Other short-term assets	158		365,490,850,380	524,933,965,477
<b>B. NON-CURRENT ASSETS</b> (200=210+220+250+260)	<b>200</b>		<b>23,422,228,747,821</b>	<b>11,136,200,864,467</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>6,640,270,170</b>	<b>85,500,000</b>
1. Long-term trade receivables	211		-	85,500,000
2. Other long-term receivables	218		6,640,270,170	-
<b>II. Fixed assets</b>	<b>220</b>		<b>18,850,461,723,708</b>	<b>10,093,551,805,966</b>
1. Tangible fixed assets	221	9	17,746,980,365,758	9,473,582,377,445
- Cost	222		25,537,511,197,950	17,810,840,200,470
- Accumulated depreciation	223		(7,790,530,832,192)	(8,337,257,823,025)
2. Finance lease assets	224	10	54,268,768,464	866,258,818
- Cost	225		55,482,747,970	1,521,235,000
- Accumulated depreciation	226		(1,213,979,506)	(654,976,182)
3. Intangible fixed assets	227	11	175,342,128,678	13,490,949,215
- Cost	228		183,172,745,374	19,233,391,962
- Accumulated amortisation	229		(7,830,616,696)	(5,742,442,747)
4. Construction in progress	230	12	873,870,460,808	605,612,220,488
<b>III. Long-term financial investments</b>	<b>250</b>		<b>1,328,255,146,316</b>	<b>629,645,490,567</b>
1. Investments in associates, joint-ventures	252	14	627,856,495,218	423,751,276,603
2. Other long-term investments	258	15	712,708,531,956	447,045,324,791
3. Provision for long-term financial investments	259		(12,309,880,858)	(241,151,110,827)
<b>IV. Other long-term assets</b>	<b>260</b>		<b>3,236,871,607,627</b>	<b>412,918,067,934</b>
1. Long-term prepayments	261	16	3,231,988,195,711	353,942,344,341
2. Deferred tax assets	262		3,985,054,753	57,187,500,000
3. Other long-term assets	268		898,357,163	1,788,223,593
<b>C. GOODWILL</b>	<b>269</b>	<b>17</b>	<b>15,653,645,437</b>	<b>-</b>
<b>TOTAL ASSETS (270 = 100 + 200 + 269)</b>	<b>270</b>		<b>39,679,259,266,585</b>	<b>21,893,834,085,771</b>

The notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam**Consolidated Financial Statements**  
For the year ended 31 December 2010**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2010

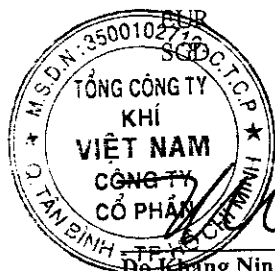
FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2010	31/12/2009
<b>A. LIABILITIES (300 = 310+330)</b>	<b>300</b>		<b>17,012,302,518,162</b>	<b>14,303,221,188,094</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>9,810,187,656,841</b>	<b>6,544,024,044,328</b>
1. Short-term loans and liabilities	311	18	2,064,741,524,603	1,283,041,115,872
2. Trade accounts payable	312		4,461,715,612,146	3,471,733,644,255
3. Advances from customers	313		132,607,101,700	272,035,332,969
4. Taxes and amounts payable to the State budget	314	19	254,312,586,058	8,757,257,237
5. Payables to employees	315		85,731,706,964	71,246,117,866
6. Accrued expenses	316	20	408,726,828,356	131,745,484,548
7. Inter-company payables	317		-	642,382,364,325
8. Other current payables	319	21	2,370,146,587,757	627,944,479,598
9. Bonus and welfare funds	323		32,205,709,257	35,138,247,658
<b>II. Long-term liabilities</b>	<b>330</b>		<b>7,202,114,861,321</b>	<b>7,759,197,143,766</b>
1. Long-term inter-company payables	332	22	44,265,687,854	1,629,670,994,116
2. Other long-term payables	333		198,972,135,791	188,052,146,002
3. Long-term loans and liabilities	334	23	5,382,515,946,148	5,482,742,134,621
4. Provision for severance allowance	336		22,506,110,661	21,573,096,990
5. Long-term provisions	337		578,774,423,056	66,692,487,506
6. Unearned revenue	338		4,336,402,478	-
7. Scientific and technological development fund	339		970,744,155,333	370,466,284,531
<b>B. EQUITY (400=410+430)</b>	<b>400</b>		<b>22,050,598,270,233</b>	<b>7,358,764,353,184</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>24</b>	<b>22,045,720,711,829</b>	<b>7,351,588,701,067</b>
1. Owner's contributed capital	411		10,455,050,754,975	5,068,993,804,933
2. Other owner's capital	413		1,254,472,277	-
3. Assets revaluation reserve	415		6,710,919,929,696	-
4. Foreign exchange reserve	416		(2,561,854,279)	(6,501,673,520)
5. Investment and development fund	417		1,469,719,828,337	835,463,974,369
6. Financial reserve fund	418		1,753,694,107,517	1,270,467,878,633
7. Retained earnings	420		1,657,643,473,306	183,164,716,652
<b>II. Other resources and funds</b>	<b>430</b>		<b>4,877,558,404</b>	<b>7,175,652,117</b>
1. Funds for fixed assets acquisition	433		4,877,558,404	7,175,652,117
<b>C. NON CONTROLLING INTERESTS</b>	<b>439</b>		<b>616,358,478,190</b>	<b>231,848,544,493</b>
<b>TOTAL RESOURCES (440 = 300+ 400+439)</b>	<b>440</b>		<b>39,679,259,266,585</b>	<b>21,893,834,085,771</b>

**OFF BALANCE SHEET ITEMS**

	31/12/2010	31/12/2009
1. Bad debt written off	3,394,214,263	3,394,214,263
2. Foreign currencies		
USD	11,533,069	7,415,277
EUR	45,781	-
SGD	801,015	-

Đ. KHANG NINH  
General Director

28 April 2011

Mai Huu Ngan  
Chief Accountant

The notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam**Consolidated Financial Statements**  
For the year ended 31 December 2010**CONSOLIDATED INCOME STATEMENT**

As at 31 December 2010

FORM B 02-DN/HN  
Unit: VND

ITEMS	Codes	Notes	2010	2009
1. Gross sales	01	25	48,076,583,629,369	30,485,218,232,557
2. Less deductions	02	25	82,202,154,080	30,484,298,553
3. Net sales (10=01-02)	10	25	47,994,381,475,289	30,454,733,934,004
4. Cost of sales	11	26	40,513,530,803,167	25,000,229,438,563
5. Gross profit from sales (20 = 10-11)	20		7,480,850,672,122	5,454,504,495,441
6. Financial income	21	27	787,185,251,907	615,141,311,028
7. Financial expenses	22	28	1,153,645,789,497	1,239,401,937,805
- In which: Interest expense	23		286,160,142,607	239,508,148,625
8. Selling expenses	24		703,305,657,661	643,493,792,097
9. General and administration expenses	25		1,072,230,676,234	367,913,742,812
10. Operating profit (30 = 20+(21-22)-(24+25))	30		5,338,853,800,637	3,818,836,333,755
11. Other income	31	29	388,532,367,714	53,717,885,524
12. Other expenses	32	30	94,938,178,040	33,051,184,059
13. Profit from other activities (40=31-32)	40		293,594,189,674	20,666,701,465
14. Share of net profits of associates, joint ventures	45		93,218,925,586	94,561,800,640
15. Accounting profit before tax (50=30+40+45)	50		5,725,666,915,897	3,934,064,835,860
16. Current corporate income tax expense	51	31	805,723,755,516	623,264,615,802
17. Deferred corporate tax (income)	52	31	(3,892,254,720)	(80,187,500)
18. Net profit after corporate income tax (60=50-51-52)	60	31	4,923,835,415,101	3,310,880,407,558
- Non-controlling interests	61		176,119,934,507	25,741,940,122
- Equity holders of the holding Company	62		4,747,715,480,594	3,285,138,467,436

Đỗ Khang Ninh  
General Director

28 April 2011

Mai Huu Ngan  
Chief Accountant

The notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

## PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED

19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R. VietnamConsolidated Financial Statements  
For the year ended 31 December 2010

## CONSOLIDATED CASH FLOW STATEMENT

As at 31 December 2010

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2010	2009
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	5,725,666,915,897	3,934,064,835,860
<b>2. Adjustments for:</b>			
Depreciation and amortization	02	1,734,004,329,585	937,425,629,833
Provisions	03	17,300,074,479	41,610,810,192
Unrealized foreign exchange loss	04	280,517,297,371	299,873,677,886
(Gain) from investing activities	05	(594,212,732,078)	(418,145,019,611)
Interest expense	06	286,160,142,607	239,508,148,625
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>7,449,436,027,861</b>	<b>5,034,338,082,785</b>
(Increase) in receivables	09	(3,137,418,026,067)	(1,475,051,944,555)
Decrease/(Increase) in inventories	10	249,706,985,736	(866,451,528,343)
Increase in accounts payable (not including accrued interest and corporate income tax payable)	11	3,841,314,505,165	3,376,430,073,221
(Increase) in prepaid expenses and others	12	(215,214,089,933)	(675,873,597,982)
Interest paid	13	(250,336,602,265)	(131,287,639,197)
Corporate income tax paid	14	(692,967,021,571)	(1,106,435,319,100)
Other cash inflows	15	77,308,776,000	46,310,560,543
Other cash outflows	16	(87,717,444,689)	(2,416,583,399,001)
<b>Net cash from operating activities</b>	<b>20</b>	<b>7,234,113,110,237</b>	<b>1,785,395,288,371</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets	21	(4,203,527,550,485)	(2,223,084,667,795)
2. Proceeds from sales, disposal of fixed assets	22	3,116,696,463	28,482,709,640
3. Cash outflow for lending, buying debt instruments of other entities	23	(4,113,067,180,000)	(32,600,000,000)
4. Cash recovered from lending, buying debt instruments of other entities	24	4,307,394,500,583	137,177,867,067
5. Investments in other entities	25	(313,975,518,713)	(279,626,300,640)
6. Cash recovered from investment in other entities	26	261,732,326,603	187,020,109,974
7. Interest earned and dividends received	27	515,640,326,257	423,894,660,080
<b>Net cash (used in) investing activities</b>	<b>30</b>	<b>(3,542,686,399,292)</b>	<b>(1,758,735,621,674)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from receiving capital from owners	31	-	23,803,561,429
2. Proceeds from borrowings	33	3,738,675,625,675	552,952,984,688
3. Repayments of borrowings	34	(3,389,011,330,044)	(350,565,739,530)
4. Repayments of obligations under finance lease	35	(1,363,685,469)	(287,256,000)
5. Dividends and profits paid	36	(1,400,369,267,196)	(2,365,687,591,554)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(1,052,068,657,034)</b>	<b>(2,139,784,040,967)</b>
<b>Net increase/(decrease) in cash</b>	<b>50</b>	<b>2,639,358,053,911</b>	<b>(2,113,124,374,270)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,281,485,673,442</b>	<b>4,401,002,291,800</b>
<b>Effect of changes in foreign exchange rates</b>	<b>61</b>	<b>6,323,781,144</b>	<b>(6,392,244,088)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>4,927,167,508,497</b>	<b>2,281,485,673,442</b>

Đo Kháng Ninh  
General Director

28 April 2011

  
Mai Huu Ngan  
Chief Accountant

The notes set out on pages 9 to 30 are an integral part of these consolidated financial statements

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**

19A Cong Hoa Street, Tan Binh District  
Ho Chi Minh City, S.R.Vietnam

**Consolidated Financial Statements**  
For the year ended 31 December 2010

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FORM B 09-DN/HN**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION**

**Structure of ownership**

PetroVietnam Gas Corporation - One Member Company Limited ("the Corporation"), formerly known as Petro Vietnam Gas Processing and Trading Corporation Limited, is a subsidiary of Vietnam Oil and Gas Group which was established in accordance with Decision No. 2232/QĐ-DKVN dated 18 July 2007 issued by Vietnam Oil and Gas Group and the first Business Registration Certificate No. 3500102710 dated 17 January 2007 and the sixth amended Business Registration Certificate dated 12 May 2010.

The Corporation undertook an IPO on 17 November 2010 and currently, has been in the process of transformation from a state-owned enterprise into a joint stock company.

The Corporation's head office is located on Floor 6<sup>th</sup>, SCEPTA Building, 19A Cong Hoa Street, Tan Binh District, Ho Chi Minh City, S.R. Vietnam.

The number of employees as at 31 December 2010 was 2,294 (31 December 2009: 1,650).

As at 31 December 2010, the Corporation had subsidiaries as follows:

- PetroVietnam Southern Gas Joint Stock Company ("PVGAS South")
- PetroVietnam Northern Gas Joint Stock Company ("PVGAS North")
- PetroVietnam Gas Investment and Construction Joint Stock Company ("PVID")
- PetroVietnam Gas Sport and Culture Joint Stock Company ("PSCC")
- PetroVietnam Gas Cylinder Joint Stock Company ("PV Cylinder")

**Principal activities**

The principal activities of the Corporation are to collect, transport, store and process gas; distribute and trade dry gas related products, LNG, CNG, LPG and Condensate, etc...; to trade material, equipment and chemicals that are used in gas and gas-related products; to provide port and warehouse services; to invest in infrastructure, system for distributing dry and wet gas products in a synchronous manager, to purchase LPG from oil refinery plants and other subsidiaries of the Corporation; to provide consulting services in design, establishing construction projects; to manage, operate and provide repair and maintenance services of gas and gas related projects; to perform feasibility study in gas industry, design and rehabilitation of gas works; to provide services in gas industry, rehabilitation, maintenance and repair of engines and installation of converted facilities that are used in motor vehicles and gas-powered equipment and agriculture, forestry and pisciculture field; to import and export products of block gas, LNG, LPG and condensate; to import materials, equipment and motor vehicles that are used in gas industry; to take part in upper reaches gas investment projects to raise the pro-activity and effectiveness of trading and processing gas products; to invest in outsiders, trade and transfer investment, negotiate and sign contracts, projects, and assets, gas works; acquire international gas companies which will then become the members of the Corporation, sell the subsidiaries when necessary; and do business in other sectors in accordance with the regulations of law.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

**Accounting period**

The Corporation's financial year begins on 01 January and ends on 31 December.

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**

19A, Cong Hoa Street, Tan Binh District  
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*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**3. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED**

On 06 November 2009, the Ministry of Finance issued Circular No.210/2009/TT-BTC ("Circular 210") guiding the application of International Financial Reporting Standards on presentation of financial statements and disclosures of financial instruments. The adoption of Circular 210 requires disclosures of certain financial instruments as well as the effect thereof on the financial statements. This Circular is effective for the financial year ending on or after 31 December 2011. The Board of General Directors is considering the extent of impact of the adoption on the Corporation's consolidated financial statements for future accounting periods.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Corporation in the preparation of these consolidated financial statements, are as follows:

**Estimates**

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December each year. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

All inter-company transactions and balances between Corporation enterprises are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

**Investments in associates**

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e, the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

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**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**  
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#### **Goodwill**

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit of 10 years.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately as an intangible asset in the balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **Short-term financial investments**

Short-term financial investments are recognized at cost, including time deposits of twelve months or less and a short-term trust corresponding to the result of trust fund management activities.

#### **Receivables and provision for doubtful debts**

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

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**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A, Cong Hoa Street, Tan Binh District  
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For the year ended 31 December 2010**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>2010</u> Years
Buildings, structures	4 - 15
Machinery, equipment	3 - 7
Motor vehicles	2 - 7
Office equipment	3 - 5
Other assets	3 - 20

Minor repair, maintenance and replacement expenses to maintain normal working conditions of assets are charged to the consolidated income statement during the year. Overhaul cost or new replacements cost which change the features and capacity of the assets are capitalized as cost of relevant assets.

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Corporation's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Corporation's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease, i.e 6 years for leasing vehicles.

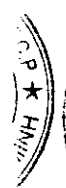
**Intangible fixed assets and amortization**

Intangible assets represent land use rights, computer software, trademark and other intangible fixed assets.

Intangible fixed assets are stated at cost less accumulated amortization.

Land use rights with definite terms are amortised over the duration of the right to use the land, those with indefinite terms are not amortised. Other intangible fixed assets are amortised using the straight-line method over their estimated useful lives as follows:

	<u>2010</u> Years
Trademark	9
Computer software	3



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*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with The Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Long-term financial investments**

Long-term investments represent investments in other entities with proportion of ownership interest less than 20% equivalent to proportion of voting power held at these entities, loans and other long-term financial investments and are recognized at cost including directly attributable costs. At the subsequent reporting dates, these investments shall be recognized at cost less diminution in value of investments (if any).

**Long-term prepayments**

Long-term prepayments comprise business privilege, prepaid land rentals, gas cylinder case values and other types of long-term prepayments.

Business privilege presents the value of advantage in doing business arising from revaluation of the Corporation's net asset for equitization. Business privilege is allocated to the consolidated income statement when the Corporation has officially been transformed into joint stock company.

Land rentals represent rentals that have been paid in advance. Prepaid land rentals are charged to the consolidated financial statements using straight-line method over the term of leasing contract, to costs of fixed assets built on these land lots during construction and to the consolidated income statement for the year from fixed assets are ready to use.

Gas cylinder case values are presented as prepayments and allocated to the consolidated income statement for the year over their estimated useful lives (collaterals, deposits obtained from customers are recorded in the "other long-term payables" item and allocated to income in accordance to the term of allocation of gas cylinder case values). Gas cylinder case values are allocated using the straight-line method in 10 years.

Other types of long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Corporation for one year and over. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method over the period of three years in accordance with the current prevailing accounting regulations.

**Revenue recognition**

Sale of products

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In accordance with Official Letter No.5110-TC/TCT dated 16 May 2003 issued by the Ministry of Finance, revenue from selling and transporting Nam Con Son gas is recorded at the issue date of value added tax invoices.

MINISTRY OF FINANCE

**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A, Cong Hoa Street, Tan Binh District  
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*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*Sale of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest applicable rate. Dividend income from investments is recognized when the Corporation's right to receive payment has been established.

**Foreign currencies**

The Corporation applies the method of recording foreign exchange differences in accordance with Circular No.201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance.

Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date and are accounted for as follows:

- Foreign exchange differences arising from revaluation of monetary items, short-term receivables and payables denominated in foreign currencies at the balance sheet date are recorded in the consolidated balance sheet in the "foreign exchange reserve" item under the Owner's equity section.
- Foreign exchange differences arising from revaluation of long-term receivables are recorded in the consolidated income statement for the reporting period.
- Foreign exchange differences arising from revaluation of long-term payables are recorded in the consolidated income statement for the reporting period.

The recognition of foreign exchange differences in accordance with Circular No.201/2009/TT-BTC differs from that as regulated in Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". According to VAS 10, all foreign exchange differences arising from revaluation of balances denominated in foreign currencies at the balance sheet date are recognized in the consolidated income statement. The Board of General Directors has decided to recognise foreign exchange differences as guided in Circular No.201/2009/TT-BTC and believes that such application and disclosure of differences at the same time, in the case where the Corporation would apply VAS 10, may provide more information to users of the consolidated financial statements. Accordingly, the adoption of Circular No.201/2009/TT-BTC in recording foreign exchange differences makes the Corporation's profit before tax for the year ended 31 December 2010 increase by VND 2,561,854,279 (2009: VND 6,501,673,520) and the "Foreign exchange reserve" item under Owner's equity section in the consolidated balance sheet as at 31 December 2010 decrease by the same amount in comparison with the VAS 10 adoption.

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**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A, Cong Hoa Street, Tan Binh District  
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For the year ended 31 December 2010**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are recognized in the consolidated income statement when incurred.

**Provisions**

Provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

**5. CASH AND CASH EQUIVALENTS**

	31/12/2010 VND	31/12/2009 VND
Cash on hand	10,526,193,376	6,399,437,633
Cash in bank	2,861,483,789,104	1,984,133,464,119
Cash in transit	-	973,660,827
Cash equivalents (i)	<u>2,055,157,526,017</u>	<u>289,979,110,863</u>
	<u>4,927,167,508,497</u>	<u>2,281,485,673,442</u>

(i) Cash equivalents represent time deposits of less than or equal to 3 months at banks.

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	31/12/2010	31/12/2009
	VND	VND
Deposits with terms of 12 months or less	1,714,077,180,000	2,620,045,500,583
Entrusted capital management	487,473,820,000	54,000,000,000
	<u>2,201,551,000,000</u>	<u>2,674,045,500,583</u>

**7. INVENTORIES**

	31/12/2010	31/12/2009
	VND	VND
Goods in transit	65,407,079,328	48,717,221,701
Raw materials	312,601,443,267	673,856,625,150
Tools and supplies	31,718,750,049	21,873,970,237
Work in progress	33,895,442,968	6,700,989,471
Finished goods	51,233,605,255	75,237,894,725
Merchandise	451,363,940,265	371,810,693,115
Goods on consignment	-	45,632,053
<b>Total cost of inventories</b>	<u>946,220,261,132</u>	<u>1,198,243,026,452</u>
Provision for devaluation of inventories	<u>(77,983,322,086)</u>	<u>(54,138,557,770)</u>
<b>Net realisable value of inventories</b>	<u>868,236,939,046</u>	<u>1,144,104,468,682</u>

**8. TAXES AND OTHER RECEIVABLES FROM THE STATE BUDGET**

	31/12/2010	31/12/2009
	VND	VND
Import, export duties	8,899,075,455	-
Corporate income tax	22,011,824,334	99,547,887,675
	<u>30,910,899,789</u>	<u>99,547,887,675</u>

## PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

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## 9. TANGIBLE FIXED ASSETS

	Buildings, structures VND	Machinery, Equipment VND	Motor Vehicles VND	Office Equipment VND	Other fixed assets VND	Total VND
<b>COST</b>						
As at 01/01/2010	463,794,634,865	263,997,744,862	140,477,568,255	61,616,885,474	16,880,953,367,014	17,810,840,200,470
Purchases for the year	16,959,571,645	36,583,252,039	36,966,405,112	13,977,176,104	21,075,495,439	125,561,900,339
Transfer from construction in progress	318,446,364,858	522,558,173,953	75,069,537,511	416,810,359	2,296,838,186,103	3,213,329,072,784
Increase as revaluated for equitization	6,912,005,998	-	5,233,077,226	-	4,313,735,256,957	4,325,880,340,181
Other increases	1,926,282,513	58,997,673,725	32,860,414,264	726,909,390	21,332,610,962	115,843,890,854
Decrease as revaluated for equitization	(4,188,717,525)	(60,746,717)	-	(2,104,441,191)	(398,850,404)	(6,752,755,837)
Disposals	(16,940,000)	(121,090,910)	(2,172,595,430)	(30,480,252)	-	(2,341,106,592)
Adjustment per finalization	-	4,104,914	-	-	(35,365,939,455)	(35,361,834,541)
Other decreases	(791,703,084)	(1,132,397,470)	(252,672,076)	(196,067,990)	(7,115,669,088)	(9,488,509,708)
As at 31/12/2010	803,041,499,270	880,826,714,396	288,181,734,862	74,406,791,894	23,491,054,457,528	25,537,511,197,950
<b>ACCUMULATED DEPRECIATION</b>						
As at 01/01/2010	107,479,262,740	98,919,182,209	75,704,703,243	33,326,884,106	8,021,827,790,727	8,337,257,823,025
Charge for the year	466,952,964,466	93,234,143,867	32,680,736,800	17,470,803,332	1,120,560,837,984	1,730,899,486,449
Increase as equitization revaluation	-	-	-	-	100,860,943	100,860,943
Other increases	184,513,010	6,392,448,946	(9,702,206,176)	119,263,364	13,931,996,936	10,926,016,080
Decrease as equitization revaluation	(433,575,357,617)	(51,211,552,394)	(9,089,696,641)	(7,425,050,858)	(1,748,090,621,552)	(2,249,392,279,062)
Disposals	(7,058,329)	(212,473,639)	(1,371,219,010)	(113,977,412)	-	(1,704,728,390)
Adjustment per finalization	-	1,505,764	-	-	(6,827,591,089)	(6,826,085,325)
Other decreases	(4,551,102,016)	(13,405,088,855)	(3,342,048,283)	(287,758,141)	(9,144,264,233)	(30,730,261,528)
As at 31/12/2010	136,483,222,254	133,718,165,898	84,880,269,933	43,090,164,391	7,392,359,009,716	7,790,530,832,192
<b>NET BOOK VALUE</b>						
As at 31/12/2010	666,558,277,016	747,108,548,498	203,301,464,929	31,316,627,503	16,098,695,447,812	17,746,980,365,758
As at 31/12/2009	356,315,372,125	165,078,562,653	64,772,865,012	28,290,001,368	8,859,125,576,287	9,473,582,377,445

Gas constructions as at 31 December 2010 are presented in "Other fixed assets" Group include certain constructions with cost of VND 5,183,293,694,915 which are recorded temporarily based on the actual expenses for the depreciation purpose when constructions go into operation. Upon the approval of final construction audit, construction cost will be adjusted accordingly.

As at 31 December 2010, the cost of the Corporation's tangible fixed assets includes VND 126,689,407,039 (as at 31 December 2009: VND 5,212,484,707,902) of fixed assets which have been fully depreciated but are still in use.

The Corporation has pledged its tangible fixed assets, which have a carrying value of VND 345,765,136,773 as at 31 December 2010 to secure banking facilities granted to the Corporation.

## PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

## 10. FINANCIAL LEASE ASSETS

	Machinery, Equipment VND	Motor Vehicles VND	Total VND
<b>COST</b>			
As at 01/01/2010	-	1,521,235,000	1,521,235,000
Purchases for the year	47,933,998,993	6,027,513,977	53,961,512,970
As at 31/12/2010	47,933,998,993	7,548,748,977	55,482,747,970
<b>ACCUMMULATED</b>			
As at 01/01/2010	-	654,976,182	654,976,182
Charge for the year	-	559,003,324	559,003,324
As at 31/12/2010	-	1,213,979,506	1,213,979,506
<b>NET BOOK VALUE</b>			
As at 31/12/2010	47,933,998,993	6,334,769,471	54,268,768,464
As at 31/12/2009	-	866,258,818	866,258,818

## 11. INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Trademark VND	Others VND	Total VND
<b>COST</b>					
As at 01/01/2010	11,533,595,145	7,699,796,817	-	-	19,233,391,962
Increases	154,352,774,678	3,834,201,112	1,464,370,376	4,288,007,246	163,939,353,412
As at 31/12/2010	165,886,369,823	11,533,997,929	1,464,370,376	4,288,007,246	183,172,745,374
<b>ACCUMULATED AMORTIZATION</b>					
As at 01/01/2010	60,095,000	5,682,347,747	-	-	5,742,442,747
Charge for the year	45,314,864	2,436,664,136	79,166,977	-	2,561,145,977
Decrease as revaluated for equitization	-	(472,972,028)	-	-	(472,972,028)
As at 31/12/2010	105,409,864	7,646,039,855	79,166,977	-	7,830,616,696
<b>NET BOOK VALUE</b>					
As at 31/12/2010	165,780,959,959	3,887,958,074	1,385,203,399	4,288,007,246	175,342,128,678
As at 31/12/2009	11,473,500,145	2,017,449,070	-	-	13,490,949,215

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**12. CONSTRUCTION IN PROGRESS**

	31/12/2010	31/12/2009
	VND	VND
Block B - O Mon Gas Pipelines System	74,713,934,650	133,681,791,366
LPG Warehouse	23,421,977,190	3,191,553,729
Hai Su Trang/Te Giac Trang - Bach Ho Gas Pipelines System	206,983,958,658	6,592,269,738
Vom Bac - Bach Ho Gas Gathering Pipeline	-	43,440,638,892
Thi Vai LPG Filling Station	-	60,758,621,218
Dragon Tower Project (i)	306,893,194,595	157,697,490,313
CNG construction	-	24,431,497,323
Pipe Casing Factory	-	82,462,744,918
North Central Region LPG General Store	43,646,077,990	10,465,070,386
PVGAS Vung Tau Seaport Expansion Project	42,386,681,914	-
Gas Pipelines System for Ca Mau Fertiliezer Plant	33,282,518,193	-
Nam Con Son Gas Pipelines System Part 2	14,513,863,444	-
Others	128,028,254,174	82,890,542,605
	<b>873,870,460,808</b>	<b>605,612,220,488</b>

- (i) The Corporation has jointly controlled assets under business cooperation contract with PetroVietnam Construction JSC and Phu Long Real Estate JSC to construct an office building on 7.441 m<sup>2</sup> area at Lot 8, Dragon City Project, Phuoc Kien Ward, Nha Be District, Ho Chi Minh City. Under the contract, the Corporation is the Operator and contributes 70% of investment capital. As per contract, partners shall earn a share of profits based on the Operator's business performance in accordance with their capital contribution ratio. As at 31 December 2010, the costs of the construction work were recorded as construction in progress in the Corporation's consolidated balance sheet.

**13. INVESTMENT IN SUBSIDIARIES**

Details of the Corporation's subsidiaries are as follows:

Name of company	Place of incorporation	Proportion of ownership interest	Proportion of voting right power held	Principal activity
PetroVietnam Southern Gas JSC	HCM City	54%	54%	Distribute LPG
PetroVietnam Northern Gas JSC	Hanoi	62%	62%	Distribute LPG
Vietnam LPG Company Limited (i)	Dong Nai	0%	0%	Distribute LPG
PetroVietnam Gas Cylinder JSC	Dong Nai	82%	91%	Manufacture gas cylinders
PetroVietnam Gas Investment and Construction JSC	Vung Tau	51%	51%	Provide pipe packaging services
Petroleum Sport and Culture JSC	Hanoi	60%	60%	Sport and Cultural activities

- (i) Investment in Vietnam LPG Company Limited had totally been transferred to PetroVietnam Southern Gas JSC (the Corporation's subsidiary) under transfer contract dated 13 July 2010. As at 31 December 2010, the financial statements of Vietnam LPG Company Limited was consolidated in those of Petro Vietnam Southern Gas JSC.

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	31/12/2010	31/12/2009
	VND	VND
PetroVietnam Low Pressure Gas Distribution JSC	351,819,455,779	241,427,757,839
Gas City Investment and development JSC	75,859,870,612	71,329,965,254
PetroVietnam Steel Pipe Manufacturing JSC	150,136,467,188	-
Vinabenny Energy JSC	50,040,701,639	14,400,000,000
CNG Vietnam JSC	-	24,328,501,952
PetroVietnam Urban Development JSC	-	23,966,913,142
PetroVietnam Southern Building Development and Management JSC	-	10,763,828,416
Thang Long LPG Joint Venture Company	-	19,734,310,000
Hoa Cam Industrial Zone Investment JSC	-	17,800,000,000
	<b>627,856,495,218</b>	<b>423,751,276,603</b>

Details of the Corporation's capital contributions to its associates and joint ventures as at 31 December 2010 were as follows:

Name of company	Place of incorporation and operation	Proportion of voting power held	Principal activity
PetroVietnam Low Pressure Gas JSC	HCM City	48.12%	Distribute low pressure gas
Gas City Investment and Development JSC	Hanoi	35.51%	Tranding gas
PetroVietnam Steel Pipe Manufacturing JSC	Tien Giang	32.97%	Manufacture steel pipe
Vinabenny Energy JSC	Long An	20.83%	Lease warehouse

**15. OTHER LONG-TERM INVESTMENTS**

	31/12/2010	31/12/2009
	VND	VND
Investment in securities (i)	393,170,000,000	435,270,000,000
Bond investment	-	5,576,400,000
Entrusted capital management	318,067,180,000	-
Other long-term investments	1,471,351,956	6,198,924,791
	<b>712,708,531,956</b>	<b>447,045,324,791</b>

- (i) Investment in securities includes investment in South East Asia Commercial Joint Stock Bank with an amount of VND 311,250,000,000. Due to securities transfer restriction and the Corporation's long-term holding intention, no provision for devaluation of the investment was made.

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	31/12/2010	31/12/2009
	VND	VND
Business privilege (i)	2,729,738,580,027	-
Gas cylinder case expenses awaiting allocation	384,906,006,871	297,540,311,870
Prepaid land, office rentals	92,245,323,147	45,839,141,306
Other prepayments	25,098,285,666	10,562,891,165
	<u>3,231,988,195,711</u>	<u>353,942,344,341</u>

(i) Business privilege represents the value of advantage in doing business arising from revaluation of the Corporation's net asset value for equitization. Business privilege is allocated to the consolidated income statement when the Corporation has officially been transformed into joint stock company.

**17. GOODWILL**

	2010	2009
	VND	VND
Opening balance	-	-
Increases for the year	17,392,939,375	-
Allocated to expenses for the year	(1,739,293,938)	-
Closing balance	<u>15,653,645,437</u>	<u>-</u>

**18. SHORT-TERM LOANS AND LIABILITIES**

	31/12/2010	31/12/2009
	VND	VND
Short-term loans	372,543,727,376	-
Current portion of long-term loans (Note 23)	1,692,197,797,227	1,283,041,115,872
	<u>2,064,741,524,603</u>	<u>1,283,041,115,872</u>

**19. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET**

	31/12/2010	31/12/2009
	VND	VND
Value added tax	198,313,636,734	3,419,534,800
Import, export duties	779,675,279	3,517,516,743
Corporate income tax	45,979,045,628	-
Special consumption tax	2,136,945,844	-
Personal income tax	1,634,019,477	549,994,296
Others	5,469,263,096	1,270,211,398
	<u>254,312,586,058</u>	<u>8,757,257,237</u>

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## 20. ACCRUED EXPENSES

	31/12/2010	31/12/2009
	VND	VND
Expenses for Nam Con Son Project's operator	54,880,344,256	51,028,840,128
Accruals for Rong-Doi Moi and Vom Bac Bach Ho field's operator	66,165,414,580	-
Interest expense	83,046,712,033	47,700,510,250
Accruals for gas system repair	136,051,323,285	-
Others	68,583,034,202	33,016,134,170
<b>Closing balance</b>	<b>408,726,828,356</b>	<b>131,745,484,548</b>

## 21. OTHER CURRENT PAYABLES

	31/12/2010	31/12/2009
	VND	VND
Cash received from the IPO payable to Vietnam Oil and Gas Group	1,886,949,950,000	-
Other short-term payables	483,196,637,757	627,944,479,598
	<b>2,370,146,587,757</b>	<b>627,944,479,598</b>

## 22. LONG-TERM INTER-COMPANY PAYABLES

	31/12/2010	31/12/2009
	VND	VND
Long-term inter-company payables	44,265,687,854	1,629,670,994,116
	<b>44,265,687,854</b>	<b>1,629,670,994,116</b>

Long-term inter-company payables as at 31 December 2010 represent payables to Vietnam Oil and Gas Group in respect of the capital granted to Dong Nam Bo Gas Project Management Board (a branch of the Corporation) which is used to carry out the Rong - Doi Moi Associated Gas Gathering Pipeline Construction Project with the amount of VND 44,265,687,854.

## 23. LONG-TERM LOANS AND LIABILITIES

	31/12/2010	31/12/2009
	VND	VND
Long-term loans	7,033,281,647,694	6,765,102,707,408
Long-term liabilities	41,432,095,681	680,543,085
Less: Current portion of long-term loans and liabilities	(1,692,197,797,227)	(1,283,041,115,872)
	<b>5,382,515,946,148</b>	<b>5,482,742,134,621</b>

Long-term loans and liabilities are repayable as follows:

	31/12/2010	31/12/2009
	VND	VND
On demand or within one year	1,692,197,797,227	1,283,041,115,872
In the second year	1,376,633,727,161	1,248,361,870,912
In the third to the fifth years inclusive	2,679,316,899,934	2,607,285,134,923
After five years	1,326,565,319,053	1,627,095,128,786
	<b>7,074,713,743,375</b>	<b>6,765,783,250,493</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	1,692,197,797,227	1,283,041,115,872
<b>Amount due for settlement after 12 months</b>	<b>5,382,515,946,148</b>	<b>5,482,742,134,621</b>

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23. LONG-TERM LOANS AND LIABILITIES (Continued)

Details of some significant long-term loans as at 31 December 2010 are as follows:

Loans due from the Holding Company:

- The loan from European Investment Bank with the limit of USD 65 million and interest rate of 4.48% per annum. This loan has a duration of 10 years. The principal and interest are payable on a semi-annual basis under the payment schedule from June 2004. The loan is used to finance Nam Con Son Gas Pipeline Project and is guaranteed by the Ministry of Finance. The loan has balance of USD 27,365,609 as at 31 December 2010 (as at 31 December 2009: USD 33,482,184).
- The unsecured loans from Sea Bank with the loan balances of USD 42,802,270 and VND 95,543,447,716 as at 31 December 2010 and interest rate of Sibor 6 months plus 1.95% per annum and 11.4% per annum respectively. These loans have durations of 7 years and are used to finance constructions. The principals and interests are payable on a semi-annual basis after 24-month grace period from the first withdrawal.
- The unsecured loans from Bank for Investment and Development of Vietnam (BIDV) with the loan balance of USD 144,000,000 as at 31 December 2010 and interest rate of 6-month deposit interest rate of BIDV plus 0.5% per annum. These loans have durations of 11 years and are used to finance PM3-Ca Mau Gas Pipeline System Project. The principals and interests are payable on a semi-annual basis after 12-month grace period from the first withdrawal.
- The loans from Calyon Bank with the loan balance of USD 22,727,273 as at 31 December 2010 and interest rate of Sibor 6 months plus 1.3% per annum. These loans have durations of 7 years and are used to finance PM3-Ca Mau Gas Pipeline System Project and is guaranteed by the Ministry of Finance. The principals and interests are payable on a semi-annual basis after 24-month grace period from the first withdrawal.
- The loans from Ho Chi Minh City Housing Development Commercial Joint Stock Bank (HD Bank) with the balance of USD 180,562,958,000 as at 31 December 2010 and interest rate as stated in each withdrawal agreement. These loans have durations of 5 years and are used to finance Dragon Tower Project. The principals and interests are payable on a semi-annual basis from the first withdrawal.
- The loan from Standard Chartered Bank with the limit of USD 133,000,000 and interest rate of Sibor 6 months plus 2.5% per annum. This loan has duration of 5 years and is used to finance Hai Su Trang/Te Giac Trang - Bach Ho Gas Pipelines, Doi Moi Dragon and other projects. The principal and interest are payable from the 12<sup>th</sup> month from the contract signing date of 01 December 2010. The loan has balance of USD 7,829,562 as at 31 December 2010.
- Loans from PVFC with the loan balances of USD 27,309,865 and VND 170,163,550,122 as at 31 December 2010 with variable interest rates. These loans have durations from 4 to 7 years are guaranteed by Vietnam Oil and Gas Group and are used to finance the Corporation's constructions.

Loans due from PVGAS South:

- Loans from Commercial Joint Stock Banks and PVFC with the balances as at 31 December 2010 of VND 631,276,817,272; EUR 3,078,757 and USD 5,491,757. These loans have durations from 3 to 7 years and bear the minimum annual interest rate of 5.5% for loans in EUR and from 8.3% to 15% per annum for loans in VND. These loans are used to finance constructions of CNG project and Dung Quat, Go Dau Stores Project. PVGAS South used its buildings, machinery and equipment, motor vehicles acquired with the loans as collaterals for the loans.

Loans due from PVGAS North:

- Loan from Vietnam Oil and Gas Group entrusted via PVFC with the balance as at 31 December 2010 of VND 243,000,000,000 to finance operations of PVGAS North. The loan is unsecured and bears the interest rate of 75% of 12-month-mobilized deposit interest rate of Vietcombank stated at the date of interest rate determination. The loan has duration of 3 years from 09 July 2010.

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## 23. LONG-TERM LOANS AND LIABILITIES (Continued)

Loan due from PVID:

- Loan from PVID with the balance as at 31 December 2010 of 13,822,686 USD and 60,620,548,543 VND and the interest rate equal to 12-month personal capital mobilization interest rate in VND. The loan has a duration of 78 months from the first disbursement date. These loans are used to carry out Pipe Casing Factory Construction Project at Phu My I Industrial Zone, Tan Thanh district, Ba Ria Vung Tau province. The loan is guaranteed by assets acquired with the loan.
- Loan from BIDV – Phu My branch with the balance as at 31 December 2010 of 3,004,430,000 VND. The loan is payable every quarter with 60-month duration from the first withdrawal date. The loan bears the interest rate of 14.5% per annum and is changed every 3 months. The loan is guaranteed by assets acquired with the loan.

## 24. OWNER'S EQUITY

Movement in owner's equity:

	Owner's contributed capital VND	Other owner's capital VND	Assets revaluation reserve VND	Investment and development fund VND	Financial reserve fund VND	Foreign exchanges reserve VND	Retained earnings VND	Total VND
As at 01/01/2009	3,412,698,437,112	-	-	933,518,884,775	1,214,414,687,163	-	62,954,485,865	5,623,586,494,915
Contribution from the Group	1,656,295,367,821	-	-	-	-	-	-	1,656,295,367,821
Profit for the year	-	-	-	-	-	-	3,284,978,092,436	3,284,978,092,436
Profit distributed to funds	-	-	-	832,309,314,475	56,397,072,031	-	(1,337,012,305,219)	(448,305,918,713)
Distributed to the Group	-	-	-	(929,993,598,160)	-	-	(1,827,455,556,430)	(2,757,449,154,590)
Bonus fund for Executive board	-	-	-	-	-	-	(300,000,000)	(300,000,000)
Disbursement	-	-	-	(370,626,721)	(343,880,561)	-	-	(714,507,282)
Foreign exchange difference	-	-	-	-	-	(6,501,673,520)	-	(6,501,673,520)
As at 31/12/2009	5,068,993,804,933	-	-	835,463,974,369	1,270,467,878,633	(6,501,673,520)	183,164,716,652	7,351,588,701,067
Capital increase	2,323,297,613,085	1,254,472,277	-	-	-	-	-	2,324,552,085,362
Profit for the year	-	-	-	-	-	-	4,747,715,480,594	4,747,715,480,594
Changes as revaluated for equitization (i)	3,063,186,755,069	-	6,710,919,929,696	-	-	-	-	9,774,106,684,765
Profit distributed to funds	-	-	-	1,462,511,783,005	486,428,970,302	-	(2,026,912,524,840)	(77,971,771,533)
Distributed to the Group (ii)	-	-	-	(828,683,347,149)	-	-	(1,200,000,000,000)	(2,028,683,347,149)
Bonus fund for management	-	-	-	-	-	-	(500,000,000)	(500,000,000)
Foreign exchange difference	-	-	-	-	-	1,939,819,241	-	1,939,819,241
Other	(427,418,112)	-	-	427,418,112	(3,202,741,418)	-	(45,824,199,100)	(49,026,940,518)
As at 31/12/2010	10,455,050,754,975	1,254,472,277	6,710,919,929,696	1,469,719,828,337	1,753,694,107,517	(2,561,854,279)	1,657,643,473,306	22,845,720,711,829

(i) Changes as revaluated for equitization represent the increase in state-owned equity invested in the Corporation under Decision No. 1201/QD-DKVN dated 25 May 2010 issued by Board of Directors of Vietnam Oil and Gas Group on the approval of the corporate valuation for equitization.

(ii) The Corporation has paid Vietnam Oil and Gas Group the 2009 profit distributed to Investment and development fund with the amount of VND 828,683,347,149 and temporarily paid the 2010 profit with the amount of VND 1,200 billion. The final amount payable to Vietnam Oil and Gas Group will be approved in 2011.

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## 25. REVENUE

	2010 VND	2009 VND
<b>Gross sales</b>	<b>48,076,583,629,369</b>	<b>30,485,218,232,557</b>
Sales of gas	28,033,980,271,575	20,416,516,437,263
Sales of LPG, Bupro	17,291,694,878,109	8,230,833,809,726
Gas transportation revenue	2,332,121,553,959	1,641,935,709,171
Others	418,786,925,726	195,932,276,397
<b>Less deductions</b>	<b>82,202,154,080</b>	<b>30,484,298,553</b>
Trade discount	61,592,761,338	-
Special consumption tax, export duty	20,609,392,742	30,484,298,553
<b>Net sales</b>	<b>47,994,381,475,289</b>	<b>30,454,733,934,004</b>

Revenue from selling and transporting Nam Con Son gas is recognized at the issue date of value added tax invoices in accordance with Official Letter No.5110-TC/TCT dated 16 May 2003 issued by the Ministry of Finance. Accordingly, revenue and cost of sold and transported Nam Con Son gas incurred in November and December 2010 were recorded in the consolidated income statement for the year 2011 with the amounts of VND 2,640 billion and VND 2,590 billion, respectively (those incurred in November and December 2009 but recorded in 2010: VND 2,607 billion and VND 2,127 billion, respectively).

## 26. COST OF SALES

	2010 VND	2009 VND
Cost of gas sold	25,034,219,185,182	17,749,039,201,059
Cost of LPG, Bupro	14,714,790,566,928	6,388,291,852,965
Cost of gas transportation	402,719,073,630	377,341,411,013
Other	361,801,977,427	485,556,973,526
	<b>40,513,530,803,167</b>	<b>25,000,229,438,563</b>

## 27. FINANCIAL INCOME

	2010 VND	2009 VND
Bank interest	414,071,606,291	381,000,120,725
Gain from foreign exchange difference	191,566,034,717	183,827,650,523
Profit and dividends received	48,970,897,695	31,776,178,145
Gain on sales of investments	126,107,460,266	-
Other financial income	6,469,252,938	18,537,361,635
	<b>787,185,251,907</b>	<b>615,141,311,028</b>

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	2010 VND	2009 VND
Interest expense	286,160,142,607	239,508,148,625
Realized foreign exchange loss	574,922,779,744	299,873,677,886
Unrealized foreign exchange loss	280,517,297,371	697,268,240,130
Provisions	2,309,880,858	1,081,704,874
Other financial expenses	9,735,688,917	1,670,166,290
	<u>1,153,645,789,497</u>	<u>1,239,401,937,805</u>

**29. OTHER INCOME**

	2010 VND	2009 VND
Reimbursement from contract penalties	245,032,664,791	-
Reimbursement of pre-operating expense from partners of Block B - O Mon project	80,216,852,928	-
Reimbursement from rescue of Su Tu Vang - Rang Dong's leakage incidents	17,210,909,091	-
Others	46,071,940,904	53,717,885,524
	<u>388,532,367,714</u>	<u>53,717,885,524</u>

**30. OTHER EXPENSES**

	2010 VND	2009 VND
Pre-operating expenses for Block B - O Mon project	71,783,976,428	-
Expense for rescue of Su Tu Vang - Rang Dong's leakage incidents	15,692,612,543	-
Others	7,461,589,069	33,051,184,059
	<u>94,938,178,040</u>	<u>33,051,184,059</u>

**31. CORPORATE INCOME TAX**

	2010 VND	2009 VND
Profit before tax	5,725,666,915,897	3,934,064,835,860
Current corporate income tax expense for the year	805,723,755,516	623,264,615,802
<i>In which:</i>		
- Holding Company (i)	754,316,165,108	613,027,115,898
- PetroVietnam Southern Gas Joint Stock Company (ii)	37,315,896,294	3,418,166,389
- PetroVietnam Northern Gas Joint Stock Company	1,459,538,016	1,664,913,642
- PetroVietnam Gas Investment and Construction Joint Stock Company	11,042,183,641	251,567,362
- PetroVietnam Gas Sport and Culture Joint Stock Company	76,499,640	9,461,951
- PetroVietnam Gas Cylinder Joint Stock Company	-	-
- Vietnam LPG Company Limited	1,513,472,817	4,893,390,560
Deferred tax	(3,892,254,720)	(80,187,500)
Profit after corporate income tax	<u>4,923,835,415,101</u>	<u>3,310,880,407,558</u>

The Corporation is obligated to pay corporate income tax at the rate of 25% of its assessable income.



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*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**31. CORPORATE INCOME TAX (Continued)**

(i) The Holding Company has its tax incentives as follows:

The Corporation is entitled to corporate income tax incentive at the rate of 20% for Phu My Gas Distribution Station Project according to Investment Incentive Certificate No.8898-BKH/DN dated 31 December 2001; Nam Con Son Condensate Transportation Project according to the Investment Incentive Certificate No.3399-BKH/DN dated 28 May 2002 and Nam Con Son Pipeline Project according to Investment Incentive Certificate No.6011-BKH/DN dated 18 September 2002 issued by the Ministry of Planning and Investment. Moreover, the Corporation is entitled to a corporate income tax exemption for the first three years and a reduction of 50% in the seven years thereafter since the Corporation starts to incur taxable income on Nam Con Son Pipeline Project.

The Corporation is entitled to a corporate income tax exemption for three years since the Corporation starts to incur taxable income and a reduction of 50% in the seven years thereafter in respect of Thi Vai LPG Filling Station Project according to Investment Incentive Certificate No.49221000055 dated 10 August 2007. The Corporation has registered to apply this incentive from 2010.

The Corporation is entitled to a corporate income tax exemption for the first three years since the Corporation starts to incur taxable income and a reduction of 50% in the seven years thereafter in respect of low pressure gas distribution system project phase 2 according to Investment Incentive Certificate No.49221000047 dated 02 July 2007. The Corporation has registered to apply this incentive from 2010.

The Corporation is entitled to a corporate income tax exemption for the first year since the Corporation starts to incur taxable income and a reduction of 50% in the two years thereafter in respect of Su Tu Den/Su Tu Vang – Rang Dong Gas Pipelines Project according to Investment Incentive Certificate No.492210000102 dated 08 May 2008. The Corporation has registered to apply this incentive from 2010.

The Corporation is entitled to a corporate income tax exemption for the first two years since the Corporation starts to incur taxable income and a reduction of 50% in the three years thereafter in respect of PM3 - Ca Mau Gas Pipeline System Project according to Investment Incentive Certificate No.61101000095 dated 09 February 2010. The Corporation has registered to apply this incentive from 2010.

(ii) Subsidiary - PetroVietnam Southern Gas Joint Stock Company (PVGAS South) has its tax incentives as follows:

As per Investment Certificate with respect to CNG business, PVGAS South is entitled to corporate income tax rate of 20% during the operation duration and a corporate income tax exemption for two years and a reduction of 50% in the six years thereafter since the Corporation starts to incur taxable income. Year 2009 is the first year that the Corporation started to incur taxable income from CNG business, PVGAS South was exempted from corporate income tax on this activity.

CNG Vietnam Joint Stock Company, a subsidiary of PVGAS South, is annually entitled to corporate income tax rate of 20% of taxable income within 10 years from the operation commencement and 25% for the following years. Besides, CNG Vietnam Joint Stock Company is entitled a corporate income tax exemption for two years from the first profit making year and a reduction of 50% in the six years thereafter.

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**PETROVIETNAM GAS CORPORATION - ONE MEMBER COMPANY LIMITED**19A, Cong Hoa Street, Tan Binh District  
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*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***32. RELATED PARTY TRANSACTIONS AND BALANCES**

During the year, the Corporation entered into the following major transactions with related parties:

	2010 VND	2009 VND
<b>Sales</b>		
PetroVietnam Exploration Production Corporation	2,319,901,990,195	1,641,935,709,171
PetroVietnam Fertilizer and Chemicals Corporation	1,385,148,769,958	717,114,952,171
PetroVietnam Oil Corporation	226,824,229,261	244,208,818,044
PetroVietnam Power Corporation	9,388,720,913,680	4,341,150,335,062
Binh Son Refinery and Petrochemical One-member Limited Liability Company	2,496,193,711,762	-
PetroVietnam Transportation Corporation	<u>300,330,951,266</u>	<u>205,781,768,449</u>
<b>Purchases</b>		
PetroVietnam	3,011,433,411,897	2,792,035,709,238
PetroVietnam Exploration Production Corporation	<u>23,990,562,071,242</u>	-
<b>Other transactions</b>		
Capital contributed by PetroVietnam	2,758,239,314,658	1,656,345,367,821
Entrusted gain received from PetroVietnam Financial Joint Stock Corporation	26,121,330,402	-
Loan interest payable to PetroVietnam Finance Joint Stock Corporation	59,359,991,833	291,854,281,891
	<u>31/12/2010 VND</u>	<u>31/12/2009 VND</u>
<b>Receivables</b>		
PetroVietnam	46,763,079,934	70,903,982,510
PetroVietnam Power Corporation	2,094,873,736,573	424,921,792,196
PetroVietnam Fertilizer and Chemicals Corporation	269,472,389,393	87,518,892,820
PetroVietnam Construction Corporation	252,995,702,327	1,235,580,001
PetroVietnam Oil Corporation	<u>8,618,303,694</u>	<u>30,770,208,707</u>
<b>Payables</b>		
PetroVietnam	617,183,250,587	4,008,154,992
Vietsov Petro Joint Venture enterprise	24,709,908,737	23,557,580,336
PetroVietnam Construction Corporation	13,306,123,941	6,191,474,550
PetroVietnam Oil Corporation	2,146,171,845	3,928,788,001
Binh Son Refinery and Petrochemical One-member Limited Company	840,773,308,789	-
PetroVietnam Exploration Production Corporation	<u>284,491,114,324</u>	<u>506,268,910,750</u>
<b>Entrusted investments</b>		
PetroVietnam Finance Joint Stock Corporation	<u>777,300,000,000</u>	<u>54,000,000,000</u>
<b>Loans</b>		
PetroVietnam	-	1,629,670,994,116
PetroVietnam Finance Joint Stock Corporation	<u>1,350,776,354,012</u>	<u>1,328,634,406,192</u>

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33. COMMITMENTS

i) Capital commitments

As at 31 December 2010, the Corporation had commitments relating to some construction contracts which are being performed but had not been finished:

	31/12/2010
	VND
LPG Warehouse	307,060,862,464
Hai Su Trang/Te Giac Trang - Bach Ho Gas Pipelines System	146,342,089,379
Rong - Doi Moi Gas Gathering Pipeline Construction Project	708,110,363,535
Block B - O Mon Gas Pipelines System	570,936,571,491

ii) Other commitments

The commitments related to gas sales and transportation are as follows:

Purchasing commitments:

In accordance with the GSPA for Block 06.1 dated 15 December 2000 and supplementary agreement to GSPA Block 06.1 dated 30 September 2009 signed between gas owners of Block 06.1 (BP Exploration Operating Limited Company, ONGC Videsh Limited Company and Vietnam Oil and Gas Group) and Vietnam Oil and Gas Group (represented by the Corporation), the Corporation commits to purchase a minimum annual gas volume of 3.6 billion m<sup>3</sup> from 01 July 2009 to 31 December 2010, and 4 billion m<sup>3</sup> per annum for the period from 01 January 2011 to 30 June 2014.

Under the GSPA dated 19 April 2005 signed between gas owners of Block 11.2 (Korea National Oil Company and Vietnam Oil and Gas Group) and Vietnam Oil and Gas Group (represented by the Corporation) for a term of 23 years, the Corporation commits to purchase a minimum gas volume of 1.216 billion m<sup>3</sup> per annum.

According to PM3 CAA Upper Reaches Gas Sales Agreement (Contract UGSA PM3 CAA) dated 10 February 2000, signed between Vietnam Oil and Gas Group (represented by the Corporation) and the contractors of Block PM3 CAA and Petronas for a term of 23 years, the Corporation commits to purchase from contractors an annual fixed gas volume of 1.5 billion m<sup>3</sup>.

According to the Gas Sales Agreement of Block 46 Cai Nuoc dated 23 July 2003 between the Corporation and contractors of Block 46 Cai Nuoc for a term of 23 years, the Corporation commits to purchase from gas owners an annual fixed gas volume of 0.206 billion m<sup>3</sup>.

Selling Commitments:

According to Nam Con Son Gas Sales Agreement dated 16 December 2001, signed between Vietnam Oil and Gas Group (represented by the Corporation) and Vietnam Electricity Group (EVN) for a term of 20 years, the Corporation commits to sell an annual fixed gas volume of 1.85 billion m<sup>3</sup> to EVN until the end of stabilization period as per GSA.

According to Nam Con Son Gas Sales Agreement dated 22 May 2001, signed between Vietnam Oil and Gas Group (represented by the Corporation) and Phu My 3 BOT Power Plant (PM3), the Corporation commits to supply PM3 with an annual fixed gas volume of 0.85 billion m<sup>3</sup> until 2023.

According to Nam Con Son Gas Sales Agreement dated 18 September 2001, signed between Vietnam Oil and Gas Group (represented by the Corporation) and MeKong Energy Company, (PM2.2), the Corporation commits to supply PM2.2 with an annual fixed gas volume of 0.85 billion m<sup>3</sup> until 2023.

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**33. COMMITMENTS (Continued)**

According to Cuu Long Gas Sales and Purchases Agreement dated 26 December 2006 between the Corporation and Ba Ria Thermo-Electric Company Limited, the Corporation commits to supply gas to Ba Ria Thermo-Electric Company Limited for operating Thermo-Electric Plant. The Agreement was agreed to extend up to 23 February 2011.

According to PM3 CAA and Block 46 Cai Nuoc Gas Sales and Purchases Agreement dated May 2007 between Vietnam Oil and Gas Group (represented by the Corporation) and Ca Mau PetroVietnam Power Company, the Corporation commits to supply this company with an annual fixed gas volume of 1.5 billion m<sup>3</sup> until 2023.

**34. COMPARATIVE FIGURES**

Comparative figures are those presented in the Corporation's audited consolidated financial statements for the year ended 31 December 2009.



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**Do Khang Ninh**  
General Director

28 April 2011

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**Mai Huu Ngan**  
Chief Accountant

