

Ref. No.IVL 001/07/2014

July 3, 2014

President  
The Stock Exchange of Thailand

Subject: Capital Increase, Issuance of the Warrants to Purchase the Newly Issued Ordinary Shares of the Company and Calling for the Extraordinary General Meeting of Shareholders No. 1/2014

- Enclosures:
1. Key Features of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1)
  2. Key Features of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2)
  3. Capital Increase Report Form (Form 53-4)

The Board of Directors' Meeting No. 4/2014 of Indorama Ventures Public Company Limited (the "**Company**") held on July 3, 2014 respectively has passed the following resolutions:

1. Approved the issuance and allocation of 2 series of the warrants to purchase the newly issued ordinary shares of the Company (the "**IVL Warrants**") as the following details:
  - (1) The issuance and allocation of the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) (the "**IVL-W1 Warrants**") in the number of up to 481,425,724 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 10 existing shares for 1 unit of IVL-W1 Warrants. In calculating the entitlement to receive the IVL-W1 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. The term of IVL-W1 Warrants will be 3 years from the issuance date and the exercise price will be at Baht 36.00 per share. The key features of IVL-W1 Warrants and other material details are set forth in Enclosure 1 (*Key Features of IVL-W1 Warrants*).

In this regard, August 15, 2014 will be fixed as the record date for determining the shareholders entitled to receive the IVL-W1 Warrants and August 18, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

The Board of Directors or the Group CEO or the person(s) designated by the Board of Directors or the Group CEO shall be authorized: (1) to determine the conditions and other details which are necessary in connection with the issuance and allocation of IVL-W1 Warrants, e.g. issuance date, details and procedures of allocation of IVL-W1 Warrants, exercise period and expiry date of IVL-W1 Warrants; (2) to enter into negotiations, agreement and execution of the relevant applications for permission and other agreements and documents that are necessary for the issuance and allocation of IVL-W1 Warrants, including the arrangement and submission of applications for permission or waiver and other documents to the competent authorities or agencies in connection with the issuance and allocation of IVL-W1 Warrants and the listing of IVL-W1 Warrants on the Stock Exchange of Thailand; and (3) to take any other actions which are required for the issuance and allocation of the IVL-W1 Warrants.

- (2) The issuance and allocation of the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2) (the “**IVL-W2 Warrants**”) in the number of up to 370,327,480 units, to be allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 13 existing shares for 1 unit of IVL-W2 Warrants. In calculating the entitlement to receive the IVL-W2 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. The term of IVL-W2 Warrants will be 4 years from the issuance date and the exercise price will be at Baht 43.00 per share. The key features of the IVL-W2 Warrants and other material details are set forth in Enclosure 2 (*Key Features of IVL-W2 Warrants*).

In this regard, August 15, 2014 will be fixed as the record date for determining the shareholders entitled to receive the IVL-W2 Warrants and August 18, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

The Board of Directors or the Group CEO or the person(s) designated by the Board of Directors or the Group CEO shall be authorized: (1) to determine the conditions and other details which are necessary in connection with the issuance and allocation of IVL-W2 Warrants e.g. issuance date, details and procedures of allocation of IVL-W2 Warrants, exercise period and expiry date of IVL-W2 Warrants; (2) to enter into negotiations, agreement and execution of the relevant applications for permission and other agreements and documents that are necessary for the issuance and allocation of IVL-W2 Warrants, including the arrangement and submission of applications for permission or waiver and other documents to the competent authorities or agencies in connection with the issuance and allocation of IVL-W2 Warrants and the listing of IVL-W2 Warrants on the Stock Exchange of Thailand; and (3) to take any other actions which are required for the issuance and allocation of IVL-W2 Warrants.

2. Approved the reduction of registered capital of the Company from Baht 4,815,856,719.00 to Baht 4,814,257,245.00, by cancelling 1,599,474 authorized but unissued shares at the par value of Baht 1.00 per share.
3. Approved the amendment of Clause 4 of the Company’s Memorandum of Association to be in line with the reduction of the Company’s registered capital as follows:

“Clause 4.	Registered capital	Baht 4,814,257,245.00	(Four billion eight hundred fourteen million two hundred fifty seven thousand two hundred and forty five Baht)
	Divided into	4,814,257,245 shares	(Four billion eight hundred fourteen million two hundred fifty seven thousand two hundred and forty five shares)
	Par value per share	Baht 1.00	(One Baht)
	Divided into		
	Ordinary shares	4,814,257,245 shares	(Four billion eight hundred fourteen million two hundred fifty seven thousand two hundred and forty five shares)
	Preferred shares	-	( - )”

4. Approved the increase of the registered capital of the Company from Baht 4,814,257,245.00 to Baht 5,666,010,449.00 by issuing 851,753,204 shares, at the par value of Baht 1.00 per share. Please refer to Enclosure 3
5. Approved the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital as follows:

"Clause 4.	Registered capital	Baht 5,666,010,449.00	(Five billion six hundred sixty six million ten thousand four hundred and forty nine Baht)
	Divided into	5,666,010,449 shares	(Five billion six hundred sixty six million ten thousand four hundred and forty nine shares)
	Par value per share	Baht 1.00	(One Baht)
	Divided into		
	Ordinary shares	5,666,010,449 shares	(Five billion six hundred sixty six million ten thousand four hundred and forty nine shares)
	Preferred shares	-	( - )"

For further details concerning the increase of the Company's registered capital, please refer to Enclosure 3 (*Capital Increase Report Form (Form 53-4)*).

6. Approved the allocation of 851,753,204 newly issued ordinary shares at the par value of Baht 1.00 per share as the following details:
  - (1) the allocation of 481,425,724 newly issued ordinary shares of the Company, at the par value of Baht 1.00 per share, to accommodate the exercise of IVL-W1 Warrants; and
  - (2) the allocation of 370,327,480 newly issued ordinary shares of the Company, at the par value of Baht 1.00 per share, to accommodate the exercise of IVL-W2 Warrants.

In this respect, the Board of Directors or the Group CEO or the person(s) designated by the Board of Directors or the Group CEO shall be authorized to consider and determine other details with regard to the allocation of such newly issued ordinary shares including, but not limited to, (1) entering into negotiation, agreement and execution of the relevant documents and agreements as well as taking any action in connection with the allocation of such newly issued ordinary shares and (2) execution of application for permission and waiver, any necessary evidence in connection with the allocation of such newly issued ordinary shares, including the arrangement and submission of application for such permission and waiver, documents and evidence to relevant authorities or agencies, listing such newly issued ordinary shares on the Stock Exchange of Thailand and being empowered to take any other action which is necessary for the allocation of such newly issued ordinary shares.

7. Approved the convening of the Extraordinary General Meeting of Shareholders No. 1/2014 on August 6, 2014 at 2 p.m. at Athenee Crystal Hall, Plaza Athenee Bangkok A Royal Meridien Hotel, No. 61, Wireless Road, Bangkok, 10330, to consider the following agenda items<sup>1</sup>:
  1. To consider and adopt the Minutes of the Annual General Meeting of Shareholders No.1/2014 held on April 24, 2014
  2. To consider and approve the issuance and allocation of 2 series of the warrants to purchase the newly issued ordinary shares of the Company to the existing shareholders of the Company through the Rights Offering
    - 2.1 To consider and approve the issuance and allocation of the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) in the number of up to 481,425,724 units
    - 2.2 To consider and approve the issuance and allocation of the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2) in the number of up to 370,327,480 units
  3. To consider and approve the reduction in registered capital of the Company in the number of 1,599,474 shares at the par value of Baht 1.00 per share, from the existing registered capital of Baht 4,815,856,719.00 to Baht 4,814,257,245.00, by cancelling the Company's unissued shares
  4. To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.
  5. To consider and approve the increase of registered capital of the Company in the number of 851,753,204 shares at the par value of Baht 1.00 per share, from the registered capital of Baht 4,814,257,245.00 to Baht 5,666,010,449.00
  6. To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital
  7. To consider and approve the allocation of the newly issued ordinary shares of the Company to accommodate the exercise of the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) and the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2)
  8. Other matters (if any)

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<sup>1</sup> Since the matters listed in agenda items no. 2 to 7 being proposed to the Extraordinary General Meeting of Shareholders No. 1/2014 relate to the issuance and allocation of the IVL Warrants, and are related to one another, the approval on each of such matters are conditional upon one another. Therefore, in the event that any of such matters is disapproved by the Extraordinary General Meeting of Shareholders No. 1/2014, the other matters having been formerly approved shall be cancelled and no other related matters shall be further proposed for consideration. In such event, it shall be deemed that the issuance and allocation of the IVL Warrants is disapproved by the Extraordinary General Meeting of Shareholders No. 1/2014.

8. Approved that July 18, 2014 will be fixed as the record date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2014 and July 21, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended).

The Company has continuing exciting growth plans on the horizon especially focused on low cost shale feedstock and high margin high value added business to complement our current competencies. The warrants allow the Company to implement these capital intensive plans and at the same time reward the existing shareholders. The exercise period and the exercise price has been set at a level which potentially will lead to full conversion and in a timely manner for use of proceeds in value accretive growth projects to enhance the value of the Company.

Yours faithfully,

(Mr. Souvik Roy Chowdhury)  
Company Secretary

**Key Features of the Warrants to Purchase the Newly Issued Ordinary Shares of  
Indorama Ventures Public Company Limited No. 1 (IVL-W1)**

<b>Issuer</b>	Indorama Ventures Public Company Limited (the “ <b>Company</b> ”)
<b>Name</b>	Warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) (“ <b>IVL-W1 Warrants</b> ”)
<b>Type</b>	In named certificate and transferable
<b>Number of warrants issued</b>	Up to 481,425,724 units
<b>Price per unit</b>	Baht 0 (at no cost)
<b>Allocation methods</b>	<p>IVL-W1 Warrants will be issued and allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allocation ratio of every 10 existing ordinary shares for 1 unit of IVL-W1 Warrants. The Company will issue and allocate IVL-W1 Warrants to the shareholders whose names appear as the shareholders of the Company on the record date for determining the shareholders entitled to receive IVL-W1 Warrants on August 15, 2014 and the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) on August 18, 2014.</p> <p>In calculating the entitlement to receive IVL-W1 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth will be rounded down. For instance, in case of a shareholder holding 27 shares, such 27 shares if divided by 10 will be equal to 2.70 (27 divided by 10). In this regard, the fractions of 0.70 will be rounded down and 2 units of IVL-W1 Warrants will be allocated to such shareholder.</p>
<b>Exercise ratio</b>	1 unit of IVL-W1 Warrants for 1 new ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the provisions concerning the rights adjustment as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) (the “ <b>Terms &amp; Conditions</b> ”)
<b>Exercise price</b>	Baht 36.00 per share, unless the exercise price is adjusted otherwise pursuant to the provisions concerning the rights adjustment as stipulated in the Terms & Conditions
<b>Issuance date</b>	To be determined by the Board of Directors or the Group CEO or the person authorized by the Board of Directors or the Group CEO, which is expected to be in August 2014.
<b>Term of the warrants</b>	3 years from the issuance date. In this respect, the Company shall not extend the term of IVL-W1 Warrants after the issuance.
<b>Exercise period</b>	The warrant holders will be entitled to exercise their rights under IVL-W1 Warrants to purchase the newly issued ordinary shares of the Company on the last business day of every January, April, July and October after the issuance date until the expiration of the term of IVL-W1 Warrants (the “ <b>Exercise Date</b> ”). The first Exercise Date is expected to be on the last business day of October 2014 and the last Exercise Date will be on the date

	of the 3 <sup>rd</sup> anniversary from the issuance date. In the event that the last Exercise Date is not a business day, the last Exercise Date shall be postponed to the next business day.
<b>Period for the notification of the intention to exercise the warrants</b>	The warrant holders who wish to exercise their rights to purchase the newly issued ordinary shares of the Company shall deliver a notification of intention to exercise IVL-W1 Warrants (the “ <b>Exercise Notice</b> ”) during 8.30 a.m. and 3.30 p.m. within the period of 5 business days prior to each Exercise Date, except for the last Exercise Date in which the Exercise Notice shall be delivered during 8.30 a.m. and 3.30 p.m. within the period of 15 business days prior to the last Exercise Date.
<b>Irrevocability of the notification of intention to exercise the warrants</b>	The intention to exercise IVL-W1 Warrants shall be irrevocable upon the Exercise Notice is served.
<b>Numbers of ordinary shares issuable upon the exercise of the warrants</b>	<p>Up to 481,425,724 shares, with a par value of Baht 1.00 per share, equivalent to 17.69%* of the total issued shares of the Company as of July 3, 2014.</p> <p>*Calculation method for the ratio of the issuable shares (based on the fact that the Company will issue two series of warrants (IVL-W1 Warrants and IVL-W2 Warrants) at the same time):</p> $\frac{\begin{array}{l} \text{Number of shares reserved to} \\ \text{accommodate the exercise} \\ \text{of IVL-W1 Warrants issued this} \\ \text{time} \end{array} + \begin{array}{l} \text{Number of shares reserved to} \\ \text{accommodate the exercise of} \\ \text{IVL-W2 Warrants issued this time} \end{array}}{\begin{array}{l} \text{Number of the total issued shares} \\ \text{of the Company} \end{array}} = \frac{481,425,724 + 370,327,480}{4,814,257,245}$ <p style="text-align: center;">17.69 % =</p>
<b>Warrant registrar</b>	Thailand Securities Depository Company Limited or any person duly appointed to act as the registrar of IVL-W1 Warrants
<b>Secondary market of the warrants</b>	The Company will list IVL-W1 Warrants on the Stock Exchange of Thailand
<b>Secondary market of the shares issued upon the exercise of the warrants</b>	The Stock Exchange of Thailand
<b>Dilution effects</b>	<p>1. <u>Control Dilution</u></p> <p>In the event that all of 481,425,724 units of IVL-W1 Warrants are fully exercised and all of the warrant holders who exercise the IVL-W1 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be diluted by 9.09%*.</p> <p>* Calculated based on the number of shares reserved to accommodate the exercise of IVL-W1 Warrants (481,425,724 shares) divided by the total sum of (1) the total issued shares of the Company, as of July 3, 2014 (4,814,257,245 shares) and (2) the number of shares reserved to</p>

	<p>accommodate the exercise of IVL-W1 Warrants (481,425,724 shares).</p> $\text{Control dilution} = \frac{\text{Number of shares reserved to accommodate the exercise of IVL-W1 Warrants}}{\frac{\text{Number of the total issued shares of the Company}}{9.09\%} + \text{Number of shares reserved to accommodate the exercise of IVL-W1 Warrants}}$ $9.09\% = \frac{481,425,724}{4,814,257,245 + 481,425,724}$ <p>2. <u>Price Dilution</u></p> <p>In the event that all of IVL-W1 Warrants are exercised, the price of the Company's shares <u>shall not be diluted</u> based on the fact that the exercise price at Baht 36.00 is higher than the current market price of Baht 27.89 per share, which is the weighted average market price of the Company's shares during the period of 7 consecutive business days prior to the date of the Board of Directors' Meeting No. 4/2014 held on July 3, 2014 (during June 23, 2014 and July 2, 2014 - Information from SETSMART).</p>
<p><b>Events that require the issuance of new shares to accommodate the rights adjustment</b></p>	<p>When the Company adjusts the exercise price and/or the exercise ratio pursuant to the provisions concerning the rights adjustment as stipulated in the Terms &amp; Conditions, which resemble the events stipulated in Clause 11(4)(b) of the Notification of the Capital Market Supervisory Board No. TorJor. 34/2551 Re: Application for and Approval of Offer for Sale of Warrants to Purchase Newly Issued Shares and Shares Issuable upon the Exercise of Warrants dated December 15, 2008 (as amended).</p>
<p><b>Rights adjustment of the warrants</b></p>	<p>The Company will be required to adjust the exercise price and/or the exercise ratio upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) in case of a change in par value of the Company's ordinary share as a result of a combination or split of shares;</li> <li>(b) in case the Company issues and offers newly issued ordinary shares to its existing shareholders and/or to the public and/or to specific investors (private placement) at the net price per share of the newly issued ordinary shares of the Company which is below 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(c) in case the Company issues any new securities to its existing shareholders and/or to the public and/or to specific investors (private placement) and such securities confer the rights to convert/exchange into ordinary shares or the rights to purchase of the ordinary shares (such as convertible debentures or warrants to purchase the ordinary shares) at the net price per share of the newly issued ordinary shares reserved for the exercise of rights below 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(d) in case the Company makes payment of dividends, whether in whole or in part, in the form of the Company's ordinary shares;</li> <li>(e) in the event that the Company distributes dividends in cash in excess of 90 percent of the Company's net profit for any fiscal year;</li> <li>(f) in any event where the warrant holders are caused to lose their rights</li> </ul>

	<p>and interest other than those stated in items (a) – (e), the Company shall consider the adjustment of the exercise price and/or the exercise ratio (or adjustment of the number of IVL-W1 Warrants in lieu of the exercise ratio) in a fair manner without depriving the rights of the warrant holders.</p> <p>In this respect, the definitions, rights adjustment formula, as well as other details shall be in accordance with the Terms &amp; Conditions.</p>
<p><b>Purposes of issuing the warrants and benefits that the Company would gain from the allocation of newly issued shares</b></p>	<p>To provide readiness and enhance financial strengths of the Company so that the Company has financial flexibility in proceeding with its future projects including M&amp;A projects as well as to reserve funds to be used as working capital and/or to pay down debt when the warrant holders exercise their rights under IVL-W1 Warrants.</p>
<p><b>Expected benefits to shareholders from the capital increase</b></p>	<p>In the event the warrant holders exercise their rights under IVL-W1 Warrants to purchase the newly issued ordinary shares, the shareholders would gain the benefits from the Company as the Company will be able to utilize such proceeds by investing in its relating future projects as deemed appropriate and in line with the objectives of the issuance and allocation of IVL-W1 Warrants.</p>
<p><b>Other conditions</b></p>	<p>The Board of Directors or the Group CEO or the person(s) designated by the Board of Directors or the Group CEO shall be empowered: (1) to determine the conditions and other details which are necessary in connection with the issuance and allocation of IVL-W1 Warrants e.g. issuance date, details and procedures of allocation of IVL-W1 Warrants, exercise period and expiry date of IVL-W1 Warrants; (2) to enter into negotiations, agreement and execution of the relevant applications for permission and the other agreements and documents that are necessary for the issuance and allocation of IVL-W1 Warrants, including the arrangement and submission of applications for permission or waiver and the relevant documents to the competent authorities or agencies in connection with the issuance and allocation of IVL-W1 Warrants and the listing of IVL-W1 Warrants on the Stock Exchange of Thailand; and (3) to take any other actions which are required for this issuance and allocation of IVL-W1 Warrants.</p>

**Key Features of the Warrants to Purchase the Newly Issued Ordinary Shares of  
Indorama Ventures Public Company Limited No. 2 (IVL-W2)**

<b>Issuer</b>	Indorama Ventures Public Company Limited (the “ <b>Company</b> ”)
<b>Name</b>	Warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2) ( “ <b>IVL-W2 Warrants</b> ”)
<b>Type</b>	In named certificate and transferable
<b>Number of warrants issued</b>	Up to 370,327,480 units
<b>Price per unit</b>	Baht 0 (at no cost)
<b>Allocation methods</b>	<p>IVL-W2 Warrants will be issued and allocated to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allocation ratio of every 13 existing ordinary shares for 1 unit of IVL-W2 Warrants. The Company will issue and allocate IVL-W2 Warrants to the shareholders whose names appear as the shareholders of the Company on the record date for determining the shareholders entitled to receive IVL-W2 Warrants on August 15, 2014 and the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) on August 18, 2014.</p> <p>In calculating the entitlement to receive IVL-W2 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth will be rounded down. For instance, in case of a shareholder holding 30 shares, such 30 shares if divided by 13 will be equal to 2.31 (30 divided by 13). In this regard, the fractions of 0.31 will be rounded down and 2 units of IVL-W2 Warrants will be allocated to such shareholder.</p>
<b>Exercise ratio</b>	1 unit of IVL-W2 Warrants for 1 new ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the provisions concerning the rights adjustment as stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2) (the “ <b>Terms &amp; Conditions</b> ”)
<b>Exercise price</b>	Baht 43.00 per share, unless the exercise price is adjusted otherwise pursuant to the provisions concerning the rights adjustment as stipulated in the Terms & Conditions
<b>Issuance date</b>	To be determined by the Board of Directors or the Group CEO or the person authorized by the Board of Directors or the Group CEO, which is expected to be in August 2014.
<b>Term of the warrants</b>	4 years from the issuance date. In this respect, the Company shall not extend the term of IVL-W2 Warrants after the issuance.
<b>Exercise period</b>	The warrant holders will be entitled to exercise their rights under IVL-W2 Warrants to purchase the newly issued ordinary shares of the Company on the last business day of every January, April, July and October after the 3 <sup>rd</sup> anniversary from the issuance date until the expiration of the term of IVL-W2 Warrants (the “ <b>Exercise Date</b> ”). The first Exercise Date is expected to be on the last business day of October 2017 and the last Exercise Date will be on

	the date of the 4 <sup>th</sup> anniversary from the issuance date. In the event that the last Exercise Date is not a business day, the last Exercise Date shall be postponed to the next business day.												
<b>Period for the notification of the intention to exercise the warrants</b>	The warrant holders who wish to exercise their rights to purchase the newly issued ordinary shares of the Company shall deliver a notification of intention to exercise IVL-W2 Warrants (the “ <b>Exercise Notice</b> ”) during 8.30 a.m. and 3.30 p.m. within the period of 5 business days prior to each Exercise Date, except for the last Exercise Date in which the Exercise Notice shall be delivered during 8.30 a.m. and 3.30 p.m. within the period of 15 business days prior to the last Exercise Date.												
<b>Irrevocability of the notification of intention to exercise the warrants</b>	The intention to exercise IVL-W2 Warrants shall be irrevocable upon the Exercise Notice is served.												
<b>Numbers of ordinary shares issuable upon the exercise of the warrants</b>	<p>Up to 370,327,480 shares, with a par value of Baht 1.00 per share, equivalent to 17.69%* of the total issued shares of the Company as of July 3, 2014</p> <p>*Calculation method for the ratio of the issuable shares (based on the fact that the Company will issue two series of warrants (IVL-W1 Warrants and IVL-W2 Warrants) at the same time):</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">Number of shares reserved to accommodate the exercise of IVL-W1 Warrants issued this time</td> <td style="text-align: center; padding: 5px;">+</td> <td style="text-align: center; padding: 5px;">Number of shares reserved to accommodate the exercise of IVL-W2 Warrants issued this time</td> <td style="border-top: 1px solid black; width: 20px;"></td> </tr> <tr> <td colspan="4" style="text-align: center; padding: 5px;">Number of the total issued shares of the Company</td> </tr> <tr> <td style="text-align: center; padding: 5px;">17.69 %</td> <td style="text-align: center; padding: 5px;">=</td> <td style="text-align: center; padding: 5px;"> <math display="block">\frac{481,425,724 + 370,327,480}{4,814,257,245}</math> </td> <td></td> </tr> </table>	Number of shares reserved to accommodate the exercise of IVL-W1 Warrants issued this time	+	Number of shares reserved to accommodate the exercise of IVL-W2 Warrants issued this time		Number of the total issued shares of the Company				17.69 %	=	$\frac{481,425,724 + 370,327,480}{4,814,257,245}$	
Number of shares reserved to accommodate the exercise of IVL-W1 Warrants issued this time	+	Number of shares reserved to accommodate the exercise of IVL-W2 Warrants issued this time											
Number of the total issued shares of the Company													
17.69 %	=	$\frac{481,425,724 + 370,327,480}{4,814,257,245}$											
<b>Warrant registrar</b>	Thailand Securities Depository Company Limited or any person duly appointed to act as the registrar of IVL-W2 Warrants												
<b>Secondary market of the warrants</b>	The Company will list IVL-W2 Warrants on the Stock Exchange of Thailand												
<b>Secondary market of the shares issued upon the exercise of the warrants</b>	The Stock Exchange of Thailand												
<b>Dilution effects</b>	<p>1. <u>Control Dilution</u></p> <p>In the event that all of 370,327,480 units of IVL-W2 Warrants are fully exercised and all of the warrant holders who exercise the IVL-W2 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be diluted by 7.14%*.</p> <p>* Calculated based on the number of shares reserved to accommodate the exercise of IVL-W2 Warrants (370,327,480 shares) divided by the total sum of (1) the total issued shares of the Company, as of July 3, 2014 (4,814,257,245 shares) and (2) the number of shares reserved to accommodate the exercise of IVL-W2 Warrants (370,327,480 shares).</p>												

$$\text{Control dilution} = \frac{\text{Number of shares reserved to accommodate the exercise of IVL-W2 Warrants}}{\text{Number of the total issued shares of the Company} + \text{Number of shares reserved to accommodate the exercise of IVL-W2 Warrants}}$$

$$7.14 \% = \frac{370,327,480}{4,814,257,245 + 370,327,480}$$

Remark:

In the event that all of 481,425,724 units of IVL-W1 Warrants and all of 370,327,480 units of IVL-W2 Warrants are fully exercised and all of the warrant holders who exercise IVL-W1 Warrants and IVL-W2 Warrants are not the shareholders of the Company, the shareholding of the existing shareholders of the Company will be diluted by 15.03%\*\*.

\*\* Calculated based on the number of shares reserved to accommodate the exercise of IVL-W1 Warrants and IVL-W2 Warrants (481,425,724 + 370,327,480 shares) divided by the total sum of (1) the total issued shares of the Company, as of July 3, 2014 (4,814,257,245 shares) and (2) the number of shares reserved to accommodate the exercise of IVL-W1 Warrants and IVL-W2 Warrants (481,425,724 + 370,327,480 shares).

$$\text{Control dilution} = \frac{\text{Number of shares reserved to accommodate the exercise of IVL-W1 Warrants and IVL-W2 Warrants}}{\text{Number of the total issued shares of the Company} + \text{Number of shares reserved to accommodate the exercise of IVL-W1 Warrants and IVL-W2 Warrants}}$$

$$15.03\% = \frac{481,425,724 + 370,327,480}{4,814,257,245 + 481,425,724 + 370,327,480}$$

2. Price Dilution

In the event that all of IVL-W2 Warrants are exercised, the price of the Company's shares shall not be diluted based on the fact that the exercise price at Baht 43.00 is higher than the current market price of Baht 27.89 per share, which is the weighted average market price of the Company's shares during the period of 7 consecutive business days prior to the date of the Board of Directors' Meeting No. 4/2014 held on July 3, 2014 (during June 23, 2014 and July 2, 2014 - Information from SETSMART).

In the event that all of IVL-W1 Warrants and all of IVL-W2 Warrants are exercised, the price of the Company's shares shall not be diluted based on the fact that the exercise price of IVL-W1 Warrants at Baht 36.00 and that of IVL-W2 Warrants at Baht 43.00 is higher than the current market price of Baht 27.89 per share, which is the weighted average market price of the Company's shares during the period of 7 consecutive business days prior to the date of the Board of Directors' Meeting No. 4/2014 held on July 3, 2014 (during June 23, 2014 and July 2, 2014 -Information from SETSMART).

<p><b>Events that require the issuance of new shares to accommodate the rights adjustment</b></p>	<p>When the Company adjusts the exercise price and/or the exercise ratio pursuant to the provisions concerning the rights adjustment as stipulated in the Terms &amp; Conditions, which resemble the events stipulated in Clause 11(4)(b) of the Notification of the Capital Market Supervisory Board No. TorJor. 34/2551 Re: Application for and Approval of Offer for Sale of Warrants to Purchase Newly Issued Shares and Shares Issuable upon the Exercise of Warrants dated December 15, 2008 (as amended).</p>
<p><b>Rights adjustment of the warrants</b></p>	<p>The Company will be required to adjust the exercise price and/or the exercise ratio upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) in case of a change in par value of the Company's ordinary share as a result of a combination or split of shares;</li> <li>(b) in case the Company issues and offers newly issued ordinary shares to its existing shareholders and/or to the public and/or to specific investors (private placement) at the net price per share of the newly issued ordinary shares of the Company which is below 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(c) in case the Company issues any new securities to its existing shareholders and/or to the public and/or to specific investors (private placement) and such securities confer the rights to convert/exchange into ordinary shares or the rights to purchase of the ordinary shares (such as convertible debentures or warrants to purchase the ordinary shares) at the net price per share of the newly issued ordinary shares reserved for the exercise of rights below 90 percent of the market price per share of the Company's ordinary shares;</li> <li>(d) in case the Company makes payment of dividends, whether in whole or in part, in the form of the Company's ordinary shares;</li> <li>(e) in the event that the Company distributes dividends in cash in excess of 90 percent of the Company's net profit for any fiscal year;</li> <li>(f) in any event where the warrant holders are caused to lose their rights and interest other than those stated in items (a) – (e), the Company shall consider the adjustment of the exercise price and/or the exercise ratio (or adjustment of the number of IVL-W2 Warrants in lieu of the exercise ratio) in a fair manner without depriving the rights of the warrant holders.</li> </ul> <p>In this respect, the definitions, rights adjustment formula, as well as other details shall be in accordance with the Terms &amp; Conditions.</p>
<p><b>Purposes of issuing the warrants and benefits that the Company would gain from the allocation of newly issued shares</b></p>	<p>To provide readiness and enhance financial strengths of the Company so that the Company has financial flexibility in proceeding with its future projects including M&amp;A projects as well as to reserve funds to be used as working capital and/or to pay down debt when the warrant holders exercise their rights under IVL-W2 Warrants.</p>
<p><b>Expected benefits to shareholders from the capital increase</b></p>	<p>In the event the warrant holders exercise their rights under IVL-W2 Warrants to purchase the newly issued ordinary shares, the shareholders would gain the benefits from the Company as the Company will be able to utilize such proceeds by investing in its relating future projects as deemed appropriate and in line with the objectives of the issuance and allocation of IVL-W2 Warrants.</p>
<p><b>Other conditions</b></p>	<p>The Board of Directors or the Group CEO or the person(s) designated by the Board of Directors or the Group CEO shall be empowered: (1) to determine the conditions and other details which are necessary in</p>

	<p>connection with the issuance and allocation of IVL-W2 Warrants e.g. issuance date, details and procedures of allocation of IVL-W2 Warrants, exercise period and expiry date of IVL-W2 Warrants; (2) to enter into negotiations, agreement and execution of the relevant applications for permission and other agreements and documents that are necessary for the issuance and allocation of IVL-W2 Warrants, including the arrangement and submission of applications for permission or waiver and other documents to the competent authorities or agencies in connection with the issuance and allocation of IVL-W2 Warrants and the listing of IVL-W2 Warrants on the Stock Exchange of Thailand; and (3) to take any other actions which are required and appropriate for the issuance and allocation of IVL-W2 Warrants.</p>
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**CAPITAL INCREASE REPORT FORM**  
**INDORAMA VENTURES PUBLIC COMPANY LIMITED**  
**Date 3 July 2014**

We, Indorama Ventures Public Company Limited (the “**Company**”), hereby report the resolutions of the Board of Directors’ Meeting No. 4 /2014 held on July 3, 2014 from 9.00 a.m. to 11.45 a.m. at 75/102 Ocean Tower 2, 37<sup>th</sup> Floor, Soi Sukhumvit 19, Asoke Road, Klongtoey Nuer, Wattana, Bangkok, with respect to the Company’s capital increase and allocation of shares as follows:

**1. Capital Reduction / Capital Increase**

The Meeting of the Board of Directors passed the resolutions approving:

- 1) the reduction in registered capital of the Company from Baht 4,815,856,719.00 to Baht 4,814,257,245.00, by cancelling 1,599,474 shares with the par value of Baht 1.00 per share; and
- 2) the increase of the registered capital of the Company from Baht 4,814,257,245.00 to Baht 5,666,010,449.00 by means of the issuance of 851,753,204 newly issued ordinary shares with a par value of Baht 1.00 per share totaling Baht 851,753,204.00 to accommodate the exercises of
  - (a) the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No.1 (“**IVL-W1 Warrants**”); and
  - (b) the warrants to purchase the newly issued ordinary shares of Indorama Ventures Public Company Limited No.2 (“**IVL-W2 Warrants**”),

detailed as follows:

Type of Capital Increase	Type of shares	Number of shares (shares)	Par value (Baht per share)	Total (Baht)
<input checked="" type="checkbox"/> Specific purpose of utilizing the proceeds	Ordinary	Up to 851,753,204	1.00	851,753,204.00
<input type="checkbox"/> General Mandate	-	-	-	-

**2. Allotment of new shares (specific purpose of utilizing the proceeds)**

2.1 Details of Allotment

Allotted to	Number (shares)	Ratio (Existing : New)	Sale Price per share (Baht)	Subscription and payment period	Remark
To accommodate the exercise of IVL-W1 Warrants	Up to 481,425,724	Allocation Ratio: 10 existing shares for 1 unit of IVL-W1 Warrants  Exercise Ratio: 1 unit of IVL-W1	Exercise Price: 36.00 Baht per share	The exercise of the rights to purchase the newly issued ordinary shares of the Company under IVL-W1 Warrants shall be in accordance with the	Please see Remark 1

Allotted to	Number (shares)	Ratio (Existing : New)	Sale Price per share (Baht)	Subscription and payment period	Remark
		Warrants for 1 ordinary share		provisions concerning the exercise of the warrants stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 1 (IVL-W1) ( <b>"IVL-W1 Terms &amp; Conditions"</b> )	
To accommodate the exercise of IVL-W2 Warrants	Up to 370,327,480	<u>Allocation Ratio:</u> 13 existing shares for 1 unit of IVL-W2 Warrants  <u>Exercise Ratio:</u> 1 unit of IVL-W2 Warrants for 1 ordinary share	<u>Exercise Price:</u> 43.00 Baht per share	The exercise of the rights to purchase the newly issued ordinary shares of the Company under IVL-W2 Warrants shall be in accordance with the provisions concerning the exercise of the warrants stipulated in the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of Indorama Ventures Public Company Limited No. 2 (IVL-W2) ( <b>"IVL-W2 Terms &amp; Conditions"</b> )	Please see Remark 2

Remark

1. The Board of Directors' Meeting No. 4/2014, on July 3, 2014, passed a resolution to propose to the Extraordinary General Meeting of Shareholders No.1/2014, which will be held on August 6, 2014, to consider and approve the Company to issue and allocate IVL-W1 Warrants in the number of up to 481,425,724 units to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 10 existing shares for 1 unit of IVL-W1 Warrants. In calculating the entitlement to receive IVL-W1 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. In this regard, August 15, 2014 will be fixed as the record date for determining the shareholders entitled to receive IVL-W1 Warrants and August 18, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities And Exchange Act B.E. 2535 (1992) (as amended).

The term of IVL-W1 Warrants will be 3 years from the issuance date. The warrant holders is expected to be entitled to exercise IVL-W1 Warrants for the first time on the last business day of October 2014.

2. The Board of Directors' Meeting No. 4/2014, on July 3, 2014, passed a resolution to propose to the Extraordinary General Meeting of Shareholders No.1/2014, which will be held on August 6, 2014, to consider and approve the Company to issue and allocate IVL-W2 Warrants in the number of up to 370,327,480 units to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 13 existing shares for 1 unit of IVL-W2 Warrants. In calculating the entitlement to receive IVL-W2 Warrants of each shareholder, any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down. In this regard, August 15, 2014 will be fixed as the record date for determining the shareholders entitled to receive IVL-W2 Warrants and August 18, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities And Exchange Act B.E. 2535 (1992) (as amended).

The term of IVL-W2 Warrants will be 4 years from the issuance date. The warrant holders is expected to be entitled to exercise IVL-W2 Warrants for the first time on the last business day of October 2017.

## 2.2 The Company's plan in the case where there is a fraction of shares remaining

In the event that there is any change of the exercise ratio upon the occurrence of an event pursuant to the conditions of the rights adjustment as stipulated in IVL-W1 Terms & Conditions or IVL-W2 Terms & Conditions, as the case may be, and such change of the exercise ratio results in any fraction of shares to be allocated under IVL-W1 Warrants or IVL-W2 Warrants, as the case may be, the fraction of shares shall be rounded down.

## 3. **Schedule of the Extraordinary General Meeting of Shareholders No. 1/2014 to approve the capital increase and the allotment of new shares**

The Extraordinary General Meeting of Shareholders No. 1/2014 (the "EGM No.1/2014") is scheduled to be held on August 6, 2014 at 2 p.m. at Athenee Crystal Hall, Plaza Athenee Bangkok A Royal Meridien Hotel, No. 61, Wireless Road, Bangkok, 10330. July 18, 2014 will be fixed as the record date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2014 and July 21, 2014 will be fixed as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities And Exchange Act B.E. 2535 (1992) (as amended).

## 4. **Approval for the capital increase allotment of newly issued ordinary shares**

To register the increase of registered capital and the change of the paid-up capital with the Department of Business Development, the Ministry of Commerce.

## 5. **Objectives of the capital increase and plans for utilizing proceeds obtained from the capital increase**

To provide readiness and enhance financial strengths of the Company so that the Company has financial flexibility in proceeding with its future projects including M&A projects as well as to reserve funds to be used as working capital and/or to pay down debt when the warrant holders exercise their rights under the IVL-W1 Warrants and the IVL-W2 Warrants.

## 6. **Benefits which the company will receive from the capital increase/share allotment:**

To enhance the financial strength of the Company and to provide increased financial flexibility in proceeding with its future projects, including M&A projects, as well as to reserve funds for use as working capital and/or to pay down debt.

**7. Benefits which the shareholders will receive from the capital increase/share allotment:**

**7.1 Dividend policy**

The Company has a policy to distribute dividends to its shareholders not less than 30% of the net profit after tax and appropriation to legal reserve. However, the Board of Directors shall have the authority to consider waiving or amending such dividend policy subject to the condition that it will bring the greatest benefit to the shareholders, such as to use such portion of the net profit as a reserve for debt repayment, capital investment for production expansion or as a support in case of changing market conditions which would affect the Company's future cash flows.

**7.2 Subscribers' right**

A holder of IVL-W1 Warrants or IVL-W2 Warrants, as the case may be, who exercised the right to purchase the Company's newly issued ordinary shares, (i) will become a shareholder only after the Company registers the paid-up capital and (ii) therefore be entitled to obtain dividends if the Company declares dividend payment.

**7.3 Others**

- None -

**8. Other details necessary for shareholders to approve the capital increase/share allotment:**

- None -

**9. Schedule of action where the Board of Directors of the company passes a resolution approving the capital increase or allotment of new shares:**

No.	Schedule	Date/Month/Year
1.	Board of Directors' Meeting No. 4/2014	July 3, 2014
2.	Record date for determining the shareholders entitled to attend the EGM No. 1/2014	July 18, 2014
3.	Share registration book closing date	July 21, 2014
4.	Extraordinary General Meeting of Shareholders No. 1/2014	August 6, 2014
5.	Record date for determining the shareholders entitled to receive IVL-W1 Warrants and IVL-W2 Warrants	August 15, 2014
6.	Share registration book closing date	August 18, 2014
7.	Registration of capital increase with the Department of Business Development, Ministry of Commerce	Within 14 days after the date of EGM No. 1/2014

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Please be informed accordingly

Sincerely yours,

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(Mr. Dilip Kumar Agarwal)

Director

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(Mr. Sashi Prakash Khaitan)

Director