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No. TTW/0610/08

30 December 2008

Re: Announcement of signing a contract to amend the Water Purchase and Sale Agreement with the Provincial Waterworks Authority

Attn: President

The Stock Exchange of Thailand

Thai Tap Water Supply Public Company Limited ("the Company"), operates under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority ("the PWA") with a term of 30 years, by commencing the tap water production and distribution to consumers who are the PWA's customers in Nakhon Pathom and Samut Sakhon Provinces since 2004, with the maximum production capacity at 320,000 cubic meters/day, of which, the PWA agrees to purchase the tap water in the minimum quantity at 300,000 cubic meters/day.

According to the Company's estimation, there might be a shortage of tap water in the Company's distribution areas in the near future. In order to accommodate such increased tap water demand and to support the government's policy on the use of tap water in replacement of groundwater, the Company, therefore, proposed to the PWA to enhance its existing production plant and transmission system. The Company is delighted to announce that the PWA has signed a contract to amend the current Water Purchase and Sale Agreement on 29 December 2008 with the essence of the Agreement as follows:

1. The Minimum Off-take Quantity as of the commencement date of water purchase and sale is 9,000 cubic meters/day and shall be adjusted every year by 9,000 cubic meters/day per year until reach to 54,000 cubic meters/day in the sixth year. The Minimum Off-take Quantity shall be maintained at 54,000 cubic meters/day from the sixth year onward throughout the term of the existing Agreement.

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2. The commencement date of water purchase and sale will be within 660 days from the date of signing the amended contract OR not after 19 October 2010.
3. The water charge rate in no. 4 below shall be adjusted every year (12 months), from the date of signing the amended contract, according to the consumer price index (CPI) of central region in November, but not exceeding 4 percent.
4. The charge rate for the tap water sold over 300,000 cubic meters/day is Baht 10.52 per cubic meter (exclusive of value added tax).

During the construction of plant enhancement, the PWA shall continue to benefit the 60 percent discount for the water sold over 300,000 cubic meters/day until the commencement date of water purchase and sale. After that, the charge rate in no. 4 above shall be activated. When the construction finish, the Company's maximum production capacity will be increased to 440,000 cubic meters/day

Please be informed accordingly.

Very truly yours,

(Somkiat Pattamamongkolchai)

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