

Ref. No. 0856/71E

August, 13 2013

Subject : Clarification on the Operating Result in the 2nd quarter 2013
Attn : President
The Stock Exchange of Thailand

The company wishes to report on the Company's Operating Result in the 2nd quarter 2013, which can be summarized as follows

(1) The Company's net profit in the 2nd quarter 2013 was Baht 167.06 million (net earnings of Baht 0.32 per share). When compared with the same period last year with the net profit of Baht 337.54 million (net earnings of Baht 0.64 per share), the net profit decreased by Baht 170.48 million (a decrease of net earnings of Baht 0.32 per share) or a decrease of 50.51 percent due to the following reasons.

(1.1) Net profit from coal business in the 2nd quarter 2013 was Baht 133.99 million or 80.20 percent of the total net profit, which decreased from the same period last year by Baht 122.50 million or a decrease of 47.76 percent. This was due to a decrease in the average coal sales price of 30.16 percent, even though the coal sales volume slightly increased by 0.29 percent.

(1.2) Net profit from ethanol business in the 2nd quarter 2013 was Baht 21.22 million or 12.70 percent of the total net profit, which decreased from the same period last year by Baht 41.79 million or a decrease of 66.32 percent. This was due to a decrease in ethanol sales volume of 17.48 percent and also an increase in the average ethanol cost of sales of 44.03 percent, even though the average ethanol sales price increased by 21.68 percent.

(1.3) Net share of income from investment in the associated company and other revenue in the 2nd quarter 2013 was Baht 11.85 million or 7.10 percent of the total net profit, which decreased from the same period last year by Baht 6.19 million or a decrease of 34.31 percent, This was due to the dissolution of one of the subsidiary companies, and thus there was no revenue from coal transport, loading port and jetty facilities services.

(2) The Company's net profit in the first 6-month period of 2013 was Baht 345.05 million (net earnings of Baht 0.66 per share). When compared with the same period last year with the net profit of Baht 609.37 million (net earnings of Baht 1.16 per share), the net profit decreased by Baht 264.32 million (a decrease of net earnings of Baht 0.50 per share) or a decrease of 43.38 percent due to the following reasons.

(2.1) Net profit from the coal business in the first 6-month period of 2013 was Baht 268.54 million or 77.83 percent of the total net profit, which decreased from the same period last year by Baht 144.50 million or a decrease of 34.98 percent, This was due to a decrease in the average coal sales price from the same period last year of 31.22 percent, even though the coal sales volume increased from the same period last year by 21.26 percent.

(2.2) Net profit from the ethanol business in the first 6-month period of 2013 was Baht 51.90 million or 15.04 percent of the total net profit, which decreased from the same period last year by Baht 64.25 million or a decrease of 55.32 percent, This was due to an increase in the average ethanol cost of sales of 38.17 percent, even though a slight increase in ethanol sales volume from the same period last year by 0.09 percent and an increase in the average ethanol sale price of 16.59 percent.

(2.3) Net share of income from investment in associated companies and other revenue in the first 6-month period of 2013 were Baht 24.61 million or 7.13 percent of the total net profit, which decreased from the same period last year by Baht 55.57 million or a decrease of 69.31 percent as described in (1.3) above.

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