

Ref. No. 0855/62E

August, 8 2012

Subject : Clarification on the Operating Result in the 2<sup>nd</sup> quarter 2012  
Attn : President  
The Stock Exchange of Thailand

The company wishes to report on the Company's Operating Result in the 2<sup>nd</sup> quarter 2012, which can be summarized as follows

(1) The Company's net profit in the 2<sup>nd</sup> quarter 2012 was Baht 344.64 million (net earnings of Baht 0.98 per share). When compared with the same period last year with the net profit of Baht 298.48 million (net earnings per share of Baht 0.85), the net profit increased by Baht 46.16 million (an increase of net earnings per share of Baht 0.13) or an increase of 15.47 percent.

(1.1) Net profit from the coal business in the 2<sup>nd</sup> quarter 2012 was Baht 262.05 million or 76.04 percent of the total net profit, which increased from the same period last year by Baht 18.25 million or an increase of 7.49 percent, due to the increase of coal sales volume from the same period last year by 34.45 percent.

(1.2) Net profit from the ethanol business in the 2<sup>nd</sup> quarter 2012 was Baht 64.55 million or 18.73 percent of the total net profit, which increased from the same period last year by Baht 63.83 million or an increase of 8,865.28 percent, due to the increase in ethanol sales volume from the same period last year by 69.18 percent and average sales cost of ethanol per liter was lower than that of the same period last year by 34.73 percent due the lower price of raw material, molasses, which is a major cost, as compared to the same period last year by 42.16 percent.

(1.3) Net share of income from investment in the associated company companies and other revenue in the 2<sup>nd</sup> quarter 2012 were Baht 18.04 million or 5.23 percent of the total net profit, which decreased from the same period last year by Baht 35.92 million or a decrease of 66.57 percent. This was due to the dissolution of a subsidiary company, and thus there was no revenue from coal transport, loading port and jetty facilities services.

(2) The Company's net profit in the first 6-month period of 2012 was Baht 616.48 million (net earnings of Baht 1.76 per share). When compared with the same period last year with the net profit of Baht 591.84 million (net earnings per share of Baht 1.69), the net profit increased by Baht 24.64 million (an increase of net earnings per share of Baht 0.07) or an increase of 4.16 percent due to the following reasons.

(2.1) Net profit from the coal business in the first 6-month period of 2012 was Baht 419.00 million or 67.97 percent of the total net profit, which decreased from the same period last year by Baht 96.85 million or a decrease of 18.77 percent. This was due to a decrease in an average coal sales price from the same period last year by 9.11 percent while the average cost of coal sales per ton increased 6.59 percent.

(2.2) Net profit from the ethanol business in the first 6-month period of 2012 was Baht 117.30 million or 19.03 percent of the total net profit, which increased from the same period last year by Baht 123 million or an increase of 2,157.89 percent, due to the increase in ethanol sales volume from the same period last year by 56.51 percent and the average ethanol sales cost per liter was lower than the same period last year by 34.33 percent due to the price of raw material, molasses, was lower than the same period last year by 45.49.

(2.3) Net share of income from investment in the associated company companies and other revenue in the first 6-month period of 2012 were Baht 80.18 million or 13.00 percent of the total net profit, which decreased from the same period last year by Baht 1.51 million or a decrease of 1.85.

The details of the changes and impacts are described in the Management Discussion and Analysis (MD & A).

Please be informed accordingly,

Yours faithfully,  
For and on behalf of  
Lanna Resources Public Company Limited

(Mr. Anun Louharanoo)  
Chief Financial Officer