

(Translation)
The Minutes of The Extraordinary General Meeting of Shareholders No.1/2018
Thai Oil Public Company Limited

Thai Oil Public Company Limited (“the Company”) held The Extraordinary General Meeting of Shareholders No.1/2018 on Monday, August 27, 2018, 14.00 hrs. at Bhiraj Hall 1-3, Bangkok International Trade and Exhibition Centre (BITEC), No. 88, Bangna–Trad Road (Km. 1), Bang Na, Bangkok 10260, Thailand.

Directors Attending the Meeting

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| 1. Professor Dr. Thosaporn Sirisumphand | Director / Chairman of the Board |
| 2. Ms. Chularat Suteethorn | Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee |
| 3. Mr. Chen Namchaisiri | Independent Director / Member of the Audit Committee |
| 4. Associate Prof. Dr. Pasu Decharin | Independent Director / Member of the Audit Committee |
| 5. ACM Suttipong Inseepong | Independent Director / Chairman of the Nomination and Remuneration Committee |
| 6. Mrs. Nitima Thepvanangkul | Director / Member of the Nomination and Remuneration Committee / Member of the Risk Management Committee |
| 7. Pol. Gen. Aek Angsanant | Independent Director / Chairman of the Corporate Governance Committee |
| 8. Mr. Yongyut Jantararotai | Director / Member of the Corporate Governance Committee |
| 9. Mr. Kanit Si | Independent Director / Member of the Corporate Governance Committee |
| 10. Mr. Noppadol Pinsupa | Director / Chairman of the Risk Management Committee |
| 11. Mrs. Sriwan Eamrunroj | Director / Member of the Risk Management Committee |
| 12. Mr. Suchalee Sumamal | Director |
| 13. Mr. Auttapol Rerkpiboon | Director |
| 14. Mr. Atikom Terbsiri | Director / Member of the Risk Management Committee / Chief Executive Officer and President / Secretary to the Board |

Directors Absent from the Meeting - None –

Independent Financial Adviser Attending the Meeting

- 1) Mr. Montree Sornpaisarn Chief Executive Officer – Maybank Kim Eng Securities (Thailand) Public Company Limited
- 2) Mr. Thaveesith Santatikul Executive Vice President – Investment Banking Department - Maybank Kim Eng Securities (Thailand) Public Company Limited
- 3) Mr. Wanrob Boontham Manager – Investment Banking Department – Maybank Kim Eng Securities (Thailand) Public Company Limited

Auditor Attending the Meeting

- 1) Mr. Waiyawat Kosamarnchaiyakij Certified Public Accountant Registration No. 6333

Independent Legal Advisors Attending the Meeting

- 1) Mrs. Veeranuch Thammavaranucpt Senior Partner, Weerawong, Chinnavat & Partners Ltd.
- 2) Ms. Thitawan Thanasombatpaisarn Associate, Weerawong, Chinnavat & Partners Ltd.

Executives Attending the Meeting

- 1) Mr. Bandhit Thamprajamchit Senior Executive Vice President - Refinery and Petrochemical
- 2) Mr. Chatapong Wungtanagorn Executive Vice President - Corporate Commercial
- 3) Mr. Chawalit Tippawanich Executive Vice President - Organization Effectiveness
- 4) Ms. Pattaralada Sa-ngasang Executive Vice President - Finance and Accounting
- 5) Mr. Surachai Saengsamran Executive Vice President - Operation Excellence
- 6) Mr. Pongpun Amornvivat Executive Vice President - Strategy
- 7) Mr. Viroj Meenaphant Assistant Executive Vice President - Corporate Governance

Before the meeting convened, all meeting participants were shown a safety briefing VDO presentation of Bhiraj Hall 1-3, Bangkok International Trade and Exhibition Centre (BITEC)

Meeting Convened: 14.00 hrs.

Professor Dr. Thosaporn Sirisumphand, Chairman of the Board, presided over the meeting (the “Chairman”) introducing the Directors, attending all 14 members equaling 100% of the members of the Board, as well as Executives, Independent Financial Adviser, Auditor, and Independent Legal Advisors attending the meeting as the name listed above before starting the Meeting.

The Chairman reported to the Meeting that the Company had 2,040,027,873 common shares in total with a par value per share of 10 Baht and a paid-up registered capital of 20,400,278,730 Baht. As the meeting started, there were 456 shareholders attending in person or 1,559,840 shares equaling 0.0765%, and 1,552 proxies or 1,421,270,919 shares equaling 69.6692%, presented at the meeting totaling up to 2,008 attendees, representing 1,422,830,759 shares or 69.7457% of the total issued share which was more than 680,009,291 shares or one-third (1/3) of the total issued share capital. This constituted a quorum according to Section 103 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and

Section 35 of the Articles of Association of the Company. The Chairman, therefore, called the Extraordinary General Meeting of Shareholders No.1/2018 (EGM) to consider matters under the agenda stated in the Extraordinary General Meeting of Shareholders No.1/2018 invitation notice for this meeting.

The Chairman informed the Meeting about the voting process and meeting procedures that comply with the Articles of Association of the Company and for the order of the meeting as follows:

- Section 37 of the Articles of Association of the Company states that one share is entitled to one vote. Shareholder who has conflict of interests on a given matter has no rights to cast their vote except to vote for election of director.
- The Chairman has informed voting criteria to the Meeting. In each agenda, he will ask and count only those who disapprove and abstain from voting. If there were no disapproving or abstaining votes, the resolution would be considered as approved with unanimity. Should any shareholders wished to disapprove and abstain from voting, they are to mark on the given voting ballot. If corrections need to be made, they are requested to countersign such corrections and raise their hands so that officers may collect such ballots and put them together at the central vote-tallying unit for further announcement of the voting result.
- For this meeting, the agenda item 1 needs three-fourths voting of attending and casting their vote, the ballots stating abstention and invalid ballots are included as part of the total votes.
- Since shareholders and proxies tend to register for and attend the meeting at different times, it is only natural for the number of shareholders and proxies for each proceeding process to fluctuate.
- For verification purposes, the Company is to collect Approve voting ballots for all agenda items at the end of the meeting. Voting is to be done openly. Collection of voting ballots from all shareholders and proxies is done for voting transparency.
- If shareholders or proxies wish to express their views or ask questions on each agenda item, they are asked to use the prepared microphones. For accurate and complete recording of the minutes, they are requested to state their names, last names, and attending status (shareholders or proxies).
- In the event that the shareholders have questions or comments, in addition to the considered agenda, please ask or make comments in the last agenda at the end of the meeting. The shareholders are also urged to keep their comments and questions concise and to refrain from asking or commenting on redundant points so as to allow other shareholders to exercise their rights and help manage the meeting time.
- Should foreign shareholders or proxies ask questions in English, the Company has officers to translate their questions into Thai for directors and executives to answer in Thai for accurate understanding by the majority of participants. The officers are to translate the replies into English for the inquiring shareholders or proxies.
- The Company had publicized the 2018 AGM minutes (held on April 11, 2018) on its website since April 25, 2018, and mailed it to all shareholders since May 2, 2018, for review

or correction by May 31, 2018. Since by that date, no shareholders had asked to amend such minutes, it is regarded that the minutes of meeting is certified by the shareholders.

The Chairman then invited Ms. Thitawan Thanasombatpaisarn, Associate from Weerawong, Chinnavat & Partners Ltd. and Col. Suthep Ounkaew, a proxy who volunteered from the shareholders to be a witness in the vote counting. The Chairman then invited shareholders to question on the voting process, requesting that they were to precede the questions with their names. There were no questions; therefore, the Chairman proceeded the meeting with the following agenda.

Agenda Item 1 **To consider and approve the investment in the Clean Fuel Project (CFP) which constitutes an asset acquisition Transaction of the Company**

To enable complete and simplified understanding, Thai Oil has prepared the Clean Fuel Project (CFP) summary VDO format lasting about seven minutes, and inclusive of the Project rationale, scope, operation plan, and expected benefits to the Company and the Country, respectively.

The Chairman assigned Mr. Atikom Terbsiri, CEO and President to present more details to the meeting. Then Mr. Atikom informed the meeting as follows:

1. Investment Objectives

For CFP investment objectives, Thai Oil has operated bearing in mind its vision to become ‘A leading fully integrated refining and petrochemical company in Asia Pacific’, and following the strategies reported in the Annual General Meeting of Shareholders each year. One of the strategies to achieve the aforementioned vision is to enhance the Company’s competitiveness inclusive of advanced technology and operational excellence. The CFP, therefore, is considered one of the important strategies and steps that the Company has profoundly and thoroughly studied and developed. The expected benefits from entering into the Transaction concerning the investment in the CFP are as follows:

1.1 Increase the Company’s ability to compete amidst the oil refinery business that has become more and more competitive;

1.2 Add value to the products by converting fuel oil to jet gasoline and diesel. This not only yields more environmentally-friendly products, but also and respond to the market demand;

1.3 Allow more flexibility in accepting supplies of crude oil from more varied sources. The existing refinery has operated for more than 40-50 years, and the crude oil supply in the market has become more varied, the design of some refining units are, therefore, not compatible with existing crude oil supplies. Thus, it is a right time for the Company to upgrade cracking units to enhance the production efficiency to be able to accept supplies of crude oil from more varied sources, as well as expand its refinery capacity;

1.4 Create opportunities for expansion into the petrochemical business due to the capability to produce more of light and heavy naphtha. The CFP will be able to yield products that can be used as feedstock for petrochemical industry, supporting the Country’s future development of industry and economy.

2. Technical issues

2.1 Increase the capacity to refine more varied kinds of crude oil. Currently, the Company is using 100% of light crude oil whose price fluctuates in accordance with the market price and is usually in the upward trend; however with the CFP, the Company will be able to

refine 50% more of middle and heavy crude oil, of the total crude oil used in refining process. This results in cost reduction amounting to 4-5 USD per barrel.

2.2 Add value to the products. Currently, there is 7% of fuel oil from the refining process; however, it is expected that the demand of fuel oil is to gradually and continually decrease. In the future, it is possible that there will be no demand of fuel oil at all. The CFP is designed to convert fuel oil to jet gasoline and diesel, the market demand of which is increasing. In addition, the CFP also yields other high value products such as light and heavy naphtha, which is used in petrochemical production. According to the presented VDO, the scope of the CFP comprises the construction of 6 groups of production units: 1) Hydrocracking Unit (HCU-3) and Residue Hydrocracking Unit (RHCU), 2) Crude Distillation Unit-4 (CDU-4) and High Vacuum Unit (HVU), 3) Hydrogen Manufacturing Unit (HMU-3 / PSA-4), 4) Hydro Treating Unit (HDT-4) and Hydro De-sulfurization Unit (HDS-4), 5) Sulphur Recovery Unit (SRU), and 6) Energy Recover Unit (ERU) (Further details in Attachment 1 of Thai Oil Public Company Limited's Invitation Notice).

When the CFP completes, the refining capacity is expected to increase from 275,000 barrels to 400,000 barrels per day. Moreover, the capacity of value adding units is also expected to increase from 28% to 50% of the total refining capacity. This is the evidence of not only the increase in volume, but also the capability of value adding which is more than that of existing refinery. Considering the refinery complexity using Nelson Index, with the CFP, Thai Oil's Nelson Index will be at the highest rank in Thailand, and the second top rank in Asia, following Japan.

The Company started the feasibility study of the CFP in 2014, and the Basic Design Package was initiated in 2015, and the Front-End Engineering Design (FEED) in 2016. With enough information of FEED, the Invitation to Bid on Engineering Procurement and Construction was issued and sent out in 2017. Later in 2018, the Board of Directors has resolved for the Company to arrange the Extraordinary General Meeting no.1/2018 in which the investment in the CFP which constitutes an asset acquisition Transaction of the Company will be considered and approved by the shareholders. There are committees specially appointed by the Board of Directors to monitor and supervise in each and every step of the CFP process, for example, the corporate governance committee on CFP bidding. Moreover, the Government's integrity pact has been applied with the Project, appointing the third party to observe the bidding process as well as provide useful comments and suggestions to the Company to ensure the fairness and transparency. The CFP is expected to start commercial operation in 2023.

3. Market and Industry Conditions

For heavy crude oil supply, there is still enough crude oil in the world market. Moreover, during the year 2018 to 2025, it is expected that the demand of petroleum product will continuously increase each year while the new refining capacity cannot satisfy such increasing demand, even with the CFP included. In the year 2022, it is assumed that the new supply tends to be stagnant. The Company has studied impacts from related factors for thorough consideration on the investment opportunity as follows:

- The impacts from electronic vehicles, bio-fuel, and engine efficiency. These mainly have impacts on the gasoline demand. This is because the gasoline can easily be substituted by electronic vehicles since most vehicles, clustered in the city where it is convenient for electrical charge, are small sedans that use gasoline as fuel. Moreover, the growth rate of gasoline demand is expected to stay at 0% until the year 2040; while the diesel demand is expected to continually grow despite the impact from electronic vehicles growth and engine efficiency enhancement. The diesel and jet gasoline demands are expected to grow at 0.9% and 1.9% respectively. This is due to more travelling caused by increasing number of low-cost airlines, resulting in more demand of jet gasoline from 2018 – 2040.

- The impacts from the reduction of sulphur in fuel oil for vessels posted by International Marine Organization (IMO). With the CFP, the Company will not yield any high-sulphur fuel oil for vessels, which is in line with IMO's new regulation on fuel oil for vessels sailing in international waters to contain the sulphur at the rate of not exceeding 0.5% compared with existing 3.5% sulphur. Blending diesel with fuel oil to lower the sulphur is another option for marine transportation entrepreneurs, since it does not require any high investment nor engine transformation. This leads to the estimation of Middle Distillate demand increase from the year 2020 onward.

- Thailand and ASEAN Economic Community (AEC) petroleum demand. The demand for diesel and jet gasoline in Thailand is expected to grow until at least the year 2040, while the jet gasoline demand in AEC is to continuously grow. However, without the CFP, it is expected that jet gasoline will have to be imported into Thailand starting from the year 2022, while diesel is expected to be imported each year by AEC. This to some extent assures that, when the CFP completes, there will be enough market for diesel distribution.

4. Sources of Funds used for the operation of the CFP

As previously reported, the investment in the CFP comprises the construction of 6 groups of production units already inclusive of Energy Recovery Unit or ERU, and amounts to USD 4,825 million. The Company has the plans for sources of fund as follows:

4.1 The Company's remaining cash and temporary investment (as of March 31, 2018)

The Company has the remaining cash of around THB 80,000 million or around USD 2,500 million, which is considered half of all investment. Moreover, the investment of USD 4,825 million will not be used all at once, but will be continually invested for 4-5 years.

4.2 The cash flow from the Company's future business operation

During the year 2019 – 2022, after deducting the dividend, loan repayment, and other maintenance, it is expected that, during the Project construction, the Company will have the cash flow left around USD 400 million each year, totaling USD 1,600 million. The figure is assumed from the data collected for the past few years after the small power plant and LABIX co. ltd have commercially operated.

4.3 Additional loan

The Company plans for USD 1,500 – 2,000 million additional loan to assure that the cash flow will be enough; the number of which has already included CAPEX of other projects in a couple years ahead, to improve the utility system whose investment has already been approved.

According to the aforementioned information, the Company can assure that there will be no problem relating to the investment in CFP, since the Company has in hand the remaining cash amounting to half of the Project investment, and the cash flow from business operation already deducting possible expenses. This shows that the increase of shareholder capital is not necessary. Currently, the Company's debt to equity (D/E) ratio is at 0.6. If the D/E ratio is efficiently managed, the Company will possess the qualifications that allow THB 50,000 – 60,000 million loan without affecting the business plan. However, the Company will ensure a concise and strict capital management in order to minimize the Company's investment fund.

5. Additional information on CFP implementation guidelines

Thai Oil has notified the Stock Exchange of Thailand about the additional information on CFP implementation guidelines in order to reduce the Company's investment fund, and the implementation guidelines have been studied and found some progress. The Company's Board of Directors, therefore, approved to report the implementation guidelines to the Extraordinary General Meeting of Shareholders for acknowledgement. The Company is to seek a potential partner interested in investing in Energy Recovery Unit (ERU) in lieu of the sole investment by the Company. This is due to the fact that ERU is an independent utility unit and, therefore, suitable with the investment by potential partner.

The ERU is an electrical power plant, originally incorporated as part of the CFP with the designed generating capacity of 250 megawatts and steam, to supply the production process of the CFP, utilizing by-products of the CFP as the main source of fuel.

In case the investment structure changes from sole investment by the Company to having third party investing in ERU, the investment fund of the CFP will reduce to not exceeding USD 4,174 million. It is expected that the overall returns of the CFP should not significantly alter from the existing study, and should benefit the Company at the maximum level. The Company would ensure a thorough risk management; also, should the investment by a partner require any legal process, the Company would strictly comply.

Later, CEO&President informed that the investment in the CFP constitutes an asset acquisition Transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (including any amendment thereto) (the “Notifications on Assets Acquisition or Disposal”). The Transaction represents the highest value of 68.58% calculated based on the Total Value Consideration Basis compared with the total assets value of the Company from the reviewed Consolidated Financial Statement of the Company for the period ending 31 March 2018, and when combining the Transaction value with the asset acquisition Transaction entered into by the Company during the past 6 months prior to the date of entering into this Transaction, the value of which was approximately THB 81 million, the total Transaction value will be equivalent to 68.61% which is classified as a “Class 1 Asset Acquisition Transaction” pursuant to the Notifications on Assets Acquisition or Disposal. Therefore, the Company is obliged to prepare the report and disclose the information memorandum on the entering into of the Transaction to the Stock Exchange of Thailand, and convene a shareholders’ meeting in order to seek approval on the investment in the CFP, as well as arrange for an independent financial advisor (IFA) to provide opinions on the entering into of the Transaction.

The Board of Directors resolved to approve the investment in the CFP and to call the Extraordinary General Meeting of Shareholders no. 1/2018 to consider and approve such the investment with the opinion that the investment in CFP is to enhance the competitiveness of the Company, improve its production efficiency, add value to the products which are more environmentally-friendly, increase capacity to refine crude oil, and allow more flexibility in accepting supplies of crude oil from more varied sources. This consequently helps reduce the cost of oil refining and promote economies of scale. In addition, the CFP enhances the country’s long-term energy stability and is to become a drive force for economic development as well.

With this regard, the Board of Directors also resolved to request for the shareholders’ approval to grant the power of attorney to the Board of Directors or to whom the Board of Directors deems appropriate to negotiate, agree, initiate, revise, change the details of conditions, and execute any actions and processes related and necessary to the CFP including sign in the contracts, memorandums, agreements, and other documents, as well as contact with the related government authorities or regulators, including execute any essential actions to ensure the completion of the CFP as aimed by its objectives for the highest benefit of the Company.

The Chairman then clarified that in order to comply with the law and the Company’s Articles of Association, the Company needs to appoint Maybank Kim Eng Securities (Thailand) Public

Company Limited as its independent financial advisor (IFA) to provide opinions on the investment in the Transaction to the shareholders.

Mr. Montree Sornpaisarn, Chief Executive Officer – Maybank Kim Eng Securities (Thailand) Public Company Limited, reported as Thai Oil’s Board of Directors had approved the investment in the CFP with the value of approximately USD 4,825 million or represents 68.61% of the Company’s asset resulting in the obligation to arrange the Extraordinary General Meeting and independent financial advisor to provide opinions on the rationale, advantages, disadvantages, and risk management of the CFP. In this regards, Maybank Kim Eng is given an opportunity to be the Project’s IFA and has professionally and independently provided related and necessary opinions on the CFP. However, the report presented comprises the existing investment plan with the value of USD 4,825 million, excluding the possibility of seeking potential partner to invest in the Energy Recovery Unit (ERU). Nevertheless, thoroughly considering related rationale, such implementation is the most likely to yield even better returns, reduce the Company’s investment fund, and separate the investment and management of ERU to be handled by those with expertise.

Mr. Montree assigned Mr. Thaveesith to present more details to the shareholders. Then Mr. Thaveesith inform the shareholders more about opinions on Thai Oil entering into the Transaction concerning the investment in the CFP. The details of which is in the Attachment 2 to the Invitation Notice of the Extraordinary General Meeting no.1/2018 dated July 31, 2018. However, some information such as trade and technical, is highly sensitive and confidential, and cannot be disclosed. Nevertheless, the information presented for the shareholders has been verified in accordance with IFA professional autonomy. The content of IFA report is divided into 4 parts: (1) Characteristics and Details of the Transaction (2) Appropriateness of the Transaction (3) Fairness of the Transaction Price and Conditions (4) Summary of the Opinion by the Independent Financial Advisor. The details of each part are summarized and reported to the shareholders as follows:

1. The characteristics rationale and objectives of the Transaction as well as the details of the CFP Project are as previously presented.

2. Advantages disadvantages and risk of the Transaction

2.1 Benefits to the Company and Company Group

- Increase in Competitiveness. Given the incessantly ongoing competitive situations in oil refinery industry, in which a series of advanced technologies have been introduced, as well as the improvement to effectiveness in energy consumption and the use of alternative energy, the investment in the CFP will be of use to the Company in terms of business competitiveness in the future.

- Reduction of Feedstock Cost. After the completion of the CFP construction, the Company will become capable of refining ‘heavy crude oil’, which in general is less costly than ‘light crude oil’, thus decreasing the feedstock cost while at the same time enhancing the flexibility in the ability to obtain crude oils from a wider variety of sources.

- Adding Value to the Products. The CFP will include the distillation unit serving in adding value to the products by transforming fuel oil into jet gasoline and diesel, which are more highly priced and environmentally-friendly.

- Increase in Business Opportunities within Petrochemical Industry. The CFP will also enable the Company to produce more naphtha, raw materials utilized in petroleum industry. In fact, the Company, in cooperation with the companies in the PTT Group, is also currently conducting a feasibility study to add value to petrochemicals utilizing these products.

2.2 Benefits to Thailand

- Enhance Thailand's domestic long-term energy security in replacement of product importation in the future, especially regarding jet gasoline, of which Thailand, it is forecasted, may need commencing the importation in 2022 due to its rapidly growing demand.

- Be able to produce high quality finished products of oils with low level of sulphur and more environmentally-friendly, in accordance with the Euro 5 Emission Standards.

- Provide support to Phase 4 of the state-owned petrochemical project in its production of naphtha, substrates utilized in petrochemical industry.

- Promote and support the state policy concerning Thailand's domestic crude oil consumption

- Create the opportunity for Thailand to become the region's energy hub among ASEAN Economic Community (AEC)

- Support economic propulsion upon the grounds that the CFP is domestically invested and privately owned, thus resulting in more employments, directly and indirectly, which will make for Thailand's domestic economy to further move forward

2.3 Disadvantages of Entering into the Transaction

- Large Amount of Financial Investment Required approximately USD 4,825 million

- Interest Burden and the Increase in Debt-to-Equity Ratio. The Company expects that the source of fund will be long-term loan from financial institutions and/or cash from issuing and selling debt instruments. Given that, at present, the Company has a low Debt-to-Equity ratio, it is expected that, following the entering into the Transaction, the Company will be able to maintain an appropriate level of the Debt-to-Equity ratio.

- Potential Impact to the Company's Ability to Pay Dividends. During the CFP construction, the Company's current existing oil refinery will remain at business as usual, and that, upon the completion of the aforementioned Project construction, the amounts of cash flow will increase, thus enable the Company to retain the status quo of both its performance and the operational cash flow. Therefore, the IFA expects that the entering into this Transaction will not affect the Company's ability to pay dividends.

2.4 Advantages of Not Entering into the Transaction. If the Company does not enter into the Transaction, it will be able to spend an amount of cash for approximately USD 2,500 million in investing in other projects, and the Company's liquidity will not be affected by this Transaction.

2.5 Disadvantages of Not Entering into the Transaction

- Lack of Competitiveness in the Industry. Oil refinery business is gradually becoming more competitive due to a series of introductions of brand new technologies to the construction projects of the new generation of other business entities' oil refineries. If the Company does not opt to invest in the CFP in lieu of its currently existing Crude Distillation Units which have been operating over a course of 50 years, such decision could possibly result in the Company becoming unable to remain competitive in the future which will impact upon the Company's income and business operations in the future, and will be unable to respond to the state-imposed policy upon the issue of future improvement of oil quality in the governmental sector.

- Loss of the Opportunity to Increase Profit Margin from Producing More Value-added Products. If the Company does not invest in the CFP, it will lose the opportunity to increase profit margin and improve operating performance from producing more value-added products by transforming fuel oil and bitumen which have low value, into jet gasoline and diesel with relatively higher value and higher demand in the future.

2.6 Risk of Entering into the Transaction

- Risk of Deceleration of Fuel Consumption Demand. This may affect the Company in terms of being unable to attain the forecasted sales volume, in consequence of which such drawback may also affect the Company's performance result as a whole in the

future. However, the Company has the mitigation plan of entering into the Memorandum of Understanding with the PTT Plc whereby the PTT Plc will purchase products amounting to 49.99% of the incremental production volume derived from the Company's CFP operation, thus securing the Company's sales of the products.

- Risk from Feedstock Procurement. Should the Company become unable to procure a sufficient volume of quality heavy crude oils required for oil refinery operation, its return on investment may be affected. Nevertheless, the Company at present has entered into the Memorandum of Understanding with the PTT Plc whereby the PTT Plc will also procure crude oils amounting to 49.99% of the incremental production volume derived from the Company's CFP operation, including the Company's heavy crude oils, thus helping to reduce the risk of future's oil demand fluctuation.

- Risk of Product and Feedstock Price Fluctuation. This may affect the Company's performance result in the future. The Company, however, may take into account the matter of reducing the risk of oil price fluctuation by entering into commodity future contracts as appropriated.

- Risk from Delay of the Project. Should the Project construction become slow, the Company may benefit less from the Project than expected. However, the Company has prepared to carry out effective management and administration of the CFP in order to complete the Project construction as per scheduled, whereby manpower will be properly deployed in accordance with the effective project management standards, and the Company will purchase insurance policies for the Project with an aim to alleviate impacts of the CFP's delay in the case of force majeure.

- Plant Operation Risk. The Company may be facing plant operation risk such as the case in which machineries cease operating or fail to function at its fullest capacity, the case in which production is below par in terms of quality, or there incur additional operational costs, etc. The designing of the CFP utilizes most of the technologies of which the Company has expertise. Regarding the EPC Contract, the Company will stipulate the performance guarantee clause, which includes mechanical performance, hydraulic performance, utility consumption, etc.; in addition, the licensors of the plant technology will also have to make a performance guarantee. The aforementioned will help to reduce operational risk as a whole.

- Risk from Electricity and Steam Procurement. With the upcoming CFP in operation, there will be an increase in the demand for electrical power by approximately 250 megawatts; in consequence, the Company may be risk prone toward the issue of additional electrical and steam power supply procurement. Nevertheless, for the CFP operation, the Company has the plan to install the Energy Recovery Unit (ERU) in order to generate electricity and steam power.

- Risk of Ratchaphatsadu Lease Agreement. At present, the Cabinet of Thailand resolved to approve the extension of the Lease Agreement for another 30 years, which is to be expired on September 10, 2052. The Company has signed the Agreement with the Treasury Department on August 21, 2018.

- Risk of Currency Exchange Rates. Such risk is part of business as usual, which the Company has been constantly addressing with its managerial approaches.

- Risk of Impacts from the Company's Other Major Projects. Such project, for example, is Global Power Synergy Public Co., Ltd. (GPSC) buying shares and making offers to purchase all securities of Glow Energy Public Co., Ltd. If GPSC increases the share capital to its current shareholders by means of rights offering amounting to THB 74,000 million, the Company may require an amount of money not exceeding THB 17,975 million for the share capital increase. In consequence, it may affect the Company's procurement of sources of funds for the CFP investment. The Company, however, has a financial plan to deal with it, should the aforementioned share capital increase, and the Company may consider using long-term loan

from financial institutions and/or cash from issuing and selling debt as well as the Company's future operating cash flows.

3. Fairness of the Transaction Price and Conditions

3.1 Key Assumptions of the Independent Financial Advisor to Provide the Opinions. The details are as stated in IFA report (Attachment 2 to the Invitation Notice of Thai Oil's Extraordinary General Meeting of Shareholders no.1/2018). However, IFA has analyzed only the additional investment emphasizing to the shareholders' meeting that the information presented cannot be utilized for other purposes and can only be applied with the investment in CFP.

3.2 Methodology to Consider the Reasonableness of the Investment Value of the CFP. The CFP NPV is currently at USD 1,286.33 million and the Project's Equity NPV is at USD 908.90 million, while the Project IRR is at 12.10% per year and the Return on Equity is at 14.89% per year.

3.3 Sensitivity Analysis. The outcomes of the Project's valuation and the Shareholders' equity value concerning the CFP depends upon several significant assumptions; therefore, the Independent Financial Advisor has carried out the sensitivity analysis in order to show impacts of the significant assumptions upon the stocks/shares. The Independent Financial Advisor is of the opinion that the change in gross integrated margin, weighted average cost of capital (WACC), and returns on equity (ROE) are major factors which could possibly affect the Project's present value and/or its internal rate of return. The details on sensitivity analysis are as follows:

- Sensitivity Analysis of Net Present Value of CFP. The CFP's present value is equal to a range between US\$ 779.89 million and 1,882.10 million with the base case value amounting to US\$ 1,286.33 million.

- Sensitivity Analysis of Net Present Value of Shareholders' Equity from CFP. The CFP's shareholders' equity net present value is equal to a range between US\$ 579.17 million and 1,294.72 million with the base case value amounting to US\$ 908.90 million.

- Sensitivity Analysis of Project IRR. The internal rate of return from the Project is equal to a range between 11.89% and 12.30%, with the base case value amounting to 12.10%.

- Sensitivity Analysis of Equity IRR. The internal rate of return for the shareholders is equal to a range between 14.62% and 15.15%, with the base case value amounting to 14.89%.

4. Summary of the Independent Financial Advisor's Opinion

4.1 Reasonableness of the Transaction. The Independent Financial Advisor is of the opinion that, in terms of 'reasonableness', the act of entering into this Transaction is considered to be 'reasonable' due to the following reasons: an increase in the Company's competitive capacity; reduction of raw material (feedstock) cost; providing value-added; as well as increasing business opportunities within Petrochemical industry. In addition, the CFP operation will also benefit the Kingdom of Thailand and the country's overall economy by enhancing Thailand's domestic long-term energy security, providing support to Phase 4 of the state-owned petrochemical project; and creating the opportunity for Thailand to become the region's energy hub among ASEAN Economic Community (AEC); etc.

However, entering into the Transaction also has its own disadvantages and poses risks, all of which the shareholders should additionally take into account in light of their decision-making process. Such disadvantages may include the interest burden, and the increase in the debt-to-equity ratio as a result of borrowing, the risk of demand and supply, the risk of oil price fluctuation, the risk of Project operation, etc. The shareholders may consult with Part 2 (the Second Part) of this Report concerning additional details of strength and weaknesses, as well as the risks, of the investment in the CFP.

4.2 Reasonableness of the Transacted Price(s) and the Terms and Conditions of the Transaction. The Independent Financial Advisor is of the opinion that, in terms of

‘reasonableness’, the act of entering into this Transaction is considered to be ‘reasonable’, concerning both transacted prices and the terms and conditions. Investing in CFP, it will obtain positive net present value to both the Company and its shareholders where the internal rate of returns of CFP and shareholders’ equity are higher than WACC and Cost of Equity, respectively.

The Chairman then invited shareholders to question and comment. Issues raised were as followed:

- Mr. Janejira Sombutcharoenwong, shareholder*
1. Admired the Company’s standard on arranging shareholders’ meeting, creating a great impression to shareholders
 2. Due to many current corruptions happening in different organizations including that in PTT Group, and affecting the conviction towards and image of companies in PTT Group, does Thai Oil have any managing system of feedstock inventory that is able to prevent possible corruptions in the future after the CFP completes?

Chairman

Thanked the shareholder for the admiration, and informed that the Company prioritizes operational transparency as much as operational excellence. Then asked Mr. Atikom Terbsiri, CEO & President, to address the query.

CEO & President

The crude oil acquisition and petroleum product distribution of any refineries must be audited by third-party surveyor on quality and quantity to assure that they are in accordance with the purchase order. Moreover, the Government has the control over refineries via Strategic Petroleum Reserve Process with the Department of Energy auditing the quantity of crude oil and petroleum products of refineries to ensure their legal compliance. In the meantime, since the Company is obliged to pay excise tax, the representative from the Excise Department will regularly present at Thai Oil refinery to ensure the accuracy of the tax payment. Therefore, shareholders can rest assured that refining business is operated based on legality transparency and auditability; there are strict process of check and balance, and control from the Government and regulators apart from the Company’s internal audit.

- Mr. Wicha Chokepongphan, shareholder*
1. Admired the execution of CFP to enhance process efficiency converting heavy crude to higher-valued products. Since the fuel oil demand is gradually decreasing, the Project is likely to increase the returns for the Company.
 2. Currently, the saving interest and exchange rate highly fluctuate, and the Company needs a huge amount of fund to be invested in the CFP. Suggested the Company to ensure the efficiency and thoroughness of financial management.

Chairman Asked Mr. Montree Sornpaisarn, Chief Executive Officer – Maybank Kim Eng Securities (Thailand) Public Company Limited, as Independent Financial Advisory (IFA) to address the query.

Mr. Montree - IFA The Company has assessed the returns on equity from the CFP with the reference to the standard long-term bond interest rate, taking in account the trend and direction of long-term interest rate. Thus, it can be considered that the Company has already covered, to some extent, the issue the shareholder expressed concerns.

Mr. Suriyapong Wattanasak, shareholder Admired the Company and asked the following queries

1. Admired the vision to execute the CFP which will benefit the Company itself and the country
2. One of the by-products from the CFP is bitumen, which is encouraged by the Government to be added value by blending with rubber. How will the Company be a part to support such Government policy?
3. Should the Company find a party to invest in the ERU instead of the Company's sole investment, will a new report of EIA be issued and filed to the authority?
4. Can the Company assure the shareholders that the CFP will have no impact on shareholder's dividend?
5. How will the strong fluctuation of crude oil price affect the CFP?

Chairman Asked Mr. Atikom Terbsiri, CEO & President, to address the query.

CEO & President Answered as follows:

1. When the CFP completes, the Company will have no more bitumen and, therefore, cannot support on the Government's policy to blend bitumen with rubber. However, the Company will be supporting the Government on reducing pollution since the CFP yields more of clean energy.
2. Currently, the EIA report on the CFP has been approved and will not affect the scope of the investment. However, the necessity to file for approval of the EIA report on the ERU depends on the agreement with the interested party which is on additional study process to ensure the least impact and maximize the benefit to the Company.
3. According to the investment estimation, without any unplanned incidents, the Company expects to maintain the dividend payment at the rate close to that of previously paid; the expected cash flow already presented to the shareholders has already included the loan repayment and interest, as well as the dividend payment.

Mr. Thaveesith - IFA Informed further that the fluctuation of crude oil price is considered one of the risks affecting the refinery performance. In analyzing risks on the CFP, IFA has studied the sensitivity of gross refinery margin (GRM) as well as crude oil price statistics. It is found that even though the spread of oil price in the next 20 years is decreasing, it is enough for the CFP's net present value and GRM to stay positive.

Ms. Jinpakt Phornpibool, shareholder Made comments and asked following queries:

1. How long will the CFP be able to satisfy the jet gasoline demand?
2. Has the Company arranged an agreement with any financial institutes for the CFP? If so, has the interest rate been indicated?

3. Asked the Company to implement the CFP with clarity and transparency in order to ensure the efficiency of financial management, as well as create the good image of the Company.
4. According to previously presented information, the CFP will secure the Company's competitiveness for the next 20 years. After that, when does the Company plan for the next refinery efficiency improvement to enhance its competitiveness?

Chairman

Informed that the Board of Directors usually convenes the strategy think-tank meeting each year to consider strategies in the next 5-10 years. Then asked Mr. Atikom Terbsiri, CEO & President, to address the query.

CEO & President

1. Without the CFP, in the year 2022, Thailand is to import the jet gasoline. However, according to the estimation, when the CFP completes, the jet gasoline supply will satisfy its domestic demand till the year 2033.
2. Currently, the Company has issued debentures as well as entered into loan agreements to run business. However, for the loan of USD 1,500 – 2,000 million for the investment of the CFP, the Company is to issue debentures for both Thai and foreign investors, since the cost is usually lower and conditions better than loan agreement with financial institutes, and the long-term interest rate is not too high. The Company continuously emphasizes on corporate governance on all operations to Executives and staff, campaigning the CFP by defining "C" as Clear, "F" as Fair, and "P" as Professional. Moreover, there is also the internal audit system of the Company to govern the Project execution, so the shareholders can rest assured that the CFP is implemented with clarity, fairness, and transparency.

*Mr.Rittichai
Yibcharoenphorn,
shareholder*

1. At present, the spread between heavy and light crude oil is 4-5 USD per barrel. After the CFP completes and more of heavy crude can be refined, what is the estimation of the Company's GRM comparing to that of the year 2017?
2. If other refineries improve its process efficiency so that more of heavy crude oil can be processed the same way the CFP will do, is it possible that the spread between heavy and light crude oil will reduce?
3. After the CFP completes, the Company will be more competitive due to the ability to reduce the feedstock cost. Will the Company's ratio of petroleum product distribution increase? If so, how much and will it affect other refineries?
4. If the Company started the CFP 4-5 years sooner or later than the present, would the technology used and investment fund be different?

Chairman

Asked Mr. Atikom Terbsiri, CEO & President, and Mr. Bandhit Thamprajamchit, Senior Executive Vice President - Refinery and Petrochemical, to address the query.

CEO & President

1. After the CFP completes, it is estimated that the Company's GRM is to increase by 50% of the current rate.
2. If other refineries improve their process efficiency the same way the CFP does, the heavy crude oil demand will increase while the supply is limited, resulting in the increase of heavy crude oil price. Therefore, it is possible that the spread between heavy and light crude oil prices will reduce. However, the Company estimates that there is

heavy crude oil in the market approximately 11 million barrels per day, while the Company's demand for the heavy crude oil is around 185,000 barrels per day. After deducting the demand volume of other regions, the supply is estimated to be 7 million barrels per day left. Therefore, the Company's demand of heavy crude oil is considered quite small comparing to the supply, and so it is not likely to pose risk of supply lack.

3. The Company cannot reveal the information of petroleum product distribution after the CFP completes, thus the shareholders are asked to analyze from the information of volume and ratio of products already presented. The Company is to maintain the level of gasoline production while the jet gasoline and diesel production is increased.

*Mr. Bandhit
Thamprajamchit,
Senior Executive Vice
President - Refinery
and Petrochemical*

Informed that the Company has studied about the technology to be used since 4-5 years ago, and considered choosing the technology commercially used and proven by other refineries and its efficiency is confirmed to match the quality the Company's need. Moreover, each unit's process has different technology patent, and the Company must consider choosing the technology that is most compatible and can connect with the existing refinery, and promote the economies of scale.

*Mr. Direk
Khunnawuttiwanich,
shareholder*

1. In case the petroleum product demand in the next 20 years is not as expected, has the Company projected, in the worst case, the utilization of new capacity to ensure the economies of scale?
2. When the Company's capacity increases, does the Company need more land and tanks?
3. What is the Company's control and security measures during the CFP construction?
4. According to CEO&President about issuing debentures for investors, the Company is asked to issue the debentures for shareholders as well.

Chairman

Asked Mr. Atikom Terbsiri, CEO & President, and Mr. Bandhit Thamprajamchit, Senior Executive Vice President - Refinery and Petrochemical, to address the query

CEO & President

1. The Company has planned to build more tanks which have already been included as a part in the CFP. As for the land, the Company still possesses enough space to execute the CFP; the Company is to utilize some vacant area and other existing building, later to be terminated, for new unit construction.
2. As requested, the Company will consider issuing debentures for shareholders

Mr. Thaveesith – IFA

Informed further that IFA has reviewed the petroleum expert report, petroleum product demand statistics, and the petroleum technology advisor estimation, and found that the information is reasonable for using as reference. For the consideration of the impact from the CFP, IFA has considered only 2 parts of production capacity: 220,000 and 180,000 barrels per day, excluding 95,000 barrels per day of CDU1 and 2 which are to stop operating. It is found that not operating full capacity will increase the unit cost resulting in lower economies of scale; therefore, the Company calculates based on full capacity through all 20 years. However, operating full capacity will increase the petroleum product supply over the demand, and decrease the product price by market mechanism. The IFA then analyzes the risk from the reduction

*Mr. Bandhit
Thamprajamchit,
Senior Executive Vice
President - Refinery
and Petrochemical*

*Mr. Basant Kumar
Dugar, shareholder*

*Chairman
Mrs. Vipanee
Suwanich,
shareholder*

*Chairman
Ms. Pattaralada Sa-
ngasang - Executive
Vice President -
Finance and
Accounting*

*Ms. Janejira
Sombutcharoenwong,
shareholder*

of product price and spread between crude oil and petroleum product; it is found that the Company is still competitive in the next 20 years.

Informed that the Company has planned to establish CFP Support Center for managing security and safety, and taking care of nearby community. The Company has initiated systems for work permit acquisition, traffic management, 24-hour personnel readiness, alarm signal, and effective operation-hazard prevention. The Company sets measures in case of emergency, dividing area into 2 parts: Green Field and Brown Field.

1. Admired the Company's operation that is praised by authorities on sustainability and corporate governance, as well as good rates of financial ratio and performance
2. Admired the decision to invest in the CFP at the appropriate time benefiting the Company itself and the country, and expressed the conviction that the CFP would help reduce the pollution in the environment and add value to the organization with professional management, which will lead to the Company's continuous growth.
3. Admired and expressed conviction in IFA
4. Suggested the Company to publicize the CFP to increase the investors' confidence

Thanked the shareholder for admiration and suggestion

The CFP investment is USD 4,825 million, and the investment fund as of March 31, 2018 is approximately USD 4,100 million inclusive of USD 2,500 million remaining cash and temporary loan, and USD 1,600 million cash flow from future business operation, which makes USD 800 million short. Why does the Company plan for an additional loan of USD 1,500 – 2,000 million?

Asked Ms. Pattaralada Sa-ngasang, Executive Vice President - Finance and Accounting, to address the query

The remaining cash and temporary investment of USD 2,500 million also include the investment for other approved projects of USD 300 million, resulting in the Company's need of an additional loan of USD 1,100 million. The Company indicates the additional loan of USD 1,500-2,000 million to ensure shareholders that the Company is credible and capable of entering into a loan agreement without affecting the Company's financial liquidity.

1. Appreciated the VDO presentation on integrity
2. Two weeks before this Extraordinary General Meeting is arranged, the Company has notified the Stock Exchange of Thailand, in lieu of the sole investment by the Company, the possibility to seek a potential partner interested in investing in Energy Recovery Unit (ERU) - an electrical power plant with the designed generating capacity of 250 megawatts and steam, to supply the production process of the CFP, utilizing by-products of the CFP as the main source of fuel. Is it possible for Global Power Synergy Public Company Limited (GPSC) to be that potential partner investing in the ERU?
3. In case the Company succeeds in the seeking of potential partner, how can the CFP investment fund decrease by USD 651 million from USD 4,825 million to USD 4,174 million?

4. According to the Company's expectation, the CFP construction is to start in May 2019. Since the sooner the Company starts the commercial operation sooner, the higher prices of jet gasoline and diesel the Company could benefit; why does the Company have to wait for 8 months to start the construction?

5. Admired the Company for preparing meeting precise and concise paper, well optimizing the resources

Chairman

CEO & President

Asked Mr. Atikom Terbsiri, CEO & President, to address the query

Informed that the ERU is an independent utility unit and can reduce the CFP investment fund. In this regards, the Company is to seek for the expertise to consider a proper business structure. However, the Company has never indicated that GPSC would be the partner to invest in the ERU. Yet, GPSC is believed to possess high potential and capability to invest in the ERU due to its knowledge and expertise in power and steam generation. Moreover, GPSC has a power plant located in the area nearby the Company's refinery. As for the investment fund reduction, since the ERU is designed to generate power and steam for the refinery in a long term based on stability security and highest safety, the ERU investment is therefore quite high. For the start of the CFP construction in May 2019, this is due to readiness in different aspects such as contracts, land preparation, and land handover. However, the Company appreciates the comments and will take into account for further consideration to speed up the construction.

Mr. Jiraphan

*Buabucha,
shareholder*

1. Can the Risk Management Committee share its opinions on the risk prone to occur and most seriously affect the CFP?

2. Can the Audit Committee share its opinions or concerns over the CFP possibly on high investment and returns on investment?

3. Can IFA share the opinions on why, according to IFA report page 29, the number of staff increases after the CFP completes, resulting in 14% increase of personnel cost? The CFP aims to enhance the production, machine, and equipment efficiency; this means the number of staff should decrease.

4. Can IFA share the opinions on maintenance cost? According to IFA report page 29, the maintenance cost in the first 4-5 years is expected to be lower than the maintenance cost without the Project. The cost will gradually increase after 5 years and be possibly higher than the cost without the CFP Project. Yet, in IFA report page 1, it is stated that the Company's CDU 1 and 2 has operated for 54 and 48 years respectively, leading to the maintenance cost to maintain the refinery efficiency. Why is the maintenance cost of the CFP higher than that of existing 54-and-48-year CDUs?

Chairman

Asked Mr. Noppadol Pinsupa, Director/ Chairman of the Risk Management Committee, Ms. Chularat Suteethorn, Independent Director/ Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee, and Mr. Montree Sornpaisarn, Chief Executive Officer – Maybank Kim Eng Securities (Thailand) Public Company Limited, to address the query

Mr. Noppadol –

Chairman of the Risk

Informed that the CFP is considered the future of the Company. The Risk Management Committee (RMC) has prioritized each and every possible aspect to assure that the investment is to succeed and be able to execute as planned. RMC has analyzed different risks especially the

*Management
Committee*

World's energy consumption and the emerging of renewable energy which affects the fuel consumption. However, the renewable energy barely has effect on the CFP since the Project aims at producing jet gasoline and high-quality diesel, whose demand is still high in the market. For feedstock procurement, the Company has signed the MOU with PTT Plc which has a wide network on heavy crude acquisition, the crude of which is the target of the CFP. The Company and PTT Plc also have the agreement on petroleum product purchase as well. This ensures that the financial status and risk from feedstock procurement can be managed as planned. As for risks from currency exchange rate, the spread between crude oil and petroleum product, delay Project, it is considered on schedule and within the budget. The Company has prepared the equipment which requires time to acquire, laid out the master plan for operational safety, and strictly set up measures to take care of environment and community safety. The Company has thoroughly and completely planned for risks.

*Ms. Chularat
Suteethorn,
Chairman of the
Audit Committee*

Informed that since it is the project with high investment, the Audit Committee (AC) has prioritized transparency in each and every process and step of the CFP, especially the procurement process. The AC has reviewed every procurement process to ensure its clarity and transparency. Moreover, the role of internal audit is emphasized. The Board of Directors has appointed independent observers to monitor the procurement process of the CFP applying the guidelines of Integrity Pact. The independent observers have participated in and monitored each and every step of the CFP bidding. The observers are independent, and directly report the findings to the Board of Directors. For the AC concerns over the CFP, apart from the transparency, the AC prioritizes the operation executed as processed and without delay to ensure no cost overrun.

Mr. Thaveesith - IFA

For the 14% increase of staff, the Company's current capacity is 275,000 barrels per day which is to increase to 400,000 barrels per day, or 45% increase, exclusive of 95,000 barrels per day, after the CFP completes. This shows that the increase ratio of staff number is less than that of capacity. Moreover, the machines are to be newly purchased rather than maintaining the existing ones. There are new units in the CFP such as CDU, ERU, HCU/ RHCU, and SRU which require more staff to operate. For the query on the maintenance cost of the CFP which will gradually increase after the first 4-5 years, it is due to the fact that the machines and equipment in the Project are newly purchased so the maintenance cost in the first 4-5 years is still low; while the maintenance cost of the CDUs having been operated for 54 and 48 years will be high. However, the study is based on the Company with and without the CFP, and the analysis focuses on the marginal increase, which shows that the maintenance part itself is considered low, compared to the total increase.

*Mr. Rittichai
Yibcharoenphorn,
shareholder*

Asked about the technology and marketing issues as follows:

1. Considering the CFP has been initiated 5-6 years ago, is the technology chosen for the CFP a good one? Is there any more advanced technology?
2. If the CFP were implemented 5-6 years earlier, would the investment be less than USD 4,825 million or about the same?

3. After the CFP completes, how much will the production cost be less than that of other companies in the refinery business?
4. After the CFP completes, what is the strategy to gain the domestic market share?

*Chairman
CEO & President*

Asked Mr. Atikom Terbsiri, CEO & President, to address the query
Informed that since the CFP aims to enhance the production efficiency by increasing the Hydrocracking Unit and Residue Hydrocracking Unit, which add value to products with high technology complexity, the unit cost thus slightly increases. However, the unit cost increase rate is still considered lower than the margin gained. And according to the estimation possibly disclosed to investors, the Company's current full cost inclusive of depreciation cost is approximately 4.30 USD per barrel. With more units of the CFP, the full cost is expected to increase by 1.5 USD per barrel while the margin will increase more. As for the market share, the Company's current ratio of distribution is 85% domestic and 15% export. After the CFP completes, the production capacity is to increase by 40% and the distribution ratio will be 75% domestic and 25% export.

Assigned Mr. Bandhit Thamprajamchit, Senior Executive Vice President - Refinery and Petrochemical to address the query on technology

*Mr. Bandhit
Thamprajamchit,
Senior Executive Vice
President - Refinery
and Petrochemical*

Informed that for the past 4-5 years, there is no new and commercially-proven technology utilized in other refineries with such capacity as the CFP units'. In addition, the Company has criteria for selecting technology for the CFP; the technology has to be proven and utilized for at least 5-10 years. Hence, should the Company implemented the CFP 4-5 years earlier, the chosen technology were believed to be the same one currently chosen. As for the Project investment, should the construction commenced 5-6 years earlier, the construction cost were believed to be more expensive. This is because, for the past 5-6 years, there were refinery and petrochemical projects in Asian countries such as India, China, and those in the Middle East; while there was no big project in the past 1-2 years. This diminishes the competitiveness in the project bidding, leading to lower construction cost than that of 5-6 years earlier.

Mr. Montree - IFA

Informed that according to the additional information conveyed by the Company stating that the possibly-chosen technology 5 years earlier would not be different from the current one, and that the current investment is lower than that of 5 years earlier, IFA would like to make an observation that the Company's current cash flow is in a good condition. This is due to the fact that the Company had a low investment 5 years ago, resulting in more cash flow at present. It is shown that the Company has made a timely decision to invest to ensure the highest benefit.

*Mrs.Thunyaluck
Sitthikraisorn,
shareholder*

Expressed the conviction in the CFP and agreed with another shareholder, Ms.Janejira Sombutcharoenwong, on the news on corruption happening in the company within PTT Group. Therefore, requested the Company to emphasize on corruption prevention in every significant projects with high investment fund as the CFP. The

<i>Chairman</i>	Company should initiate the internal audit processes apart from the usual financial audit, and thoroughly conduct them.
<i>Mr.Direk Khunnawutwanich - Shareholder</i>	Informed that the Board of Directors, Executives, and all staff prioritize the corruption prevention and are on the same notion of control system to govern the operation based on transparency and fairness. Suggested that the Company should announce the shareholders' name chosen for the site visit on website, stating the exact part of the website should shareholders look into.
<i>Chairman</i>	Accepted the comment for further possible actions

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

Resolution **The Meeting, by the number of votes of not less than three-fourths (3/4) of the total number of votes casted by the shareholders attended the meeting and had the rights to vote, resolved to approve the investment in the Clean Fuel Project (CFP) which constitutes an asset acquisition Transaction of the Company, details as presented and approve the authorisation of the Board of Directors or a person designated by the Board of Directors to enter into negotiation, agreement, to determine, amend, change the details or conditions, and to undertake any necessary act with respect to the investment in the CFP Project, as well as to execute the relating agreements, memorandum, and documents, to contact the relevant government agencies or regulatory agencies, and to undertake any appropriate and necessary act for the purposes of the CFP Project, in the best interests of the Company with the following votes:**

Approved	1,422,868,996	votes,	Or	99.9124%
Disapproved	1,500	votes,	Or	0.0001%
Abstained	1,239,524	votes,	Or	0.0870%
Voided Ballots	6,700	votes,	Or	0.0005%

Agenda Item 2 **Others**

The Chairman then announced the criteria for the submission of agenda items in addition to those set in the meeting invitation notice. According to Section 105, second paragraph of the Public Limited Companies Act B.E. 2535 (as amended), when the Meeting considers agenda items as set in the meeting invitation notice, shareholders together accounting for no less than one-third of the sold shares may ask the Meeting to consider other matters beyond those specified in the meeting invitation notice.

The main condition for a motion to be included among agenda items is that it is supported by a combined one-third or more of the total sold shares, or no less than 680,009,291 shares of the total 2,040,027,873 shares.

Then, Chairman invited questions and comments from the shareholders but there were no more questions or comments. The Chairman thanked the shareholders for attending the EGM No.1/2018, then, announced that the meeting is adjourned.

As the meeting adjourned, all meeting participants were announced to return the remaining voting ballots.

Also, as the meeting adjourned, there were 531 shareholders attending in person or 1,747,396 shares equaling 0.0857%, and 1,605 proxies presenting at the meeting or 1,422,369,324 shares equaling 69.7230%, totaling up to 2,136 attendees representing, 1,424,116,720 shares or 69.8087% of the total issued share capital.

Meeting Adjourned: 17.00 hrs.

Recorded by Mrs. Panumas Chuchartchaikulkarn
Company Secretary

(Professor Dr. Thosaporn Sirisumphand)
Chairman of the Board

(Mr. Atikom Terbsiri)
Director /
Chief Executive Officer and President