

Ref. PDI/BK-BS-059/2008

15 May 2008

To: President  
The Stock Exchange of Thailand

Re: Clarification on the company's performance in the first quarter of 2008

Attached please find a copy each of Thai and English version of the reviewed company only interim financial statements and consolidated interim financial statements of Padaeng Industry Public Company limited for the quarter ended 31 March 2008 for the SET's information.

For the first quarter of 2008, Padaeng Industry Public Company Limited announces a consolidated net loss of 37 MB as compared to net profit of 313 MB in Q1 2007. Net loss per share is 0.16 Baht as compared to net profit per share of 1.39 Baht in Q1 2007.

The total revenue from sales and services amounted to 2,293 MB, a decrease of 1,130 MB or decrease 33% from last year.

The net loss for Q1 2008 was largely due to the high price of opening inventories, low LME zinc price compared to Q1 of 2007 and no mining activities in Q1 2008 due to the expiration of the mining lease since October 2007. The Company has only received the new mining lease in April 2008.

Please be informed accordingly.

Yours truly,

- Signature -

(Dr. Surin Tanticharoenkiat)  
Company Secretary.

Board Secretary Division  
Tel. 0 2695 9499 Ext. 9335  
Fax. 0 2695 9493