

30th January 2020

Mr. Renuke Wijeyawardhane
The Chief Regulatory Officer
Colombo Stock Exchange,
#04-01, West Block,
World Trade Center,
Echelon Square,
Colombo 01.

Dear Sir,

LAUGFS GAS PLC
CORPORATE DISCLOSURE – RELATED PARTY TRANSACTION

- I. Date of Transaction 29th January 2020
- II. Name of the relevant related Party:
SLOGAL Energy DMCC
- III. Relationship between the entity and related party:
SLOGAL Energy DMCC is a wholly owned subsidiary of LAUGFS Gas PLC.
- IV. Details of the Transaction:
Provide a Corporate Guarantee to People's Bank to the value of USD 26.5 million as security on behalf of SLOGAL Energy DMCC to obtain Banking facilities.
- V. Rational of entering into the Transaction:
 1. SLOGAL Energy DMCC is currently involved in trading of LPG on behalf of LAUGFS Gas PLC.
 2. SLOGAL Energy DMCC has already obtained banking facilities from People's Bank in order to cater and facilitate its trading activities, and with the expansion of trading activities of SLOGAL Energy DMCC in trading of LPG on behalf of Laugfs Gas PLC, for its operations in Sri Lanka and Bangladesh and also to other buyers in the international market, there is a requirement to renew and enhance the said banking facilities obtained.
 3. In order to facilitate the aforementioned renewal and enhancement of banking facilities of SLOGAL Energy DMCC, LAUGFS Gas PLC as the parent Company is required to provide a Corporate Guarantee to the value of USD 26.5 million as security.
 4. LAUGFS Gas PLC has no reason to believe that it will be called upon to make payment on the Corporate Guarantee as SLOGAL Energy DMCC will be having the requisite financial capacity to service the said banking facilities.
 5. The said banking facility has been obtained upon normal commercial terms and in the ordinary course of business from a local bank.
 6. The Board of Directors of Laugfs Gas PLC has resolved to grant the said Corporate Guarantee.

VI. The Related Party Transactions Review Committee of LAUGFS Gas PLC is of the view that the aforesaid transaction is on normal commercial terms, and is not prejudicial to the interests of the Entity and its minority shareholders, and the Related Party Transactions Review Committee is not obtaining an opinion from an independent expert prior to forming its view on the transaction.

VII. The aggregate value of the Related Party Transactions for the current financial year with SLOGAL Energy DMCC is Rs. 4,858,364,250 and the aggregate value of all Related Party Transactions of LAUGFS Gas PLC for the current financial year is Rs. 4,945,557,482.50.

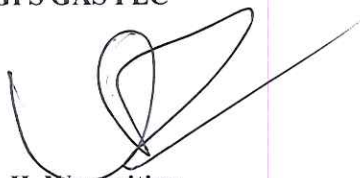
VIII. According to the latest Audited Financial Statements of LAUGFS Gas PLC, 10% of the Equity is Rs. 73,237,143 and 5% of the Total Assets is Rs. 1,636,637,739

This disclosure is made in accordance with Rule 9.3.1 of the Listing Rules of the Colombo Stock Exchange.

Thank you.

Yours faithfully,

LAUGFS GAS PLC

A handwritten signature in black ink, consisting of a large, stylized 'W' followed by a long horizontal stroke extending to the right.

W. K. H. Wegapitiya
Group Chairman