



TIPCO ASPHALT PUBLIC COMPANY LIMITED



Bor. Hor. 029/2011

Date: 16 June 2011

Subject: Summary of ICC Arbitration Final Award of the Company's Subsidiary in Malaysia

To: President
The Stock Exchange of Thailand

Further to the Company's recent disclosure on 20 May 2011 on the arbitration decision, Tipco Asphalt Public Company Limited (the "Company") would like to summarize the information as follows:

The dispute between the Company, Thai Bitumen Company Limited ("TBC"), and Aras Jalinan Sdn. Bhd. ("Aras") as shareholders in Kemaman Oil Corporation Sdn. Bhd. ("KOC") concerns the rights and obligations of the parties under the Settlement Agreement dated 11 January 2008, which allowed Aras to increase its shareholding in KOC to 50% by, amongst other, subscribing for the 5 million ordinary shares of KOC by 31 March 2008. However, Aras was late in its payment for the subscription. As a result, the Company, with 0.62% shareholding in KOC at the time, and TBC, with 57.64% shareholding, called an Extraordinary General Meeting ("EGM") of KOC to propose the appointment of 4 additional directors, and on 6 June 2008, the EGM passed a resolution to appoint these 4 new directors as proposed by the Company and TBC. Consequently, the Company and TBC gained control of the board of directors of KOC, including its financial policy as well as operations.

The Company and TBC brought the above matter to the International Chamber of Commerce ("ICC") for arbitration.

The Company received the decision of the ICC arbitral tribunal on 18 May 2011. In the decision, the arbitral tribunal decided that, although Aras was entitled to subscribe for the 5 million shares in KOC as provided in the Settlement Agreement, the appointment of new directors by the Company and TBC did not breach the Settlement Agreement. The tribunal also dismissed Aras' claim of equal management, participation and control over KOC. As a result of Aras' entitlement to subscribe for the 5 million shares in KOC from existing 26.35 million shares, the aggregate shareholding of the Company and TBC in KOC would be diluted from 65.26% to 63.12%. Presently, KOC has paid-up capital of 146,964,512 shares with par value at RM 1. Such dilution does not affect the majority shareholding of the Company and TBC in KOC.

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The arbitration described above is a different proceeding from the appeal pending in the Malaysian appellate court, which is described in the notes to the financial statements for the quarter ending 31 March 2011, even though the same events and issues gave rise to the arbitration and the Malaysian court case. The court case pending in the Malaysian appellate court is a case brought by Aras against, among others, the Company and TBC, alleging oppressive conduct and unfair treatment by the Company and TBC as the majority shareholders against Aras as the minority shareholder based on the Malaysian law. The court case is still pending in the Malaysian appellate court and one of the arguments which will be advanced by the Company in the Malaysian court is that since there is already an arbitration decision on the same facts and issues, the court should not entertain the same legal challenge by Aras.

Please disseminate the above information to members and interested parties accordingly.

Sincerely yours,

Chaiwat Srivalwat
Managing Director