

Bor Hor. 003/2008

January 16, 2008

Sub : Progress of Malaysia Asphalt Refinery Plant

To : The President
The Stock Exchange of Thailand

We, Tipco Asphalt Public Company Limited, wishes to inform you of the changes and progress of our asphalt refinery project in Malaysia as follows:

1. The change in shareholding structure of Kemaman Oil Corporation Sdn Bhd (KOC)

1.1 Tipco Asphalt Public Company Limited (TASCO) and Thai Bitumen Co., Ltd. (TBC) have entered into a Call Option Agreement granting an option to Seloga Holding Berhad (SHB) to acquire preference shares of Kemaman Oil Corporation Sdn Bhd (KOC) held by TBC in order for the two partners reaching an equitable 50:50 partnership by January 10, 2008. However, at the last day of the option period SHB offered to Aras Jalinan Sdn Bhd (Aras), a company wholly owned by the principal shareholder of SHB, to acquire the said preference shares. As a result, TBC sold its holding in Multi Strategies Sdn Bhd, its wholly owned subsidiary, to Aras and TBC purchased SHB's 950,001 shares of KOC per the option agreement.

1.2 As at January 11, 2008, TBC and Multi Strategies Sdn Bhd have converted their KOC's preference shares holding into KOC's common shares and Aras has increased new capital in KOC in the amount of 19 million Ringgit which reflects in the KOC's shareholding structure as follows:

Shareholding Structure before Jan. 11, 2008

Shareholders	No. of Common Shares held	Percentage (%)
TASCO	760,001	2.28
TBC	31,540,000	94.86
Seloga Holding Berhad *	950,001	2.86

* Under the option agreement, SHB was granted an option to buy preference shares in the amount of Ringgit 31.35 million in order to bring shareholding to 50:50.

Shareholding Structure as of Jan. 11, 2008

Shareholders	No. of Common Shares held	Percentage (%)
TASCO	760,001	0.7
TBC	70,490,001	61.3
Multi Strategies Sdn. Bhd.**	24,700,000	21.5
Aras	19,000,000	16.5

** Multi Strategies Sdn. Bhd. is a subsidiary of Aras, formerly TBC's.

1.3 TASCO and TBC have entered into an agreement to grant an option to Aras to acquire more shares in KOC in order to bring the percentage shareholding in KOC by Aras to 50:50 within March 31, 2008 while the equity interests and control in the asphalt refinery project will remain at 50:50. However, if Aras does not exercise the option within the specified option period, equity interest as well as control will be in accordance with the shareholding at the expiry date of the settlement agreement.

2. Details of status of all the preference shares issued by KOC and KBC

When TBC sold the asphalt refinery's detailed engineering and equipment to Kemaman Bitumen Company Sdn Bhd (KBC) TBC received in return various sets of preference shares from KOC and KBC with details as follows:

2.1 Non redeemable convertible preference shares issued by KOC to TBC in the amount of Ringgit 31.35 million which has been converted into KOC's common shares in March 2007.

2.2 Redeemable non-convertible preference shares issued by KOC in amount of Ringgit 38 million, which TBC had requested a partial redemption in amount of Ringgit 6.65 million and changed the status of the remaining Ringgit 31.35 million to redeemable convertible preference shares. The partial redemption of 6.65 million preference shares became new set of redeemable convertible preference shares issued to TBC by KOC. On January 11, 2008 the abovementioned 6.65 million preference shares have already been converted into KOC's common shares.

2.3 KOC's preference shares issued in accordance to the option agreement are a. redeemable convertible preference shares in the amount of Ringgit 24.7 million issued to Multi Strategies Sdn Bhd and b. redeemable convertible preference

shares in the amount of Ringgit 6.65 million to TBC (as per point 2.2). As at January 11, 2008, both a. and b. have already been converted into common shares by Aras and TBC, respectively.

2.4 KBC's redeemable non-convertible cumulative preference shares in the amount of Ringgit 44.65 million issued to TBC carries a 5 percent dividend and is senior to the common shareholders. Redeemability is after KBC's full repayment on its senior bank long term loan.

3. The progress of the construction of Asphalt Refinery

The construction of KBC's asphalt refinery in Malaysia is fully completed and the operation is expected to officially start in the first quarter of 2008.

With the information above, please further disseminate to the investors.

Sincerely yours,

Chayongsak Pisitpong
Executive Director