BANPU

No. BorPor. 0359/060

(Translation)

11 March 2016

Re: Resolutions of the Board of Directors' Meeting No. 3/2016 regarding the capital reduction, the capital increase, the issuance of warrants and the allocation of newly issued ordinary shares

To: The President of the Stock Exchange of Thailand

Enc.
1. Preliminary Details of the Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 (BANPU-W3) which shall be Issued and Allocated to the Existing Shareholders of the Company who Subscribe for and are Allocated with New Ordinary Shares Offered to such Existing Shareholders in Proportion to Their Respective Shareholdings (Right Offering)
2. Capital Increase Form (F 53-4)
3. Information Memorandum regarding the Offering of Newly Issued Ordinary Shares by way of Rights Offering and the Issuance and Allocation of the Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 (BANPU-W3) which shall be Issued to Existing Shareholders who Subscribe for and are Allocated with the above New Ordinary Shares

Banpu Public Company Limited (the "**Company**") would like to inform the Stock Exchange of Thailand (the "**SET**") of the following resolutions passed by the Board of Directors' Meeting No. 3/2016 which was held on 10 March 2016 from 13.30 – 15.30 hours.

1. Resolved to propose to the Annual General Meeting of the Shareholders for the year 2016 (the "**AGM**") to consider and approve the reduction of the Company's registered capital of Baht 823,026,240 from Baht 3,404,904,790 to Baht 2,581,878,550 by cancelling 823,026,240 authorised but unissued ordinary shares of the Company at Baht 1 par value per share, as well as the amendment to Clause 4 of the Company's Memorandum of Association to reflect the reduction of the registered capital.

2. Resolved to propose to the AGM to consider and approve the issuance and allocation of warrants representing the right to purchase ordinary shares of the Company No. 3 ("**Warrants BANPU-W3**") in the amount of not exceeding 1,290,939,275 units to existing shareholders of the Company who subscribe for and are allocated with new ordinary shares offered to them in proportion to their respective shareholdings (Right Offering) at the ratio of 1 newly issued ordinary shares to 1 unit of warrants at no cost and with the exercise price specified in Warrants BANPU-W3 of Baht 5.00 per share. Please see the details of the issuance and allocation of Warrants BANPU-W3 above in the Enclosure 1.

   In addition, the Board of Directors of the Company resolved to propose to the AGM to consider and approve to authorise Mrs. Somruedee Chaimongkol to consider and determine criteria, conditions and other particulars necessary for and pertaining to the issuance and allocation of the Warrants BANPU-W3 under applicable and relevant laws, as well as to perform any acts, including but not limited to seeking approvals from the relevant authorities and filing applications for registrations of Warrants BANPU-W3 and the new ordinary shares issued in accordance with the exercise of Warrants BANPU-W3 as listed securities on the SET.

3. Resolved to propose to the AGM to consider and approve the increase of the Company's registered capital of Baht 2,581,878,550 from Baht 2,581,878,550 to Baht 5,163,757,100 by issuing 2,581,878,550 new ordinary shares at Baht 1 par value per share (the "**New Shares**"), with details as set out in the Capital Increase Form (F 53-4) in Enclosure 2, as well as to consider and approve the amendment to Clause 4 of the Company's Memorandum of Association to reflect the increase of the registered capital.

4. Resolved to propose to the AGM to consider and approve the allocation of 2,581,878,550 New Shares with details as follows:

   4.1 allocation of newly issued ordinary shares of the Company in the amount of not exceeding 1,290,939,275 shares with Baht 1 par value per share to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) with the following details:

      4.1.1 offering at the ratio of 2 existing shares to 1 newly issued ordinary share at the offering price of Baht 5.00 per share;

      4.1.2 the existing shareholders shall be entitled to subscribe for the New Shares in excess of their entitlements pursuant to the given ratio (oversubscription). In this regard, the existing shareholders who express their interests to subscribe for the New Shares in excess of their respective shareholding rights shall be allocated

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with the over-subscribed New Shares only if there remains unsubscribed shares from the above allocation and such New shares shall be reallocated in their entirety until there are no leftover from the allocation;

4.1.3 if the number of New Shares remaining unsubscribed is less than the number to which the existing shareholders have expressed their interest to subscribe in excess of their respective shareholding rights, then the Company shall proceed to allocate the remaining unsubscribed shares to those shareholders who have expressed their intention to subscribe for shares in excess of their respective shareholding in accordance with the ratio of the number of over-subscribed shares and the number of New Shares remaining unsubscribed;

4.1.4 any fraction of shares from the allocation shall be rounded down;

4.1.5 in the case where there shares remaining unsubscribed after the exercise of subscription rights by the existing shareholders of the Company, the Company shall seek for approval from its next shareholders' meeting to reduce its registered capital accordingly;

4.1.6 the shareholders who are eligible to subscribe the New Shares shall be those whose names are recorded in the share register on 27 April 2016 (Record Date) and collected pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing of the share register book on 28 April 2016, and subscription and payment period for newly issued ordinary shares allotted and offered to the existing shareholders in proportion to their respective shareholdings shall be 23 to 31 May 2016; and

4.1.7 nonetheless, the right of the existing shareholders to subscribe for the New Shares is still uncertain pending an approval by the AGM.

4.2 allocation of newly issued ordinary shares of the Company in the amount of not exceeding 1,290,939,275 shares with Baht 1 par value per share to accommodate the exercise of Warrants BANPU-W3 to be issued by the Company to the existing shareholders who subscribe for and are allocated with the New Shares offered to them in proportion to their respective shareholdings (Right Offering) as previously approved in Agenda 2.

In addition, the Board of Directors of the Company further resolved to propose to the AGM to consider and approve to authorise Mrs. Somruedee Chaimongkol to consider, determine or amend the details and conditions of the share allocation and other particulars pertaining to the allocation and the issuance and offer of the New Shares, the issuance of ordinary shares to accommodate the exercise of Warrants BANPU-W3 as necessary and appropriate under applicable and relevant laws, e.g. the allocation of the New shares whether in a single or a series of allocations, the offering period, the offering price, the payment methods, the determination and amendment to any other particulars pertaining to the subscription and allocation, as well as to execute the relevant documents or applications and necessary evidence in connection with the allocation the New Shares, and communicate and submit such applications, documents, or evidence to the governmental authority or other relevant authorities, including filing applications for the registrations of the New Shares and Warrants BANPU-W3 as listed securities on the SET.

For more details on the allocation of the New Share, please refer to Enclosure 2 – Capital Increase Form and Enclosure 3 - Information Memorandum regarding the Offering of Newly Issued Ordinary Shares by way of Rights Offering and the Issuance and Allocation of the Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 (BANPU-W3) which shall be Issued to Existing Shareholders who Subscribe for and are Allocated with the above New Ordinary Shares.

Please be informed accordingly.

Yours sincerely

-signature-

(Mrs. Somruedee Chaimongkol)

Chief Executive Officer

Enclosure 1

Preliminary Details of Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 which shall be Allocated to Existing Shareholders of the Company who Subscribe for and are Allocated with New Ordinary Shares Offered to such Existing Shareholders in proportion to Their Respective Shareholdings (Right Offering)

Type of Securities	:	The warrants to purchase newly issued ordinary shares of Banpu Public Company Limited No. 3 (BANPU-W3)
Type of Warrants	:	Named certificate and transferable warrants
Number of Warrants	:	Not exceeding 1,290,939,275 units
Number of Ordinary Shares Reserved for the Exercise of the Warrants	:	Not exceeding 1,290,939,275 shares (at Baht 1.00 par value per share) accounting for 33.33 per cent of the total paid up capital of the Company following the offering of newly issued ordinary shares to the shareholders in proportionate to their respective shareholdings and that there are no remaining shares from the right offering at 3,872,817,825 shares
Offering Method	:	Allocate to existing shareholders of the Company subscribed and allocated with new ordinary shares allotted and offered in proportion to their respective shareholdings at the ratio of 1 newly issued ordinary shares (RO) to 1 unit of warrant. In this regard, the name of shareholders who are entitled to the right to subscribe the newly issued ordinary shares together with the warrants shall be recorded in the share register (Record Date) on 27 April 2016 and shall be collected in compliance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing of the share register book on 28 April 2016.
Offering Price	:	Baht 0 per unit
Exercise Ratio	:	1 unit of warrant for 1 newly issued ordinary share (unless the exercise ratio is adjusted under the conditions of the right adjustment)
Exercise Price	:	Baht 5.00 per share (unless the exercise price is adjusted under the conditions of the right adjustment)

Term of Warrants	:	1 year after the issuance date of the warrants
Exercise Date and Exercise Period	:	Every 3 months since the issuance date of the warrants
Period for Notification of Intention to Exercise the Warrants	:	The warrant holders who wish to exercise their rights to purchase the ordinary shares of the Company must notify the intention to purchase ordinary shares of the Company within 5 business days prior to each exercise date. In case of the last exercise date, the notification period shall not be less than 15 days prior to the last exercise date. The warrant holders can express their intent to exercise the rights on any working day during the above given period.
Conditions concerning the Right Adjustment	:	The Company shall adjust the exercise price and the exercise ratio in any of the following events to ensure the benefits of the warrant holders are not less favourable in the case when any of the followings events occurs: (1) The Company changes the par value of the ordinary shares due to a consolidation or split of the ordinary shares; (2) The Company offers newly issued shares at a price lower than 90 percent of the market price of the ordinary shares of the Company; (3) The Company offers newly issued securities in the form of convertible debentures or warrants representing the right to buy any shares with the determined or calculated price of the newly issued shares to accommodate the exercise of rights under such convertible debentures or warrants, at an amount of lower than 90 percent of the market price of the ordinary shares of the Company; (4) The Company makes all or partial dividend payment by way of issuing newly issued ordinary shares to shareholders; (5) The Company pays cash dividend that exceeds the rate in Terms and Conditions; and (6) There are any other events similar to those mentioned in (1) to (5) above that may impair

benefits of holders of the warrants.

The Board of Directors or a person delegated by the Board of Directors shall be empowered to determine terms and conditions and other particulars pertaining to the adjustment or change of the exercise ratio and the exercise price. However, any pre-emptive rights entitled by shareholders of the Company in respect of new ordinary shares to be issued by Banpu Power Public Company Limited in connection with its Initial Public Offer (IPO) will not give rise to any adjustment of the exercise price or the exercise ratio of the warrants.

Other Conditions : The Board of Directors or a person delegated by the Board of Directors shall be empowered to determine terms and conditions and other particulars pertaining to the warrants and to negotiate, finalise and sign relevant documents and agreements which are necessary and appropriate in connection with the issue and allocation of the warrants as well as filing the warrants for registration as listed securities on the Stock Exchange of Thailand (the "**SET**") and performing any acts to seek permission from the authorities concerned.

Dilution Effect :

1. Ordinary shares issued pursuant to the exercise of rights under the warrants shall provide equal rights and status as those previously issued in every respect.
2. Apart from 1,290,939,275 ordinary shares (at a par value of Baht 1.00) allocated to accommodate the exercise of rights under the warrants, the Company may need to increase its capital to accommodate a change in the exercise of rights upon the occurrence of any event set out by the Capital Market Supervisory Board in its notification of the issue and offering of warrants.
3. Effects to the shareholders will be considered based on assumptions divided into 2 scenarios as follows:

Scenario 1: Existing shareholders of the Company exercises the rights to buy the entire amount of the ordinary shares of the Company in entirety.

Scenario 2: A person who is not existing shareholder of the Company exercises the rights to buy the entire amount of the newly issued ordinary shares (in the event where the existing shareholders sold the entire amount of warrants traded on the SET.

3.1 Control Dilution

Scenario 1: Control Dilution is equivalent to zero

Scenario 2: Control Dilution can be calculated by the following formula:

$$* \, Control\ Dilution = \frac{Qx}{(Qo + Qx)}$$

Qo = Number of existing ordinary shares.

Qx = Number of new shares reserved for exercise of the warrants

Therefore, Control Dilution = 50 per cent

3.2 Price Dilution

Calculation Formula:

Price Dilution

$$= \frac{(\text{pre-offering price} - \text{market price after the offering is made})}{\text{market price before the offering is made}}$$

Calculation Formula:

Price Dilution = (PoQo+PwQw) / (Qo+Qw)

(assuming market price at 17 Baht per share)

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Scenario 1: Price Dilution is equivalent to 35 per cent

Scenario 2: Price Dilution is equivalent to 35 per cent

3.3 EPS Dilution

Calculation Formula:

$$= \frac{EPSo - EPSn}{EPSo}$$

Scenario 1: EPS Dilution is equivalent to 50 per cent

Scenario 2: EPS Dilution is equivalent to 50 per cent

Secondary Market of Warrants	:	The Company will register the warrants issued as listed securities on the SET
Secondary Market of Ordinary Shares Reserved for the Exercise of the Warrants	:	The Company will list the newly issued ordinary shares arising from the exercise of warrants on the SET
Registrar	:	Thailand Securities Depository Company Limited

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(F 53-4) **Enclosure 2**

Capital Increase Report Form

Banpu Public Company Limited

11 March 2016

Banpu Public Company Limited (the "**Company**") hereby informs the resolutions of the Board of Directors' Meeting No. 3/2016, held on 10 March 2016, from 13.30 - 15.30 hours relating to capital increase and share allocation as follows:

1. Capital increase:

The Board of Directors meeting resolved to proposed to the Annual General Meeting of Shareholders for the year 2016 (the "**AGM**") to approve (a) the reduction of the Company's registered capital of Baht 823,026,240, from Baht 3,404,904,790 to Baht 2,581,878,550 by cancellation of 823,026,240 authorized but unissued ordinary shares with Baht 1 par value per share and (b) the increase of the Company's registered capital of Baht 2,581,878,550, from Baht 2,581,878,550 to Baht 5,163,757,100 by issuing 2,581,878,550 newly issued ordinary shares (the "**New Shares**") with Baht 1 par value per share. Details of the capital increase are as follows:

Type of capital increase	**Type of share**	**Number of shares (Shares)**	**Par value (Baht per share)**	**Total (Baht)**
☑ Specific Objectives	Ordinary shares	2,581,878,550	1	2,581,878,550
☐ General Mandate	-	-	-	-

2. Allotment of newly issued shares:

2.1 Capital Increase with Specific Objective

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Allocated to	Number of shares (Shares)	Ratio (Existing : New)	Offering Price (Baht per share)	Subscription date and time and share payment	Remarks
Existing Shareholders	Not exceeding 1,290,939,275	2 existing shares:1 New Share	5.00	23 – 31 May 2016	See remarks 1,2 and 4
Reserve for the exercise of the warrants representing the right to purchase new ordinary shares the Company No. 3 ("**Warrants BANPU-W3**") which shall be allocated to the existing shareholders of the Company who subscribe for and are allocated with new ordinary shares of the Company by way of rights offering	Not Exceeding 1,290,939,275	1 New Share : 1 unit of warrants	- Allocated to existing shareholders who subscribe for and are allocated with the New Shares at no cost - Exercise price is Baht 5.00 per share (exercise ratio is 1 unit of warrants : 1 newly issued ordinary share)	Shareholders will receive Warrants BANPU-W3 at no cost when they subscribe and are allocated with the New Shares in accordance with the terms and conditions of the Company	See remarks 1, 2, 3 and 4
Total	**Not exceeding 2,581,878,550**				

Remarks:

(1) Allocated the New Shares in the amount of not exceeding 1,290,939,275 shares with Baht 1 par value per share to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) with the following conditions:

(a) offering at the ratio of 2 existing shares to 1 new share at the offering price of Baht 5.00 per share;

(b) the existing shareholders shall be entitled to subscribe for the New Shares in excess of their entitlements pursuant to the given ratio (oversubscription). In this regard, the existing shareholders who express their interests to subscribe for the New Shares in excess of their respective shareholding rights shall be allocated with the over-subscribed New Shares only if there remains unsubscribed shares from the above allocation and such New shares shall be reallocated in their entirety until there are no leftover from the allocation;

(c) if the number of New Shares remaining unsubscribed is less than the number to which the existing shareholders have expressed their interest to subscribe in excess of their respective shareholding rights, then the Company shall proceed to allocate the remaining unsubscribed shares to those shareholders who have expressed their intention to subscribe for shares in excess of their respective shareholding in accordance with the ratio of the number of over-subscribed shares and the number of New Shares remaining unsubscribed;

(d) any fraction of shares shall be rounded down;

(e) in the case where there are shares remaining unsubscribed after the exercise of subscription rights by the existing shareholders of the Company, the Company shall seek for approval from its next shareholders' meeting to reduce its registered capital accordingly; and

(f) the shareholders who are eligible to subscribe the New Shares shall be those whose names are recorded in the share register on 27 April 2016 (Record Date) and collected pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) (the "**SEC Act**") by closing of the share register book on 28 April 2016, and subscription and payment period for the new shares allotted and offered to the existing shareholders in proportion to their respective shareholdings shall be 23 to 31 May 2016.

Nonetheless, the right of the existing shareholders to subscribe for the New Shares remains uncertain pending an approval by the AGM.

(2) Issue and allocate Warrants BANPU-W3 in the amount of not exceeding 1,290,939,275 units to existing shareholders of the Company who subscribe for and are allocated with new ordinary shares offered to them in proportion to their respective shareholdings (Right Offering) at the ratio of 1 New Shares to 1 unit of warrants at no cost and with the exercise price specified in Warrants BANPU-W3 of Baht 5.00 per share.

(3) Allocated new shares in the amount of not exceeding 1,290,939,275 shares with par value of Baht 1 each to accommodate the exercise of Warrants BANPU-W3 to be issued by the Company to the existing shareholders who subscribe for and are allocated with the New Shares offered to them in proportion to their respective shareholdings (Right Offering)

(4) The Board of Directors resolved to authorise Mrs. Somruedee Chaimongkol, the Chief Executive Officer, to consider, determine or amend the criteria, conditions or other details pertaining to the issuance and offering of the New Share, the allocation of the New Shares, the issuance and allocation Warrants BANPU-W3 and the allocation of New Shares to accommodate the exercise of Warrants BANPU-W3 as necessary and appropriate under applicable and relevant laws, e.g. the allocation of the New shares whether in a single or a series of allocations, the offering period, the offering price and the payment methods as well as to execute relevant documents or applications and necessary evidence in connection with the allocation the New Shares, and communicate and submit such applications, documents, or evidence to the governmental authority or other relevant authorities, including but not limited to filing applications for the registrations of the New Shares and Warrants BANPU-W3 as listed securities on the Stock Exchange of Thailand (the "**SET**").

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3. Schedule for the AGM to approve the capital increase allocation of New shares

The Annual General Meeting of the Shareholders for the year 2016 is scheduled to be held on 19 April 2016 at 13.00 hours at Royal Paragon Hall 3, 5th Floor, Siam Paragon Department Store. The shareholders who are eligible to attend the meeting shall be those whose names are recorded in the share register on 25 March 2016 (Record Date) and collected pursuant to Section 225 of the SEC Act by closing of the share register book on 28 March 2016.

4. Approval of the capital increase/ allocation of shares by relevant governmental agency and conditions thereto (if any)

4.1 Approval from the AGM

4.2 Registration of the capital increase and the change of paid-up capital with the Department of Business Development, Ministry of Commerce (the "**MOC**")

4.3 Approval from the SET for listing of the New Shares issued and offered to the existing shareholders of the Company, the Warrants BANPU-W3 and New Shares issued to accomodate the exercise of Warrants BANPU-W3 on the SET.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

For the purpose of the group companies' financial restructuring by repayment of debts in respect of the Company and its subsidiaries.

6. Benefits which the Company will receive from the capital increase/New shares allotment

To ensure that the Company secures sufficient funds for existing and future operations.

7. Benefits which the shareholders will receive from the capital increase/New shares allotment

The Company will be enable to raise sufficient funds to proceed with its financial restructuring and repayment of debts which will substantially reduce outstanding liabilities of Baht 12,900 million and the interest expense of approximately Baht 500 million per annum, given the Company receives the funds from the issuance and offering of shares to existing shareholders in proportion to their respective shareholders and the issuance and allocation of shares to accommodate the exercise of warrants in full amount. Thus it will reduce the debt-to-equity ratio of the group companies from 1.62 to 1.23. The offering of the New Shares will also increase cash flow and result in better financial conditions of the group companies in whole.

8. Other details necessary for shareholders to approve the capital increase/News shares allotment

The issuance of New shares will have dilution effect in terms of price dilution and control dilution to existing shareholder who opts not to exercise their subscription right as follows:

Price Dilution	35.00%
Control Dilution	50.00%

9. Schedule of action where the Board of Directors of the Company passes a resolution approving the capital increase or allotment of New shares:

No.	Procedures of the capital increase	Date/Month/Year
1.	The board of directors' meeting no. 3/2016	10 March 2016
2.	The Record Date to determine the list of shareholders for the right to attend the Annual General Meeting of Shareholders for the year 2016	25 March 2016
3.	The book closing date to collect the list of shareholders eligible to attend the Annual General Meeting of the Shareholders for the year 2016 pursuant to Section 225 of the SEC Act	28 March 2016
4.	Annual General Meeting of Shareholder for the year 2016	19 April 2016
5.	Registration of the shareholders' resolution approving the capital increase with the MOC	Within 14 days after receipt of approval from the AGM

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No.	Procedures of the capital increase	Date/Month/Year
6.	The Record Date to determine the eligible shareholders to subscribe to the New Shares	27 April 2016
7.	The book closing date to collect names of eligible shareholders to subscribe for the New Shares pursuant to Section 225 of the SEC Act	28 April 2016
8.	Subscription period of the New Shares	23-31 May 2016
9.	Registration of increased paid-up capital with the MOC	Within 14 days after the subscription period
10.	Listing of the New Shares on the SET	Will be disclosed later

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Signed .... authorized director

([Mrs. Somruedee Chaimongkol])

Director/Chief Executive Officer

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Enclosure 3

Information Memorandum regarding the Offering of Newly Issued Ordinary Shares by way of Rights Offering and the Issuance and Allocation of Newly Issued Shares to accommodate the Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 (BANPU-W3) which shall be Issued to Existing Shareholders who Subscribe for and are Allocated with the above New Ordinary Shares

1. Details of the Offering

1.1 The Board of Directors of Banpu Public Company Limited (the "**Company**") No. 3/2016 approved to propose to the Annual General Meeting of the Shareholders of the Year 2016 to consider and approve as follows:

1.1.1 the reduction of the Company's registered capital of Baht 823,026,240 from Baht 3,404,904,790 to Baht 2,581,878,550 by cancelling 823,026,240 authorised but unissued ordinary shares of the Company at Baht 1 par value per share;

1.1.2 the issuance and allocation of Warrants Representing the Right to Purchase New Ordinary Shares of Banpu Public Company Limited No. 3 ("**BANPU-W3**") in the amount of not exceeding 1,290,939,275 units to the existing shareholders of the Company who subscribe for and are allocated with new ordinary shares offered to them in proportion to their respective shareholdings (Rights Offering) at the ratio of 1 newly issued ordinary share to 1 unit of warrants at no cost and with the exercise price specified in Warrants BANPU-W3 of Baht 5.00 per share;

1.1.3 the increase of the Company's registered capital of Baht 2,581,878,550 from Baht 2,581,878,550 to Baht 5,163,757,100 by issuing 2,581,878,550 newly issued ordinary shares (the "**New Shares**") at Baht 1 par value per share;

1.1.4 the allocation of New Shares in the amount of not exceeding 1,290,939,275 shares at Baht 1 par value per share by way of rights offering to existing shareholders of the Company at Baht 5.00 per share and at the ratio of 2 existing share to 1 New Share ; and

1.1.5 the allocation of New Shares in the amount of not exceeding 1,290,939,275 shares with Baht 1 par value per share to accommodate the exercise of Warrants BANPU-W3 to be issued by the Company to the existing shareholders who subscribe for and are allocated with the New Shares offered to them in proportion to their respective shareholdings (Rights Offering).

In this regard, please refer to additional details regarding the above as disclosed in the Resolutions of the Board of Directors' Meeting No. 3/2016 and the Capital Increase Form (F 53-4) as set out in Enclosure 2.

1.2 The shareholders who are eligible to subscribe the New Shares shall be those whose names are recorded in the share register on 27 April 2016 (Record Date) and collected pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing of the share register book on 28 April 2016, and subscription and payment period for newly issued ordinary shares shall be 23 to 31 May 2016.

2. Objectives of Capital Increase and Utilization Plan of Proceeds from Capital Increase

In the case where the subscription rights of existing shareholders for the New Shares issued and offered to existing shareholders by ways of rights offering and the exercise rights in accordance with Warrants BANPU-W3 are fully subscribed, the Company will receive approximately Baht 12,900 million, which shall be used for the purpose of the group companies' financial restructuring by repayment of debts in respect of the Company and its subsidiaries.

3. Impact of the issue and offering of the New Shares to shareholders of the Company

The shareholders of the Company may be impacted by the issuance and allocation of the New Shares as follows:

3.1 Price Dilution of 35 per cent (the calculation of the Price Dilution is based on estimated market price at Baht 17 per share); and

3.2 Control Dilution of 50 per cent.

Notwithstanding the above dilutions, this offering will enable the Company to raise sufficient funds to proceed with its financial restructuring and repayment of debts which will substantially reduce its outstanding liabilities of Baht 12,900 million and its interest expense of approximately Baht 500 million per annum, given the Company receives the funds from the issuance and offering of shares to existing shareholders in proportion to their respective shareholders and the issuance and allocation of shares to accommodate the exercise of warrants in full amount; thus improving the debt-to-equity ratio of the group companies from 1.62 to 1.23. In addition, this offering will also increase cash flow and result in an improved financial conditions of the group companies in general.

Whilst earning per share (EPS) to be received by the shareholders will be affected by the offering of the New Shares above, given that all the shareholders are eligible to subscribe them in proportion to their respective shareholding, they should not be impacted. Therefore, the Board of Directors is of an opinion that the offering of these New Shares should be beneficial to the shareholders notwithstanding the impact from the above dilutions.

4. Opinion of the Board of Directors

4.1 Rationale and Necessity of Capital Increase

It is appropriate for the Company to raise sufficient funds to improve financial positions of the Company and its subsidiaries by increasing equity and reducing debt as part of the financial restructuring plan at a time of reduced operating cash flow due to the prevailing low international commodity prices.

The Offering of the New Shares to the existing shareholders by way of rights offering at the ratio of 2 existing shares to 1 newly issued ordinary share at the offering price of Baht 5.00 per share together with the allocation of the New Shares to accommodate the exercise of Warrants BANPU-W3 at the ratio of 1 New Share to 1 unit of Warrants at no cost and with the exercise price specified in Warrants BANPU-W3 of Baht 5.00 per share is considered the most appropriate and beneficial price determined by the demand of fund required by the Company in the future. Moreover, the Company has already considered the appropriateness of the aforementioned offering and exercise prices of Baht 5.00 per share which are calculated based on the weighted average share price of the Company during 1 February 2016 to 29 February 2016 and discounted by 70 per cent which represents an attractive entry price for shareholders to participate.

4.2 Feasibility of Proceeds Utilization Plan

The Company has outstanding debts available for repayment in an amount that matches with expected proceeds from capital increasing. The Company would repay a maturing Bond in May 2016 and would also repay a portion of bank debt facilities provided by various Financial Institutions.

4.3 Reasonableness of Capital Increase, Proceed Utilization Plan and Sufficiency of Source of Fund

The Company is required to raise additional fund for approximately Baht 12,900 million for the purpose as set out in paragraph 4.1 above. The Board of Directors has considered various ways of fundraising such as rights offering, private placement and borrowing and viewed that (a) private

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placement may bring greater impact on control dilution to the existing shareholders than rights offering and (b) borrowing may bring excessive obligations on principal and interest payment to the Company. The Management has also considered that it is the most appropriate method to raise fund is through rights offering together with the issuance and allocation of Warrants BANPU-W3 to existing shareholders who subscribe for and allocated with the New Shares in proportion to their respective shareholding, given all existing shareholders' ability to participate.

If the rights offering is undersubscribed or the Warrants BANPU-W3 are exercised less than expected, resulting in the Company receiving the total amount of less than Baht 12,900 million, then a lower amount of debt will be repaid to financial institutions. In any case, this offering of shares will be a net improvement in the Company's gearing ratio.

4.4 Impact on the business operations, financial status and results of operations of the Company

The issuance and offering of the New Shares will enable the Company to have sufficient funds to proceed with its financial restructuring and repayment of debts and will substantially reduce outstanding liabilities, thus improving the debt-to-equity ratio of the group companies. In addition interest expenses will be reduced and this will increase cash flows providing an improved EBITDA to interest expenses ratio and result in an improved financial condition of the group companies in general. This would provide a sound financial base to fund future investment.