

Ref. No. 1154/102

November 11, 2011

Subject : Clarification on the Operating Result in the 3rd quarter 2011
Attn : President
The Stock Exchange of Thailand

The company wishes to report on the Company's Operating Result in the 3rd quarter 2011, which can be summarized as follows.

1. The Company's net profit in the 3rd quarter 2011 was Baht 266.57 million (net earnings of Baht 0.76 per share). In comparison with the same period last year with the net profit of Baht 141.83 million (net earnings of Baht 0.41 per share), the net profit increased by Baht 124.74 million (net earnings per share increase of Baht 0.35 per share) or an increase of 87.95 percent due to the following reasons.

(1.1) Net profit from the coal business in the 3rd quarter 2011 was Baht 231.66 million or 86.90 percent of the total net profit, which increased from the same period last year by Baht 131.45 million or an increase 131.17 percent. This was due to the increase of coal sale volume and average coal price as compared to the same period last year by 51.75 percent and 16.66 percent, respectively.

(1.2) Net loss from the ethanol business in the 3rd quarter 2011 was Baht 17.81 million, of which loss increased from the same period last year by Baht 8.77 million or an increase of 97.01 percent. Although the sales volume increased by 40.42 percent as compared to the same period last year, the average ethanol selling price slightly decreased by 0.95 percent as compared with the same period last year. There were also loss from sales and allowance for diminution in inventory value of deteriorated cassava and increase in interest expenses.

(1.3) Net share of income from investment in the associated companies and other revenues for the 3rd quarter 2011 was Baht 52.72 million or 19.78 percent of the total net profit, which increased from the same period last year by Baht 2.06 million or an increase of 4.07 percent. The main reason was the increase in interest income and foreign exchange gain.

2. The Company's net profit in the first 9-month period of 2011 was Baht 858.11 million (net earnings of Baht 2.45 per share). In comparison with the same period last year with the net profit of Baht 537.25 million (net earnings of Baht 1.54 per share), the net profit increased by Baht 321.16 million (net earnings per share increase of Baht 0.91 per share) or an increase of 59.78 percent due to the following reasons.

(2.1) Net profit from the coal business in the first 9-month period of 2011 was Baht 748.36 million or 87.18 percent of the total net profit, which increased from the same period last year by Baht 291.30 million or an increase of 63.73 percent. This was due to the increase of coal sale volume and average coal price as compared to the same period last year by 23.70 percent and 17.46 percent, respectively.

(2.2) Net loss from the ethanol business in the first 9-month period of 2011 was Baht 23.51 million, of which loss decreased from the same period last year by Baht 3.73 million or a decrease of loss by 13.69 percent. Although the ethanol sales volume and average ethanol selling price increased as compared to the same period last year by 34.16 percent and 0.09, respectively, there were loss from sales and allowance for diminution in inventory value of deteriorated cassava and an increase in interest expense.

(2.3) Net share of income from investment in the associated companies and other revenues in the first 9-month period of 2011 was Baht 133.56 million or 15.56 percent of the total net profit, which increased from the same period last year by Baht 26.13 million or an increase of 24.32 percent. This was due to the increase in interest income, foreign exchange gain and revenue from coal transport and port services of the subsidiary company.

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