

The Report of Opinion of Independent Financial Advisor

Related to

**The Connected Transaction on The Acquisition of
the Existing Shares Both Directly and Indirectly
of Houay-Ho Power Company Limited**

Presented to

**The Shareholders of
Glow Energy Public Company Limited**

**Prepared By
CIMB-GK Securities (Thailand) Ltd.**

8 October 2008

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Part 1
Information Memorandum in relation to the Connected Transaction

1. General Information of the Connected Transaction

1.1 Date of Transaction

Glow Company Limited ("GLOW") will enter into this transaction after receiving the shareholders' approval from Glow Energy Public Company Limited ("GLOW ENERGY")'s Extraordinary General Meeting of Shareholders No.1/2008, GLOW's shareholder meeting and fulfilling all conditions precedent as specified in the sale and purchase agreement among Suez-Energy Asia Company Limited ("SEA"), Stopper Finance B.V. ("STOPPER") and GLOW.

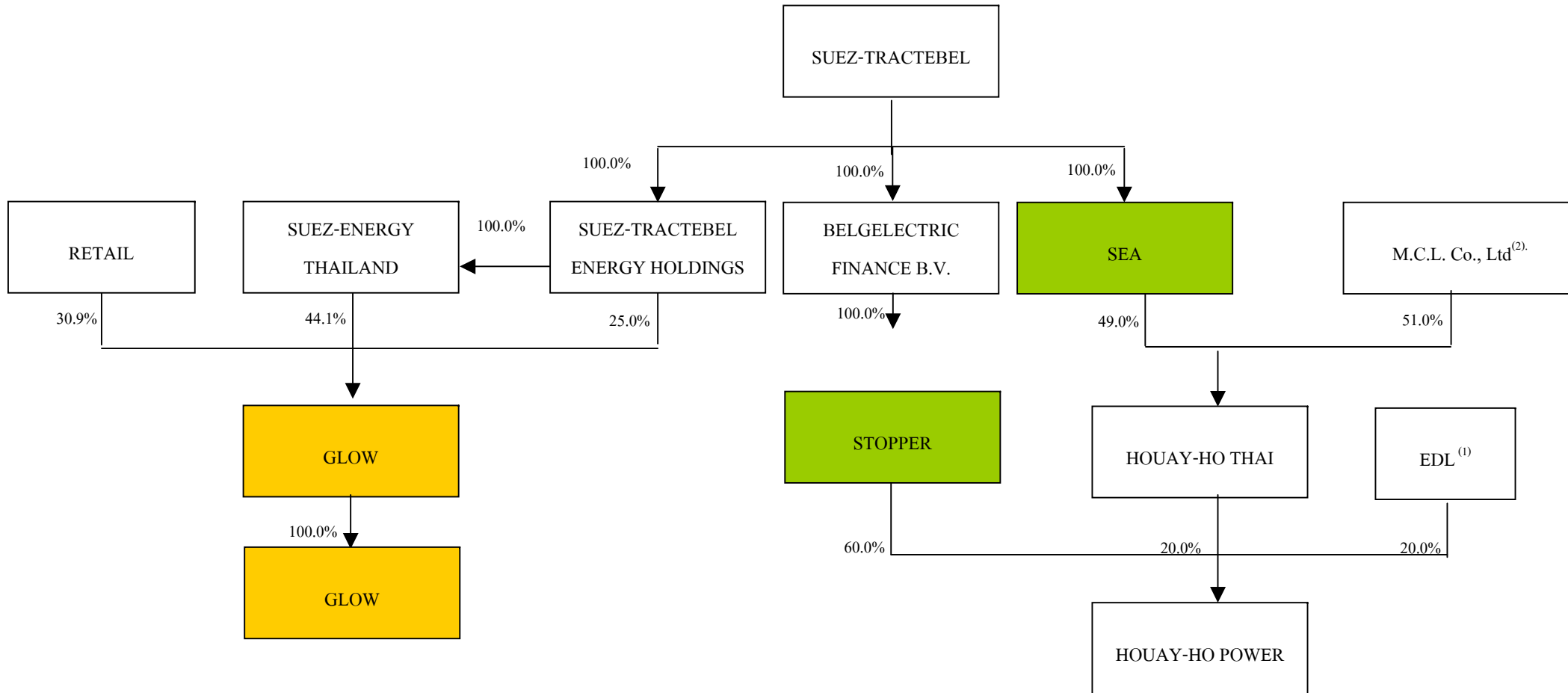
1.2 The Parties Involved

Buyer: Glow Company Limited, a company under GLOW ENERGY
Seller: Stopper Finance B.V. ("STOPPER")
SEA Company Limited ("SEA")
STOPPER and SEA are subsidiary companies under Suez-Tractebel S.A. ("SUEZ-TRACTEBEL")

1.3 Relation between the Parties Involved

STOPPER directly holds a 60.00% equity stake in Houay-Ho Power Company Limited ("HOUAY-HO POWER") whereas SEA indirectly holds 9.80% equity stake in Houay-Ho Thai Company Limited ("HOUAY-HO THAI") which directly holds a 20.00% equity stake in HOUAY-HO POWER. The current shareholder structure of GLOW ENERGY, GLOW, STOPPER and SEA is as follows:

Figure 1 The Shareholder Structure of GLOW ENERGY, GLOW, STOPPER and SEA as of September 25, 2008



Remark: ⁽¹⁾ Electricite du Laos: "EDL"

⁽²⁾ M.C.L.Co.,Ltd.is Thai juristic person to provide business consultant and financial advisory

From the Figure 1, GLOW ENRGY, GLOW, HOUAY-HO POWER, STOPPER and SEA have a major common shareholder, namely SUEZ-TRACTEBEL. SUEZ-TRACTEBEL indirectly holds a 69.11% equity stake in GLOW through SUEZ-ENERGY THAILAND and Suez-Tractebel Energy Holding Corporative U.A. ("SUEZ-TRACTEBEL ENERGY HOLDINGS"). SUEZ-ENERGY THAILAND directly holds a 44.11% equity stake in GLOW and SUEZ-TRACTEBEL ENERGY HOLDINGS holds a 25.00% equity stake in GLOW. SUEZ-ENERGY THAILAND is 100% held by SUEZ-TRACTEBEL ENERGY HOLDINGS.

For STOPPER and SEA, which are subsidiary companies of SUEZ-TRACTEBEL, SUEZ-TRACTEBEL indirectly holds a 100.00% equity stake in STOPPER through BELGELECTRIC FINANCE B.V. and directly holds a 100% equity stake in SEA.

2. General Information of the Transaction and the Transaction Value

General Information of the Transaction

GLOW would enter into the transaction by acquiring HOUAY-HO POWER totaling 67.25% directly and indirectly of HOUAY-HO POWER issued and paid-up capital. The details of this transaction are as follows:

- GLOW would acquire a directly 60% of HOUAY-HO POWER existing ordinary shares from STOPPER
- GLOW would acquire a 49.00% of HOUAY-HO THAI ordinary shares from SEA. During the transaction, HOUAY-HO THAI holds a 20.00% equity stake in HOUAY-HO POWER. Therefore, GLOW indirectly holds HOUAY-HO POWER existing ordinary shares totaling 9.80% of HOUAY-HO POWER issued and paid-up capital.
- From the mentioned above, GLOW holds a totaling 69.80% of HOUAY-HO POWER issued and paid-up capital.
- HOUAY-HO THAI would increase registered capital to acquire 5% equity stake in HOUAY-HO POWER from GLOW. Therefore, HOUAY-HO THAI will hold 25.00% of HOUAY-HO POWER issued and paid-up shares. Moreover, GLOW would repay loan to SUEZ-TRACTEBEL.

After the transaction, GLOW will be a shareholder of HOUAY-HO POWER and HOUAY-HO THAI. The details are as follows:

1. 67.25% equity stake in HOUAY-HO POWER (both directly and indirectly hold)
GLOW holds a directly 55.00% of HOUAY-HO POWER existing ordinary shares and an indirectly 12.25% of HOUAY-HO POWER existing ordinary shares through HOUAY-HO THAI.
2. 49.00% equity stake in HOUAY-HO THAI.
GLOW holds a 49.00% equity stake in HOUAY-HO THAI.

Transaction Value

As of November 30, 2008 (the date that GLOW expect to have the transaction likely occur), GLOW would enter into the transaction by acquiring HOUAY-HO POWER totaling 69.80% directly and indirectly of HOUAY-HO POWER issued and paid-up capital. GLOW will hold a directly 60.00% of HOUAY-HO POWER existing ordinary shares and an indirectly 9.80% of HOUAY-HO POWER existing ordinary shares through HOUAY-HO THAI:

- GLOW ENERGY would make payment for the acquisition of 300,000 HOUAY-HO POWER existing ordinary shares from STOPPER (60% of HOUAY-HO POWER issued and paid-up capital) at the price of USD 133.07 per share (Baht 4,516.52 per share*), totaling USD 39.92 million (Baht 1,354.92 million*)

Remarks: * Exchange Rate as of September 22, 2008: 1 USD = 33.9410 Baht

- GLOW ENERGY would make payment for the acquisition of 1,753,800 HOUAY-HO THAI existing ordinary shares (49% of HOUAY-HO THAI issued and paid-up capital) at the price of USD 0.97 per share** (Baht 32.90 per share*), totaling USD 1.70 million (Baht 57.70 million*)

(As per one of the Condition Precedents of the HOUAY-HO POWER and HOUAY-HO THAI share and purchase agreement, Hemraj Land and Development Public Company Limited will acquire the 51% equity stake in HOUAY-HO THAI before GLOW would acquire a directly and indirectly 69.80% of HOUAY-HO POWER existing ordinary shares. Hemraj Land and Development Public Company Limited and GLOW would invest in HOUAY-HO THAI existing ordinary share at the same price per share.)

After the acquisition of HOUAY-HO POWER and HOUAY-HO THAI existing ordinary shares, HOUAY-HO THAI would increase its registered capital for the existing shareholders (GLOW and Hemraj Land and Development Public Company Limited). GLOW will inject approximately at the price of USD 0.29 million per share** (Baht 10.00 per share*) and the HOUAY-HO THAI shares from capital increase by GLOW depends on the exchange rate at the actual capital increase date, totaling USD 6.45 million** or Baht 218.92 million* for the 49% equity stake in HOUAY-HO THAI. Then HOUAY-HO THAI would use some fund from its capital increase (from GLOW and Hemraj Land and Development Public Company Limited) to purchase HOUAY-HO POWER existing ordinary shares for 25,000 HOUAY-HO POWER existing ordinary shares (5% of HOUAY-HO POWER issued and paid-up capital) at the price of USD 133.07 million per share** (Baht 4,516.52 per share*) totaling USD 3.33 million (Baht 113.02 million*) which GLOW's 49% stake in HOUAY-HO THAI would take into account of USD 1.63 million (Baht 55.32 million*). After all, HOUAY-HO THAI will hold 25.00% of HOUAY-HO POWER issued and paid-up shares (increasing from former holding of 20.00%).

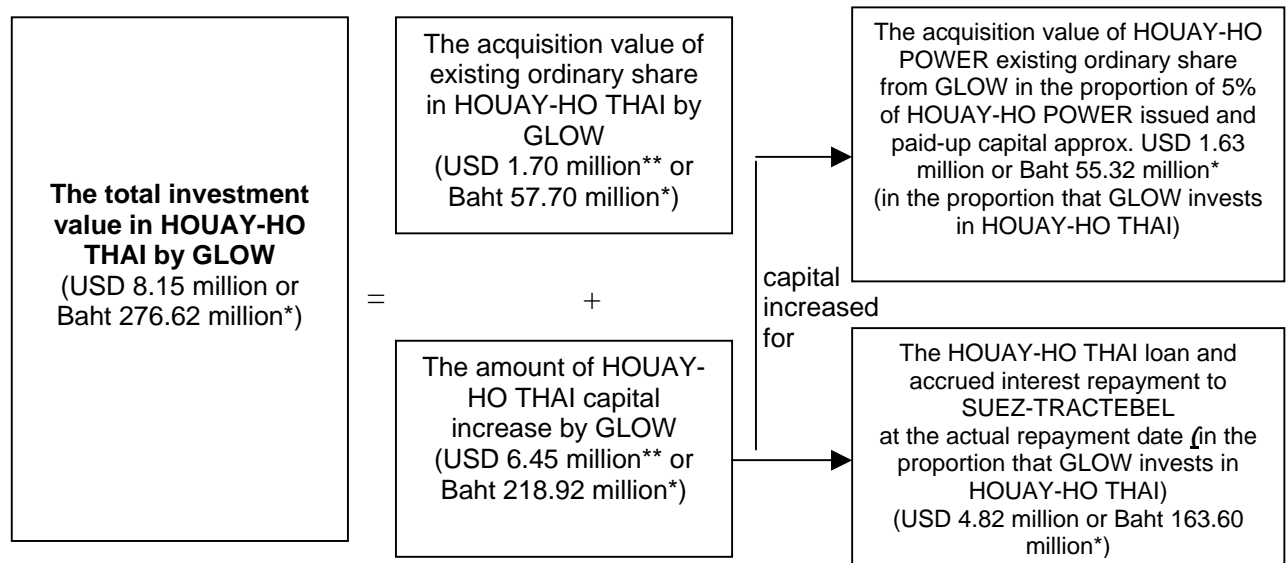
(For the remaining fund from capital increase by GLOW and Hemraj Land and Development Public Company Limited, HOUAY-HO THAI would repay loan and accrued interest totaling USD 9.83 million** (Baht 333.64 million*) which GLOW's 49% stake in HOUAY-HO THAI would take into account of USD 4.82 million** (Baht 163.48 million*) (loan principal and accrued interest is calculated until December 14, 2008 which is the date that GLOW expect HOUAY-HO THAI repay loan principal and accrued interest to SUEZ-TRACTEBEL. The interest calculation is based on the 14 days after the acquisition of HOUAY-HO THAI existing ordinary shares) at the interest rate of 8% per annum.)

After the transaction, GLOW will be a shareholder of 67.25% equity stake in HOUAY-HO POWER (both directly and indirectly hold). GLOW holds a directly 55.00% of HOUAY-HO POWER existing ordinary shares and an indirectly 12.25% of HOUAY-HO POWER existing ordinary shares through HOUAY-HO THAI that GLOW holds 49.00% equity stake.

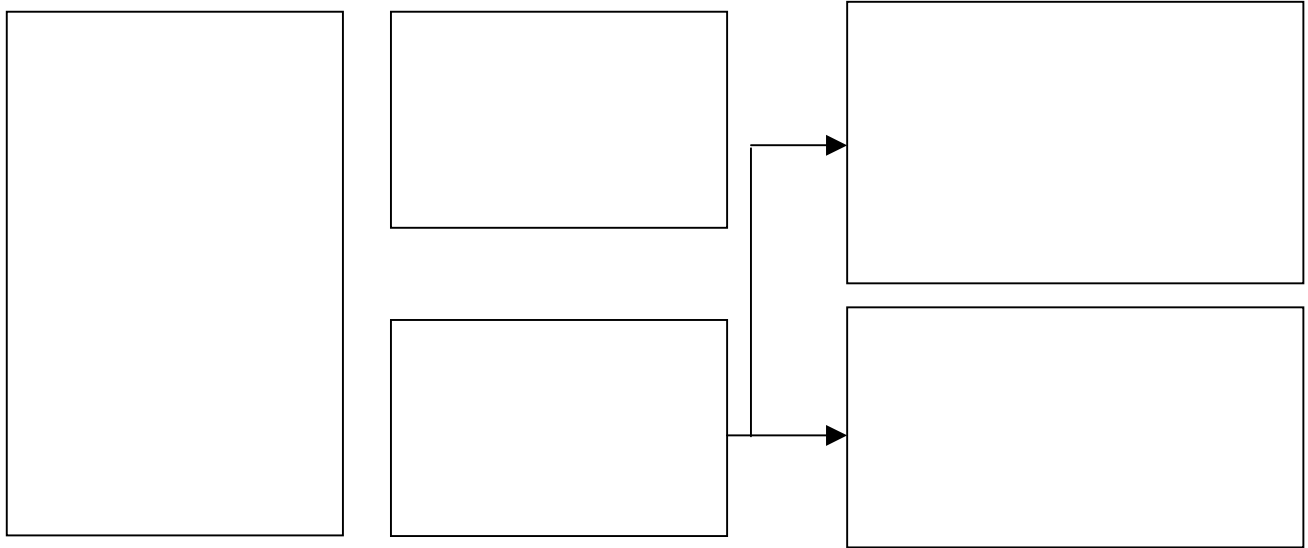
Remarks: * Exchange Rate as of September 22, 2008: 1 USD = 33.9410 Baht

** The above transaction value is considered from the outstanding loan and accrued interest calculated as of December 14, 2008 which equals to USD 9.83 million (Baht 333.64 million*). The HOUAY-HO THAI acquisition existing ordinary shares and HOUAY-HO THAI registered capital may be changed depending on the HOUAY-HO THAI outstanding loan and accrued interest as of the actual repayment date. The total investment value in HOUAY-HO THAI by GLOW formula is: the total investment value in HOUAY-HO THAI by GLOW is approximately USD 8.15 million (Baht 276.62 million*) **equals to** (the acquisition value of existing ordinary share in HOUAY-HO THAI by GLOW of USD 1.70 million** or Baht 57.70 million*) + (the amount of HOUAY-HO THAI capital increase by GLOW of USD 6.45 million** or Baht 218.92 million*). The IFA views that the transaction is reasonable since any changes from the acquisition value of existing ordinary shares in HOUAY-HO THAI by GLOW and the amount of HOUAY-HO THAI capital increase by GLOW would not impact to the transaction value which would not be more than USD 44.74 million (Baht 1,512.08 million*).

The total investment value in HOUAY-HO THAI by GLOW that takes into account for the outstanding of principal and accrued interest as of December 14, 2008 can be illustrated below:



However, the above transaction value that takes into account for the outstanding of principal and accrued interest as of December 14, 2008 (loan principal and accrued interest is calculated until December 14, 2008 which is the date that GLOW expect HOUAY-HO THAI repay loan principal and accrued interest to SUEZ-TRACTEBEL. The interest calculation is based on the 14 days after the acquisition of HOUAY-HO THAI existing ordinary shares) In case that the HOUAY-HO THAI loan outstanding and accrued interest that would be repaid to SUEZ-TRACTEBEL at the actual repayment date have been significantly changed, it would affect to the HOUAY-HO THAI acquisition value and the amount of capital increase. The formula is as follows:



The above changes would not impact to this transaction value. The transaction value of acquiring the existing ordinary shares totaling 67.25% of direct and indirect of HOUAY-HO POWER issued and paid-up capital would not be more than USD 44.74 million or Baht 1,512.08* million (considered to the interim dividend payment of HOUAY-HO POWER as of July 2008).

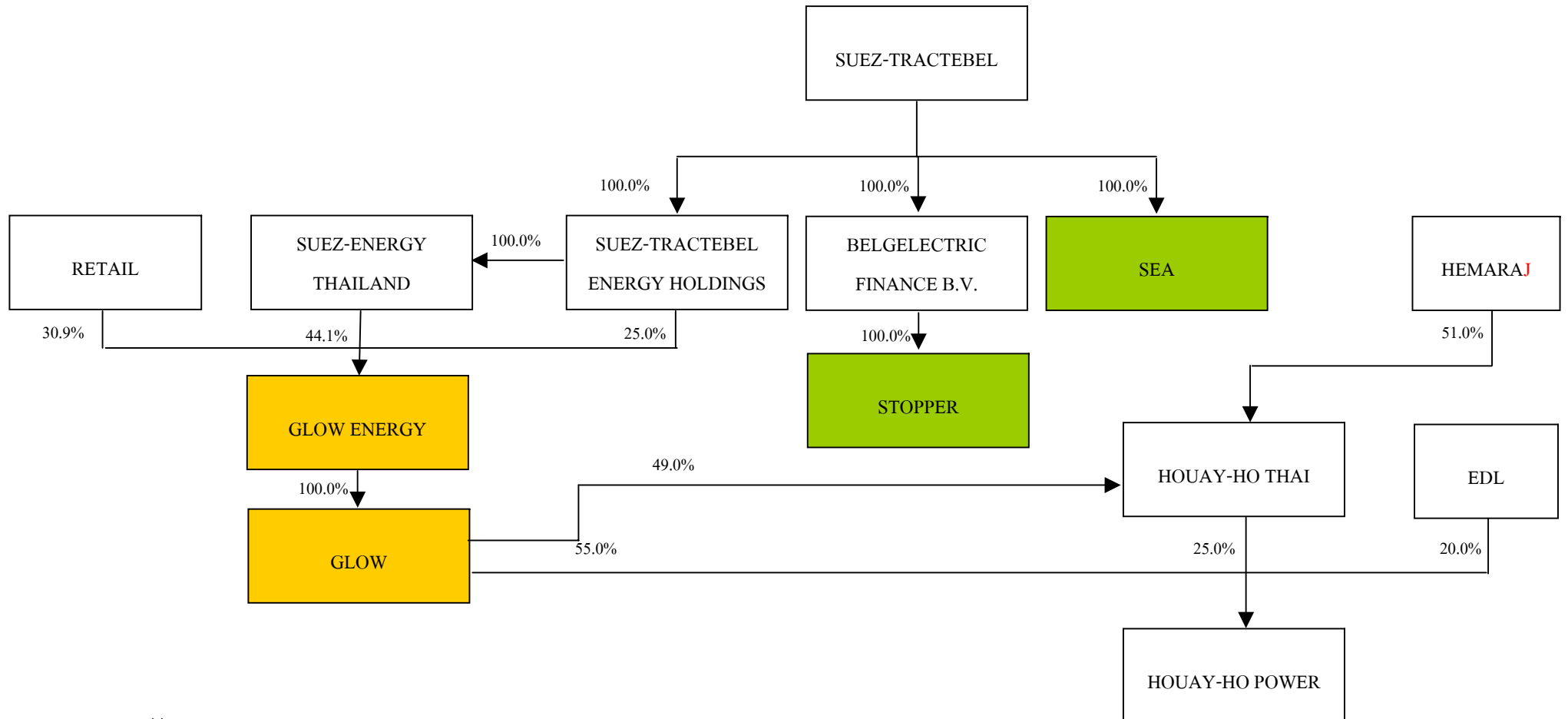
Remarks: * Exchange Rate as of September 22, 2008: 1 USD = 33.9410 Baht
** The above transaction value is considered from the outstanding loan and accrued interest calculated as of December 14, 2008 which equals to USD 9.83 million (Baht 33.64 million*). The HOUAY-HO THAI acquisition existing ordinary shares and HOUAY-HO THAI registered capital may be changed depending on the HOUAY-HO THAI outstanding loan and accrued interest as of the actual repayment date. The total investment value in HOUAY-HO THAI by GLOW formula is: the total investment value in HOUAY-HO THAI by GLOW is approximately USD 8.15 million (Baht 276.62 million*) **equals to** (the acquisition value of existing ordinary share in HOUAY-HO THAI by GLOW of USD 1.70 million** or Baht 57.70 million*) + (the amount of HOUAY-HO THAI capital increase by GLOW of USD 6.45.million** or Baht 218.92 million*). The IFA views that the transaction is reasonable since any changes from the acquisition value of existing ordinary shares in HOUAY-HO THAI by GLOW and the amount of HOUAY-HO THAI capital increase by GLOW would not impact to the transaction value which would not be more than USD 44.74 million (Baht 1,512.08 million*).

Payment

In paying for acquisition transaction, GLOW ENERGY would make payment by cash to SUEZ-TRACTEBEL after GLOW ENERGY obtains the shareholders' approval from the extraordinary general meeting of shareholder No.1/2008 and all condition precedent as specified in the Share Purchase Agreement are fulfilled.

After the transaction, the shareholder structure of SUEZ-TRACTEBEL group is as follows:

Figure 2: The Shareholder Structure of SUEZ-TRACTEBEL group after the transaction



Remark: ⁽¹⁾ Electricite du Laos: "EDL"

3. Condition Precedent

According to the Sale and Purchase Agreement, the transaction of acquiring HOUAY-HO POWER shares will take place after some conditions precedent are fulfilled. The minimum details of such conditions precedent are as follows:

1. Board of Directors resolution of GLOW ENERGY passed in accordance with the Connected Party Notification approving the purchase by Glow of the Transferring Shares;
2. Shareholders resolution of GLOW ENERGY passed in accordance with the Connected Party Notification approving the purchase by GLOW of the Transferring Shares;
3. The completion of the purchase by Hemaraj Land and Development Public Company Limited of 51% of HOUAY-HO THAI;
4. Consent from Electricite Du Laos to the transfer of the Stopper Shares by Stopper to GLOW (or GLOW's designee) and the accession of GLOW (or GLOW's designee) to the Shareholders Agreement and to the release of Stopper;
5. Consent of HOUAY-HO POWER's lenders to the transfer the Stopper Shares by Stopper to GLOW (or GLOW's designee) pursuant to and in accordance with Amendment Agreement to Common Terms Agreement (to amend § 3(e) in order to amend §§ 19.02(a)-(c) to permit GLOW(or a subsidiary of GLOW ENERGY) to hold HHPC shares and the Technical Support Agreement (HOUAY-HO POWER to accede to such agreement between Suez-Tractebel S.A. and GLOW as approved by Required Lenders pursuant to § 3(e) of the Amendment Agreement to Common Terms Agreement amending § 19.02(b)(i));
6. Consent from EGAT to the transfer of shares in HOUAY-HO POWER from the Sellers to GLOW;
7. Execution and delivery of an agreement between GLOW, Electricite Du Laos, HOUAY-HO THAI and Suez Tractebel S.A. relating to the EPC Claim in the agreed form; and
8. GLOW and HOUAY-HO THAI have entered into a sale and purchase agreement pursuant to which GLOW has agreed to transfer 5% of HOUAY-HO POWER to HOUAY-HO THAI.

GLOW has completed the Condition Precedent No.1 on September 12, 2008 and would ask shareholder resolution mentioned the Condition Precedent No.2 on October 29, 2008. The Condition Precedent No. 3-7 are in the process which is expected to be completed within October 30, 2008.

If all the Conditions Precedents have not been satisfied, this transaction will not be occurred since the Sale and Purchase Agreement would be terminated.

After the Condition Precedent, GLOW would acquire HOUAY-HO POWER and HOUAY-HO THAI issued and paid-up capital. The details of this transaction are as follows:

- GLOW would acquire a direct 60% of HOUAY-HO POWER existing ordinary shares from STOPPER
- GLOW would acquire a 49.00% of HOUAY-HO THAI ordinary shares from SEA. During the transaction, HOUAY-HO THAI holds a 20.00% equity stake in HOUAY-HO POWER. Therefore, GLOW indirectly holds HOUAY-HO POWER existing ordinary shares totaling 9.80% of HOUAY-HO POWER issued and paid-up capital.
- From the mentioned above, GLOW holds a totaling 69.80% of HOUAY-HO POWER issued and paid-up capital.

After the acquisition of HOUAY-HO THAI existing ordinary shares approximately 14 days, GLOW and Hemraj Land and Development Public Company Limited would increase HOUAY-HO THAI registered capital and immediately do as follows:

- Repayment of loan and accrued interest to SUEZ-TRACTEBEL
- Payment for the acquisition of HOUAY-HO POWER in the proportion of 5% of issued and paid-up capital. HOUAY-HO THAI would hold a 25.00% equity stake in HOUAY-HO POWER increased from a 20.00% equity stake.

Repayment of loan and accrued interest to SUEZ-TRACTEBEL and payment for the acquisition of HOUAY-HO POWER in the proportion of 5% from GLOW would immediately executed after the HOUAY-HO THAI registered capital increase.

4. Criteria Used in Determining the Transaction Value

The amount of proceeds totaling USD 44.74 million or Baht 1,518.52 million (Considered to the interim dividend payment of HOUAY-HO POWER in 2008) to be paid in US dollar by GLOW to SUEZ-TRACTEBEL is an amount agreed upon between the involved parties which is determined by Discount Dividend Method (DDM) and is determined based upon valuation of HOUAY-HO POWER shares as conducted by CIMB-GK Securities (Thailand) Co., Ltd. ("CIMB"), the Independent Financial Advisor approved by the Securities and Exchange Commission (the SEC).

5. Transaction Size

The Connected Transaction Size

The net tangible assets (NTA) of GLOW ENERGY and its subsidiaries (consolidated) as of June 30, 2008 as follows:

GLOW Shareholders' Equity before minority interests (only the Company)	29,226.72	Million Baht
Less: Intangible Assets	-0-	Million Baht
Net Tangible Assets	29,226.72	Million Baht

Evaluating the Connected Transaction Size

Transaction Size	=	44.74 Million USD 1,518.52 Million Baht
Connected Transaction Size	=	1,518.52 / 29,226.72 = 5.120%

The transaction size exceeds 3% of GLOW ENERGY's and its subsidiaries' net tangible assets. Therefore, the transaction is considered to be a connected transaction in relation to assets in accordance with the Notification of the Board of Governor of the Stock Exchange of Thailand regarding to Disclosure of Information and other Act of Listed Companies Concerning the Connected Transactions, 2003. GLOW ENERGY is required to disclose this transaction to SEC and propose this transaction to the Board and the extraordinary general meeting of shareholder no.1/2008 for further consideration and approval. A resolution of the shareholders' meeting to approve this transaction must consist of three-fourths of total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders.

The Acquisition and Disposition of Assets

The Acquisition of Assets 69.80% of HOUAY-HO POWER issued and paid-up capital

In consideration of the Acquisition of Assets 69.80%, evaluating the transaction value is considered by comparing between HOUAY-HO POWER's reviewed financial statement as of June 30, 2008 and GLOW and its subsidiaries' reviewed financial statement as of June 30, 2008

1) Value of Asset

HOUAY-HO POWER		
Shareholders' Equity before minority interests	52.33*	Million USD
	Or	Million Baht
	1,765.09	
Less: Intangible Assets	-0-	Million USD
	Or	Million Baht
	-0-	
Net Tangible Assets	52.33*	Million USD
	Or	Million Baht
	1,765.09	

*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

GLOW

GLOW Shareholders' Equity before minority interests	29,226.72	Million Baht
Less: Intangible Assets	-0-	Million Baht
Net Tangible Assets	29,226.72	Million Baht

Evaluating the transaction value
Transaction Value = $(1,765.09 * 69.8\%) / 29,226.72 = 4.22\%$

2) Net Profit

HOUAY-HO POWER Profit after Tax	2.88*	Million USD
	Or	Million Baht
	97.30	
GLOW Profit after Tax	3,698.28	Million Baht

Evaluating the transaction value
Transaction Value = $(97.30 * 69.8\%) / 3,698.28 = 1.84\%$
*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

3) Value of Consideration

HOUAY-HO POWER Value of Consideration	46.43*	Million USD
	Or	Million Baht
	1,566.30	
GLOW Asset	58,287.82	Million Baht

*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

Evaluating the transaction value
Transaction Value = $1,566.30 / 58,287.82 = 2.64\%$

4) Value of Securities which are Issued by the Listed Company or its Subsidiaries as Consideration for the Assets Acquired

-None- Because there is no issuance of securities in consideration of the acquisition of the assets.

The size of transaction represents 4.22% of consolidated total assets of the Company and its subsidiaries based on the latest reviewed financial statement as of June 30, 2008 which is less than 15% and there is no an issuance of securities in consideration of asset acquired. Therefore, the transaction is not categorized to be the Class 3 in accordance with the Notification of the Board of Governor of the Stock of Exchange (SET) regarding to Disclosure of Information and Act of listed Companies concerning the Acquisition and Disposition of Assets B.E. 2004.

The Disposition of Assets 5% of HOUAY-HO POWER issued and paid-up capital

In consideration of the Disposition of Assets 5%, evaluating the transaction value is considered by comparing between HOUAY-HO POWER's reviewed financial statement as of June 30, 2008 and GLOW and its subsidiaries' reviewed financial statement as of June 30, 2008

1) Value of Asset

HOUAY-HO POWER		
Shareholders' Equity before minority interests	52.33*	Million USD
	Or	Million Baht
	1,765.09	
Less: Intangible Assets	-0-	Million USD
	Or	Million Baht
	-0-	
Net Tangible Assets	52.33*	Million USD
	Or	Million Baht
	1,765.09	

*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

GLOW		
GLOW Shareholders' Equity before minority interests	29,226.72	Million Baht

Less: Intangible Assets	-0-	Million Baht
Net Tangible Assets	29,226.72	Million Baht

Evaluating the transaction value
Transaction Value = $(1,765.09 * 5\%) / 29,226.72 = 0.30\%$

2) Net Profit

HOUAY-HO POWER Profit after Tax	2.88*	Million USD
	Or	Million Baht
	97.30	
GLOW Profit after Tax	3,698.28	Million Baht

Evaluating the transaction value
Transaction Value = $(97.30 * 5\%) / 3,698.28 = 0.13\%$
*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

3) Value of Consideration

HOUAY-HO POWER Value of Consideration	3.33*	Million USD
	Or	Million Baht
	112.20	
GLOW Asset	58,287.82	Million Baht

*Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

Evaluating the transaction value
Transaction Value = $112.20 / 58,287.82 = 0.19\%$

4) Value of Securities which are Issued by the Listed Company or its Subsidiaries as Consideration for the Assets Acquired

-None- Because there is no issuance of securities in consideration of the acquisition of the assets.

The size of transaction represents 0.30% of consolidated total assets of the Company and its subsidiaries based on the latest reviewed financial statement as of June 30, 2008 which is less than 15% and there is no an issuance of securities in consideration of asset acquired. Therefore, the transaction is not categorized to be the Class 3 in accordance with the Notification of the Board of Governor of the Stock of Exchange (SET) regarding to Disclosure of Information and Act of listed Companies concerning the Acquisition and Disposition of Assets B.E. 2004.

The Acquisition and Disposition of Assets 67.25% of HOUAY-HO POWER issued and paid-up capital

After the transaction, GLOW will be the shareholder both directly and indirectly in proportion of 67.25% of HOUAY-HO POWER issued and paid-up capital. Therefore, in consideration of the Acquisition and Disposition of Assets, evaluating the transaction value is considered by comparing between HOUAY-HO POWER's reviewed financial statement as of June 30, 2008 and GLOW and its subsidiaries' reviewed financial statement as of June 30, 2008

1) Value of Asset

HOUAY-HO POWER		
Shareholders' Equity before minority interests	52.33*	Million USD
	Or	Million Baht
	1,765.09	
Less: Intangible Assets	-0-	Million USD
	Or	Million Baht
	-0-	
Net Tangible Assets	52.33*	Million USD

	Or	Million Baht
	1,765.09	
<i>Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht</i>		
GLOW		
GLOW Shareholders' Equity before minority interests	29,226.72	Million Baht
Less: Intangible Assets	-0-	Million Baht
Net Tangible Assets	29,226.72	Million Baht
Evaluating the transaction value		
Transaction Value	=	$(1,765.09 * 67.25\%) / 29,226.72 = 4.06\%$

2) Net Profit

HOUAY-HO POWER Profit after Tax	2.88*	Million USD
	Or	Million Baht
	97.30	
GLOW Profit after Tax	3,698.28	Million Baht
Evaluating the transaction value		
Transaction Value	=	$(97.30 * 67.25\%) / 3,698.28 = 1.77\%$
<i>Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht</i>		

3) Value of Consideration

HOUAY-HO POWER Asset	44.74*	Million USD
	Or	Million Baht
	1,509.08	
GLOW Asset	58,287.82	Million Baht
<i>Remark: * Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht</i>		

Evaluating the transaction value		
Transaction Value	=	$1,509.08 / 58,287.82 = 2.59\%$

4) Value of Securities which are Issued by the Listed Company or its Subsidiaries as Consideration for the Assets Acquired

-None- Because there is no issuance of securities in consideration of the acquisition of the assets.

The size of transaction represents 4.06% of consolidated total assets of the Company and its subsidiaries based on the latest reviewed financial statement as of June 30, 2008 which is less than 15% and there is no an issuance of securities in consideration of asset acquired. Therefore, the transaction is not categorized to be the Class 3 in accordance with the Notification of the Board of Governor of the Stock of Exchange (SET) regarding to Disclosure of Information and Act of listed Companies concerning the Acquisition and Disposition of Assets B.E. 2004.

6. Source of Funds of the Transaction

Source of funds to be used in this transaction totaling USD 44.74 million or Baht 1,518.52 million will consist of issuance of bond for the amount totaling USD 11.19 million or Baht 379.63 million, loans from domestic and international financial institutions in terms of Baht currency for the amount totaling USD 11.19 million or Baht 379.63 million and the remaining amount of USD 22.37 million or Baht 759.26 million will be from GLOW ENERGY's internal cash flow. GLOW ENERGY has policy to maintain debt to equity ratio 1:1. Therefore, interest expenses from issuance of bond and loans from financial institution will impose no detrimental effect to GLOW ENERGY performance and GLOW ENERGY shareholders' right in terms of dividend payment.

7. Condition of the Transaction

The transaction is considered to be a connected transaction in relation to assets in accordance with the Notification of the Capital Market Supervisory Board TorChor. 21/2008 regarding Disclosure of Information and Act of Listed Companies concerning the Connected Transactions. Therefore, GLOW ENERGY is required to disclose this transaction to SET and propose this transaction to the Board and the extraordinary general meeting of shareholder no.1/2008 for further consideration and approval. A resolution of the shareholders' meeting to approve this transaction must consist of three-fourths of total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders.

8. Name of the Interested Shareholders who cannot vote for the Transaction

The GLOW ENERGY and GLOW board of directors as of October 7, 2008 are as follows:

	<u>Positions in GLOW ENERGY</u>
1. Mr. Guy Richelle	Chairman of the Board
2. Mr. Kovit Poshyananda	Independent Director and Audit Committee
3. Mr. Vitthaya Vejjajiva	Independent Director and Audit Committee
4. Ms. Supapun Ruttanaporn	Independent Director and Audit Committee
5. Mr. Peter Valere Germain Termote	Director
6. Mr. Dirk Achiel Marc Beeuwsaert	Director
7. Mr. Guido Geeraerts	Director
8. Mr. Johan De Saeger	Director
9. Mr. Rajit Nanda	Director
10. Mr. Philip De Cnudde	Director
11. Mr. Anut Chatikavanij	Director
12. Mr. Brendan G.H. Wauters	Director

The listed name of board of directors in no. 1 and 5 – 12 are the board representative of SUEZ-TRACTEBEL group. Therefore, the GLOW ENERGY and GLOW directors who have right to vote are the independent director and audit committee: Mr. Kovit Poshyananda, Mr. Vitthaya Vejjajiva and Ms. Supapun Ruttanaporn.

The Shareholders who shall have no right to vote for this transaction in the extraordinary general shareholders' meeting are SUEZ-ENERGY THAILAND and SUEZ-TRACTEBEL ENERGY HOLDINGS which are the subsidiary companies under the SUEZ-TRACTEBEL group and the major shareholders in GLOW ENERGY, which holds a 100% equity stake in GLOW, totaling 1,010.98 million shares as of October 7, 2008, accounting for 69.11% of GLOW ENERGY's total issued and paid-up capital. SUEZ-TRACTEBEL indirectly holds a 69.11% equity stake in GLOW ENERGY through SUEZ-ENERGY THAILAND and SUEZ-TRACTEBEL ENERGY HOLDINGS". SUEZ-ENERGY THAILAND directly holds 645.26 million common shares which are 44.11% equity stake in GLOW ENERGY and SUEZ-TRACTEBEL ENERGY HOLDINGS holds 365.72 million common shares which are 25.00% equity stake in GLOW ENERGY. SUEZ-ENERGY THAILAND is 100% held by SUEZ-TRACTEBEL ENERGY HOLDINGS.

The list names of the connected persons (Board of Directors and Shareholders) as of October 7, 2008 are as follows:

GLOW ENERGY:

	<u>Positions in GLOW ENERGY</u>	<u>Positions in SUEZ GROUP</u>
1. Mr. Guy Richelle	Chairman of the Board	- Chairman of SEA - Director of HOUAY-HO POWER - Director of SUEZ-ENERGY (THAILAND) - Director of HOUAY-HO THAI
2. Mr. Peter Valere Germain Termote	Director and Chief Executive Officer	
3. Mr. Dirk Achiel Marc Beeuwsaert	Director	- Director of SUEZ-TRACTEBEL Group
4. Mr. Guido Geeraerts	Director	- Director of SUEZ-TRACTEBEL Group
5. Mr. Johan De Saeger	Director	- Director of HOUAY-HO POWER - Director of SEA
6. Mr. Rajit Nanda	Director	- Director of SUEZ-ENERGY (THAILAND)
7. Mr. Philip De Cnudde	Director	- Director of SUEZ-ENERGY (THAILAND)
8. Mr. Anut Chatikavanij	Director	- Director of HOUAY-HO POWER - Director of HOUAY-HO THAI
9. Mr. Brendan G.H. Wauters	Director	- Director of SUEZ-ENERGY (THAILAND) - Director of SEA

GLOW:

	<u>Positions in GLOW</u>	<u>Positions in SUEZ GROUP</u>
1. Mr. Guy Richelle	Chairman of the Board	- Chairman of SEA - Director of HOUAY-HO POWER - Director of SUEZ-ENERGY (THAILAND) - Director of HOUAY-HO THAI
2. Mr. Peter Valere Germain Termote	Director and Chief Executive Officer	
3. Mr. Dirk Achiel Marc Beeuwsaert	Director	- Director of SUEZ-TRACTEBEL Group
4. Mr. Guido Geeraerts	Director	- Director of SUEZ-TRACTEBEL Group
5. Mr. Johan De Saeger	Director	- Director of HOUAY-HO POWER - Director of SEA
6. Mr. Rajit Nanda	Director	- Director of SUEZ-ENERGY (THAILAND)
7. Mr. Philip De Cnudde	Director	- Director of SUEZ-ENERGY (THAILAND)
8. Mr. Anut Chatikavanij	Director	- Director of HOUAY-HO POWER - Director of HOUAY-HO THAI
9. Mr. Brendan G.H. Wauters	Director	- Director of SUEZ-ENERGY (THAILAND) - Director of SEA

Part 2
General Information about Houay-Ho Power Company Limited

1. HOUAY-HO POWER Information

Company Name:	Houay-Ho Power Company Limited ("HOUAY-HO POWER")
Incorporated Date	May 20, 1996
Office Location:	Vientiane in Laos PDR
Power Plant Location	Attapeu in Laos PDR
Telephone:	(856) 21 414 932-3, (856) 21 414 171
Nature of Business:	Hydro Power Plant 152 megawatts, got 30 years concession for Government of Lao PDR from 1999 to 2029
Paid-up Capital:	USD 50 million comprising 500,000 ordinary shares with a par value of USD 100
List of Shareholder:	As of September 25, 2008

Shareholder Lists	No. of Shares	% Stake	Equity
1. Stopper Finance B.V. ⁽¹⁾	300,000	60%	
2. HOUAY-HO THAI ⁽¹⁾	100,000	20%	
3. Electricite du Laos ("EDL")	100,000	20%	
Total	500,000	100%	

⁽¹⁾ STOPPER and HOUAY-HO THAI are the subsidiary companies under Suez-Tractebel S.A.

Board of Director	As of September 25, 2008																		
	<table> <tr> <td>1. Mr. Guy Richelle</td> <td>Chairman</td> </tr> <tr> <td>2. Mr. Chan Bulakul</td> <td>Director</td> </tr> <tr> <td>3. Mr. Anut Chatikavanij</td> <td>Director</td> </tr> <tr> <td>4. Mr. Eric Kenis</td> <td>Director</td> </tr> <tr> <td>5. Mr. Johan De Saeger</td> <td>Director</td> </tr> <tr> <td>6. Mr. Bounma Manivong</td> <td>Director</td> </tr> <tr> <td>7. Mr. Yoong Park</td> <td>Director</td> </tr> <tr> <td>8. Mr. Savath Phoumlavan</td> <td>Director</td> </tr> <tr> <td>9. Mr. Sitthisone Thephasy</td> <td>Director</td> </tr> </table>	1. Mr. Guy Richelle	Chairman	2. Mr. Chan Bulakul	Director	3. Mr. Anut Chatikavanij	Director	4. Mr. Eric Kenis	Director	5. Mr. Johan De Saeger	Director	6. Mr. Bounma Manivong	Director	7. Mr. Yoong Park	Director	8. Mr. Savath Phoumlavan	Director	9. Mr. Sitthisone Thephasy	Director
1. Mr. Guy Richelle	Chairman																		
2. Mr. Chan Bulakul	Director																		
3. Mr. Anut Chatikavanij	Director																		
4. Mr. Eric Kenis	Director																		
5. Mr. Johan De Saeger	Director																		
6. Mr. Bounma Manivong	Director																		
7. Mr. Yoong Park	Director																		
8. Mr. Savath Phoumlavan	Director																		
9. Mr. Sitthisone Thephasy	Director																		

Management Team	As of September 25, 2008								
	<table> <tr> <td>1. Mr. Yoong Park</td> <td>Chief Executive Officer and Power Plant Officer</td> </tr> <tr> <td>2. Mr. Sichanh Gnabandith</td> <td>Operation Manager</td> </tr> <tr> <td>3. Mr. Victorino Masa</td> <td>Chief Financial Controller / Loan Management Officer</td> </tr> <tr> <td>4. Mr. Thongphet Thepphawong</td> <td>Administration</td> </tr> </table>	1. Mr. Yoong Park	Chief Executive Officer and Power Plant Officer	2. Mr. Sichanh Gnabandith	Operation Manager	3. Mr. Victorino Masa	Chief Financial Controller / Loan Management Officer	4. Mr. Thongphet Thepphawong	Administration
1. Mr. Yoong Park	Chief Executive Officer and Power Plant Officer								
2. Mr. Sichanh Gnabandith	Operation Manager								
3. Mr. Victorino Masa	Chief Financial Controller / Loan Management Officer								
4. Mr. Thongphet Thepphawong	Administration								

Nature of Business – HOUAY-HO POWER

HOUAY-HO POWER was incorporated on May 20, 1996 by Daewoo Engineering and Construction Group ("Daewoo E&C"), South Korea to operate 152 megawatts hydroelectric power plant project in Laos PDR. HOUAY-HO POWER receives a non-renewable term of 30 years concession from the Government of Lao PDR in the provisions of the Build Operate and Transfer Agreement (BOT). After the concession, HOUAY-HO POWER will transfer all the facilities and rights to the Government of Lao PDR. This hydro power plant was built on the Houay Ho river in Attapeu located in the South of Laos PDR.

HOUAY-HO POWER entered into a PPA ("PPA") with the Electricity Generating Authority of Thailand ("EGAT") dated June 24, 1997. The minimum energy output, which HOUAY-HO POWER has to supply to Thailand via transmission line connected in Ubon Ratchathani, is 126.0 megawatts per day or 394.2 GWh for yearly energy production with a term of 30 years from September 3, 1999 until September 2, 2029.

Pursuant to a Memorandum of Understanding (MOU) between the Government of Lao PDR and HOUAY-HO POWER dated on December 27, 1995, HOUAY-HO POWER entered into the PPA with EDL dated July 2, 2001 with a term of 30 years ending on September 2, 2029.

In 2001, SUEZ-TRACTEBEL group has acquired the 80% ordinary shares and 100% of the debt from Daewoo E&C group with the acquisition price of USD 140 million (Baht 6,402.20 million)*.

*Remark: * Exchange Rate as of August 1, 2001: 1 USD = 45.7300 Baht*

Engineering Procurement and Construction and Operating Assets

The hydro power plant of HOUAY-HO POWER located in Lao PDR. A construction power plant project was carried by Daewoo E&C who has strong experience and proven global track record in construction of power plants under the Engineering Procurement and Construction (EPC). In 2001, SUEZ-TRACTEBEL group has acquired the ordinary shares. HOUAY-HO POWER entered into an Engineering Services for Technical Assistance Agreement with Coyne Et Bellier, an affiliated company with SUEZ TRACTEBEL, to act as advisor and consultant in technical matters relating to the operating of the Hydro power plant for a 12-year term from August 1, 2002. Since the acquisition of HOUAY-HO POWER, SUEZ-TRACTEBEL supports the investment in form of EPC instead of Daewoo E&C. The main operating assets consist of:

- Two 75 megawatt vertical shaft Pelton turbines and a 2 megawatt horizontal shaft Pelton turbines
- A 400 hm³ capacity reservoir (rock-filled dam) located on a 195 km² catchment area
- A 161 km dedicated HV transmission line

HOUAY-HO POWER Revenue Structure

According to the EGAT PPA with a term of 30 years from 1999 to 2029, EGAT pays for only energy payment (EP) to HOUAY-HO POWER which differs from the scheme for a coal-fired power plant and a natural gas power plant. For a coal-fired power plant and a natural gas power plant, EGAT makes payments for both availability payment (AP) and energy payment (EP).

Energy payment is paid by EGAT in USD currency (USD/kWh) and THB currency (THB/kWh). The energy payment will be adjusted according to the changes of exchange rate, THB CPI and USD CPI for each year compared to exchange rate, THB CPI and USD CPI in the base year, thus effectively proportional USD:THB up to 82%:18%.

Moreover, HOUAY-HO POWER has the revenue from electricity sale to EDL. EDL pays the energy payment to HOUAY-HO POWER at 92.00% of the payment by EGAT, pursuant to the EGAT PPA.

Operating and Maintenance Service

On May 21, 2003, HOUAY-HO POWER entered into Maintenance Service Agreement (MSA) for 230 kV substation and 230 kV transmission line with EGAT. In accordance with the MSA, EGAT commits to perform the corrective and the preventive maintenance service of such substation and transmission line for the 12-year period from May 21, 2003 to May 20, 2015.

Environmental Impact Assessment (EIA)

HOUAY-HO POWER has not been party to any litigation, arbitration, suit or proceeding in relation to environmental matters or compliance with any environmental regulation.

Insurance

HOUAY-HO POWER has insured its assets under property damage insurance policies that cover on an all-risks basis for any physical loss or damage to its property, machine and equipment with Royal & Sun Alliance Insurance Plc. (Singapore Branch) ("R&S"), Liberty Mutual Insurance Europe Ltd. and New Hampshire Insurance Company. Moreover, HOUAY-HO POWER has business interruption insurance covering certain financial losses including an increased cost of operating incurred as a result of an

interference or interruption to HOUAY-HO POWER's business caused by the insured property being damaged and loss of BOI tax privileges. The insurance coverage amount is USD 187.86 million for all-risks and USD 46.88 million for business interruption.

Corporate Income Tax

Pursuant to a Supplemental Agreement relating to the Build Operate and Transfer Agreement (BOT) dated on December 18, 2001, HOUAY-HO POWER shall receive tax exemption from the Government of Lao PDR for the first 5 years from 1999 to 2004 and shall be subject to tax applied on net income at 3.45% from 2005 to 2011, 6.45% from 2012 to 2013 and 15.00% from 2014 to 2029. Losses occurred during the period can be carried forward up to 3 years from 2013. The detail of its corporate income tax is as follows:

Year	Corporate Tax Rate	Tax Exemption Rate	HOUAY-HO POWER Corporate Tax Rate
2542 - 2547	15.00%	100.00%	0.00%
2548 - 2554	15.00%	77.00%	3.45%
2555 - 2556	15.00%	57.00%	6.45%
2557 - 2572	15.00%	0.00%	15.00%

HOUAY-HO Power's Financial Summary 2005 – 2007 and the second quarter of 2008

Profit and Loss Statement

<i>(Unit: Million USD)</i>	2005	2006	2007	2Q/2008 (For the period 6 months)
Electricity Sales	20.22	22.44	23.51	8.95
Cost of sales	10.40	9.91	10.31	5.21
Gross profit	9.82	12.53	13.20	3.74
Other operating income	0.15	0.30	0.32	0.09
Selling and administration expenses	0.65	0.56	0.63	0.24
EBIT	9.33	12.26	12.89	3.59
Interest expense	(6.96)	(6.85)	(5.26)	(2.53)
Foreign exchange loss	1.07	(2.71)	(1.54)	(0.19)
EBT	3.44	2.70	6.09	0.87
Income tax expenses	0.12	0.09	0.21	-
Net profit	3.32	2.60	5.88	0.87

<i>(Unit: Million Baht)</i>	2005	2006	2007	2Q/ 2008 (For the period 6 months)
Electricity Sales	828.96	806.58	711.65	301.89
Cost of sales	426.37	356.21	312.08	175.73
Gross profit	352.97	450.38	399.56	126.16
Other operating income	6.15	10.78	9.69	3.04
Selling and administration expenses	26.65	20.13	19.07	8.10
EBIT	382.50	440.67	390.18	121.59
Interest expense	(285.34)	(246.22)	(159.22)	(85.34)
Foreign exchange loss	43.87	(97.41)	(46.62)	(6.41)
EBT	141.03	184.34	184.34	29.35

<i>(Unit: Million Baht)</i>	2005	2006	2007	2Q/ 2008 (For the period 6 months)
	97.052			
Income tax expenses	4.92	3.23	6.36	-
Net profit	136.11	93.58	177.99	29.35

Remarks: Exchange Rate as of December 31, 2005: 1 USD = 40.9771 Baht
Exchange Rate as of December 31, 2006: 1 USD = 35.9940 Baht
Exchange Rate as of December 31, 2007: 1 USD = 30.2700 Baht
Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht

Balance Sheet

<i>(Unit: Million USD)</i>	2005	2006	2007	2Q/ 2008
Assets				
Current Assets				
Cash and cash equivalents	1.65	4.15	5.97	4.83
Accounts receivable	4.75	3.99	2.96	1.73
Current investment	6.25	6.53	4.48	4.49
Other current assets	0.61	1.55	0.42	1.03
Total Current Assets	13.27	16.22	13.83	12.09
Non-Current Assets				
Power plant & equipment-net	185.70	177.92	170.12	166.22
Other assets-net	1.16	-	-	-
Total Non-Current Assets	186.86	177.92	170.12	166.22
Total Assets	200.13	194.13	183.95	178.31
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities				
Current portion of amount payable to related company	0.37	0.39	0.40	0.40
Current portion of long-term loans	6.80	7.58	4.02	4.45
Other Current Liabilities	0.74	1.80	0.71	0.61
Total Current Liabilities	7.92	9.77	5.13	5.46
Non-Current Liabilities				
Amount payable to related company	64.94	64.51	62.64	58.90
Long-term loans	69.99	66.22	64.09	61.61
Total non-Current Liabilities	134.93	130.73	126.73	120.52
Total Liabilities	142.84	140.49	131.86	125.98
Shareholders' Equity				
Issued and Paid-up Capital	50.00	50.00	50.00	50.00
Retained earnings				
: Appropriated-Legal reserve	0.94	1.11	1.24	1.53
: Unappropriated	5.22	1.81	0.86	0.79
Unrealized gain on the hedging instrument arising from cash flow hedge	1.12	0.72	-	-
Total Shareholders' Equity	57.29	53.64	52.10	52.33
Total Liabilities and Shareholders' Equity	200.13	194.13	183.95	178.31

<i>(Unit: Million Baht)</i>	2005	2006	2007	2Q/ 2008
Assets				
Current Assets				

The Report of Opinion of Independent Financial Advisor
Part 1 Information Memorandum in relation to the Connected Transaction

(Unit: Million Baht)	2005	2006	2007	2Q/ 2008
Cash and cash equivalents	67.61	149.33	180.60	162.92
Accounts receivable	194.89	143.76	89.69	58.35
Current investment	256.32	234.97	135.63	151.45
Other current assets	25.07	55.60	12.71	34.74
Total Current Assets	543.89	583.65	418.63	407.80
Non-Current Assets				
Power plant & equipment-net	7,613.32	6,403.89	5,149.65	5,606.60
Other assets-net	47.57	0.13	0.02	-
Total Non-Current Assets	7,660.89	6,404.01	5,149.67	5,606.60
Total Assets	8,204.78	6,987.67	5,568.30	6,014.40
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities				
Current portion of amount payable to related company	15.20	14.00	12.11	13.49
Current portion of long-term loans	278.78	272.98	121.64	150.10
Other Current Liabilities	30.52	64.54	21.57	20.58
Total Current Liabilities	324.50	351.52	155.32	184.17
Non-Current Liabilities				
Amount payable to related company	2,662.18	2,321.82	1,896.21	1,986.70
Long-term loans	2,869.48	2,383.60	1,939.59	2,078.11
Total non-Current Liabilities	5,531.67	4,705.42	3,836.00	4,065.14
Total Liabilities	5,856.17	5,056.94	3,991.32	4,249.31
Shareholders' Equity				
Issued and Paid-up Capital	2,049.86	1,799.70	1,513.50	1,686.50
Retained earnings				
: Appropriated-Legal reserve	38.64	39.90	37.50	51.61
: Unappropriated	214.21	65.04	25.98	26.65
Unrealized gain on the hedging instrument arising from cash flow hedge	45.91	25.97	-	-
Total Shareholders' Equity	2,348.61	1,930.61	1,576.99	1,765.09
Total Liabilities and Shareholders' Equity	6,761.84	8,204.78	6,987.55	6,014.40

Remarks: Exchange Rate as of December 31, 2005: 1 USD = 40.9771 Baht
Exchange Rate as of December 31, 2006: 1 USD = 35.9940 Baht
Exchange Rate as of December 31, 2007: 1 USD = 30.2700 Baht
Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht

Cash Flow Statement

(Unit: Million USD)	2005	2006	2007	2Q/2008
Cash Provided by Operating Activities	9.07	14.03	16.19	5.68
Cash Provided by / (Used in) Investing Activities	(2.08)	(0.14)	2.04	(0.05)
Cash Used in Financing Activities	(9.40)	(11.59)	(16.51)	(6.72)
Increase (decreased) in cash and its equivalent – net	(2.41)	2.30	1.72	(1.09)
Cash and cash equivalents at the beginning of the year	4.32	1.65	4.15	5.97
Effects of exchange rate changes on the balance of cash held in foreign currencies	(0.26)	0.20	0.10	(0.04)
Cash and cash equivalents at the ending of the year	1.65	4.15	5.97	4.84

(Unit: Million Baht)	2005	2006	2007	2Q/2008
Cash Provided by Operating Activities	371.84	504.99	490.07	191.59

(Unit: Million Baht)	2005	2006	2007	2Q/2008
Cash Provided by / (Used in) Investing Activities	(85.23)	(5.04)	61.75	(1.69)
Cash Used in Financing Activities	(385.37)	(417.17)	(499.76)	(226.67)
Increase (decreased) in cash and its equivalent – net	(98.75)	82.78	52.06	(36.77)
Cash and cash equivalents at the beginning of the year	177.02	59.39	125.62	201.37
Effects of exchange rate changes on the balance of cash held in foreign currencies	(10.65)	7.20	3.03	(1.35)
Cash and cash equivalents at the ending of the year	147.09	149.38	180.71	163.25

*Remarks: Exchange Rate as of December 31, 2005: 1 USD = 40.9771 Baht
Exchange Rate as of December 31, 2006: 1 USD = 35.9940 Baht
Exchange Rate as of December 31, 2007: 1 USD = 30.2700 Baht
Exchange Rate as of June 30, 2008: 1 USD = 33.7300 Baht*

Management Discussion and Analysis of HOUAY-HO POWER Financial Performance and Status 2005 – 2007 and Quarter 2 2008

Analysis of HOUAY-HO POWER Financial Performance 2005 – 2007 and the first 6 months period of 2008

HOUAY-HO POWER reported its revenue from electricity sales according to the EGAT and EDL PPA from the installed capacity of 152 megawatts. The revenue from electricity sales in 2005 - 2007 were approximately USD 20.22 million (Baht 828.96 million), USD 22.44 million (Baht 806.58 million) and USD 23.51 million (Baht 711.65 million), respectively. Its revenue steadily increased as a result of its increased energy production in which HOUAY-HO POWER supplied to EGAT. In 2005 – 2006, HOUAY-HO POWER supplied its energy production to EGAT approximately 420 GWh, 461 GWh and 473 GWh, respectively. For the first 6 months of 2008, HOUAY-HO POWER revenue was approximately USD 8.95 million (Baht 301.89 million). Moreover, HOUAY-HO POWER had other revenues from interest income approximately USD 0.15 million (Baht 5.07 million), USD 0.30 million (Baht 10.14 million) and USD 0.32 million (Baht 10.81 million) in 2005 – 2007, respectively.

The expense mainly resulted from cost of sales consisting of royalty fee, operating and maintenance expense, insurance expense and depreciation. The main component of cost of sales was depreciation expense since the initial construction value of the hydro power plant was high by nature of capital-intensive business. HOUAY-HO POWER's cost of sales in 2005 -2007 were USD 10.40 million (Baht 426.37 million), USD 9.91 million (Baht 356.21 million) and USD 10.31 million (Baht 312.08 million), respectively and USD 5.21 million (Baht 175.73 million) for the first 6 months period ending March 2008. In order words, HOUAY-HO POWER's cost of sales were approximately 51.43%, 44.16%, 43.85% and 58.21% of total revenues in 2005 – 2008 and for the first 6 months period of 2008, respectively. Additionally, HOUAY-HO POWER's Selling General and administration expenses were approximately 3.21%, 2.50%, 2.68% and 2.68% of total revenues in 2005 – 2008 and for the first 6 months period of 2008, respectively. For the first 6 months, HOUAY-HO POWER has a low operating profit ratio as a result of low seasonal rainfall, which is normally seen during the first 6 months of every year.

As a result, HOUAY-HO POWER reported its operating profit approximately USD 9.33 million (Baht 382.50 million), USD 12.26 million (Baht 440.67 million) and USD 12.89 million (Baht 390.18 million) in 2005 – 2007, respectively and USD 3.59 million (Baht 121.59 million) for the first 6 months period of 2008 or approximately 46.14%, 54.63%, 54.83% and 40.11% of total revenue in 2005 – 2008 and for the first 6 months period of 2008, respectively, due mainly to its steadily improving EBIT margin during 2005-2007, which was attributable to the efficiency in SG&A control.

Moreover, HOUAY-HO POWER reported its net profit approximately USD 3.32 million (Baht 136.11 million), USD 2.60 million (Baht 93.58 million) and USD 5.88 million (Baht 177.99 million) in 2005 – 2007, respectively equivalent to net profit margin of approximately 16.42%, 11.59% and 25.01% in

2005 – 2007, respectively. HOUAY-HO POWER's net profit in 2006 was down from those in 2005 since HOUAY-HO POWER had translation losses from foreign exchange rate incurred from loans from financial institution in USD currency. For the first 3 months period of 2008, HOUAY-HO POWER had profit approximately USD 0.87 million (Baht 29.35 million), which represents 9.72% of total revenue as a result of low seasonal rainfall, which is normally seen during the first 6 months of every year...

Analysis of HOUAY-HO POWER's Financial Status 2005 – 2007 and Quarter 2 2008

HOUAY-HO POWER assets were mainly categorized in power plant and equipment as part of PP&E in the non-current asset. HOUAY-HO POWER's power plant and equipment stood at approximately USD 185.70 million (Baht ((7,613.32 million), USD 177.92 million (Baht 6,403.89 million) and USD 170.12 million (Baht 5,149.65 million) in 2005 – 2007, respectively and USD 166.22 million (Baht 5,606.60 million) for the quarter 2 of 2008 or approximately 92.79%, 91.65%, 92.48% and 93.01% of total assets in 2005 – 2007 and for the quarter 2 of 2008, respectively. Moreover, HOUAY-HO POWER's main item for current assets were cash and current investment.

In terms of main sources of funding, its main sources of financing for funding construction of power plant, machine and equipment were derived from loan from related company and loans from five financial institutions under Common Terms Agreement dated on December 18, 2002, Long-term Agreement dated of December 18, 2002 and Supplement Long-term Agreement dated on December 27, 2007 as follows:

Tranch		Credit Amount	Outstanding Loans as of December 31, 2007	Interest Rate	Repayment Period
Tranch A	(Million Baht)	1,200.00	810.00	MLR + Margin	} Making payment the outstanding loans as of December 31, 2007 within 24 installments, semiannually from December 31, 2007
Tranch B1	(Million USD)	30.00	20.25	LIBOR Margin	
Tranch B2	(Million USD)	18.00	12.15	LIBOR Margin	
Tranch B3	(Million USD)	20.00	20.00	LIBOR Margin	

As of December 31, 2005 – 2007 and June 30, 2008, HOUAY-HO POWER had loan from related company and loans from five financial institutions approximately USD 142.10 million (Baht (5,825.69 million), USD 138.70 million (Baht 4,985.43 million), USD 131.15 million (Baht 3,969.91 million) and USD 125.36 million (Baht 4,228.40 million), respectively. HOUAY-HO POWER long-term debt to total assets ratio were 0.71 time, 0.72 time, 0.71 time and 0.70 time as of December 31, 2005 – 2007 and June 30, 2008, respectively.

2. HOUAY-HO THAI Information

Company Name: Houay-Ho Thai Company Limited (“HOUAY-HO THAI”)
 Incorporated Date: August 30, 2001
 Office Location: 1 Glas House Building, Sukhumvit 25 Road, Klongtoeynua, Wattana, Bangkok Thailand
 Telephone: (662) 253-6466
 Nature of Business: Holding Company
 Paid-up Capital: Baht 87.69 million comprising 8.769 million ordinary shares with a par value of Baht 10
 List of Shareholder: As of September 25, 2008

Shareholder Lists	No. Shares	% Stake	Equity
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M.C.L. Company Limited	4,472,190	51%
Suez-Energy Asia Company Limited (“SEA”) ⁽¹⁾	4,296,810	49%
Total	8,769,000	100%

⁽¹⁾ SEA is a company under Suez-Tractebel S.A.

Board of Director

As of September 25, 2008

- | | |
|-------------------------------------|----------|
| 1. Mr. Anut Chatikavanij | Director |
| 2. Mr. Sawasdi Horrungruang | Director |
| 3. Mr. Peter Valere Germain Termote | Director |

Nature of Business – HOUAY-HO THAI

HOUAY-HO THAI is a holding company which has an investment in HOUAY-HO POWER, an operator of a hydro power plant in Lao PDR. The major revenue comes from dividend from HOUAY-HO POWER.

Financial Summary

Profit and Loss Statement

<i>(Unit: Million Baht)</i>	2005	2006	2007	2Q/2008 (For the period 6 months)
Electricity Sales	26.72	79.37	47.02	4.21
Gross profit	7.29	79.29	68.43	(5.29)
EBIT	(19.42)	52.85	32.60	(5.29)
Net profit	26.72	79.37	47.02	4.21

Balance Sheet

<i>(Unit: Million USD)</i>	2005	2006	2007	2Q/ 2008
Total Assets	494.22	447.96	446.26	446.22
Total Liabilities	408.06	355.17	320.87	326.12
Issued and Paid-up Capital	87.69	87.69	87.69	87.69
Total Shareholders' Equity	86.16	92.80	125.39	120.10
Total Liabilities and Shareholders' Equity	494.22	447.96	446.26	446.22

3. The Electricity Supply Industry in Thailand

3.1 Overview of the Electricity Supply Industry in Thailand

The principal generators of electricity for commercial sale in Thailand are EGAT and private power producers. EGAT sells substantially all of the power that it generates and purchases (from private power producers and from neighboring countries) to two state enterprises, the Metropolitan Electricity Authority ("MEA") and the Provincial Electricity Authority ("PEA"). MEA and PEA distribute power to retail, commercial and industrial consumers throughout Thailand and are the owners of the electricity distribution networks in their respective regions of operation. EGAT is the sole wholesale purchaser of electricity in Thailand, although private power producers produce and sell electricity directly to industrial users as well. EGAT is the national system operator and owns, operates, maintains and develops Thailand's national wholesale electricity transmission network, the national electricity grid.

Private power producers in Thailand divide into three general categories:

- (1) Producers that participate in, and sell electricity to EGAT under Thailand's IPP program ("IPPs") with an installed capacity of 10,017 megawatts
- (2) Producers that participate in, and sell electricity to EGAT under Thailand's SPP program ("SPPs") with an installed capacity of 2,079 megawatts
- (3) Producers that generate and sell electricity to industrial customers

Moreover, some of Thai companies produce electricity for their internal consumption. Those companies are not considered to be a private power producers.

According to information published by the Energy Policy and Planning Office of the Thai Ministry of Energy ("EPPO"), in 2007, Thailand's total electricity generation capacity was 28,530 megawatts compared to 27,107 megawatts in 2006 (both figures are the private power producers sold to EGAT under the IPP or SPP programs). Thailand's total electricity generation capacity comes from:

Producer	Installed (Megawatts)	Capacity	% of Total Installed Capacity
EGAT	15,794		55%
Independent Power Producer (IPP)	10,017		35%
Small Power Producer (SPP)	2,079		8%
Lao PDR and Malaysia	640		2%
Total	28,530		100%

In 2007, the total amount of electricity generated in Thailand was approximately 147,024 GWh (only the electricity that private producer supplied to EGAT). The total amount of electricity generated in Thailand comes from:

Producer	Amount of Electricity (GWh)	% of Total Amount of Electricity
EGAT	65,979	45%
Independent Power Producer (IPP)	62,118	42%
Small Power Producer (SPP)	14,439	10%
Lao PDR and Malaysia	4,488	3%
Total	147,024	100%

3.2 Thailand Demand for Electricity

The growth of the Thai economy has led to a significant increase in demand for electricity over the past 10 years. In the two years following the Asian economic crisis which began in 1997, electricity demand in Thailand decreased as the Thai economy contracted. Between 1999 and 2007, peak power demand in Thailand increased at a compound annual growth rate of 6.4 percent, from approximately 13,712 MW in 1999 to approximately 22,586 MW in 2007. During the same period, the Thai economy, measured in terms of real GDP, grew from Baht 2.9 trillion in 1999 to Baht 4.2 trillion in 2007.

The total generation capacity, the annual electricity production and the peak demand for electricity and GDP in Thailand for the fiscal year 1994 -2007.

Year	Installed Capacity	Change ¹	Peak Electricity Demand	Change ²	Electricity Production	Change ¹	Real GDP ³	Change ²
1994	12,969	n.a.	10,709	n.a.	69,651	n.a.	2,693	n.a.
1995	14,672	13.13	12,268	14.56	78,880	13.25	2,941	9.24
1996	15,648	6.65	13,311	8.50	85,924	8.93	3,115	5.90
1997	16,980	8.51	14,506	8.98	92,725	7.92	3,072	-1.37
1998	18,177	7.05	14,180	-2.25	92,134	-0.64	2,749	-10.51
1999	19,110	5.13	13,712	-3.30	90,413	-1.87	2,872	4.45
2000	22,269	16.53	14,918	8.80	96,781	7.04	3,008	4.75
2001	22,035	-1.15	16,126	8.10	103,165	6.60	3,073	2.17
2002	23,754	7.80	16,681	3.44	108,389	5.06	3,237	5.32
2003	25,646	7.96	18,121	8.63	116,743	7.71	3,468	7.14
2004	25,969	1.26	19,326	6.65	125,319	7.35	3,688	6.34
2005	26,450	1.85	20,538	6.27	133,695	6.68	3,855	4.53
2006	27,107	2.48	21,064	2.56	141,919	6.15	4,052	5.11
2007	28,530	5.25	22,586	7.23	147,026	3.60	4,244	4.75

Source: PDP 2004, EGAT, EPPO and National Economic and Social Development Board

Remarks: (1) Before 2005, the figures are based on fiscal year basis after that they based on calendar year basis.

(2) Year on year

(3) Revised figure in 2004 onward

3.3 Thailand Electricity Generation Capacity

In 2007, the Thailand demand for electricity in the peak period occurred on April 24, 2007 at 2.00 pm was 22,586 megawatts which increased around 7% from 2006.

Producer	Demand for Electricity in the Peak Period (Megawatts)	% of Total Installed Capacity in the Peak Period
EGAT	10,615	47%
Independent Power Producer (IPP)	9,486	42%
Small Power Producer (SPP)	1,807	8%
Lao PDR and Malaysia	678	3%

Currently, the eight private electricity producers in Thailand are Electricity Generating Pcl., Independent Power (Thailand) Company Limited, Tri-energy Company Limited, Glow IPP Company Limited, Eastern Power and Electric Company Limited, BLC Power Company Limited, Gulf Power Generation Company Limited and Ratchburi Electricity Generating Holding Pcl. Those companies are Independent Power Producer (IPP) and Small Power Producer (SPP), totaling installed capacity of 12,096 megawatts and Power Producer from Lao PDR and Malaysia with an installed capacity of 640 megawatts while EGAT has a total installed capacity of 15,794 megawatts. Moreover, there is any 3,277 megawatts power plant under construction which can commence operation in 2010 from EGAT and 4,608 megawatts from private producer.

3.4 Lao Electricity Generation Capacity

Lao PDR is one of the countries that are suitable for running power plant business especially hydro power plant. According to Laos PDR's Power Development Plan in 2007, there is electricity producer capacity at least 18,000 megawatts. With a population of 5.5 million, much of this potential will not be required for consumption within the country. Therefore, the Government of Lao PDR has a plan to develop some sources to export power to the neighbouring countries such as Thailand and Vietnam. Xeset in Saravane, Nam Ngum in Vientiane and Houay-Ho in Attapeu are supplying power to Thailand. The current Lao electricity projects are as follows:

Year	Project	Capacity (MW)	Year
1968	Selabam	Champasak	5.0
1970	Nam Ngum	Vientiane	150.0
1970	Nam Dong	Luangprabang	1.0
1994	Xeset	Saravane	45.0
1995	Nam Phao	Borikhamxay	1.6
1996	Nam Ko	Oudomxai	1.5
1998	Nam Thuen-Hinboun	Khammouane	210.0
1999	Houay-Ho	Attapeu	152.0
2000	Nam Leuk	Vientiane	60.0
2004	Nam Mang 3	Vientiane	40.0
Total			666.1

4. Project Highlights of HOUAY-HO POWER Power Plant Project

4.1 Lower Cost of Production and no effect from fuel price fluctuation

Hydro power plant has a lower cost of production when compared to a coal fired-based power plant and natural gas-based power plant, HOUAY-HO POWER uses hydro to produce the electricity production which is different from coal-fired or natural gas power plant. Therefore, there is no fuel cost in production process. The technology for HOUAY-HO POWER production has no complexity; therefore, there is not necessary for hiring the outsource experts for its operation. As a result, HOUAY-HO POWER has a lower cost of the electricity production.

4.2 Complementary Support from EGAT and EDL

Pursuant to the EGAT PPA and the EDL PPA with a term of 30 years, ending in 2029, it results that HOUAY-HO POWER has a stable source of revenue. Furthermore, this would help to mitigate any risks from competition.

4.3 Complementary excellent relationship from EDL

HOUAY-HO POWER operates the power plant in Lao PDR which there may be the political instability. However, HOUAY-HO POWER has a good relationship with EDL, the Electricity Generating of Lao PDR, as one of HOUAY-HO POWER's shareholders who holds approximately 20% of HOUAY-HO POWER's issued and paid-up capital. Therefore, the political risk may have less impact to HOUAY-HO POWER according to this mentioned reason.

4.4 Support from Group of Shareholders with Strong Expertise in the Electricity Generation Business

HOUAY-HO POWER is one of the subsidiary companies of SUEZ-TRACTEBEL, strong experience and proven global track record in power plant business. Therefore, HOUAY-HO POWER has gained support from the SUEZ-TRACTEBEL group in managing and performing to be beneficiary for running hydro power plant business, advising the technical matters as well as obtaining source of financing in terms of loans from related companies for its working capital.

4.5 Well-Experienced Management Team, Experts and Technicians with Proven Track Record in the Power Generation Business

HOUAY-HO POWER management team, experts and technicians consists of both Thai and foreign staffs with having technical knowledge, expertise and long experience in performing powerplant operation and maintenance tasks. This would ensure that HOUAY-HO POWER power plant would be managed efficiently.

4.6 No pollution from electricity production

HOUAY-HO POWER runs the hydro power plant business that uses hydro power for electricity production. Hydro power is considered clean, with no environmental effect. For the coal fired-based power plant and natural-based power plant, it is necessary to install gas desulphurization plant and control emission of poisonous substances during the power generating process.

4.7 No Construction risk

Since HOUAY-HO POWER's power plant was completely constructed and already commenced its operation to supply electricity to EGAT and EDL from 1999. Therefore, there is any risk, from construction stage and pre-operating stage as compared to the new power plant project.

4.8 Suitability of Project Location

Lao PDR is one of the countries that are suitable for running power plant business especially hydro power plant. According to Laos PDR's Power Development Plan in 2007, their electricity producer capacity is at least 18,000 megawatts. Furthermore, HOUAY-HO POWER project is located on the Bolaven Plateau which has 775.5 meter gross head. The higher gross head will enable HOUAY-HO POWER to generate more electricity production.

4.9 Proven Operating Track record in compliance with PPA

According to the EGAT PPA, HOUAY-HO POWER has supplied electricity to EGAT more than a 300 GWh per year in order that HOUAY-HO POWER avoid informing its right for the drought year, the year that HOUAY-HO POWER has supplied electricity less than 300 GWh per year. HOUAY-HO POWER can exercise its right up to 4 times throughout the concession period

However, HOUAY-HO POWER has continuously supplied electricity to EGAT more than 300 GWh per year. The amount of electricity supplied to EGAT is as follows:

Year	Amount of Electricity Supplied to EGAT (GWh)
2002	573
2003	423
2004	394
2005	420
2006	461
2007	473

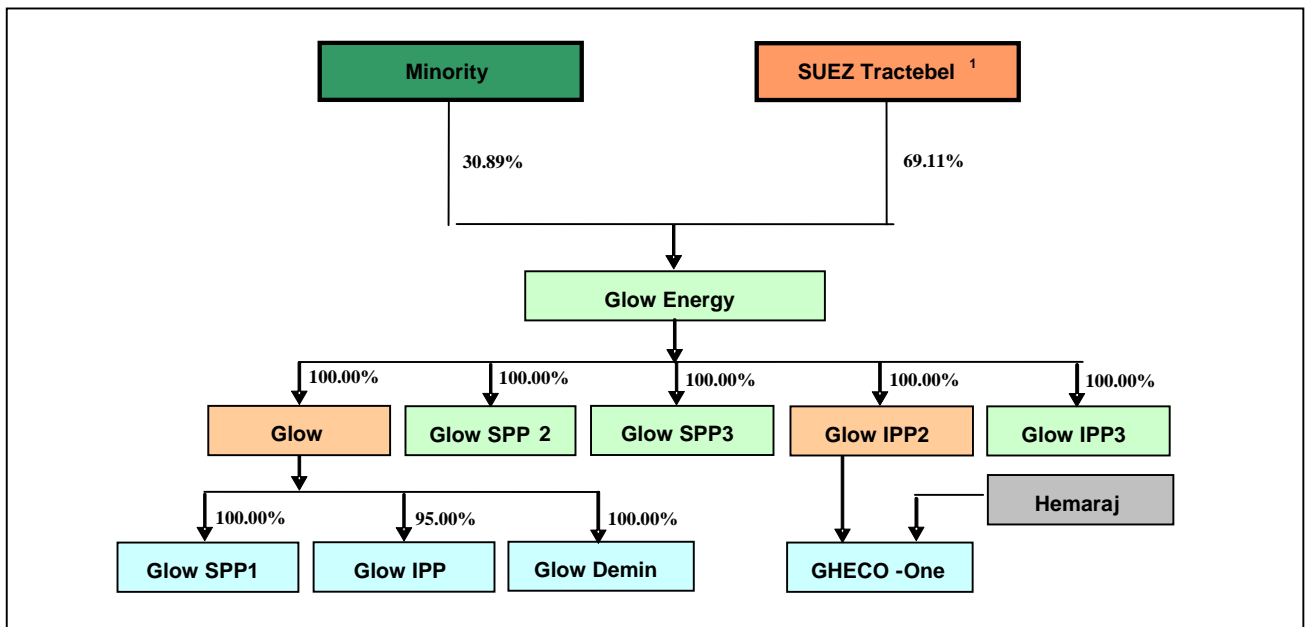
Pursuant to the EGAT PPA, HOUAY-HO POWER has also supplied electricity to EGAT more than 394.2 GWh to keep away from liquidated damages. In case of a shortfall of yearly energy production from 394.2 GWh, HOUAY-HO POWER has paid the liquidated damage to EGAT at the rate of US 1 cent/kWh.

From the above table, it is shown that HOUAY-HO POWER supplied electricity to EGAT approximately 394.1 GWh in 2004, the lower rainfall (1,786.2 mm); however, HOUAY-HO POWER did not exercise its right for the drought year although HOUAY-HO POWER paid for liquidated damage. According to the EGAT PPA, the drought year is the year that HOUAY-HO POWER has supplied electricity to EGAT less than 300 GWh power.

Part 3
The Opinion of Independent Financial Advisor Concerning Connected Transaction

1. Objectives of the entering into the transaction and the necessity to enter into a transaction

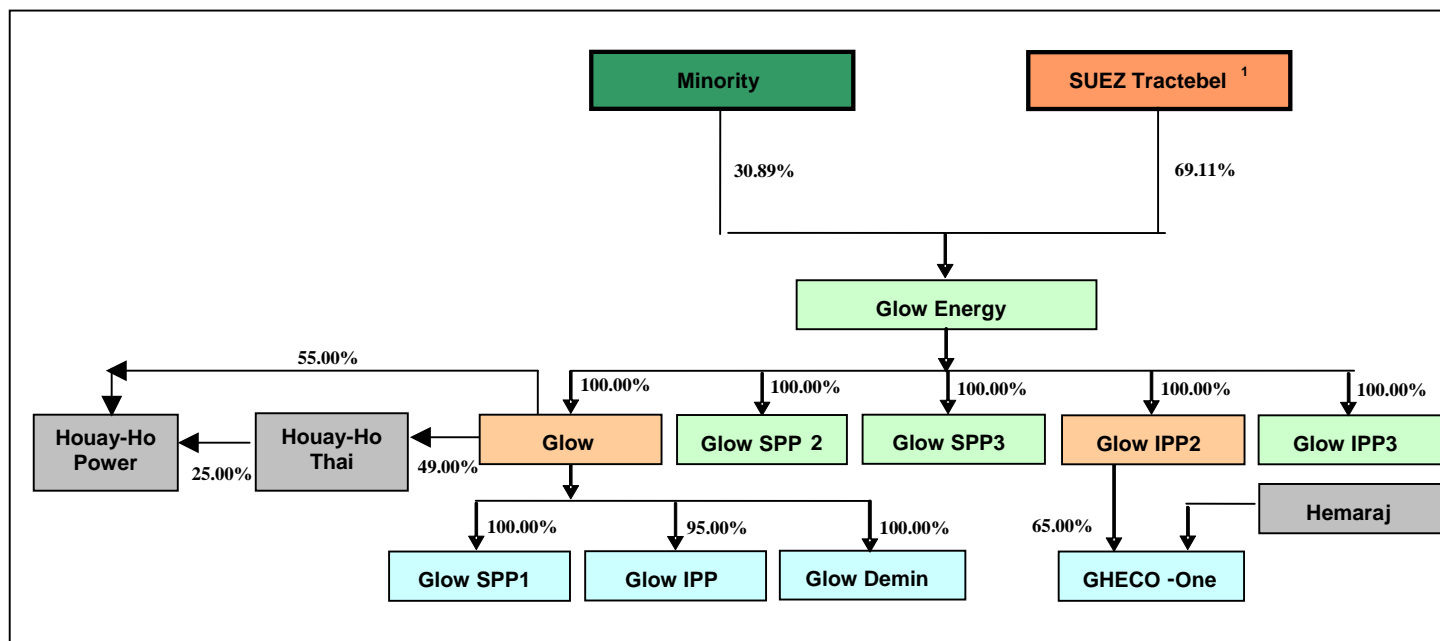
GLOW ENERGY and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand. GLOW ENERGY operates one facility of IPP and four cogeneration facilities of SPP with a total generating capacity of 1,708 MW of electricity and 967 tons per hour of steam (based on GLOW ENERGY's stake). GLOW ENERGY's five principal production facilities are located in Rayong and Chonburi provinces on the eastern seaboard industrial zone of Thailand. GLOW ENERGY has been assigned "A" by TRIS since 24 April 2008. The following diagram sets out the current organizational and ownership structure.



Source: GLOW ENERGY 56-1

Remark: ¹ SUEZ-TRACTEBEL indirectly holds a 69.11% equity stake in GLOW ENERGY through SUEZ-ENERGY THAILAND and Suez-Tractebel Energy Holding Corporative U.A.

After the transaction, the organizational and ownership structure of GLOW ENERGY and its subsidiaries is as follows:



The core business of GLOW ENERGY Group is the producer and sales of electricity to EGAT and sales of electricity, steam and clarified and demineralized water to industrial users in Map Ta Phut industrial park and other neighboring industrial parks in Rayong. The following table breaks down the production capacity of electricity and steam by power plants indicated below:

Power Plant	Production Capacity	
	Electricity (MW)	Stream (Ton per Hour)
GLOW ENERGY	358	687
GLOW SPP 1	124	90
GLOW SPP 2	213	140
GLOW SPP 3	300	50
Total Capacity of SPP	995	967
GLOW IPP	713	-
Total Capacity of GLOW ENERGY Group	1,708	967

In the year 2007, GLOW ENERGY and its subsidiaries have total revenue of Baht 33,011.3 Million, net profit of Baht 4,782.8 Million and total asset as of December 31, 2007 of Baht 54,023.7 Million. Its main revenue is from the production and distribution of electricity which accounted for 83.9% of GLOW ENERGY and its subsidiaries' total revenues. The following table breaks down our revenues by source for the periods indicated:

	2005		2006		2007		1H2008	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Revenues from Sales of Goods and Rendering of Services								
- Electricity Sales to EGAT								
: Sales to EGAT by IPP	8,616.9	30.1	10,705.0	31.5	10,161.8	30.8	5,456.3	32.5
: Sales to Industrial Customers	9,059.0	31.7	9,640.6	28.4	9,323.5	28.2	4,743.7	28.3
- Sales to Industrial Customers	6,411.8	22.4	7,877.2	23.2	8,224.8	24.9	4,221.4	25.2
<i>Total</i>	<i>24,087.8</i>	<i>84.2</i>	<i>28,222.8</i>	<i>83.1</i>	<i>27,710.1</i>	<i>83.9</i>	<i>14,421.4</i>	<i>86.0</i>
Stream	4,101.4	14.3	4,029.9	11.9	4,219.2	12.8	2,085.4	12.4

	2005		2006		2007		1H2008	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Processed water	305.7	1.1	340.4	1.0	336.6	1.0	178.4	1.1
<i>Total</i>	<i>28,494.9</i>	<i>99.6</i>	<i>32,593.1</i>	<i>96.0</i>	<i>32,265.8</i>	<i>97.7</i>	<i>16,683.1</i>	<i>99.4</i>
Other Income	101.1	0.4	1,398.7	4.0	745.4	2.3	100.7	0.6
Total Revenues		100.		100.0		100.0		100.0
	28,596.0	0	33,991.9	100.0	33,011.3	100.0	16,783.8	100.0

To make the stable return on investment to its shareholders, GLOW ENERGY is expanding by increasing 50% of its current 1,708-megawatt capacity. Therefore, the acquisition of the company from SUEZ-TRACTEBEL that has the PPA with EGAT has as additional benefits that it will minimize the risk to obtain the concession as well as the risk at construction stage. The main rational objectives are as follows:

- 1 To increase the capacity of production and to increase the market share of GLOW ENERGY group in the business of electricity producer and distribution in Thailand.
- 2 To expand the investment to the hydro power plant which is one of the attractive alternatives for electricity producer since the hydro power plant generates the lower cost compared with the other coal-fired or natural gas-fired power plants.
- 3 To increase the competitive strength in the bidding with the Government of Lao PDR in the future from their experience in the hydro power plant.
- 4 To invest in the fully completed hydro power plant that presently is a producer and distributor of the electricity to EGAT. Thus, this project is considered having no risk in the initial operation stage and GLOW will be able to recognize the revenue from the investment in HOUAY-HO POWER instantly.
- 5 To utilize the transmission line of the project for other future power plant projects in Lao PDR that GLOW ENERGY group may have an opportunity of more business. This transmission line is from Lao PDR to Ubon Ratchatani, Thailand.
- 6 To contribute the revenue growth and to increase the return on the investment to GLOW ENERGY group.

2. Benefits to GLOW ENERGY and GLOW ENERGY's Shareholders from Entering to the Transaction

2.1 To increase the capacity of production and to increase the market share of GLOW ENERGY group in the business of electricity producer and distribution in Thailand.

As of December 31, 2007, GLOW ENERGY group has its total generation capacity of 1,708 MW generated from one IPP that produces and sells the electricity to EGAT and four SPP that produces and sells its electricity to the industrial consumers in industrial parks. Its market share in terms of producing and distributing the electricity is 5.98% of Thailand's total electricity generation capacities in 2007. Therefore, in case that GLOW, a subsidiary of GLOW ENERGY, enters into the transaction to make the direct and indirect investment of 67.25% in HOUAY-HO POWER, GLOW ENERGY's capacity will increase to 1,810 MW (taking into account only GLOW's stake in Huoay-Ho Power) which will increase GLOW ENERGY's market share to 6.31% of Thailand's total electricity generation capacity as of end of 2007. This will be part of GLOW ENERGY's expansion pursuant to which it will increase 50% of its capacity within 2012 as per details below:

	Type of Power Plants	Electricity Generation Capacity
- Year 2008	Houay-Ho Power Plant (Hydro Power Plant that GLOW will hold 67.25%)	152 megawatts
- Year 2010	Coal-fired Cogeneration Power Plant	115 megawatts equivalent
- August 2012	Coal-fired Independent Power Plant (Gheco-One that GLOW ENERGY will hold 65%)	660 megawatts
- September 2012	Natural gas-fired Cogeneration Power Plant	382 megawatts equivalent

Source: GLOW ENERGY

2.2 One of the attractive alternatives for electricity producer to expand to the hydro power plant

To expand the investment to hydro power plant is one of the attractive alternatives for electricity producer since the hydro power plant generates the lower cost compared with the other coal-fired or natural gas power plants. This will result the GLOW and GLOW ENERGY's capability to earn more profit. In addition, it is the diversification of risk from the investment in coal-fired and natural gas-fired power plant to the investment in the hydro power plant.

2.3 Additional competitive advantage in the future bidding of the hydro power plant

GLOW ENERGY group currently owns only coal-fired and natural gas-fired power plants. This investment in the hydro power plant will diversify the portfolio. Additional, this transaction is considered as to increase the competitive strength in the bidding with the Government of Lao PDR in the future which is complied with Thailand's policy to reduce the dependence on natural gas. Currently, GLOW ENERGY uses the natural gas as fuel accounted for 70 percent of its cost of sales. Additional, to invest in this acquisition is considered as the first establishment of GLOW ENERGY group in Lao PDR which is the appropriate location for power plant, especially hydro. As per the 2007 Power Development Plan of Lao PDR, hydro power plant in Lao PDR could generate above 18,000 MW of electricity.

Lao PDR is the neighboring country of Thailand, thus, it is very convenient to transmit the electricity to Thailand to facilitate the increasing electricity consumption. The Thai Government and Lao PDR Government have entered into to the agreement to supply the electricity to Thailand.

2.4 No risk at the initial operation stage with the immediate revenue recognition

HOUAY-HO POWER has entered into the PPA with EGAT and already completed the main procedures such as the permission from the authorities, the construction, and the commercial test run. Therefore, this investment has no risk from the construction and the delay of project.

HOUAY-HO POWER produces and sells the electricity to EGAT since 1999, therefore, GLOW and GLOW ENERGY will instantly be able to recognize the revenue from the investment in HOUAY-HO POWER without the risk from the delay of construction. Also, HOUAY-HO POWER has obtained the PPA with EGAT which will make more secured cash inflow from the project.

2.5 Benefits from utilization of the transmission line of the project (from Lao PDR to Ubon Ratchatani, Thailand) for other future power plant projects in Lao PDR

The 161km long 2x230KV dedicated transmission line, linking the powerhouse to the closest EGAT substation in Ubon Ratchathani, can supply a maximum of 300 MW at the Delivery Point, which represents approximately 44.4% of utilization of transmission capacity. Therefore, if GLOW ENERGYGROUP has more opportunity to expand its business in the South of Lao such as Champasak province, Attapeu province, GLOW ENERGY can utilize this transmission line for the future business, including selling the excess of this transmission capacity to other power producers without any additional expenses or investment. However, if GLOW utilize this transmission line for other power plant project, GLOW has to ask for approval from EGAT.

2.6 To contribute the revenue growth and to increase the return from the investment to GLOW and GLOW ENERGY

Under the Power Purchase Agreement (PPA) with EGAT for electricity producer and distribution on June 24, 1999 with a term of 30 years from September 3, 1999, HOUAY-HO POWER has the stable and revenue structure as per the standard of hydro power plant. EGAT will pay in form of energy payment in return with the production and distribution of electricity by the instruction from EGAT.

The energy payment is calculated from the direct cost and variable cost from the actual production and maintenance through 30-year agreement period.

Besides, HOUAY-HO POWER currently produces and sells the electricity under the PPA to EGAT since 1999. This generates the stable revenue and cash flow through its 30-year agreement period. Therefore, in case that GLOW, a subsidiary company of GLOW ENERGY, enters into the transaction to acquire HOUAY-HO POWER from SUEZ-TRACTEBEL, GLOW ENERGY group will instantly earn the stable revenue and cash flow from its investment. Additional, this transaction will enhance the return of investment to GLOW and GLOW ENERGY and the shareholders of GLOW ENERGY.

3. Risk Factors that may affect the Operation Performance and Financial Status of GLOW ENERGY

3.1 Risk from the high dependence on EGAT

Under the PPA with EGAT, HOUAY-HO POWER commits to sell with a total capacity of 150 megawatts to EGAT for 30-year period. EGAT is considered as the most important customer; therefore, this may result in the lack of negotiation power and have an effect on its business, results of operations and financial condition.

However, this PPA is in line with normal practice of PPA of other IPPs with EGAT. As well as EGAT is one of the reputable Thailand state-owned enterprises, therefore, it is considered low risk for not receiving the payment from EGAT.

3.2 Risk from the fluctuation of electricity demand in Thailand

The demand of electricity usage in Thailand depends on Thai macro economy. If the growth rate of economy is slow down, the demand for electricity from industrial users and household users will drop accordingly. The consequence is decreasing of purchase order from EGAT which will affect the revenue of HOUAY-HO POWER. However, in the past, the fluctuation has less impact to the demand for electricity in Thailand as the dispatch priority of hydro power plant is higher than other power plants due to the lower production cost.

3.3 Risk from the uncertainty of rain fall volume that is one of the major impacts to the production

Rainfall is one of the most essential factors to generate the electricity since hydro power plant needs the accumulated rainfall in the reservoir to move the turbines for the electricity generator. Under the PPA with EGAT, HOUAY-HO POWER has to produce at least 300 GWh per year to keep away from informing its right for the drought year. In drought year, if HOUAY-HO POWER is unable to reach 300 GWh per year threshold, HOUAY-HO POWER can exercise it right up to 4 times throughout the concession period but HOUAY-HO POWER has to inform its right to EGAT in advance. Such exercise will allow HOUAY-HO POWER to supply lower electricity without breaching the PPA and no penalty for such case. If HOUAY-HO POWER does not inform its right to EGAT, HOUAY-HO POWER will breach the PPA and has penalty.

However, based on the analysis of rainfall volume in the past, Team Consulting Engineering and Management Co., Ltd., the independent technical advisor, has forecasted that the future rainfall will be sufficient for the energy production. Due to the fact that the reservoir capacity can store enough target volume of water which can generate the electricity to sell each year as stated under the PPA. The study of the independent technical advisor has taken into account of the higher and lower rainfall data above the standard.

3.4 Risks from the operation disruption from the uncontrollable factors

The operation of HOUAY-HO POWER may be disrupted from the uncontrollable external factors such as the natural disaster, technical error and labor disputes. To minimize the risk, HOUAY-HO POWER

has insured its assets under property damage insurance policies that cover on an all-risks basis for any physical loss or damage to its property, machine and equipment, including business interruption insurance. Besides, HOUAY-HO POWER has provided the training and the contingency plan and the alarm test plan.

3.5 Risk from the foreign exchange rate

Payment from the purchase of equipment, maintenance expense, short term loan from related parties and long term loan from financial institutions are in form of US Dollar currency. Thus, the fluctuations in the exchange rate could adversely affect its results of operations and financial condition.

The USD revenues from production and sale of electricity, the expense and loan will provide the natural hedged.

3.6 Risk from the interest rate

The interest rate that financially incurs from the borrowing in Thai Baht currency and US Dollar currency is floating, therefore, any changes in the interest rate in the future will affect the operating performance and cash flow. HOUAY-HO POWER has both Baht and USD floating rate borrowing.

HOUAY-HO POWER entered into the Interest Rate Swap Agreement with financial institutions in order to minimize the risk from interest rate by floating rate LIBOR to a fixed rate at 3.2%. However, this agreement was expired at December 31, 2007. HOUAY-HO POWER is now in consideration to enter the Interest Rate Swap Agreement with financial institutions.

3.7 Risk from the political instability

Since HOUAY-HO POWER is the project located in Lao PDR, therefore, the relationship between Thailand and Lao PDR is the essential factor that affects the operating performance. However, one of the HOUAY-HO POWER 's major shareholders is EDL which holds 20% of the issued and paid-up capital, this will minimize the political risk. In addition, after the acquisition, GLOW will purchase the political risk insurance to cover 90% of HOUAY-HO POWER's book value of equity that GLOW holds (67.25%). The insurance policy will cover 4 risks as follows:

- Risk from the inconvertibility or transfer restriction
- Risk from the expropriation
- Risk from the war and civil disturbance
- Risk from the breach of contract

4. The necessity to enter into the transaction with connected person and the reasons why the Company does not enter into such transaction with third person

Currently, there are only 10 completed hydro power plants in Lao PDR. Most of electricity power producers aim to expand their investment in order to increase the electricity generation capacity and to maintain the market share. Therefore, this acquisition of HOUAY-HO POWER from SUEZ-TRACTEBEL will increase its experience and skill in the operation and management in the hydro power plant, as well as to increase the competitiveness in future bidding the hydro power plants, including in Lao PDR. Furthermore, this will serve the strong intention of GLOW ENERGY group maintain sustainable growth.

4.1 Advantages of the entering into the transaction with connected person

1. The main objectives of this transaction is to create the clear shareholding structure and clear business structure

GLOW and GLOW ENERGY is one of the subsidiaries under SUEZ-TRACTEBEL group which operates the business in Thailand. In the past, SUEZ-TRACTEBEL invested in the energy business in Thailand through GLOW ENERGY only. GLOW ENERGY has the plan to expand its investment

in the region. Therefore, this disposition of HOUAY-HO POWER to GLOW ENERGY will make the clearer picture of business structure of SUEZ-TRACTEBEL. SUEZ-TRACTEBEL plans to position GLOW ENERGY as one of the investment companies to operate the cogeneration power plant in the South East Asia. Investment in the IPP in Thailand, Lao PDR and Cambodia by SUEZ-TRACTEBEL will be made through GLOW ENERGY only.

2. The stability of revenue

HOUAY-HO POWER is the completed hydro power plant project which enters into the PPA with EGAT. Presently, HOUAY-HO POWER is producing and selling the electricity to EGAT. Therefore, there is no risk in the pre-operating period such as the risk from construction and the delay of project. This project also ensures the stable revenue and cash flow stream.

The PPA between EGAT and HOUAY-HO POWER is the long-term contract which matches with the concession for the government of Lao PDR. It is considered no risk on the electricity off-taker. Therefore, to enter into this transaction, GLOW and GLOW ENERGY's shareholders will have less risk in revenue generated from this project. In the past, HOUAY-HO POWER has transmitted the electricity to EGAT constantly and has the stable operating performance. The revenue from electricity sale is approximately USD 20.22 Million (Baht 638.18 Million), USD 22.44 Million (Baht 758.18 Million) and USD 23.51 Million (Baht 794.33 Million) in 2005, 2006 and 2007, respectively and USD 8.95 Million (Baht 301.89 Million) for the first 6 months 2008

3. Financial support from SUEZ-TRACTEBEL Group which is the major shareholder of GLOW ENERGY

After this transaction, SUEZ-TRACTEBEL will provide the financial support to GLOW ENERGY for the Project HOUAY-HO POWER in form of the loan to the related company. In the past, SUEZ-TRACTEBEL provide the financial support to GLOW ENERGY in the investment in project construction as well as the technical support from the experience from hydro power plant in Brazil.

4.2 Points of consideration for entering into the transaction with connected person

1. Fairness of Price and Conditions of the Transactions

Transaction with the connected person must be considered whether its condition and price are fair to the minority shareholders.

However, to enter the acquisition with connected person, GLOW ENERGY has appointed the audit committee which comprises of 3 independent directors to review and consider the suitability for this investment. GLOW ENERGY is required to disclose this transaction to the SEC in order to protect the minorities' right and create the fairness to the minorities. This transaction must be treated as a normal transaction that enters with other third parties.

Directors and shareholders who have interests and/or directors and shareholders who are connected persons will not attend the meeting and have no right to vote for this agenda.

5. Advantages and Points of Consideration of the entering into the transaction with connected person

5.1 Advantage of not entering to the transaction

1. No financial risk arising

In case that GLOW does not enter the transaction, GLOW and GLOW ENERGY will not have additional its financial risk since, as GLOW ENERGY will need to borrow and/or issue debenture to fund the transaction, under their policy to maintain the debt to equity ratio of 1:1.

5.2 Disadvantages of not entering into the transaction

1. Neglect of the business competitiveness

In case that GLOW does not enter into the transaction to acquire HOUAY-HO POWER, GLOW and GLOW ENERGY will lack the experience in the operator of hydro power plant. GLOW ENERGY will not be in the advantage position when comparing with the competitors in the future bidding new power plants, including the bidding of hydro power plants in Lao PDR. Lao PDR is considered the country that best appropriates in operating the power plant, especially the hydro power plant.

2. Forego the revenues from the expansion

The acquisition of HOUAY-HO POWER is an expansion opportunity in the core business of GLOW ENERGY. Not entering into this transaction would be a lost opportunity and lost revenues that GLOW ENERGY will instantly earn. This is because HOUAY-HO POWER currently produces and sells the electricity under the PPA to EGAT since 1999 and generates the stable revenue through its 30-year agreement period.

6. Additional Point of Consideration of entering into the transaction

6.1 Precedent Condition

According to the Sale and Purchase Agreement, the transaction of acquiring HOUAY-HO POWER shares will take place after some conditions precedent are fulfilled. The minimum details of such conditions precedent are as follows:

- Board of Directors resolution of GLOW ENERGY passed in accordance with the Connected Party Notification approving the purchase by Glow of the Transferring Shares;
- Shareholders resolution of GLOW ENERGY passed in accordance with the Connected Party Notification approving the purchase by GLOW of the Transferring Shares;
- The completion of the purchase by Hemaraj Land and Development Public Company Limited of 51% of HOUAY-HO THAI;
- Consent from Electricite Du Laos to the transfer of the Stopper Shares by Stopper to GLOW (or GLOW's designee) and the accession of GLOW (or GLOW's designee) to the Shareholders Agreement and to the release of Stopper;
- Consent of HOUAY-HO POWER's lenders to the transfer the Stopper Shares by Stopper to GLOW (or GLOW's designee) pursuant to and in accordance with Amendment Agreement to Common Terms Agreement (to amend § 3(e) in order to amend §§ 19.02(a)-(c) to permit GLOW(or a subsidiary of GLOW ENERGY) to hold HHPC shares and the Technical Support Agreement (HOUAY-HO POWER to accede to such agreement between Suez-Tractebel S.A. and GLOW as approved by Required Lenders pursuant to § 3(e) of the Amendment Agreement to Common Terms Agreement amending § 19.02(b)(i));
- Consent from EGAT to the transfer of shares in HOUAY-HO POWER from the Sellers to GLOW;
- Execution and delivery of an agreement between GLOW, Electricite Du Laos, HOUAY-HO THAI and Suez Tractebel S.A. relating to the EPC Claim in the agreed form; and
- GLOW and HOUAY-HO THAI have entered into a sale and purchase agreement pursuant to which GLOW has agreed to transfer 5% of HOUAY-HO POWER to HOUAY-HO THAI.

6.2 Financial Risk

In acquisition of 67.25% of HOUAY-HO POWER's paid-up capital, GLOW ENERGY Group source of fund will be from the borrowing from financial institution and the issuance of bond approximately 50% of the total transaction value which will increase the financial risk to GLOW ENERGY. As of June 30, 2008, GLOW ENERGY has its debt to equity ratio of 0.81times while after the acquisition, GLOW ENERGY will increase its debt to equity ratio to 0.82 times (calculation based on GLOW ENERGY's shareholding stake in HOUAY-HO POWER). However, the increasing debt to equity ratio is not taken

into account of future operating performance, including the return on investment of this acquisition which may lower the debt to equity ratio.

Remark:

In case of considering investment from Glow Energy both in coal-fired power plant of GHECO-One and Houay-Ho Hydro power plant which will take place in almost same period, GLOW ENERGY's debt to equity ratio will increase from 0.81 times (Interest bearing debt/ total shareholder's equity) as of June 30, 2008 to 1.13 times after execution both transactions (calculation based on GLOW ENERGY's shareholding stake). However, as aforementioned, GHECO-ONE does not invest in the project as one time investment but will gradually invest it over the 40-month construction period as well as GLOW ENERGY's investment in HOUAY-HO POWER will generate immediate cash inflow after the transaction. With these factors, the impact to its debt to equity ratio is expected to be relieved from the future income steam and hence provides minimal effect to GLOW ENERGY performance and dividend payment right of shareholders.

Part 4

The Opinion of Independent Financial Advisor Regarding the Fairness of Acquisition Price

To determine the acquisition stake of up to 67.25% of issued and paid-up capital of the Company, the Independent Financial Advisor has employed the following methodologies as follows:

1. Discounted Cash Flow Approach (DCF)
2. Book Value Approach
3. Market Comparables Approach
 - 3.1 Price to Earnings Ratio Approach (P/E Ratio)
 - 3.2 Price to Book Value Ratio Approach (P/BV Ratio)
- 3.3 Enterprise Value to Earnings before Depreciation, Interest Expense and Tax Ratio Approach (EV/EBITDA Ratio)
 - 3.4 Enterprise Value to Capacity (MW) Ratio Approach (EV/MW Ratio)

1. Discounted Cash Flow: DCF

Discounted cash flow approach is a methodology commonly used to evaluate the value of firm. This method is more appropriate than others in that it takes into account for the specific characteristics, future performance and cash flow, factors potentially affecting the future operation and related risks.

However, the accuracy of the estimated value largely depends on the precision and reasonableness of underlying assumptions to be used in the financial projection. By and large, the power-generating business's projected revenue are somewhat certain in large extent in accordance with the PPA signed with EGAT which normally corresponds to the loan drawdown, debt repayment profile and interest payment in lieu of the loan agreement with financial institutions. As such, discounted cash flow approach is an appropriate method to be used in evaluating the share valuation for the power-generating business.

Discounted cash flow approach can be conducted in various methodologies, for instance, Free Cash Flow to Firm (FCFF) to determine the firm value is discounted by the Weighted Average Cost of Capital (WACC). Further to determine the value of equity, the value of firm is deducted by the interest-bearing debt. Nevertheless, it is recommended when evaluating the power-generating business to employ the FCFE as this FCFE methodology has taken accounts of the risk incurred from uncertainty in business operation as well as the risk associated with the long-term liabilities taking into consideration the interest rate fluctuation, debt service capacity thus affecting the free cash flow available to the equity holders and return on equity. In essence, in the event of the company having lower liabilities, the lower return on equity will be relative to higher amount of debt.

In addition, FCFF mostly relies on the consistency of debt to equity ratio which the project life is infinite, which can be seen as the limitation of FCFF in our case. For the normal power-generating business, the life is somewhat finite in which the debt to equity ratio varies from time to time. Consequently, FCFE is more appropriate method than FCFF. Furthermore, for the sake of conservative approach, Independent Financial Advisor does not consider including the terminal value as perpetual to be forecasted in the final year of the project since by nature of the concession project signed with Lao PDR on the 30-yr BOT which will end in 2029.

As a result, the Independent Financial Advisor employs FCFE to evaluate the value of equity from January 2008 until December 2029, a final year of PPA with EGAT and a final concession year with the Government of Lao PDR. The assumptions for the financial projection include those set forth in the Company's business operation, capital expenditure plan as well as financing structure together with the other relevant information stipulated in related agreements e.g. PPA and long-term credit facilities agreement with financial institutions and so on.

Moreover, hydro power plant has a specifically unique characteristic in that there is no fuel supply for energy production, notwithstanding hydro as main supply to turbine the power for energy production. One of the critical assumptions affecting the Company performance is the amount of precipitation. Therefore, the Independent Financial Advisor and the Independent Technical Advisor, Team Consulting

Engineering and Management Company Limited, has been appointed to evaluate and justify the rainfall amount near the power plant if it is sufficient for energy production. The Independent Technical Advisor also provides the opinion for the required fixed and variable operating and maintenance expenses and additional capital expense as necessary in such a way that operating assets can be used over the concession period from the Government of Lao PDR and the EGAT PPA.

The key assumptions employed on the financial projection are illustrated as follows:

1) Macroeconomic Variable Assumptions consist of:

- 1.1) Thai Inflation Rate (THB CPI)
- 1.2) US Inflation Rate (USD CPI)
- 1.3) Exchange Rate: THB/USD
- 1.4) Interest Rate: MLR
- 1.5) Interest Rate: LIBOR - 6 month

	2008	2009	2010	2011	2012	2013	2014-2029
Interest Rate							
- MLR	7.40%	7.40%	7.40%	7.00%	7.00%	7.00%	7.00%
- LIBOR – 6 month	3.50%	3.50%	4.50%	4.30%	4.30%	4.30%	4.30%
Exchange Rate							
- THB/USD	31.50	31.00	31.00	31.00	31.00	31.00	31.00
Inflation Rate							
- US	4.10%	2.70%	2.30%	2.40%	2.20%	2.00%	2.00%
- Thai	7.00%	3.40%	3.00%	3.20%	3.20%	3.30%	3.40%

Source: CIMB Group Research, CIMB-GK estimate

2) Revenue Assumptions

The Company's revenue derives from the electricity sales comprising:

- 2.1) Electricity Sales to EGAT
- 2.2) Electricity Sales to EDL

2.1) Electricity Sales to EGAT (Energy Payment)

According to the EGAT PPA, EGAT makes payment to the Company in terms of energy payment both USD currency (USD/kWh) and THB currency (THB/kWh) indexation to the change in foreign exchange rate (USD/THB), THB CPI and USD CPI for each year compared to exchange rate, THB CPI and USD CPI in the base year.

2.2) Electricity Sales to EDL

EDL offers energy payment to the Company with the basis of 92% of the price payable by EGAT pursuant to the EGAT PPA.

3) Energy Production Assumption

In accordance with the report provided by the Independent Technical Advisor, the mean annual rainfall at Lab rain gauge in 1995 – 2007 was approximately 2,251 mm while the long term averaged at Lab rain gauge in 1952 – 1994 was approximately 2,272 mm. Taking cognizance of the estimated annual rainfall, the net energy for sale to EGAT after netting off 1.1% transmission loss and EDL and auxiliary load is appropriately 456.5 GWh. (Please see the detail from Team Consulting Engineering and Management Company Limited in Attachment 1)

The calculation of net energy output (NEO) for selling to EGAT can be illustrated as follows:

Averaged yearly energy production from plant	470.0	GWh
<u>Less</u> Net energy for selling to EDL and auxiliary load in the plant	<u>8.4</u>	GWh
Energy selling to EGAT	461.6	GWh
<u>Less</u> 1.1% Transmission Loss	<u>5.1</u>	GWh
Net energy for selling to EGAT	<u>456.5</u>	GWh

The Net Energy Output for selling to EGAT employs 420 GWh in 2008 which are considered the runoff of rainfall in the end of 2007 and 456 GWh in 2009 – 2029.

4) Cost of Sales Assumption

The Company's cost of sales consist of Royalty fee, Operating and Maintenance expense, Insurance expense and Depreciation.

4.1) Royalty Fee

In consideration for the grant and issuance to the Company of all rights, leases, permits and other benefits granted under the Build, Operate and Transfer Agreement (BOT), the Company shall pay to the Government of Lao PDR for each quarter in the basis of:

- At the rate of 3.15% of electricity sale in Thai Baht, US Dollars and Kip for the first seven commercial years (1999 – 2005)
- At the rate of 7.20% of electricity sale in Thai Baht, US Dollars and Kip in 2006 - 2029

4.2) Operating and Maintenance Expense

Operating and Maintenance Expense consists of:

- Fixed operating and maintenance expense: Labor cost, Training, Welfare, Electricity, Water and Rental expense. The Company's fixed operating and maintenance expense in 2008 is set to be USD 1.08 million attributable to the forecast from Team Consulting Engineering and Management Company Limited, the independent technical advisor. For the projected year 2009 – 2029, these expenses will be used as a base amount and will be adjusted by the US inflation rate from time to time. Compared to the historical year between 2006 and 2007, the percentage change was 1.70%, which was in line with the historical US inflation rate.
- Additional capital expenses: the expenses arising from the change in operating assets to retain in good condition and ready to use over the period of the concession from the Government of Lao PDR and the EGAT PPA. The below figures are derived from the forecast of Team Consulting Engineering and Management Company Limited, the independent technical advisor.

Year	Additional capital expenses (USD)
31/12/2008	610,000
31/12/2009	800,000
31/12/2011	130,000
31/12/2015	1,500,000
31/12/2018	48,000
31/12/2020	48,000
31/12/2025	1,500,000

The above figures are based on the planned outage that mainly consists of the two turbines which excludes the unplanned outage. From the view of the Independent Technical Advisor, the unplanned outage will not significantly affect the company's performance.

4.3) Insurance Expense

The Company has insured its assets under property damage insurance policies that cover on an all-risks basis for any physical loss or damage to its property, machine and equipment and business interruption insurance with Royal & Sun Alliance Insurance Plc. (Singapore Branch). The Company's insurance expense as of December 31, 2008 is approximately USD 0.31 million representing the fixed cost. Therefore, the insurance expenses in 2009 – 2029 will equate to the Company insurance expense in 2007 accordingly.

4.4) Depreciation

The Company depreciation is based on a straight line basis: 30 years for power plant and improvement and 5 years for equipment.

5) Selling General and Administration Expenses

The Selling General and Administration Expenses comprise

5.1) Salary, Bonus, Travelling and Training - using the Company 2007 figure as a base year and adjust by the US inflation rate from time to time.

5.2) Depreciation - The Company's depreciation is based on a straight line basis: 5 years for office equipment and 3 years for vehicles.

6) Interest Expense

Interest Expense is a financial cost arising from entering into long-term loan agreement with financial institutions in terms of US currency and THB currency. The Company shall pay LIBOR + Margin for the US denominated loans and MLR + Margin for the THB denominated loans in accordance with each respective credit line.

7) Corporate Income Tax

Pursuant to a Supplemental Agreement of the Build Operate and Transfer (BOT) dated on December 18, 2001, the Company shall receive tax exemption from the Government of Lao PDR for the first 5 years from 1999 to 2004 and shall be subject to tax applied on net income at 3.45% from 2005 to 2011, 6.45% from 2012 to 2013 and 15.00% from 2014 to 2029. Losses occurred during the period can be carried forward up to 3 years from 2013. The detail of its corporate income tax can be exhibited as follows:

Year	Corporate Tax Rate	Tax Exemption Rate	The Corporate Tax Rate	Company Corporate Tax Rate
1999 - 2004	15.00%	100.00%	0.00%	
2005 – 2011	15.00%	77.00%	3.45%	
2012 – 2013	15.00%	57.00%	6.45%	
2014 -2029	15.00%	0.00%	15.00%	

8) Source of Funds

The sources of fund of the Company consist of long-term loans from financial institutions, EPC Claim and shareholder equity which can be entailed as set out below:

8.1) Long-term Loans

The Company entered in to long-term loan agreement with the financial institutions under Common Terms Agreement dated on December 18, 2002, Long-term Agreement dated of December 18, 2002 and Supplement Long-term Agreement dated on December 27, 2007. The details of long-term loans are as follows:

Tranch		Credit Amount	Outstanding Loans as of December 31, 2007	Interest Rate	Repayment Period
Tranch A	(Million Baht)	1,200.00	810.00	MLR + Margin	} Making payment the outstanding loans as of December 31, 2007 within 24 installments, semiannually from December 31, 2007
Tranch B1	(Million USD)	30.00	20.25	LIBOR Margin	
Tranch B2	(Million USD)	18.00	12.15	LIBOR Margin	
Tranch B3	(Million USD)	20.00	20.00	LIBOR Margin	

8.2) EPC Claim

EPC Claim is the Company investment cost of construction and equipment. Construction of the Company power plant project was carried by Daewoo E&C, Korea under the Engineering Procurement & Construction Contract. HOUAY-HO POWER completed construction and commenced operation in 1999.

In 2001, SUEZ-TRACTEBEL has acquired the ordinary shares from Daewoo E&C group, Korea and Loxley Thailand. The Company signed an Engineering Services for Technical Assistance Agreement on August 1, 2002 with Coyne Et Bellier, an affiliated company with SUEZ TRACTEBEL, to act as advisor and consultant in technical matters relating to the operating of the Hydro power plant with a term of 12 years from August 1, 2002. After the acquisition of the Company by SUEZ-TRACTEBEL, SUEZ-TRACTEBEL is a financial and investment supporter of the Company. The Company continuously repaid the EPC claim to SUEZ-TRACTEBEL in the percentage of 70% of cash flow from operating activities after long-term loan repayment and pre-agreed dividend (13% of initial issued and paid-up capital).

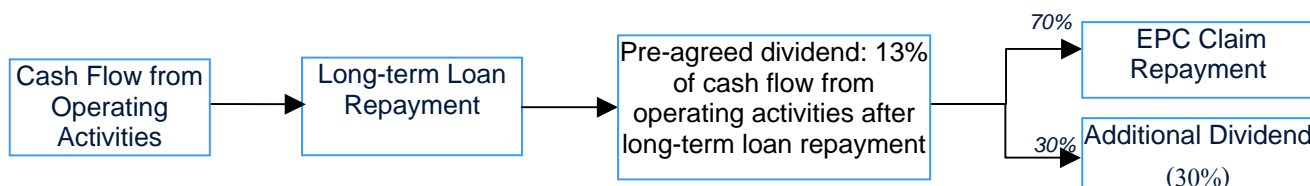
For this acquisition by GLOW, SUEZ-TRACTEBEL is a financial and investment supporter of the Company. The Company has obligation to repay the EPC claim to SUEZ-TRACTEBEL in the percentage of 70% of cash flow from operating activities after long-term loan repayment and pre-agreed dividend (13% of initial issued and paid-up capital) and has no interest payment of EPC claim until 2014. The interest rate of EPC claim will be 12% in 2015-2029. The outstanding EPC claim as of December 31, 2007 was approximately USD 63.04 million.

8.3) Shareholder Equity

As of December 31, 2007, the Company's issued and paid-up capital is approximately USD 50.0 million consisting of 500,000 ordinary shares with a par value of USD 100 per share. The return of shareholder equity can be shown as follows:

- Pre-agreed dividend: 13% of cash flow from operating activities after long-term loan repayment
- Additional dividend: 30% of cash flow from operating activities after long-term loan repayment and pre-agreed dividend.

Cash Waterfall



In the aftermath of the transaction, GLOW has insured political risk insurance to mitigate the risks. In case of exposing to the political risk, GLOW can claim from the insurer in the proportion of 90% of the book value of equity at each of fiscal year in which GLOW has invested. This political risk insurance covers:

- Risks from inconvertibility or transfer restriction
- Risks from expropriation
- Risks from war and civil disturbance
- Risks from breach of contact

In conclusion, under our circumstances aforementioned, to determine the value of equity by the FCFE method, the value of equity is derived cash flow from operating activities after the followings:

- Long-term Loan Repayment from financial institutions
- EPC Claim Repayment
- Payment of Political Risk Insurance in which GLOW will make direct payment for this insurance.

9) Discount Rate Assumption

To determine the share valuation by FCFE, FCFE is discounted by Cost of Equity (Ke) as a discount rate.

The cost of equity to be used to discount free cash flow to equity can be estimated using the Capital Asset Pricing Model (CAPM) as shown below:

Cost of Equity (Ke)	=	$R_f + (R_m - R_f) * \text{Beta}$
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Where:

Variable	Description	HOUAY-HO POWER Project
Rf	Risk Free Rate: Employed 10 years government bond yield as of (September 22, 2008) We employ 10 years government bond as the proxy of Rf since government bond is relative low risk instrument and it is the longest government bond with sufficient liquidity which is reflect the return expectation from investors.	4.75%
Rm	Market return: Calculated from average SET Index's return 20 years (1988 to 2007) which cover the stock market index cycle both in the significant up trend and significant down trend.	13.7%
Beta	The correlation coefficient of the return on a stock to the return on the market portfolio. Calculated from average adjusted beta of Thai power industry companies including GLOW, RATCH and EGCO - This information is from Bloomberg as of (September 22, 2008) We employ average Adjusted Leverage Beta of comparable companies as the proxy of Beta	0.72

The Report of Opinion of Independent Financial Advisor
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	calculation since such proxy reflect industry risk and reflect the appropriate capital structure of the company in the industry. In addition, employing project capital structure in Beta calculation could be constraint as the project have limited life. Hence, employing one capital structure ratio to represent the project does not appropriate.	
Ke	$Ke = R_f + (R_m - R_f) * \text{Beta}$ $= 4.75 + (13.7 - 4.75) * 0.72$	11.10%

Furthermore, to estimate the cost of equity of cross-border acquisition outside Thailand notwithstanding using the Thai CAPM as base calculation, it is typically recommended to adjust the modified cost of equity using CAPM with the country risk premium which is normally in the region of 1% - 2%. Nevertheless, after the completion of the transaction, GLOW will enter into the political risk insurance agreement to mitigate the risks. In case of exposing to the political risk, GLOW is entitled to claim from the insurer in the proportion of 90% of the book value of equity value. With such insurance protection, the calculated cost of equity is not essential to adjust. Moreover, the Company has entered into the EGAT PPA over the period of 30 years. Therefore, the GLOW ENERGY's shareholder has virtually no off-take risk from electricity sale and thus no market risk.

From the assumptions depicted above, the value of equity before doing political risk insurance is USD 73.63 million (Baht 2,499.08 million). Since the company will acquire the strategic portion up to 67.25% stake in the Company, the purchase consideration before doing political risk insurance will be USD 49.52 million (Baht 1,680.76 million) and the purchase consideration after doing political risk insurance will be equivalent to USD 46.41 million (Baht 1,575.20 million) which is the value of equity in 2008 – 2029 and take account of the interim dividend payment from January 2008 until December 2008.

Nonetheless, since the calculated value of equity chiefly relies on several key underlying assumptions, the sensitivity analysis has been conducted to gauge how sensitive the fair value will be to each respective assumption. In this regard, the Independent Financial Advisor has analyzed the valuation of sensitivity analysis to the following factors:

Factor	Increase/Decrease	Fair Value (million USD)	(million Baht)
1. Cost of Equity (Ke)	+/- 5%	44.47-48.50	1,590.36-1,646.14
2. Exchange Rate	+/-5%	45.67-47.23	1,550.09-1,603.03
3. Thai Inflation Rate	+/-5%	46.28-46.54	1,570.79-1,579.61
4. US Inflation Rate	+/-5%	46.17-46.66	1,567.06-1,583.69
5. Interest Rate: MLR	+/-0.5%	46.39-46.43	1,472.70-1,575.88
6. Interest Rate: LIBOR	+/-0.5%	46.39-46.43	1,472.70-1,575.88
7. Runoff for energy production	+/-5%	42.29-50.46	1,435.36-1,712.66
8. Operating Expense	+/-5%	46.08-46.74	1,564.00-1,586.40
9. Additional Capital Expense	+/-5%	46.35-46.47	1,573.17-1,577.24

From above table, it is reckoned that factors affecting the Company's fair value appeared to be change in runoff for energy production, cost of equity and exchange rate. Taking into account the sensitivity ranges for these factors by increasing/ decreasing 5% of runoff for energy production, the appropriate equity value for the 67.25% interest in the Company that GLOW will acquire lies in the range of USD 42.29-50.46 million (Baht 1,435.36-1,712.66 million).

Moreover, evaluating the fair value to get more updated rainfall data and EGAT energy production has utilized the rainfall amount between January and October for forecasting the energy production because November and December have a lower rainfall amount. The highest rainfall month of every year is between July and October which is the most important factor for the 2008-2009 EGAT energy production

forecast. Moreover, the purchasing value accounts for the remaining reservoir water level at the end of 2007.

However, if the rainfall during January – October 2008 is less than 20% from the average yearly rainfall in 1995 – 2007 approximately 2,251 mm., the fair value of HOUAY-HO POWER in the portion of 67.25% of its issued and paid-up capital is USD 43.21 million (Baht 1,466.59 million).

2. Book Value Approach

Book value approach is the share valuation method from book value of shareholder equity. This method does not take into account for the specific characteristics, future performance and cash flow, factors potentially affecting the future operation, related risks and return on equity; therefore, the calculated value of equity with this methodology will be misleading.

Nevertheless, the book value of the Company as of June 30, 2008 is USD 52.33 million (Baht 1,776.13 million). The equity value for the 67.25% interest in the Company that GLOW will acquire is USD 35.19 million (Baht 1,194.38 million).

3. Market Comparables Approach

Based on the premise that financial ratios of similar companies should converge to the same level, this valuation approach is based on the availability of comparable companies in the stock market that have similar operation and characteristics to those of a target firm being valued. This easy-to-understand method is generally used to value stocks.

Furthermore, the Independent Financial Advisor calculates the value of equity by the market comparables approach in order to independently validate the value of equity from this method and using it as the multiple cross-checks with the FCFE value and acquisition price and which will be summarized in the Conclusion Section.

However, the market comparable has several limitations since this method disregard the future performance and cash flow-generating capacity and is commonly used to view as the short-term investment. Moreover, it is difficult to justify the direct comparable companies listed in the Stock Exchange of Thailand (SET) provided that the Company operates in the hydro power plant business whilst most of power plants in Thailand are coal-fired based power plant or natural gas-based power plant. For the overseas listed companies, although there are similar characteristics, in large extent it has restrictions in different paradigm of PPA which may result in varied revenue structure coupled with different accounting policies employed. Therefore, the calculated value of equity based on this method will be largely misleading.

To determine the value of equity by the market comparables approach, a number of power-generating companies that have similar businesses to the Company including RATCH, EGCO and GLOW ENERGY have been used.

Since 3 comparable companies have same off-taker as the Company's, all of which entered into the EGAT PPA to supply electricity to EGAT with long-term contract of up to 25-30 concession years.

3.1 Price to Earnings Ratio Approach

The below table summarizes the price to earnings ratio of the comparable companies as of September 22, 2008.

Comparable Companies	Bloomberg tk	Countries	P/E Ratio
- EGCO	EGCO TB Equity	Thailand	4.52
- RATCH	RATCH TB Equity	Thailand	7.78
- GLOW ENERGY	GLOW TB Equity	Thailand	10.21
Average			7.50

Source: Bloomberg

To determine the value of equity with the price to earnings ratio approach, the value of equity is a function of average P/E ratio and the company's Earnings in 2008. The calculated value of equity is as follows:

	<i>(million USD)</i>	<i>(million Baht)</i>
2008 Earnings	9.34	315.66
- Value of equity	70.07	2,378.25
- Value of equity - 67.25%	47.12	1,599.30

The calculated value of equity from this method for the 67.25% interest in the Company that GLOW will acquire is USD 47.12 million (Baht 1,599.30 million) which disregard for future performance and cash flow as well as the main drawback that solely rely on the performance of single specific period which may deviate from the earning power from the remaining of the concession period; for example the 2008, earning per share does not reflect to the EPC interest that the Company will commence burdening interest expense in 2015. Furthermore, the comparable companies are not a hydro power plant as The Company's revenue structure differs from those in the coal fired-base power plant and natural gas-based power plant which are the comparable companies. For the coal fired-base power plant and natural gas-based power plant, EGAT makes payment in terms of availability payment (AP) which covers their fixed cost including financial cost whereas energy payment (EP) covers their variable cost of electricity production including variable O&M. The ensuing result will result in higher revenue and net profit in the first-stage period. For the Company hydro power plant, EGAT makes payment to the Company only for energy payment (no capacity payment) As such, the calculated value of equity will be overestimated or vice versa. Therefore, this approach is deemed inappropriate for assessing the fair value of the Company equity.

3.2 Price to Book Value Ratio Approach

The below table summarizes the price to book value ratio of the comparable companies as of September 22, 2008.

Comparable Companies	Bloomberg tk	Countries	P/BV Ratio
- EGCO	EGCO TB Equity	Thailand	0.75
- RATCH	RATCH TB Equity	Thailand	1.30
- GLOW ENERGY	GLOW TB Equity	Thailand	1.44
Average			1.16

Source: Bloomberg

To determine the value of equity with the price to book value ratio approach, the value of equity is the function of the average P/BV ratio and the Company's book value on June 30, 2008. The calculated value of equity is as follows:

	<i>(million USD)</i>	<i>(million Baht)</i>
Book value per share as of June 30, 2008	104.65	3,351.93
- Value of equity	121.69	4,130.28
- Value of equity - 67.25%	81.84	2,777.73

The calculated value of equity from this method for the 67.25% interest in the Company that GLOW will acquire is USD 81.84 million (Baht 2,777.73 million) which is largely misleading in that the comparable companies have a number of multiple power plant projects, so the investors normally have expectation on higher revenue growth and return on equity (ROE) while the Company has only single project in Lao PDR with the finite period. This will result in the overstated valuation suggested by those comparable companies i.e. higher P/BV than the Company. Therefore, the ensuing fair value is considered as inappropriate approach to be used to assess the fair value of the Company equity.

3.3 Enterprise Value to Earnings before Depreciation, Interest Expense and Tax Ratio Approach

The below table summarizes the enterprise value to earnings before depreciation, interest expense and tax ratio of the comparable companies as of September 22, 2008.

Comparable Companies	Bloomberg tk	Countries	EV/EBITDA Ratio
- EGCO	EGCO TB Equity	Thailand	7.13
- RATCH	RATCH TB Equity	Thailand	8.55
- GLOW ENERGY	GLOW TB Equity	Thailand	7.05
Average			7.57

Source: Bloomberg

To determine the value of equity with the enterprise value to earnings before depreciation, interest expense and tax ratio, the value of equity is the function of the average EV/EBITDA ratio from its peers and the Company's EBITDA in 2008. The calculated value of equity can be shown as follows:

	(million USD)	(million Baht)
2008 EBITDA	17.04	578.35
- Value of firm	129.03	4,379.41
Less Long-term Loan	68.09	2,311.04
Less Fair Value of EPC Claim	33.89	1,150.26
Add 2007 Cash after dividend payment in January – July 2008	4.58	155.45
- Value of equity	31.62	1,073.21
- Value of equity - 67.25%	21.27	721.93

The calculated value of equity from this method for the 67.25% interest in the Company that GLOW will acquire is USD 21.27 million (Baht 721.93 million) which turns out to be misjudged as a result of the differences in the comparable companies in respect of the types of power plant. While the hydro power plant has a constant EV/EBITDA ratio, the comparable companies have a cyclical EV/EBITDA ratio depending upon the stage of the plant. Gas-fired and coal-fired power plant's EBITDA tend to be higher during the first-stage period and vice versa as EGAT makes higher availability payment to cover a fixed cost and a financial cost. Furthermore, this method also disregards its future performance and cash flow. Therefore, the calculated value for the 67.25% interest in the Company is largely underestimated and is considered as inappropriate approach to be used to assess the fair value of the Company equity.

3.4 Enterprise Value to Capacity (MW) Ratio Approach

The below table summarizes the enterprise value to capacity ratio of the comparable companies as of September 22, 2008.

Comparable Companies	Bloomberg tk	Countries	EV/MW Ratio
- EGCO	EGCO TB Equity	Thailand	0.80
- RATCH	RATCH TB Equity	Thailand	0.59
- GLOW ENERGY	GLOW TB Equity	Thailand	1.23
Average			0.87

To determine the value of equity with the enterprise value to capacity ratio, the value of equity is the function of the average EV/MW ratio and the Company capacity (MW) in 2008. The calculated value of equity is as follows:

	152 (million USD)	152 (million Baht)
- Value of firm	132.70	4,503.97
Less Long-term Loan	68.09	2,311.04
Less Fair Value of EPC Claim	33.89	1,150.26
Add 2007 Cash after dividend payment in January – July	4.58	155.45

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- Value of equity	35.29	1,197.78
- Value of equity - 67.25%	23.73	805.42

The calculated value of equity from this method for the 67.25% interest in the Company that GLOW will acquire is USD 23.73 million (Baht 805.42 million) which is virtually underestimated because of the differences in the comparable companies in terms of the types of power plant. The Company hydro power plant is hydro-related Independent Power Producer (IPP) whereas the comparable companies are as follows:

- GLOW ENERGY – most GLOW ENERGY power plants are SPP and GLOW ENERGY also has revenue from selling stream that is by-product from electricity production.
- EGCO – some of EGCO power plants are SPP.
- RATCH – RATCH has revenue from sales of Alcohol.

In addition, taking cognizance of the condition of the power plant, the usage life of our hydro power plant has aged merely 10 years whilst some comparable plants have recently been established and constructed. As such, with the differences in raw material supply to produce energy, the ensuing fair value based on this method tends to be inappropriate.

To determine the value of equity from this method for the 67.25% interest in the Company that GLOW will acquire, the Independent Financial Advisor uses three generally accepted methods as follows:

1. Free Cash Flow to Equity Approach (FCFE)
2. Book Value Approach
3. Market Comparables Approach - P/E Ratio, P/BV Ratio, EV/EBITDA Ratio and EV/MW Ratio

The calculated value of equity for the 67.25% interest in the Company that GLOW will acquire is as follows:

Approach	Value of Equity – Higher (Lower) Acquisition Price (%)		Reasonableness	View of Independent Financial Advisors
	(million USD)	(million Baht)		
1. Free Cash Flow to Equity (FCFE)	46.41	1,575.20	3.73	Reasonableness - Taking into account for a specific characteristic, future performance and cash flow, factors to be affected to future operation and related risks
2. Book Value Approach	35.19	1,194.38	(21.35)	Limitation - No consideration into a specific characteristic - No consideration into future performance and cash flow
3. Market Comparables Approach				
- P/E Ratio	47.12	1,599.30	5.32	Limitation - Difference in revenue structure - No consideration into a specific characteristic - No consideration into future performance and

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Approach	Value of Equity – Higher (Lower) Acquisition Price (%)		Reason-ables	View of Independent Financial Advisor
	67.25% interest (million USD)	(million Baht)		
- P/BV Ratio	81.84	2,777.73	82.92	Limitation – cash flow Difference in investment structure of each company – No consideration into a specific characteristic – No consideration into future performance and cash flow
- EV/EBITDA Ratio	21.27	721.93	(52.46)	Limitation – Difference in revenue structure – No consideration into a specific characteristic – No consideration into future performance and cash flow
- EV/MW Ratio	23.73	805.642	(46.96)	Limitation – Difference in type of power plant – No consideration into a specific characteristic – No consideration into future performance and cash flow

From the table above, the various methodology using to evaluate the value of equity would have the different resulting value of equity because of the limitation of each approach mentioned the above.

Moreover, the Independent Financial Advisor has also utilized the market comparables to cross check with the acquisition price and our FCFE value to envisage how attractive the acquisition price and FCFE value are in respect of each respective market comparable. Nonetheless, the ensuing market comparable from those two values may not be appropriate as it is more suitable for the investment decision in short-term trading since it is easy to use. For the long-term strategic acquisition, the resultant market comparable may in small extent indicate the appropriateness of the investment. As such, the market comparable may not be sole determinant in which it disregards the future performance in long-term basis and its related risks. The comparison of the ensuing market comparables derived from each respective approach can be summarized as follows:

Approach	Price	Price Range	Multiple (Cross Check)		
			P/E	P/BV	EV/EBITDA
Acquisition Value	44.74	44.74	4.79	0.43	9.81
Discounted Cash Flow Approach	46.41	42.29-50.46	4.53-5.40	0.40-0.48	9.41-10.12
Book Value Approach	35.19	35.19	3.77	0.34	8.93

In summary, the fair value of acquiring HOUAY-HO POWER in portion of 67.25% of its issued and paid-up capital from STOPPER and SUEZ-ENERGY ASIA, subsidiary companies of SUEZ-TRACTEBEL, is USD42.27-

50.46 million (Baht 1,435.36-1,712.66 million)* in which the Independent Financial Advisor deemed as appropriate value range taking into account of by increasing/ decreasing 5% of runoff for energy production compared to the average yearly rainfall in 1995 – 2007 approximately 2,251 mm per year. The most factor of hydro power business is the change of rainfall amount. Therefore, the most appropriate value is the value range which reflects the increasing/ decreasing 5% of runoff for energy production compared to the transaction value at USD44.74 million (Baht 1,518.52 million). The appropriate value is determined by the free cash flow to equity method in that it takes into account of related specific characteristics of the Company including the efficiency in operation, revenue structure, medium to long-term financial performance and cash flow available as well as other factors potentially affecting the Company's performance such as macroeconomics factor and etc. Furthermore, the factors affecting the Company's fair value the most appeared to be change in cost of equity and exchange rate. Taking into account the sensitivity ranges for these factors by increasing/ decreasing 5% of cost of equity and increasing/ decreasing 5% of exchange rate, the appropriate equity value for the 67.25% interest in the Company that GLOW will acquire lies in the range of USD 44.47-48.50 million (Baht 1,590.36 -1,646.14 million)* and USD 45.67-47.23 million (Baht 1,550.09-1,603.03 million)*, respectively.

Moreover, evaluating the fair value to get more updated rainfall data and EGAT energy production has utilized the rainfall amount between January and October for forecasting the energy production because November and December have a lower rainfall amount. The highest rainfall month of every year is between July and October which is the most important factor for the 2008-2009 EGAT energy production forecast. Moreover, the purchasing value accounts for the remaining reservoir water level at the end of 2007.

However, if the rainfall during January – October 2008 is less than 20% from the average yearly rainfall in 1995 – 2007 approximately 2,251 mm., the fair value of HOUAY-HO POWER in the portion of 67.25% of its issued and paid-up capital is USD 43.21 million (Baht 1,466.59 million) which is a range of the appropriate value.

Therefore, if the rainfall amount in 2008 is less than the forecasted rainfall, the purchasing value may be changed depending on the opinion of GLOW Energy board of director. The final purchasing value will be adjusted by the actual rainfall during January – October of 2008 to reflect to the actual rainfall of 2007 and January – October 2008. However, the purchasing value should not be more than USD 44.74 million (Baht 1,518.52 million).

Remarks: Exchange rate as of September 22,, 2008, USD 1 = Baht 33.9410

Part 5

Opinion of the Independent Financial Advisor to the Voting of Shareholders

It is the view of the Independent Financial Advisor that the transaction of acquiring directly and indirectly of 67.25 % of issued and paid-up capital of HOUAY-HO POWER, taking into account the rationale behind the transaction, this transaction will be advantage to GLOW ENERGY and the shareholders of GLOW ENERGY because of the following reasons:

- To increase the capacity of production and to increase the market share of GLOW ENERGY group in the business of electricity producer and distribution in Thailand
- To expand the investment to the hydro power plant which is one of the magnificent alternatives for electricity producer since the hydro power plant generates the lower cost compared with the other coal-fired or natural gas power plants.
- To increase the competitive strength in the bidding with the Government of Lao PDR in the future from their experience in the hydro power plant.
- To find the business opportunity in the power plant in the Lao PDR
- To invest in the fully completed hydro power plant that presently is a producer and distributor of the electricity to EGAT. Thus, this project is considered having no risk in the initial operation stage and GLOW will be able to recognize the revenue from the investment in HOUAY-HO POWER instantly.
- To utilize the transmission line of the project for other future power plant projects in the Lao PDR that GLOW ENERGY may have an opportunity of more business. This transmission line is from the Lao PDR to Ubon Ratchatani, Thailand.
- To contribute the revenue growth and to increase the return on the investment to GLOW ENERGY group

This acquisition is considered minimal risk since HOUAY-HO POWER is the company currently in operation which has the stable income over the concession period, including no risk at the pre-operating stage or the delay from construction. However, to enter into this acquiring transaction may create the financial risk to GLOW ENERGY since the funding for this transaction will be the borrowing from financial institutions, including the bond issuance which is 50% of total transaction value approximately USD 22.37 million or Baht 759.26 million.

Moreover, hydro power plant has a specifically unique characteristic in that there is no fuel supply for energy production, notwithstanding hydro as main supply to turbine the power for energy production. One of the critical assumptions affecting the Company performance is the amount of precipitation. Therefore, the Independent Financial Advisor and the Independent Technical Advisor, Team Consulting Engineering and Management Company Limited, has been appointed to evaluate and justify the rainfall amount if it is sufficient for energy production. The Independent Technical Advisor also provides the opinion for the required fixed and variable operating and maintenance expenses and additional capital expense as necessary in such a way that operating assets can be used over the concession period from the Government of Lao PDR and the EGAT PPA.

The Independent Technical Advisor's rainfall gauging in the neighboring area of the project is consistent with the historical mean annual rainfall from 1995 – 2007 which was the actual data of approximately 2,251 mn. while the long term averaged at Lab rain gauge analyzed from the simulation in the revised hydrology study from 1952 – 1995 was approximately 2,272 mm. This results the remaining energy production, after deducting the transmission loss of 1.1% and its station use and auxiliary load, was about 456.5 GWh. Even though, the mean of actual annual rainfall record from 1995 – 2007 is lower than the mean of simulated annual rainfall from 1952 – 1995, the net energy for selling to EGAT was about 456.5 GWh since HOUAY-HO POWER has the reservoir full supply level (FSL) is at 883 m. above sea level and as of July, HOUAY-HO POWER will reserve minimum operating level at 861 m. above sea level in order to make enough production in each year. In July 2008, the water level in the reservoir is at 869.4 m. above sea level.

However, the end of 2007, the rainfall left from the production was lower than past years. Therefore, the Independent Financial Advisor conservatively forecasts net electricity sells to EGAT is 420 GWH in 2008 and 456 GWH in 2009 – 2029, respectively.

The operating and maintenance plan is based on “planned outages” that mainly consist in reviewing the two turbines alternatively for light renovations. This operating and maintenance expenses do not cover the unplanned outages. However, the other expenses are the unplanned outage maintenance occurred have not much affected to HOUAY-HO POWER.

In summary, the fair value of acquiring HOUAY-HO POWER in portion of 67.25% of its issued and paid-up capital from STOPPER and SUEZ-ENERGY ASIA, subsidiary companies of SUEZ-TRACTEBEL, is USD42.27-50.46 million (Baht 1,435.36-1,712.66 million)* in which the Independent Financial Advisor deemed as appropriate value range taking into account of by increasing/ decreasing 5% of runoff for energy production compared to the average yearly rainfall in 1995 – 2007 approximately 2,251 mm per year. The most factor of hydro power business is the change of rainfall amount. Therefore, the most appropriate value is the value range which reflects the increasing/ decreasing 5% of runoff for energy production compared to the transaction value at USD44.74 million (Baht 1,518.52 million). The appropriate value is determined by the free cash flow to equity method in that it takes into account of related specific characteristics of the Company including the efficiency in operation, revenue structure, medium to long-term financial performance and cash flow available as well as other factors potentially affecting the Company's performance such as macroeconomics factor and etc. Furthermore, the factors affecting the Company's fair value the most appeared to be change in cost of equity and exchange rate. Taking into account the sensitivity ranges for these factors by increasing/ decreasing 5% of cost of equity and increasing/ decreasing 5% of exchange rate, the appropriate equity value for the 67.25% interest in the Company that GLOW will acquire lies in the range of USD 44.47-48.50 million (Baht 1,590.36 -1,646.14 million)* and USD 45.67-47.23 million (Baht 1,550.09-1,603.03 million)*, respectively.

Moreover, evaluating the fair value to get more updated rainfall data and EGAT energy production has utilized the rainfall amount between January and October for forecasting the energy production because November and December have a lower rainfall amount. The highest rainfall month of every year is between July and October which is the most important factor for the 2008-2009 EGAT energy production forecast. Moreover, the purchasing value accounts for the remaining reservoir water level at the end of 2007.

However, if the rainfall during January – October 2008 is less than 20% from the average yearly rainfall in 1995 – 2007 approximately 2,251 mm., the fair value of HOUAY-HO POWER in the portion of 67.25% of its issued and paid-up capital is USD 43.21 million (Baht 1,466.59 million) which is a range of the appropriate value.

Therefore, if the rainfall amount in 2008 is less than the forecasted rainfall, the purchasing value may be changed depending on the opinion of GLOW Energy board of director. The final purchasing value will be adjusted by the actual rainfall during January – October of 2008 to reflect to the actual rainfall of 2007 and January – October 2008. However, the purchasing value should not be more than USD 44.74 million (Baht 1,518.52 million).

In summary, it is the view of the Independent Financial Advisor that the transaction of acquiring directly and indirectly of 67.25% of HOUAY-HO POWER's issued and paid-up capital is reasonable and provides benefits to GLOW ENERGY and its shareholders, and the acquisition price is appropriate. Thus, shareholders should vote for the acquisition transaction.

Independent Financial Advisor's opinion for this transaction is based on the provided assumptions, list of shareholder and list of Board of Directors, including all relevant information provided by the company and preliminary study of the independent technical advisor which is Team Consulting Engineering and Management Company Limited, which are based on assumptions and financial projection. In case that such information or documents received or situations or assumptions are changed and have an adverse impact, this may affect our opinion regarding this transaction. We cannot verify the correctness of information if there is any significant change to the mentioned factors.

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CIMB-GK Securities (Thailand) Ltd. as the Independent Financial Advisor hereby certifies that in providing the above opinion, careful consideration was taken in accordance with professional standards for the interest of GLOW ENERGY's shareholders.

Remarks: Exchange rate as of September 22, 2008 USD 1 = Baht 33.9410