

Ref. No. 1158/73E

November 12, 2015

Subject: Clarification on the Operating Result in the 3rd quarter 2015 and the first 9-month period of 2015

Attn: President
The Stock Exchange of Thailand

The Company wishes to report the Company's operating results in the 3rd quarter 2015 and the first 9-month period of 2015, which can be summarized as follows:

(1) The Company's net profit in 3rd quarter 2015 was Baht 32.50 million, or net earnings of Baht 0.06 per share. When compared with the same period last year, the net profit decreased by 37.73 percent due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company in the in 3rd quarter 2015 was Baht 1.54 million or 4.74 percent of the total net profit, which decreased from the same period last year by Baht 16.15 million or 91.29 percent. This was due to the decrease in coal sales volume of 26.94 percent in line with the downtrend of coal market, but the coal selling price slightly increased by 4.11 percent due to the weakened Thai Baht.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company in 3rd quarter 2015 was Baht 19.62 million or 60.37 percent of the total net profit, which increased from the same period last year by Baht 1.89 million or 10.67 percent. This was due to the decrease in the average cost of ethanol sales of 3.89 percent.

(1.3) Other revenues and share of income from investment in the associate company in 3rd quarter 2015 was Baht 11.34 million or 34.89 percent of the total net profit, which decreased from the same period last year by Baht 5.43 million or 32.38 percent due to the decrease in interest income.

(2) The Company's net profit in the first 9-month period of 2015 was Baht 224 million, or net earnings of Baht 0.43 per share. When compared with the same period last year, the net profit decreased by 38.48 percent due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company in the in the first 9-month period of 2015 was Baht 74.44 million or 33.23 percent of the total net profit, which decreased from the same period last year by Baht 95.47 million or 56.19 percent. This was due to the decrease in coal sales volume and selling price of 21.96 and 4.47 percent, respectively, in line with the downtrend of the global coal market.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company in the first 9-month period of 2015 was Baht 108.28 million or 48.34 percent of the total net profit, which decreased from the same period last year by Baht 42.66 million or 28.26 percent. This was due to an increase in ethanol sales volume of 5.53 percent, despite a slight decrease in ethanol selling price of 1.18 percent in line with the downtrend of the oil market. While the net profit of the ethanol business increased by 10.36 percent, but the shareholding proportion of the Company in the subsidiary company conducting the ethanol business had decreased from 75.75 percent to 51 percent of paid-up capital, resulting in the decrease in net profit from ethanol business.

(2.3) Other revenues and share of income from investment in the associate company in the first 9-month period of 2015 was Baht 41.28 million or 18.43 percent of the total net profit, which decreased from the same period last year by Baht 1.98 million or 4.58 percent due to the decrease in interest income.

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