

**- Information Memorandum -**

Star Petroleum Refining Public Company Limited (SPRC)

**Head Office**

No.1, I-3B Road, Map Ta Phut, Muang Rayong, Rayong 21150

Tel: 038-699-000

Fax: 038-699-999

Website [www.sprc.co.th](http://www.sprc.co.th)

**Refinery Plant Location**

No.1, I-3B Road, Map Ta Phut, Muang Rayong, Rayong 21150

Tel: 038-699-000

Fax: 038-699-999

**Listing Date**

As at 8 December 2015 (Trading commencement on 8 December 2015)

**Listing Securities**

No. of common shares of 4,335,902,125 shares

Par value per share of Baht 6.92

Total value of Baht 30,004 million, including:

- Existing ordinary shares pre-Initial Public offering (IPO) of 4,102,951,025 Shares
- Ordinary Shares for IPO of 1,439,722,300 shares, representing 33.20% of total paid-up capital after IPO and Employee Stock Ownership Plan (ESOP), consisting of
  1. Existing ordinary shares from PTT Public Company Limited of 1,242,500,000 shares
  2. Newly issued ordinary shares for IPO of 197,222,300 shares

The Company also offers newly issued ordinary shares under the ESOP of 35,728,800 shares

**Capital**

As of 8 December 2015 (Trading commencement)

Registered Capital

Common Shares	4,774	million shares	or	Baht	33,038	million
Preferred Shares	-	million shares	or	Baht	-	million

Paid-up Capital

Common Shares	4,336	million shares	or	Baht	30,004	million
Preferred Shares	-	million shares	or	Baht	-	million

**Secondary Market**

Stock Exchange of Thailand (SET)

**Offering Price**

Baht 9.00

**Offering Date**

23 – 25 November 2015 for general investors and retail investors, and

26 November – 1 December 2015 for institutional investors

**Objectives and plans for utilizing the capital increase**

Objectives	Approximate Amount	Approximate Time Frame
	(Baht million)	
1. To reduce and/or repay indebtedness in connection with the capital restructuring of the Company	621.2	Within 2015 - 2017
2. Working Capital and other corporate purposes	913.4	
<b>Total</b>	<b>1,534.6</b>	

Notes: The amount of the objectives for utilizing the capital increase, as disclosed in the prospectus of the Company, is based on estimates. A lower amount of the capital increase will have no material impact on the Company's business plans or operations.

**Green Shoe Option** - None -

**Type of Business and Nature of Operation**

SPRC is one of the leading petroleum product producers in Thailand. SPRC's refinery is among the most efficient in the Asia Pacific region. For the year ended December 31, 2014 based on the Solomon Associates Survey and its internal data, its refinery ranked in the top of the first quartile among over 90 refineries in the Asia-Pacific and Indian Ocean region participating in the survey in terms of effective utilization and high reliability, as measured by EDC Utilized and operational availability.

SPRC owns and operates a complex refinery with a capacity, as of September 30, 2015, of 165,000 barrels per day of crude oil, which represents 13.2% of the refining capacity in Thailand. In 2014, the Company produced 52.7 million barrels of petroleum products. In the nine months ended September 30, 2015, the Company produced 46.1 million barrels of petroleum products.

**1. Product Characteristics**

SPRC's refinery produces petroleum products, which include LPG, premium and regular grades of unleaded gasoline, high speed diesel, jet fuel and fuel oil, as well as petrochemical feedstocks used in the petrochemical industry, which include PGP, LPG, chemical grade naphtha, mix C4 and reformate. Certain by-products from its refinery's production process, including asphalt and sulfur, are also sold as products themselves.

The refinery is capable of processing a wide range of crude oil, which SPRC typically source from the Middle East and the Far East. The Company's choice of feedstocks and product slate at any time depends on relative prices and yields. SPRC decides on its product slate with input from its offtakers, based on its assessment of demand and projected prices for the various products that the Company can produce, typically around three months in advance of expected orders. The following table sets forth the sales revenue and sales volumes of its various petroleum products for the periods indicated.

Sale Revenue  (in US\$ thousands)	Year Ended December 31, 2012			Year Ended December 31, 2013			Year Ended December 31, 2014		
	Volume			Volume			Volume		
	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>
<b>PGP</b>	170,301	1,672	101.86	176,051	1,643	107.18	135,236	1,368	98.85
<b>LPG</b>	272,527	3,582	76.08	242,499	3,383	71.68	205,911	3,082	66.81
<b>Light Naphtha</b>	295,023	2,916	101.17	246,035	2,522	97.55	232,402	2,582	90.00
<b>Premium Gasoline</b>	1,298,621	7,857	165.28	2,263,906	14,184	159.61	2,053,260	13,898	147.73
<b>Regular Gasoline</b>	1,015,340	6,668	152.28	167,230	1,500	111.48	105,194	989	106.31

Sale Revenue  (in US\$ thousands)	Year Ended December 31, 2012			Year Ended December 31, 2013			Year Ended December 31, 2014		
	Volume			Volume			Volume		
	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>
Diesel	2,844,446	21,297	133.56	3,072,969	23,299	131.89	2,506,375	20,701	121.08
Jet A-1	818,302	6,465	126.57	683,958	5,598	122.18	417,076	3,814	109.36
Fuel Oil	835,614	8,089	103.30	679,462	7,199	94.38	504,882	6,037	83.63
Asphalt	80,854	776	104.20	87,847	906	96.99	83,670	934	89.56
Mix C4	195,269	2,030	96.17	224,511	2,372	94.64	162,921	1,900	85.76
Crude	133,563	1,241	107.59	85,005	763	111.39	86,146	1,094	78.71
Other <sup>(1)</sup>	484,965	4,806	100.90	506,996	5,210	97.32	541,526	6,050	89.51
<b>Total Revenue</b>	<b>8,444,825</b>	<b>67,401</b>	<b>125.29</b>	<b>8,436,468</b>	<b>68,579</b>	<b>123.02</b>	<b>7,034,600</b>	<b>62,450</b>	<b>112.64</b>

(1) Includes sulfur, reformat and products sold pursuant to its cracker feed exchange with PTTGC.

(2) Includes excise tax, energy conservation promotion fund, oil fuel fund and local tax.

Sale Revenue (in US\$ thousands)	Nine Months Ended September 30,					
	2014			2015		
	Volume			Volume		
	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>	Sales Revenue	(thousand barrels)	\$/bbl <sup>(2)</sup>
PGP	99,310	935	106.18	106,700	1,377	77.51
LPG	162,882	2,281	71.40	113,669	2,465	46.11
Light Naphtha	186,454	1,885	98.91	111,944	2,103	53.24
Premium Gasoline	1,585,720	10,025	158.18	1,203,403	11,402	105.54
Regular Gasoline	101,489	929	109.24	19,703	337	58.53
Diesel	1,816,894	14,473	125.54	1,636,222	17,640	92.76
Jet A-1	307,241	2,570	119.57	238,915	3,507	68.13
Fuel Oil	397,187	4,363	91.04	231,360	5,068	45.65
Asphalt	62,529	693	90.25	61,649	917	67.25
Mix C4	120,506	1,260	95.65	101,420	1,951	51.99
Crude	85,620	1,087	78.78	3,989	65	61.13
Other <sup>(1)</sup>	413,266	4,214	98.06	264,972	4,225	62.71
<b>Total Revenue</b>	<b>5,339,101</b>	<b>44,714</b>	<b>119.40</b>	<b>4,093,947</b>	<b>51,056</b>	<b>80.19</b>

(1) Includes sulfur, reformat and products sold pursuant to its cracker feed exchange with PTTGC.

(2) Includes excise tax, energy conservation promotion fund, oil fuel fund and local tax.

## 2. Revenue Structure

Total revenue is comprised of sales and subsidies for fuel and LPG. Sales consists primarily of sales of petroleum products, with a primary focus on high speed diesel, gasoline and jet fuel. LPG and fuel subsidies are subsidies the

Company receives from the Government through the oil fuel fund for LPG and certain other fuels as compensation for Government price controls of such petroleum products being controlled by the Government.

SPRC's revenue structures as of 2014 and the nine months ended September 30, 2015 are as follows:

	2012		Year Ended December, 31				Nine months Ended September 30,			
			2013		2014		2014		2015	
	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue
	(in millions of US\$, except for percentages)									
Polymer Grade Propylene	170.3	2.0	176.1	2.1	135.2	1.9	99.3	1.9	106.7	2.6
Liquefied Petroleum Gas <sup>(1)</sup>	272.5	3.2	242.5	2.9	205.9	2.9	162.9	3.1	113.7	2.8
<b>Light products</b>										
Light Naphtha	295.0	3.5	246.0	2.9	232.4	3.3	186.5	3.5	111.9	2.7
Gasoline (premium and regular)	2,314.0	27.4	2,431.1	28.8	2,158.5	30.7	1,687.2	31.6	1,223.1	29.9
Total light products	2,609.0	30.9	2,677.2	31.7	2,390.9	34.0	1,873.7	35.1	1,335.1	32.6
<b>Middle distillates</b>										
Diesel	2,844.4	33.7	3,073.0	36.4	2,506.4	35.6	1,816.9	34.0	1,636.2	40.0
Jet Fuel	818.3	9.7	684.0	8.1	417.1	5.9	307.2	5.8	238.9	5.8
Total middle distillates	3,662.7	43.4	3,756.9	44.5	2,923.5	41.6	2,124.1	39.8	1,875.1	45.8
<b>Heavy products</b>										
Fuel Oil	835.6	9.9	679.5	8.1	504.9	7.2	397.2	7.4	231.4	5.7
Asphalt	80.9	1.0	87.8	1.0	83.7	1.2	62.5	1.2	61.6	1.5
Total heavy products	916.5	10.9	767.3	9.1	588.6	8.4	459.7	8.6	293.0	7.2
<b>Others</b>										
Mix C4	195.3	2.3	224.5	2.7	162.9	2.3	120.5	2.3	101.4	2.5
Crude	133.6	1.6	85.0	1.0	86.1	1.2	85.6	1.6	4.0	0.1
Others <sup>(2)</sup>	485.0	5.7	507.0	6.0	541.5	7.7	413.3	7.7	265.0	6.5
Total others	813.8	9.6	816.5	9.7	790.6	11.2	619.4	11.6	370.4	9.0
<b>Total Revenue</b>	<b>8,444.8</b>	<b>100.0</b>	<b>8,436.5</b>	<b>100.0</b>	<b>7,034.6</b>	<b>100.0</b>	<b>5,339.1</b>	<b>100.0</b>	<b>4,093.9</b>	<b>100.0</b>

(1) Includes Government fuel subsidies

(2) Includes sulfur, reformat and products sold pursuant to its cracker feed exchange with PTTGC

### 3. Target Customers and Distribution Channels

SPRC sells its products both domestically and for export. The Company sells a significant portion of its petroleum products primarily through the Offtake Agreement that the Company has with Chevron and PTT. According to the Offtake Agreement, the Company must deliver a quantity of not less than 88,200 barrels per day of their petroleum products at the price based on import parity pricing, subject to certain adjustments. The Offtake Agreement with Chevron and PTT was amended in 2012, with the Offtake Amendment to take effect on the first day of trading of its shares on the SET. However, Chevron and PTT are still main customers of the Company's petroleum products under the new condition, which will remain

on an import parity basis, subject to reduction by certain price adjustment amounts (Market Price Adjustment) for each relevant product specified in the Offtake Amendment. This will better reflect the market price, but the benefit to the Company will be lower than the current benefit.

The following table sets forth the percentage of total revenue accounted for by Chevron and PTT, respectively, for the periods indicated.

	Year Ended December 31,			Nine Months Ended September 30,	
	2012	2013	2014	2014	2015
	% of Total Revenue				
Chevron	36.9	34.3	33.8	33.4	49.8
PTT <sup>(1)</sup>	52.1	54.9	54.9	55.1	40.5
Others	11.0	10.8	11.3	11.5	9.7
<b>Total % of total revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- (1) Includes sales to PTTGC. Excluding sales to PTTGC, PTT accounted for 46.9%, 49.6% and 48.7% of total revenue for the years ended December 31, 2012, 2013 and 2014, respectively and 48.9% and 35.4% for the nine months ended September 30, 2014 and 2015, respectively.

The following table sets forth SPRC's sales revenue for its petroleum products that are sold domestically or via export for the periods indicated.

	Year Ended December 31,						Nine Months Ended September 30,			
	2012		2013		2014		2014		2015	
	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue	Sales	% of Total Revenue
(in millions of US\$, except for percentages)										
<b>Petroleum Products</b>										
Domestic	6,753.5	80.0%	7,055.2	83.6%	6,069.2	86.3%	4,614.8	86.4%	3,714.2	90.7%
Export	1,691.3	20.0%	1,381.2	16.4%	965.4	13.7%	724.3	13.6%	379.7	9.3%
<b>Total revenue</b>	<b>8,444.8</b>	<b>100.0%</b>	<b>8,436.5</b>	<b>100.0%</b>	<b>7,034.6</b>	<b>100.0%</b>	<b>5,339.1</b>	<b>100.0%</b>	<b>4,093.9</b>	<b>100.0%</b>

The strategic location of SPRC's refinery in the Map Ta Phut Industrial Estate in Rayong provides the Company access to a convenient product delivery network that allows the Company to distribute its products in a cost effective manner via transmission pipelines, coastal vessels via its marine terminal, and trucks via its truck loading terminal, to Thailand's main demand clusters for petroleum products. In addition, several petrochemical companies that purchase products from its refinery are also located in the vicinity of the Map Ta Phut Industrial Estate. The Thapline pipeline, to which its refinery is connected, is owned and operated by Thai Petroleum Pipeline Co., Ltd., and is capable of transporting a range of petroleum products.

In addition to transmission pipelines, the Company also has a marine terminal with two piers to distribute petroleum products both domestically and to the export market and to receive domestic crude oil and other feedstocks.

#### 4. Sources of Supply

The main feedstock used in its refinery production process is crude oil. SPRC is capable of processing a wide range of crude oil, including crude oil from the Middle East, Far East and other regions. The Company's crude oil slate is determined after it decides on its product slate with input from its offtakers, based on its assessment of customer demand and projected prices for the various products that the Company can produce, typically around three months in advance of the expected order. SPRC then inputs the original and any updated information, including price information, into Chevron's proprietary linear software, which takes into account its production constraints, to determine the optimal purchase of crude oil.

SPRC primarily receives crude oil shipments through a single point mooring system that the Company owns jointly with PTTGC of up to 265,000 dwt capacity that permits the Company to receive shipments from very large crude carriers or VLCCs. VLCCs significantly reduce crude transportation costs from the Middle East.

The Company currently sources and purchases crude oil primarily from or through Chevron and PTT and their affiliates under the current Feedstock Supply Agreements which Chevron and PTT agreed to sell and deliver or cause to be sold and delivered to the Company, and the Company agreed to purchase and receive from Chevron and PTT or Chevron's or PTT's supplier, no less than 64% and 36% of its crude oil and other feedstock requirements, respectively, on credit terms that are in line with market practice.

Effective upon the first day of trading of shares on the SET, the current Feedstock Supply Agreements with PTT and Chevron will terminate. SPRC entered into the New Feedstock Supply Agreement with Chevron on June 5, 2012 that is effective on the first day of trading of shares on the SET. Crude oil and feedstock price will be based on competitive market price prevailing at the time of purchase which is the same as specified in the current Feedstock Supply Agreement. However, there will be a minimal adjustment to the commission fee which will not materially affect SPRC's performance.

Additionally, pursuant to a crude nomination process agreed among Chevron, PTT and SPRC, which is effective upon the first day of trading of shares on the SET, PTT, under the Crude Nomination Process, will be granted certain rights to offer to supply a percentage of total crude oil feedstock requirements that is equal to the percentage that the volume of its offtake under the Offtake Agreement bears to SPRC's total annual volume of crude oil and other feedstocks purchased, which is anticipated to account for approximately 20% of SPRC's total annual volume of crude oil and other feedstocks purchased, as determined by SPRC on the basis of price, volume and certain other factors, relative to SPRC's needs and best interests.

## 5. Market Competition

The refining industry in Thailand is highly competitive. As of December, 31 2014, there were eight refineries in Thailand, with a combined refining capacity of 1,251.5 kbpd. SPRC principally competes with five other domestic petroleum refineries in Thailand with a combined capacity of 1,067 kbpd, which are Thai Oil Public Company Limited, Esso (Thailand) Public Company Limited, Bangchak Petroleum Public Company Limited, PTT Global Chemical Public Company Limited, and IRPC Public Company Limited. PTT, which is Thailand's largest oil and gas company, holds significant interests in three of its principal competitors: Thai Oil Public Company Limited, PTT Global Chemical Public Company Limited and IRPC Public Company Limited.

## Environmental Impacts

SPRC has implemented various pollution control and other environmental impact mitigation measures to control its air emissions as required by applicable law, including applying advanced technologies to reduce emissions and conserve resources. The Company's refinery has implemented a high efficiency wastewater treatment system consisting of an oil and water separator that permits the recycling of oil, an induced air flotation unit that also improves oil and water separation, an equalization unit that mixes and controls the volume and concentration of contaminant and bio treaters that remove contaminants prior to discharging water.

## Summary of key contracts and terms

### **Feedstock Supply Agreement dated 19 February 1996 and the New Feedstock Supply Agreement dated 5 June 2012**

Contract Parties	Chevron U.S.A. Inc. (Singapore Branch) ("CUSA")
Key Terms	<p>SPRC entered into the current Feedstock Supply Agreement with Caltex Trading, whom later transferred its rights and obligations under this agreement to CUSA. Pursuant to which, subject to certain terms and conditions, Chevron agreed to sell and deliver or cause to be sold and delivered to SPRC, and SPRC agreed to purchase and receive from Chevron or Chevron's supplier, no less than 64% (and in some circumstances up to 100%) of SPRC's crude oil and other feedstock requirements. The FOB unit price of feedstocks sold to SPRC pursuant to the agreement is the competitive market price prevailing at the time of purchase as agreed between the parties, plus a commission for related services provided by Chevron. Pursuant to the nomination procedure specified in the agreement, SPRC has certain rights to contest Chevron's prices based on bona fide third-party offers.</p> <p>Effective upon the first day of trading of shares on the SET, the Current Feedstock Supply Agreements with PTT and Chevron will terminate. SPRC entered into the New Feedstock Supply Agreement with Chevron on June 5, 2012 that is effective on the first day of trading of shares on the SET. Crude oil and feedstock price will be based on competitive market price prevailing at the time of purchase which is the same as specified in the current Feedstock Supply Agreement. However, there will be a minimal adjustment to the commission</p>

	fee which will not materially affect SPRC's performance
Termination clause	Chevron may terminate the agreement by issuing written notice to a committee comprising representatives of both parties, not earlier than 180 days before the end of the fifth contract year, and subject to a multi-level review and discussion process described in the agreement. Chevron may also terminate the agreement by giving 180 days' notice if it reduces its shareholding in the Company to less than 45%

#### **Feedstock Supply Agreement dated 8 March 1996**

Contract Parties	PTT
Key Terms	<p>SPRC entered into the current Feedstock Supply Agreement with PTT, on substantially the same terms as those under the current Feedstock Supply Agreement with Chevron, except that SPRC agreed to purchase and receive from PTT or PTT's supplier no less than 36% (and in some circumstances up to 100%) of SPRC's crude oil and other feedstock requirements.</p> <p>Effective upon the first day of trading of shares on the SET, the Current Feedstock Supply Agreements with PTT and Chevron will terminate.</p> <p>However, pursuant to a crude nomination process agreed among Chevron, PTT and SPRC, which is effective upon the first day of trading of shares on the SET, PTT, under the Crude Nomination Process, will be granted certain rights to offer to supply a percentage of total crude oil feedstock requirements that is equal to the percentage that the volume of its offtake under the Offtake Agreement bears to SPRC's total annual volume of crude oil and other feedstocks purchased, which is anticipated to account for approximately 20% of SPRC's total annual volume of crude oil and other feedstocks purchased, as determined by SPRC on the basis of price, volume and certain other factors, relative to SPRC's needs and best interests</p>
Duration of contract	This agreement will be terminated upon the first trading day of SPRC's shares in the SET. The nomination procedure will be effective on the first trading day.
Termination clause	This agreement will be terminated upon the first trading day of SPRC's shares in the SET

#### **Agreement for Hydrocarbon Fuels ("Offtake Agreement") dated 10 August 1993 as amended by the parties on September 29, 1993, September 4, 1995, November 19, 2003 and June 5, 2012, in which the latest amendment will be effective upon the SET listing**

Contract Parties	CTL and PTT
Key Terms	<p>SPRC, CTL, and PTT entered into the Purchase and Sale Agreement, including the subsequent amendments, for the sale of hydrocarbon fuels (comprising LPG, gasoline, jet fuel, diesel, fuel oil and asphalt) produced at SPRC's refinery. Pursuant to the Offtake Agreement, subject to certain conditions, including the occurrence of certain force majeure events, both Chevron and PTT together must take and pay for, and SPRC must deliver, a quantity of not less than 88,200 barrels of SPRC's products. Chevron and PTT are severally obligated to purchase not less than 64% and 36% of such production, respectively. In addition, the Offtake Agreement stipulates pricing for certain SPRC's products.</p> <p>Under the Offtake Agreement, as currently in effect, we sell the contractually required minimum quantity of gasoline, jet fuel, diesel and fuel oil at import parity pricing, subject to certain adjustments. Under the amended Offtake Agreement, pricing for gasoline, jet fuel, and diesel pricing will remain on an import parity basis, subject to reduction by certain price adjustment amounts for each relevant product specified in the amended Offtake Agreement. These price adjustment amounts may be adjusted to reflect the market conditions at times as mutually agreed by all counterparties. Pricing for fuel oil under the amended Offtake Agreement will be based on export parity pricing and pricing for asphalt will be based on SPRC's breakeven price plus a fixed amount per ton. The estimated impact of the price adjustments are shown under Key Certain Risk Factors No. 3(A) below.</p>
Duration of contract	The amended Offtake Agreement will become effective upon the first trading day of SPRC's shares in the SET and will remain in effect indefinitely.
Termination clause	As amended by the Offtake Amendment, either buyer may terminate the agreement with respect to its individual participation by giving 12 months' notice provided after the first anniversary of the effective date of the Offtake Amendment. SPRC may terminate PTT's participation, by providing 12 months' written notice to PTT on or after the first anniversary of the effective date of the Offtake Amendment. SPRC, Chevron and PTT entered into a Letter of Understanding in November 2015 pursuant to which the parties have agreed to further amend the Offtake Amendment in the first quarter of 2016 to the effect that Chevron and PTT (and SPRC in regard to PTT's participation) may only give notice of termination after the second anniversary of the effective date of the Offtake Amendment.

#### **Technical Service Agreement dated 1 January 2007, amended by the parties on 1 July 2010, 1 January 2011, 1 January 2013 and 15 December 2014**

Contract Parties	Chevron Overseas Services Corporation ("COSC") (Formerly, Caltex Services Corporation)
Key Terms	SPRC entered into the agreement with COSC (Caltex Services Corporation at the time the party entered into

	the agreement), pursuant to which COSC agreed to provide to SPRC certain technical services in refining , product engineering, procurement and health, environment and safety matters  Under this agreement, SPRC receives the benefit of Chevron's input and advice on a wide range of technical services, including, among others, advice on development and maintenance of engineering standards, access to specialists and advice on engineering, refinery and marketing projects
Duration of contract	If Chevron continues to provide services after any expiration date mutually agreed on by the parties, and SPRC does not object to receiving such services, both this agreement and the License Agreement with Chevron described below will continue until terminated by either party with not less than three months' written notice.
Termination clause	Either party may terminate this agreement and the License Agreement with Chevron at any time without cause upon providing the other party with six months' prior notice, and this agreement will also terminate automatically upon the termination of such license agreement

**License Agreement dated 1 January 2007 as supplemented by the Supplemental agreement to the license agreement dated 13 February 2009 and Supplemental Deed dated 1 February 2009**

Contract Parties	Chevron Overseas Services Corporation ("COSC") (Formerly, Caltex Services Corporation)
Key Terms	SPRC entered into the agreement with COSC (Caltex Services Corporation at the time the party entered into the agreement), pursuant to which COSC agreed to arrange for SPRC to have the use of and access to certain information, manuals, and websites owned by or licensed to COSC and certain refining networks staffed by personnel of COSC and its affiliates
Duration of contract	This agreement terminates automatically on any expiration date mutually agreed on by the parties
Termination clause	This agreement terminates automatically on any expiration date mutually agreed on by the parties, unless earlier terminated in accordance with its terms, or upon the termination of the Technical Services Agreement with Chevron

**Participation and Operating Agreement covering Construction, Ownership and Operation of a Single Point Mooring and Crude Oil Receiving System at Map Ta Phut, Rayong Province dated 26 September 1994, as amended by the Amendment to and Revival of Participation and Operation Agreement Covering Construction, Ownership and Operation of a Single Point Mooring and Crude Oil Receiving System effective from 1 February 2009 and 24 December 2010**

Contract Parties	PTTGC
Key Terms	SPRC entered into the agreement with PTTGC (RRC at the time the parties entered into the agreement), pursuant to which the parties agreed to jointly share in equal portions of the ownership and construction and operating costs of a single point mooring facilities and crude oil unloading system at Map Ta Phut Industrial Estate ("SPM") for maximum efficiency of both parties' respective refineries. Pursuant to the agreement, the role of operator of the SPM system will rotate between SPRC and PTTGC every four years.
Duration of contract	The agreement will continue in full force and effect until terminated
Termination clause	The agreement may be terminated by either party given that there is a written notice to the other party and both parties will mutually agree to ways to terminate this agreement

**Project feasibility study**

- None -

**Technical and management assistance**

SPRC receives certain technical services in refining, product engineering, procurement and health, environment and safety matters from COSC. Under this agreement, SPRC receives the benefit of Chevron's input and advice on a wide range of technical services, including, among others, advice on development and maintenance of engineering standards, access to specialists and advice on engineering, refinery and marketing projects.

**Future Projects**

- None -

**Related Transactions**

SPRC entered into transactions with companies that may have conflicts of interest with the Company as defined under the Notification of the Securities and Exchange Commission No. KorChor. 17/2008 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities and its Amendments. This also includes any transactions with major shareholders and companies that the major shareholders have control over or have significant interests with, in



which the Company entered into in its course of business. The key transactions can be categorized into three types as provided below.

**(a) Transactions relating to the supply of crude oil and raw materials**

The Company has entered into feedstock sourcing and procurement transactions, such as crude oil, mainly with Chevron and PTT. The Company also purchases natural gas from PTT and purchases hydrocracker bottoms and light naphtha from PTTGC.

**(b) Transactions relating to the sales of products from SPRC's refinery**

The Company sells products from its refinery mainly to Chevron and PTT. The Company also sells other specialty products such as light naphtha and heavy vacuum gas oil to PTTGC, and Polymer Grade Propylene to HMC.

**(c) Transactions relating to the provision of technical services, the use of license and other joint-operating activities**

The Company receives technical services from Chevron relating to refining, product engineering, procurement and health, environment and safety matters. Additionally, the Company is provided with the use of certain information, manuals, websites and software owned by or licensed to Chevron and certain refining networks staffed by personnel of Chevron and its affiliates. The Company also entered into other joint-operating agreements such as Single Point Mooring System Operating Agreement with PTTGC.

**(a) Type and Explanation of Material Nature of Related Party Transactions entered into by the Company and Related Companies**

For the year ending on 31 December 2014 and the nine months ended 30 September 2015, the related party transactions entered into by the Company and related companies can be summarized as follows:

**Key Transactions with Chevron Group**

**1. Sale of Goods and Provision of Services**

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
Chevron (Thailand) Limited ("CTL") (formerly, Caltex Oil (Thailand) Limited)	<b>Income from Sale of Goods<sup>(1)</sup></b> 2,366.1  <b>Income from Provision of Services<sup>(1)</sup></b> 1.2  <b>Accounts Receivable<sup>(1)</sup></b> 134.5  <b>Accounts Payable<sup>(1)</sup></b> 37.1	<b>Income from Sale of Goods<sup>(1)</sup></b> 2,038.3  <b>Income from Provision of Services<sup>(1)</sup></b> 0.9  <b>Accounts Receivable<sup>(1)</sup></b> 162.8  <b>Accounts Payable<sup>(1)</sup></b> 3.5	<ul style="list-style-type: none"> <li>• <b>Offtake Agreement for Hydrocarbon Fuels ("Offtake Agreement") dated 10 August 1993 as amended by the parties on September 29, 1993, September 4, 1995, November 19, 2003 and June 5, 2012, in which the latest amendment will be effective upon the SET listing.</b> <ul style="list-style-type: none"> <li>- SPRC, CTL, and PTT entered into the Purchase and Sale Agreement, including the subsequent amendments, for the sale of hydrocarbon fuels (comprising LPG, gasoline, jet fuel, diesel, fuel oil and asphalt) produced at SPRC's refinery</li> <li>- The Offtake Agreement was entered into at a time during which Thailand was experiencing a net deficit position with respect to refined petroleum products. As a result, the pricing of products under the Offtake Agreement was set taking into consideration the prevailing market prices and conditions at that time. Since then, however, production volume has increased, exceeding domestic demand and resulting in a change product prices. The Offtake Amendment dated June 5, 2012, which will become effective on the first day of trading of shares on the SET, sets out revised pricing terms to more accurately reflect current market prices and conditions. Under the Offtake Amendment, the required minimum quantity of the offtake products remains the same. The pricing for gasoline, jet fuel and diesel will remain on an import parity basis, but subject to reduction by certain price adjustment amounts for each relevant product specified in the Offtake Amendment. Pricing for fuel oil under the Offtake Amendment will be based on export parity pricing and pricing for asphalt will be based on SPRC's breakeven price plus a fixed amount per ton, which was based on spreads between SPRC's breakeven and historical average market prices, while pricing for LPG will be based on a formula for calculating domestic sale prices. These price adjustment amounts are subject to annual adjustment by the parties to reflect market conditions,</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Products sold domestically are priced at import parity plus quality adjustments</li> <li>• Products exports are sold at market prices by benchmarking performance with product export netback to Singapore</li> <li>• Terms and conditions of this agreement are complied with general business practice</li> </ul>	The transactions were done on an arm's length basis and in the ordinary course of business. The pricing under the Amended Offtake Agreement is applied to further reflect market conditions

(1) Income from sale of goods, income from provision of services, accounts receivable and accounts payable shown above include income from sale of goods, income from provision of services, accounts receivable and accounts payable under Purchase and Sale Agreement or Offtake Agreement for Hydrocarbon Fuels, Agreement for Purchase, Sale and Storage of Products according to Oil Fuel Storage Act, Agreement for Purchase, Sale and Storage Crude/Products according to Oil Fuel Storage Regulations, Agreement for Purchase and Sale (Floating Reserve Agreement), Agreement for Import, Purchase and Sale G-Base 95 and G-Base 91, in which the details are provided in the prospectus of the Company

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
			and as may be otherwise mutually agreed by the parties.		

2. *Purchase of Goods and Receipt of Services*

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
Chevron U.S.A. Inc. (Singapore Branch) ("CUSA")	<b>Purchase of Goods</b> 2,693.2  <b>Accounts Payable</b> 168.0	<b>Purchase of Goods</b> 1,367.2  <b>Accounts Payable</b> 146.4	<ul style="list-style-type: none"> <li>• <b>Feedstock Supply Agreement dated 19 February 1996</b> <ul style="list-style-type: none"> <li>- SPRC entered into the agreement with Caltex Trading, whom later transferred its rights and obligations under this agreement to CUSA. Pursuant to the agreement, CUSA agreed to sell and deliver, or cause other suppliers to sell and deliver, to SPRC no less than 64% (and up to 100%) of SPRC's crude oil feedstock requirements, subject to the selling price and other terms being a competitive market price and condition prevailing at the time of delivery, agreed in advance and as determined at SPRC's sole judgment and subject further to other terms and conditions</li> <li>- Chevron (or other suppliers appointed by Chevron) supplies feedstock and issues invoices to SPRC. SPRC pays for feedstock to these companies. Under this agreement, SPRC can procure feedstock through Chevron or PTT only</li> <li>- Effective upon the first day of trading of shares on the SET, the Current Feedstock Supply Agreements with PTT and Chevron will terminate. SPRC entered into the New Feedstock Supply Agreement with Chevron on June 5, 2012 that is effective on the first day of trading of shares on the SET. Crude oil and feedstock price will remain the same as specified in the Current Feedstock Supply Agreement. However, there will be a minimal adjustment to the commission fee which not materially affect SPRC's performance</li> <li>- Pursuant to a crude nomination process agreed among Chevron, PTT and SPRC, which is also effective upon the first day of trading of shares on the SET, PTT will be granted certain rights to offer to supply a percentage of total crude oil feedstock requirements that is equal to the percentage that the volume of its offtake under the Offtake Agreement bears to SPRC's total annual volume of crude oil and other feedstocks purchased, which it is anticipated to be accounted for approximately 20% of SPRC's total annual volume of crude oil and other feedstocks purchased, if it can supply more competitive offers than Chevron, as determined by SPRC on the basis of price, volume and certain other factors, relative to SPRC's needs and best interests</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of feedstock is done in the ordinary course of business</li> <li>• The agreement provides the most optimized benefit to SPRC</li> <li>• Purchase of feedstock is allocated based on the shareholding percentage of the shareholders</li> <li>• The price is market competitive as it is obtained through bidding process among suppliers. The price is also compared to the market price benchmark publication, RIM<sup>(1)</sup></li> <li>• The charge of commission fee is a general practice in the</li> </ul>	<ul style="list-style-type: none"> <li>• The transactions were done on an arm's length basis and in the ordinary course of business</li> <li>• The purchase transactions are review every quarter</li> <li>• The commission fee under the New FSA is reasonable and is within the same range that Chevron charges other affiliates</li> </ul>

(1) RIM Intelligence co. (RIM) provides price assessment report which covers crude oil prices. RIM provides information on trading activities in wide geographical areas including Middle East, Asia, Russia, Africa, Mediterranean and South America. RIM's data is announced on a daily basis. SPRC compares every crude oil purchase transaction with RIM in a look-back process before present it to the Audit Committee for their endorsement.

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
				refinery industry <ul style="list-style-type: none"> <li>The commission fee is within the same range that Chevron charges other affiliates</li> </ul>	
Chevron Overseas Services Corporation ("COSC") (formerly, Caltex Services Corporation)	<b>Purchase of Services<sup>(1)</sup></b> 2.3  <b>Other Payable<sup>(1)</sup></b> -	<b>Purchase of Services<sup>(1)</sup></b> 1.7  <b>Other Payable<sup>(1)</sup></b> 0.5	<ul style="list-style-type: none"> <li><b>Technical Service Agreement dated 1 January 2007, amended by the parties on 1 July 2010, 1 January 2011, 1 January 2013 and 15 December 2014</b> <ul style="list-style-type: none"> <li>SPRC entered into the agreement with COSC (Caltex Services Corporation at the time the party entered into the agreement), pursuant to which COSC agreed to provide to SPRC certain technical services in refining , product engineering, procurement and health, environment and safety matters</li> <li>Pursuant to the agreement, SPRC is required to pay COSC an annual service fee, under a take-or-pay condition, based on a standard hourly rate determined each year to reflect any increase in the consumer price index in the U.S. Under the take-or pay condition, SPRC is required to pay a minimum rate based on the expected hours that the services will be rendered to SPRC. However, if the actual service hours are more than the expected hours, SPRC is obliged to pay for the additional service hours</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>It provides complete technical solutions, in both technical and operational aspects</li> <li>Provision of the technical services is essential for SPRC's operation</li> <li>The hourly rate is within the same range that Chevron charges other affiliates</li> </ul>	<ul style="list-style-type: none"> <li>The transactions were done in the ordinary course of business</li> <li>Chevron is the only entity who can provide complete technical solutions</li> <li>The hourly rate is within the same range that Chevron charges other affiliates</li> </ul>
			<ul style="list-style-type: none"> <li><b>License Agreement dated 1 January 2007 as supplemented by the Supplemental agreement to the license agreement dated 13 February 2009 and Supplemental Deed dated 1 February 2009</b> <ul style="list-style-type: none"> <li>SPRC entered into the agreement with COSC (Caltex Services Corporation at the time the party entered into the agreement), pursuant to which COSC agreed to arrange for SPRC to have the use of and access to certain information, manuals, and websites owned by or licensed to COSC and certain refining networks staffed by personnel of COSC and its affiliates</li> <li>Pursuant to the agreement, SPRC is required to pay COSC an annual license</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>This agreement provides access to certain information which is essential to SPRC's operation</li> </ul>	<ul style="list-style-type: none"> <li>The transactions were necessary and reasonable, and they were done in the ordinary course of business</li> <li>Chevron is the only entity who</li> </ul>

(1) Does not include the service fee and other payable under the Personnel Secondment Agreement

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
			fee determined each year to reflect any increase in the consumer price index in the U.S. SPRC is also required to pay COSC any baseline maintenance fees not waived under the agreement as well as fees for any additional technical services or assistance requested by SPRC in support of SPRC's use of licensed software based on costs incurred by COSC	<ul style="list-style-type: none"> <li>The license fee is within the same range that Chevron charges other affiliates</li> </ul>	<p>can provide complete solutions</p> <ul style="list-style-type: none"> <li>The license fee is within the same range that Chevron charges other affiliates</li> </ul>

### Key Transactions with PTT Group<sup>(1)</sup>

#### 1. Sale of Goods and Provision of Services

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
PTT	<p><b>Income from Sale of Goods<sup>(2)</sup></b> 3,372.5</p> <p><b>Income from Provision of Services<sup>(2)</sup></b> 1.7</p> <p><b>Accounts Receivable<sup>(2)</sup></b> 186.2</p>	<p><b>Income from Sale of Goods<sup>(2)</sup></b> 1,449.6</p> <p><b>Income from Provision of Services<sup>(2)</sup></b> 1.1</p> <p><b>Accounts Receivable<sup>(2)</sup></b> 88.7</p>	<ul style="list-style-type: none"> <li>• <b>Offtake Agreement for Hydrocarbon Fuels ("Offtake Agreement") dated 10 August 1993 as amended by the parties on September 29, 1993, September 4, 1995, November 19, 2003 and June 5, 2012, in which the latest amendment will be effective upon the SET listing.</b> <ul style="list-style-type: none"> <li>- SPRC, CTL, and PTT entered into the Purchase and Sale Agreement, including the subsequent amendments, for the sale of hydrocarbon fuels (comprising LPG, gasoline, jet fuel, diesel, fuel oil and asphalt) produced at SPRC's refinery</li> <li>- The Offtake Agreement was entered into at a time during which Thailand was experiencing a net deficit position with respect to refined petroleum products. As a result, the pricing of products under the Offtake Agreement was set taking into consideration the prevailing market prices and conditions at that time. Since then, however, production volume has increased, exceeding domestic demand and resulting in a change product prices. The Offtake Amendment dated June 5, 2012, which will become effective on the first day of trading of shares on the SET, sets out revised pricing terms to more accurately reflect current market prices and conditions. Under the Offtake Amendment, the required minimum quantity of the offtake products remains the same. The pricing for gasoline, jet fuel and diesel pricing will remain on an import parity basis, but subject to reduction by certain price adjustment amounts for each relevant product specified in the Offtake Amendment. Pricing for fuel oil under the Offtake Amendment will be based on export parity pricing and pricing for asphalt will be based on SPRC's breakeven price plus a fixed amount per ton, which was based on spreads between SPRC's breakeven and historical average market prices, while pricing for LPG will be based on a formula for calculating domestic sale prices. These price adjustment amounts are subject to annual adjustment by the parties to reflect market conditions, and as may be otherwise mutually agreed by the parties</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Products sold domestically are priced at import parity plus quality adjustments</li> <li>• Products exports are sold at market prices by benchmarking performance with product export netback to Singapore</li> <li>• Terms and conditions of this agreement are complied with general business practice</li> </ul>	<ul style="list-style-type: none"> <li>• The transactions were done on an arm's length basis and in the ordinary course of business. The pricing under the Amended Offtake Agreement is applied to further reflect market conditions</li> </ul>

(1) PTT will offer its shares in SPRC of 1,242,500,000 shares. Therefore, after the offering, PTT will own less than 10 percent of the total shares (including the ESOP shares). As a result, related party transactions between SPRC and PTT, including companies in PTT Group, will no longer be categorized as transactions with conflicted persons.

(2) Income from sale of goods, income from provision of services, and accounts receivable shown above include income from sale of goods, income from provision of services, and accounts receivable under Purchase and Sale Agreement or Offtake Agreement for Hydrocarbon Fuels, Agreement for Purchase, Sale and Storage of Products according to Oil Fuel Storage Act, Agreement for Purchase, Sale and Storage Crude/Products according to Oil Fuel Storage Regulations, Agreement for Purchase and Sale (Floating Reserve Agreement), Agreement for Import, Purchase and Sale G-Base 95 and G-Base 91, in which the details are provided in the prospectus of the Company

2. *Purchase of Goods and Receipt of Services*

Related Company	For the year ending 31 December 2014 (US\$ mm)	For the nine months ended 30 September 2015 (US\$ mm)	Name of Contract(s) and Nature of Transactions	Necessity and Reasonableness of the transactions	Audit Committee's opinion
PTT	<b>Purchase of goods<sup>(1)</sup></b> 2,327.9  <b>Purchase of services<sup>(1)</sup></b> 0.01  <b>Accounts Payables<sup>(1)</sup></b> 68.0	<b>Purchase of goods<sup>(1)</sup></b> 1,081.7  <b>Purchase of services<sup>(1)</sup></b> -  <b>Accounts Payables<sup>(1)</sup></b> 91.5	<ul style="list-style-type: none"> <li>• <b>Feedstock Supply Agreement dated 8 March 1996</b> <ul style="list-style-type: none"> <li>- SPRC entered into the agreement with PTT, pursuant to which, PTT agreed to sell and deliver, or cause other suppliers to sell and deliver, to SPRC no less than 36% (and up to 100%) of SPRC's crude oil feedstock requirements, subject to the selling price and other terms being a competitive market price and condition prevailing at the time of delivery, agreed in advance and as determined at SPRC's sole judgment and subject further to other terms and conditions</li> <li>- PTT (or other suppliers appointed by PTT) supplies feedstock and issues invoices to SPRC. SPRC pays for feedstock to these companies</li> <li>- Under this agreement, SPRC can procure feedstock through Chevron or PTT only</li> <li>- Effective upon the first day of trading of shares on the SET, the Current Feedstock Supply Agreements with PTT and Chevron will terminate. SPRC entered into the New Feedstock Supply Agreement with Chevron on June 5, 2012 that is effective on the first day of trading of shares on the SET</li> <li>- Pursuant to a crude nomination process agreed among Chevron, PTT and SPRC, which is also effective upon the first day of trading of shares on the SET, PTT will be granted certain rights to offer to supply a percentage of total crude oil feedstock requirements that is equal to the percentage that the volume of its offtake under the Offtake Agreement bears to the total annual volume of crude oil and other feedstocks purchased, which it is anticipated to be accounted for approximately 20% of SPRC's total annual volume of crude oil and other feedstocks purchased, if it can supply more competitive offers than Chevron, as determined by SPRC on the basis of price, volume and certain other factors, relative to SPRC's needs and best interests</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of feedstock is done in the ordinary course of business</li> <li>• The agreement provides the most optimized benefit to SPRC</li> <li>• Purchase of feedstock is allocated based on the shareholding percentage of the shareholders</li> <li>• The price is market competitive as it is obtained through bidding process among suppliers. The price is also compared to the market price benchmark publication, RIM<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• The transactions were done on an arm's length basis and in the ordinary course of business</li> <li>• The purchase transactions are review every quarter</li> </ul>

(1) Purchase of goods, purchase of services, and accounts payable shown above include purchase of goods, purchase of services, and accounts payable under Feedstock Supply Agreement, Natural Gas Sale Contract of services, , Natural Gas Sale Contract of services, and Service Order, in which the details are provided in the prospectus of the Company

(2) RIM Intelligence co. (RIM) provides price assessment report which covers crude oil prices. RIM provides information on trading activities in wide geographical areas including Middle East, Asia, Russia, Africa, Mediterranean and South America. RIM's data is announced on a daily basis. SPRC compares every crude oil purchase transaction with RIM in a look-back process before present it to the Audit Committee for their endorsement.



## **Summary of terms and conditions of material agreements entered into with related parties**

### **Feedstock Supply and Product Offtake Agreements**

#### ***(1) Current Feedstock Supply Agreements with Chevron and PTT***

SPRC entered into a feedstock supply agreement with Chevron on February 19, 1996, pursuant to which, subject to certain terms and conditions, Chevron agreed to sell and deliver or cause to be sold and delivered to SPRC, and SPRC agreed to purchase and receive from Chevron or Chevron's supplier, no less than 64% (and in some circumstances up to 100%) of SPRC's crude oil and other feedstock requirements. The FOB unit price of feedstocks sold to SPRC pursuant to the agreement is the competitive market price prevailing at the time of purchase as agreed between the parties, plus a commission for related services provided by Chevron. Pursuant to the nomination procedure specified in the agreement, SPRC have certain rights to contest Chevron's prices based on bona fide third-party offers.

SPRC also entered into a feedstock supply agreement with PTT on March 8, 1996, on substantially the same terms as those under the feedstock supply agreement with Chevron, except that SPRC agreed to purchase and receive from PTT or PTT's supplier no less than 36% (and in some circumstances up to 100%) of SPRC's crude oil and other feedstock requirements.

As a result of SPRC's dual feedstock supply agreements, purchases of SPRC's crude oil and other feedstocks are competitively bid by Chevron and PTT and, subject to certain terms and conditions, Chevron and PTT are obligated to supply SPRC's requirements of crude oil and other feedstocks in an amount that is in proportion to their shareholding in SPRC (although if either Chevron or PTT is able to provide a more competitive bid than the other, each of Chevron and PTT is generally able to supply up to 100% of SPRC's crude oil and other feedstock requirements).

#### ***(2) New Feedstock Supply Agreement with Chevron and Crude Nomination Process for PTT (which will become effective on the first day of trading of SPRC's shares on the SET)***

Effective upon the first day of trading of SPRC's shares on the SET, SPRC's Current Feedstock Supply Agreements with PTT and Chevron will terminate and PTT will no longer be obligated to supply a portion of SPRC's crude oil and feedstock needs as otherwise required under the Current Feedstock Supply Agreement. SPRC entered into the New Feedstock Supply Agreement with Chevron on June 5, 2012 that is effective on the first day of trading of SPRC's shares on the SET, pursuant to which Chevron agrees to sell and deliver or cause to be delivered to SPRC, and SPRC agree to purchase and receive from Chevron or Chevron's supplier, SPRC's crude oil and other feedstock requirements, unless the parties mutually agree otherwise.

For so long as SPRC remain a controlled affiliate of Chevron, in the event of limited feedstock supply, Chevron agrees to demonstrate the same diligence in sourcing, selling and delivering (or causing delivery of) feedstocks to SPRC as it demonstrates to refineries that are wholly-owned by it or its affiliates. The FOB unit price of feedstocks to be sold to SPRC pursuant to the New Feedstock Supply Agreement will be a unit price of feedstocks based on market prices similar to the Current Feedstock Supply Agreements and the competitive market price prevailing at the time of purchase as agreed between the parties plus other actual reasonable expenses (e.g., cargo witness fees, channel fees and speed up costs, if any), and a commission consistent with market practice for related services provided by Chevron. The commission under the New Feedstock Supply Agreement will be slightly higher compared to the commission under the Current Feedstock Supply Agreement. The commission is within the same range that Chevron charges its other affiliates, and the increase in the commission will not materially affect SPRC's results of operations.

To assist in the determination of the FOB unit price, SPRC has historically used publicly available market assessment publications for comparison. SPRC compares the prices of crude oil that SPRC purchases with prices published in the market assessments provided by Chevron as well as prices of crude oil compiled by the energy information provider RIM Intelligence Co. ("RIM") from several regions, such as the Middle East, Asia, Russia, Africa, the Mediterranean and South America. RIM's data is announced on a daily basis. In addition, Chevron will provide SPRC, on a quarterly basis and subject to certain confidentiality undertakings, with data showing information pertaining to its term sales to SPRC and terms sales to other comparable Chevron affiliates. Subject to certain confidentiality undertakings, SPRC also have the right to review the purchase process to ensure that SPRC are receiving fair market prices, including the right to review Chevron's purchase contracts to ensure that the prices SPRC pay do not exceed the prices paid by Chevron for crudes intended for immediate sale to SPRC. Prices for equity crudes, which have historically constituted approximately 15% to 20% of our crude slate, will also be compared to publicly available market assessment publications and prices charged to other Chevron affiliates which have a second major shareholder. Chevron may terminate the agreement by issuing written notice to a committee comprising representatives of both parties, not earlier than 180 days before the end of the fifth contract year, and subject to

a multi-level review and discussion process described in the agreement. Chevron may also terminate the agreement by giving 180 days' notice if it reduces its shareholding in the Company to less than 45%.

Pursuant to a crude nomination process agreed among Chevron and PTT, which were SPRC's major shareholders at the time of the agreement just as they are now, and SPRC, which is also effective upon the first day of trading of SPRC's shares on the SET, PTT will be granted certain rights to offer to supply a percentage of SPRC's total crude oil feedstock requirements that is equal to the percentage that the volume of its offtake under the Offtake Agreement bears to SPRC's total annual volume of crude oil and other feedstocks purchased (which SPRC anticipate will account for approximately 20% of SPRC's total annual volume of crude oil and other feedstocks purchased) if it can supply more competitive offers than Chevron, as determined by SPRC on the basis of price, volume and certain other factors, relative to SPRC's needs as well as SPRC's best interests.

### ***(3) Offtake Agreement with Chevron and PTT***

SPRC entered into the Offtake Agreement with Chevron and PTT on August 10, 1993, as amended on September 29, 1993, September 4, 1995 and November 19, 2003, for the sale of certain petroleum products (LPG, premium and regular grades of unleaded gasoline, jet fuel, high-speed diesel, fuel oil and asphalt) produced at SPRC's refinery. The Offtake Agreement was amended by the Offtake Amendment between Chevron, PTT and SPRC which will become effective on the first day of trading of SPRC's shares on the SET.

Pursuant to the Offtake Agreement, in a given quarter, subject to certain conditions, including the occurrence of certain force majeure events, both Chevron and PTT together must take and pay for, and SPRC must deliver, a quantity of not less than 88,200 barrels of SPRC's products, multiplied by the number of calendar days in such quarter. Chevron and PTT are severally obligated to purchase not less than 64% and 36% of such production, respectively. If either Chevron or PTT purchases less than their respective purchase obligation for any quarterly period, the other party may elect to purchase such quantity of SPRC's products so that the minimum requirement under the Offtake Agreement is satisfied for such quarterly period. In the event that any buyer fails during a given quarter to take delivery of 100% of its requirement under the Offtake Agreement on a product-by-product basis, the buyer is obligated to pay for the resulting shortfall in revenue.

Pursuant to the Offtake Agreement, pricing for domestic petroleum product sales is based on prices for the corresponding product as quoted by certain other refineries in Thailand for ex-refinery delivery. In the absence of such quotes, pricing is based on the average of the high and low FOB Singapore prices for the relevant product as published by Platts Oilgram News. Pricing is subject to adjustment on the basis of (i) price competitiveness in the Thai domestic market, (ii) differences in product quality and (iii) transportation and importation costs (including Thai duties and taxes).

The Offtake Agreement was entered into at a time during which Thailand was experiencing a net deficit position with respect to refined petroleum products. As a result, the pricing of products under the Offtake Agreement was set taking into consideration the prevailing market prices and conditions at that time. Since then, however, production volume has increased, exceeding domestic demand and resulting in a change product prices. The Offtake Amendment dated June 5, 2012, which will become effective on the first day of trading of SPRC's shares on the SET, sets out revised pricing terms to more accurately reflect current market prices and conditions.

Under the Offtake Agreement, as currently in effect, SPRC sell the contractually required minimum quantity of gasoline, jet fuel, diesel and fuel oil at import parity pricing, subject to certain adjustments. However, under the Offtake Amendment, pricing for gasoline, jet fuel and diesel pricing will remain on an import parity basis, subject to reduction by certain price adjustment amounts for each relevant product specified in the Offtake Amendment. These price adjustment amounts are subject to annual adjustment by the parties to reflect market conditions, and as may be otherwise mutually agreed by the parties. Pricing for fuel oil under the Offtake Amendment will be based on export parity pricing and pricing for asphalt will be based on SPRC's breakeven price plus a fixed amount per ton, which was based on spreads between SPRC's breakeven and historical average market prices. Pricing for LPG is expected to continue to be determined through a Government-mandated formula for calculating domestic sale prices.

Pricing for export petroleum product sales is based on the average of the high and low FOB Singapore prices for the corresponding product as published by Platts Oilgram News. Pricing is subject to adjustment on the basis of (i) price competitiveness in light of export market conditions, (ii) differences in product quality and (iii) transportation and exportation costs (including, without limitation, duties, taxes, wharfage and port fees and in-transit losses). Once every 12 months, any party to the Offtake Agreement may request a review and renegotiation of the pricing basis in case there is a change in market conditions. Upon notification by any party to propose a review of or change to the price adjustments or the fixed

amount, as applicable, all parties must engage in discussions and endeavor to agree to any changes within 30 days thereafter.

Excess production that is not nominated as part of Chevron or PTT's requirements at least six months prior to the start of the relevant month of delivery must be disposed in accordance with certain procedures as set forth in the Offtake Agreement. Such excess production must first be offered to certain domestic "oil traders" in accordance with Section 7 of the Fuel Trading Act B.E. 2543 (2000) at a price no less than the domestic market price offered to Chevron and PTT for the equivalent product under the Offtake Agreement. Any remaining excess production not otherwise nominated by such domestic oil traders within 30 days after the offer to such domestic oil traders must be offered to companies affiliated with either Chevron or PTT that are located outside Thailand and then to unaffiliated parties outside Thailand at a price not less than the relevant export market price calculated in accordance with the provisions of the Offtake Agreement. Any remaining excess production not taken and purchased by one of the above parties can be sold to purchasers outside Thailand at the best price reasonably obtainable under the circumstances.

As amended by the Offtake Amendment, the Offtake Agreement will remain in effect indefinitely, but either buyer may terminate the agreement with respect to its individual participation by giving 12 months' notice provided after the first anniversary of the effective date of the Offtake Amendment. SPRC may terminate PTT's participation, by providing 12 months' written notice to PTT on or after the first anniversary of the effective date of the Offtake Amendment. SPRC, Chevron and PTT entered into a Letter of Understanding in November 2015 pursuant to which the parties have agreed to further amend the Offtake Amendment in the first quarter of 2016 to the effect that Chevron and PTT (and SPRC in regard to PTT's participation) may only give notice of termination after the second anniversary of the effective date of the Offtake Amendment.

#### **Agreements relating to operations and services between the Company with Chevron's affiliate or PTT's affiliate**

##### ***(1) Technical Services Agreement and License Agreement with Chevron***

SPRC entered into a Technical Services Agreement with Chevron on January 1, 2007, as amended on July 1, 2010, January 1, 2011, January 1, 2013, and further amended on December 15, 2014, pursuant to which Chevron agreed to provide SPRC with certain technical services relating to refining, product engineering, procurement and health, environment and safety matters and SPRC agreed, in the absence of prior six months' notification in writing of any increase for each year, to take or pay for no less than 1,650 man-hours of support and services for each 12-month period. SPRC pay to Chevron an annual inflation-adjusted service fee equal to the take-or-pay hours multiplied by a standard hourly rate, which is comparable to rates charged to other Chevron affiliates under similar arrangements. SPRC also pay for services in excess of the take-or-pay hours at the standard hourly rate. In return, SPRC receive the benefit of Chevron's input and advice on a wide range of technical services, including, among others, advice on development and maintenance of engineering standards, access to specialists and advice on engineering, refinery and marketing projects. If Chevron continues to provide services after any expiration date mutually agreed on by the parties, and SPRC do not object to receiving such services, both this agreement and the License Agreement with Chevron described below will continue until terminated by either party with not less than three months' written notice. Either party may terminate this agreement and the License Agreement with Chevron described below at any time without cause upon providing the other party with six months' prior notice, and this agreement will also terminate automatically upon the termination of such license agreement.

In connection with the services to be provided under the Technical Services Agreement, SPRC also entered into a License Agreement with Chevron on January 1, 2007, as supplemented on February 1, 2009 and February 13, 2009, pursuant to which Chevron agreed to provide SPRC with use of and access to certain information, manuals, websites and software owned by or licensed to Chevron and certain refining networks staffed by personnel of Chevron and its affiliates. SPRC pay to Chevron an annual inflation-adjusted license fee. In addition, SPRC pay Chevron any baseline maintenance fees not waived under the agreement as well as fees for any additional technical services or assistance requested by SPRC in support of the use of licensed software based on costs incurred by Chevron. This agreement terminates automatically on any expiration date mutually agreed on by the parties, unless earlier terminated in accordance with its terms, or upon the termination of the Technical Services Agreement with Chevron.

##### ***(2) Single Point Mooring System Operating Agreement with PTTGC***

SPRC entered into a Participation and Operating Agreement with PTTGC on September 26, 1994, as amended on February 1, 2009, and December 24, 2010, for the construction, ownership and operation of a single point mooring and crude oil receiving system. Pursuant to this agreement, SPRC and PTTGC each own 50% of the rights and interests in the single point mooring facilities and crude oil unloading system at Map Ta Phut (the "SPM system") and will rotate in the role of operator of the SPM system every four years, provided the non-operator gives at least six months' prior notice to the

operator to exercise such option. Costs incurred by the operator in connection with its operation and maintenance activities are borne by PTTGC and SPRC in proportion to SPRC's respective participating interest. Under the agreement, SPRC and PTTGC can each appoint two representatives and one alternative representative to serve on the SPM operating committee. The agreement may be terminated by written notice to the other party served at any time.

PTTGC and SPRC are negotiating a possible update to the agreement to clarify certain terms and conditions.

### **Contingencies and Commitments**

The following table summarizes its material contractual cash obligations and other material cash commitments as of December 31, 2014:

	Payments Due By Period			From 2019 onwards
	Total	2015	2016-2019	
		(in millions of US\$)		
Land rental	2.0	0.2	0.9	0.9
Crude oil	818.6	818.6	-	-
Hydrogen supply	12.9	1.8	7.4	3.7
Natural gas supply	9.7	2.3	7.4	-
Electricity supply <sup>(1)</sup>	0.1	0.1	-	-
Capital expenditure	5.7	5.7	-	-
<b>Total</b>	<b>849.0</b>	<b>828.8</b>	<b>15.6</b>	<b>4.6</b>

- (1) As a backup source of energy for its generators, SPRC purchases small amounts of electricity from time to time from the Provincial Electricity Authority.

### **Key Certain Risk Factors**

An investment in shares of SPRC involves risks. The following describes some of the significant risks that could affect SPRC and the value of the shares. There are also other risks that are material and other risks which currently believed to be immaterial, may also impair its business operations, financial condition, results of operations and prospects, and could turn out to be material.

1. *Market prices for crude oil and other feedstocks that the Company uses and the petroleum products that the Company produces are volatile and cyclical and often influenced by global factors that are not easily predictable*

The prices at which the Company purchases its crude oil and other feedstocks and the prices that the Company charges for many of its petroleum products are linked to market prices. These market prices have been and are expected to continue to be volatile and are subject to a variety of factors that are beyond its control, including, among others, weather conditions, seasonality and overall domestic and regional economic conditions.

SPRC is subject to day-to-day fluctuations in crude oil prices, and the Company does not currently utilize derivative financial instruments to hedge this exposure. There is also lag time of approximately one month between the purchase of crude oil and the sale of the Company's petroleum products arising from the fact that time is required both for the delivery of crude oil and to refine Company's petroleum products. The price of crude oil and other feedstocks and the price of petroleum products may change during this lag time. Changes in price and the value of inventories of crude may affect its gross refining margins and may have a significant impact on Company's refining operations, results of operations and cash flows. In addition, SPRC is also subject to fluctuation in market prices of natural gas, which it uses as a fuel source in its generators to produce electricity and steam and as a supplemental fuel for its furnaces, it is also subject to fluctuation in market prices of natural gas. Although increases or decreases in the price of crude oil or other feedstocks may result in corresponding increases or decreases in the price of petroleum products, there can be no assurance that such prices will correspond in the same proportion, or at all, and this may materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

2. *A significant interruption in the operations of SPRC's refinery plant could reduce its production*

All of Company's production facilities are located in the Map Ta Phut Industrial Estate in Rayong, Thailand. Refining, transporting and storing crude oil and other feedstocks and petroleum products, which involve many significant hazards that could result in fires, explosions, spills and other unexpected or dangerous conditions or accidents. Any significant interruption to Company's operations (directly or indirectly) as a result of industrial accidents, severe weather or natural disasters would materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

In addition, some of the various components of the production facilities are shut down for routine maintenance from time to time, and other unscheduled shutdowns as a preventative measure or because of mechanical and equipment failure. During such maintenance, the shutdown component and other components that rely on such shutdown component may not be producing product or may be operating at lower production levels. Any prolonged shutdown, even for routine or scheduled maintenance, could materially and adversely affect its business, cash flow, results of operations, financial condition and prospects.

3. *SPRC relies on Chevron and PTT for a significant portion of its sales of petroleum products, we will rely on Chevron for the supply of crude oil and other feedstocks that are required for the operation of its refinery from the commencement of the trading of its shares on the SET, and the prices at which SPRC is able to sell certain of its petroleum products to Chevron and PTT will decrease upon the commencement of trading of its shares on the SET*

(A) SPRC relies on Chevron and PTT for sales of a significant portion of its petroleum products

The Company is reliant on both Chevron and PTT, as parties to the Offtake Agreement, for a significant portion of its sales of petroleum products. According to the Offtake Agreement, the Company must deliver a quantity of not less than 88,200 barrels per day of their petroleum products at the price based on import parity pricing, subject to certain adjustments. The prices of such petroleum products are in accordance with the pricing terms, which will be adjusted pursuant to the Offtake Amendment. The price will remain on an import parity basis, subject to reduction by certain price adjustment amounts (Market Price Adjustment) for each relevant product specified in the Offtake Amendment which will better reflect the market price and will become effective upon the commencement of trading of its shares on the SET. If the revised pricing terms under the Offtake Amendment had been applied to the applicable petroleum products that the Company actually sold in 2013, 2014 and the nine months ended September 30, 2015, the Company estimates that its pro-forma sales would have decreased by approximately US\$40.1 million, US\$37.1 million and US\$42.4 million, respectively. SPRC, Chevron and PTT entered into a binding Letter of Understanding in November 2015 pursuant to which the parties have agreed to further amend the Offtake Amendment in the first quarter of 2016 to the effect that Chevron and PTT may only give notice of termination after the second anniversary of the effective date of the Offtake Amendment. However, the further amendment to the Offtake Amendment must be approved by SPRC's Board of Directors and there can be no assurance that the further amendment to the Offtake Amendment will be consummated and come into effect.

Should either PTT or Chevron fail to fulfill its respective purchase obligations under the Offtake Agreement or exercise its respective right to terminate, SPRC believes it should be able to find substitute domestic buyers for most of its products, and any portion of its petroleum products which SPRC does not place domestically can be sold to international buyers at lower price due to the increase in logistic cost, which will decrease Company's margin. There can be no assurance that the Company will find such buyers who will purchase its petroleum products in the same quantity and/or at the same price levels. This will materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

(B) SPRC will increasingly rely on Chevron for the supply of crude oil and other feedstocks

The Company is dependent on the availability of crude oil and other feedstocks in sufficient quantities to satisfy its production needs under its current Feedstock Supply Agreements with Chevron and PTT. However, effective upon the first day of trading of the Company's shares on the SET, SPRC's Current Feedstock Supply Agreements with PTT and Chevron will be terminated. At such time the New Feedstock Supply Agreement that SPRC entered into with Chevron on June 5, 2012 will take effect, after which the Company will primarily rely on Chevron for its supply of crude oil and other imported feedstocks. PTT will no longer be obligated to supply a portion of its feedstock needs. SPRC will assess such an offer based on whether the price for crude oil and other feedstocks is competitive and comparable to market price, taking into account volume, type or grade of crude oil offered and certain other factors, relative to its needs. If PTT chooses not to make a

nomination, the Company loses the benefit of its reference to its offer in determining the proper price of crude oil feedstock supplies and may have to seek alternative reference points. Under the New Feedstock Supply Agreement, Chevron must demonstrate the same diligence in sourcing, selling and delivering feedstocks to the Company as Chevron demonstrates to refineries wholly owned by it or its subsidiaries, but there can be no assurance that the Company will continue to obtain an adequate supply of feedstocks, primarily crude oil to sustain its current level of refining operations at acceptable prices, on satisfactory terms or at all.

*4. SPRC relies on Chevron for numerous support services and certain of its senior personnel*

The Company relies on Chevron with respect to several aspects of its operations. Benefits of being a controlled affiliate of Chevron include benefitting from Chevron's ability to supply the Company with crude oil and other feedstocks, their ability to purchase a significant portion of the petroleum products that its refinery produces pursuant to the Offtake Agreement, access to Chevron's extensive operational and technical expertise and support and access to proprietary information and technology under the Technical Services Agreement and License Agreement. If the Company loses access to Chevron's resources as provided under the Technical Services Agreement and License Agreement, the Company may be unable to procure equivalent benefits from other sources on comparable terms.

SPRC also benefits from the availability of Chevron and affiliated management and technical personnel, including certain of its senior personnel, such as its current chief executive officer, its current chief financial officer. The Company cannot provide assurance that Chevron will continue to provide support or any of the above mentioned benefits consistent with what the Company has received in the past. If SPRC was to lose the support of Chevron, or if any of its material services agreements with Chevron were terminated, and the Company was unable to secure alternate sources for such services or recruit additional key personnel, its business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected.

*5. SPRC's insurance coverage may not adequately protect the Company against possible risk of loss*

Its operations are subject to hazards and risks inherent in refining operations and in transporting and storing crude oil and other feedstocks, petroleum products. In addition, many of these operating and other risks may cause personal injury and loss of life, severe damage to or destruction of its properties and the properties of others, environmental pollution and loss of proprietary information, and may result in suspension or disruption of operations and the imposition of civil or criminal penalties. If any or all of the production facilities are damaged in whole or in part and its operations are interrupted for a sustained period, there can be no assurance that its insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If the Company suffers a large uninsured loss or if any insured loss suffered by the Company significantly exceeds its insurance coverage, its business, cash flow, financial condition, results of operations and prospects may be materially and adversely affected. In addition, its insurance policies do not cover any penalties or fines or other payments payable to the Government as a result of any of these risks.

*6. SPRC relies on a single supplier for natural gas, which is crucial to generating the electricity that the Company requires to operate its production facilities and to produce its petroleum product*

The Company uses natural gas as a fuel source in its generators to produce electricity and steam and as supplemental fuel for its furnaces. Natural gas supplies in Thailand are currently forecast to decrease in coming years, which is likely to result in higher prices. The PTT Group delivers natural gas to the Company through its gas pipeline system under a contract with the Company. Those contracts will expire at the end of 2018 and early 2019. New contract prices for natural gas used in its furnaces are expected to increase. There is no assurance that the Company will be able to renew or extend its natural gas supply contracts on the same or otherwise favorable terms, or at all. Furthermore, its generators are configured to use primarily natural gas. In the event that the Company experiences a significant disruption of natural gas supply, SPRC has a limited ability to use alternative fuel sources; however, such use would result in increased cost of energy and may limit its ability to run its refinery at full capacity. Any disruption in the supply of natural gas to the Company by the PTT Group may have a material and adverse effect on its business, cash flow, financial condition, results of operations and prospects.

7. *SPRC relies on its single point mooring system and its marine terminal to receive crude oil and other feedstocks, and any interruption in their use could materially and adversely affect its business*

The Company relies on its single point mooring system that the Company jointly owns with PTTGC to import all of its Middle East crude oil and the majority of the crude oil that is used in its refinery. If there is any interruption in the use of its single point mooring system, the Company would not have alternative infrastructure to receive an equivalent quantity of crude oil. The Company regularly relies on its marine terminal to receive a portion of the crude oil used in its refinery, but the marine terminal lacks the capacity to receive its entire crude oil shipments for extended periods of time. If any prolonged interruption of the use of its single point mooring system were to occur, the Company may incur increased shipping costs and reduced throughput volume due to the use of its lower-capacity marine terminal, and if there is any interruption in the use of its marine terminal, the Company has limited alternative distribution systems to receive this crude oil. Furthermore, the transfer of ownership of its marine terminal to the IEAT may affect its rights to use the marine terminal. The Company is currently negotiating several terms of this agreement with IEAT. Any disputes with IEAT over the use of its marine terminal or dispute with PTTGC over the use of its single point mooring system could interrupt its ability to import certain crude oil and other feedstocks. Accordingly, any interruption in the use of its single point mooring system or its marine terminal may materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

8. *SPRC is exposed to interest rate fluctuations and refinancing risk*

As of September 30, 2015, the Company has short-term credit facilities with various financial institutions in Thailand, none of which has been drawn down. The Company is also currently negotiating U.S. dollar denominated loan agreements with certain commercial banks in connection with its capital restructuring exercise. If the Company draws down on any of these credit facilities, the Company will have floating rate debt obligations. The Company can provide no assurance that interest rates will not increase in the future. The Company does not currently use derivative financial instruments to hedge this exposure. A significant increase in prevailing interest rates would substantially increase its borrowing costs under its existing floating rate obligations, which may materially and adversely affect its business, cash flow, financial condition, results of operations and prospects. Furthermore, future debt financing may not be available on satisfactory terms, on a timely basis or at all. Future debt financing, if available, may result in increased finance charges, increased financial leverage, decreased income available to fund its business and the imposition of restrictive covenants on its business and operations. In addition, future debt financing may limit its ability to withstand competitive pressures and render its business more vulnerable to economic downturns. Accordingly, failure to obtain future debt financing on satisfactory terms, on a timely basis or at all, may materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

9. *Government intervention in the pricing of its products and other laws and regulations may adversely affect its business, cash flow, financial condition, results of operations and prospects*

SPRC and other petroleum companies in Thailand operate in a heavily regulated environment under the supervision of the Government. The Company cannot assure you that the Government will not intervene in its pricing decisions in the future, especially if crude oil prices in the market increase or fluctuate significantly. Any pricing intervention by the Government may materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

The Company entered into an agreement with the Ministry of Industry (and which was subsequently transferred to the Ministry of Energy) that sets forth certain obligations with respect to the operation of its refinery. If any of its material permits or licenses is suspended or not renewed, if the Company is unable to obtain any other material government approval relating to its business to which the Company may be or become subject to for any reason, if the Company is unable to renew its lease or the land-use rights for certain portions of land on which its refinery is situated, if the Company has any disagreement with the Ministry of Energy regarding its agreement with them or with the IEAT regarding any of the agreements entered into with them or if any of the aforementioned agreements, licenses, or permits are breached or terminated, the Company may be unable to continue operating its refinery, which would materially and adversely affect its business, cash flow, financial condition, results of operations and prospects.

Other risks that may be material include risks that: (1) SPRC derives its supply of hydrocracker bottoms from an intermediate products exchange with PTTGC for the supply of hydrocracker bottoms; (2) SPRC faces risks associated with contamination of its products or the sale of off-specification products; (3) there may be conflicts of interest between its principal shareholder and SPRC or between its majority and minority shareholders; (4) SPRC's future success depends on its key personnel; (5) SPRC relies on a crude oil pipeline that connects its single point mooring system to its refinery for

delivery of crude oil and may be unable to gain access to a portion of its pipeline for maintenance or repair works in a timely manner; (6) SPRC's customers rely on its marine terminal facilities to receive its petroleum products, as well as refined petroleum product pipelines and its truck loading facilities to receive its petroleum products; (7) SPRC may not be able to complete future projects within its expected schedule and budget or at all; (8) significant fluctuations in the value of the Baht against the U.S. dollar could adversely affect its financial condition and results of operations; (9) neither Chevron nor PTT is obligated to provide loans or other financial assistance to SPRC; (10) SPRC may receive a lower amount of hydrocarbon fuel premiums in the future with respect to its Euro IV-compliant products; (11) litigation and protests relating to the environment have occurred in Map Ta Phut, and continued focus on environmental issues poses reputational risk that could materially and adversely affect its results of operations; (12) margins in the refining industry are volatile; (13) SPRC is dependent on foreign sources for its supply of crude oil and other feedstocks; (14) the oil refining industry is highly competitive, and competitors that have greater financial resources may have a competitive advantage; (15) laws and regulations relating to the environment or product specification requirements could expose SPRC to significant liability or require SPRC to incur significant expenditures; (16) its operations may be affected by drought conditions in Thailand; (17) future sales of SPRC's shares, and the availability of large amounts of the Company's shares for sale, could depress its share price; (18) there are risks associated with the trading and delivery of our shares on the SET; and (19) SPRC may not be able to or may elect not to pay dividends.

In addition, investors should be aware that whether a risk is considered "material" may vary from situation to situation and may not be the same as that determined in preparing materials containing information of the shares for SPRC.

### **Lawsuit**

The Company currently has no material litigation.

### **Employees**

As of September 30, 2015, the Company had 455 employees. The table below sets out the number of employees separated by key department:

	As of December 31,			As of September 30,	
	2012	2013	2014	2014	2015
Production Unit Processes & Utilities	116	117	123	123	128
Production Unit Movement & Dispatch	87	84	85	85	87
Asset Management	55	53	61	66	61
Technology & Engineering	42	44	48	47	43
Quality, Environmental, Health and Safety & Laboratory	36	34	36	36	36
Finance and Accounting	22	23	26	26	22
Integrity & Reliability	21	21	22	21	24
Other departments	88	111	52	52	54
<b>Number of Employees</b>	<b>467</b>	<b>487</b>	<b>453</b>	<b>456</b>	<b>455</b>

### **Company Background**

SPRC was initially incorporated in 1992, following the Agreement for the Construction and Operation of the Petroleum Refinery dated 29 November 1991 between Caltex Trading and Transport (Thailand) Limited and the Ministry of Industry (later transferred to the Ministry of Energy.) Prior to the IPO, Chevron beneficially owns 64.0% of SPRC's share capital and PTT owns the remaining 36.0%.

SPRC's refinery commenced commercial operations in 1996 with a design capacity of 130,000 barrels per stream day, and the Company has gradually brought its production to the present capacity of 165,000 barrels per day through a series of improvements and upgrades.

In response to poor economic conditions following the Asian financial crisis, in 1999, the Company entered into an alliance with Rayong Refinery Company Limited ("RRC") to integrate the operations of its refinery with RRC's refinery (the



“Operating Alliance”). The Alliance Refining Company Limited was incorporated as a company jointly owned by the Company and RRC to operate the two refineries. On February 8, 2006, SPRC and RRC agreed to terminate the Operating Alliance, effective on February 1, 2009. In December 2007, RRC merged with Aromatics (Thailand) Public Company Limited forming PTT Aromatics and Refining Public Company Limited, which assumed all the rights and obligations of RRC under the Operating Alliance. In October 2011, PTTGC was formed through the amalgamation of PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited.

On June 7, 2012, the Ministry of Commerce accepted for registration of SPRC’s conversion into a public limited company under the Public Limited Companies Act B.E. 2535 (1992), as amended (PLCA) and the name of the Company was changed to Star Petroleum Refining Public Company Limited.

In early 2014, the Company conducted a major capital project to improve several of its refinery’s key components, including an upgrade to its Residue Fluidized Catalytic Cracker Unit which has improved its product yields. The Company also made investments to improve its ability to recover high-value PGP and installed air pre-heater units in its crude distillation and vacuum distillation unit furnaces, which improved its refinery’s energy efficiency.

#### **Investments in Subsidiary/ Associated/ Related Companies**

- None -

#### **Change in Registered Capital in the last 3 years**

<b>Date / Month / Year</b>	<b>Registered Capital Increase (Decrease)</b>	<b>After the Increase (Decrease)</b>	<b>Note</b>
15 September 2015	Baht (12,637.1) million	Baht 28,392.4 million	To be used for the capital restructuring of the Company
16 September 2015	Baht 4,646.0 million	Baht 33,038.5 million	1. To reduce and/or repay indebtedness in connection with the capital restructuring of the Company 2. For working capital and other corporate purposes

#### **Capital Restructuring**

In connection with this offering, SPRC has been undergoing a capital restructuring, which involves: (i) a reduction in retained earnings and excess cash resulting from the payment of applicable portions of the Special Dividend, the Additional Dividends and the Interim Dividend to Chevron and PTT; (ii) a capital reduction by way of a decrease in the par value of shares from Baht 10 per share to Baht 6.92 per share, and (iii) third-party loans to be obtained to partially support the third installment of the Special Dividend and payment in connection with the capital reduction.

#### **1. Dividend Payments**

In 2012, a plan is approved to pay the Special Dividend of Baht 16,826.9 million in three installments. The first installment of Baht 5,400.0 million was paid to the shareholders on June 8, 2012 and the second installment of Baht 5,400.0 million was paid on July 16, 2015. The third installment of Baht 6,026.9 million is payable on the date falling 120 days after the first day of trading of its shares on the SET. Only those existing shareholders whose names appeared on its register of shareholders on May 28, 2012 are entitled to payment of any installment of the Special Dividend. Substantially all of the dividend amount will be paid to Chevron and PTT. Purchasers of its shares will not be entitled to receive any portion of the Special Dividend. After setting aside the appropriated legal reserve, as of December 31, 2014, SPRC’s unappropriated retained earnings amounted to US\$88.2 million (Baht 5,756.4 million) and as of September 30, 2015, its unappropriated retained earnings were in deficit by US\$1.8 million. However, on SPRC’s financial statements reported in Thai Baht, its appropriated retained earnings amounted to Baht 2,362.7 million. Nevertheless, the payment of the third installment of the Special Dividend will not impact its unappropriated retained earnings as it was accounted for when the Special Dividend was declared.

In 2013, SPRC declared a dividend payment of Baht 4,461.8 million, which was paid on July 12, 2013. In 2014, SPRC declared a dividend payment of Baht 1,855.7 million, which was paid on October 10, 2014.

In 2015, SPRC declared a total of 3 dividend payments, consisting of (1) an additional dividend of Baht 1,922.6 million from its remaining profits as of December 31, 2013, which was paid on July 16, 2015, (2) an additional dividend of Baht 509.3 million from its retained earnings gained from a change in its functional currency in 2013 net of its loss in 2014, which was paid on August 6, 2015, and (3) an Interim Dividend of Baht 7,031.0 million from its profits for the six months ended June 30, 2015, which was paid on September 11, 2015.

## 2. Capital Reduction

SPRC has undergone a capital reduction by reducing the par value of each issued ordinary share in the paid-up capital of the Company pursuant to the PLCA from Baht 10 to Baht 6.92. The total amount of the capital reduction will be Baht 12,637.1 million, which will be paid to its current shareholders in cash. On September 15, 2015, SPRC registered the capital reduction with the Ministry of Commerce. Substantially all of the capital reduction amount will be paid in cash to Chevron and PTT. Purchasers of its shares will not be entitled to receive any proceeds from this capital reduction, Baht 9,057.1 million of which SPRC expects to distribute in the fourth quarter of 2015 and remainder of which SPRC intends to distribute by the end of 2016. Upon completion, the effect of the par value reduction on the share capital of the Company will be as illustrated by the unaudited selected pro forma financial information table below.

## 3. New Loan Agreements

SPRC is currently in the process of entering into U.S. dollar denominated loan agreements with certain financial institutions with indicative terms and conditions of the loan agreements as described below. The terms described below are for indicative purposes only and may differ from the final terms of the loan agreements.

Borrowing amount	Up to US\$350 million
Denomination	U.S. dollar
Tenor	2-3 years
Interest rate	LIBOR plus spread
Payment schedules	Principal amount is payable within 2-3 years, interest is payable quarterly
Other key terms and conditions	None

SPRC expects to incur these loans between the fourth quarter of 2015 and the second quarter of 2016 to support the payments of the third installment of the Special Dividend of Baht 6,026.9 million and the capital reduction amount of Baht 12,637.1 million. SPRC intends to use the net proceeds received by us from the combined offering to reduce and/or repay such indebtedness as well as for working capital and other corporate purposes.

## 4. Unaudited Selected Pro-Forma Financial Information

The financial information as of and for the nine months ended on September 30, 2015 has not yet accounted for the actual payment of the third installment of the Special Dividend, the expected payment of the capital reduction and any loans expected to be incurred to support these payments. If the following adjustments were made to the financial information as of and for the nine months ended September 30, 2015, the effect on the selected financial information would be as shown in the table below:

- (1) the third installment of the Special Dividend of Baht 6,026.9 million, which is payable 120 days after the first day of trading of SPRC's shares on the SET;
- (2) a partial capital reduction payment of Baht 9,337.6 million consisting of (a) an initial capital reduction payment of Baht 9,057.1 million and (b) an additional capital reduction payment of Baht 280.5 million out of the total capital reduction amount of Baht 12,637.1 million from outstanding cash after the payment of (1) above and the drawdown in (3) below. SPRC expects to make the initial capital reduction payment of Baht 9,057.1 million within the fourth quarter of 2015 and intend to distribute the remainder by the end of 2016; and
- (3) the drawdown of an expected US\$350 million in loans, which SPRC expects to incur between the fourth quarter of 2015 and the second quarter of 2016 to support the payment in (1) above and the initial capital reduction payment

	<b>Historical as of September 30, 2015</b>	<b>Pro-Forma Adjustment<sup>(1)</sup></b>	<b>Pro-Forma Consolidation</b>
Total assets .....	1,793.6	(70.5)	1,723.0
Total liabilities .....	882.7	(70.5)	812.1
Total equity .....	910.9	-	910.9
Book value per share in US\$/share (each with a par value of Baht 6.92 per share) .....	0.22	N.A.	0.22
Total liabilities to total equity ratio (times) .....	0.97	N.A.	0.89

(1) Dividend and capital reduction amounts that are used in calculating pro-forma adjustments were calculated based on U.S. dollars being translated from Thai Baht by using the exchange rate of Baht 36.5344 to US\$1.00 as at September 30, 2015.

The pro-forma adjustments in the table above do not reflect payment of the remaining balance of the capital reduction amount of Baht 3,299.5 million, which is not included in the pro-forma adjustment in (2) above. SPRC plans to use our excess cash to pay such remaining balance of the capital reduction amount. SPRC intends to pay this remaining balance of the capital reduction amount to our current shareholders by the end of 2016.

The unaudited selected pro forma financial information shown in the table above is prepared for illustrative purposes only based on certain assumptions and after making certain adjustments. The underlying assumptions are inherently uncertain and subject to change. Accordingly, the information in the table above may not give a true picture of our actual financial positions or results. Such information does not propose to represent what our results of operations would have been if such transactions and other changes had in fact occurred on such date or to project our results of operations for any future period. The information set forth above should be read together with the other information, including our interim financial information.

**Accounting Period** 1 January to 31 December

**Auditor**

Auditors for the Company's financial statements and financial information are as follows:

<b>Accounting Period</b>	<b>Auditor's Name and Company</b>
Audited financial statements For the year ended 31 December 2012	Mr. Pisit Thangtanagul PricewaterhouseCoopers ABAS Ltd.
Audited financial statements For the year ended 31 December 2013	Mr. Pisit Thangtanagul PricewaterhouseCoopers ABAS Ltd.
Audited financial statements For the year ended 31 December 2014	Mr. Chanchai Chaiprasit PricewaterhouseCoopers ABAS Ltd.
Audited financial statements For the year ended 31 December 2012, 2013, and 2014	Mr. Chanchai Chaiprasit PricewaterhouseCoopers ABAS Ltd.
Interim financial information (unaudited but reviewed) For the nine months ended 30 September 2015	Mr. Chanchai Chaiprasit PricewaterhouseCoopers ABAS Ltd.

**Registrar**

Thailand Securities Depository Company Limited (TSD)

**Financial Advisor**

Bualuang Securities Public Company Limited

Finansa Securities Limited

Phatra Securities Public Company Limited

The Siam Commercial Bank Public Company Limited

**Lead Underwriter**

Bualuang Securities Public Company Limited

Finansa Securities Limited

Phatra Securities Public Company Limited

SCB Securities Company Limited

**Dividend Policy**

Owners of our shares will be entitled to receive any dividends that our shareholders may approve or that our board of directors may declare from time to time. It is the current intention of our board of directors to recommend to our shareholders an annual dividend of at least 50% of net profits for the year, paid semi-annually, and subject to meeting the legal reserve requirements under the PLCA and our Articles of Association and subject to our actual cash flow, future cash flows, market conditions, capital requirements, financial condition, investment plans, applicable laws, contingencies and such other considerations that our board of directors may deem relevant. In addition, it is the current intention of our board of directors to recommend to our shareholders, for their formal consideration at a shareholders' meeting, a dividend of up to 95% of our net profits for the six months ended December 31, 2015, to be paid out in the second quarter of 2016, subject to meeting the legal reserve requirements under the PLCA and our Articles of Association and our actual cash flow, future cash flows, market conditions, capital requirements, financial condition, investment plans, applicable laws, contingencies and other relevant considerations as our board of directors may deem relevant. The actual dividend payout ratio may vary above or below our intended level, and our board of directors may recommend that a reduced dividend be paid or that no dividend be paid at all in any given period. The actual dividend payout ratio is also subject to the risks relating to the Company.

**B.O.I. Certificates**

The Company was granted Board of Investment (BOI) Certificate for its petroleum refining business and jet fuel production in Thailand from BOI, subject to terms and conditions prescribed by the BOI pursuant to the Investment Promotion Act B.E. 2520.

On 23 December 2011, the Company was granted BOI Certificate for its investment in the refinery in connection with efficient use of energy and environment. At present, the privileges received from such certificate that are still applicable to the Company's investment promoted activities, as prescribed in the BOI Certificate, are as follows:

- Right to bring into the Kingdom skilled workers and experts to work in investment promoted activities in the permitted position (evergreen until the Company receives notice of termination from the BOI)
- Right to own land used for investment promoted activities in such amount that the BOI deems appropriate given that such land shall be used for investment promoted activities only. The Company exercises such right to own the land on which the refinery is located. (evergreen until the Company receives notice of termination from the BOI)
- Exemption of import duties on machinery for a period as prescribed by the BOI with a condition that such machinery is imported by 23 December 2015. In case that the machinery is pledged, the Company shall submit a list of such machinery according to the format, process, and conditions set forth by the BOI for approval within one year from the last date allowed to import. The machinery granted exemption/reduction of import duties shall only be used for such activities as prescribed in the BOI Certificate and shall not be mortgaged, sold, transferred, leased, or permitted to be used by other persons. (evergreen until the Company receives notice of termination from the BOI where one of the conditions that the Company must meet in order to be granted such privileges is to import the machinery by 23 December 2015. If the Company does not comply with the conditions as prescribed, the Company shall be responsible for the full amount of import duties)

On 2 September 2008, the Company was granted BOI Certificate for production of jet fuel. At present, the main privileges received from such certificate that are still applicable to the Company's investment promoted activities, as prescribed in the BOI Certificate, are as follows:

- Right to bring into the Kingdom skilled workers and experts to work in investment promoted activities in the permitted position (evergreen until the Company receives notice of termination from the BOI)
- Right to own land used for investment promoted activities in such amount that the BOI deems appropriate given that such land shall be used for investment promoted activities only. The Company exercises such right to own the land on which the refinery is located. (evergreen until the Company receives notice of termination from the BOI)
- Right to take out or remit money abroad (evergreen until the Company receives notice of termination from the BOI)

### **Number of Shareholders**

As of 3 December 2015

	<b>Number of Shareholders</b>	<b>Number of Shares</b>	<b>% of Paid-up Capital</b>
1. Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated persons	16	3,137,203	0.07
1.2 Shareholders who have a holding of above 5% including related persons <sup>(1)</sup>	3	3,301,269,621	76.14
1.3 Controlling Shareholders	-	-	-
2. Non-Strategic shareholders hold > 1 trading unit	12,004	1,031,495,301	23.79
3. Non-Strategic shareholders hold < 1 trading unit	-	-	-
<b>Total Shareholders</b>	<b>12,023</b>	<b>4,335,902,125</b>	<b>100.00</b>

(1) Including ordinary shares that Merrill Lynch International as an affiliate of Merrill Lynch Far East Limited (Initial Purchaser) purchased ordinary shares of 440,818,600 shares or approximately 10.17% of paid-up capital

### **Major Shareholders**

As of 3 December 2015

<b>Shareholder List</b>	<b>Post-IPO</b>		<b>Pre-IPO</b>	
	<b>Number of Shares</b>	<b>% of Paid-up Capital</b>	<b>Number of Shares</b>	<b>% of Paid-up Capital</b>
1. Chevron South Asia Holdings Pte. Limited <sup>(1)</sup>	2,625,888,652	60.56	2,625,888,652	64.00
2. Merrill Lynch International <sup>(2)</sup>	440,818,600	10.17	-	-
3. PTT Public Company Limited	234,562,369	5.41	1,477,062,369	36.00
4. Krungsri Dividend Stock LTF	29,199,100	0.67	-	-
5. Bangkok Life Assurance PCL	22,111,200	0.51	-	-
6. SCB Open-end Long Term Fund Dividend 70/30	18,709,400	0.43	-	-
7. K Equity 70:30 LTF	18,502,400	0.43	-	-
8. Bualuang Long-Term Equity (B-LTF)	18,479,300	0.43	-	-
9. AIA Company Limited	33,000,000	0.76	-	-
9.1. AIA Company Limited - APEX	16,500,000	0.38	-	-

Shareholder List	Post-IPO		Pre-IPO	
	Number of Shares	% of Paid-up Capital	Number of Shares	% of Paid-up Capital
9.2. AIA Company Limited - TIGER	16,500,000	0.38	-	-
10. Thoresen Thai Agencies Public Company Limited	16,000,000	0.37	-	-
<b>Total</b>	<b>3,457,271,021</b>	<b>79.74</b>	<b>4,102,951,021</b>	<b>100.00</b>

- (1) Chevron South Asia Holdings Pte. Limited (Chevron South Asia Holdings) operates its business by investing in refinery companies through subsidiaries or associates companies. Chevron South Asia Holdings shareholder is Chevron Asia Pacific Holdings Ltd. which holds 2,022,879,205 of ordinary shares or equivalent to 100% and Chevron Asia Pacific Holdings shareholder is Chevron Corporation which holds 100% ordinary share through Chevron Corporation's subsidiaries. The below table shows the Chevron Corporation shareholders who hold ordinary share more than 5% of the total issued and paid-up share of the Chevron Corporation. As of 4 March 2015, Chevron Corporation's total issued and paid-up share is 1,880,336,274 shares.

No.	Shareholder list	Number of Shares	% of Total Number of Shares*
1.	BlackRock, Inc	118,754,384	6.30
2.	State Street Corporation	108,772,974	5.80
3.	The Vanguard Group	106,508,112	5.63

Source: Chevron Corporation's 2015 Proxy Statement from [www.chevron.com](http://www.chevron.com)

Note: \*% of total number of shares are calculated by including the right to purchase ordinary share from Chevron Corporation at that time or within 60 days from 4 March 2015.

- (2) Merrill Lynch International as an affiliate of Merrill Lynch Far East Limited (Initial Purchaser) purchased ordinary shares of 440,818,600 shares or approximately 10.17% of paid-up capital.

#### **Foreign Shareholders**

As of 3 December 2015, the Company has 70 foreign shareholders holding 3,115,411,056 shares representing 71.85% of total paid up capital after the IPO.

Notes: The Company has no foreign shareholders limit.

#### **Employee Stock Ownership Plan**

SPRC will offer newly issued shares to members of management (but excluding certain management secondees) and current employees (Employee Stock Ownership Plan or ESOP) in an amount of 35,728,800 shares at IPO price (Baht 9.00 per share). All ESOP shares will be offered at the same time as the IPO and shares sold pursuant to the ESOP will not be sold to any of SPRC directors. These shares represent 2.48% of the total Offer Shares in the combined offering and 0.82% of the total issued and outstanding share capital after completion of the combined offering (including total issued and outstanding share capital prior to the IPO, newly issued shares and total shares pursuant the ESOP). Earnings per share dilution or control dilution will amount to 0.82% of existing earnings per share or voting rights

Management and employees who subscribe for shares pursuant to the ESOP will be subject to a lock-up period for up to three years after SPRC shares commence trading on the SET. After each of the 12<sup>th</sup> and 24<sup>th</sup> month following the first day of trading of our shares on the SET, management and employees may sell up to one-fourth of the locked-up shares offered pursuant to the ESOP. After the 36<sup>th</sup> month following the first day of trading of our shares on the SET, management and employees may sell the remaining locked-up shares offered pursuant to the ESOP.

#### **Board of Directors**

Name	Position	Starting Date
1. Mr. Andrew Benjamin Walz	Chairman of the Board of Directors	13 August 2015
2. Mr. William Lewis Stone	Director/ Member of Nomination and Remuneration Committee/ Chairman of Human Resources Committee/ Chief Executive Officer	25 April 2013
3. Mr. Pliu Mangkornkanok <sup>(1)</sup>	Director/ Independent Director/ Chairman of Audit Committee	25 April 2013

Name	Position	Starting Date
4. Mr. Manoon Siriwan	Director/ Independent Director/ Member of Audit Committee	28 April 2015
5. Mr. Robert Stair Guthrie	Director/ Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee	28 April 2015
6. Ms. Duangporn Thiengwatanatham	Director/ Member of Human Resources Committee	1 September 2014
7. Mr. Wirat Uanarumit	Director/ Member of Nomination and Remuneration Committee	8 April 2014
8. Mr. Amit Rajindrasingh Ghai	Director/ Member of Nomination and Remuneration Committee	8 April 2014
9. Mr. Ranga Rama Kumar Sreeramagiri	Director/ Member of Human Resources Committee	28 April 2015

Note: <sup>(1)</sup> Director who has knowledge, understanding and experiences in accounting and finance.

Company Secretary is Ms. Nattawan Khumwiwat

### **Audit Committee**

Audit committee was appointed by the Extraordinary General Meeting of Shareholders' meeting on 28 May 2012.

#### **Members of Audit Committee**

Chairman of the Audit Committee	Mr. Pliu Mangkornkanok
Member of the Audit Committee	Mr. Manoon Siriwan
	Mr. Robert Stair Guthrie
Audit Committee Secretary	Ms. Nattawan Khumwiwat

### **Scope of Authorities, Duties and Responsibilities**

1. Review the company's financial reporting process to ensure accuracy and adequacy;
2. Review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. Review the performance of the company to ensure its compliance with the securities and exchange laws, the regulations of the SET or the laws relating to the business of the company;
4. Consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. Review connected transactions, or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the SET's regulations, and are reasonable and primarily benefit the company;
6. The committee shall prepare an annual written report of information, signed by the Committee Chairman, for use in SPRC's annual report, including the following:
  - (1) An opinion on the preparation and information disclosure of the company's financial report and its accuracy, completeness and creditability;
  - (2) An opinion on the adequacy of the company's internal control system;
  - (3) An opinion on the compliance with the Public Limited Companies Act, Securities and Exchange Act, SET and SEC listing rules as well as other laws pertaining to the company's business;
  - (4) An opinion on the suitability of an external auditor;

- (5) An opinion on the transactions that may lead to conflicts of interests;
- (6) The number of Committee meetings, and the attendance of such meetings by each committee member;
- (7) An opinion or overview comment by the Committee of its performance of duties in accordance with the Committee Charter;
- (8) An opinion on the cooperation received from the company's management and any difficulties caused by management with regards to the performance of the Committee's duties;

7. Perform any other act assigned to it by the board of directors with the approval of the audit committee.

**Term of Membership**

- 1) Chairman of Audit Committee 3 years
- 2) Audit Committee 3 years

**Listing Conditions**

-None-

**Silent Period**

Shareholders, who own common shares before the company's public offering, holding 2,384,746,169 shares or 55% of paid up capital after the initial public offering certify to the Stock Exchange of Thailand that their shares will not be sold for the period of one year from the first trading date. Upon the expiry of 6 months period of the prescribed time, those shareholders will be allowed to sell 25% of the total amount of shares prohibited for sale and the rest after one year.

**Relaxation**

-None-

**Others (if any)**

-None-



## Statistical Summary

### Star Petroleum Refining Public Company Limited

Accounting Period	in US\$ million		US\$ per share <sup>(1)</sup>			Percent
	Total Revenue	Net Profit (Loss)	Earnings (Loss)	Dividends <sup>(2)</sup>	Book Value	Payout Ratio <sup>(3)(4)(5)</sup>
2012 (audited)	8,444.8	155.4	0.04	0.04	0.40	109.4
2013 (audited)	8,436.5	128.6	0.03	0.04	0.39	113.0
2014 (audited)	7,034.6	(194.1)	(0.05)	0.01	0.33	(30.9)
Nine months period ended 30 September 2015 (unaudited but reviewed)	4,093.9	193.2	0.05	0.11	0.22	231.7

- (1) In 2012, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In 2013, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In 2014, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In the third quarter of 2015, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 6.92 per share
- (2) Dividends per share are based on the actual dividends paid in the statement of cash flow for each relevant year or period
- (3) Negative payout ratio in 2014 is not representative because the Company incurred a net loss in 2014
- (4) The percentage of payout ratio calculated in US\$ currency may be different from Baht currency as a result of the impact from translation of financial statements according to the accounting standards
- (5) Calculated by dividing Dividends (US\$ per share) by Earnings (Loss) (US\$ per share)

Accounting Period	in Baht million		Baht per share <sup>(1)</sup>			Percent
	Total Revenue	Net Profit (Loss)	Earnings (Loss)	Dividends <sup>(2)</sup>	Book Value	Payout Ratio <sup>(3)(4)(5)</sup>
2012 (audited)	263,376.1	4,484.8	1.09	1.32	12.19	120.4
2013 (audited)	260,724.7	3,977.1	0.97	1.09	12.91	112.2
2014 (audited)	229,325.4	(6,367.4)	(1.55)	0.45	10.93	(29.1)
Nine months period ended 30 September 2015 (unaudited but reviewed)	138,317.4	6,381.9	1.55	3.62	8.10	232.9

- (1) In 2012, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In 2013, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In 2014, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 10 per share. In the third quarter of 2015, there are 4,103 million issued and paid-up shares outstanding with a par value of Baht 6.92 per share
- (2) Dividends per share are based on the actual dividends paid in the statement of cash flow for each relevant year or period
- (3) Negative payout ratio in 2014 is not representative because the Company incurred a net loss in 2014
- (4) The percentage of payout ratio calculated in Baht currency may be different from US\$ currency as a result of the impact from translation of financial statements according to the accounting standards
- (5) Calculated by dividing Dividends (Baht per share) by Earnings (Loss) (Baht per share)

**Star Petroleum Refining Public Company Limited**

**Statement of Financial Position**

	As at December 31, (audited)			As at September 30, (unaudited but reviewed)	
	2012	2013	2014	2014	2015
	(in US\$ millions)				
<b>Statement of Financial Position Data</b>					
<b>Current Assets</b>					
Cash and cash equivalents	246.0	102.9	69.0	50.5	70.5
Trade and other receivables	657.8	670.8	388.2	514.9	297.7
Inventories, net	679.0	744.0	404.0	788.9	317.2
Value-added tax receivable	16.0	59.4	31.0	30.9	1.9
Other current assets	2.3	6.1	7.1	9.0	7.1
Total Current Assets	1,601.0	1,583.2	899.4	1,394.2	694.5
<b>Non-Current Assets</b>					
Property, plant and equipment, net	1,135.0	1,157.5	1,144.1	1,159.9	1,092.4
Intangible asset, net	2.5	3.5	2.7	2.9	2.1
Deferred tax assets	-	-	16.5	-	-
Other non-current assets	7.4	9.6	6.0	6.9	4.5
Total Non-Current Assets	1,144.9	1,170.6	1,169.3	1,169.7	1,099.0
Total Assets	2,745.8	2,753.8	2,068.7	2,564.0	1,793.6
<b>Current Liabilities</b>					
Trade and other payable	673.5	739.2	332.5	551.4	282.4
Capital reduction payable	-	-	-	-	345.9
Current income tax payable	21.9	5.4	-	-	3.3
Dividend payable	371.3	346.8	345.1	408.5	165.0
Other current liabilities	32.1	16.8	30.2	34.3	36.4
Total Current Liabilities	1,098.8	1,108.2	707.8	994.1	833.1
<b>Non-Current Liabilities</b>					
Deferred tax liabilities	15.9	31.0	-	23.3	44.2
Employee benefit obligations	4.6	5.0	5.6	5.5	5.4
Other non-current liabilities	0.9	0.6	0.4	0.4	-
Total Non-Current Liabilities	21.4	36.6	5.9	29.3	49.6
Total Liabilities	1,120.2	1,144.9	713.7	1,023.4	882.7
<b>Share Capital</b>					
Authorized share capital (Ordinary shares 4,102,951,025 shares at par value of Baht 10 each as at December 31, 2012, 2013 and 2014 and September 30, 2014 and 4,774,343,003 shares at par value of Baht 6.92 each as at September 30, 2015)					
	1,185.0	1,185.0	1,185.0	1,185.0	948.6
Issued and paid-up share capital (Ordinary shares 4,102,951,025 shares paid-up at value of Baht 10 each as at December 31, 2012, 2013 and 2014 and September 30, 2014 and paid-up at value of Baht 6.92 each as at September 30, 2015)					
	1,185.0	1,185.0	1,185.0	1,185.0	820.0
Premium on share capital	20.3	20.3	20.3	20.3	20.3
<b>Retained Earnings</b>					
Appropriated – Legal reserve	55.0	61.4	61.4	61.4	72.4
Unappropriated	365.4	342.3	88.2	273.9	(1.8)
Other component of shareholders' equity	-	-	-	-	-
Total Shareholders' Equity	1,625.6	1,609.0	1,354.9	1,540.6	910.9
Total Liabilities And Shareholders' Equity	2,745.8	2,753.8	2,068.7	2,564.0	1,793.6

	As at December 31, (audited)			As at September 30, (unaudited but reviewed)	
	2012	2013	2014	2014	2015
	(in Baht millions)				
<b>Statement of Financial Position Data</b>					
Current Assets					
Cash and cash equivalents	7,564.0	3,380.2	2,286.1	1,634.4	2,571.0
Trade and other receivables	20,230.9	22,069.9	12,832.6	16,716.6	10,858.9
Inventories, net	20,896.4	24,515.3	13,377.7	25,653.4	11,590.1
Value-added tax receivable	491.4	1,958.0	1,025.9	1,004.0	71.1
Other current assets	70.0	198.9	235.3	292.3	258.3
Total Current Assets	49,252.6	52,122.3	29,757.6	45,300.8	25,349.4
Non-Current Assets					
Property, plant and equipment, net	34,932.4	38,139.6	37,885.6	37,716.0	39,911.3
Intangible asset, net	76.9	115.7	90.1	93.6	76.3
Deferred tax assets	-	-	545.7	-	-
Other non-current assets	226.9	315.0	197.9	225.5	165.0
Total Non-Current Assets	35,236.1	38,570.3	38,719.3	38,035.1	40,152.6
Total Assets	84,488.7	90,692.6	68,476.9	83,335.9	65,502.0
Current Liabilities					
Trade and other payable	20,730.1	24,357.3	11,010.1	21,232.6	13,257.8
Capital reduction payable	-	-	-	-	345.9
Current income tax payable	674.1	176.5	-	-	121.8
Dividend payable	11,426.9	11,426.9	11,426.9	13,282.5	6,026.9
Other current liabilities	987.0	554.9	1,000.5	1,113.6	1,331.2
Total Current Liabilities	33,818.0	36,515.6	23,437.5	32,324.0	30,434.6
Non-Current Liabilities					
Deferred tax liabilities	490.3	1,022.0	-	758.1	1,614.4
Employee benefit obligations	142.2	165.0	184.4	179.6	198.9
Other non-current liabilities	26.3	19.9	11.7	13.5	-
Total Non-Current Liabilities	658.7	1,206.8	196.2	951.2	1,813.3
Total Liabilities	34,476.8	37,722.4	23,633.7	33,275.3	32,247.9
Share Capital					
Authorized share capital (Ordinary shares 4,102,951,025 shares at par value of Baht 10 each as at December 31, 2012, 2013 and 2014 and September 30, 2014 and 4,774,343,003 shares at par value of Baht 6.92 each as at September 30, 2015)					
	41,029.5	41,029.5	41,029.5	41,029.5	33,038.5
Issued and paid-up share capital (Ordinary shares 4,102,951,025 shares paid-up at value of Baht 10 each as at December 31, 2012, 2013 and 2014 and September 30, 2014 and paid-up at value of Baht 6.92 each as at September 30, 2015)					
	41,029.5	41,029.5	41,029.5	41,029.5	28,392.4
Premium on share capital	559.0	559.0	559.0	559.0	559.0
Retained Earnings					
Appropriated – Legal reserve	1,766.2	1,965.1	1,965.1	1,965.1	2,475.1
Unappropriated	14,663.0	13,979.5	5,756.4	11,856.5	2,362.7
Other component of shareholders' equity	(8,005.7)	(4,562.8)	(4,466.7)	(5,349.4)	(535.0)
Total Shareholders' Equity .....	50,012.0	52,970.2	44,843.2	50,060.6	33,254.2
Total Liabilities And Shareholders' Equity .....	84,488.7	90,692.6	68,476.9	83,335.9	65,502.0

**Star Petroleum Refining Public Company Limited**

**Statement of Comprehensive Income**

	<b>Year Ended December 31, (audited)</b>			<b>Nine Months Ended September 30, (unaudited but reviewed)</b>	
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
	(in US\$ millions, except for per share amounts)				
<b>Statement of Comprehensive Income Data</b>					
Sales	8,362.9	8,371.1	6,985.4	5,296.7	4,092.1
Liquefied Petroleum Gas and fuel subsidies	81.9	65.3	49.2	42.4	1.8
Total revenue	8,444.8	8,436.5	7,034.6	5,339.1	4,093.9
Cost of sales	(8,252.4)	(8,275.1)	(7,275.5)	(5,354.6)	(3,838.2)
Gross profit (loss)	192.4	161.3	(240.9)	(15.5)	255.7
Other income	8.3	8.3	6.7	5.0	6.4
Gain on exchange rate	45.8	12.5	28.9	25.7	12.7
Profit (loss) before expenses	246.5	182.1	(205.2)	15.2	274.7
Administrative expenses	(43.4)	(26.7)	(26.5)	(18.3)	(25.1)
Other expenses	(0.6)	(0.8)	(5.7)	(5.7)	(0.4)
Finance costs	(0.2)	(0.2)	(0.6)	(0.6)	(0.1)
Profit (loss) before income tax expenses	202.3	154.4	(238.0)	(9.5)	249.2
Income tax (expenses) income	(46.9)	(25.8)	44.0	1.1	(56.0)
Profit (loss) for the year/period	155.4	128.6	(194.1)	(8.4)	193.2
Basic earnings (loss) per share <sup>(1)</sup>	0.04	0.03	(0.05)	(0.00)	0.05

(1) Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the year or period by the weighted average number of fully paid-up ordinary shares outstanding during the particular year or period

	Year Ended December 31, (audited)			Nine Months Ended September 30, (unaudited but reviewed)	
	2012	2013	2014	2014	2015
(in Baht millions, except for per share amounts)					
<b>Statement of Comprehensive Income Data</b>					
Sales	260,826.7	258,690.7	227,712.4	172,267.1	138,256.3
Liquefied Petroleum Gas and fuel subsidies	2,549.5	2,034.0	1,613.0	1,387.5	61.1
Total revenue	263,376.1	260,724.7	229,325.4	173,654.6	138,317.4
Cost of sales	(257,763.6)	(255,733.1)	(237,228.2)	(174,153.6)	(129,881.2)
Gross profit (loss)	5,612.5	4,991.6	(7,902.8)	(499.1)	8,436.2
Other income	257.8	257.1	220.1	163.2	213.7
Gain on exchange rate	1,431.6	379.5	943.1	836.7	465.9
Profit (loss) before expenses	7,301.9	5,628.2	(6,739.5)	500.8	9,115.8
Administrative expenses	(1,356.2)	(824.6)	(864.9)	(596.8)	(854.6)
Other expenses	(19.9)	(26.7)	(186.2)	(186.1)	(12.4)
Finance costs	(5.3)	(7.4)	(19.0)	(19.0)	(3.9)
Profit (loss) before income tax expenses	5,920.5	4,769.5	(7,809.7)	(301.1)	8,244.8
Income tax (expenses) income	(1,435.7)	(792.3)	1,442.3	33.8	(1,862.9)
Profit (loss) for the year/period	4,484.8	3,977.1	(6,367.4)	(267.4)	6,381.9
Other comprehensive income:					
Exchange differences on translation	(1,296.2)	3,442.9	96.1	(571.3)	1,082.1
Other comprehensive income for the year – net of tax	(1,296.2)	3,442.9	96.1	(571.3)	1,082.1
Total comprehensive (loss) income for the year	3,188.6	7,420.0	(6,271.3)	(624.8)	8,073.0
Basic (loss) earnings per share <sup>(1)</sup>	1.09	0.97	(1.55)	(0.01)	1.70

(1) Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the year or period by the weighted average number of fully paid-up ordinary shares outstanding during the particular year or period

**Star Petroleum Refining Public Company Limited**

**Statement of Cash Flow**

	<b>Year Ended December 31, (audited)</b>			<b>Nine Months Ended September 30, (unaudited but reviewed)</b>	
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
(in US\$ millions)					
<b>Statement of Cash Flow Data</b>					
Net cash generated from operating activities	177.5	113.2	78.0	(2.9)	461.7
Net cash used in investing activities	(74.5)	(109.4)	(52.8)	(50.3)	(8.2)
Net cash used in financing activities	(170.0)	(145.3)	(60.0)	-	(447.7)
Net (decrease)/increase in cash and cash equivalents	(67.0)	(141.5)	(34.9)	(53.2)	5.9
Cash and cash equivalents at the beginning of the year/period	317.5	246.0	102.9	102.9	69.0
Adjustment from foreign exchange translation	(4.5)	(1.7)	1.0	0.9	(4.4)
Cash and cash equivalents at the end of the year/period	246.0	102.9	69.0	50.5	70.5

	<b>Year Ended December 31, (audited)</b>			<b>Nine Months Ended September 30, (unaudited but reviewed)</b>	
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2015</b>
(in Baht millions)					
<b>Statement of Cash Flow Data</b>					
Net cash generated from operating activities	5,124.9	3,509.8	2,525.9	(78.9)	15,522.3
Net cash used in investing activities	(2,326.7)	(3,378.2)	(1,723.1)	(1,636.4)	(277.2)
Net cash used in financing activities	(5,400.0)	(4,461.8)	(1,855.7)	-	(14,863.0)
Net (decrease)/increase in cash and cash equivalents	(2,601.7)	(4,330.2)	(1,052.9)	(1,715.3)	382.1
Cash and cash equivalents at the beginning of the year/period	10,102.5	7,564.0	3,380.2	3,380.2	2,286.1
Adjustment from foreign exchange translation	63.2	146.4	(41.2)	(30.4)	(97.2)
Cash and cash equivalents at the end of the year/period	7,564.0	3,380.2	2,286.1	1,634.4	2,571.0

**Prepared by**

Bualuang Securities Public Company Limited

Finansa Securities Limited

Phatra Securities Public Company Limited

The Siam Commercial Bank Public Company Limited

SPRC certifies that information reported in this  
information memorandum is correct

**Star Petroleum Refining Public Company Limited**

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Mr. William Lewis Stone  
Director and Chief Executive Officer

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Ms. Duangporn Thiengwattanatham  
Director