

May 14, 2008

Re: Opinion of the first quarter 2009 operating result on a consolidated basis

To: President
The Stock Exchange of Thailand

The Company wishes to submit the opinion of the first quarter 2009 operating result as follows:

Reference to the consolidated Profit and Loss Statement ending March 31, 2009, the Company reported a net profit of Baht 133.1 million compared to Baht 43.5 million in the same period last year. Please note that consolidated financial statements include the performance of Kemaman Oil Corporation Sdn Bhd (“KOC”), a subsidiary in Malaysia starting in the second quarter 2008. However, active operations of KOC did not start until November 2008. Details of the 1st quarter consolidated performance are as follows:

1. Consolidated financial statements reported a total revenue of Baht 2,194.3 million which is Baht 480.5 million lower than that of the previous year or a decrease of 17.96%. The reason is mainly due to a decrease in domestic sale volume while export sale saw an increase. A slow 1st quarter 2009 domestic sale volume was due to slow disbursement of budget as the Government’s initial stimulus package did not include much on the infrastructure related budget.
2. Although consolidated cost of sales and services in 1st quarter of 2009 stood at Baht 2,096.1 million, there was a reversal of allowance for diminution in value of inventories in the amount of Baht 369 million which, if being added back to the cost of sales, consolidated cost of sales would be Baht 1,724.4 million or 78.72% of sales, leaving the gross profit margin during the period of 21.28%. The increase in gross profit margin was attributable partly to much improved asphalt products margin.
3. Selling expenses in 1st quarter 2009 stood at Baht 26 million or 1.19% of sales and services compared to Baht 18.9 million or 0.71% of sales in 1st quarter 2008. Administrative expenses in 1st quarter 2009 stood at Baht 99.0 million or 4.51% of sales and services compared to Baht 81.9 million or 3.06% of sales in 1st quarter 2008. The increase is mainly due to KOC - Malaysian subsidiary, as well as Tipco Asphalt (Cambodia) Co., Ltd (TAC) - Cambodian subsidiary, being consolidated to the Company’s financial statements.
4. Allowance for doubtful accounts, loss from oil price hedging contracts and loss on exchange rate stood at Baht 12.97 million, Baht 44.47 million and Baht 71.1 million, respectively.
5. Finance cost in 1st quarter of 2009 stood at Baht 71.98 milli or 3.28% of sales and services compared to Baht 35.9 million or 1.34% of sales and services in 1st quarter 2008, again the

increase was due to the consolidation of KOC and TAC. Corporate income tax stood at Baht 46.8 million or 2.13% of sales and services compared to Baht 35.9 million or 1.34% of sales and services in 1st quarter 2008

Sincerely yours,

Chayongsak Pisitpong
Executive Director