

Bor. Hor. 007/2009

February 12, 2009

Subject: **Disclosure on TASCOS investment in the Malaysian asphalt refinery**

To: Managing Director
Securities Exchange of Thailand

With reference to the announcements made by Tipco Asphalt Public Company Limited (“TASCO” or the “Company”) to the Exchange on 15 May 2008, 26 May 2008 and 16 June 2008 in relation to the Company’s investment in Kemaman Oil Corporation Sdn Bhd (“KOC”) in Malaysia, the Company would like to further submit the following:

1. On June 11, 2008, TASCO converted the remaining unpaid outstanding sum due from KOC under First Crude Cargo Settlement Agreement and outstanding loan in the amount of 0.041 million Ringgit into new ordinary shares in the amount of 15.404 million Ringgit of KOC. The above action increased TASCO’s shareholding in KOC to 11.45%. Furthermore, Thai Bitumen Co., Ltd (TBC) also converted its intercompany loan to KOC in the amount of 3.836 Million Ringgit into share capital of KOC resulting in an increase in TBC’s holding in KOC to 52.50%.
2. On July 1, 2008, KOC’s Board of Directors approved a resolution to issue new ordinary shares and preference shares in the amount of 8,418,581 shares and 69,350,000 shares, respectively at RM 1 per share to existing shareholders in proportionate to their shareholding for the purpose of additional capital increase in Kemaman Bitumen Company Sdn Bhd (KBC) to meet immediate cash requirement, long overdue payments to EPC contractor and other vendors as well as Capex loan repayment obligations. TASCO was offered to subscribe 963,612 ordinary shares and 7,937,978 preference shares while TBC was offered to subscribe 4,419,481 ordinary shares and 36,406,497 preference shares. Both TASCO and TBC subscribed only to the ordinary shares and did not subscribe the preference shares while the Malaysian partner did not subscribe any of the new share offering. After such subscription, TASCO Group’s ordinary share holding in KOC reached 65.26%.
3. On July 28, 2008, TBC requested and converted 1 share out of the 44,650,000 redeemable and convertible preference shares in KBC to become an ordinary shareholder in KBC.
4. On August 8, 2008, KBC’s Board of Directors approved the conversion of KOC’s intercompany loan into KBC’s share capital in the amount of 46,203,874 Ringgit and issued new 72,616,906 ordinary shares to fund the construction of additional crude oil tanks and principal repayments and DSRA requirement on the Capex loan via allotment to existing shareholders namely: KOC 65,487,443 shares, Specialties Oil Emulsions Sdn Bhd (SOE) 7,129,462 shares and 1 share to TBC. However, KOC and

SOE did not subscribe to any allotted shares while TBC subscribed its allotment of 1 ordinary share.

5. On August 21, 2008 KBC's board resolved to offer to TBC for full or partial subscription of the 72,616,905 ordinary shares that KOC and SOE did not subscribe in the August 8, 2008 share offering. TBC on August 25, 2008 partially subscribed 56 million Ringgit at par value of 1 Ringgit per share in the new ordinary shares of KBC or about Baht 562,331,931 resulting in TBC holding 31.82% in KBC.
6. On November 20, 2008, KBC board resolved to call for increase in ordinary shares to be offered to all shareholders to meet the minimum authorized and paid up capital mandated by the Capex Lender indicative term sheet. KOC as well as SOE did not subscribe to the allotment offered to them. On December 1, 2008, TBC further increased ordinary shareholdings in KBC in the amount of 16.6 million shares at par value of 1 Ringgit per share or 16.6 million Ringgit or about Baht 162,127,678 and on December 8, 2008 TBC converted its preference share of 44.65 million Ringgit or amount Baht 434,614,677 into ordinary shares of KBC. Resulting from the above, TBC's share capital in KBC stood at 117.25 million Ringgit or amount Baht 596,742,355, 44.53% shareholding in KBC.

Sincerely yours,

Chayongsak Pisitpong
Executive Director