

Form of Capital Increase Report

Sea Oil Public Company Limited

Date 10 November 2016

We, Sea Oil Public Company Limited, hereby report on the resolution of board of directors meeting no. 8/2016, held on 10 November 2016 from 13.30 to 16.00 hours, relating to a capital increase and allotment of new shares as follows:

1. Capital increase

The Board of Directors' meeting resolved to approve the increase of the company's registered capital from THB 415,120,218 to be THB 691,867,135 by issuing 276,746,854 ordinary shares with a par value of THB 1 each. Details of the each type of capital increase are:-

Type of capital increase	Type of share	Number of shares (shares)	Par value (THB/share)	Total (THB million)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary	276,746,854	1	276,746,854
<input type="checkbox"/> General Mandate	-	-	-	-

2. Allotment of new shares

The board of directors' meeting resolved to approve the allotment of 276,746,854 new shares at the par value of Baht 1 each with the following details:

2.1 Specifying purpose of proceeds utilization

Allotment	Number of shares (shares)	Ratio (existing shares: new share)	Offer price (THB/share)	Subscription and payment period	Note
(1) To Existing Shareholders by way of rights issue	138,373,427	3: 1	3.00	Please see Remark (b)	
(2) To be reserved for exercise of the Company's warrants which will be issued to existing shareholders who subscribe new shares under (1) above	138,373,427	1 new shares :1 unit of warrant	-	Warrants will be allotted to existing shareholders who subscribe new shares under (1) above	Exercise Price: Baht 3.00 per share

Remarks:

- (a) 27 January 2017 is fixed as the date to determine the list of names of the shareholders who are entitled to receive the warrants, provided that the Company will gather the shareholders' names in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 by closing the share register book on 30 January 2017.

- (b) The Company has set the terms where the shareholders may subscribe for new shares in excess of their entitlement. Such shareholders may subscribe for the new shares remaining unsubscribed from the subscription by way of rights issue in proportion to their shareholding and make the full payment for all subscribed shares as per the followings:
- (1) If the number of the Unsubscribed Shares are not fully subscribed by the shareholders, the Company will re-allot such Unsubscribed Shares to all shareholders who subscribe the Unsubscribed Shares in excess of their entitlement as per their demand specified in the subscription form for excess rights.
 - (2) If the number of the Unsubscribed Shares is less than the number of the shares subscribed by the shareholders through excess rights, the Unsubscribed Shares will be re-allotted in proportion to the shareholding of each of shareholders who subscribed the Unsubscribed Shares in excess of their entitlement. Such re-allotment will be carried out until no new shares remaining unsubscribed. The Company will return the subscription fund for unallotted new shares to the shareholders with no interest within 14 days after the end of the subscription period.

If there are new shares remaining unallotted after the subscription by way of rights issue and excess rights, such unallotted shares are subject to the capital reduction by cancelling such unallotted new shares.

2.2 Procedures for fraction of shares

Any fraction of shares due to the allotment of new shares will be disregarded.

3. Schedule for a shareholders' meeting to approve the capital increase/allotment

The Extraordinary General Meeting of Shareholders no. 1/2017 is scheduled to be held on 19 January 2017 (**EGM**) at 2.00 p.m. at Novotel Bangkok Bangna (Suanluang Ballroom), 333 Srinakarin Road, Khwaeng Nongbon, Khet Pravat, Bangkok 10250.

The record date which is used to determine the shareholders' names who can attend the EGM is fixed on 25 November 2016, provided that the Company will gather the names of the shareholders in accordance with Section 225 of the Securities and Exchange Act by closing the share register book on 28 November 2016.

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

- 4.1 The Company will register the increase of registered capital and paid-up capital including the amendment to Clause 4 of the Company's Memorandum of Association with the Department of Business Development, Ministry of Commerce of Thailand.
- 4.2 The Company will apply the listing of the followings to the MAI the followings:
 - (1) new shares offered to existing shareholders by way of rights issue;
 - (2) warrants to purchase ordinary in the Company; and
 - (3) new shares derived from the exercise of the warrants.

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

The Company will use the fund derived from this capital increase of approximately Baht 188,000,000 as investment fund for the Projects and its future development of the Projects. It is expected that the fund raised from capital increase will be utilized in February 2017.

The remaining balance from the investment, approximately Baht 227,000,000 will be reserved for working capital and enhancing liquidity of the Company's subsidiaries operations;

- 1) Seoail Offshore Limited Malaysia : approximately Baht 90,000,000; and
- 2) Seoail Petroleum Pte. Ltd: approximately Baht 137,000,000 for the market expansion and increase of fuel sales capacity. This would lead to an increase in fuel sales which shall increase profitability.

In this regard, in case the investment in the solar power plant is disapproved by the shareholders meeting, the Company has its plan to utilize its additional fund, approximately Baht 180,000,000, for the improvement of Condensed Refinery Project and to reserve for working capital and enhancing of liquidity of Company's subsidiaries operation as mentioned above.

6. Benefits which the Company will receive from the capital increase/share allotment:

- 6.1 The Company will have funding source for investing in 10 solar power plant projects, which are expected to generate annual return of 10 per cent or more.
- 6.2 The Company will have funding source to expand its business in the future as well as to use as working capital and to enhance its liquidity for business operation and strength of capital structure.

7. Benefits which shareholders will receive from the capital increase/share allotment:

7.1 Dividend policy

The Company has a policy to pay dividend not less than 30% of net profit after deducting corporate income tax and legal reserve as required by law and its Articles of Association in the relevant year.

7.2 Rights of shares subscribers to receive dividend from operating results

Subscribers of new shares will be entitled to receive dividend from operating results from the date that they are registered as the Company's shareholders.

7.3 Rights of warrant holders who exercise warrants to purchase ordinary shares to receive dividend from operating results

The new shares derived from the exercise of warrants will be entitled and have same status as new shares in the Company and will be entitled to dividend from the exercise date and the date that their names are registered in the share register book upon the registration with the Ministry of Commerce.

8. Other details necessary for shareholders to approve the capital increase and share allotment

Control Dilution

- If all shareholders subscribe for all shares according to their rights and exercise all warrants held, there is no control dilution. The control dilution will not affect the existing shareholders if all shareholders do not subscribe for new shares. The Company will reduce its registered capital by cancelling all unsubscribed shares as a result the number of issued shares will not change and there is no effect to shareholding percentage.
- If all warrants are fully exercised but the warrant holders exercising warrants are not the existing shareholders, the existing shareholders will be affected by control dilution. The shareholding percent of the existing shareholders will reduce by 20.0 percent compared with the shareholding percentage before issuing the warrants.

Price Dilution

- After issuing new shares but before issuing warrants: the price dilution of the Company's shares will approximately be 8.39 percent.

Remarks: The share price of the Company before issuing new shares and warrants which is used for calculation of price dilution is the weighted average price 7 days prior to the Board of Directors' meeting, which equals to Baht 4.51 per share.

- After issuing warrants : the price dilution of the Company's shares will approximately be 13.42 percent.

Remarks: The share price of the Company before issuing new shares and warrants which is used for calculation of price dilution is the weighted average price 7 days prior to the Board of Directors' meeting, which equals to Baht 4.51 per share.

9. Schedule of action if the board of directors passes a resolution approving the capital increase or allotment of new shares

Procedure	Date
The Board of Directors' Meeting No. 8/2016	10 November 2016
The record date to determine the shareholders' right to attend the Extraordinary General Meeting of Shareholders No. 1/2017	25 November 2016
The closing date of share register book to gather the shareholders' names who can attend the Extraordinary General Meeting of Shareholders under Section 225 of the Securities and Exchange Act B.E. 2535	28 November 2016
The Extraordinary General Meeting of Shareholders No. 1/2017	19 January 2017
The record date to determine the shareholders' names who are entitled to subscribe for rights issue shares	27 January 2017
The closing date of share register book to gather shareholders' names who are entitled to subscribe for rights issue shares in accordance with Section 225 of the Securities and Exchange Act B.E. 2535	30 January 2017

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

Please acknowledge accordingly.

Signed

(Mr. Apisit Rujikeatkamjorn)

Chairman

Signed

(Ms. Neeracha Panboonhom)

Chairman of Executive Committee