

RISK MANAGEMENT COMMITTEE REPORT



Mr. Nuttachat Charuchinda
Chairman of the Risk Management Committee
Thai Oil Public Company Limited

To the Shareholders

In 2015, the volatile world oil price situation posed a series of challenges to the refining business, directly affecting the bottom lines. The Risk Management Committee (RMC), thus, held the meetings more often than originally planned, to monitor and manage the risks under such changing circumstances, and to support the Board of Directors (Board) in steering corporate risk management to achieve business goals, while promoting confidence and credibility among investors and stakeholders. The current RMC consists of four competent and experienced members as followed:

1. Mr. Nuttachat Charuchinda Chairman of the Risk Management Committee
2. Mr. Thammayot Srichuai Member of the Risk Management Committee
3. Mr. Noppadol Pinsupa Member of the Risk Management Committee
4. Mr. Atikom Terbsiri Member of the Risk Management Committee

Performance in 2015

The RMC, as stated in the RMC Charter, defined and revised the corporate risk management scope, policy, and processes as well as provided recommendations on suitable approaches for efficient business conduct and in line with strategic directions and business plans. The RMC also constantly supported and improved the risk management practices throughout the Company against international standards to become the Company's culture. In 2015, the RMC held a total of seven meetings, summarized below:

1. Acknowledged and endorsed for the Board consideration the crude oil and refined product risk hedging and impacts for Q4/2014 and Q1, Q3, Q4/2015, and fiscal year 2015, and the inventory risk hedging and impacts for December 2015 including the impacts of oil reserve lowering due to the government's policy. The oil risk hedging has saved the Company Baht 1,489 million loss from volatile oil prices.
2. Acknowledged the impacts and measures on foreign exchange risk hedging and the summary of the RMC performance in 2015.
3. Endorsed for the Board consideration the following items:
 - 3.1 Report of the Risk Management Committee for the year 2014
 - 3.2 Thailoil Group's corporate risks and Key Risk Indicators (KRIs) for 2015
 - 3.3 The amendment of the personnel, stated in the RMC Charter, to be appointed as the RMC secretary

3.4 Risk management in considering the Clean Fuel Project (CFP) technology and Basic Design Package (BDP) together with related budgets

3.5 Corporate risks and Key Performance Indicators (KPIs) for the year 2016

4. Reviewed and endorsed for the Board consideration the sale of crude oil to business partners for storage and the repurchase within specified periods; the amendment of oil price and spread risk hedging target for the year 2015; and the amendment of the inventory risk hedging target for the year 2015.

In conclusion, in the view of the Risk Management Committee, this past year Thaioil has developed the corporate risk management system to cover all aspects of risks, and continuously commanded the risk management practices in line with prevailing circumstances. The RMC held the meetings regularly to promptly review key and urgent risks; thus, resulting in Thaioil Group's effective, suitable, and manageable risk management practices.

December 18, 2015

On behalf of the Risk Management Committee



(Mr. Nuttachat Charuchinda)

Chairman of the Risk Management Committee

Thai Oil Public Company Limited