



Straits Asia Resources

STRAITS ASIA RESOURCES LIMITED
(Incorporated in the Republic of Singapore on June 10, 1995)
(Company Registration No. 199504024R)
(**"Straits Asia"**)

MANDATORY CONDITIONAL CASH OFFER FOR SHARES IN STRAITS ASIA

APPOINTMENT OF ERNST & YOUNG CORPORATE FINANCE PTE LTD AS INDEPENDENT FINANCIAL ADVISER

1. Introduction

The Board of Directors of Straits Asia ("**Board**") wishes to inform shareholders of Straits Asia ("**Shareholders**") that following the announcement ("**Pre-Conditional Offer Announcement**") dated 23 March 2009 ("**Pre-Conditional Offer Announcement Date**") made by J.P. Morgan (S.E.A.) Limited ("**J.P. Morgan**"), for and on behalf of Lints Limited ("**Offeror**"), J.P. Morgan has announced that the Offeror has on 28 April 2009 completed the purchase from Straits Resources Limited of 6,000 ordinary shares in the capital of Straits Bulk & Industrial Pty Ltd ("**SBI**"), representing 60 per cent. of all the issued shares in the capital of SBI. Accordingly, the Offeror and parties acting in concert with it have acquired effective control (as defined in the Singapore Code on Take-overs and Mergers ("**Code**")) of Straits Asia and J.P. Morgan has in an announcement dated 28 April 2009, announced ("**Offer Announcement**") that the Offeror is required to make a mandatory conditional cash offer ("**Offer**") for all the issued shares in the capital of Straits Asia ("**Straits Asia Shares**"), other than those already owned, controlled or agreed to be acquired by the Offeror ("**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act (Chapter 289 of Singapore) and Note 6 to Rule 14.1 of the Code.

2. Terms of the Offers

Based on the Offer Announcement, the principal terms of the Offers (as defined below) are as follows:

- (a) the Offer will be made at an offer price ("**Offer Price**") of **S\$0.807 in cash** for each Offer Share. In accordance with Note 3 to Rule 14.3 of the Code, the Offer Price was calculated based on the simple average of the daily volume weighted average traded prices of the Straits Asia Shares (rounded up to the nearest half cent) on the latest 20 trading dates prior to the Pre-Conditional Offer Announcement Date, being the period from 23 February 2009 to 20 March 2009.

It is stated in the Offer Announcement that the Offeror does not intend to revise the Offer Price;

- (b) the Offer will be open for acceptance by Shareholders for at least 28 days after the date of despatch of the formal document in relation to the Offer to be issued by J.P. Morgan, for and on behalf of the Offeror ("**Offer Document**"), unless the Offer is withdrawn with the consent of the Securities Industry Council ("**SIC**") and every person is released from any obligation incurred thereunder.

It is stated in the Offer Announcement that the Offeror does not intend to extend the Offer beyond such 28-day period;

- (c) the Offer, when made, will be extended on the same terms and conditions, to all new Straits Asia Shares unconditionally issued or to be issued pursuant to (i) the valid exercise of any options ("**Options**") to subscribe for new Straits Asia Shares granted under Straits Asia's Employee Share Option Plan or otherwise, (ii) the valid exercise of any warrants ("**Warrants**") to subscribe for new Straits Asia Shares (such Warrants being issued under the Warrant Issue Agreement dated 14 November 2008 between Straits Asia and Standard Chartered Bank), and (iii) the valid acceptance of any awards ("**Awards**") to subscribe for new Straits Asia Shares granted under Straits Asia's Executive Share Acquisition Plan or otherwise, each prior to the close of the Offer. For the purposes of the Offer, the expression "**Offer Shares**" shall include such new Straits Asia Shares;
- (d) the Offer Shares will be acquired: (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including all voting rights, the right to receive and retain all dividends, rights and other distributions or returns of capital which may be announced, declared, paid or made by Straits Asia on or after the Pre-Conditional Offer Announcement Date. If any such dividend, right, distribution or return of capital is announced, declared, paid or made on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, right, distribution or return of capital.

Without prejudice to the generality of the foregoing, the Offer Shares will be acquired with the right to receive and retain the final tax-exempt dividend of US\$0.0218 for each Offer Share to be paid by Straits Asia on 22 May 2009 ("**Dividend**"), subject to the approval of Shareholders at the annual general meeting of Straits Asia scheduled to be held on 30 April 2009. In particular, as the settlement date in respect of the Offer Shares tendered in acceptance of the Offer (such Offer Shares, "**Tendered Offer Shares**") will fall after 11 May 2009, being the record date for the Dividend ("**Record Date**"), and the Offeror will not receive the Dividend in respect of the Tendered Offer Shares from Straits Asia, the amount of the Dividend in respect of the Tendered Offer Shares will be deducted from the Offer Price payable for each Tendered Offer Share. The amount to be deducted from the Offer Price payable for each Tendered Offer Share will be the Singapore dollar equivalent of the Dividend (converted from United States dollars into Singapore dollars at the prevailing exchange rate to be obtained by Straits Asia on a reference date to be determined by Straits Asia);

- (e) pursuant to Rule 14.2 of the Code, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the number of Straits Asia Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of Straits Asia Shares carrying more than 50 per cent. of the maximum potential issued shares in Straits Asia. For purposes of the Offer Announcement, the "**maximum potential issued shares in Straits Asia**" means the total number of Straits Asia Shares which would be in issue had all the outstanding Options and Warrants been validly exercised and all outstanding Awards been validly accepted as at the date of such declaration; and
- (f) when the Offer is made, J.P. Morgan, for and on behalf of the Offeror, will also make an offer ("**Warrants Offer**") to holder(s) of Warrants ("**Warrant Holder(s)**") to acquire the Warrants, in accordance with Rule 19 of the Code. Whilst the Warrants Offer is conditional upon the Offer becoming or being declared unconditional, the Offer and the Warrants Offer are separate and are mutually exclusive. In accordance with Note 1 to Rule 19 of the Code, the offer price for each Warrant ("**Warrant Offer Price**") is computed on a "see-through" basis, that is, the amount by which the Offer Price is in excess of the exercise price of each Warrant. As each Warrant may be exercised into one new Straits Asia Share at an exercise price of S\$1.095 ("**Warrant Exercise Price**") and no adjustments have been made to the Warrant Exercise Price, the Warrant Exercise Price is in excess of the Offer Price of S\$0.807 and the Warrant Offer Price for each Warrant shall be **S\$0.001**.

Further details on the terms and conditions of the Offer and the Warrants Offer (the Offer and the Warrants Offer collectively, the "**Offers**") are set out in the Offer Announcement dated 28 April 2009, a copy of which is attached herewith to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com. Shareholders and Warrant Holders are advised to read the full-text of the Offer Announcement.

Shareholders should note that it is the present intention of the Offeror to maintain the listing status of Straits Asia on the SGX-ST. However, in the event the SGX-ST suspends the listing of Straits Asia Shares pursuant to the rules of the Listing Manual of the SGX-ST, the Offeror will reassess its position in respect of its shareholding interests in Straits Asia.

3. Appointment of Independent Financial Adviser

The Board wishes to inform Shareholders and Warrant Holders that it has appointed Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") as the independent financial adviser to the Directors of Straits Asia who are considered independent ("**Independent Directors**") for the purposes of the Offers. In this regard, on 27 April 2009, Straits Asia obtained a ruling of the SIC that each of Mr. Milan Jerkovic, Mr. Richard Ong Chui Chat, Mr. Martin David Purvis and Mr. Michael George Gibson (collectively, the "**Relevant Directors**"), is exempted from the requirement to make recommendations to Shareholders and Warrant Holders on the Offers. The Relevant

Directors must, however, still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by or on behalf of, Straits Asia to its Shareholders and Warrant Holders in connection with the Offers.

A circular containing, *inter alia*, the advice of EYCF and the recommendations of the Independent Directors ("**Circular**") will be sent to Shareholders and Warrant Holders within 14 days of the despatch of the Offer Document.

In the meantime, Shareholders and Warrant Holders are advised to exercise caution when dealing in their Shares and Warrants or otherwise taking any action in relation to their Shares and Warrants which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of EYCF set out in the Circular to be issued in due course.

4. Directors' Responsibility Statement

The Directors of Straits Asia (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this announcement are fair and accurate and no material facts have been omitted from this announcement.

Where information has been extracted from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the Directors of Straits Asia has been to ensure that such information has been correctly and accurately extracted from these sources, or as the case may be, accurately reflected or reproduced in this announcement.

The Directors of Straits Asia jointly and severally accept full responsibility accordingly.

By Order of the Board
Straits Asia Resources Limited

James Carter
Company Secretary

29 April 2009

Mandatory Conditional Cash Offer

By

J.P. Morgan (S.E.A.) Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 198500154W)

for and on behalf of

Lints Limited

(Incorporated in Hong Kong)
(Company Registration No. 1211985)

a wholly-owned subsidiary of



PTT International Company Limited

(Incorporated in Thailand)
(Company Registration No. 0105550103485)

to acquire all the issued ordinary shares
in the capital of

Straits Asia Resources Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 199504024R)

other than those already owned, controlled or agreed
to be acquired by Lints Limited

1. Introduction

- 1.1 Acquisition.** Further to the announcement made by J.P. Morgan (S.E.A.) Limited (“**J.P. Morgan**”) for and on behalf of Lints Limited (the “**Offeror**”) on 23 March 2009 (the “**Acquisition Announcement Date**”), J.P. Morgan wishes to announce, for and on behalf of the Offeror, that the Offeror has today completed the purchase (the “**Acquisition**”) from Straits Resources Limited (“**SRL**”) of 6,000 ordinary shares in the capital of Straits Bulk & Industrial Pty Ltd (“**SBI**”), representing 60 per cent. of all the issued shares (the “**SBI Shares**”) in the capital of SBI (“**Completion**”). Following Completion, all the SBI Shares are held by the Offeror and SRL in 60 per cent. and 40 per cent. proportions respectively, and the Offeror and SRL have entered into a co-investment shareholders’ agreement to govern their respective rights and obligations in relation to SBI (the “**Shareholders’ Agreement**”).
- 1.2 Note 6 to Rule 14.1 of the Code.** Under Note 6 to Rule 14.1 of the Singapore Code on Take-overs and Mergers (the “**Code**”), where a person acquires statutory control of a

company as determined by reference to the Code and thereby acquires effective control¹ of a second company because the first company itself holds, either directly or indirectly, a controlling interest in the second company, such person may be required to make an offer for the second company.

As at the date of this announcement (the “**Announcement Date**”), SBI owns an aggregate of 514,679,220 ordinary shares in Straits Asia Resources Limited (“**SAR**”), representing approximately 47.10 per cent. of all the issued shares in the capital of SAR (the “**SAR Shares**”)². Accordingly, upon Completion, the Offeror and parties acting in concert with it have acquired effective control of SAR.

1.3 Mandatory Conditional Cash Offer. In accordance with Note 6 to Rule 14.1 of the Code, the Offeror is required, on Completion, to make a mandatory conditional cash offer (the “**Offer**”) for all the SAR Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code.

2. Offer

2.1 Offer Document. The Offer, when made, will be made for all the SAR Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”) on the terms and conditions set out in the formal document in relation to the Offer to be issued by J.P. Morgan, for and on behalf of the Offeror (the “**Offer Document**”).

2.2 Offer Price. The Offer, when made, will be on the following basis:

For each Offer Share: S\$0.807 in cash (the “Offer Price”).

In accordance with Note 3 to Rule 14.3 of the Code, the Offer Price was calculated based on the simple average of the daily volume weighted average traded prices of the SAR Shares (rounded up to the nearest half cent) on the latest 20 trading days prior to the Acquisition Announcement Date, being the period from 23 February 2009 to 20 March 2009³.

The Offeror does not intend to revise the Offer Price.

2.3 Duration of the Offer. The Offer will be open for acceptance by shareholders of SAR (“**Shareholders**”) for at least 28 days after the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the Securities Industry Council (the “**SIC**”) and every person released from any obligation incurred thereunder.

The Offeror does not intend to extend the Offer beyond such 28-day period.

2.4 Offer Shares. The Offer, when made, will be extended, on the same terms and conditions, to all new SAR Shares unconditionally issued or to be issued pursuant to (i) the valid exercise of any options (the “**Options**”) to subscribe for new SAR Shares granted

¹ The term “**effective control**” is as defined in the Code.

² In this Announcement, for the purposes of computation, the number of SAR Shares is 1,092,836,614, as provided by SAR to the Offeror on 27 April 2009.

³ The computation is based on data extracted from Bloomberg.

under the SAR Employee Share Option Plan or otherwise, (ii) the valid exercise of any warrants (the “**Warrants**”) to subscribe for new SAR Shares (such Warrants being issued under the Warrant Issue Agreement dated 14 November 2008 between SAR and Standard Chartered Bank (“**StanChart**”)), and (iii) the valid acceptance of any awards (“**Awards**”) to subscribe for new SAR Shares granted under the SAR Executive Share Acquisition Plan or otherwise, each prior to the close of the Offer. For the purposes of the Offer, the expression “**Offer Shares**” shall include such new SAR Shares.

2.5 No Encumbrances. The Offer Shares will be acquired:

- 2.5.1 fully paid;
- 2.5.2 free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and
- 2.5.3 together with all rights, benefits and entitlements attached thereto as at the Acquisition Announcement Date and thereafter attaching thereto, including all voting rights, the right to receive and retain all dividends, rights and other distributions or returns of capital which may be announced, declared, paid or made by SAR on or after the Acquisition Announcement Date. If any such dividend, right, distribution or return of capital is announced, declared, paid or made on or after the Acquisition Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, right, distribution or return of capital.

Without prejudice to the generality of the foregoing, the Offer Shares will be acquired with the right to receive and retain the final tax-exempt dividend of US\$0.0218 for each Offer Share to be paid by SAR on 22 May 2009 (the “**Dividend**”), subject to the approval of Shareholders at an annual general meeting of SAR scheduled to be held on 30 April 2009 (the “**AGM**”). In particular, as the settlement date in respect of the Offer Shares tendered in acceptance of the Offer (such Offer Shares, “**Tendered Offer Shares**”) will fall after 11 May 2009, being the record date for the Dividend (the “**Record Date**”), and the Offeror will not receive the Dividend in respect of the Tendered Offer Shares from SAR, the amount of the Dividend in respect of the Tendered Offer Shares will be deducted from the Offer Price payable for each Tendered Offer Share.

The Offeror understands from SAR that, subject to the approval of the Dividend by Shareholders at the AGM, in the case of Shareholders (other than SBI, which will be paid the Dividend in United States dollars), SAR will in accordance with its usual practice make arrangements to convert the Dividend from United States dollars into Singapore dollars at the prevailing exchange rate to be obtained by SAR on a reference date to be determined by SAR (the “**FX Rate**”). Accordingly, as the settlement date in respect of the Tendered Offer Shares will fall after the Record Date, the amount to be deducted from the Offer Price payable for each Tendered Offer Share will be the Singapore dollar equivalent of the Dividend (converted at the FX Rate).

2.6 Minimum Acceptance Condition. Pursuant to Rule 14.2 of the Code, the Offer, when made, will be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with

the number of SAR Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of SAR Shares carrying more than 50 per cent. of the voting rights attributable to all the SAR Shares as at the close of the Offer (including any voting rights attributable to any new SAR Shares issued or to be issued pursuant to the valid exercise of any outstanding Options or Warrants or the valid acceptance of any outstanding Awards prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the number of SAR Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of SAR Shares carrying more than 50 per cent. of the maximum potential issued shares in SAR. For the purposes of this Announcement, the "**maximum potential issued shares in SAR**" means the total number of SAR Shares which would be in issue had all the outstanding Options and Warrants been validly exercised and all outstanding Awards been validly accepted as at the date of such declaration.

3. Warrants Offer

3.1 Warrants. As at 27 April 2009, being the market day immediately preceding the Announcement Date (the "**Latest Practicable Date**"), there were 35,000,000 outstanding Warrants issued to StanChart. Under the terms of issue, each Warrant:

3.1.1 may be exercisable into one new SAR Share at an exercise price of S\$1.095 (subject to adjustments in accordance with the terms and conditions of the Warrants) (the "**Warrant Exercise Price**"); and

3.1.2 is transferable by the holder of the Warrant (the "**Warrant Holder**").

3.2 Warrants Offer. When the Offer is made, J.P. Morgan, for and on behalf of the Offeror, will also make an offer to the Warrant Holder(s) to acquire the Warrants, in accordance with Rule 19 of the Code (the "**Warrants Offer**"). The Warrants Offer is conditional upon the Offer becoming or being declared unconditional.

3.3 Warrant Offer Price. In accordance with Note 1 to Rule 19 of the Code, the offer price for each Warrant (the "**Warrant Offer Price**") is computed on a "see-through" basis. In other words, the Warrant Offer Price in relation to a Warrant is the amount by which the Offer Price is in excess of the Warrant Exercise Price. Where the Warrant Exercise Price is equal to or in excess of the Offer Price, the Warrant Offer Price for each Warrant will be fixed at S\$0.001.

The Offeror understands that, as at the Latest Practicable Date, no adjustments have been made to the Warrant Exercise Price of S\$1.095 for each Warrant. Therefore, as the Warrant Exercise Price is in excess of the Offer Price of S\$0.807, the Warrant Offer Price for each Warrant shall be S\$0.001.

3.4 Offer and Warrants Offer Mutually Exclusive. For the avoidance of doubt, whilst the Warrants Offer is conditional upon the Offer becoming or being declared unconditional, the Offer will not be conditional upon acceptances received in relation to the Warrants Offer. The Offer and the Warrants Offer are separate and are mutually exclusive. The Warrants Offer does not form part of the Offer, and *vice versa*. Without prejudice to the foregoing, if a Warrant Holder exercises its Warrants in order to accept the Offer in respect of the new SAR Shares to be issued pursuant to such exercise, it may not accept the Warrants Offer in respect of such Warrants. Conversely, if a Warrant Holder wishes to accept the Warrants Offer in respect of its Warrants, it may not exercise those Warrants in order to accept the Offer in respect of the new SAR Shares to be issued pursuant to such exercise.

3.5 Despatch Date. Details of the Warrants Offer will be despatched to Warrant Holders not later than the date of despatch of the Offer Document.

4. Information on SBI and SAR

4.1 SBI. SBI is a proprietary company limited by shares and incorporated in New South Wales, Australia on 28 August 1996. As at the Latest Practicable Date, SBI holds (i) approximately 47.10 per cent. of all the SAR Shares, (ii) an approximately 35 per cent. interest in an unincorporated joint venture with Far East Energy Corporation Pty Ltd relating to certain coal exploration rights in Brunei, and (iii) an approximately 33.5 per cent. shareholding in certain coal deposits in the Sakoa Coal Basin in Madagascar.

Pursuant and subject to the terms of the Shareholders' Agreement, the Offeror is entitled to appoint up to three directors to the board of directors of SBI (the "**SBI Board**"), and SRL is entitled to appoint up to two directors to the SBI Board. With effect from Completion, the Offeror's nominees to the SBI Board are (i) Mr Tevin Vongvanich, (ii) Dr Chitrapongse Kwangsukstith, and (iii) Dr Toemchai Bunnag.

4.2 SAR. SAR is a public company limited by shares incorporated in Singapore on 10 June 1995 and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). As at the Latest Practicable Date, the directors of SAR were (i) Mr Milan Jerkovic (Chairman), (ii) Mr Richard Ong Chui Chat, (iii) Mr Michael George Gibson, (iv) Mr Martin David Purvis, (v) Dr Chua Yong Hai, and (vi) Mr Han Eng Juan.

SAR is primarily engaged in thermal coal mining at the Sebuk coal operation located on Sebuk Island, South Kalimantan, Indonesia and the Jembayan coal operation located in East Kalimantan, Indonesia. In addition, SAR has an 80 per cent. interest in a coking coal exploration concession at Laung, Central Kalimantan, Indonesia. SAR also owns PT Indo Straits, a marine engineering, construction and barging business.

SAR has a large, diversified customer base comprising large power generation companies, located in Japan, South Korea, Taiwan and Europe. A large proportion of customers purchase coal under long-term sales contracts, with prices fixed annually. Key customers include Chubu Electric Power Company (Japan), Kansai Electric Power Company (Japan), Korea East-West Power Company (Korea), and Glencore International AG (Switzerland), amongst many others.

5. Information on the Offeror, PTTI and PTT

- 5.1 Offeror.** The Offeror was incorporated in Hong Kong on 20 February 2008. It is a wholly-owned subsidiary of PTT International Company Limited (“**PTTI**”), which in turn is a wholly-owned subsidiary of PTT Public Company Limited (“**PTT**”). As at the Latest Practicable Date, the directors of the Offeror were (i) Mr Tevin Vongvanich, and (ii) Dr Chitrapongse Kwangsukstith.
- 5.2 PTTI.** PTTI is a company incorporated in Thailand on 1 October 2007 to undertake international investments for the group of companies headed by PTT. As at the Latest Practicable Date, the directors of PTTI were (i) Mr Tevin Vongvanich, (ii) Dr Toemchai Bunnag, (iii) Ms PENCHUN Jarikasem, (iv) Ms PRISANA Praharnkhasuk, (v) Ms SIRIWAN Chierapong, and (vi) Ms NAPAPORN Porngrissadakul.
- 5.3 PTT.** PTT is a company incorporated under the laws of Thailand and is majority-owned by the Thai Ministry of Finance. It was listed on the Stock Exchange of Thailand following the privatisation and incorporation of the Petroleum Authority of Thailand, Thailand’s national oil and gas company. It is currently Thailand’s leading energy company.

6. Rationale for the Acquisition and the Offer, and the Offeror’s intentions for SAR

- 6.1 Rationale for the Acquisition and the Offer.** Coal represents an important long term diversification strategy and growth opportunity for PTT. PTT will also benefit from the coal expertise of the management team which has been responsible for SRL’s success and growth in coal to date, and who will be transferred from SRL to SBI on or as soon as practicable following the date of Completion.

The Acquisition is consistent with PTT’s business strategy and will enable PTT to diversify its resource base and income streams. PTT recognises the strength of SAR as a low cost producer of highly marketable coal products with substantial long-term potential, a high quality client base and a talented employee pool. The Acquisition provides PTT with a well balanced portfolio of coal producing assets, enabling PTT to immediately realise its investment.

SBI’s coal assets have the requisite quality and scale with upside potential to provide PTT with a strong strategic platform to grow its coal business. In addition, the investment will form the basis of a strategic alliance between PTT and a strong bulk commodities partner which will foster the further growth of PTT in the minerals and energy sector.

The Offer is required to be made in compliance with Note 6 to Rule 14.1 of the Code.

- 6.2 The Offeror’s Intentions for SAR.** The Offeror presently has no intention to (i) introduce any major changes to the business of SAR, (ii) re-deploy the fixed assets of SAR, or (iii) discontinue the employment of the employees of SAR and its subsidiaries, save in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to SAR and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror.

7. Compulsory Acquisition and Listing Status

7.1 Compulsory Acquisition. Under Section 215(1) of the Companies Act, Chapter 50 (the “**Companies Act**”), if the Offeror receives acceptances pursuant to the Offer for not less than 90 per cent. of all the SAR Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the SAR Shares of Shareholders who have not accepted the Offer. Since SBI will become a related corporation of the Offeror upon Completion, the 514,679,220 SAR Shares held by SBI as at the Latest Practicable Date, representing approximately 47.10 per cent. of all the SAR Shares, will be excluded for the purpose of determining whether the 90 per cent. threshold under Section 215(1) of the Companies Act is reached.

The Offeror has no intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, if and when arising.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of SAR Shares which, together with the SAR Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of all the SAR Shares, Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their SAR Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude shares held by related corporations – accordingly, the 514,679,220 SAR Shares held by SBI as at the Latest Practicable Date, representing approximately 47.10 per cent. of all the SAR Shares, will be included for the purpose of determining whether the 90 per cent. threshold under Section 215(3) of the Companies Act is reached.

7.2 Listing Status. Under Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), in the event that the Offeror and parties acting in concert with it, as a result of the Offer or otherwise, own or control more than 90 per cent. of all the SAR Shares (excluding treasury shares), the SGX-ST may suspend the listing of the SAR Shares until such time when the SGX-ST is satisfied that at least 10 per cent. of all the SAR Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public.

In addition, under Rule 724 of the Listing Manual, if the percentage of the SAR Shares (excluding treasury shares) held in public hands falls below 10 per cent., SAR must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the SAR Shares. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of all the SAR Shares (excluding treasury shares), thus causing the percentage of SAR’s total number of the SAR Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of SAR Shares at the close of the Offer.

Rule 725 of the Listing Manual states that the SGX-ST may allow SAR a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the SAR Shares in public hands to at least 10 per cent., failing which SAR may be delisted.

It is the present intention of the Offeror to maintain the listing status of SAR on the SGX-ST. However, in the event the SGX-ST suspends the listing of SAR Shares pursuant to the rules of the Listing Manual, the Offeror will reassess its position in respect of its shareholding interests in SAR.

8. Financial Evaluation of the Offer

8.1 Financial Evaluation of the Offer. The Offer Price represents a discount over the recent market prices of the SAR Shares. Specifically, the Offer Price represents the following discounts:

	Benchmark price⁴	(Discount to) the benchmark price
(i) Last transacted price as quoted on the SGX-ST on 20 March 2009, being the latest practicable date prior to the Acquisition Announcement Date	0.845	(4.5%)
(ii) Volume-weighted average price (“VWAP”) for the one-week period up to 20 March 2009	0.833	(3.1%)
(iii) VWAP for the one-month period up to 20 March 2009	0.809	(0.2%)
(iv) VWAP for the three-month period up to 20 March 2009	0.860	(6.2%)
(v) VWAP for the six-month period up to 20 March 2009	0.877	(7.9%)

9. Disclosures

9.1 Shareholdings. As at the Latest Practicable Date⁵, apart from the indirect interest of the Offeror in the 514,679,220 SAR Shares held by SBI, representing approximately 47.10 per cent. of all the SAR Shares, following the Acquisition, none of the Offeror and persons acting in concert with it owned, controlled or agreed to acquire any SAR Shares or securities which carry voting rights in SAR or are convertible into SAR Shares or securities which carry voting rights in SAR, or rights to subscribe for, or options in respect of, such

⁴ The figures set out in **Section 8.1** of this Announcement are based on data extracted from Bloomberg.

⁵ The information relating to the shareholdings in SAR of J.P. Morgan (and its affiliates regarded as acting in concert with the Offeror in connection with the Offer) is as at 24 April 2009, being the latest practicable date for J.P. Morgan.

SAR Shares or securities (all such securities, rights and options, “**Convertible Securities**”).

9.2 Dealings. As at the Latest Practicable Date⁶, neither the Offeror nor any of the persons acting in concert with it has dealt for value in any SAR Shares or Convertible Securities during the six-month period immediately preceding the Latest Practicable Date.

9.3 Irrevocable Undertakings. As at the Latest Practicable Date, SBI has given irrevocable undertakings to the Offeror (the “**SBI Undertakings**”) that it will (and will procure that its nominee(s), if any, and where applicable, any person acting in concert with it will), during the period of the Offer:

9.3.1 not tender any of the SAR Shares held by it in acceptance of the Offer;

9.3.2 not directly or indirectly (i) offer, sell, transfer, give or otherwise dispose of, (ii) grant any option, right or warrant to purchase in respect of, (iii) charge, mortgage, pledge or otherwise create an encumbrance over, or (iv) enter into any swap or other arrangement that transfers to another any of the legal, beneficial or economic consequences of ownership of, all or any of the SAR Shares or any interest therein (or enter into any agreement with the view to effecting any of the foregoing);

9.3.3 (and for a period of six months after the close of the Offer or, as the case may be, for a period of 12 months after the Offer lapses or is withdrawn without having become unconditional), other than with the consent of the SIC (where required) and the Offeror, not directly or indirectly (i) subscribe for, (ii) purchase, (iii) acquire any option, right or warrant to purchase in respect of, or (iv) enter into any swap or other arrangement that transfers to it any of the legal, beneficial or economic consequences of ownership of, all or any of the SAR Shares or any interest therein (or enter into any agreement with the view to effecting any of the foregoing); and

9.3.4 subject to the provisions of the Code, vote all of the SAR Shares held by it, at any and all general meetings (and at any adjournment(s) thereof) of SAR, in favour of any resolution(s) necessary or proposed to appoint one or more persons nominated by PTTI or the Offeror, as the case may be, as directors of SAR.

The SBI Undertakings will lapse (a) on the close of the Offer or (b) if the Offer lapses or is withdrawn without having become unconditional, provided that the lapsing of the undertakings shall be without prejudice to any provisions which are expressed to survive the expiration of the SBI Undertakings.

Save for the SBI Undertakings, as at the Latest Practicable Date, neither the Offeror nor any of the persons acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Offer.

⁶ The information relating to dealings in SAR Shares and Convertible Securities by J.P. Morgan (and its affiliates regarded as acting in concert with the Offeror in connection with the Offer), is as at 24 April 2009, being the latest practicable date for J.P. Morgan.

10. Confirmation of Financial Resources

J.P. Morgan, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (excluding the 514,679,220 SAR Shares held by SBI, but including any acceptances in respect of new SAR Shares unconditionally issued or to be issued pursuant to (i) the valid exercise of any Options, (ii) the valid exercise of any Warrants, and (iii) the valid acceptance of any Awards, each prior to the close of the Offer) and the Warrants Offer.

11. Responsibility Statement

The directors of the Offeror and PTTI (including any who may have delegated detailed supervision of this Announcement) and Mr Prasert Bunsumpun (the President and Chief Executive Officer of PTT) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from SAR, the sole responsibility of the directors of the Offeror and PTTI and Mr Prasert Bunsumpun has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

J.P. Morgan (S.E.A.) Limited

For and on behalf of

Lints Limited

28 April 2009

Singapore

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