

[Translation]

Ref. PDI/BK-BS-064/2007

10 October 2007

To : President  
The Stock Exchange of Thailand

Subject : Cabinet approval for the use of 1A watershed

Padaeng Industry Public Company Limited would like to inform SET that the Cabinet has approved the use of 1A watershed for the renewal of the Mining lease on the existing premises at Mae Sot, Tak Province on October 9, 2007.

The application file will now be forwarded to the next steps including regulatory approval by the Department of Primary Industry and Mines (Mineral Act Committee) and by the Royal Forestry Department (forestry permits). The Company expects that the procedure will drag past the expiry date of October 17. As a consequence, the operation at the Mae Sot mine will temporary cease on the main lease from that date onward.

There will be no impact on the production and marketing plan for year 2007 because the Company will use the ores stockpiled at the Tak smelter as well as imported concentrates, although the Company profit in the last quarter may be impacted by the slightly reduced contribution of the mine.

The Company hopes to have the whole procedure for the new Mining Lease completed within the end of the year.

Please be informed accordingly.

Sincerely yours,

- Signature -

(Mr. Surin Tanticharoenkiat)  
Board Secretary

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