

Ref. No. 0559/39E

May 12, 2016

Subject: Clarification on the Operating Results in the 1<sup>st</sup> Quarter 2016

Attn: President  
The Stock Exchange of Thailand

The Company wishes to report the Company's operating results in the 1<sup>st</sup> quarter 2016, which can be summarized as follows:

The Company's net profit in the 1<sup>st</sup> quarter 2016 totaled Baht 135.04 million, or net earnings per share of Baht 0.26. When compared with the same period last year, the net profit increased by Baht 14.45 million, and the net earnings per share increased by Baht 0.03 or 11.98 percent due to the following reasons:

(1) Net profit from coal business derived from shareholding proportion of the Company in the 1<sup>st</sup> quarter 2016 was Baht 45.64 million or 33.80 percent of the total net profit, which slightly decreased from the same period last year by Baht 0.79 million or 1.70 percent. This was due to the decrease in coal sales volume and average selling price by 2.18 percent and 12.25 percent, respectively, in line with the coal market downtrend.

(2) Net profit from ethanol business derived from shareholding proportion of the Company in the 1<sup>st</sup> quarter 2016 was Baht 45.23 million or 33.49 percent of the total net profit, which decreased from the same period last year by Baht 14.03 million or 23.68 percent due to the fact that despite the ethanol sales volume increased by 4.53 percent, the average ethanol selling price decreased by 10.37 percent in line with the fuel price downtrend.

(3) Other revenues and share of income from investment in the associate company in the 1<sup>st</sup> quarter 2016 was Baht 44.17 million or 32.71 percent of the total net profit, which increased from the same period last year by Baht 29.27 million or 196.44 percent due to the increase in foreign exchange gain.

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

(Mrs. Petcharat Chayanon)  
Chief Officer – Accounting and Finance