



RISK MANAGEMENT COMMITTEE REPORT

Mr. Apisak Tantivorawong

Chairman of the
Risk Management Committee
Thai Oil Public Company Limited



To the Shareholders

The Board of Directors appointed the Risk Management Committee in support of its oversight of corporate risk management, a key tool to fulfill its goal achievement. The current committee consists of three directors who are competent and experienced in business, namely:

1. Mr. Apisak Tantivorawong Chairman
(Independent Director)
2. Mr. Nuttachat Charuchinda Member
(Director)
3. Mr. Veerasak Kositpaisal Member
(Director/
Chief Executive Officer)

Performance in 2013

As defined in its charter, the committee defined and reviewed the corporate risk management framework, policy, and process. It also provided recommendations on the risk management approach in line with Thairoil's business direction, operating strategies and plans, while supporting continuous, efficient development of risk management throughout Thairoil on a par with international standards to form a corporate culture. This year, the committee met seven times, with the following summary of actions:

1. Endorsed, before forwarding to the Board, the revised Thairoil Group's risk management structure to ensure alignment with Board-Committees concerning risk management and corporate risks of Thairoil Group in 2013, corporate risk management plans, and Thairoil Group's Business Continuity Management Plan.
2. Endorsed the amendment to company objectives before forwarding it to the Board.
3. Endorsed risk issues for the supervision and monitoring of performance outcomes under the price risk management framework for petroleum products and crude oil during the year, together with the amendment to the price risk management framework, assumptions of raw materials and price spreads for the business plans, and raised the reference crude oil inventory for price risk management.
4. Endorsed risk issues and completeness of key investment projects before forwarding them to the Board. These consisted of an agreement in support of the LAB project with joint-venture partners; founding of a subsidiary of Thairoil Marine Co., Ltd., to acquire an AFRAMAX and a long-term, time-charter lease of the third VLCC; approval of an additional loan credit line to acquire

recapitalization shares proportional to Thairoil's shareholding in Ubon Bio Ethanol Co., Ltd.; investment plans of Global Power Synergy Co., Ltd. (GPSC); and two SPP projects.

5. Provided recommendations to promote development of corporate risk management for greater efficiency and effectiveness.

January 24, 2014

On behalf of the Risk Management Committee



(Mr. Apisak Tantivorawong)

Chairman of the Risk Management Committee

Thai Oil Public Company Limited