



INVITATION LETTER
TO
THE 2018 ANNUAL GENERAL MEETING OF
SHAREHOLDERS
OF
Sakol Energy Public Company Limited
Thursday, 19 April 2018 at 14.00 p.m.

at Grand Ballroom, 3rd Floor, Golden Tulip Sovereign Hotel, 92
Soi Saengcham, Rama 9 Road, Bangkrapi Sub district, Huay Khwang
District, Bangkok 10320

Registration starts at 12.00 p.m.

For your convenience, shareholders or proxies wishing to attend the meeting,

Please kindly bring the registration form to the meeting.

****No Souvenir****

4 April 2018

Subject: Invitation to the 2018 Annual General Meeting of Shareholders

Attention: Shareholders of Sakol Energy Public Company Limited (the "Company")

- Enclosures:
1. One copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 5 September 2017;
 2. One copy of Annual report for the year 2017 and the Statement of Financial Position and the comprehensive income statements for the year ended 31 December 2017 (in a CD-ROM format);
 3. Profiles of the persons who would be retired by rotation and are nominated as directors for another term;
 4. Information Memorandum of the Acquisition of Assets 2 of Sakol Energy Public Company Limited
 5. The Report Regarding the Opinion of the Independent Financial Advisor on Asset Acquisition
 6. Proxy Form A (general form), Proxy Form B (form with specific details), and Proxy Form C (for a foreign investor who appoints a custodian in Thailand);
 7. Profiles of Independent Directors for the appointment of proxy and the definition of an independent director;
 8. Guidelines for the registration and appointment of a proxy, and the documentation and evidence required to be presented on the date of the meeting;
 9. Articles of Association of the Company with respect to the shareholders' meetings; and
 10. Map of the meeting venue: Golden Tulip Sovereign Hotel.

The Company hereby informs you that the Board of Directors resolved to convene the 2018 Annual General Meeting of Shareholders on Thursday, 19 April 2018 at 14.00, at Grand Ballroom, 3rd Floor, Golden Tulip Sovereign Hotel, 92 Soi Saengcham, Rama 9 Road, Bangkrapi Sub-district, Huay Khwang District, Bangkok 10320 to consider the following agenda items:

Agenda Item 1 **Matters to be informed by the Chairman for acknowledgement**

Agenda Item 2 **To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 5 September 2017**

Objectives and The Company had prepared the minutes of the Extraordinary General Meeting of

Rationale: Shareholders No. 1/2017, which was held on 5 September 2017 details are appeared in Enclosure 1, thus, hereby proposes to the shareholders' meeting to certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017.

Opinion of the Board of Directors: The Board of Directors considers that the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 were correctly and completely recorded, thus, the Board of Directors deems appropriate to propose to the shareholders' meeting to certify the Minutes of the meeting.

Remark: Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

Agenda Item 3 Matters to be considered

Agenda Item 3.1 To consider and acknowledge the operational results report for the year ended 31 December 2017

Objectives and Rationale: The Company has prepared the operational results report for the year 2017 and the Annual report of the Board of Directors, as detailed in the Annual report of the year 2017 (in a CD-ROM format), which has been sent to the shareholders together with this invitation, as per Enclosure 2.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and acknowledge the operational results report for the year ended 31 December 2017 and the annual report of the Board of Directors of the Company.

Remark: This agenda is for acknowledgment; therefore, no voting is required.

Agenda Item 3.2 To consider and approve the Company's audited financial statement and comprehensive income statements for the year ended 31 December 2017

Objectives and Rationale: Section 112 of the Public Limited Companies Act, B.E. 2535 (1992) (as amended) (the "Public Limited Company Act") and Article 39 of the Articles of Association of the Company prescribes that the Board of Directors have to prepare the balance sheet and the profit and loss statement at the end of each fiscal year for proposing to the shareholders in the annual general meeting of shareholders to consider and approve.

The Company has prepared statement of financial positions and comprehensive

income statements for the year ended 31 December 2017, as detailed in the Annual report for the year 2017 of the Company, as per the Annual report of the year 2017, Enclosure 2. Such statement of financial positions and comprehensive income statements for the year ended 31 December 2017 have been audited by the certified auditor of the Company, and reviewed by the Audit Committee and approved by the Board of Directors' Meeting.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and approve the Company's audited statement of financial positions and comprehensive income statements for the year ended 31 December 2017, which have been audited by the certified auditor of the Company, and reviewed by the Audit Committee and approved by the Board of Directors' Meeting, the detail are in the Annual report of the year 2017, which has been sent to the shareholders together with this invitation, as per Enclosure 2.

Remark: Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

Agenda Item 3.3 To consider and approve the allocation of profit and the suspension of the dividend payment for the operation ended 31 December 201 7

Objectives and Rationale: According to Section 116 of the Public Limited Company Act and Article 45 of the Articles of Association of the Company which specifies that the Company must allocate part of the annual net profit as reserve fund in an amount of not less than 5 percent of the annual net profit less the sum of accumulated loss brought forward (if any) until the reserve fund amount attains an amount of not less than 10 percent of the registered capital.

As the Company has the net profit for the operating results for the fiscal year ended 31 December 2017, thus propose to the shareholders' meeting to consider and approve the allocation of profit to be capital reserve as prescribed by the laws of Baht 3.8 million which is equivalent to 5 percent of the annual net profit, and the current capital reserve would be Baht 29.8 million which is equivalent to 6.4 percent of the registered capital.

Nevertheless, as the Company has the necessity to use the money to invest in Mea Krating Project for the benefit of the Company and the shareholders, as per the details to be proposed in agenda item 3.8, thus, proposes to the shareholders'

meeting to consider and approve the suspension of the dividend payment for the operation ended 31 December 2017.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and approve the allocation of profit as reserve fund as prescribed by the laws and the suspension of the dividend payment for the operation ended 31 December 2017, as per the details above.

Remark: Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

Agenda Item 3.4 To consider and approve the appointment of directors to replace the directors who will be retired by rotation

Objectives and Rationale: According to Section 71 of the Public Limited Company Act and Article 17 of the Articles of Association of the Company which prescribes that in each annual general meeting of shareholders, one-third of the total number of the directors must retire. In the case that the number of directors cannot divide into 3 proportions, a number of directors closest to one-third shall retire. Directors retiring by rotation may be re-elected.

In the 2018 Annual General Meeting, there are 4 directors who will retire by rotation, namely:

| Name of directors who shall be retired by rotation | Position | Number of Board of Directors' meeting attendance in year 2017 | Number of Audit Committee meeting attendance in year 2017 | Number of Executive Committee meeting attendance in year 2017 | Term of directorship |
|--|---|---|---|---|----------------------|
| 1. Pol. Gen. Worapong Chewprecha | Independent Director, Chairman of the Audit Committee | 7/7 | 6/6 | -/- | 1 year 5 months |
| 2. Mr. Atlawoot Papangkom | Independent Director, Audit Committee | 7/7 | 6/6 | -/- | 1 year 5 months |
| 3. Mr. Jakkraphong Sumethchotimetha | Director, | 7/7 | -/- | 12/12 | 1 year 5 months |

| | | | | | | |
|-----------------|------------|----------------------------------|-----|-----|-----|-----------------|
| | | Executive Committee Member | | | | |
| 4. Mrs. Thanipa | Puangjampa | Director | 7/7 | -/- | -/- | 1 year 5 months |

In this regard, the Nomination and Remuneration Committee has considered the qualifications of the 4 directors who will retire by rotation in the 2018 Annual General Meeting of shareholders as detailed in [Enclosure 3](#) and has an opinion that the 4 directors possess knowledge, capabilities, experiences, and expertise which will be beneficial to the Company's business operation.

In considering the qualifications of the aforementioned 4 directors proposed to be appointed, the Nomination and Remuneration Committee has complied with the regulations and procedures for nomination. In this regard, the Nomination and Remuneration Committee has considered the qualifications of the aforementioned 4 directors and has an opinion that the 4 directors do not have any prohibited characteristics under the Public Limited Company Act, the Securities and Exchange Act B.E. 2535 (1992) (as amended) and other relevant regulations. Moreover, the person who will take a position of Independent Director can provide the opinion freely and in accordance with relevant rules and regulations and possess the qualifications of the Independent Director as prescribed in the definition of the Independent Directors of the Company, which equals to the definition prescribed in the regulation of the Office of the Securities and Exchange Commission and the SET, are appeared in [Enclosure 7](#) which has been sent to the shareholders together with this invitation. In addition, the Company also gave an opportunity for the shareholders to propose the names of the persons to be consider to be appointed as the director from 22 December 2017 to 31 January 2018, however, no shareholders proposed other persons for the position, thus, propose to the shareholders' meeting to approve the re-appointment of the 4 directors to be the directors of the Company for another term.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to approve the appointment of the following directors (1) Pol. Gen. Worapong Chewprecha (2) Mr. Atlawoot Papangkom (3) Mr. Jakkraphong Sumethchotimetha (4) Mrs. Thanipa Puangjampa to replace the directors who will be retired by rotation.

Remark: Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes (when considering the appointment of

directors to replace those who retire by rotation, the Company shall propose to consider and approve on person-by-person basis).

Agenda Item 3.5 To consider and approve the remuneration of directors for the year 2018

Objectives and Rationale: According to Section 90 of the Public Limited Company and Article 22 of the Articles of Association of the Company, the remuneration of directors must be approved by the shareholders' meeting.

The Nomination and Remuneration Committee has thoroughly considered the appropriateness on various factors, i.e. from the operation results of the Company, size of the Company's business and duties and responsibilities of the directors and the sub-committees of the Company, by comparing with the remuneration rate of directors and the sub-committees in the companies that are in the same industry as the Company, thus, propose to the shareholders' meeting to determine the remuneration of the directors for the year 2018 in the amount of not exceeding Baht 3,000,000.

The details of the remuneration of directors are as follows:

- Remuneration of the Board of Directors (In the case of taking the position during the month, the remuneration shall be calculated by the proportion of the month)

| No. | Position | Remuneration rate for the year 2018 | | Remuneration rate for the year 2017 | |
|-----|------------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | Monthly remuneration | Meeting allowance per attendance | Monthly remuneration | Meeting allowance per attendance |
| 1. | Chairman of the Board of Directors | Baht 20,000 | Baht 25,000 | Baht 20,000 | Baht 25,000 |
| 2. | Director | Baht 10,000 | Baht 15,000 | Baht 10,000 | Baht 10,000 |

● **Remuneration of the Audit Committee**

| No. | Position | Remuneration rate for the year 2018 | | Remuneration rate for the year 2017 | |
|-----|---------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | Monthly remuneration | Meeting allowance per attendance | Monthly remuneration | Meeting allowance per attendance |
| 1. | Chairman of the Audit Committee | - | Baht 20,000 | - | Baht 20,000 |
| 2. | Audit Committee | - | Baht 12,000 | - | Baht 12,000 |

● **Remuneration of the Executive Committee**

There is no remuneration for holding the position of the Executive Committee, neither the monthly remuneration nor the meeting allowance per attendance.

● Remuneration of the Nomination and Remuneration Committee

| No. | Position | Remuneration rate for the year 2018 | | Remuneration rate for the year 2017 | |
|-----|---|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| | | Monthly remuneration | Meeting allowance per attendance | Monthly remuneration | Meeting allowance per attendance |
| 1. | Chairman of the Nomination and Remuneration Committee | - | Baht 12,000 | - | Baht 12,000 |
| 2. | Nomination and Remuneration Committee ¹ | - | Baht 10,000 | - | Baht 10,000 |

Remark: ¹ Meeting allowance of the Nomination and Remuneration Committee is only for the Nomination and Remuneration Committees who are holding the position of executive. As for the Nomination and Remuneration Committees who are not holding the position of executive, there will be no such remuneration.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and approve the remuneration of directors for the year 2018, as per the details proposed in all aspects.

Remark: Resolution in this agenda shall be approved by no less than two-thirds of the total votes of the shareholders attending the meeting.

Agenda Item 3.6 To consider and approve the appointment of the auditors and the determination of their remuneration for the year 2018

Objectives and Rationale: According to Section 120 of the Public Limited Company Act and Article 36 of the Articles of Association of the Company which prescribes that the annual general meeting of shareholders must appoint the auditors and determine the audit fee of the Company every year and the existing auditor may be re-appointed.

The Audit Committee has considered the auditor for the year 2018 from the lists of 3 auditing firms who proposed the audit fees to the Company, which after the Audit Committee has considered the qualifications of all auditors, the Audit Committee proposed to the shareholders' meeting to consider and approve the appointment of KPMG Phoomchai Audit Company Limited, which is an independent audit firm and skillful in auditing to be the auditor of the Company, and any of the following auditors

are appointed to audit and give opinion to the financial statement of the Company:

- 1) Miss Napaporn Sathitthammaporn Certified Public Accountant No. 7494
and/or
- 2) Mr. Sakda Kaothanthong Certified Public Accountant No. 4928
and/or
- 3) Mr. Ekkasit Chuthamsatid Certified Public Accountant No. 4195

In the case the aforementioned auditors are unable to perform their duties, KPMG Phoomchai Audit Company Limited shall be authorized to appoint any of the firm's qualified auditors to audit and give opinion to the financial statement of the Company. The aforementioned auditors have been the auditors of the Company for 3 years from 2015. The aforementioned auditors do not have any relationship nor any conflict of interest with the Company, its subsidiaries, the directors, the managements, or the major shareholders, or related persons of the said parties, therefore, are independent in auditing and giving opinion to the financial statement of the Company. In addition the 3 aforementioned auditors will also be the auditors for the subsidiaries of the Company.

Furthermore, the Board of Director deems appropriate to propose to the shareholders' meeting to consider and approve the audit fee for the year 2018 to be the amount of not exceeding Baht 2,160,000. The audit fee decreased from the previous fiscal year by Baht 500,000 or 18.80 percent, as per the comparison table. Such audit fee above does not include the non-audit services fee.

| Auditor Fee | 2018 (proposed) | 2017 |
|-------------|-----------------|----------------|
| Auditor Fee | Baht 2,160,000 | Baht 2,660,000 |

Opinion of the Board
of Directors:

The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and approve the appointment of Miss Napaporn Sathitthammaporn, certified Public Accountant No. 7494 and/or Mr. Sakda Kaothanthong, certified Public Accountant No. 4928 and/or Mr. Ekkasit Chuthamsatid, certified Public Accountant No. 4195 of KPMG Phoomchai Audit Company Limited to be the auditors of the Company for the fiscal year 2018 and for one of the auditors to audit and give opinion to the financial statement of the Company, and consider and approve the audit fee for the year 2018 to be the amount of not exceeding Baht 2,160,000, as per

proposed details in all aspects.

Remark: Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

Agenda Item 3.7 To consider and approve the acquisition of Mea Krating Power Co., Ltd

Objectives and Rationale: According to Section 107 of the Public Limited Company Act and Article 35 of the Articles of Association of the Company which specifies that the acquisition or acceptance of business transferring of private company or other public company by the Company, shall be approved by not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.

As the Meeting of the Board of Directors No. 2/2018, held on 23 February 2018, resolved to approve the Company to invest in biomass power plant project for generating the electricity on the size capacity of 9.90 MW and sell at the maximum capacity of 8.00 MW to the Provincial Electricity Authority at Moo 3, Ban Mae Krating, Tambon Paitoan, Amphur Rongkwang, Phrae Province. Due to the policy of purchasing the electricity from the small power producer (for power generated from renewable energy), Mae Krating Power Company Limited ("MKP") has entered into sale and purchase agreement with the Provincial Electricity Authority # VSPP-PEA-011/2014 on 23 June 2014 and the amendment of VSPP-PEA-011/2014 No.1 which the investment amount of 798,840,000 Baht is divided into:

1) The Company will buy 2,000,000 ordinary shares of MKP (at par value of 10 Baht each) from STFE Company Limited which equal to 80 per cent of registered and paid-up capital of 25,000,000 Baht at the amount of 80,000,000 Baht.

2) After completion of procedure in No.1, MKP will increase its share capital by 25,730,000 shares (at par value of 10 Baht each) totaling to 257,300,000 Baht by right offering. The Company will subscribe the shares to preserve the shareholding right of 80 per cent at 10 Baht per share, totaling to 205,840,000 Baht.

After completion of procedure in No.1 and No.2, MKP will has registered and paid-up capital of 28,230,000 shares which the Company holds 22,584,000 shares (80 per cent).

3) Additional investment for biomass power plant project and its working capital will be 513,000,000 Baht.

However, the company will invest in MKP after the General Meeting of Shareholders of the Company for 2018, held on 19 April 2018, resolves to approve to enter into the Transaction as per Enclosure 4-5.

Opinion of the Board of Directors: The Board of Directors of the Company has the opinion that the acquisition of the assets of the Company as mentioned above is appropriate transaction due to project's potential which can generate profits consistently and lead to the creation of added value to the shareholders. Thus, the Board of Directors of the Company has approved the Transaction and to propose to the shareholders for consideration and approval.

Remark: Resolution in this agenda shall be approved by not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote.

Agenda Item 3.8 To consider and approve the amendments to the use of capital increase proceeds from the initial public offering (IPO) of the ordinary shares

Objectives and Rationale: The Company has the necessity to amend the use the capital increase proceeds from the initial public offering (IPO) as follows:

The original use of proceeds in the prospectus

| Use of Proceeds | Estimated Amount of Proceeds from the IPO to be Used (Baht) | Estimated Use of Proceeds Period (Approximately) |
|---|---|--|
| 1. Repayment of loan to commercial banks and securities company ^{1/} | 131,000,000 | The 4 th quarter, 2017 - The 1 st quarter, 2018 |
| 2. Investment in improving efficiency of NGV compression and distributions stem | 85,000,000 | 2017-2019 |
| 3. Setting-up of NGV conventional gas station along ex-pipeline | 100,000,000 | 2017-2019 |
| 4. Working capital and for general business operation | 80,747,338 | 2017-2018 |

| | | |
|--------------|--------------------|--|
| Total | 396,747,338 | |
|--------------|--------------------|--|

Remark ^{1/} The Company expects to use part of the proceeds from the initial public offering (IPO) of the newly issued ordinary shares to repay for the loan, for the dividend payment and other loans. Such use of proceeds may be changed for the utmost benefit of the Company in repayment of loan to commercial banks and securities company.

The new use of proceeds

| Use of Proceeds | Estimated Amount of Proceeds from the IPO to be Used (Baht) | Estimated Use of Proceeds Period (Approximately) |
|---|---|--|
| 1. Repayment of loan to commercial banks and securities company ^{1/} | 70,000,000.00 | The 4 th quarter, 2017 - The 1 st quarter, 2018 |
| 2. Investment in improving efficiency of NGV compression and distributions stem | 26,500,000.00 | 2017-2019 |
| 3. Setting-up of NGV conventional gas station along ex-pipeline | 14,647,338.00 | 2017-2019 |
| 4. Working capital and for general business operation | - | 2017-2018 |
| 5. Mea Krating Project | 285,600,000.00 | The 2 nd quarter, 2018 - The 3 rd quarter, 2019 |
| Total | 396,747,338.00 | |

The amendments to the use of proceeds are due to the necessity of the Company to use the capital increase proceeds from the initial public offering (IPO) of the ordinary shares in Mea Krating Project, the details as proposed in **agenda item 3.8**. The Company expects to receive the return from the investment in such project which operates the business of production and sale of electricity with the capacity of 9.90 megawatt (MW). This is the business that is promoted and supported by the government and for risk diversification of the business of the Company and for the

Company to continuously making profit in the future, including helping makes good return for shareholders in the long term.

Opinion of the Board of Directors: The Board of Directors deems appropriate to propose to the shareholders' meeting to consider and approve the amendments to the use of capital increase proceeds from the initial public offering (IPO) of the ordinary shares, as per the proposed details in all aspects.

Remark: Resolution in this agenda shall be approved by no less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, with vetoes of less than 10 percent of those shareholders attending the meeting and having the right to vote.

Agenda Item 4 Other matters (if any)

Objectives and Rationale: The Board of Directors deems appropriate to give an opportunity for the shareholders to propose agendas, in addition to those specified by the Board of Directors in the invitation, however, such proposed matters shall be subject to the criteria and method as required by law.

The Company had published the invitation letter for the shareholders' meeting with the enclosures on the Company's website at www.sakolenergy.com/. The Company, therefore, hereby invites all shareholders to attend the 2018 Annual General Meeting of Shareholders, on Thursday, April 19, 2018, at 14.00 a.m., at Grand Ballroom, 3rd Floor, Golden Tulip Sovereign Hotel, 92 Soi Saengcham, Rama 9 Road, Bangkrapi Sub-district, Huay Khwang District, Bangkok, 10320. The Company will allow the shareholder to register their names from 12.00 p.m.

In the event that a shareholder is unable to attend the meeting in person and wishes to appoint a proxy to attend the meeting and cast votes on his or her behalf, please use either Proxy Form A or Form B, and for the foreign shareholders who have appointed a custodian, please use Proxy Form C, as set out in Enclosure 6. In addition, in order to protect the rights and interests of the shareholders in the event that a shareholder is unable to attend the meeting and wishes to appoint one of the Company's independent directors as his or her proxy to attend the meeting and cast votes on his or her behalf, the shareholder can use Proxy Form B, and select one of the Company's independent directors, whose names and profiles are set out in Enclosure 7 to attend the meeting and cast votes on his or her behalf, then submit the Proxy Form B with supporting documentation to the Company Secretary, No. 252/108 (B), 252/109 (C) Muang Thai - Phatra Complex Building, 21st Floor, Ratchadaphisek Road, Huai Khwang Sub-district, Bangkok 10310 , Telephone

No. (662) 026-3451. Furthermore, in order for the Company to facilitate the verification of the documents, please submit all documentations to the Company by 12 April 2018.

It is recommended that the shareholders study the guidelines for registration and appointment of a proxy, and the documentation and evidence required to be presented on the date of the meeting date as set out in Enclosure 8. The Company will conduct the meeting in accordance with the Articles of Association of the Company, Chapter 6 with respect to the shareholders' meetings, as set out in Enclosure 9.

In addition, the Company has set the date for determining the names of shareholders who shall have the right to attend the 2018 Annual General Meeting of Shareholders on March 15, 2018 (the Record Date).

Sincerely yours,

A handwritten signature in blue ink, consisting of a stylized initial 'D' followed by a horizontal line and a small flourish.

(Professor Emeritus Dr. Direk Lavansiri)

Board Chairman