

Ref. No. 0857/67E

August, 13 2014

Subject: Clarification on the Operating Result in the 2nd Quarter 2014

Attn: President
The Stock Exchange of Thailand

The Company wishes to report the Company's operating results in the 2nd quarter 2014 and the first 6-month period of 2014, which can be summarized as follows:

(1) The Company's net profit in the 2nd quarter 2014 was Baht 98.58 million, or net earnings of Baht 0.19 per share. When compared with the same period last year, the net profit decreased by 40.99 percent due to the following reasons.

(1.1) Net profit from coal business in the 2nd quarter 2014 was Baht 47.22 million or 47.90 percent of the total net profit, which decreased from the same period last year by 64.76 percent. This was due to the decrease in coal selling price by 4.64 percent and increase in cost of coal sales by 4.15 percent.

(1.2) Net profit from ethanol business in the 2nd quarter 2014 was Baht 38.38 million or 38.93 percent of the total net profit, which increased from the same period last year by 80.87 percent. This was due to increases in ethanol sales volume and selling price of 39.46 and 6.72 percent, respectively.

(1.3) Net share of income from investment in the associate company and other revenues in the 2nd quarter 2014 was Baht 12.98 million or 13.17 percent of the total net profit, which increased from the same period last year by 9.54 percent.

(2) The Company's net profit in the first 6-month period of 2014 was Baht 313.62 million, or net earnings of Baht 0.60 per share. When compared with the same period last year, the net profit decreased by 9.11 percent due to the following reasons.

(2.1) Net profit from coal business in the first 6-month period of 2014 was Baht 163.69 million or 52.19 percent of the total net profit, which decreased from the same period last year by 39.04 percent. This was due to the decrease in coal selling price by 0.93 percent and increase in cost of coal sales by 5.33 percent.

(2.2) Net profit from ethanol business in the first 6-month period of 2014 was Baht 114.85 million or 36.62 percent of the total net profit, which increased from the same period last year by 121.29 percent. This was due to increases in ethanol sales volume and selling price by 37.80 and 11.44 percent, respectively.

(2.3) Net share of income from investment in the associate company and other revenues in the first 6-month period of 2014 was Baht 35.08 million or 11.19 percent of the total net profit, which increased from the same period last year by 42.54 percent. This was due to the foreign exchange gain of Baht 8.59 million, on the contrary of the loss of Baht 26.39 million in the same period last year.

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