

Ref. No. 1054/95E

October 11, 2011

Subject: Report on Flood Situation and Impact at Ayutthaya Coal Center

Attn: President
The Stock Exchange of Thailand

Due to the flood situation at the Ayutthaya Province, the Company has stopped its operation at the Ayutthaya Coal Center located at 108 Moo 1, Klong Sakae Subdistrict, Nakornluang District, Ayutthaya Province since October 6, 2011. In the meantime, the Company has used its best efforts to handle and cope with the flood situation by erecting protection walls and earthen dykes all along the coal stock area. Nonetheless, water current has flowed into part of the coal stock area but there is no significant impact at the moment. In any case, the Company has taken up the insurance policy on the damages to the coal inventory for Baht 154 million, which covers danger from water of Baht 40 million and danger from flood of Baht 40 million, as well as having the insurance policy on damage to buildings, machinery and office equipment, etc. for Baht 38.731 million, which covers danger from water of Baht 10 million and danger from flood of Baht 10 million.

In order to prevent impact to the Company's customers from the situation above, the Company has adjusted its coal delivery method especially to the major industrial customers by delivering coal from the vessels directly to the customers through ports and transportation routes that have not been affected by the flood problem instead.

Please be informed accordingly and the Company shall report on any progress in the future if the impact becomes more significant.

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

(Mr. Anun Louharanoo)
Executive Director