

Ref. No. 0858/58E

August 13, 2015

Subject: Clarification on the Operating Result in the 2<sup>nd</sup> quarter 2015 and the first 6-month period of 2015

Attn: President  
The Stock Exchange of Thailand

The Company wishes to report the Company's operating results in the 2<sup>nd</sup> quarter 2015 and the first 6-month period of 2015, which can be summarized as follows:

(1) The Company's net profit in the 2<sup>nd</sup> quarter 2015 was Baht 70.92 million, or net earnings of Baht 0.14 per share. When compared with the same period last year, the net profit decreased by 25.28 percent due to the following reasons:

(1.1) Net profit from coal business derived from shareholding proportion of the Company in the in the 2<sup>nd</sup> quarter 2015 was Baht 26.48 million or 37.34 percent of the total net profit, which decreased from the same period last year by Baht 17.07 million or 39.20 percent. This was due to the decrease in coal sales volume and selling price of 30.36 percent and 5.07 percent, respectively, in line with downtrend of the global coal market.

(1.2) Net profit from ethanol business derived from shareholding proportion of the Company in the 2<sup>nd</sup> quarter 2015 was Baht 29.40 million or 41.46 percent of the total net profit, which decreased from the same period last year by Baht 8.98 million or 23.40 percent. While the net profit of the ethanol business increased by 4.91 percent, 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.

(1.3) Other revenues and share of income from investment in the associate company in the 2<sup>nd</sup> quarter 2015 was Baht 15.04 million or 21.20 percent of the total net profit, which increased from the same period last year by Baht 2.06 million or 15.87 percent due to the increase in share of income from investment in the associate company.

(2) The Company's net profit in the first 6-month period of 2015 was Baht 191.51 million, or net earnings of Baht 0.36 per share. When compared with the same period last year, the net profit decreased by 38.60 percent due to the following reasons:

(2.1) Net profit from coal business derived from shareholding proportion of the Company in the first 6-month period of 2015 was Baht 72.91 million or 38.07 percent of the total net profit, which decreased from the same period last year by Baht 89.07 million or 54.99 percent. This was due to decreases in coal sales volume and selling price of 20.04 percent and 7.45 percent, respectively, in line with downtrend of the global coal market.

(2.2) Net profit from ethanol business derived from shareholding proportion of the Company in the first 6-month period of 2015 was Baht 88.66 million or 46.30 percent of the total net profit, which decreased from the same period last year by Baht 26.19 million or 22.80 percent. While the net profit of the ethanol business increased by 11.24 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 6-month period of 2015 was Baht 29.94 million or 15.63 percent of the total net profit, which decreased from the same period last year by Baht 5.14 million or 14.65 percent due to a decrease 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

(Mr. Anun Louharanoo)  
Chief Financial Officer