

Ref. No. 0555/42

May 11, 2012

Subject : Clarification on the Operating Result of the first quarter 2012
Attn : President
The Stock Exchange of Thailand

The company wishes to report on the Company's Operating Result of the first quarter 2012, which can be summarized as follows.

The Company's net profit in the first quarter 2012 was Baht 271.85 million (net earnings of Baht 0.78 per share). When compared with the same previous last year with the net profit of Baht 293.36 million (net earnings per share of Baht 0.84), the net profit decreased by Baht 21.51 million (a decrease of net earnings per share of Baht 0.06) or a decrease of 7.33 percent due to the following reasons.

(1) Net profit from the coal business in first quarter 2012 was Baht 154.36 million or 56.78 percent of the total net profit, which decreased from the same period last year by Baht 107.19 million or a decrease of 40.98 percent, This was due to a decrease in an average coal sales price from the same period last year by 6.08 percent but coal sales volume increased from the same period last year by 2.75 percent.

(2) Net profit from the ethanol business in first quarter 2012 was Baht 52.75 million or 19.40 percent of the total net profit, which increased from the same period last year by Baht 59.16 million or an increase of 922.93 percent, This was due to an increase in ethanol sales volume from the same period last year by 41.31 percent, despite the decrease in average ethanol sale price of 12.43 percent.

(3) Net share of income from investment in the associated company and other revenue in the first quarter 2012 were Baht 64.74 million or 23.82 percent of the total net profit, which increased from the same period last year by Baht 26.52 million or an increase of 69.39 percent, due to insurance compensation received for the damaged coal stockpile and assets caused by the flood during late 2011 of Baht 26.64 million.

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